City of San Diego

Quarterly Portfolio Review

Quarter Ended March 31, 2008

Report Dated May 21, 2008

QUARTERLY PORTFOLIO REVIEW
Quarter Ending March 2008

Economic Commentary

THE "R" WORD?

There has been much debate recently among economists, market participants and others about whether or not the U.S. economy is heading for – or is already in – a recession. Although the "technical" definition of a recession is two or more consecutive quarters of negative real GDP growth, the National Bureau of Economic Research (NBER) is responsible for officially calling a recession, and only does so after a clear trend of cyclical downturn has emerged. It uses several economic figures to determine this pattern, the most important being the quarterly change in real GDP growth, which registered a scant 0.6% for the 4th quarter of 2007, and is widely expected to become weaker in the 1st quarter of 2008.

Recent economic figures have been bleak, especially employment numbers. This is important to note since many people have lost the ability to tap their home equity for purchases due to plummeting home prices, yet they have been able to stay employed, and thus able to keep the economy humming along. Non-farm payrolls have declined each month of the quarter, totaling a net loss of 232,000 jobs (Chart 1). Additionally, weekly initial and continuing jobless claim figures, which historically have not been a major release, have jumped to the forefront of traders' minds, and these have spiked up in recent weeks (Chart 2). Add to this the recent spikes in food and fuel prices, and the consumer is suddenly being squeezed from both ends. As a result, Consumer Confidence readings are at some of the lowest levels in the past 30 years (Chart 3).

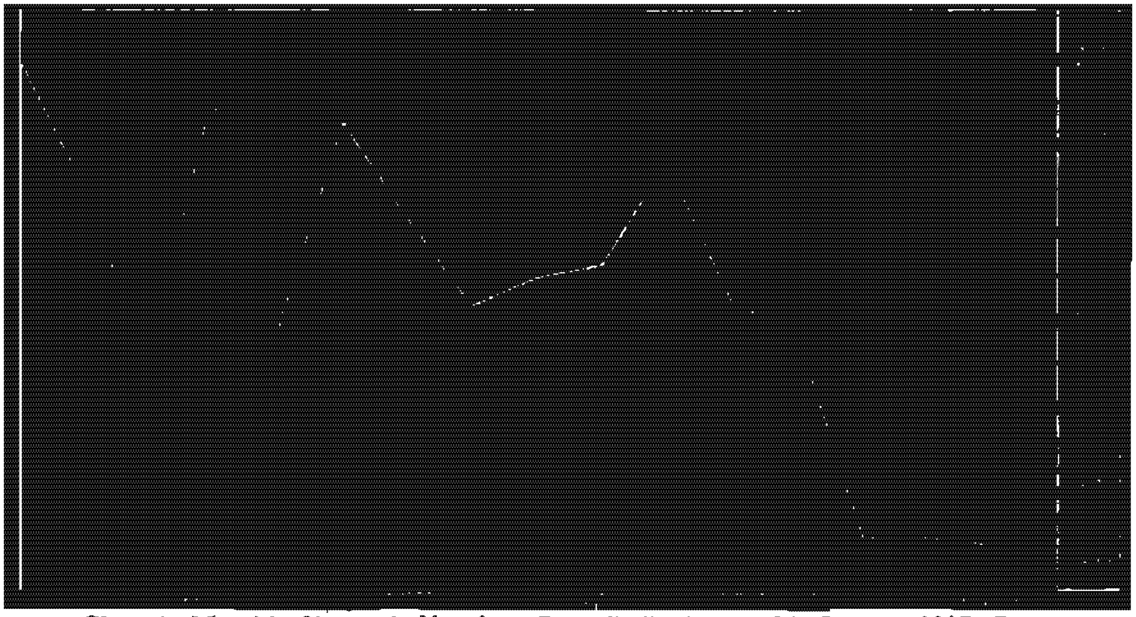

Chart 1: Monthly Change in Non-farm Payrolls (in thousands): January 2007 - Present

