




THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: January 15, 2026
TO: Distribution
FROM: Elizabeth Correia, City Treasurer 
SUBJECT: Monthly Investment Report – December 31, 2025

Attached is the City Treasurer's Monthly Investment Report, which includes three schedules. These investments are in conformance with the City Treasurer's [Investment Policy](#) and are sufficiently liquid to meet the City's expenditure requirements for the next six months as required by California Government Code section 53646(b)(3).

If you have questions, please contact Emmanuel Labrinos, Chief Investment Officer, at (619) 236-6112.

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Attachments:

- I. Schedule I:
 - a. City's pooled investment holdings
 - b. City's pooled investment maturity distribution schedule
 - c. City's pooled investment historical earned income yields and weighted average days to maturity
- II. Schedule II: Pooled Portfolio Position Detail Report
- III. Appendix: Glossary of Investment Terms

Distribution:

Honorable Mayor Todd Gloria
Honorable Heather Ferbert, City Attorney
Honorable Council President Joe LaCava and Members of the City Council
Paola Avila, Chief of Staff, Office of the Mayor
Charles Modica, Independent Budget Analyst
Rolando Charvel, Chief Financial Officer and Investment Advisory Committee

Jyothi Pantulu, Assistant Director, Department of Finance and Investment Advisory Committee

Deborah Higgins, Investment Advisory Committee

Stefan Meierhofer, Investment Advisory Committee

Jayson Schmitt, Investment Advisory Committee

cc: Matt Yagyagan, Director of Policy, Office of the Mayor
Benjamin Battaglia, Director, Department of Finance and City Comptroller
Emmanuel Labrinos, Chief Investment Officer, Office of the City Treasurer
Nicole LeClair-Miller, Deputy Director, Office of the City Treasurer
Aisha Givens, Accounting Program Manager, Office of the City Treasurer



ASSET ALLOCATION

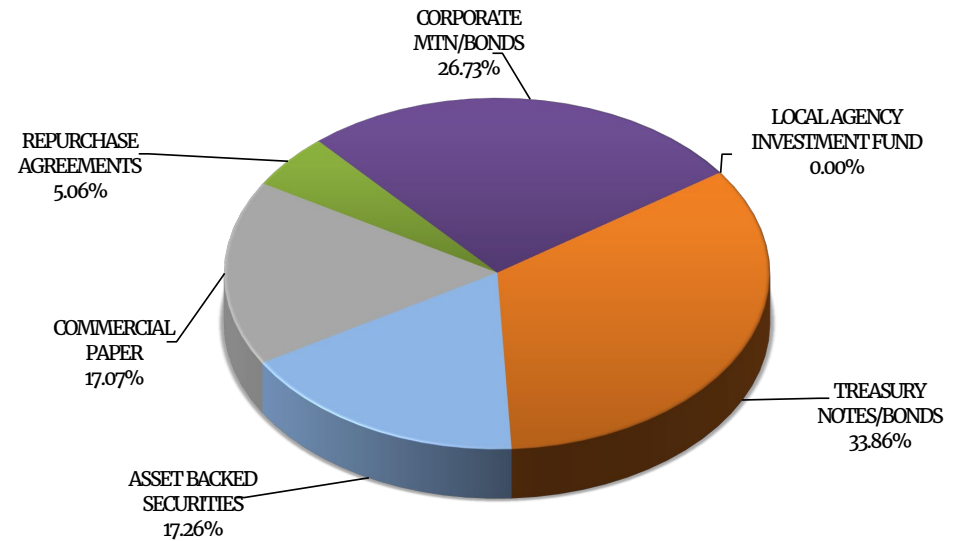
Assets (000's)	Current Par Value	Current Book Value	Market Value	Mkt/Book	Yield to Maturity 365
ASSET BACKED SECURITIES	365,750	365,710	369,493	101.03%	4.44%
COMMERCIAL PAPER	368,846	361,752	362,941	100.33%	3.98%
REPURCHASE AGREEMENTS	107,300	107,300	107,300	100.00%	3.81%
CORPORATE MTN/BONDS	567,350	566,429	572,435	101.06%	4.36%
LOCAL AGENCY INVESTMENT FUND	73	73	73	100.00%	4.34%
TREASURY NOTES/BONDS	719,200	717,426	719,942	100.35%	3.76%
Totals (000's):	2,128,519	2,118,690	2,132,184	100.64%	4.08%

Portfolio Breakdown & Statistics

	Liquidity	Core
Portfolio Size	\$622,335,752	\$1,496,354,465
% of total pool	29.37%	70.63%
Portfolio Duration*	0.42	1.94**
Index Duration*	0.26	1.89
% of index	159.60%	102.86%
Weighted Average Days to Maturity	161	748
Earned Income Yield	3.918%	4.249%

* Macaulay's Duration for Liquidity and Effective Duration for Core.

