



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

For business meeting on December 16, 2016

Title	Agenda Item Type
Trial Courts: Quarterly Investment Report for Third Quarter of 2016	Information Only
Submitted by	Date of Report
Judicial Council staff Zlatko Theodorovic, Chief Financial Officer and Director, Budget Services	November 9, 2016
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Executive Summary

This *Trial Courts: Quarterly Investment Report for Third Quarter of 2016* covers the period of July 1, 2016, through September 30, 2016, and provides the financial results for the funds invested by the Judicial Council on behalf of the trial courts as part of the judicial branch treasury program. The report is submitted under agenda item 10, Resolutions Regarding Investment Activities for the Trial Courts, approved by the Judicial Council on February 27, 2004.

Previous Council Action

On February 27, 2004, the Judicial Council approved several resolutions on investment activities for the trial courts. The resolutions direct that the Judicial Council develop an investment program for the trial courts, name the director of the Judicial Council's Finance Division¹ as the treasurer of invested trial court funds, and authorize the investment of trial court funds into (1) the State of California's Local Agency Investment Fund (LAIF); (2) Bank of America, N.A., investment funds; or (3) other investments as approved by the Judicial Council's Administrative Director. They also provide for quarterly reporting of investment results by the director of the

¹ Effective October 1, 2012, the Judicial Council's Finance Division was renamed Fiscal Services and was part of the Judicial and Court Administrative Services Division. The office has since been renamed Budget Services and remains in the renamed Administrative Division.

Judicial Council’s Budget Services office to the Judicial Council, the Administrative Director, and the senior manager of the Judicial Council’s Audit Services office.²

On June 1, 2009, the Judicial Council’s Executive and Planning Committee, acting on behalf of the council, approved the investment of trial court monies in any share class of the two previously approved money market funds—the Bank of America Cash Reserves Fund (formerly Columbia Cash Reserves Fund) and the Bank of America Treasury Reserves Fund (formerly Columbia Treasury Reserves Fund)—and the addition of another money market fund, the Bank of America Government Reserves Fund (formerly Columbia Government Reserves Fund).

On July 11, 2016, the following three U.S. government money market funds were approved as additional eligible investments under the Administrative Director’s delegation of authority granted under the Resolutions Regarding Investment Activities for the Trial Courts: the BlackRock FedFund, the Morgan Stanley Institutional Liquidity Funds Treasury Portfolio, and the Morgan Stanley Institutional Liquidity Funds Government Portfolio. All three money market funds are registered with the Securities and Exchange Commission (SEC) under the federal Investment Company Act of 1940, operated in accordance with Commodity and Securities Exchanges, 17 Code of Federal Regulations section 270.2a-7, and are in the highest money market fund rating categories of two nationally recognized rating agencies: Standard & Poor’s and Moody’s.

Summary of Findings

Effective October 14, 2016, new SEC rules imposed liquidity fees, redemption gates, and floating net asset values on nongovernmental money market funds. To avoid these new SEC rules applying to the trial court investment balances in the nongovernmental BlackRock TempFund, the Judicial Council’s Trust and Treasury Unit of Budget Services moved balances for the trial court operations accounts to BlackRock’s FedFund governmental money market fund and balances for the trial court distribution and Uniform Civil Fee accounts to BlackRock’s T-Fund governmental money market fund after the close of business on September 27, 2016.

Funds held in the judicial branch treasury: total investment portfolio

As of the close of business on September 30, 2016, total investment balances held by the trial courts purchased from bank accounts—directly managed by the Judicial Council’s Trust and Treasury Unit—were as specified in Table 1.

For purposes of the table below, TempFund is the institutional share class of the BlackRock TempFund money market fund, FedFund is the institutional share class of the BlackRock FedFund money market fund, T-Fund is the institutional share class of the BlackRock T-Fund money market fund, and LAIF is the Local Agency Investment Fund.

² As of February 2013, the Judicial Council’s Audit Services office is no longer part of Finance (now Budget Services); it is now a separate office within the Leadership Services Division.

