



City of San Diego

Pooled Investment Fund Quarterly Review

Quarter ended

3/31/2013

Publication Date: 4/30/2013

Office of the City Treasurer—Investments Division

Economic Commentary

Quarterly Economic Highlights

- U.S. stock markets surged during the quarter, with the S&P 500 Index gaining 10.61%
- The unemployment rate dropped to 7.6% in March, the lowest rate since December 2008
- Gold continued its slide as the spot price dropped 4.5% to \$1572.99/oz
- Sequestration budget cuts took effect in the U.S. on March 1

European concerns resurfaced this past quarter, though to a lesser degree than prior flare-ups.

First, at the end of February, the Italian election for Prime Minister failed to provide a clear winner, leaving no party with enough votes to form a government. This is important because Italy is one of the largest countries in the Eurozone and one of the largest debtor nations in the world. As long as the leadership situation remains unclear, questions will remain about whether Italy is willing to continue its austerity efforts and retain the Euro as its currency.

In the middle of March, the tiny island nation of Cyprus exploded onto the scene by announcing a “bail-in” to rescue its banks from insolvency. Under the original plan, all depositors would surrender up to ten percent of their deposit balance in order to shore up the balance sheets of

the large Cypriot banks. After public outrage and protest, the plan was later revised to only include deposit amounts over the insured limit of €100,000, though the haircut was raised to as much as 60% of those deposits. While in and of itself this is not a huge issue since many experts believe it would primarily affect Russian crime organizations, this largely unprecedented solution raised fears of whether this could happen elsewhere in the Eurozone and potentially cause a bank run in other peripheral Euro countries.

In an effort to finally curb deflationary forces and economic malaise that have plagued the country for two decades, Japan embarked upon an unprecedented new quantitative easing program aimed to devalue the yen and increase inflation to two percent in two years. As a

result, the yen sold off by as much as ten percent during the quarter (Chart 1) and Japanese stock markets soared as a result.

In the United States, Congress passed a bill suspending the debt limit until May 19, which likely pushed the Treasury hitting the ceiling until sometime in July or August. Also, the sequestration budget cuts that were part of the 2011 debt ceiling agreement took effect on March 1. To date, the gloom and doom scenarios laid out by Washington have not yet occurred, with the economy still showing signs of strength.

The housing recovery continued during the quarter, with house price increases throughout most of the country spurred on by investors, low interest rates and very low inventory. However, some economists are concerned that housing prices may again be getting too frothy and driven by speculation.

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Chart 1: USD/JPY Index (April 2012–March 2013) (Source: Bloomberg)

Hot Topic Corner— Is the Jobs Recovery for Real?

The latest employment reports were released on April 5 for the March reporting period, and despite only 88,000 new jobs being created during the month, the unemployment rate for the U.S. dropped again to 7.6%, the lowest rate since December 2008.

It is a little incongruent that the unemployment rate would actually drop on such a small payroll number, especially since 125,000 jobs are needed each month just to keep up with population growth. This inconsistency is reconciled by the fact that over 600,000 Americans dropped out of the labor force during March and are no longer counted as officially unemployed. This was the largest drop in the labor force since December 2009.

In fact, the labor force participation rate dropped to 63.3%, the lowest since 1979. Per the U.S. Bureau of Labor Statistics, there are 11.7 million working age Americans that are officially unemployed and 89.9 million working age Americans that are not in the labor force. That sums to over 101 million working age Americans that do not have a job!

Other measures of workforce participation tell a similar story. Despite the official drop in unemployment from 10% in October 2009 to the 7.6% in March, the employment/population ratio has held steady at 58.5% for four years.

To be sure, some of the drop in the labor force participation can be attributed to baby boomers

retiring. This structural phenomenon will continue for years as thousands of boomers turn 65 each day. Additionally, there are people leaving the workforce for other benign reasons such as going back to school or raising children.

Still, the participation rate for prime age workers between the ages of 25 and 54 dropped to 81.1% in March, the lowest since 1984. There are also many workers who are just marginally attached or employed part time for economic reasons. A broader measure of unemployment, the U6 rate, measures these workers and is currently at 13.8%. Although this measure is down from a high of 17.1% in 2010, it still paints a bleak picture about the jobs market.

Much of the blame for the lackluster recovery for jobs can be attributed to increased workforce productivity related to technological advances. It simply requires less workers to do the same amount of work today than it took five or ten years ago.

Anecdotal evidence also points to economic and policy uncertainty. With the specter of tax increases and the implementation of the Affordable Care Act hanging over them, many businesses have scaled back on hiring, and may not hire until there is clarity on how much a worker may cost in the future. Until then, the U.S. employment picture and economy as a whole will potentially remain mired in a lackluster recovery.

