



Annual Report

MARCH 31, 2023

AUDITED

(INDEPENDENT AUDITORS REPORT WITHIN)

California CLASS Prime is rated AAAM by S&P Global Ratings.

S&P Global Ratings in no way guarantees favorable performance results and should not be construed as safety in an investment.



Chairperson's Letter

To the Participants of California CLASS:

On behalf of both the California Cooperative Liquid Assets Securities System (CLASS) Board of Trustees and its investment adviser and administrator, Public Trust Advisors, LLC (Public Trust), we are pleased to present the California CLASS Annual Report for the fiscal year ended March 31, 2023.

The California CLASS Joint Powers Authority investment pool was established on June 6, 2022, to provide public agencies with a reliable and transparent liquidity management solution, and began operations on July 1, 2022. Exceptional client service and open communication are foundational elements of any engagement or partnership, and in Public Trust, California CLASS identified a service provider with a long history of delivering these critical qualities to investment pool participants nationwide.

The California Special Districts Association and Cal Cities are sponsors of California CLASS, and the professionalism and knowledge that these organizations have brought to this effort have been invaluable.

In our view, California CLASS is a welcome new addition to the cash management landscape upon which public agencies operate. The necessary precursor to portfolio diversification is having multiple options in which to invest. The creation and subsequent launch of California CLASS in the summer of 2022 has afforded public agencies an additional option to evaluate for the external management of their funds in accordance with the hierarchy that those entrusted with the stewardship of public dollars know and understand very well: safety; liquidity; yield; and transparency.

We trust that your interactions with California CLASS are always professional, consultative, insightful, and provide value to you, your staff, and your tax-paying community. Additionally, we at California CLASS are grateful for the trust you have placed in our investment program, and we are deeply appreciative of the opportunity to serve all of our California CLASS Participants statewide.

As we look back at 2022, the Federal Reserve's aggressive policy pivot stands out arguably as the most important market development of the year. The U.S. economy began the year with solid momentum on the heels of a robust 5.9% growth rate in 2021 and, with unemployment hovering at just 3.9%, less than half a percent above its pre-pandemic low. Unfortunately, the inflation surge which began in 2021 was gaining momentum with the Consumer Price Index (CPI) already running at 7%, fueled in part by the accelerant of prior years' fiscal stimuli. Measures of inflation surged through the first half of the year with the Consumer Price Index reaching a 40-year high of 9.1% in June. While the pace of inflation moderated during the back half of 2022, financial conditions were significantly tighter as the Federal Reserve raised rates a total of 450 basis points by year-end to combat inflation. Fortunately, California CLASS benefited from the Federal Reserve's policy shift with a significant boost in income for our valued Participants.

The California CLASS relationship team understands that Finance Directors, Treasurers, and City Managers wear many hats, which is why it stands ready to assist your agency in understanding and evaluating its investment options. They are here to be a resource with respect to the multiple aspects and unique objectives of your investment program, so please do not hesitate to reach out to them to learn more or inquire.

As we approach the one-year anniversary of California CLASS, we recognize that it is you, the California CLASS Participants, whom we represent and ultimately serve. We thank you for your participation and support and look forward to continuing to deliver reliable and transparent investment management services that always place Participants and their needs first.

Respectfully,



Christina Turner, CPA
Chairperson, California CLASS Board of Trustees

Independent Auditors' Report

Cohen & Co[®]**Independent Auditor's Report**

To the Board of Trustees of California CLASS
and Participants of California CLASS Prime

Opinion

We have audited the accompanying financial statements of California CLASS Prime (the "Fund"), which comprise the statement of net assets as of March 31, 2023, and the related statements of operations and changes in net assets for the period July 1, 2022 (inception) through March 31, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of March 31, 2023, and the results of its operations, and changes in its net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Cleveland, Ohio
June 9, 2023