** Includes effects from trades settling over month-end.



Pooled Portfolio Composition by Book Value

POOLED INVESTMENTS AT DECEMBER 31, 2025 - MATURITY DISTRIBUTION

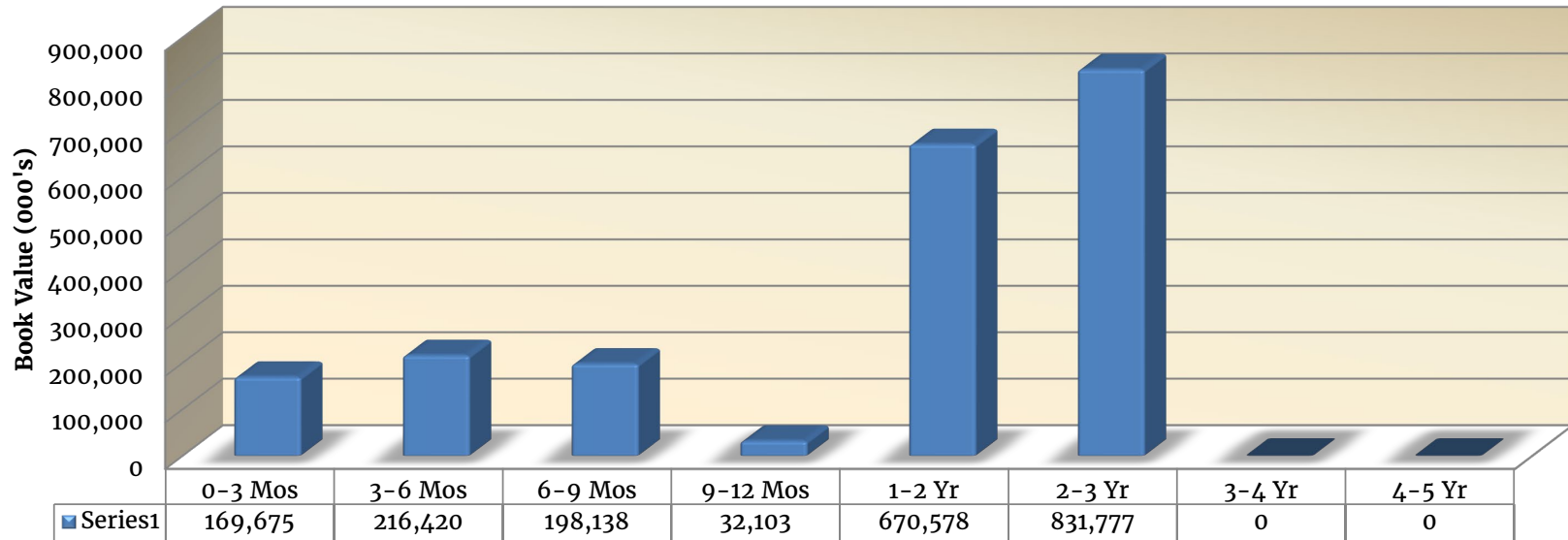
City of San Diego
Office of the City Treasurer



MATURITY DISTRIBUTION

Current Book Value (000's)	0-3 Mos	3-6 Mos	6-9 Mos	9-12 Mos	1-2 Yr	2-3 Yr	3-4 Yr	4-5 Yr	Totals (000's)
ASSET BACKED SECURITIES					233,470	132,240			365,710
COMMERCIAL PAPER	62,302	216,420	83,031						361,752
REPURCHASE AGREEMENTS	107,300								107,300
CORPORATE MTN/BONDS					196,242	370,187			566,429
LOCAL AGENCY INVESTMENT FUND	73								73
TREASURY NOTES/BONDS			115,107	32,103	240,866	329,350			717,426
Totals (000's):	169,675	216,420	198,138	32,103	670,578	831,777	0	0	2,118,690
% of Portfolio	8.01%	10.21%	9.35%	1.52%	31.65%	39.26%	0.00%	0.00%	100.00%

