City of San Diego

Quarterly Portfolio Review

Quarter ended September 2007

Report dated November 28, 2007

QUARTERLY PORTFOLIO REVIEW
Quarter Ending September 2007

Economic Commentary

CREDIT CRUNCH

After four years of relative calm and tight spreads in the bond markets, volatility returned in force during the quarter, spurred on by the continued decline of the housing market and the subprime mortgage crisis. The yield spread over Treasuries rose dramatically for almost all spread products, including corporate debt (particularly financial issuers), U.S. Agency and mortgage-backed debt, and structured products. For instance, the 2 year interest rate swap spread, which is seen as a proxy for the credit quality of an AA financial company, increased by almost 40 basis points before settling in roughly 20 basis points higher for the quarter at 68 basis points (see Figure 1). To put this in perspective, the average 2 year interest swap spread last year (July 2006 to June 2007) was only 40 basis points. In essence, the market reevaluated credit risk realizing that it had undervalued the risk premium associated with these products for the last few years. The depth and duration of the credit reevaluation will depend of the magnitude and speed at which the housing market correction can complete its cycle.

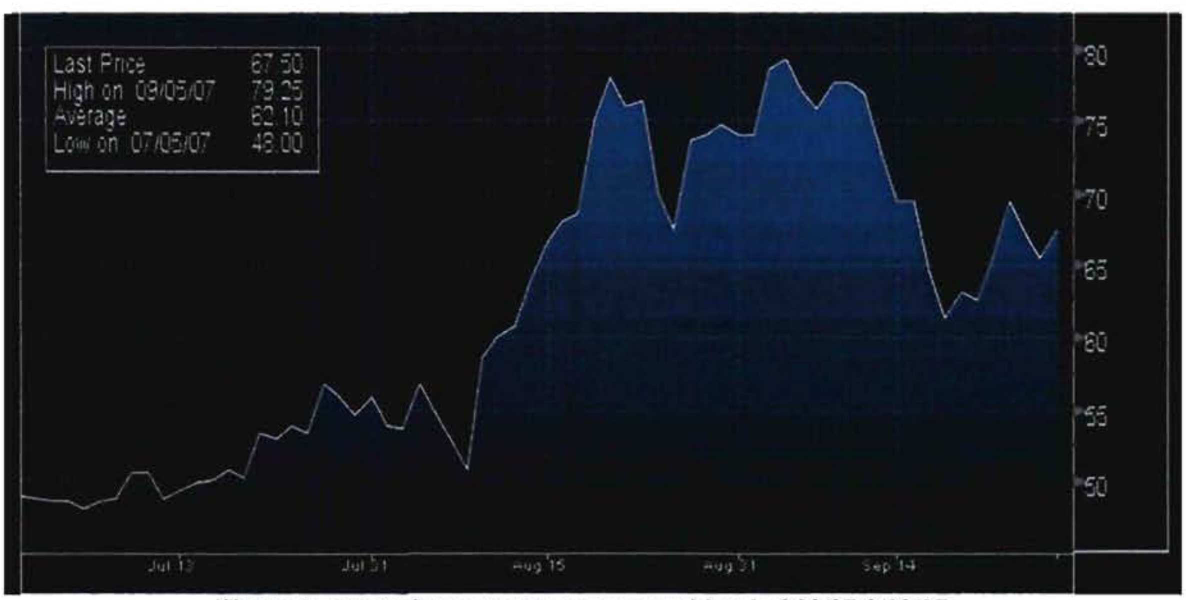

Figure 1: 2 year interest rate swap spread levels 6/30/07-9/30/07

The real story for the quarter, however, was the seizing up of the credit markets. Beginning in mid-August, short-term financing for corporations and special investment vehicles (SIVs) became very difficult. This was most evident in the Asset-backed Commercial Paper (ABCP) market. ABCP is widely used by SIVs to fund longer term investments in various asset-backed securities, including risky subprime residential mortgage-backed securities, by issuing and rolling over short term commercial paper. The problem came when investors become fearful of owning anything associated with the subprime mortgage market after two Bear Stearns hedge funds collapsed due largely to their exposure to subprime holdings. This alarmed investors in the Commercial Paper markets, especially ABCP, who feared that the ABCP issuers might have trouble re-paying these short-term borrowings and may be required to start selling their already depressed assets to try and repay investors. As a result, the yields of ABCP rose dramatically and many ABCP issuers were unable to roll over their ABCP issues as investors stopped buying them. For example, 30-day top tier ABCP yielded nearly 300 basis points higher than similar-maturity treasury bills in mid-August versus only 60 basis points over treasury bills at the beginning of July. This represented a huge flight to quality and showcased the market's fear of any instruments associated with the subprime market. The flight to quality became so extreme that institutional investors avoided even safe, overnight instruments, such as money market funds, because no one knew exactly what these funds truly held and instead opted to simply hold T-bills.

As many of the ABCP issues have a liquidity backstop from large commercial banks, much of the asset-backed securities backing the ABCP issues have been moved onto the large bank balance sheets. This has reduced the liquidity of these banks, and the perceived riskiness of the banks, which has also caused the LIBOR (London Interbank Offered Rate) to increase dramatically, especially versus the Fed Funds rate (see Figure 2). Historically, 3 month LIBOR has averaged about 30 basis points above the Fed Funds rate. However, during this last quarter, the spread increased to an average of 56 basis points and ended the quarter at 73 basis points. In an attempt to provide liquidity in these markets, the Fed has pumped billions of dollars into the banking system, and lowered the discount rate, which is the rate at which banks can borrow directly from the Fed. This action appears to have provided temporary relief to the market but as we will discuss below, further action by the Fed was necessary.