STATEMENT OF NET ASSETS (CALIFORNIA CLASS PRIME) – MARCH 31, 2023

INVESTMENTS, AT VALUE

	Principal/ Share Amount	Coupon Rate	Maturity	Current Yield	Fair Value
Repurchase Agreements (5%)*					
Royal Bank of Canada New York Tri-Party (5%*) (Collateralized by a U.S. Government Treasury Security with a coupon rate of 4.125% and maturing on 10/31/2027.)	\$21,061,146	4.74%	04/03/2023	4.74%	\$21,061,146
Cost of (\$21,061,146)					<u>21,061,146</u>
U.S. Government Treasury Securities (16%)*					
U.S. Treasury Bill (13%*)	51,000,000	Disc.**	04/06/2023	2.43	50,979,651
U.S. Treasury Bill	10,000,000	Disc.**	04/04/2023	3.63	9,996,020
U.S. Treasury Bill	2,000,000	Disc.**	06/29/2023	4.60	1,977,591
U.S. Treasury Bill	1,000,000	Disc.**	04/13/2023	3.59	998,722
Cost of (\$63,940,259)					<u>63,951,984</u>
U.S. Government Agency Securities (9%)*					
Federal Home Loan Bank Note	5,000,000	4.83-Var.	04/10/2023	4.83	4,999,990
Federal Home Loan Bank Note	3,000,000	4.85-Var.	08/03/2023	4.85	3,000,600
Federal Home Loan Bank Note	3,000,000	4.86-Var.	05/01/2023	4.86	3,000,188
Federal Home Loan Bank Note	3,000,000	4.88-Var.	06/29/2023	4.87	3,000,055
Federal Home Loan Bank Note	3,000,000	4.86-Var.	06/06/2023	4.86	3,000,000
Federal Home Loan Bank Note	3,000,000	4.86-Var.	05/04/2023	4.86	2,999,968
Federal Home Loan Bank Note	3,000,000	4.86-Var.	06/09/2023	4.86	2,999,958
Federal Home Loan Bank Note	3,000,000	4.85-Var.	05/11/2023	4.85	2,999,955
Federal Home Loan Bank Note	3,000,000	4.85-Var.	05/17/2023	4.85	2,999,952
Federal Home Loan Bank Note	3,000,000	4.85-Var.	05/18/2023	4.85	2,999,929
Federal Home Loan Bank Note	3,000,000	Disc.**	12/14/2023	4.88	2,900,040
Cost of (\$34,895,058)					<u>34,900,635</u>
Money Market Funds (13%)*					
Allspring Government Money Market Fund - Select Class (5%)	20,522,261			4.69	20,522,261
Invesco Government & Agency Portfolio - Institutional Class	19,326,613			4.74	19,326,613
Federated Government Obligations Fund - Premier Class	9,331,238			4.69	9,331,238
State Street Institutional U.S. Government Fund - Premier Class	2,241,788			4.69	2,241,788
Cost of (\$51,421,900)					<u>51,421,900</u>
Certificates of Deposit (23%)*					
Nordea Bank Abp New York	5,000,000	5.24-Var.	09/22/2023	5.24	5,000,265
Svenska Handelsbanken New York	5,000,000	5.24-Var.	09/28/2023	5.24	4,999,990
Westpac Banking Corp. New York	5,000,000	5.24-Var.	10/06/2023	5.24	4,999,975
The Toronto-Dominion Bank New York	5,000,000	5.26-Var.	09/25/2023	5.26	4,999,060
BNP Paribas New York Branch	5,000,000	5.25-Var.	09/25/2023	5.25	4,998,805
Svenska Handelsbanken New York	4,000,000	5.24-Var.	09/22/2023	5.24	3,999,928
Swedbank AB of New York	4,000,000	4.99	07/20/2023	4.99	3,997,496

* Denotes percentage of net assets ** Denotes securities purchased with a zero coupon rate
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (CALIFORNIA CLASS PRIME) – MARCH 31, 2023