Table 1. Trial Court Investment Balances Managed by Judicial Council Budget Services

Investment Description	TempFund	FedFund	T-Fund	LAIF	Total
All dollar amounts reported in thousands (\$000)					
Section A, Book Values					
Beginning Balance–07/01/2016	\$123,063	\$0	\$164,363	\$153,308	\$440,734
Net Purchases/(Sales) ³	(123,174)	13,705	106,096	316,969	313,596
Interest Paid ⁴	111	0	100	313	524
Total Change	(123,063)	13,705	106,196	317,282	314,120
Ending Balance–09/30/2016	\$0	\$13,705	\$270,559	\$470,590	\$754,854
Section B, Fair Values–09/30/2016					
Ending Balance	\$0	\$13,705	\$270,559	\$470,734	\$754,998
Net Unrealized Gain/(Loss) in Fair Value ⁵	0	0	0	144	144
Ending Balance Plus Unpaid Interest Earned ⁶	\$0	\$13,705	\$270,559	\$471,246	\$755,510

³ “Net Purchases/(Sales)” is the net amount of court investment principal purchases and sales completed during the quarterly period.

⁴ “Interest Paid” is the total amount of interest paid to the investment account during the quarterly period and is included in the Ending Balance.

⁵ “Net Unrealized Gain/(Loss)” is the difference between the investment balance’s book value and its fair value at the end of the period. The net gain or loss is “unrealized” because the valuation at fair value is only for assets held by the fund at the end of the period. This net unrealized gain or loss would be “realized” (become an actual gain or loss) only in the event that all participants’ holdings in each portfolio were liquidated by the end of the period. Realized gains and losses are included in the average yield of the investment for the period.

⁶ “Ending Balance Plus Unpaid Interest Earned” is the ending balance at fair value plus interest earned that is unpaid as of the end of the period. This figure represents the liquidation value including unpaid interest earned only in the event all participants’ holdings in each portfolio were liquidated at the end of the period.

Table 1. Trial Court Investment Balances Managed by Judicial Council Budget Services (Cont.)

Investment Description (cont.)	TempFund	FedFund	T-Fund	LAIF	Total
All dollar amounts reported in thousands (\$000)					
Section C, Earnings and Statistics					
Interest Earned ⁷	\$111	\$0	\$100	\$512	\$723
Unpaid Interest Earned ⁸	\$0	\$0	\$0	\$512	\$512
Average Yield ⁹	0.38%	0.33%	0.22%	0.60%	0.46%
Dollar-Weighted Maturity (Days)	5	29	43	165	119
Credit Quality	Highest Rated ¹⁰	Highest Rated	Highest Rated	GC 16430 ¹¹	
Percentage of Investment Portfolio ¹²	0.00%	1.82%	35.84%	62.34%	100.00%

The ratio of each investment's fair value to its book value (Fair Value Factor) as of September 30, 2016, was as follows:

TempFund	1.000000000
FedFund	1.000000000
T-Fund	1.000000000
LAIF	1.000306032

The Fair Value Factor is 1.000 for TempFund, FedFund, and T-Fund because all holdings in TempFund, FedFund, and T-Fund are valued at fair value daily, and "fair value" is the price for all daily redemptions and reinvestment transactions. Because the LAIF's operating rules permit the redemption, at any time, of all or a portion of any participating court's LAIF balance at its original purchase price, the court's redemption price is not affected by unrealized gains or losses.

Section A of Table 1 provides the investment balances and activity for the period at book value or at original cost, plus or minus the straight-line amortization of any applicable discount or premium.

Section B provides the investment balances at their fair value at the end of the period. "Fair value" is defined as the value at which an asset could be bought or sold in a current transaction between willing parties, other than in a liquidation.

⁷ "Interest Earned" is the total amount of interest earned during the quarterly reporting period.

⁸ "Unpaid Interest Earned" is the amount of interest earned during the period that is unpaid as of the end of the quarterly reporting period.

⁹ "Average Yield" is the simple average of the 30-day yields for each calendar month during the period, including any realized gains and losses, net of the investment's operating expenses. The total average yield is a dollar-weighted average of the investment components.