- Thomas Williams CFA, Investment Officer

Key Economic Indicators

<i>Indicator</i>	<i>Period</i>	<i>Report Current</i>	<i>As Reported Last Quarter</i>	<i>Difference</i>
Federal Funds Rate	3/20/2013	0-0.25%	0-0.25%	0%
Consumer Price Index (MoM)	MAR	(0.2%)	0.0%	(0.2%)
Consumer Price Index (YoY)	MAR	1.9%	1.9%	(0.1%)
Producer Price Index (MoM)	MAR	(0.6%)	(0.2%)	(0.4%)
Producer Price Index (YoY)	MAR	1.5%	1.3%	0.2%
Durable Goods Orders	MAR	(5.7%)	4.6%	(10.3%)
Gross Domestic Product (Annualized)	Q1A	2.5%	2.0%	0.5%
ISM (Manufacturing)	MAR	51.3	50.7	0.6
ISM (Non-manufacturing)	MAR	54.4	56.1	(1.7)
Retail Sales	MAR	(0.4%)	0.5%	(0.9%)
Unemployment Rate	MAR	7.6%	7.8%	(0.2%)
Change in Non-farm Payrolls	MAR	88,000	155,000	(67,000)
Consumer Confidence (Univ. of Michigan)	April (Final)	76.4	71.3	5.1
Existing Home Sales	MAR	4.92(mil)	4.94(mil)	(0.02)(mil)
New Home Sales	MAR	0.417(mil)	0.369(mil)	0.048(mil)
Housing Starts	MAR	1.036(mil)	0.954(mil)	0.082(mil)
Median Home Price (existing) [EHSLMP]	MAR	\$185,000	\$180,300	\$4,700
NYMEX WTI CRUDE OIL (barrel)	3/28/13	\$97.23	\$91.82	\$5.41
S&P 500 Stock Index	3/28/13	1,569.19	1,426.66	142.53

Portfolio Performance

The Core Portfolio matched the performance of its benchmark, the Bank of America Merrill Lynch 1-3 year Treasury Index, as both returned 0.11% during the quarter.

Chart 2 shows a yield curve that steepened slightly over the past quarter. Front-end rates remained roughly unchanged while longer maturities increased in yield. The rise in long rates occurred even as the FOMC continued to purchase \$85 billion of Treasury securities and Agency Mortgage-Backed Securities each month.

Even though the FOMC maintained its stance that it will continue this round of quantitative easing indefinitely, some dissenting remarks from certain members along with improving economic results led to speculation that the Fed might curtail or even stop these

purchases early, causing the longer rates to rise.

“Income” and “Amortization” effects once again offset each other, as the lower coupon portfolio securities did not earn as much coupon interest as the higher coupon index securities. However, the lower price of portfolio securities versus the index meant that there was less amortization of bond prices down to par of portfolio securities when compared with index securities.

“Roll effect” resulted in approximately -2 basis points of underperformance as portfolio securities did not increase in price as they rolled down the yield curve as much as index securities.

“Effective Duration effect” added about 3 basis points to performance as the portfolio was short duration, though front-end rates didn’t rise by

much at all. “Convexity effect” and “Non-parallel duration” effects combined to subtract about 3 basis points of performance versus the index, largely as a result of 5 year callable securities in the

portfolio, which underperformed due to the steeper rate increases in the 5 year part of the curve and the negative convexity of the callables, which extend in duration as rates rise.



Chart 2: U.S. Treasury Yield Curve 12/31/12–3/31/13 (Source: Bloomberg)

Returns

The City’s Total Pooled Investment Fund is split into two portfolios. A Liquidity portfolio, which is short-term in nature and managed on an Earned Income Yield basis, and a Core portfolio, which is longer in maturity (0-5 years) and managed on a total-return basis versus an index (Bank of America Merrill Lynch (BAML) 1-3 Year Treasury Index).

Earned Income Yield*

	Q1 2013	Q4 2012	Q3 2012	FYTD 2013	1 Year	3 Year
Total Pooled Investment Fund	0.56%	0.59%	0.71%	0.62%	0.62%	0.99%
Core Portfolio	0.63%	0.65%	0.85%	0.71%	0.71%	1.29%
Liquidity Portfolio	0.42%	0.47%	0.45%	0.45%	0.45%	0.44%

Total Return—Core Portfolio

	Q1 2013	Q4 2012	Q3 2012	FYTD 2013	1 Year	3 Year*
Core Portfolio	0.11%	0.09%	0.26%	0.46%	0.67%	1.34%
BAML 1 - 3 Year Treasury Index	0.11%	0.06%	0.26%	0.43%	0.62%	1.17%
Difference	0.00%	0.03%	0.00%	0.03%	0.05%	0.17%