INVESTMENTS, AT VALUE

	Principal/ Share Amount	Coupon Rate	Maturity	Current Yield	Fair Value
Credit Agricole CIB New York	\$3,000,000	5.31%	07/11/2023	5.31%	\$3,001,260
Sumitomo Mitsui Trust Bank, Ltd. New York	3,000,000	5.10-Var.	05/12/2023	5.10	3,000,566
Oversea-Chinese Banking Corp. Ltd. New York	3,000,000	5.14	06/12/2023	5.14	3,000,360
Sumitomo Mitsui Banking Corp. New York	3,000,000	5.14-Var.	05/08/2023	5.14	3,000,120
Oversea-Chinese Banking Corp. Ltd. New York	3,000,000	4.63	04/03/2023	4.63	2,999,943
Oversea-Chinese Banking Corp. Ltd. New York	3,000,000	5.14-Var.	08/17/2023	5.14	2,999,883
MUFG Bank Ltd. New York	3,000,000	4.93-Var.	05/24/2023	4.93	2,999,661
Bank of Montreal Chicago	3,000,000	5.15	07/10/2023	5.15	2,999,544
Sumitomo Mitsui Trust Bank, Ltd. New York	3,000,000	5.00	06/16/2023	5.00	2,999,346
Credit Agricole CIB New York	3,000,000	4.89	06/01/2023	4.89	2,999,094
MUFG Bank Ltd. New York	3,000,000	4.97-Var.	07/03/2023	4.97	2,998,917
Sumitomo Mitsui Trust Bank, Ltd. New York	3,000,000	5.00-Var.	08/24/2023	5.00	2,997,849
Mizuho Bank Ltd. New York	3,000,000	5.04-Var.	08/14/2023	5.04	2,997,836
Nordea Bank ABP New York	3,000,000	4.97	08/23/2023	4.97	2,997,306
MUFG Bank Ltd. New York	2,000,000	5.27-Var.	06/15/2023	5.27	2,000,680
Citibank N.A.	1,500,000	5.34	06/22/2023	5.34	1,500,465
Oversea-Chinese Banking Corp. Ltd. New York	1,500,000	5.18	05/30/2023	5.18	1,500,180
Mizuho Bank Ltd. New York	1,500,000	4.80	04/10/2023	4.80	1,499,958
Bank of Montreal Chicago	1,000,000	5.54-Var.	06/01/2023	5.53	1,000,966
The Bank of Nova Scotia of Houston	1,000,000	5.38-Var.	07/05/2023	5.38	1,000,870
Mizuho Bank Ltd. New York	1,000,000	5.55-Var.	05/04/2023	5.55	1,000,580
Cooperative Rabobank U.A. New York	1,000,000	5.32-Var.	06/07/2023	5.32	1,000,430
MUFG Bank Ltd. New York	1,000,000	5.48-Var.	05/10/2023	5.48	1,000,420
Swedbank AB of New York	1,000,000	5.06	05/22/2023	5.06	999,956
Credit Agricole CIB New York	1,000,000	5.06	06/09/2023	5.06	999,857
Swedbank AB of New York	1,000,000	5.02	06/14/2023	5.02	999,732
The Toronto-Dominion Bank New York	1,000,000	2.90	06/01/2023	2.91	995,765
Mizuho Bank Ltd. New York	750,000	5.60-Var.	04/26/2023	5.60	750,371
Citibank N.A.	750,000	5.55-Var.	05/03/2023	5.55	750,323
Mizuho Bank Ltd. New York	750,000	5.44-Var.	04/14/2023	5.44	750,155
Svenska Handelsbanken New York	750,000	5.35-Var.	04/17/2023	5.35	750,105
Citibank N.A.	500,000	5.24-Var.	04/20/2023	5.24	500,092
Nordea Bank Abp New York	500,000	5.32-Var.	04/12/2023	5.32	500,070
Oversea-Chinese Banking Corp. Ltd. New York	500,000	5.22-Var.	04/11/2023	5.22	500,049
Mitsubishi UFJ Trust & Banking Corp. New York	500,000	5.27-Var.	04/05/2023	5.27	500,024
Cost of (\$95,496,225)					<u>95,488,252</u>
Commercial Paper (34%)*					
The Procter & Gamble Co.	5,000,000	Disc.**	09/15/2023	5.37	4,879,485
LMA Americas LLC	5,000,000	Disc.**	09/21/2023	5.57	4,870,680
La Fayette Asset Securitization LLC	5,000,000	Disc.**	09/26/2023	5.43	4,870,250
Atlantic Asset Securitization LLC	5,000,000	Disc.**	09/26/2023	5.65	4,865,250
GTA Funding LLC	5,000,000	Disc.**	09/20/2023	5.89	4,864,205
Old Line Funding LLC	3,000,000	5.20-Var.	07/11/2023	5.20	3,000,750
Old Line Funding LLC	3,000,000	Disc.**	10/04/2023	5.44	3,000,000
Ridgefield Funding Co. LLC	3,000,000	5.07-Var.	08/07/2023	5.07	2,998,824
Collateralized Commercial Paper V Co. LLC	3,000,000	4.99-Var.	08/23/2023	4.99	2,997,366
Starbird Funding Corp.	2,000,000	5.28-Var.	06/20/2023	5.28	2,000,760

* Denotes percentage of net assets ** Denotes securities purchased with a zero coupon rate
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (CALIFORNIA CLASS PRIME) – MARCH 31, 2023