¹⁰ "Highest Rated" signifies that the money market fund has received the highest rating category from a nationally recognized statistical rating organization. In this case two nationally recognized statistical rating organizations have rated the fund in the highest rating category of Aaa-mf by Moody's, and AAAM by Standard and Poor's.

¹¹ The LAIF may invest the fund money only in debt obligations as prescribed in Gov. Code (GC), § 16430.

¹² The portfolio balance percentages are calculated using the book values at the end of the quarterly period.

Section C provides the investment earnings, the dollar-weighted average maturity, the credit quality, and each investment’s percentage of the total investment portfolio. The investment balances presented in Table 1 include the combined balances of both trial court operating funds and agency funds.¹³

Investment portfolio components

TempFund. The TempFund is a money market fund registered with the SEC under the federal Investment Company Act of 1940 and operated in accordance with Commodity and Securities Exchanges, 17 Code of Federal Regulations section 270.2a-7. Investment purchases and redemptions of TempFund shares are transacted when Bank of America’s system reviews the account balance daily at 1:30 p.m. Pacific Standard Time and invests or returns funds as appropriate to maintain the bank account’s established target balance. A purchase transaction takes place if the cash balance in the account exceeds the target balance, and a redemption transaction takes place when the cash balance is less than the target balance.

In accordance with the aforementioned Code of Federal Regulations, the TempFund must maintain a dollar-weighted average maturity consistent with its objective of maintaining a stable net asset value per share, not to exceed 60 days, and must contain only first-tier money market debt obligations receiving a short-term rating from a nationally recognized statistical rating organization in the highest short-term rating category for debt obligations. The TempFund is in the highest fund-rating category of Aaa-mf by Moody’s and AAAM by Standard & Poor’s.

The TempFund invests only in high-quality money market instruments, which include domestic and foreign corporate obligations, domestic bank obligations, securities issued or guaranteed by the U.S. government or its agencies, and fully collateralized repurchase agreements. As of September 30, 2016, the TempFund portfolio composition was as shown in Table 2.

Table 2. TempFund Portfolio Composition as of September 30, 2016

High-Quality Instruments	Percentage of Portfolio
Non-negotiable time deposit	33.50
U.S. Treasury repurchase agreement	27.70
Other repurchase agreement	11.50
Certificate of deposit	11.00
Financial company commercial paper	7.50
Variable-rate demand note	4.40
Asset-backed commercial paper	3.70
U.S. government agency repurchase agreement	0.70

¹³ “Agency funds” are balances held in trust pending resolution of civil or criminal court proceedings, as well as funds held on behalf of state and local agencies before their statutory distribution. Agency funds include the following categories: civil trust; criminal bail trust; uniform civil fees; and criminal fines, fees, and penalties.

Included as Attachment A is the monthly fact sheet for the BlackRock TempFund institutional shares reported as of September 30, 2016.

FedFund. The FedFund is a money market fund registered with the SEC under the federal Investment Company Act of 1940 and operated in accordance with Commodity and Securities Exchanges, 17 Code of Federal Regulations section 270.2a-7. Investment purchases and redemptions of FedFund shares are transacted when Bank of America’s system reviews the account balance daily at 1:30 p.m. Pacific Standard Time and invests or returns funds as appropriate to maintain the bank account’s established target balance. A purchase transaction takes place if the cash balance in the account exceeds the target balance, and a redemption transaction takes place when the cash balance is less than the target balance.

In accordance with the aforementioned Code of Federal Regulations, the FedFund must maintain a dollar-weighted average maturity consistent with its objective of maintaining a stable net asset value per share, not to exceed 60 days, and must contain only first-tier money market debt obligations receiving a short-term rating from a nationally recognized statistical rating organization in the highest short-term rating category for debt obligations. The FedFund is in the highest fund-rating category of Aaa-mf by Moody’s and AAAM by Standard & Poor’s.