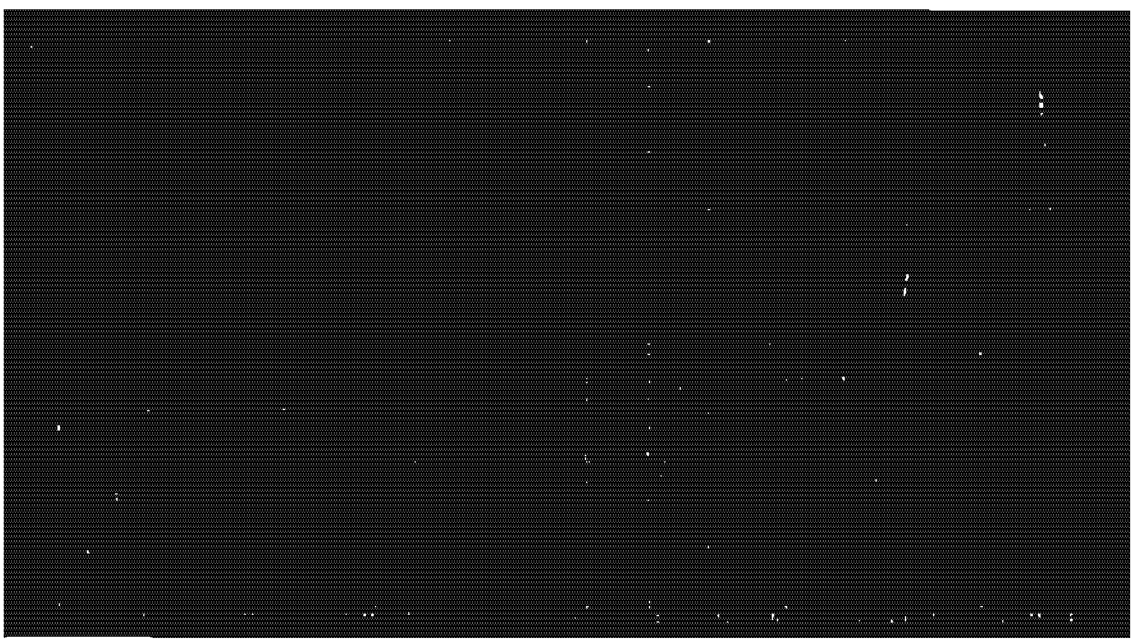

Chart 2: Weekly Initial and Continuing Jobless Claims (in thousands): January 2007 - Present
Initial Jobless Claims: Left axis, in white -- Continuing Claims: Right axis, in orange

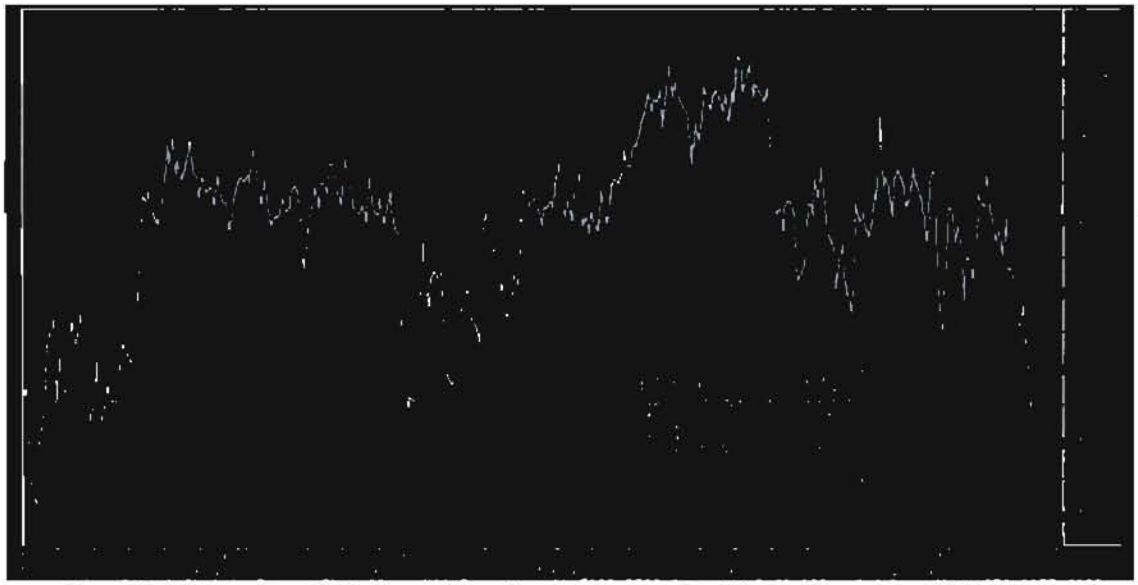

Chart 3: University of Michigan Monthly Consumer Confidence Readings (1980 – Present)