INVESTMENTS, AT VALUE

	Principal/ Share Amount	Coupon Rate	Maturity	Current Yield	Fair Value
Starbird Funding Corp.	\$2,000,000	5.26%-Var.	06/22/2023	5.26%	\$2,000,720
Starbird Funding Corp.	2,000,000	5.19-Var.	07/10/2023	5.19	2,000,380
Chariot Funding LLC	2,000,000	5.15-Var.	07/13/2023	5.15	2,000,060
Halkin Finance LLC	2,000,000	5.10-Var.	08/09/2023	5.10	1,999,420
Chariot Funding LLC	2,000,000	5.07-Var.	08/07/2023	5.07	1,999,146
Starbird Funding Corp.	2,000,000	5.04-Var.	08/10/2023	5.04	1,998,980
Ridgefield Funding Co. LLC	2,000,000	5.05-Var.	08/15/2023	5.05	1,998,940
Bedford Row Funding Corp.	2,000,000	5.07-Var.	09/12/2023	5.07	1,998,458
Ridgefield Funding Co. LLC	2,000,000	5.00-Var.	09/05/2023	5.01	1,997,916
Collateralized Commercial Paper V Co. LLC	2,000,000	5.02-Var.	10/02/2023	5.03	1,997,722
Old Line Funding LLC	2,000,000	4.99-Var.	10/12/2023	5.00	1,996,796
Thunder Bay Funding LLC	2,000,000	4.72-Var.	10/23/2023	4.73	1,996,612
Anglesea Funding LLC	2,000,000	Disc.**	06/01/2023	5.17	1,982,598
Chariot Funding LLC	2,000,000	Disc.**	06/08/2023	5.08	1,980,976
La Fayette Asset Securitization LLC	2,000,000	Disc.**	06/21/2023	5.42	1,975,960
Atlantic Asset Securitization LLC	2,000,000	Disc.**	06/20/2023	5.64	1,975,259
Chariot Funding LLC	2,000,000	Disc.**	07/05/2023	5.19	1,973,066
Liberty Street Funding LLC	2,000,000	Disc.**	07/06/2023	5.36	1,971,908
Halkin Finance LLC	2,000,000	Disc.**	07/13/2023	5.35	1,969,984
MetLife Short Term Funding LLC	2,000,000	Disc.**	07/25/2023	5.03	1,968,534
Ciesco, LLC	2,000,000	Disc.**	07/17/2023	5.45	1,968,254
Collateralized Commercial Paper V Co. LLC	2,000,000	Disc.**	08/29/2023	5.38	1,956,454
Johnson & Johnson	2,000,000	Disc.**	09/07/2023	5.13	1,956,006
Bedford Row Funding Corp.	1,574,000	Disc.**	08/04/2023	5.41	1,545,139
ING (U.S.) Funding LLC	1,500,000	5.45-Var.	06/22/2023	5.45	1,501,200
Liberty Street Funding LLC	1,500,000	Disc.**	04/26/2023	4.87	1,494,815
Liberty Street Funding LLC	1,500,000	Disc.**	05/30/2023	5.08	1,487,580
Old Line Funding LLC	1,500,000	Disc.**	08/07/2023	5.44	1,471,711
Jupiter Securitization Co. LLC	1,000,000	5.53-Var.	06/06/2023	5.53	1,000,790
Citigroup Global Markets	1,000,000	5.61-Var.	05/22/2023	5.61	1,000,730
ING (U.S.) Funding LLC	1,000,000	5.41-Var.	05/23/2023	5.41	1,000,470
Starbird Funding Corp.	1,000,000	5.52-Var.	05/08/2023	5.52	1,000,460
Citigroup Global Markets	1,000,000	5.51-Var.	05/08/2023	5.51	1,000,450
Old Line Funding LLC	1,000,000	5.28-Var.	06/20/2023	5.28	1,000,420
ING (U.S.) Funding LLC	1,000,000	5.51-Var.	05/03/2023	5.51	1,000,380
Liberty Street Funding LLC	1,000,000	Disc.**	04/06/2023	4.77	999,217
Liberty Street Funding LLC	1,000,000	Disc.**	04/11/2023	4.79	998,560
Victory Receivables Corp.	1,000,000	Disc.**	04/13/2023	4.94	998,245
MetLife Short Term Funding LLC	1,000,000	Disc.**	05/01/2023	4.94	995,820
Fairway Finance Company, LLC	1,000,000	Disc.**	05/11/2023	5.02	994,389
Thunder Bay Funding LLC	1,000,000	Disc.**	05/15/2023	5.08	993,775
Old Line Funding LLC	1,000,000	Disc.**	05/15/2023	5.16	993,675
LMA Americas LLC	1,000,000	Disc.**	05/25/2023	5.50	991,785
GTA Funding LLC	1,000,000	Disc.**	05/30/2023	5.17	991,566
Halkin Finance LLC	1,000,000	Disc.**	06/02/2023	5.15	991,193
Old Line Funding LLC	1,000,000	Disc.**	06/01/2023	5.31	991,060
Ciesco, LLC	1,000,000	Disc.**	06/01/2023	5.33	991,034
Bedford Row Funding Corp.	1,000,000	Disc.**	06/01/2023	5.38	990,944
Old Line Funding LLC	1,000,000	Disc.**	06/05/2023	5.31	990,482