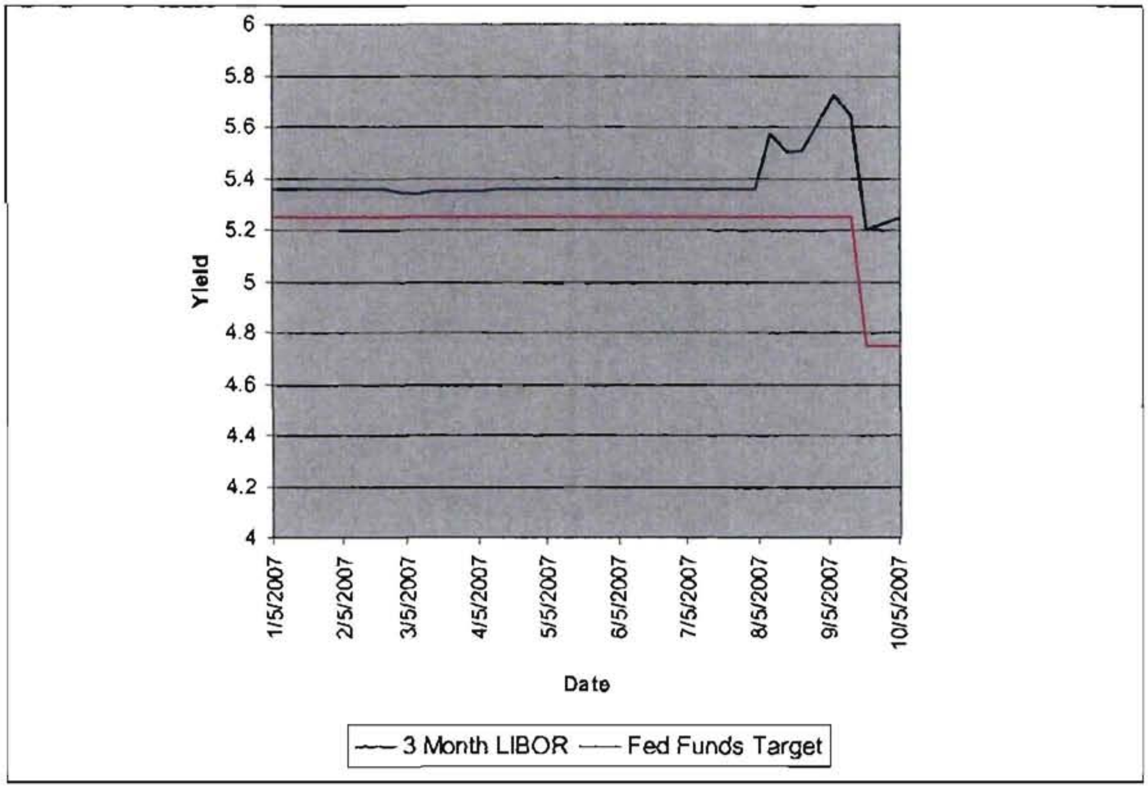

Figure 2: 3-month LIBOR vs. Fed Funds Target - 2007

Additionally, it has become increasingly difficult for borrowers to refinance and obtain new mortgages. This is because many mortgage originators have gone out of business, and those that remain have dramatically increased their lending standards. This has made it near-impossible for most subprime borrowers to refinance their resetting adjustable mortgages. It has also made it difficult for all but the most credit-worthy borrowers to get mortgage financing, especially for jumbo mortgages, which are mortgages in excess of $417,000. For prime jumbo borrowers, the spread over conforming rates has spiked from roughly 0.20% to well over 1.00%. These factors will only exacerbate the growing inventory of unsold homes that are flooding the local markets since homeowners that can't refinance may be forced into foreclosure or home buyers looking to purchase a home may not be able to qualify for the necessary loan. It is simple economics, as supply increases and demand decreases, prices have only one way to go......DOWN.

Fears that the housing market recession was spreading to the broader economy were seemingly realized when the monthly jobs report was released on September 7. The nonfarm payrolls actually declined by 4,000 for the month of August (note that this number was later revised upwards to +89,000 jobs). However, at the time it was the last employment meeting before the Fed's September 18 FOMC meeting. This was the first negative payroll change since August 2003, and caused interest rates to plummet. As a result, the curve steepened upon further speculation of an imminent Fed easing. Many feared that a recession would come more quickly than anticipated if the Fed did not ease soon.

Since most inflation figures had leveled off and even dropped slightly, the Fed had more flexibility to lower rates, and finally did at the September 18 meeting. While most economists were expecting a 25 basis point cut, the Fed surprised everyone with a convincing 50 basis point cut, bringing the target rate from 5.25% to 4.75%. The magnitude of the cut surprised many, causing longer rates to actually increase and the curve to steepen dramatically. This market action may ultimately hurt the housing market more than help it, since 30-year fixed mortgage rates track closely to the 10-year Treasury, and for many mortgages tied to short-term indexes (i.e. LIBOR), the cut is simply not enough to forestall default and foreclosure.

So what does this all mean for the economy going forward? While it appears that the systemic liquidity crisis may be abating, the housing market decline is only getting worse, with each month of new data setting new lows (see Figures 3 – 5).