While it appears that a recession is unavoidable, the good news is that it may be shallow and short. Our opinion is based upon three key facts. First, the fiscal stimulus package (granting tax rebates to most taxpayers and tax breaks for equipment purchases by businesses) will provide taxpayers a reason to continue the spending spree. Secondly, the Fed's 300 basis points in rate cuts should help ease the credit crunch and provide the foundation for growth in the future. Finally, businesses are much leaner than they have been entering into other economic downturns. One of the advantageous by-products of the 2001 recession was that companies didn't revert to the excesses of the late 1990s and kept a very lean workforce and manageable inventory levels.

The pending recession has all come as a result of fallout from the still-ongoing credit and liquidity crisis, which was in full force for most of the quarter. At one point in March, spreads on all credit products (Agency debt, mortgage and asset backed securities, corporate bonds, etc.) were all at or near all-time wide levels as investors fled to the safety of Treasuries. Bond insurers, who historically insured municipal debt offerings, but had ventured in recent years into insuring bonds backed by subprime mortgages, came under pressure as dwindling capital and the prospect of increased losses caused rating agencies to downgrade many issuers below the critical AAA rating category. This wreaked havoc in the municipal debt markets, bringing the yields on most tax-exempt bonds above those of Treasuries, an extremely rare occurrence.

Additionally, the Auction Rate Securities (ARS) market, which is used by many public entities to borrow, effectively shut down and many auctions failed as investors shied away from these securities due to the credit concerns of the bond insurer. Bank sponsors of these ARS programs, who have historically bought the unsold securities, refused to do so due to balance sheet constraints. Unfortunately, as these auctions failed, many states, counties and cities faced punitive interest rates, which cost these entities millions of dollars in additional interest. As of this writing, the ARS market remains at a standstill, and ARS issuers are exploring other financing options such as replacing the ARS debt with long term fixed debt.

But the highlight (or lowlight) of the quarter, and a potential inflection point for the credit crisis, was the near-bankruptcy of Bear Stearns, the 5th largest U.S. investment bank. In a modern day equivalent of the bank runs preceding the Great Depression, liquidity dried up overnight for Bear Stearns as counter-parties to various contracts and funding vehicles all demanded their money out and refused to supply Bear Stearns with additional credit, causing them to approach the Federal Reserve on Friday, March 14. The Fed then agreed to provide roughly $30 billion in financing to Bear through JP Morgan Chase. Only 48 hours later, it was announced that the Fed had brokered a deal for JP Morgan Chase to buy Bear Stearns for merely $2 per share (since revised to $10/share)!

The fact that the Fed in essence orchestrated the bailout of Bear Stearns, and in doing so probably saved the capital markets from catastrophe, finally proved that the Bernanke Fed had the mettle to deal with a severe crisis and do so in new and creative ways. Previous criticism of Ben Bernanke was that he was an academic, not a market practitioner, and would lack the skills necessary to lead in such a crisis. Most critics would agree that Ben Bernanke has, so far, done an excellent job navigating the world's largest economy through one of its worst storms ever. Stay tuned.

Prior to and during the Bear Stearns crisis, the Fed unleashed an alphabet soup of liquidity measures to pump liquidity into the markets. During the quarter, the TAF (Term Auction Facility), TSLF (Term Securities Lending Facility), and PCDF (Primary Credit Dealer Facility) were enacted or expanded to supplement the Fed Funds rate decreases (in fact, it is argued that these non-conventional measures have been much more effective than the rate cuts have been). Exhibit 1 (next page) summarizes the various non-Fed Funds related actions that have been enacted during this crisis.

In this election year, rhetoric has also heated up regarding the housing market, and it appears that some sort of homeowner "bailout" is on the horizon. Some of the more popular ideas in Congress revolve around the FHA or some new government agency refinancing qualifying mortgages. The catch is that it would require a reappraisal of mortgaged properties, and the loan amount would not exceed roughly 85% of that amount to cover fees and give the homeowner positive equity in the property. Of course, this means that the current lender(s) would most likely take a loss as the refinancing would typically not cover the outstanding loan(s) on the property. While these plans are gaining steam, it again remains to be seen if they are feasible or even legal.