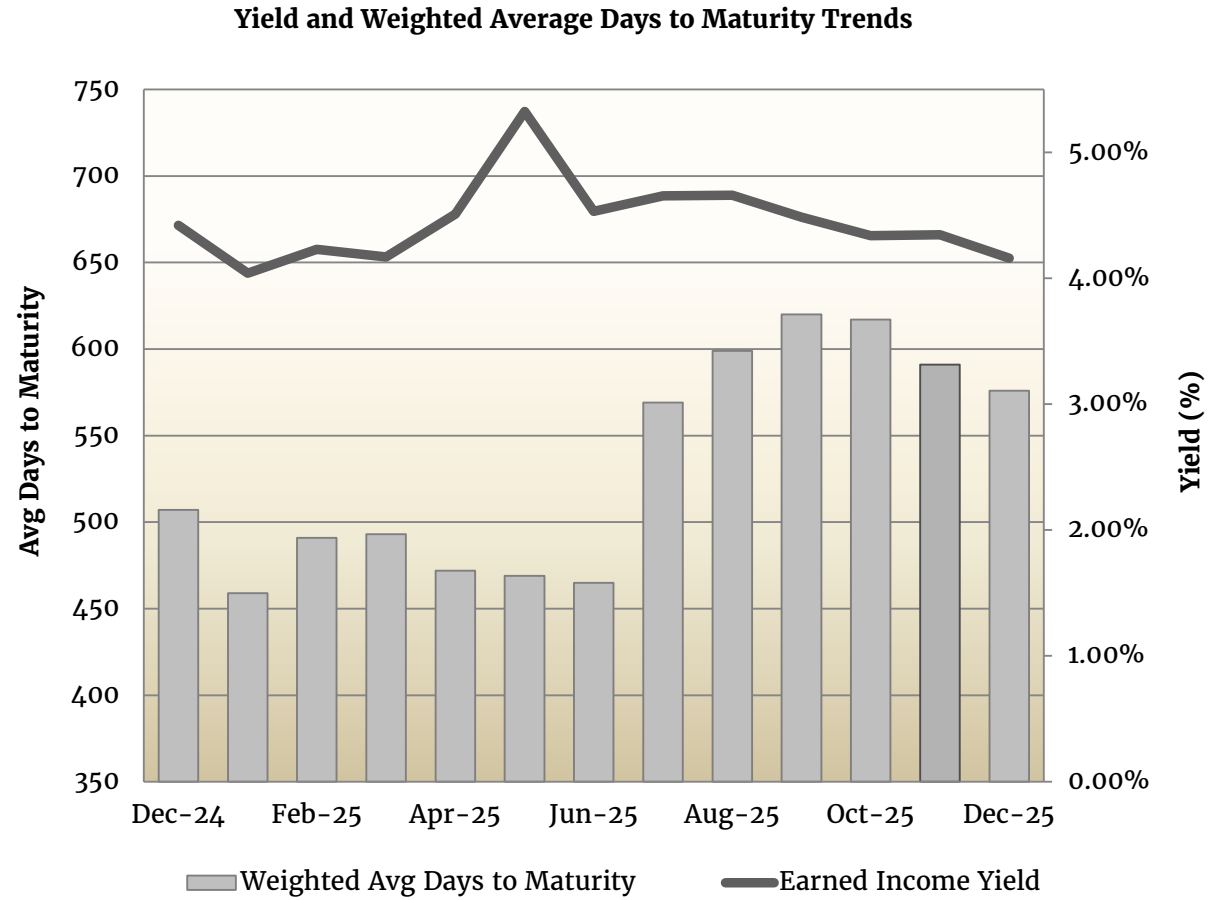
Maturity Distribution
December 31, 2025





PORTFOLIO - EARNED INCOME YIELD

Month	Earned Income Yield	Weighted Avg Days to Maturity
Dec-24	4.42%	507
Jan-25	4.04%	459
Feb-25	4.23%	491
Mar-25	4.17%	493
Apr-25	4.51%	472
May-25	5.33%	469
Jun-25	4.53%	465
Jul-25	4.65%	569
Aug-25	4.66%	599
Sep-25	4.49%	620
Oct-25	4.34%	617
Nov-25	4.35%	591
Dec-25	4.16%	576