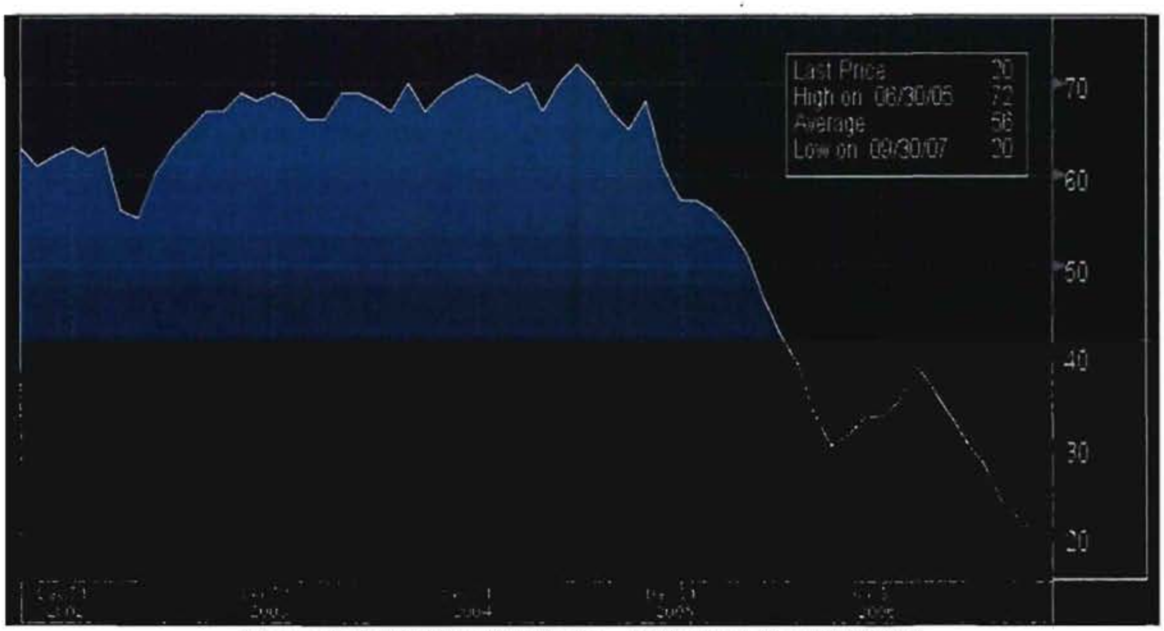

Figure 3: NAHB Housing Index – 5 Years ending 9/30/2007

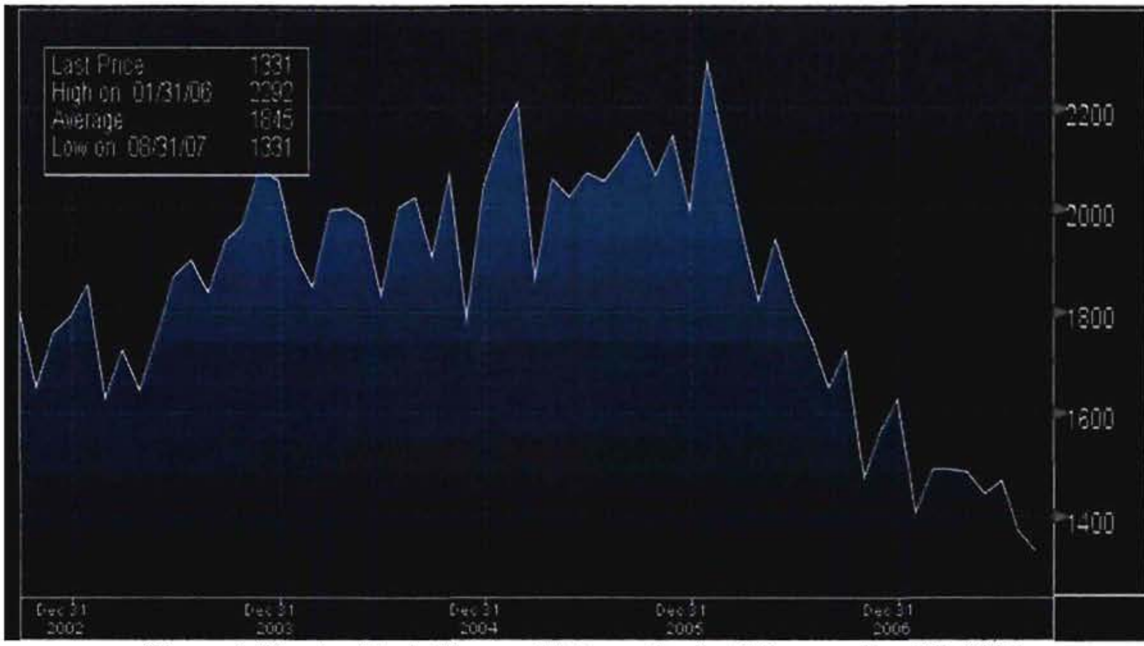

Figure 4: Housing Starts (thousands) Annualized – 5 Years ending 8/31/2007

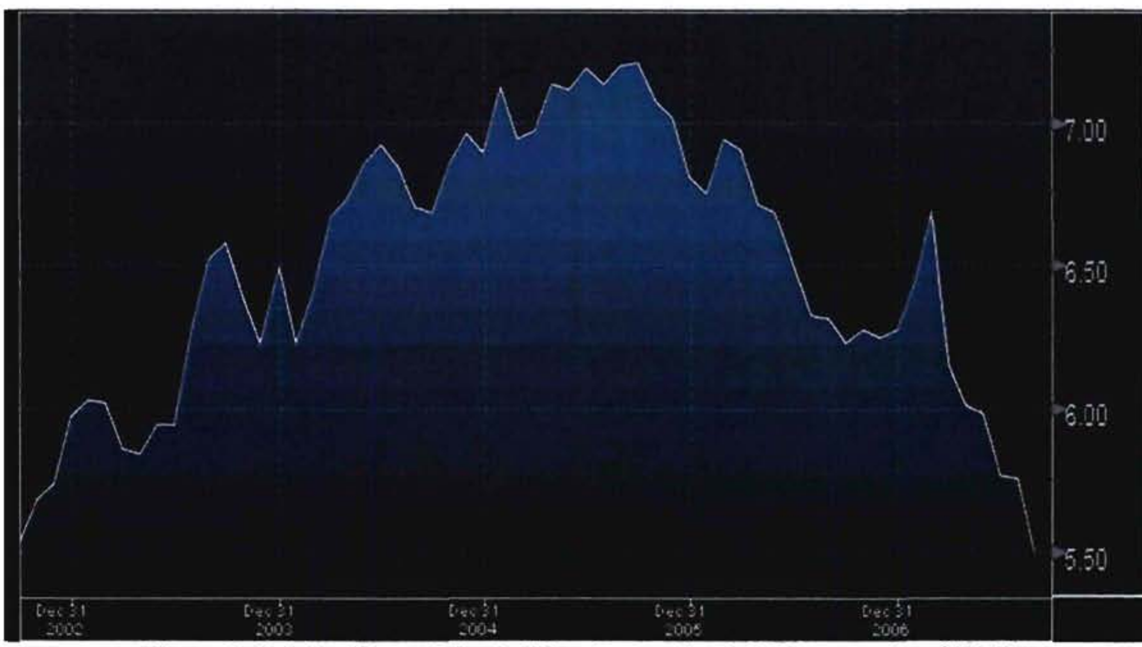

Figure 5: Existing Home Sales (millions) annualized – 5 Years ending 8/31/07

And while Congress, the Government Sponsored Enterprises, and mortgage lenders are working to try to help homeowners remain in their homes, the next few years could prove to be challenging, as the worst of the subprime borrowers' mortgages reset to significantly higher rates. Additionally, while most inflation figures have leveled or cooled, the decline in the value of the dollar makes imported goods more expensive, particularly petroleum, which set record highs in September ($83.32 on September 20), potentially fueling future inflation concerns.

That said, non-housing related numbers still remain solid. With the exception of the September jobs report, employment-related figures are still consistent with moderate, though slowing growth. Personal income for the quarter remained positive averaging 0.4% still providing the consumer with the financial fuel necessary to keep the economy expanding. This has helped the consumer remain on sound footing, though the upcoming holiday spending season will be a better barometer of the true spending sentiment of the consumer. Additionally, manufacturing and service-industry related surveys remain in expansionary territory, and a declining dollar makes U.S. exports more attractive, which could prop up the economy if the consumer stalls.

While the market is pricing in further Fed rate cuts, a strong case can be made for a "one and done" Fed. In the absence of any really troubling economic figures or a spread of the housing weakness into the broader economy, the Fed may decide to wait and see whether the last cut did its job in increasing liquidity and/or even potentially restoked the fires of inflation. However, the Fed is likely to cut the fed funds rate again at its next meeting (October 31) to assure the financial markets have enough liquidity and to support the change to its FOMC statement from the September 18 meeting, which cited the major risk to the economy as economic growth instead of inflation.

The economic data in Figure 6 are color-coded with red items generally pointing towards a weaker economy and green items generally pointing towards a stronger economy. The number of red items increased from 11 last quarter to 14 this quarter. Of note is the strong decline in most housing-related statistics, which is the major potential hurdle to the economy in the short-run.

Indicator	*Period*	*Report Current*	*As Reported Last Quarter*	**Difference**
Consumer Price Index (MoM)	AUG	-0.1%	0.2%	-0.3%
Producer Price Idx. (ex food/energy, (MoM)	SEP	0.1%	-0.2%	0.3%
Durable Goods	AUG	-4.9%	-2.4%	-2.5%
Factory Orders	AUG	-3.3%	-0.5%	-2.8%
Industrial Production	AUG	0.2%	0.5%	-0.3%
Capacity Utilization	AUG	82.2%	81.7%	0.5%
Gross Domestic Product (Annualized)	2 QTR	3.8%	0.7%	3.1%
ISM (Manufacturing) (NAPM)	SEP	52.0	56.0	-4.0
ISM (Non-manufacturing) (NAPM)	SEP	54.8	60.7	-5.9
Personal Income	AUG	0.3%	0.5%	-0.2%
Retail Sales	SEP	0.6%	-0.9%	1.5%
Unemployment Rate	SEP	4.7%	4.5%	0.2%
Change in Non-farm Jobs	SEP	110,000	132,000	-22,000
Consumer Confidence (Conference Board)	SEP	99.8	103.9	-4.1
Leading Indicators	AUG	-0.6%	0.3%	-0.9%
Home Re-sales	AUG	5.50(mil.)	5.99(mil.)	-0.49(mil.)
Home Sales, New	AUG	0.795(mil.)	0.915(mil.)	-0.12(mil.)
Housing Starts	AUG	1.331(mil.)	1.467(mil.)	-0.136(mil.)
Median Home Price (existing) (EHSLMP]	AUG	$223,900	$223,100	$800

Figure 6: Table of Key Economic Indicators

Strategy

The last quarter saw a continued steepening of the yield curve (See Figure 7). At the beginning of the quarter, the curve was essentially flat from 3 months to 5 years (the slope was 2 basis points steeper. During the quarter, the 3 month rate declined by 96 basis points, from 4.86% to 3.9%. Yields on the five year also decreased, but by only 66 basis points, from 4.89% to 4.23%. This resulted in a steepening of 31 basis points for the quarter.