The FedFund invests only in high-quality money market instruments and invests at least 99.5 percent of its net assets in cash, U.S. Treasury bills, notes, and other obligations issued or guaranteed as to principal and interest by the U.S. Government and repurchase agreements secured by such obligations or cash. As of September 30, 2016, the FedFund portfolio composition was as shown in Table 3.

Table 3. FedFund Portfolio Composition as of September 30, 2016

High-Quality Instruments	Percentage of Portfolio
U.S. Treasury repurchase agreement	40.00
U.S. government agency debt	32.30
U.S. government agency repurchase agreement	22.50
U.S. Treasury debt	5.20

Included as Attachment B is the monthly fact sheet for the BlackRock FedFund institutional shares reported as of September 30, 2016.

T-Fund. Like the TempFund and FedFund, the T-Fund is a money market fund registered with the SEC under the federal Investment Company Act of 1940 and operated in accordance with Commodity and Securities Exchanges, 17 Code of Federal Regulations section 270.2a-7. Investment purchases and redemptions of T-Fund shares are transacted when Bank of America’s system reviews the account balance daily at 1:30 p.m. Pacific Standard Time and invests or

returns funds as appropriate to maintain the bank account’s established target balance. A purchase transaction takes place if the cash balance in the account exceeds the target balance, and a redemption transaction takes place when the cash balance is less than the target balance.

In accordance with the aforementioned Code of Federal Regulations, the T-Fund must maintain a dollar-weighted average maturity consistent with its objective of maintaining a stable net asset value per share, not to exceed 60 days, and must contain only first-tier money market debt obligations receiving a short-term rating from a nationally recognized statistical rating organization in the highest short-term rating category for debt obligations. The T-Fund is in the highest fund-rating category of Aaa-mf by Moody’s and AAAM by Standard & Poor’s.

The T-Fund invests only in high-quality money market instruments and invests at least 99.5 percent of its net assets in cash, U.S. Treasury bills, notes, and other obligations issued or guaranteed as to principal and interest by the U.S. Treasury and repurchase agreements secured by such obligations or cash. As of September 30, 2016, the T-Fund portfolio composition was as shown in Table 4.

Table 4. T-Fund Portfolio Composition as of September 30, 2016

High-Quality Instruments	Percentage of Portfolio
U.S. Treasury repurchase agreement	55.60
U.S. Treasury debt	44.40

Included as Attachment C is the monthly fact sheet for the BlackRock T-Fund institutional shares reported as of September 30, 2016.

LAIF. The LAIF is a money market fund held and managed by the State Treasurer’s Office and is part of the Pooled Money Investment Account (PMIA). The PMIA is the short-term investment pool for the state General Fund; special funds held by state agencies; and monies deposited by cities, counties, and other entities into the LAIF. The LAIF is a voluntary program created by statute; it began in 1977 as an investment alternative for California’s local governments and special districts. The enabling statute for the LAIF is Government Code section 16429.1 et seq.

By law, PMIA monies can be invested only in the following categories: U.S. government securities; securities of federally sponsored agencies; domestic corporate bonds; interest-bearing time deposits in California banks, savings and loan associations, and credit unions; prime-rated commercial paper; repurchase and reverse repurchase agreements; security loans; bankers’ acceptances; negotiable certificates of deposit; and loans to various bond funds.

The LAIF’s primary objectives are to maintain the safety of principal and provide daily liquidity. These objectives are met by investing in high credit-quality debt instruments, maintaining an average maturity between 120 days and 18 months, and providing daily availability of the entire

invested balance. The LAIF's investment yield is consistent with these very conservative objectives.

The *PMIA and LAIF Performance Reports*—including the portfolio's composition as of September 30, 2016, as reported by the State Treasurer's Office—is included as Attachment D. The State Treasurer's Office has not identified a money market fund suitable for benchmark comparison to the LAIF.

Funds held outside the judicial branch treasury

As of June 30, 2016, 31 trial courts maintained \$408 million in total operating and agency fund investments outside of the judicial branch treasury as reported on Attachment E, *Trial Court Investments Held Outside of the Judicial Branch Treasury as of June 30, 2016*. Funds held outside of the judicial branch treasury are invested with the courts' respective counties or with other financial institutions.