*Annualized Returns

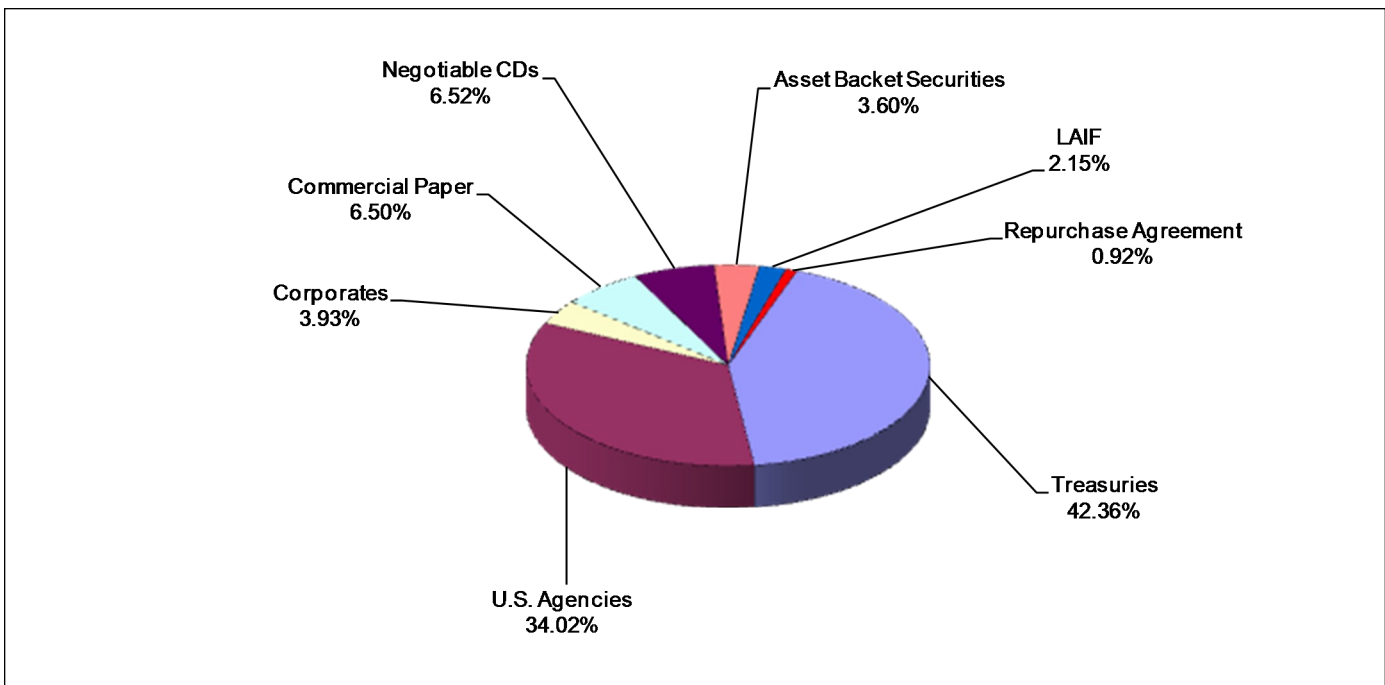
Portfolio Profile

as of March 31, 2013

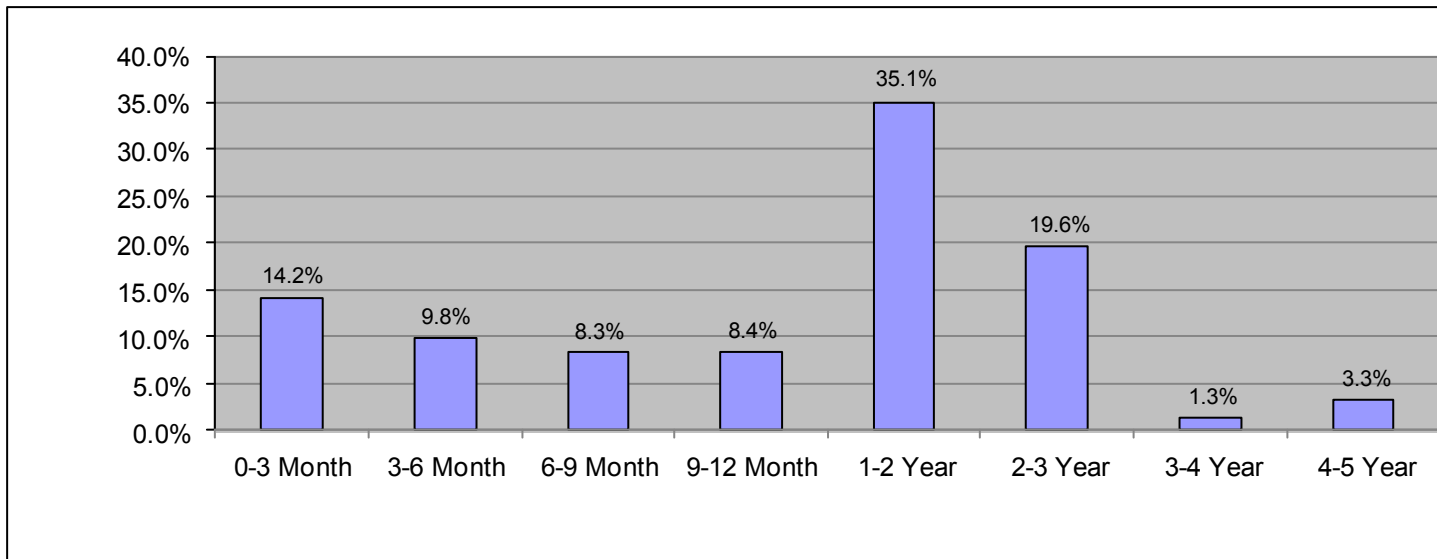
	<i>Liquidity</i>	<i>Core</i>
Portfolio Size*	\$815,765,563	\$1,486,507,978
% of total pool	35.43%	64.57%
Portfolio Duration**	0.375	1.646
Index Duration**	0.380	1.877
% of index	98.68%	87.69%
Weighted Average Days to Maturity	140.48	728.29

* Book Value ** Macaulay's Duration for the Liquidity Portfolio and Effective Duration for the Core Portfolio

Asset Allocation



Pool Maturity Distribution



Credit Profile

as of March 31, 2013

Credit Ratings

Ratings Buckets	% of Portfolio
U.S. Treasury (AAA)	42.36%
U.S. Agencies (AAA)	34.02%
AAA/A1	17.05%
AA	2.50%
A	1.00%
Below A	0.00%