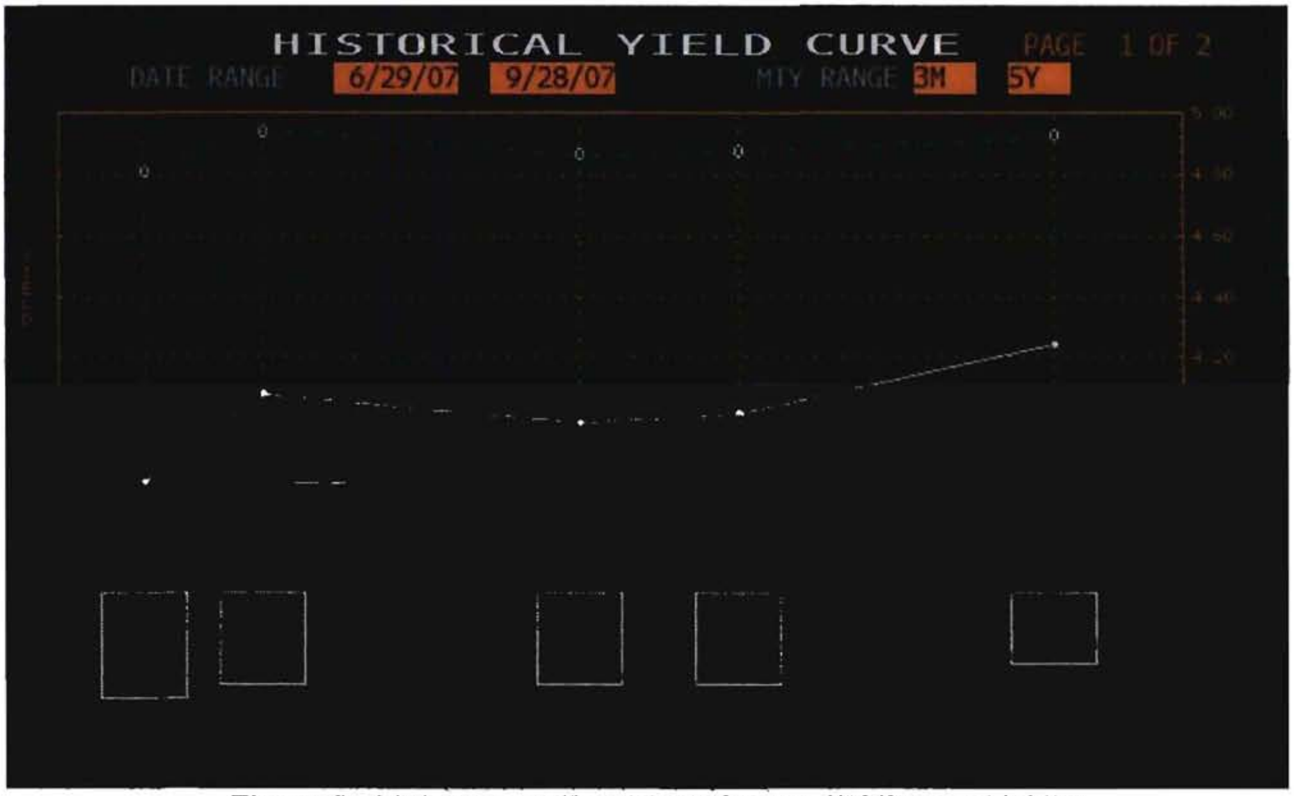

Figure 7: 3 Month to 5 Year Yield Curve: 6/29/07 and 9/28/07

As we also wondered at the end of last quarter, how much longer will this continue? It appears as if the steepening may have some room to run, especially if, as the market predicts, the Fed continues to cut the Fed funds rate. At the end of the quarter, the Fed funds futures indicated that investors were predicting one additional cut by the Fed before year end. This is because further rate cuts to ease growth concerns now would almost certainly cause inflation to heat up at some point in the future, necessitating rate increases at that time. This would cause the longer end of the curve to steepen as the market braces for higher rates down the road. This growth-versus-inflation dynamic is making it very hard to predict the path of the Fed's economic policy in the shorter term.

Despite the increasing possibility that the Fed may not cut rates further, it is typically not advisable to "fight the Fed" and set up contrary to the market-implied moves. As such, we have positioned the portfolio neutral in duration to the index, and are moving towards a more "bulleted" structure, where the maturities tend to fall in the middle of the range, as opposed to the far short and long end. This strategy should bode well in a continued curve steepening environment.

We have been carefully watching the situation in spreads play out over the past few months, and will continue to do so. While spreads reversed some of the widening seen in July and August, they are still wider than the recent highs, though still slightly tighter than the long-term historical norm. Spread volatility has also decreased markedly over the past few weeks.

We will maintain our current spread exposure, and will look at opportunistic ways to increase portfolio yield without altering the risk profile of the portfolio.

Portfolio Results

Cost and Market Value

As of September 30, 2007, the Treasurer's Core Portfolio had a cost value of **$1,084,562,800** and a market value of **$1,093,262,062**. As of the same date, the Treasurer's Liquidity Portfolio had a cost value of **$542,055,751** and a market value of **$546,873,254.** At the end of the quarter, 66.68% of funds were in the Core Portfolio and 33.32% in the Liquidity Portfolio.

Exposure to Market Risk

The average maturity of the Core Portfolio was 1.84 years and its effective duration was 1.69 years or 99.82% of the benchmark index duration of 1.693 years. The Merrill Lynch 1-3 year Treasury Index is the benchmark index for the Core Portfolio.

The average maturity of the Liquidity Portfolio was 0.312 years and its duration was 0.311 years or 83.43% of the benchmark index duration of 0.373 years. The Merrill Lynch 3-6 months Treasury Bill Index is the benchmark index for the Liquidity Portfolio.

Exposure to Credit Risk

The average credit quality of the combined portfolios remains high. The percent of the combined portfolio invested in highly liquid and safe US Treasury securities is 38.9% and 45.2% in U.S. Agency (non-mortgage-backed) securities. Investments in corporate securities (other than money market instruments) are currently 6.5% and this complies with the maximum percentage of 30% allowed in the Investment Policy. The pool's remaining funds were in Money Market instruments and the California Local Agency

Investment Fund representing 9.4% of the portfolio. The pie chart in Attachment #7 shows the allocation of assets of the combined portfolios.

Yield Curve change during the quarter:

As was mentioned earlier, the yield curve steepened in a rally over the past quarter. While the 3 month to 5 year curve was flat at the beginning of the quarter, it ended the quarter with a positive slope of 31 basis points.

This continued to contribute negatively to our returns. While our presence in the very short term was beneficial, the impact was not very significant. However, the index does not have any securities greater than three years in maturity, and as the City's portfolio does, and that sector underperformed, it contributed negatively to the City's core portfolio's performance against the Merrill 1-3 year Treasury index. This underperformance was mitigated by the sale of the 5 year Treasury securities from the portfolio during the quarter.

Credit Spreads:

The credit crunch referred to in the Economic Commentary section of this report had the effect of dramatically widening spreads during the quarter. Any investment with even a hint of exposure to the subprime crisis was affected, including our exposures to Agency debt and banking/finance corporate debt. Though spreads came in during the month of September from their widest levels of the quarter, the effect of spread widening was the biggest contributor to the portfolio underperformance for the quarter.

Total Return/Earned Interest Yield

For the quarter ending September 30, 2007, the Treasurer's Core Portfolio had a total return of 2.54% versus a benchmark return of 2.67% and an earned interest yield for the quarter of 4.952%. The Liquidity Portfolio had an earned interest yield of 5.297% for the quarter ending September 30, 2007.