** Denotes securities purchased with a zero coupon rate
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (CALIFORNIA CLASS PRIME) – MARCH 31, 2023

INVESTMENTS, AT VALUE

	Principal/ Share Amount	Coupon Rate	Maturity	Current Yield	Fair Value
Thunder Bay Funding LLC	\$1,000,000	Disc.**	06/13/2023	5.26%	\$989,447
Old Line Funding LLC	1,000,000	Disc.**	06/13/2023	5.32	989,326
Manhattan Asset Funding Co.	1,000,000	Disc.**	06/20/2023	4.97	989,094
Johnson & Johnson	1,000,000	Disc.**	07/05/2023	5.03	986,952
GTA Funding LLC	1,000,000	Disc.**	07/12/2023	5.22	985,488
GTA Funding LLC	1,000,000	Disc.**	07/11/2023	5.36	985,244
LMA Americas LLC	1,000,000	Disc.**	07/24/2023	5.70	982,357
Citigroup Global Markets	1,000,000	Disc.**	08/11/2023	5.12	981,674
Collateralized Commercial Paper V Co. LLC	1,000,000	Disc.**	08/07/2023	5.36	981,412
Thunder Bay Funding LLC	1,000,000	Disc.**	08/14/2023	5.38	980,337
Thunder Bay Funding LLC	1,000,000	Disc.**	09/13/2023	5.42	975,953
Starbird Funding Corp.	750,000	5.57-Var.	05/02/2023	5.57	750,323
Bedford Row Funding Corp.	750,000	5.54-Var.	05/03/2023	5.54	750,315
Fairway Finance Company, LLC	750,000	5.42-Var.	04/18/2023	5.42	750,128
Collateralized Commercial Paper V Co. LLC	750,000	5.37-Var.	04/12/2023	5.37	750,075
Liberty Street Funding LLC	750,000	Disc.**	04/19/2023	4.83	748,119
LMA Americas LLC	750,000	Disc.**	04/21/2023	5.00	747,847
Liberty Street Funding LLC	750,000	Disc.**	04/24/2023	4.86	747,612
Fairway Finance Company, LLC	750,000	Disc.**	04/24/2023	4.98	747,551
Liberty Street Funding LLC	750,000	Disc.**	04/25/2023	4.86	747,510
Manhattan Asset Funding Co.	750,000	Disc.**	04/26/2023	4.85	747,416
Liberty Street Funding LLC	750,000	Disc.**	04/27/2023	4.87	747,305
Atlantic Asset Securitization LLC	750,000	Disc.**	04/28/2023	4.93	747,173
Starbird Funding Corp.	500,000	5.37-Var.	04/13/2023	5.37	500,055
Citigroup Global Markets	500,000	5.23-Var.	04/05/2023	5.23	500,021
Ridgefield Funding Co. LLC	500,000	5.30-Var.	04/06/2023	5.30	500,020
Citigroup Global Markets	500,000	5.33-Var.	04/03/2023	5.33	500,010
Bedford Row Funding Corp.	500,000	5.24-Var.	04/03/2023	5.24	500,005
Thunder Bay Funding LLC	500,000	5.20-Var.	04/04/2023	5.20	500,005
Ridgefield Funding Co. LLC	500,000	Disc.**	04/10/2023	4.86	499,335
GTA Funding LLC	500,000	Disc.**	04/11/2023	5.12	499,229
Cost of (\$136,197,892)					<u>136,234,947</u>
Total Investments in Securities					<u>403,058,864</u>
Cost of (\$403,012,480)					<u>403,058,864</u>
Deposit Balances in Custodian Banks (1%)*					
U.S. Bank N.A.	5,181,276	0.10-Var.		0.10	5,181,276
Cost of (\$5,181,276)					<u>5,181,276</u>
Other Assets					
Accrued Interest Receivable					984,714
Receivable for Shares Sold					258,000
Total Assets					<u>409,482,854</u>

* Denotes percentage of net assets ** Denotes securities purchased with a zero coupon rate
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (CALIFORNIA CLASS PRIME) – MARCH 31, 2023

INVESTMENTS, AT VALUE

Less Liabilities

Administration and Investment Advisory Fees	\$15,078
Payable for Investments Purchased	2,920,243
Miscellaenous Payable	704
Total Liabilities	<u>2,936,025</u>
Net Assets	<u>\$406,546,829</u>

Components of Capital

Capital (Par Value)	\$406,500,445
Unrealized Appreciation on Investments	46,384
Net Assets	<u>\$406,546,829</u>