POOLED INVESTMENTS AT DECEMBER 31, 2025 - PORTFOLIO POSITION DETAIL



TREASURY NOTES/BONDS	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Treasury Notes	UST Note	91282CLH2	3.750	4.279	0.640	9/2/2025	8/31/2026	11,000,000.00	10,946,148.09	11,011,858.00	100.108	ICED
Treasury Notes	UST Note	91282CKA8	4.125	4.175	0.669	12/2/2024	2/15/2027	70,800,000.00	70,722,562.50	71,267,421.60	100.660	ICED
Treasury Notes	UST Note	91282CLP4	3.500	3.633	0.722	9/2/2025	9/30/2026	51,000,000.00	50,928,029.15	50,962,923.00	99.927	ICED
Treasury Notes	UST Note	91282CLP4	3.500	3.973	0.722	9/2/2025	9/30/2026	21,500,000.00	21,393,300.29	21,484,369.50	99.927	ICED
Treasury Notes	UST Note	91282CLP4	3.500	3.978	0.722	9/2/2025	9/30/2026	32,000,000.00	31,839,611.65	31,976,736.00	99.927	ICED
Treasury Notes	UST Note	91282CJP7	4.375	4.052	0.926	12/1/2025	12/15/2026	32,000,000.00	32,103,495.84	32,251,488.00	100.786	ICED
Treasury Notes	UST Note	91282CMH1	4.125	4.172	1.033	2/6/2025	1/31/2027	47,800,000.00	47,757,054.69	48,098,750.00	100.625	ICED
Treasury Notes	UST Note	91282CMY4	3.750	3.740	1.279	8/5/2025	4/30/2027	26,000,000.00	26,003,046.88	26,082,264.00	100.316	ICED
Treasury Notes	UST Note	91282CNL1	3.750	3.750	1.444	6/30/2025	6/30/2027	20,000,000.00	20,000,000.00	20,078,900.00	100.395	ICED
Treasury Notes	UST Note	91282CEW7	3.250	3.518	1.448	10/3/2024	6/30/2027	75,000,000.00	74,475,585.94	74,748,075.00	99.664	ICED
Treasury Notes	UST Note	91282CNP2	3.875	3.712	1.499	8/7/2025	7/31/2027	1,900,000.00	1,907,263.76	1,911,206.20	100.590	ICED
Treasury Notes	UST Note	91282CMS7	3.875	3.855	2.072	4/1/2025	3/15/2028	25,200,000.00	25,213,781.25	25,407,698.40	100.824	ICED
Treasury Notes	UST Note	91282CHA2	3.500	3.636	2.205	5/1/2025	4/30/2028	100,000,000.00	99,617,187.50	100,003,900.00	100.004	ICED
Treasury Notes	UST Note	91282CHE4	3.625	3.693	2.284	7/1/2025	5/31/2028	45,000,000.00	44,901,562.50	45,128,340.00	100.285	ICED
Treasury Notes	UST Note	91282CPC9	3.500	3.614	2.613	11/3/2025	10/15/2028	55,000,000.00	54,926,457.34	54,961,335.00	99.930	ICED
Treasury Notes	UST Note	91282CPK1	3.500	3.448	2.696	12/1/2025	11/15/2028	70,000,000.00	70,209,459.17	69,945,330.00	99.922	ICED
Treasury Notes	UST Note	9128285M8	3.125	3.607	2.708	9/2/2025	11/15/2028	20,000,000.00	19,710,156.25	19,783,600.00	98.918	ICED
Treasury Notes	UST Note	9128285M8	3.125	3.645	2.708	10/1/2025	11/15/2028	15,000,000.00	14,771,484.38	14,837,700.00	98.918	ICED
Total	Count 18		3.640	3.764	1.648			719,200,000.00	717,426,187.18	719,941,894.70	100.103	
LOCAL AGENCY INVESTMENT FUND	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
LAIF	LAIF	SYS49819	4.340	4.340	0.000	3/31/2003	1/2/2026	73,432.27	73,432.27	73,432.27	100.000	ICED
Total	Count 1		4.340	4.340	0.000			73,432.27	73,432.27	73,432.27	100.000	
ASSET BACKED SECURITIES	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Asset Backed Secs	Dell Equipment Finance Trust	24703UAC7	4.680	4.594	0.490	9/2/2025	7/22/2027	6,000,000.00	5,999,728.80	6,021,102.00	100.352	ICED
Asset Backed Secs	Verizon Master Trust	92348KDY6	4.510	4.506	1.160	3/31/2025	3/22/2027	38,000,000.00	37,998,366.00	38,303,468.00	100.799	ICED
Asset Backed Secs	Stellantis Financial Underwrit	858928AD6	4.470	4.474	1.240	5/7/2025	7/20/2028	11,000,000.00	10,998,209.20	11,076,747.00	100.698	ICED