Projected Cashflow Requirements

The Investment staff has reviewed and the Treasurer has affirmed that the Liquidity Portfolio 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 CASHFLOWS	CUMULATIVE NET CASHFLOWS
October	330	149	181	181
November	209	216	(7)	174
December	221	186	35	209
January	201	186	15	224
February	231	181	51	275
March	217	178	39	314

(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 & 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.
Cashflows based on Actual Cashflows where applicable, otherwise, based on quarterly updated projection Cashflows.

SUMMARY OF PORTFOLIO CHARACTERISTICS
Quarter Ending Sept. 30, 2007 vs. June 30, 2007

Benchmark (G1O2) US Treasury Notes 1-3yr	Core Portfolio			Benchmark	
	Qtr Ending June 30, 2007	Qtr Ending Sept. 30, 2007	FYTD	Qtr Ending Sept. 30, 2007	FYTD
Portfolio cost	$1,110,842,384	$1,084,562,800			
Market value (w/acc int.)	$1,105,644,861	$1,093,262,062			
Average maturity (years)	1.87	1.72	1.72	1.796	1.796
Earned income yield	4.84%	5.297%	5.297%		
Total return**	0.74%	2.54%	2.54%	2.67%	2.67%
Duration (Effective)	1.67	1.69		1.69	
Change in value vs. 1% change in interest rates	$18.5MM	$18.5MM			
Average credit quality	Agency	Agency		Treasury	
% of portfolio below "A/A"	0.0%	0.0%		0.0%	
	Portfolio	**Benchmark**	**Difference**		
One Year Total Return	5.95%	5.81%	0.14%		
Three Year Total Return ***	3.92%	3.49%	0.43%		

Quarter Ending	09/30/2007	06/30/2007	03/31/2007	12/29/2006
Core Portfolio Total Return	2.54%	0.74%	1.49%	1.07%
Index Return Total Return	2.67%	0.71%	1.41%	0.91%

* Monthly average maturity averaged for the fiscal year-to-date
** Total Return Calculation is through the last business day of the month.
*** Annualized.

Quarter Ending Sept. 30, 2007 vs. June 30, 2007

Benchmark (G0B2) **US Treasury Bills 3-6mo**	**Liquidity Portfolio**			**Benchmark**	
	Qtr Ending June 30, 2007	**Qtr Ending Sept. 30, 2007**	**FYTD**	**Qtr Ending Sept. 30, 2007**	**FYTD**
Portfolio cost	$707,766,440	$542,055,750			
Market value	$710,956,413	$546,873,253			
Average maturity (years)	0.32	0.32	0.35	0.374	0.374
Earned income yield***	5.29%	5.297%	5.297%		
Duration (Macaulay in years)	0.32	0.31		0.37	
Change in value vs. 1% change in interest rates	2.3MM	1.7MM			
% maturing within 13 months	100%	100%		100%	
Average credit quality	Agency	Agency		Treasury	
% of portfolio below "A/A"	0.0%	0.0%		0.0%	

One Year Return* **	**5.295%**	**Three Year Return*** **	**4.251%**

* Monthly average maturity averaged for the fiscal year-to-date. ** Month-end duration averaged for the fiscal year-to-date.
***Earned Income Yield this Period.

COMPLIANCE WITH INVESTMENT POLICY

Category	Standard	Comment
Duration(core) Duration(liquidity)	ML 1-3 Year +/-20% US T-bill 3-6 months +/-20%	Complies – 99.82 % Complies - 83.43 %
Maximum Maturity	5 years	Complies
Agency Securities	100% maximum	Complies – 45.2%
FNMA	33.3% maximum	Complies- 16.2%
FHLMC	33.3% maximum	Complies – 16.4%
FHLB	33.3% maximum	Complies – 11.7%
FFCB	33.3% maximum	Complies – 0.9%
MBS/CMO's	5 yr maximum- 20% max.	Complies – None in Portfolio
Asset-backed	5 yr maximum- 20% max.	Complies – None in Portfolio
Commercial Paper	A1/P1- 5% per issuer	Complies
	25% maximum	Complies – 1.5%
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
	3 year maximum	Complies
	30% maximum	Complies – 6.5%
Mutual Funds	20% maximum	Complies – None in Portfolio
Certificate and Public Deposits	30% maximum	Complies – None in Portfolio
Reverse Repos	20% maximum	Complies – None in Portfolio
Futures and Options	Prohibited	Complies – None in Portfolio
Custody	Bank trust dept.	Complies – Bank of NY
Exposure per issuer (corporate)	5% of total portfolio	Complies
Structured Notes	8% maximum/no multiple index structures.	Complies
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 General Obligations	Complies – None in Portfolio

~ Attachments ~

1- Holdings Report

2- Broker Activity Report- 9998- Core Portfolio

3- Broker Activity Report- 9997- Liquidity Portfolio

4- Broker Activity Report- 9997/9998- Combined

5- Maturity Distribution- 9998- Core Portfolio

6- Maturity Distribution- 9997- Liquidity Portfolio

7- Allocation of Assets- Combined Portfolios (Core-9998 & Liquidity-9997)