The investment balances reported on Attachment E are presented as reported by the trial courts, without independent verification from the custodians holding the investments on behalf of the trial courts.

Attachment E is prepared from summary information gathered annually, as of June 30 of each year, to comply with State Controller's Office requirements for the trial courts' Comprehensive Annual Financial Report, and is only available in time for this report.

Attachments

1. Attachment A: *BlackRock: TempFund (Institutional Shares)*, as of September 30, 2016
2. Attachment B: *BlackRock: FedFund (Institutional Shares)*, as of September 30, 2016
3. Attachment C: *BlackRock: T-Fund (Institutional Shares)*, as of September 30, 2016
4. Attachment D: *PMIA and LAIF Performance Reports*, as of September 30, 2016
5. Attachment E: *Trial Court Investments Held Outside of the Judicial Branch Treasury as of June 30, 2016*

TempFund (Instl Shares)

www.blackrock.com/cash

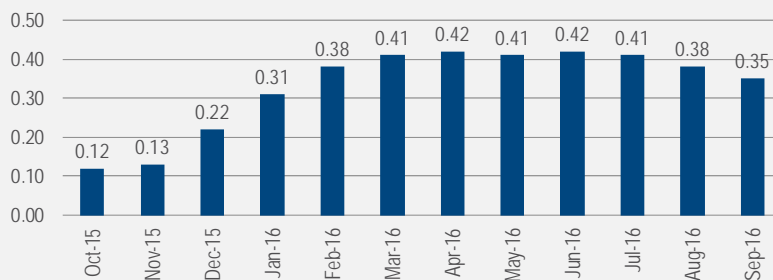
Investment Objective

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

Investment Policy

TempFund primarily invests in first-tier securities, which may include domestic and foreign corporate obligations, domestic bank obligations, securities issued or guaranteed by the US government or its agencies, and fully collateralized repurchase agreements.

Performance (30-Day Yield %)¹



7-day SEC yield as of 9/30/16 was 0.34%²

* Sources: BlackRock, Inc. and BNY Mellon.

The investment advisor and/or other service providers for the BlackRock TempFund (Institutional Shares) sometimes waive a portion of their fees or reimburse expenses to the Fund. When they do, operating expense 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 0.28%.

% Net Total Return³ (Period Ending 9/30/16)

1 Year	3 Years	5 Years	10 Years
0.33	0.15	0.14	1.09

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

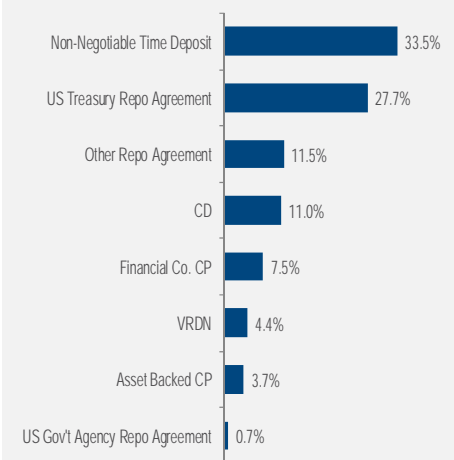


Fund Details

Symbol	TMPXX
Size	\$18,978.3 million
Inception	October 10, 1973
Minimum Investment	\$3 million
Trading Deadline	8am/12pm/3pm (ET)
Weighted Average Maturity (WAM) ⁴	5 days
Weighted Average Life (WAL) ⁵	7 days
Standard and Poor's	AAAm
Moody's	Aaa-mf
Gross Expense Ratio †	0.19%
Net Expense Ratio †	0.18%
CUSIP #	09248U619
Portfolio #	24

† 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, Including Investment Related expenses and excluded from the Net, Excluding Investment Related expenses. 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%[‡]



‡ 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 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.

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 September 30, 2016, 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.