Asset Backed Secs	Bank of America Credit Card	05522RDJ4	4.930	5.088	1.300	6/13/2024	5/15/2027	25,000,000.00	24,998,597.50	25,393,075.00	101.572	ICED
Asset Backed Secs	GM Financial Auto	379965AD8	4.170	4.221	1.400	8/13/2025	10/20/2027	8,500,000.00	8,498,708.00	8,544,956.50	100.529	ICED
Asset Backed Secs	Volkswagen Auto Lease Trust	92868WAD9	4.500	4.546	1.450	6/17/2025	10/20/2027	11,000,000.00	10,999,226.70	11,110,506.00	101.005	ICED
Asset Backed Secs	American Express Credit	02589BAE0	4.650	4.652	1.460	7/23/2024	7/15/2027	16,000,000.00	15,999,273.60	16,220,240.00	101.377	ICED
Asset Backed Secs	Ford Credit Auto Lease	34533MAD8	4.230	4.278	1.470	7/29/2025	12/15/2027	14,000,000.00	13,998,275.20	14,092,316.00	100.659	ICED
Asset Backed Secs	TMobile US Trust	872974AA8	4.740	4.791	1.590	2/27/2025	4/20/2028	28,000,000.00	27,997,135.60	28,396,032.00	101.414	ICED
Asset Backed Secs	Capital One	14041NGE5	3.920	3.927	1.620	9/24/2024	9/15/2027	37,500,000.00	37,492,680.00	37,593,000.00	100.248	ICED
Asset Backed Secs	Honda Auto Receivables Owner	437921AD1	4.150	4.193	1.640	5/8/2025	8/15/2028	9,250,000.00	9,248,966.78	9,307,525.75	100.622	ICED
Asset Backed Secs	Nissan Auto Lease Trust	65481RAD3	4.320	4.364	1.660	7/29/2025	2/15/2028	13,000,000.00	12,998,715.60	13,116,194.00	100.894	ICED
Asset Backed Secs	Wells Fargo Card Issuance	92970QAE5	4.290	4.334	1.690	10/24/2024	10/15/2027	20,000,000.00	19,997,028.00	20,196,100.00	100.981	ICED
Asset Backed Secs	Verizon Master Trust	92348KEV1	3.960	4.010	1.710	11/25/2025	10/20/2027	12,500,000.00	12,497,942.50	12,534,337.50	100.275	ICED
Asset Backed Secs	American Express Credit	02582JKM1	4.560	4.612	1.830	2/11/2025	12/15/2027	45,000,000.00	44,990,005.50	45,734,580.00	101.632	ICED
Asset Backed Secs	TMobile US Trust	87268MAA3	4.340	4.381	1.960	8/6/2025	9/20/2028	14,000,000.00	13,999,752.20	14,127,582.00	100.911	ICED
Asset Backed Secs	American Express Credit	02582JKP4	4.280	4.319	2.130	5/13/2025	4/17/2028	22,000,000.00	21,999,601.80	22,255,882.00	101.163	ICED
Asset Backed Secs	Wells Fargo Card Issuance	92970QAJ4	4.340	4.341	2.210	6/10/2025	5/15/2028	20,000,000.00	19,999,668.00	20,270,220.00	101.351	ICED
Asset Backed Secs	American Express Credit	02582JKV1	4.300	4.305	2.360	7/22/2025	7/17/2028	15,000,000.00	14,997,838.50	15,198,750.00	101.325	ICED
Total	Count 19		4.406	4.441	1.636			365,750,000.00	365,709,719.48	369,492,613.75	101.023	
REPURCHASE AGREEMENT	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Repurchase Agreements	TD Securities America Repurcha	REPO80979	3.760	3.812	0.002	12/31/2025	1/2/2026	107,300,000.00	107,300,000.00	107,300,000.00	100.000	ICED
Total	Count 1		3.760	3.812	0.002			107,300,000.00	107,300,000.00	107,300,000.00	100.000	
COMMERCIAL PAPER	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Commercial Paper	DCAT LLC	24023HA70	3.840	3.902	0.016	12/18/2025	1/7/2026	27,600,000.00	27,541,120.00	27,579,879.60	99.927	ICED
Commercial Paper	Novant Health Inc	67001HB33	3.900	3.975	0.090	12/16/2025	2/3/2026	34,946,000.00	34,760,494.98	34,823,654.05	99.650	ICED
Commercial Paper	Mitsubishi UFJ NY Branch	60682XFP6	3.780	3.910	0.464	12/16/2025	6/23/2026	50,000,000.00	49,007,750.00	49,087,900.00	98.176	ICED