City of San Diego -- Pooled Investment Fund as of September 30, 2007

Security Type	Issuer	Invst No.	Sec. Description	Coupon	Maturity	CUSIP	Par	Book	Market Value	Price Source
US Treasury Bill	US Treasury	71147	TB-98 660-B75-07	4 23	12/20/2007	912795B75	$26,000,000	$25,651,730	$25,793,802	SUNGARD
US Treasury Note	US Treasury	52916	TN-97 305-BG4-83	3 25	8/15/2008	912828BG4	$10,000,000	$9,730,469	$9,928,125	SUNGARD
US Treasury Note	US Treasury	52932	TN-100 961-4V1-83	4 75	11/15/2008	9128274V1	$20,000,000	$20,192,188	$20,168,750	SUNGARD
US Treasury Note	US Treasury	600002	TN-101-016-4V1-83	4 75	11/15/2008	9128274V1	$10,000,000	$10,101,563	$10,084,375	SUNGARD
US Treasury Note	US Treasury	60338	TN-98 640-ELO-39	4 375	11/15/2008	912828EL0	$30,000,000	$29,592,188	$30,112,500	SUNGARD
US Treasury Note	US Treasury	60236	TN-99 223-EL0-05	4 375	11/15/2008	912828EL0	$25,000,000	$24,805,664	$25,093,750	SUNGARD
US Treasury Note	US Treasury	60210	TN-99 297-EL0-05	4 375	11/15/2008	912828EL0	$20,000,000	$19,859,375	$20,075,000	SUNGARD
US Treasury Note	US Treasury	70114	TN-99 648-4V1-40	4 75	11/15/2008	9128274V1	$50,000,000	$49,824,219	$50,421,875	SUNGARD
US Treasury Note	US Treasury	60266	TN-99 125-EV8-83	4 5	2/15/2009	912828EV8	$15,000,000	$14,868,750	$15,103,125	SUNGARD
US Treasury Note	US Treasury	60175	TN-99.555-EV8-39	4 5	2/15/2009	912828EV8	$17,000,000	$16,924,297	$17,116,875	SUNGARD
US Treasury Note	US Treasury	71050	TN-99.777-EV8-38	4 5	2/15/2009	912828EV8	$30,000,000	$29,933,203	$30,206,250	SUNGARD
US Treasury Note	US Treasury	71049	TN-99.797-GL8-38	4 5	3/31/2009	912828GL8	$25,000,000	$24,949,219	$25,195,313	SUNGARD
US Treasury Note	US Treasury	71048	TN-100 469-FE5-42	4 875	5/15/2009	912828FE5	$50,000,000	$50,717,901	$50,718,750	SUNGARD
US Treasury Note	US Treasury	70820	TN-99 976-GT1-83	4 875	5/31/2009	912828GT1	$30,000,000	$29,992,969	$30,440,625	SUNGARD
US Treasury Note	US Treasury	71059	TN-100 125-GY0-83	4 625	7/31/2009	912828GY0	$50,000,000	$50,062,500	$50,578,125	SUNGARD
US Treasury Note	US Treasury	70291	TN-100 383-FP0-40	4 875	8/15/2009	912828FP0	$20,000,000	$20,076,563	$20,325,000	SUNGARD
US Treasury Note	US Treasury	70684	TN-100 557-FPO-38	4 875	8/15/2009	912828FP0	$50,000,000	$50,279,297	$50,812,500	SUNGARD
US Treasury Note	US Treasury	70376	TN-101.109-FP0-40	4 875	8/15/2009	912828FP0	$25,000,000	$25,277,344	$25,406,250	SUNGARD
US Treasury Note	US Treasury	70817	TN-99 063-GR5-43	4 5	5/15/2010	912828GR5	$30,000,000	$29,777,446	$30,375,000	SUNGARD
US Treasury Note	US Treasury	71162	TN-100 351-ES5-05	4 25	1/15/2011	912828ES5	$80,000,000	$80,715,489	$80,500,000	SUNGARD
US Treasury Note	US Treasury	70600	TN-99 090-ES5-05	4.25	1/15/2011	912828ES5	$20,000,000	$19,817,969	$20,125,000	SUNGARD
	Treasury Total					***38.92%***	***$633,000,000***	***$633,150,339***	***$638,581,090***	
US Agency	Federal Home Loan Mortgage Corporation	70628	fhlmc 3 25-11-02-07-083	3 25	11/2/2007	3128X3H55	$25,000,000	$24,709,975	$24,960,938	SUNGARD
US Agency	Federal National Mortgage Association	70416	FNMA 5.15 112107-38	5 15	11/21/2007	31359M2H5	$15,000,000	$14,987,400	$15,004,688	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70627	fredn-0-12-03-07-05	4 925	12/3/2007	313396QA4	$30,000,000	$28,973,958	$29,765,625	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70737	fmcdn 0-12-06-07-042	5 035	12/6/2007	313396QD8	$475,000	$460,916	$471,141	SUNGARD
US Agency	Federal Home Loan Bank	71212	FHLB-DN-98 872-QL6-39	0	12/13/2007	313384QL6	$50,000,000	$49,436,222	$49,546,875	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	71146	FMCDN-DN-97 536-TN3-05	4 9	2/25/2008	313396TN3	$25,000,000	$24,384,097	$24,546,875	SUNGARD
US Agency	Federal National Mortgage Association	70821	fndn 0 03-28-08-05	4 98	3/28/2008	313588UW3	$35,000,000	$33,537,817	$34,234,375	SUNGARD
US Agency	Federal National Mortgage Association	70706	FNDN-UW3-99 449-42	4 92	3/28/2008	313588UW3	$25,230,000	$24,081,783	$24,678,094	SUNGARD
US Agency	Federal Home Loan Bank	70682	fhlb 5 25 04-16-08-010	5 25	4/16/2008	3133XKHB4	$8,810,000	$8,813,854	$8,812,753	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70822	fmcdn-0-04-18-08-38	4 985	4/18/2008	313396VT7	$20,000,000	$19,105,469	$19,512,500	SUNGARD
US Agency	Federal Home Loan Bank	70707	FHLB-LT0-99.973-5	5 125	4/24/2008	3133XKLT0	$20,000,000	$20,011,683	$20,031,250	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	51743	FHLMC-100-D91-43	3 56	4/25/2008	3128X3D91	$10,000,000	$10,000,000	$9,928,125	SUNGARD
US Agency	Federal National Mortgage Association	70952	fndn o 05-16-08-43	4 99	5/16/2008	313588WX9	$30,000,000	$28,661,017	$29,175,000	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70953	fmcdn o 05-27-08-38	4 975	5/27/2008	313396XJ7	$25,000,000	$23,849,531	$24,281,250	SUNGARD
US Agency	Federal National Mortgage Association	71060	fndn 0-06-30-08-05	4 85	6/30/2008	313588YU3	$50,000,000	$47,743,403	$48,359,375	SUNGARD
US Agency	Federal Farm Credit Bank	81911	FFCB-99 848-JK0-87	3.375	7/15/2008	31331SJK0	$5,000,000	$4,992,400	$4,948,438	SUNGARD
US Agency	Federal Home Loan Bank	60212	FHLB-100.161-ZP7-79	5	9/12/2008	3133XEZP7	$15,000,000	$15,024,214	$15,051,563	SUNGARD
US Agency	Federal Home Loan Bank	60174	FHLB-99 22-FZ7-39	4 625	9/12/2008	3133XEFZ7	$20,930,000	$20,766,746	$20,930,000	SUNGARD
US Agency	Federal Home Loan Bank	52775	FHLB-99.86-SA2-79	4 25	9/12/2008	3133XCSA2	$5,000,000	$4,994,793	$4,982,813	SUNGARD
US Agency	Federal Home Loan Bank	52776	FHLB-99.89-SA2-43	4 25	9/12/2008	3133XCSA2	$15,000,000	$14,983,500	$14,948,438	SUNGARD
US Agency	Federal Home Loan Bank	70192	FHLB-CC0404-97 665-SU2-41	4 1	10/28/2008	3133X1SU2	$4,000,000	$3,906,600	$3,980,000	SUNGARD
US Agency	Federal Home Loan Bank	70164	FHLB-CC0703-95 316-VV3-41	3 1	12/24/2008	31339XVV3	$7,250,000	$6,910,410	$7,127,656	SUNGARD
US Agency	Federal National Mortgage Association	70665	FNMA-CC0607-100-6T5-83	5 45	3/27/2009	31359M6T5	$15,000,000	$15,000,000	$15,032,813	SUNGARD
US Agency	Federal Farm Credit Bank	70690	FFCB-OT1007-100-VN9-43	5 25	4/23/2009	31331XVN9	$10,000,000	$10,000,000	$10,003,125	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70206	FHLMC-100 604-AE9-40	5 25	5/21/2009	3137EAAE9	$60,000,000	$60,362,400	$60,768,750	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	60473	FHLMC-99 934-AE9-05	5 25	5/21/2009	3137EAAE9	$25,000,000	$24,983,500	$25,320,313	SUNGARD
US Agency	Federal Home Loan Bank	60474	FHLB-99 875-LG9-05	5 25	6/12/2009	3133XFLG9	$25,000,000	$24,968,750	$25,320,313	SUNGARD
US Agency	Federal National Mortgage Association	71186	FNMA-OT0908-100 00-GS5-39	5 1	9/10/2009	31398AGS5	$10,000,000	$10,000,000	$10,046,100	USERPR
US Agency	Federal Home Loan Mortgage Corporation	52783	FHLMC-100-P81-79	4 625	9/28/2009	3128X4PB1	$5,000,000	$5,000,000	$5,021,875	SUNGARD
US Agency	Federal National Mortgage Association	70433	FNMA-99 213-2S1-05	4 625	12/15/2009	31359M2S1	$25,000,000	$24,803,250	$25,109,375	SUNGARD
US Agency	Federal National Mortgage Association	70402	FNMA-99 722-2S1-05	4 625	12/15/2009	31359M2S1	$25,000,000	$24,930,500	$25,109,375	SUNGARD
US Agency	Federal National Mortgage Association	70401	FNMA-99.722-2S1-38	4 625	12/15/2009	31359M2S1	$25,000,000	$24,930,500	$25,109,375	SUNGARD
US Agency	Federal National Mortgage Association	70218	FNMA-CC0604-97 121-HH7-41	4 3	3/9/2010	3136F5HH7	$5,000,000	$4,856,050	$4,965,625	SUNGARD
US Agency	Federal National Mortgage Association	70204	FNMA-CC0504-96.833-RM0-41	4 25	5/13/2010	3136F3RM0	$10,000,000	$9,683,300	$9,925,000	SUNGARD
US Agency	Federal Home Loan Bank	52777	FHLB-100 374-UR2-87	4 5	9/10/2010	3133XCUR2	$20,000,000	$20,074,800	$20,000,000	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70568	FHLMC-OT1108-99 839-PV4-83	5 125	11/24/2010	3128X5PV4	$10,000,000	$9,983,900	$10,065,625	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70241	FHLMC-102 944-EW0-41	5 875	3/21/2011	3134A4EW0	$5,000,000	$5,147,200	$5,225,000	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70240	FHLMC-102 952-EW0-41	5 875	3/21/2011	3134A4EW0	$10,000,000	$10,295,198	$10,450,000	SUNGARD