Outstanding Participant Shares

406,500,445

Net Asset Value per Share

\$1.00

The accompanying notes are an integral part of these financial statements

STATEMENT OF OPERATIONS

(For the Period July 1, 2022 (Inception) Through March 31, 2023)

		California CLASS Prime
Investment Income		\$6,140,693
Expenses:		
Administration and Investment Advisory Fees		222,549
Administration and Investment Advisory Fees Waived		<u>(200,067)</u>
Administration and Investment Advisory Fees Net		<u>22,482</u>
Net Investment Income		<u>6,118,211</u>
Net Unrealized Appreciation on Investments		<u>46,384</u>
Net Increase in Net Assets Resulting from Operations		<u><u>\$6,164,595</u></u>

STATEMENTS OF CHANGES IN NET ASSETS

(For the Period July 1, 2022 (Inception) Through March 31, 2023)

		California CLASS Prime 2023
From Investment Activities:		
Net Investment Income		\$6,118,211
Net Change in Unrealized Appreciation on Investments		<u>46,384</u>
Net Increase in Net Assets Resulting from Operations		<u>6,164,595</u>
Distribution Reinvestments to Participants from Net Investment Income		(6,118,211)
Net Increase in Net Assets from Share Transactions		<u>406,500,445</u>
Net Increase in Net Assets		406,546,829
Net Assets:		
Beginning of Period		<u>0</u>
End of Period		<u><u>\$406,546,829</u></u>

The accompanying notes are an integral part of these financial statements

Note 1. Description of California CLASS and Significant Accounting Policies

The California Cooperative Liquid Assets Securities System, doing business as the California CLASS, is a California joint powers authority created pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (commencing with Section 6500), known as the Joint Exercise of Powers Act (Act) and the JPA Agreement referenced below. The Act provides that two or more public agencies (as defined herein, Public Agencies) that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power and create a joint powers authority separate from such Public Agencies to exercise such common power and to act as administrator of the agreement. Under this authority, California CLASS was created pursuant to a Joint Exercise of Powers Agreement (JPA Agreement) dated as of June 6, 2022, between the Founding Participants (as defined in the JPA Agreement), with the pool commencing operations on July 1, 2022. The purpose of the California CLASS is to consolidate investment activities of the Participants and thereby reduce duplication, take advantage of economies of scale and perform governmental functions more efficiently through the California CLASS Investment Program. California CLASS presently offers shares in one portfolio, California CLASS Prime. California CLASS Prime operates like a money market mutual fund with each share valued at \$1.00. California CLASS is an investment company and follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC" Topic 946).

California CLASS Prime is rated AAAM by S&P Global Ratings.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following significant accounting policies are also in conformity with accounting principles generally accepted in the United States of America for investment companies. Such policies are consistently followed by California CLASS in the preparation of the financial statements.

Securities Valuation

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at fair value, which is represented by their resell/repurchase amounts.

Securities Transactions and Investment Income

Securities transactions are accounted for on a trade date basis. Realized gains and losses from securities transactions are recorded on a specific identification basis. Interest income is recognized on the accrual basis and includes amortization of premiums and accretion of discounts. Generally accepted accounting principles require the use of the effective interest method for the amortization of premium and accretion of discount.

Distributions to Participants

Distributions from net investment income are declared daily and posted to participant accounts monthly. California CLASS's policy is to distribute net realized capital gains, if any, in a reasonable time frame after the gain is realized.

Income Taxes

California CLASS is not subject to federal, state, or local income taxes, and accordingly no tax provision has been made.

California CLASS files tax returns annually. California CLASS is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. California CLASS's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

Note 2. Fair Value Measurements

In accordance with FASB guidance, California CLASS utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. The standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of California CLASS's portfolio investments defined pursuant to this standard.

These inputs are summarized into three broad levels:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and are generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S government agency securities, corporate securities, and commercial paper.
- Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

There have been no significant changes in valuation techniques used in valuing any such positions held by California CLASS since the beginning of the fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of March 31, 2023 to value California CLASS's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" and "Level 3 Valuation Reconciliation of Assets" (if applicable) as noted below.