The economic data in Exhibit 2 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 decreased from 12 to 11 this quarter. Though Existing Home Sales ticked up a bit in March, housing-related statistics remain weak. More importantly, however, are the job-related numbers, which are notably weaker, and

Exhibit 1. Federal Reserve Measures in Addition to Lowering the Funds Rate

August 17 Along with a 50 bp discount rate cut, the Fed also announced a *"change to the Reserve Banks' usual practices to allow the provision of term financing for as long as 30 days, renewable by the borrower."*

August 21 The NY Fed announced that it was lowering the fee charged primary dealers when they borrow from the Fed under the Securities Lending Program.

August 24 In response to specific inquiries, the Federal Reserve Bank of NY affirmed its policy to consider accepting investment quality asset-backed commercial paper as collateral. Also on August 24, The *Wall Street Journal* reported that the Fed was "exempting [a bank] from statutory limits on how much its bank unit ... can lend to its affiliated broker dealer." This allowed clients' assets at a broker/dealer subsidiary to be used as collateral for discount window borrowing.

December 12 A new Term Auction Facility (TAF) announced by the Fed offered term loans through an auction process to the same depository institutions eligible for discount window borrowing, with up to $40 billion in total in two auctions on December 17 and December 20 and two more auctions planned for January. (After that, the program was to be reviewed.) The Fed also announced new FX swap lines with the ECB and SNB totalling $24 billion. Those central banks, in turn, could use the dollars for lending to institutions in their countries. There also was some additional non-dollar term liquidity from the Bank of England and the Bank of Canada.

The TAF program effectively was an extension of the discount window program, potentially with more competitive funding and with less "stigma." According to the Fed's press release, *"the Federal Reserve will auction term funds to depository institutions against the wide variety of collateral that can be used to secure loans at the discount window. All depository institutions that are judged to be in generally sound financial condition by their local Reserve Bank and that are eligible to borrow under the primary credit discount window program will be eligible to participate in TAF auctions."*

January 4 TAF expanded to $60 billion from $40 billion.

March 7 TAF expanded to $100 billion from $60 billion. The Fed began a series of 28-day repos expected to cumulate to $100 billion.

March 11 A new $200 billion Term Securities Lending Facility (TSLF) announced by the Fed will lend Treasury securities to the 20 primary dealers, secured for a term of 28 days by a pledge of other securities, including Treasuries, Federal Agency debt, Agency MBS and non-Agency AAA-rated private label residential MBS. [NOTE: non-Agency collateral must not be on review for downgrade.]

Like the existing System Market Account (SOMA) securities lending program, the TSLF will utilize an auction process. TSLF auctions will be weekly, beginning on March 27, 2008. Major differences between the TSLF and the SOMA securities lending programs are: *(1)* 28-day term versus overnight under SOMA; and *(2)* collateral includes Agency debt, Agency MBS, non-Agency AAA-rated private label residential MBS and Treasuries rather than Treasury GC (General Collateral) under SOMA.

The Fed also increased its swap lines with the ECB (to $30 billion from $20 billion) and SNB (to $6 billion from $4 billion).

March 14 The NY Fed provided emergency funding for Bear Stearns through JP Morgan, via a non-recourse 28-day discount window loan secured by Bear Stearns collateral.

March 16 The Fed cut the discount rate by 25 bps, lowering the spread to the Fed funds rate to 25 bps. It extended the maximum term on primary credit loans to 90 days from 30 days. The Fed also established the Primary Credit Dealer Facility (PCDF), which extends discount-window-like lending by the Fed to primary dealers (about one-half of which did not have access to the discount window through a banking arm). The PCDF will offer overnight loans *"in exchange for a specified range of collateral, including all collateral eligible for tri-party repurchase agreements..., as well as all investment-grade corporate securities, municipal securities, mortgage-backed securities and asset-backed securities for which a price is available."* Brokers will pay a fee if they tap the facility more than 30 business days out of the first 120. Effectively, the PCDF makes the Fed the lender of last resort for brokers as well as banks. To some extent, this program supplants the new Term Securities Lending Facility (TSLF), as it provides cash-for-bond rather than bond-for-bond lending against the MBS that the TSLF had aimed to support.

Source: UBS US Economic Perspectives, March 20, 2008 the ISM manufacturing and non-manufacturing numbers, which are both below the key level of 50, indicating a contraction in economic activity.