City of San Diego -- Pooled Investment Fund as of September 30, 2007

Security Type	Issuer	Invst No.	Sec. Description	Coupon	Maturity	CUSIP	Par	Book	Market Value	Price Source
US Agency	Federal Home Loan Mortgage Corporation	70233	FHLMC-OT0908-99 807-JJ8-41	5 45	9/2/2011	3128X5JJ8	$20,000,000	$19,961,400	$20,168,750	SUNGARD
	U.S. Agency Total					***45.21%***	***$746,695,000***	***$735,316,536***	***$742,919,181***	
Local Agency Investment Fund	California State Pool	49819	LOCAL AGENCY INVESTMENT FUND	5 23	10/1/2007		$23,197,114	$23,197,114	$23,197,114	BOOK
Repurchase Agreement	Overnight Repo	71268	REPURCHASE AGREEMENT ACT- 360	4 9	10/1/2007		$104,570,093	$104,570,093	$104,570,093	BOOK
Commercial Paper	Toyota Motor Credit Corporation	71206	CP-TOYCC-99 518-XG4-24	0	10/16/2007	89233HXG4	$25,000,000	$24,879,688	$24,947,813	SUNGARD
	Repo, BA's, CD's, CP, LAIF, Funds Total					***9.38%***	***$152,767,207***	***$152,646,895***	***$152,715,020***	
Medium Term Note	General Electric Capital Corporation	70381	MTN-GE-99 075-P57-40	4 125	3/4/2008	36962GP57	$10,000,000	$9,907,500	$9,954,800	USERPR
Medium Term Note	UBS AG USA	70668	ubs-5 41-qcal-04-17-08-48	5 41	4/16/2008	90261XDF6	$15,000,000	$15,000,000	$14,983,594	SUNGARD
Medium Term Note	AIG Sunamerica Global Finance	70431	MTN-AIG-97 896-AA0-22	3 9	10/22/2008	00209LAA0	$12,000,000	$11,747,520	$11,827,500	SUNGARD
Medium Term Note	HSBC Finance Corporation	70437	MTN-HSBC-98 207-KF0-40	4 125	12/15/2008	441812KF0	$5,000,000	$4,910,350	$4,946,094	SUNGARD
Medium Term Note	Credit Suisse FB USA	70290	MTN-CS-97 07-AL7-41	3 875	1/15/2009	22541LAL7	$10,000,000	$9,707,000	$9,873,000	USERPR
Medium Term Note	Wachovia Corporation	70300	MTN-WB-96 655-AD4-40	3.625	2/17/2009	929903AD4	$10,000,000	$9,665,500	$9,817,700	USERPR
Medium Term Note	Illinois Tool Works	70328	MTN-ITW-101 587-AE9-43	5 75	3/1/2009	452308AE9	$9,150,000	$9,295,211	$9,216,887	USERPR
Medium Term Note	Wells Fargo Bank	70301	MTN-WFC-95 391-FQ9-41	3 125	4/1/2009	949746FQ9	$10,000,000	$9,539,100	$9,734,600	USERPR
Medium Term Note	Wal-Mart	70534	MTN-WMT-104 134-BE2-83	6 875	8/10/2009	931142BE2	$5,000,000	$5,206,700	$5,168,450	USERPR
Medium Term Note	Wal-Mart	70279	MTN-WMT-105 033-BE2-40	6 875	8/10/2009	931142BE2	$10,000,000	$10,503,300	$10,336,900	USERPR
Medium Term Note	General Electric Capital Corporation	70495	MTN-GE-100 226-Z31-42	5 25	10/27/2009	36962GZ31	$10,000,000	$10,022,800	$10,060,500	USERPR
	Corporate MTN's and Other Notes Total					***6.49%***	***$106,150,000***	***$105,504,781***	***$105,920,024***	
	Grand Total					***100.00%***	***$1,638,612,207***	***$1,626,618,551***	***$1,640,135,315***	

CITY OF SAN DIEGO

BROKER ACTIVITY DISTRIBUTION
07/01/07 THROUGH 09/30/07
FUNDS: 9998, 0002

BROKER NAME	# OF TXNS	PURCHASE OF SECURITIES	SALE OF SECURITIES	REVERSE REPURCHASE	REPURCHASE	TOTAL
BANK OF AMERICA	2	80,715,489.13	115,653,647.21			196,369,136.34
BARCLAYS CAPITAL INC	1		10,004,550.00			10,004,550.00
MORGAN KEEGAN	1		5,075,622.22			5,075,622.22
MORGAN STANLEY	3	55,849,270.45	10,065,777.78			65,915,048.23
MERRILL LYNCH	2	10,000,000.00	15,413,230.02			25,413,230.02
LEHMAN BROTHERS	1	50,717,900.82				50,717,900.82
SMITH BARNEY-SHEARSON	1		42,162,666.67			42,162,666.67
UBS FINANCIAL SERVICES	4		45,407,969.92			45,407,969.92
BEAR STEARNS	2	50,062,500.00			10,218,750.00	60,281,250.00
FUND - 9998 TOTAL:	17	247,345,160.40	243,783,463.82		10,218,750.00	501,347,374.22
GRAND TOTAL	159	3,060,028,699.35	431,257,948.13	.00	2,641,659,774.00	6,132,946,421.48