- All Commercial Paper is rated A1 or A1+ and is included in the AAA/A1 bucket
- All Negotiable Certificates of Deposit are rated A1 or A1+ and are included in the AAA/A1 bucket
- Repurchase agreement is not included, though it is collateralized at 102% by AAA-rated collateral with an A-rated counterparty
- CDARS is not included as it is comprised of FDIC-insured CDs
- LAIF and money market funds are not included

Top Issuer Exposures

Issuer	% of Portfolio
U.S. Treasury	42.36%
Federal Home Loan Bank	11.72%
Freddie Mac	7.60%
Federal Farm Credit Bank	7.54%
Fannie Mae	4.78%
Toyota Motor Credit Corp.	2.17%
Chase Issuance Trust	1.95%
Int'l Bank for Recon & Development	1.52%
JP Morgan Chase.	1.30%
Swedbank NY	1.09%
Toronto Dominion Bank NY	1.09%
Svenska Handelsbanken NY	1.09%
SEB NY	1.09%
Bank of Nova Scotia/Houston	1.09%
Rabobank NA	1.09%
The Coca-Cola Company	1.08%

Pooled Fund Corporate Issuers

Issuer	Moody's	S&P	Egan-Jones	5yr CDS level	Q/Q % change	Equity Price	Q/Q % change	Longest maturity
Bank of Nova Scotia/Houston	Aa2	A+	A1	N/A	N/A	\$58.27	0.67%	99 days
The Coca-Cola Co.	Aa3	AA-	AA-	42.50	-2.30%	\$40.44	11.56%	110 days
Colgate-Palmolive Co.	Aa3	AA-	AA	33.00	0.96%	\$118.03	12.90%	396 days
Deere & Co.	A2	A	AA-	36.86	-6.68%	\$85.98	-0.51%	566 days
General Electric Co.	Aa3	AA+	AA	104.01	-12.37%	\$23.12	10.15%	389 days
Google Inc.	Aa2	AA	AA+	29.40	12.90%	\$794.19	12.27%	414 days
IBM Corp.	Aa3	AA-	AA+	30.89	-29.52%	\$213.30	2.82%	1,775 days
Johnson & Johnson	Aaa	AAA	AA+	28.75	-2.04%	\$81.53	16.31%	410 days
JP Morgan Chase	A2 (-)	A	A-	89.13	-0.07%	47.46	7.94%	1,062 days
MetLife Inc.	A3 (-)	A-	A-	122.00	-24.37%	\$38.02	15.42%	3 days
Nestle SA	Aa2	AA	A1+	31.00	3.02%	\$68.65	5.34%	82 days
Rabobank NA	Aa2 (-)	AA-	A+	110.09	63.12%	N/A	N/A	194 days
The Procter & Gamble Co.	Aa3	AA-	AA-	37.50	-3.67%	\$77.06	13.51%	502 days
SEB NY	A1	A+ (-)	N/A	115.49	14.92%	\$10.06	18.63%	180 days
Svenska Handelsbanken NY	Aa3	AA- (-)	N/A	84.23	14.95%	\$42.82	20.04%	96 days
Swedbank NY	A2	A+ (-)	N/A	125.10	19.14%	\$22.78	16.88%	165 days
Toronto-Dominion Bank NY	Aa1	AA-	A1	N/A	N/A	\$84.33	-1.26%	152 days
Toyota Motor Corp.	Aa3 (-)	AA- (-)	A1+	35.34	-31.34%	\$102.64	10.07%	87 days
Wells Fargo & Co.	A2 (-)	A+ (-)	A1+	70.17	-11.39%	\$36.99	8.22%	222 days
Wal-Mart Stores Inc.	Aa2	AA	AA-	37.86	-8.77%	\$74.83	9.67%	380 days
S&P 500 Index						1569.19	10.03%	
CDX IG20				90.74	-4.10%			

CDS level: the 5-year Credit Default Swap of the underlying parent company as of quarter end.

Equity Price: stock price of the underlying parent company (if applicable) as of quarter end.

Portfolio Strategy

We are now into the fifth year of the FOMC's zero interest rate policy. Recent statements by Fed Chairman Bernanke lead us to believe that this policy will continue through the middle of 2015. Additionally, the Fed is continuing to add \$85 billion to bank reserves each month through security purchases. Both initiatives have left interest rates across the yield curve near or at historical lows.

This continues to make for a challenging environment from an investment standpoint. Not only are Treasury yields very low, but the reach for yield by investment managers has

caused corporate and agency spreads to Treasury securities to collapse. While this is extremely beneficial to corporate issuers, whose cost of debt continues to decrease, it reduces the amount of earnings we are able to attain in the City Treasurer's Pooled Investment Fund.

Low spread levels also make investments in spread products less attractive, as the breakeven spread levels, or amount by which spreads to Treasuries must increase to offset the added income have decreased. As a result, we have passed on many corporate and agency new

issues that we feel are just too expensive to purchase.

We do continue to look for attractive opportunities in callable agency securities, though we have discontinued buying these securities with a five year final maturity due to the possibility of rates increasing on speculation of the FOMC ending their latest quantitative easing program early.

We have also continued to maintain a short duration position in the Core portfolio versus its index in an effort to mitigate any investment losses if interest rates were to increase suddenly. Since

the front end of the yield curve is fairly flat, the loss of investment income from being short duration is negligible, and in fact we continue to earn a little more than the index through our investments in corporate, agency and asset-backed securities.