S&P - http://www.standardandpoors.com/en_US/web/quest/article/-/view/sourceld/504352;

Moody's - https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

Prepared by BlackRock Investments, LLC, member FINRA

FOR MORE INFORMATION: Visit www.blackrock.com/cash or email cashmgmt@blackrock.com

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FedFund (Instl Shares)

www.blackrock.com/cash

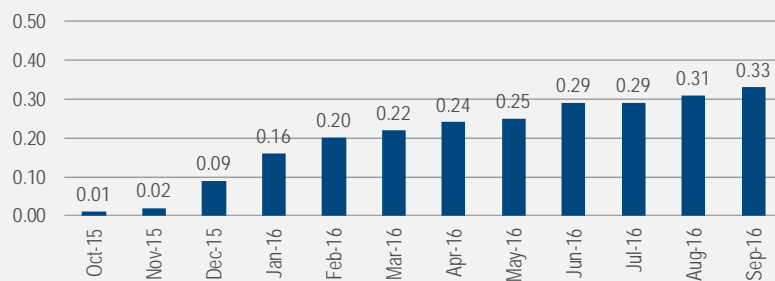
Investment Objective

FedFund seeks 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 9/30/16 was 0.34%²

* Sources: BlackRock, Inc. and BNY Mellon.

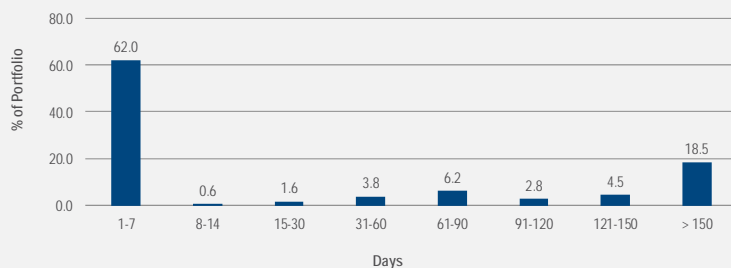
The investment advisor and/or other service providers for the BlackRock FedFund (Institutional Shares) sometimes waive a portion of their fees or reimburse expenses to the Fund. When they do, operating expense are reduced and total returns to shareholders in the Fund increase. These waivers and reimbursements 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 0.21%.

% Net Total Return³ (Period Ending 9/30/16)

1 Year	3 Years	5 Years	10 Years
0.20	0.08	0.05	0.92

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



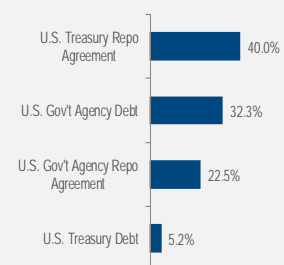
Fund Details

Symbol	TFDXX
Size	\$68,285.6 million
Inception	October 1, 1975
Minimum Investment	\$3 million
Trading Deadline	5pm (ET)
Weighted Average Maturity (WAM) ⁴	29 days
Weighted Average Life (WAL) ⁵	76 days
Standard and Poor's	AAA-m
Moody's	AAA-mf
Gross Expense Ratio †	0.21%
Net Expense Ratio †	0.17%
CUSIP #	09248U700
Portfolio #	30

The National Association of Insurance Commissioners (NAIC) designated the BlackRock FedFund as U.S. Direct Obligations/Full Faith & Credit Exempt and is therefore exempt from NAIC reserve requirements.

† 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, Including Investment Related expenses and excluded from the Net, Excluding Investment Related expenses. 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%[‡]



‡ 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 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.

¹Average 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. ²The 7-Day yield is computed in accordance with methods prescribed by the SEC. The 7-Day SEC yield excludes distributed capital gains/losses. ³The fund's current yield more closely reflects the current earnings of the fund than the total net return quotations. ⁴Weighted 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. ⁵Weighted 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 September 30, 2016, 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.

S&P - http://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352:

Moody's - https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

The aforementioned Fund meets the qualification requirements set forth by the National Association of Insurance Commissioners (NAIC) and qualifies as U.S. Direct Obligations/Full Faith and Credit Exempt. Such qualification is not an endorsement of the Fund by the NAIC.