Valuation Inputs Summary (for the fiscal period ended March 31, 2023)

California CLASS Prime Portfolio

Investments in Securities at Value*	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$95,488,252	\$ -	\$95,488,252
Commercial Paper	-	136,234,947	-	136,234,947
Money Market Funds	51,421,900	-	-	51,421,900
Repurchase Agreements	-	21,061,146	-	21,061,146
U.S. Government Agency Securities	-	34,900,635	-	34,900,635
U.S. Government Treasury Securities	-	63,951,984	-	63,951,984
Total	\$51,421,900	\$351,636,964	\$ -	\$403,058,864

* For the period ended March 31, 2023, the California CLASS Prime Portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

Note 3. Deposits and Investments

Deposits

At March 31, 2023, the California CLASS Prime portfolio had a deposit balance of \$5,181,276. As a result, 1% of the total assets held by California CLASS Prime was concentrated at one bank. Interest earned on the investment as a percentage of total interest earned was less than 0.10% for the year ended March 31, 2023. All deposit balances were fully collateralized.

Custodian

U.S. Bank, N.A. serves as the custodian for California CLASS's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for California CLASS's investment portfolio and provides services as the depository in connection with direct investment and withdrawals. The custodian's internal records segregate investments owned by California CLASS.

Risk Disclosure

The portfolios are subject to the following risks:

- Counterparty Risk – Counterparty risk is the risk that the counterparty or a third party will not fulfill its obligation to California CLASS.
- Interest Rate Risk – Interest rate risk is the risk that the value of fixed-income securities will generally decline as prevailing interest rates rise, which may cause California CLASS's NAV to likewise decrease, and vice versa.
- Market Risk – Market risk is the daily potential for an investor to experience losses from fluctuations in securities prices. This risk cannot be diversified away.
- Credit Risk – Credit risk is the risk an issuer will be unable to make principal and interest payments when due, or will default on its obligations.

California CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques. California CLASS limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. California

CLASS's policy is to limit its exposure to any non-government issuer to 10% of net assets.

Investments in Securities

California CLASS Prime

California CLASS Prime invests exclusively in investments authorized under the California Government Code Section 53601 and subject to the maturity, diversification and credit quality requirement specified below. California CLASS Prime attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques. California CLASS Prime limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations.

As summarized below, California CLASS Prime may invest in:

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. Repurchase agreements with a termination date of 364 days or less; collateralized by U.S. Treasury obligations, federal agency securities, and federal instrumentality securities; and with a minimum market value, including accrued interest, of 102 percent of the dollar value of the transaction.
4. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
5. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
6. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
7. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Pursuant to Section 53601(g) of the California Government Code, purchases of bankers' acceptances shall not exceed 180 days maturity or 40% of the agency's moneys that may be invested pursuant to this section and no more than 30% of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.
8. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either clause (A) or (B): (A)(1) is organized and operating in the United States as a general corporation, (2) has total assets in excess of five hundred million dollars (\$500,000,000), (3) has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO or (B)(1) is organized within the United States as a special purpose corporation, trust, or limited liability company, (2) has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, (3) has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO. No more than 10% of the Prime Fund shall be invested in the commercial paper and the medium-term notes of any single issuer. Pursuant to 53601(h) of the California Government Code, local agencies, other than counties or a city and county, that have less than \$100,000,000 of investment assets under management, may invest no more than 25% of their moneys in eligible commercial paper; local agencies, other than counties or a city and county, that have \$100,000,000 or more of investment assets under management may invest no more than 40% of their moneys in eligible commercial paper; a local agency, other than a county or a city and a county, may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer; and counties or a city and county may invest in commercial paper pursuant to the concentration limits in Section 53635 of the California Government Code.
9. Negotiable certificates of deposit issued by a nationally or state-chartered bank or by a savings association or a federal association (as defined in Section 5102 of the California Financial Code), a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank, provided that the deposits in any one institution shall not exceed the shareholders' equity of such institution. No more than 10% of the Prime Fund shall be invested in the negotiable certificates of deposit and medium-term notes of any single issuer. As required by California Government Code Section 53601(i), purchases of negotiable certificates of deposit shall not exceed 30% of the agency's moneys that may be invested pursuant to this section.
10. Medium-term notes, defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Pursuant to 53601(k) of the California Government Code, purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30% of the agency's moneys that may be invested pursuant to this section and a local agency, other than a county or a city and a county, may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.
11. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Pursuant to Section 53601(o) of the California

Government Code, purchase of securities authorized by this subdivision shall not exceed 20% of the agency's surplus moneys that may be invested pursuant to this section.

12. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank which are eligible for purchase and sale within the United States. Pursuant to Section 53601(q) of the California Government Code, investments under this subdivision shall not exceed 30% of the agency's moneys that may be invested pursuant to this section.
13. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Such eligible companies shall have (1) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs and (2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge. Pursuant to Section 53601(l) of the California Government Code, investments under this subdivision shall not exceed 25% of the agency's moneys that may be invested pursuant to this section.