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CITY OF SAN DIEGO

BROKER ACTIVITY DISTRIBUTION
07/01/07 THROUGH 09/30/07
FUNDS: 9997, 0002

RUN DATE: 11/27/07

BROKER NAME	# OF TXNS	PURCHASE OF SECURITIES	SALE OF SECURITIES	REVERSE REPURCHASE	REPURCHASE	TOTAL
BANK OF AMERICA	39	1,098,951,519.63	147,469,162.09		305,262,521.00	1,551,683,202.72
BARCLAYS CAPITAL INC	1	74,981,980.00				74,981,980.00
GENERAL ELECTRIC COMPANY	2	42,506,755.63				42,506,755.63
TOYOTA FINANCIAL	3	97,806,010.55				97,806,010.55
MORGAN STANLEY	18	429,463,470.98	40,005,322.22		168,176,258.00	637,645,051.20
MERRILL LYNCH	2	74,432,854.16				74,432,854.16
LEHMAN BROTHERS	11	507,590,793.94				507,590,793.94
SMITH BARNEY-SHEARSON	3	46,723,543.82				46,723,543.82
UBS FINANCIAL SERVICES	11	424,891,291.67				424,891,291.67
BEAR STEARNS	51	15,037,295.00			2,158,002,245.00	2,173,039,540.00
STATE TREASURER	1	298,023.57				298,023.57
FUND - 9997 TOTAL:	142	2,812,683,538.95	187,474,484.31		2,631,441,024.00	5,631,599,047.26

CITY OF SAN DIEGO

BROKER ACTIVITY DISTRIBUTION
07/01/07 THROUGH 09/30/07
FUNDS: 9997, 9998

BROKER NAME	# OF TXNS	PURCHASE OF SECURITIES	SALE OF SECURITIES	REVERSE REPURCHASE	REPURCHASE	TOTAL
BANK OF AMERICA	41	1,179,667,008.76	263,122,809.30		305,262,521.00	1,748,052,339.06
BARCLAYS CAPITAL INC	2	74,981,980.00	10,004,550.00			84,986,530.00
MORGAN KEEGAN	1		5,075,622.22			5,075,622.22
GENERAL ELECTRIC COMPANY	2	42,506,755.63				42,506,755.63
TOYOTA FINANCIAL	3	97,806,010.55				97,806,010.55
MORGAN STANLEY	21	485,312,741.43	50,071,100.00		168,176,258.00	703,560,099.43
MERRILL LYNCH	4	84,432,854.16	15,413,230.02			99,846,084.18
LEHMAN BROTHERS	12	558,308,694.76				558,308,694.76
SMITH BARNEY-SHEARSON	4	46,723,543.82	42,162,666.67			88,886,210.49
UBS FINANCIAL SERVICES	15	424,891,291.67	45,407,969.92			470,299,261.59
BEAR STEARNS	53	65,099,795.00			2,168,220,995.00	2,233,320,790.00
STATE TREASURER	1	298,023.57				298,023.57
GRAND TOTAL	159	3,060,028,699.35	431,257,948.13	.00	2,641,659,774.00	6,132,946,421.48

CITY OF SAN DIEGO

INVESTMENT MATURITY DISTRIBUTION
AS OF 09/30/07

RUN: 11/27/07 10:08:41

FUND 9998 99998 POOLED INVEST-CORE

CALL/MATURITY	DATE RANGE	NO OF INV	COST	%	CUM %
0 TO 2 MONTHS	10/01/07-11/30/07	0		.0	.0
2 TO 3 MONTHS	12/01/07-12/31/07	0		.0	.0
3 TO 6 MONTHS	01/01/08-03/31/08	1	9,907,500.00	.9	.9
6 TO 9 MONTHS	04/01/08-06/30/08	1	10,000,000.00	.9	1.8
9 TO 12 MONTHS	07/01/08-09/30/08	6	70,492,121.32	6.5	8.3
12 TO 15 MONTHS	10/01/08-12/31/08	10	181,850,075.31	16.8	25.1
15 TO 18 MONTHS	01/01/09-03/31/09	8	130,343,179.26	12.0	37.1
18 TO 21 MONTHS	04/01/09-06/30/09	7	210,564,619.57	19.4	56.5
21 TO 24 MONTHS	07/01/09-09/30/09	8	176,405,703.13	16.3	72.8
24 TO 27 MONTHS	10/01/09-12/31/09	4	84,686,850.00	7.8	80.6
27 TO 30 MONTHS	01/01/10-03/31/10	1	4,856,050.00	.4	81.1
30 TO 33 MONTHS	04/01/10-06/30/10	2	39,460,745.65	3.6	84.7
33 TO 36 MONTHS	07/01/10-09/30/10	1	20,074,800.00	1.9	86.5
36 TO 39 MONTHS	10/01/10-12/31/10	1	9,983,900.00	.9	87.5
39 TO 42 MONTHS	01/01/11-03/31/11	4	115,975,855.68	10.7	98.2
42 TO 45 MONTHS	04/01/11-06/30/11	0		.0	98.2
45 TO 48 MONTHS	07/01/11-09/30/11	1	19,961,400.00	1.8	100.0
48 TO 51 MONTHS	10/01/11-12/31/11	0		.0	100.0
51 TO 54 MONTHS	01/01/12-03/31/12	0		.0	100.0
54 TO 57 MONTHS	04/01/12-06/30/12	0		.0	100.0
57 TO 60 MONTHS	07/01/12-09/30/12	0		.0	100.0
60 TO *** MONTHS	10/01/12-	0		.0	100.0
TOTALS		55	1,084,562,799.92		
GRAND TOTALS		74	1,626,618,550.75		

Total number of funds represented: 2

CITY OF SAN DIEGO

INVESTMENT MATURITY DISTRIBUTION
AS OF 09/30/07

RUN: 11/27/07 10:08:41

FUND 9997 99998 POOLED INVEST-LIQUIDITY

CALL/MATURITY	DATE RANGE	NO OF INV	COST	%	CUM %
0 TO 2 MONTHS	10/01/07-11/30/07	5	192,344,269.85	35.5	35.5
2 TO 3 MONTHS	12/01/07-12/31/07	4	104,522,826.54	19.3	54.8
3 TO 6 MONTHS	01/01/08-03/31/08	3	82,003,696.59	15.1	69.9
6 TO 9 MONTHS	04/01/08-06/30/08	7	163,184,957.85	30.1	100.0
9 TO 12 MONTHS	07/01/08-09/30/08	0		.0	100.0
12 TO 15 MONTHS	10/01/08-12/31/08	0		.0	100.0
15 TO 18 MONTHS	01/01/09-03/31/09	0		.0	100.0
18 TO 21 MONTHS	04/01/09-06/30/09	0		.0	100.0
21 TO 24 MONTHS	07/01/09-09/30/09	0		.0	100.0
24 TO 27 MONTHS	10/01/09-12/31/09	0		.0	100.0
27 TO 30 MONTHS	01/01/10-03/31/10	0		.0	100.0
30 TO 33 MONTHS	04/01/10-06/30/10	0		.0	100.0
33 TO 36 MONTHS	07/01/10-09/30/10	0		.0	100.0
36 TO 39 MONTHS	10/01/10-12/31/10	0		.0	100.0
39 TO 42 MONTHS	01/01/11-03/31/11	0		.0	100.0
42 TO 45 MONTHS	04/01/11-06/30/11	0		.0	100.0
45 TO 48 MONTHS	07/01/11-09/30/11	0		.0	100.0
48 TO 51 MONTHS	10/01/11-12/31/11	0		.0	100.0
51 TO 54 MONTHS	01/01/12-03/31/12	0		.0	100.0
54 TO 57 MONTHS	04/01/12-06/30/12	0		.0	100.0
57 TO 60 MONTHS	07/01/12-09/30/12	0		.0	100.0
60 TO *** MONTHS	10/01/12-	0		.0	100.0
TOTALS		19	542,055,750.83		

City of San Diego
Asset Allocation as of September 30, 2007
Attachment #7