As we move closer to a time when we feel the FOMC will start raising interest rates, we will decrease our duration even further versus the index and begin to invest more in floating rate securities, which provide protection to the portfolio in rising rate scenarios. This will probably not occur for at least another year, however.

Projected Portfolio Cash Flows*

The Investment staff have reviewed and the City Treasurer has affirmed that the Pooled Investment Fund has sufficient maturities and liquidity to meet the City's expenditure requirements for the next six months per California Government Code §53646.

MONTH	CASH INFLOWS	CASH OUTFLOWS	NET MONTHLY CASH-FLOWS	CUMULATIVE NET CASHFLOWS
April	320	264	56	56
May	295	182	113	169
June	285	293	(8)	161
July	366	453	(87)	74
August	219	222	(3)	71
September	191	182	9	80

(All dollar amounts in millions)

Legend:

Cash Inflows- All revenues, reimbursements, interest receipts and investment maturities.

Cash Outflows- All disbursements to include payroll, pension payroll, accounts payable and wire transfer payments (e.g. water payments, IRS taxes and bond payments).

Cumulative Net Cashflow- All future cumulative net flows available for reinvestment. Since the target duration of the Liquidity Portfolio is approximately .33 years, it will not be unusual for the cumulative net Cashflow figure to equal or closely approximate the size of the Liquidity Portfolio.

Portfolio Compliance with Investment Policy

The City of San Diego Pooled Investment Fund is in full compliance with the City Treasurer’s Investment Policy, which is more restrictive than the current California Government Code. The Investment Policy is reviewed annually by the City’s Investment Advisory Committee and accepted by the City Council.

Category	Standard	Comment
Duration (Core)	BAML 1-3 Year +/-20%	Complies - 87.69%
Duration (Liquidity)	BAML US T-bill 3-6 months +/-40%	Complies - 98.68%
Maximum Maturity	5 years	Complies
U.S. Agency Securities	100% maximum	Complies - 34.02%
FNMA	33.3% maximum	Complies- 4.78%
FHLMC	33.3% maximum	Complies - 7.60%
FHLB	33.3% maximum	Complies - 11.72%
FFCB	33.3% maximum	Complies - 7.54%
Callable Securities	30% maximum	Complies - 10.86%
MBS/CMO's	5 yr maximum- 20% max.	Complies - None in Portfolio
Asset-backed	5 yr maximum- 20% max.	Complies - 3.60%
Commercial Paper	A1/P1- 5% per issuer	Complies
	25% maximum	Complies - 6.50%
Banker's Acceptances	A1/P1- 5% per issuer	Complies - None in Portfolio
	40% maximum	Complies - None in Portfolio
Medium Term Notes (includes Bank Notes)	'A' Rating by at least two agencies	Complies
	5 year maximum	Complies
	30% maximum	Complies - 3.93%
Mutual Funds	20% maximum; 5% maximum per fund	Complies - None in Portfolio
FDIC-insured Certificates of Deposit	2% maximum	Complies - None in Portfolio
Certificate and Public Deposits	30% maximum	Complies - 6.52%
Reverse Repos	20% maximum	Complies - None in Portfolio
Futures and Options	Prohibited	Complies - None in Portfolio
Custody	Bank trust dept.	Complies - Bank of NY Mellon
Exposure per issuer (corporate)	5% of total portfolio	Complies
Structured Notes	8% maximum/no multiple index structures.	Complies - None in Portfolio
Municipal Securities	'A' Issuer Rating by an NRSRO	Complies - None in Portfolio
	20% maximum	Complies - None in Portfolio
	5% of total portfolio exposure per Issuer or Insurer, excluding California Gen- eral Obligations	Complies - None in Portfolio