POOLED INVESTMENTS AT DECEMBER 31, 2025 - PORTFOLIO POSITION DETAIL

Commercial Paper	Barclays Capital	06743VFS4	3.960	4.114	0.473	11/19/2025	6/26/2026	25,000,000.00	24,397,750.00	24,539,500.00	98.158	ICED
Commercial Paper	DCAT LLC	24023HFS9	3.800	3.932	0.473	12/17/2025	6/26/2026	13,000,000.00	12,737,905.56	12,759,097.00	98.147	ICED
Commercial Paper	Salisbury Receivables Co	79490BFS0	3.790	3.919	0.473	12/23/2025	6/26/2026	18,000,000.00	17,649,425.00	17,668,134.00	98.156	ICED
Commercial Paper	Bayerische Landesbank NY Branc	07274MFW0	3.840	4.040	0.484	10/6/2025	6/30/2026	30,300,000.00	29,437,056.00	29,720,421.60	98.087	ICED
Commercial Paper	Societe Generale NY Branch	83369CFW9	3.850	3.995	0.484	11/28/2025	6/30/2026	25,000,000.00	24,427,847.22	24,526,250.00	98.105	ICED
Commercial Paper	Credit Agricole CIB NY Branch	22533UFW8	3.790	3.924	0.484	12/16/2025	6/30/2026	60,000,000.00	58,761,933.33	58,875,060.00	98.125	ICED
Commercial Paper	Hannover Funding Co	41068LG18	3.850	3.994	0.485	12/1/2025	7/1/2026	30,000,000.00	29,319,833.33	29,405,640.00	98.019	ICED
Commercial Paper	Natixis NY Branch	63873KG19	3.930	4.084	0.486	11/20/2025	7/1/2026	30,000,000.00	29,269,675.00	29,431,800.00	98.106	ICED
Commercial Paper	Starbird Funding Corp LLC	85520MG23	3.850	3.993	0.489	12/5/2025	7/2/2026	25,000,000.00	24,441,215.28	24,523,650.00	98.095	ICED
Total Count 12			3.843	3.976	0.407			368,846,000.00	361,752,005.70	362,940,986.25	98.399	