Prepared by BlackRock Investments, LLC, member FINRA

FOR MORE INFORMATION: Visit www.blackrock.com/cash or email cashmgmt@blackrock.com

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T-Fund (Instl Shares)

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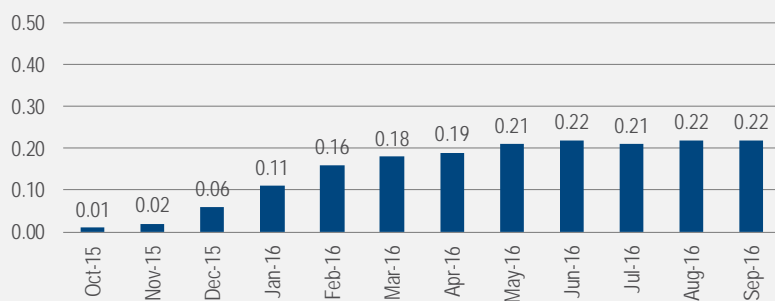
Investment Objective

T-Fund seeks current income as is consistent with liquidity and stability of principal.

Investment Policy

T-Fund 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. Treasury, and repurchase agreements secured by such obligation or cash.

Performance (30-Day Yield %)*.1



7-day SEC yield as of 9/30/16 was 0.21%²

* Sources: BlackRock, Inc. and BNY Mellon.

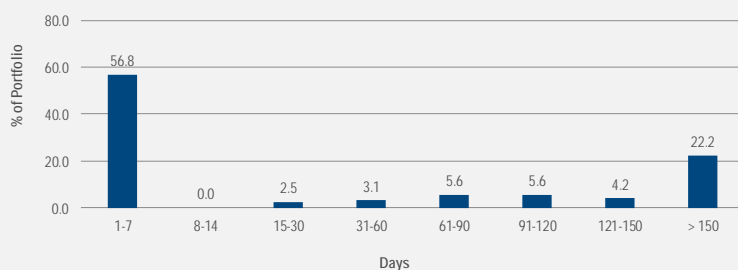
The investment advisor and/or other service providers for the BlackRock T-Fund (Institutional Shares) sometimes waive a portion of their fees or reimburse expenses to the Fund. When they do, operating expense are reduced and total returns to shareholders in the Fund increase. These waivers and reimbursements 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 0.17%.

% Net Total Return³ (Period Ending 9/30/16)

1 Year	3 Years	5 Years	10 Years
0.15	0.06	0.04	0.80

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



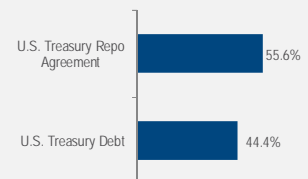
Fund Details

Symbol	TSTXX
Size	\$54,872.8 million
Inception	March 3, 1980
Minimum Investment	\$3 million
Trading Deadline	5pm (ET)
Weighted Average Maturity (WAM) ⁴	43 days
Weighted Average Life (WAL) ⁵	86 days
Standard and Poor's	AAAm
Moody's	Aaa-mf
Gross Expense Ratio [†]	0.20%
Net Expense Ratio [†]	0.17%
CUSIP #	09248U718
Portfolio #	60

The National Association of Insurance Commissioners (NAIC) designated the BlackRock T-Fund as U.S. Direct Obligations/Full Faith & Credit Exempt and is therefore exempt from NAIC reserve requirements.

[†] 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, Including Investment Related expenses and excluded from the Net, Excluding Investment Related expenses. 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%[‡]



[‡] 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 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.

¹Average 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. ²The 7-Day yield is computed in accordance with methods prescribed by the SEC. The 7-Day SEC yield excludes distributed capital gains/losses. ³The fund's current yield more closely reflects the current earnings of the fund than the total net return quotations. ⁴Weighted 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. ⁵Weighted 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 September 30, 2016, 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.

S&P - http://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352:

Moody's - https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

The aforementioned Fund meets the qualification requirements set forth by the National Association of Insurance Commissioners (NAIC) and qualifies as U.S. Direct Obligations/Full Faith and Credit Exempt. Such qualification is not an endorsement of the Fund by the NAIC.