City of San Diego Pooled Investment Fund Holdings as of March 31, 2013

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
US Treasury Note	US Treasury	0.375	7/31/2013	\$25,000,000.00	\$25,000,968.54	\$25,022,500.00
US Treasury Note	US Treasury	0.75	8/15/2013	\$10,000,000.00	\$9,997,380.74	\$10,023,400.00
US Treasury Note	US Treasury	0.75	8/15/2013	\$15,000,000.00	\$14,992,048.38	\$15,035,100.00
US Treasury Note	US Treasury	2	11/30/2013	\$25,000,000.00	\$25,423,982.32	\$25,306,750.00
US Treasury Note	US Treasury	0.75	12/15/2013	\$25,000,000.00	\$25,243,164.06	\$25,105,500.00
US Treasury Note	US Treasury	0.25	1/31/2014	\$25,000,000.00	\$24,978,515.63	\$25,020,500.00
US Treasury Note	US Treasury	1.25	3/15/2014	\$20,000,000.00	\$19,996,093.75	\$20,206,200.00
US Treasury Note	US Treasury	1.25	4/15/2014	\$25,000,000.00	\$24,956,013.75	\$25,277,250.00
US Treasury Note	US Treasury	0.25	4/30/2014	\$25,000,000.00	\$24,994,140.62	\$25,018,500.00
US Treasury Note	US Treasury	0.25	5/31/2014	\$25,000,000.00	\$24,996,093.75	\$25,017,500.00
US Treasury Note	US Treasury	0.25	6/30/2014	\$30,000,000.00	\$29,964,843.75	\$30,021,000.00
US Treasury Note	US Treasury	0.625	7/15/2014	\$25,000,000.00	\$24,986,328.13	\$25,135,750.00
US Treasury Note	US Treasury	0.125	7/31/2014	\$25,000,000.00	\$24,951,171.88	\$24,973,500.00
US Treasury Note	US Treasury	0.5	8/15/2014	\$25,000,000.00	\$25,127,929.68	\$25,100,500.00
US Treasury Note	US Treasury	0.25	8/31/2014	\$25,000,000.00	\$25,001,953.12	\$25,012,750.00
US Treasury Note	US Treasury	0.25	9/30/2014	\$25,000,000.00	\$25,006,835.94	\$25,012,750.00
US Treasury Note	US Treasury	0.5	10/15/2014	\$25,000,000.00	\$24,966,628.00	\$25,105,500.00
US Treasury Note	US Treasury	0.25	10/31/2014	\$25,000,000.00	\$24,984,547.65	\$25,010,750.00
US Treasury Note	US Treasury	0.375	11/15/2014	\$25,000,000.00	\$24,993,164.06	\$25,059,500.00
US Treasury Note	US Treasury	0.25	11/30/2014	\$25,000,000.00	\$25,000,515.11	\$25,009,750.00
US Treasury Note	US Treasury	0.25	12/15/2014	\$25,000,000.00	\$24,997,070.31	\$25,009,750.00
US Treasury Note	US Treasury	0.125	12/31/2014	\$25,000,000.00	\$24,939,658.15	\$24,957,000.00
US Treasury Note	US Treasury	0.25	1/15/2015	\$25,000,000.00	\$24,989,257.81	\$25,004,750.00
US Treasury Note	US Treasury	0.25	1/31/2015	\$25,000,000.00	\$24,993,687.42	\$25,005,750.00
US Treasury Note	US Treasury	0.25	2/28/2015	\$100,000,000.00	\$100,020,210.60	\$100,008,000.00
US Treasury Note	US Treasury	0.375	3/15/2015	\$25,000,000.00	\$24,915,039.06	\$25,059,500.00
US Treasury Note	US Treasury	0.375	4/15/2015	\$25,000,000.00	\$24,998,046.87	\$25,054,750.00
US Treasury Note	US Treasury	0.25	5/15/2015	\$25,000,000.00	\$24,924,804.69	\$24,988,250.00
US Treasury Note	US Treasury	0.375	6/15/2015	\$25,000,000.00	\$24,974,609.37	\$25,052,750.00
US Treasury Note	US Treasury	0.25	7/15/2015	\$25,000,000.00	\$24,953,125.00	\$24,980,500.00
US Treasury Note	US Treasury	0.375	11/15/2015	\$25,000,000.00	\$25,040,794.41	\$25,039,000.00
US Treasury Note	US Treasury	0.25	12/15/2015	\$25,000,000.00	\$24,931,801.60	\$24,947,250.00
US Treasury Note	US Treasury	0.375	1/15/2016	\$5,000,000.00	\$5,000,585.94	\$5,005,100.00
US Treasury Note	US Treasury	0.375	1/15/2016	\$20,000,000.00	\$19,991,134.32	\$20,020,400.00
US Treasury Note	US Treasury	0.375	2/15/2016	\$100,000,000.00	\$100,092,627.76	\$100,063,000.00
Treasury Total			42.36%	\$975,000,000.00	\$975,324,772.17	\$976,670,700.00
Agency Note	Federal Home Loan Bank	0.24	4/12/2013	\$25,000,000.00	\$24,998,382.63	\$25,001,000.00
Agency Discount Note	Freddie Mac	0.19	4/23/2013	\$25,000,000.00	\$24,953,027.78	\$24,999,750.00
Agency Note	Federal Home Loan Bank	0.23	5/9/2013	\$25,000,000.00	\$24,998,750.00	\$25,002,750.00
Agency Note	Federal Farm Credit Bank	0.22	6/4/2013	\$25,000,000.00	\$24,994,250.00	\$25,004,000.00
Agency Note	NCUA Guaranteed	0.2222	6/12/2013	\$20,000,000.00	\$20,000,000.00	\$20,000,000.00
Agency Note	Federal Farm Credit Bank	1.375	6/25/2013	\$25,000,000.00	\$24,987,403.73	\$25,079,000.00
Agency Note	Federal Home Loan Bank	0.24	6/28/2013	\$25,000,000.00	\$24,994,152.00	\$25,006,750.00
Agency Note	Federal Home Loan Bank	0.17	7/17/2013	\$25,000,000.00	\$24,995,375.00	\$25,003,000.00
Agency Note	Freddie Mac	0.5	10/15/2013	\$15,000,000.00	\$14,996,700.00	\$15,028,350.00
Agency Note	Federal Home Loan Bank	0.125	10/25/2013	\$15,000,000.00	\$14,987,980.00	\$14,997,150.00
Agency Discount Note	Federal Farm Credit Bank	0.175	11/20/2013	\$25,000,000.00	\$24,958,315.97	\$24,985,500.00
Agency Note	Federal Home Loan Bank	0.18	1/2/2014	\$25,000,000.00	\$24,996,750.00	\$25,001,500.00
Agency Note	Federal Farm Credit Bank	0.15	1/17/2014	\$23,700,000.00	\$23,696,800.50	\$23,694,786.00
Agency Note	Federal Home Loan Bank	0.125	2/14/2014	\$20,000,000.00	\$19,988,540.00	\$19,990,400.00
Agency Note	Federal Farm Credit Bank	1.125	2/27/2014	\$25,000,000.00	\$24,950,750.00	\$25,214,750.00
Agency Note	Federal Home Loan Bank	0.17	3/14/2014	\$25,000,000.00	\$24,997,897.69	\$24,996,250.00
Agency Note	Federal Home Loan Bank	0.125	3/27/2014	\$25,000,000.00	\$24,984,511.81	\$24,984,000.00