CORPORATE MTN/BONDS	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Medium Term Notes	Merck & Co	58933YBP9	3.850	3.899	0.821	9/9/2025	9/15/2027	25,000,000.00	24,976,250.00	25,099,900.00	100.400	ICED
Medium Term Notes	Morgan Stanley	61746BEF9	3.625	4.496	1.007	6/16/2025	1/20/2027	9,315,000.00	9,191,203.65	9,291,721.82	99.750	ICED
Medium Term Notes	Johnson & Johnson	478160DG6	4.500	4.499	1.114	2/20/2025	3/1/2027	20,000,000.00	20,000,000.00	20,206,660.00	101.033	ICED
Medium Term Notes	DTE Electric Co	23338VAW6	4.250	4.293	1.314	5/14/2025	5/14/2027	5,000,000.00	4,995,900.00	5,034,940.00	100.699	ICED
Medium Term Notes	National Securities Clearing	637639AN5	4.350	4.397	1.329	5/20/2025	5/20/2027	20,000,000.00	19,982,200.00	20,157,060.00	100.785	ICED
Medium Term Notes	Citigroup Inc	17325FBN7	4.576	4.576	1.352	5/29/2025	5/29/2027	30,000,000.00	30,000,000.00	30,309,450.00	101.032	ICED
Medium Term Notes	USAA CAP Corp	90327QD97	5.250	5.356	1.354	6/3/2024	6/1/2027	12,500,000.00	12,463,875.00	12,761,500.00	102.092	ICED
Medium Term Notes	Simon Property Group LP	828807DC8	3.375	5.816	1.403	4/17/2025	6/15/2027	10,035,000.00	9,785,128.50	9,963,560.84	99.288	ICED
Medium Term Notes	Paccar Inc	69371RT89	4.250	4.271	1.420	6/23/2025	6/23/2027	12,000,000.00	11,995,200.00	12,097,080.00	100.809	ICED
Medium Term Notes	Daimler Truck Finan	233853BG4	4.300	4.318	1.521	8/12/2025	8/12/2027	10,000,000.00	9,996,600.00	10,045,350.00	100.454	ICED
Medium Term Notes	Unilever Capital Corp	904764BU0	4.250	4.346	1.524	8/12/2024	8/12/2027	10,000,000.00	9,973,300.00	10,086,270.00	100.863	ICED
Medium Term Notes	Hyundai Capital America	44891ADF1	4.300	4.831	1.634	5/1/2025	9/24/2027	10,000,000.00	9,880,700.00	10,030,040.00	100.300	ICED
Medium Term Notes	Hyundai Capital America	44891ADK0	4.875	4.831	1.727	5/1/2025	11/1/2027	13,000,000.00	13,013,260.00	13,172,653.00	101.328	ICED
Medium Term Notes	Marsh & McLennan Cos Inc	571748BY7	4.550	4.591	1.753	11/8/2024	11/8/2027	10,000,000.00	9,988,600.00	10,119,600.00	101.196	ICED
Medium Term Notes	International Business Machine	459200LF6	4.650	4.655	1.960	2/10/2025	2/10/2028	28,000,000.00	27,996,080.00	28,417,004.00	101.489	ICED
Medium Term Notes	Paccar Inc	69371RT63	4.550	4.572	2.026	3/3/2025	3/3/2028	20,000,000.00	19,987,800.00	20,333,520.00	101.668	ICED
Medium Term Notes	Caterpillar Fncl Service	14913UAY6	4.400	4.413	2.028	3/3/2025	3/3/2028	15,000,000.00	14,994,600.00	15,167,550.00	101.117	ICED
Medium Term Notes	Abbvie Inc	00287YDY2	4.650	4.696	2.055	2/26/2025	3/15/2028	15,000,000.00	14,980,050.00	15,253,395.00	101.689	ICED
Medium Term Notes	Mastercard Inc	57636QBF0	4.550	4.576	2.058	2/27/2025	3/15/2028	10,000,000.00	9,992,400.00	10,168,700.00	101.687	ICED
Medium Term Notes	Cummins Inc	231021AY2	4.250	4.275	2.211	5/9/2025	5/9/2028	10,000,000.00	9,993,000.00	10,080,970.00	100.810	ICED
Medium Term Notes	Apple Corp	037833EY2	4.000	4.070	2.228	5/12/2025	5/12/2028	40,000,000.00	39,921,600.00	40,345,120.00	100.863	ICED
Medium Term Notes	USAA CAP Corp	90327QDA4	4.375	4.443	2.269	6/2/2025	6/1/2028	15,000,000.00	14,971,650.00	15,188,700.00	101.258	ICED
Medium Term Notes	Deere & Co.	24422EYD5	4.250	4.282	2.283	6/5/2025	6/5/2028	20,000,000.00	19,982,200.00	20,217,820.00	101.089	MNL
Medium Term Notes	Air Products and Chemicals Inc	009158BN5	4.300	4.324	2.298	6/11/2025	6/11/2028	15,000,000.00	14,989,950.00	15,156,750.00	101.045	ICED
Medium Term Notes	National Australia Bank	632525CJ8	4.308	4.308	2.303	6/13/2025	6/13/2028	20,000,000.00	20,000,000.00	20,220,800.00	101.104	ICED
Medium Term Notes	Target Corp	87612EBU9	4.350	4.329	2.308	6/10/2025	6/15/2028	10,000,000.00	9,999,900.00	10,118,890.00	101.189	ICED
Medium Term Notes	Ecolab Inc	278865BQ2	4.300	4.358	2.309	6/5/2025	6/15/2028	5,000,000.00	4,991,800.00	5,054,255.00	101.085	ICED
Medium Term Notes	Analog Devices Inc	032654BD6	4.250	4.289	2.309	6/16/2025	6/15/2028	20,000,000.00	19,978,400.00	20,170,300.00	100.852	ICED
Medium Term Notes	Paccar Inc	69371RT97	4.000	4.021	2.415	8/8/2025	8/8/2028	7,500,000.00	7,495,575.00	7,548,967.50	100.653	ICED
Medium Term Notes	Lockheed Martin Corp	539830CK3	4.150	4.195	2.422	7/28/2025	8/15/2028	10,000,000.00	9,987,300.00	10,066,790.00	100.668	ICED
Medium Term Notes	Caterpillar Fncl Service	14913UBB5	4.100	4.105	2.430	8/15/2025	8/15/2028	25,000,000.00	24,996,500.00	25,170,800.00	100.683	ICED
Medium Term Notes	Eli Lilly	532457DB1	4.000	4.014	2.584	8/20/2025	10/15/2028	25,000,000.00	24,987,750.00	25,176,300.00	100.705	ICED
Medium Term Notes	Novartis Capital	66989HAX6	3.900	3.908	2.654	11/5/2025	11/5/2028	10,000,000.00	9,997,800.00	10,035,600.00	100.356	ICED
Medium Term Notes	Paccar Inc	69371RU20	4.000	4.020	2.656	11/7/2025	11/7/2028	10,000,000.00	9,994,400.00	10,051,280.00	100.513	ICED
Medium Term Notes	Alphabet Inc	02079KAV9	3.875	3.905	2.682	11/6/2025	11/15/2028	5,000,000.00	4,995,700.00	5,026,985.00	100.540	ICED
Medium Term Notes	Amazon	023135CS3	3.900	3.908	2.695	11/20/2025	11/20/2028	25,000,000.00	24,994,500.00	25,087,625.00	100.351	ICED
Medium Term Notes	Intercontinental Exchange	45865VAA8	3.950	4.099	2.717	11/17/2025	12/1/2028	10,000,000.00	9,957,700.00	10,001,000.00	100.010	ICED
Total Count 37			4.264	4.358	1.973			567,350,000.00	566,428,872.15	572,434,907.16	100.896	