Prepared by BlackRock Investments, LLC, member FINRA

FOR MORE INFORMATION: Visit www.blackrock.com/cash or email cashmgmt@blackrock.com

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L-0639

BLACKROCK[®]



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/12/16	0.63	0.61	163
09/13/16	0.63	0.61	163
09/14/16	0.63	0.61	161
09/15/16	0.64	0.61	163
09/16/16	0.63	0.61	161
09/17/16	0.63	0.61	161
09/18/16	0.63	0.61	161
09/19/16	0.63	0.61	158
09/20/16	0.63	0.61	156
09/21/16	0.63	0.61	156
09/22/16	0.64	0.61	155
09/23/16	0.64	0.61	160
09/24/16	0.64	0.61	160
09/25/16	0.64	0.61	160
09/26/16	0.64	0.61	157
09/27/16	0.64	0.61	157
09/28/16	0.64	0.61	160
09/29/16	0.64	0.61	162
09/30/16	0.65	0.61	165
10/01/16	0.65	0.65	165
10/02/16	0.65	0.65	165
10/03/16	0.65	0.65	169
10/04/16	0.65	0.65	170
10/05/16	0.65	0.65	170
10/06/16	0.65	0.65	169
10/07/16	0.65	0.65	171
10/08/16	0.65	0.65	171
10/09/16	0.65	0.65	171
10/10/16	0.65	0.65	168
10/11/16	0.65	0.65	169
10/12/16	0.65	0.65	168

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)



LAIF Performance Report

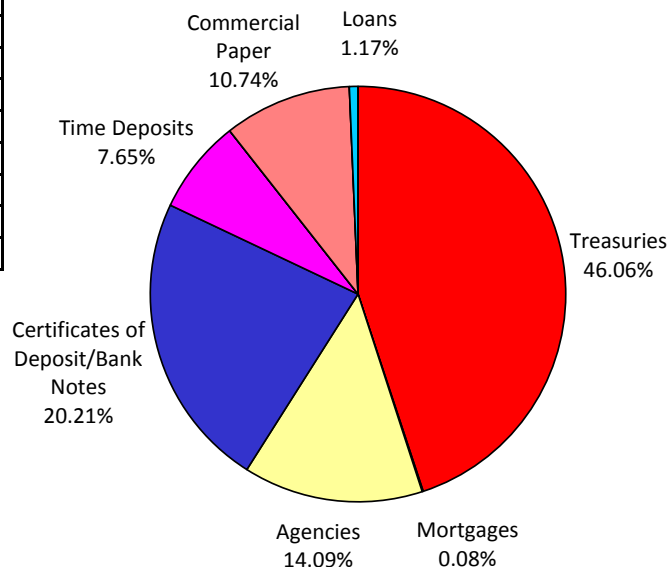
Quarter Ending 09/30/16

Apportionment Rate: 0.60%
 Earnings Ratio: .00001651908048883
 Fair Value Factor: 1.000306032
 Daily: 0.65%
 Quarter to Date: 0.61%
 Average Life: 165

**PMIA Average Monthly
Effective Yields**

Sep 2016 0.634%
 Aug 2016 0.614%
 Jul 2016 0.588%

**Pooled Money Investment Account
Portfolio Composition
09/30/16
\$68.3 billion**



Based on data available as of 10/14/16

Trial Court Investments Held Outside of the Judicial Branch Treasury
As Of June 30, 2016

Investment Type	Total as of 06/30/16	Yield	WAM (Days)*
<i>County Investment Pools</i>	\$ 408,209,587	0.898% **	548 **
<i>Other Financial Institution Investments:</i>			
<i>Other Bank Investment Accounts</i>	\$ -	0.000% **	- **
<i>Certificates of Deposit</i>	\$ 5,859	0.038% **	203 **
Total	\$ 408,215,445	0.898% **	548 **

* WAM - Weighted Average Maturity

** Dollar Weighted Average