City of San Diego Pooled Investment Fund Holdings as of March 31, 2013 (continued)

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
Agency Note	Intl Bank Recon & Develop	0.55	4/25/2014	\$25,000,000.00	\$25,000,000.00	\$25,008,000.00
Agency Note	Federal Home Loan Bank	0.3	6/4/2014	\$25,000,000.00	\$25,000,000.00	\$25,006,500.00
Agency Note	Intl Bank Recon & Develop	0.55	6/6/2014	\$10,000,000.00	\$10,000,000.00	\$10,000,000.00
Agency Note	Freddie Mac	1	8/27/2014	\$25,000,000.00	\$24,967,000.00	\$25,285,250.00
Agency Note	Federal Farm Credit Bank	0.27	11/19/2014	\$25,000,000.00	\$24,984,050.00	\$24,999,750.00
Agency Note	Freddie Mac	0.55	2/13/2015	\$20,000,000.00	\$20,000,000.00	\$20,058,000.00
Agency Note	Freddie Mac	0.55	2/13/2015	\$10,000,000.00	\$10,029,000.00	\$10,029,000.00
Agency Note	Federal Home Loan Bank	0.25	2/20/2015	\$25,000,000.00	\$24,977,750.00	\$24,969,000.00
Agency Note	Fannie Mae	0.55	2/27/2015	\$20,000,000.00	\$19,975,000.00	\$20,060,200.00
Agency Note	Fannie Mae	0.75	4/24/2015	\$10,000,000.00	\$10,000,000.00	\$10,002,600.00
Agency Note	Federal Farm Credit Bank	0.5	6/23/2015	\$15,000,000.00	\$14,953,800.00	\$15,048,900.00
Agency Note	Federal Farm Credit Bank	0.35	7/30/2015	\$10,000,000.00	\$9,994,500.00	\$9,996,000.00
Agency Note	Freddie Mac	0.53	11/20/2015	\$10,000,000.00	\$10,000,000.00	\$10,005,200.00
Agency Note	Freddie Mac	0.5	11/27/2015	\$10,000,000.00	\$10,000,000.00	\$10,009,600.00
Agency Note	Fannie Mae	0.5	1/15/2016	\$10,000,000.00	\$10,000,277.78	\$9,996,800.00
Agency Note	Freddie Mac	0.5	1/28/2016	\$10,000,000.00	\$10,000,000.00	\$9,999,300.00
Agency Note	Fannie Mae	0.52	2/22/2016	\$10,000,000.00	\$10,000,000.00	\$9,996,900.00
Agency Note	Fannie Mae	0.65	3/28/2016	\$10,000,000.00	\$10,000,000.00	\$10,010,900.00
Agency Note	Fannie Mae	0.5	3/30/2016	\$20,000,000.00	\$19,977,200.00	\$20,023,000.00
Agency Note	Freddie Mac	0.5	5/13/2016	\$20,000,000.00	\$19,998,800.00	\$20,020,000.00
Agency Note	Freddie Mac	0.75	10/5/2016	\$10,000,000.00	\$10,003,958.33	\$10,001,000.00
Agency Note	Freddie Mac	1	8/14/2017	\$10,000,000.00	\$10,000,000.00	\$10,011,500.00
Agency Note	Fannie Mae	1	10/24/2017	\$10,000,000.00	\$10,000,000.00	\$10,002,400.00
Agency Note	Fannie Mae	0.7	12/13/2017	\$10,000,000.00	\$10,000,000.00	\$9,990,400.00
Agency Note	Fannie Mae	1	12/28/2017	\$10,000,000.00	\$10,000,000.00	\$9,981,900.00
Agency Note	Freddie Mac	1.07	1/29/2018	\$10,000,000.00	\$10,000,000.00	\$9,986,900.00
Agency Note	Federal Home Loan Bank	1.25	2/22/2018	\$10,000,000.00	\$10,000,000.00	\$10,005,700.00
Agency Total			34.02%	\$783,700,000.00	\$783,340,923.22	\$784,493,636.00
LAIF	California State Pool	0.32	4/1/2013	\$49,603,705.57	\$49,603,705.57	\$49,603,705.57
Repo	Repurchase Agreement	0.14	4/1/2013	\$21,000,000.00	\$21,000,000.00	\$21,000,000.00
Commercial Paper	Toyota Motor Credit	0.44	5/24/2013	\$25,000,000.00	\$24,917,500.00	\$24,993,006.94
Commercial Paper	Nestle Capital Corp.	0.26	6/21/2013	\$25,000,000.00	\$24,951,430.56	\$24,987,625.00
Commercial Paper	Toyota Motor Credit	0.29	6/26/2013	\$25,000,000.00	\$24,957,506.94	\$24,986,861.11
Negotiable CD	Svenska Handelsbanken NY	0.31	7/5/2013	\$25,000,000.00	\$25,000,000.00	\$25,009,979.39
Negotiable CD	Bank of Nova Scotia/Houston	0.24	7/8/2013	\$25,000,000.00	\$25,000,000.00	\$25,005,491.57
Commercial Paper	The Coca-Cola Co.	0.17	7/10/2013	\$25,000,000.00	\$24,979,458.33	\$24,982,638.89
Negotiable CD	Toronto-Dominion Bank NY	0.4	8/30/2013	\$25,000,000.00	\$25,000,000.00	\$25,025,276.47
Negotiable CD	Swedbank NY	0.445	9/12/2013	\$25,000,000.00	\$25,000,000.00	\$25,000,000.00
Negotiable CD	SEB NY	0.45	9/27/2013	\$25,000,000.00	\$25,000,000.00	\$25,036,196.79
Negotiable CD	Rabobank NA	0.33	10/11/2013	\$25,000,000.00	\$25,000,000.00	\$25,004,003.33
Commercial Paper	JP Morgan Chase	0.32	11/7/2013	\$25,000,000.00	\$24,945,555.56	\$24,940,416.67
Commercial Paper	Wells Fargo & Co.	0.2	11/8/2013	\$25,000,000.00	\$24,963,889.00	\$24,940,145.83
Repo, BA's, CD's, CP, LAIF, Funds Total			16.08%	\$370,603,705.57	\$370,319,045.96	\$370,515,347.56
Medium Term Note	Metlife Institutional Funding II	0.556	4/3/2013	\$11,500,000.00	\$11,500,000.00	\$11,501,150.00
Medium Term Note	Wal-Mart Stores Inc.	0.75	10/25/2013	\$10,000,000.00	\$9,965,700.00	\$10,026,300.00
Medium Term Note	Procter & Gamble Co.	0.1921	2/14/2014	\$5,000,000.00	\$5,000,000.00	\$4,998,100.00
Medium Term Note	Wal-Mart Stores Inc.	1.625	4/15/2014	\$3,000,000.00	\$2,991,900.00	\$3,042,780.00
Medium Term Note	General Electric Capital	1.002	4/24/2014	\$10,000,000.00	\$10,000,000.00	\$10,072,900.00
Medium Term Note	Colgate-Palmolive Co.	1.25	5/1/2014	\$4,000,000.00	\$3,994,160.00	\$4,041,560.00
Medium Term Note	Johnson & Johnson	1.2	5/15/2014	\$10,000,000.00	\$9,988,300.00	\$10,106,300.00
Medium Term Note	Google Inc.	1.25	5/19/2014	\$7,000,000.00	\$6,998,390.00	\$7,081,830.00
Medium Term Note	Procter & Gamble Co.	0.7	8/15/2014	\$7,000,000.00	\$6,971,230.00	\$7,041,510.00