Grand Total 2,128,519,432.27 2,118,690,216.78 2,132,183,834.13



GLOSSARY OF INVESTMENT TERMS

ASSET BACKED SECURITIES: Securities, such as bonds or notes, collateralized by receivables such as credit card or auto loans.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

CERTIFICATE OF DEPOSIT (CD or NCD): A deposit of funds at a bank for a specified period of time that earns interest at a specified rate. Commonly known as "CDs" or "negotiable CDs."

COUPON: The annual rate at which a bond pays interest.

CUSIP: The number identifying all stocks and registered bonds, using the Committee on Uniform Securities Identification Procedures (CUSIP).

DURATION: Duration measures the price sensitivity of a bond to changes in interest rates.
(a) **EFFECTIVE DURATION** is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.
(b) **MACAULAY'S DURATION** is the weighted average maturity of the bond's cash flows, where the present values of the cash flows serves as the weights. The greater the duration of the bond, the greater its percentage price volatility.

LOCAL AGENCY INVESTMENT FUND (LAIF): An investment pool sponsored by the State of California and administered/managed by the State Treasurer's Office. Local government units, with consent of the local governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

PAR VALUE: The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

REPURCHASE AGREEMENT (RP OR REPO): The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities at a later date at a specified price that includes interest for the buyer's holding period. In essence, this is a collateralized investment whereby the security "buyer" lends the "seller" money for the period of the agreement.

SUPRANATIONAL: An entity formed by two or more central governments through international treaties, for the purpose of promoting economic development for member countries. Two examples of supranational institutions are the International Bank for Reconstruction and Development (World Bank) and the Inter-American Development Bank.

U. S. GOVERNMENT AGENCY SECURITIES: Debt securities issued by U. S. Government sponsored enterprises and federally related institutions. These government agencies include: Federal Home Loan Banks (FHLB); Federal Home Loan Mortgage Corporation (FHLMC, or "Freddie Mac"); Federal National Mortgage Association (FNMA, or "Fannie Mae"); Federal Farm Credit Banks (FFCB); and Tennessee Valley Authority (TVA).

U.S. TREASURY SECURITIES: Securities issued by the U. S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

WEIGHTED AVERAGE DAYS TO MATURITY: The weighted average of the remaining term to maturity of all of the assets in an investment pool or securities portfolio, as expressed in days.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

(a) **EARNED INCOME YIELD** is the annual income from an investment divided by the current market value.

(b) **YIELD TO MATURITY** is the rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

For additional glossary terms, previous Investment Reports, and City Investment Policy, please visit the Office of the City Treasurer's website at:
<http://www.sandiego.gov/treasurer/investments/>