Note 4. Repurchase Agreements

Transactions involving purchases of securities under agreements to resell/repurchase are treated as collateralized financing transactions and are recorded at their contracted resell amounts. In addition, interest earned but not yet collected is included in interest receivable. The custodian bank reports the market value of the collateral securities to California CLASS on at least a weekly basis. Funds are released from California CLASS's portfolios for repurchase agreements only when collateral has been wired to the custodian bank, and for the period ended March 31, 2023, California CLASS held no uncollateralized repurchase agreements. If the seller of the agreement defaults and the value of the collateral declines, the immediate realization of the full amount of the agreement by California CLASS may be limited. At March 31, 2023, securities with a fair value of approximately \$21,482,462 were received as collateral for securities purchased under agreements to resell for the California CLASS Prime portfolio. Interest earned on repurchase agreements as a percentage of total interest earned was 2% for the California CLASS Prime portfolio for the year ended March 31, 2023.

Note 5. Administration and Investment Advisory Fees

Investment advisory and administration and marketing services are provided by Public Trust Advisors, LLC (Public Trust). Fees are calculated daily and paid monthly in arrears and prorated for any portion of the month in which the investment services agreement with Public Trust is in effect. The daily fee shall be calculated as follows: The Applicable Fee Rate is divided by 365 or 366 days in the event of a leap year and multiplied by the Investment Property Value to equal the Daily Fee accrual. The Investment Property Value shall be based on the prior day's net assets. For weekend days and holidays, the net assets for the previous business day will be utilized for the calculation of fees. The applicable Fee Rate shall be determined monthly on the first business day of each month and shall be at an annual rate up to fifteen (15) basis points.

Fees may be waived or abated at any time, or from time to time, at the sole discretion of Public Trust. Any such waived fees may be restored by the written agreement of the Board of Trustees. Public Trust pays all fees associated with other services as mutually agreed upon with the Board of Trustees. The fees are collected by Public Trust and used to pay all expenses related to California CLASS. For the fiscal year ended March 31, 2023, fees of \$200,067 were waived in the California CLASS Prime portfolio.

Note 6. Share Transactions

Transactions in shares during the nine months from inception date of July 1, 2022 through March 31, 2023 for the California CLASS Prime portfolio were as follows:

	2023
Shares sold	536,189,646
Shares issued on reinvestment of distributions	6,118,211
Shares redeemed	(135,807,412)
Net (decrease)	<u>406,500,445</u>

At March 31, 2023, six participants held a 5% or greater participation interest in California CLASS Prime. The holdings of these six participants were approximately 61% of the portfolio at March 31, 2023. Investment activities of these participants could have a material impact on California CLASS Prime.

Note 7. Financial Highlights for a Share Outstanding Throughout Each Period

	<u>California CLASS Prime</u>
	Period Ended 2023**
Per Share Data	
Net Asset Value - Beginning of Period	\$1.00
Net Investment Income Earned and Distributed to Shareholders	\$0.031
Net Asset Value - End of Period	\$1.00
TOTAL RETURN	2.651%
RATIOS	
Net Assets-End of period (\$000 Omitted)	\$406,547
Ratio of Expenses to Average Net Assets Gross	0.148% *
Ratio of Expenses to Average Net Assets Waived	0.133% *
Ratio of Expenses to Average Net Assets	0.015% *
Ratio of Net Investment Income to Average Net Assets	4.076% *

* Ratios are presented on an annualized basis

** For the period July 1, 2022 through March 31, 2023

Note 8. Subsequent Events

In accordance with the provisions set forth in ASC 855-10, Subsequent Events, Management has evaluated the possibility of subsequent events existing in California CLASS's financial statements. Management has determined there were no material events that would require disclosure in, or adjustment to, the financial statements as of June 9, 2023, which is the date the financial statements were available to be issued.

Note 9. Related Parties

All Trustees of California CLASS are officers of participating governments.

BOARD OF TRUSTEES

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General Manager, Alameda County Mosquito Abatement District

Mr. George Harris

Director of Finance, City of Lancaster

Mr. Parker R. Hunt

Treasurer/Tax Collector, Tehama County

Ms. Margaret Moggia

Executive Manager of Finance, West Basin Municipal Water District

Ms. Christina Turner, CPA

City Manager, City of Morgan Hill

MANAGEMENT

Administrator and Investment Advisor

Public Trust Advisors, LLC

Custodian

U.S. Bank, N.A.

PROFESSIONAL SERVICES

Independent Auditors

Cohen & Co.

General Counsel

Jarvis Fay LLP

Special Counsel

Orrick, Herrington & Sutcliffe LLP



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