City of San Diego Pooled Investment Fund Holdings as of March 31, 2013 (continued)

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
Medium Term Note	John Deere Capital Corp.	0.405	10/8/2014	\$5,000,000.00	\$5,000,000.00	\$5,001,850.00
Medium Term Note	IBM Corp.	0.875	10/31/2014	\$5,000,000.00	\$5,049,000.00	\$5,044,200.00
Medium Term Note	John Deere Capital Corp.	0.75	1/22/2016	\$3,000,000.00	\$2,996,820.00	\$3,007,020.00
Medium Term Note	JP Morgan Chase	1.125	2/26/2016	\$5,000,000.00	\$4,993,950.00	\$5,008,300.00
Medium Term Note	IBM Corp.	1.25	2/8/2018	\$5,000,000.00	\$4,977,100.00	\$5,022,300.00
Corporate MTN's and Other Notes Total			3.93%	\$90,500,000.00	\$90,426,550.00	\$90,996,100.00
Asset Backed Security	Toyota Auto Receivables Owner Trust	0.57	10/15/2014	\$6,064,979.13	\$6,064,389.63	\$6,070,498.26
Asset Backed Security	Honda Auto Receivables Trust	0.56	11/17/2014	\$11,799,279.60	\$11,799,222.60	\$11,799,222.60
Asset Backed Security	Honda Auto Receivables Trust	0.4	4/20/2015	\$7,000,000.00	\$6,999,487.60	\$6,999,487.60
Asset Backed Security	Chase Issuance Trust	0.79	6/15/2015	\$10,000,000.00	\$10,000,000.00	\$10,051,800.00
Asset Backed Security	Chase Issuance Trust	0.3232	12/15/2015	\$25,000,000.00	\$25,000,000.00	\$25,000,000.00
Asset Backed Security	Volkswagen Auto Loan Enhanced Trust	0.37	1/20/2016	\$13,000,000.00	\$12,999,149.80	\$12,999,149.80
Asset Backed Security	Chase Issuance Trust	0.3332	8/15/2017	\$10,000,000.00	\$10,000,000.00	\$10,000,000.00
Asset Backed Securities Total			3.60%	\$82,864,258.73	\$82,862,249.63	\$82,920,158.26
Grand Total			100.00%	\$2,302,667,964.30	\$2,302,273,540.98	\$2,305,595,941.82

Market Values are determined by using Sungard pricing as the primary source. CMS Bondedge, Bloomberg, Custody Bank (BNY Mellon) and pricing provided by broker/dealers are all used to reconcile and determine correct prices.