Indicator	*Period*	*Report Current*	*As Reported Last Quarter*	Difference
Consumer Price Index (MoM)	MAR	0.3%	0.3%	0%
Producer Price Idx. (ex food/energy), (MoM)	MAR	0.2%	0.2%	0%
Durable Goods	MAR	-0.3%	0.1%	-0.4%
Factory Orders	FEB	-1.3%	1.5%	-2.8%
Industrial Production	MAR	0.3%	0.0%	0.3%
Capacity Utilization	MAR	80.5%	81.4%	-0.9%
Gross Domestic Product (Annualized)	Q4F	0.6%	4.9%	-4.3%
ISM (Manufacturing) (NAPM)	MAR	48.6	47.7	0.9
ISM (Non-manufacturing) (NAPM)	MAR	49.6	53.9	-4.3
Personal Income	FEB	0.5%	0.4%	0.1%
Retail Sales	MAR	0.2%	-0.4%	0.6%
Unemployment Rate	MAR	5.1%	5.0%	0.1%
Change in Non-farm Jobs	MAR	-80,000	18,000	-98,000
Consumer Confidence (Conference Board)	MAR	64.5	88.6	-24.1
Leading Indicators	MAR	0.1%	-0.2%	0.3%
Home Re-sales	MAR	4.93(mil)	4.89(mil)	0.04(mil)
Home Sales, New	MAR	0.526(mil)	0.604(mil)	-.078(mil)
Housing Starts	MAR	0.947(mil)	1.006(mil)	-.059(mil)
Median Home Price (existing) [EHSLMP]	MAR	$198,200	$206,500	-$8,300

Exhibit 2: Table of Key Economic Indicators

Strategy

The yield curve continued its bull steepening move in the 1st quarter. The 3 month and 6 month Treasury bills fell dramatically (by almost 200 basis points each) in yield, followed closely by the 2 year sector. At quarter end, the 2 year Treasury yield stood at 1.58%, a 146 basis point decline from 12/31/07. After several years of inversion in some or all parts of the yield curve, it has regained its "normal" shape, where the lowest yield is at the front of the curve and the highest yield is at the end of the curve.

Chart 4: Treasury Yield Curve – 12/31/07 and 3/31/08

Since the end of the 1st quarter, the 2 year Treasury has risen to approximately 2.40%. At this level, it is difficult to determine the course of rates. If the economic situation deteriorates further, the yields could easily retrace back to the lows reached in March as traders will prepare for more rate cuts by the Fed. However, if it looks like the Fed is done, and inflation figures remain elevated, the rates might actually increase more as traders get in front of future Fed rate hikes.

Due to the continued uncertainty in the path of interest rates, we will continue to remain neutral to index duration. Also, since much of the curve steepening has played out, we will not continue to further bullet the portfolio, but will look to keep exposures to key rate durations approximately where they are now.

After the drama that unfolded during the 1st quarter, spread levels have generally tightened to Treasuries since mid-March. This could mean the beginning of the reversal of the flight to quality trade, which could help reverse the portfolio underperformance relative to the index. We added back a bit of the Agency exposure that we had shed in prior quarters, and will keep this added exposure. Additionally, we will look to add high quality, non-financial corporate bonds if they become available in the market, in order to further enhance portfolio yield.

Portfolio Results

Cost and Market Value

As of March 31, 2008, the Treasurer's Core Portfolio had a cost value of $1,092,142,673 and a market value of $1,122,283,720. As of the same date, the Treasurer's Liquidity Portfolio had a cost value of $698,278,244 and a market value of $707,723,194. At the end of the quarter, 61.00% of funds were in the Core Portfolio and 39.00% in the Liquidity Portfolio.

Exposure to Market Risk

The average maturity of the Core Portfolio was 1.74 years and its effective duration was 1.671 years or 99.94% of the benchmark index duration of 1.672 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 0.32 years and its duration was .324 years or 87.33% of the benchmark index duration of .371 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 38.67% and 48.63% in U.S. Agency (non-mortgage-backed) securities. Investments in corporate securities (other than money market instruments) are currently 3.85% and this complies with the maximum percentage of 30% allowed in the Investment Policy. The pool's remaining funds were in Money Market instruments, the California Local Agency Investment Fund, and a new investment in the CDARS program (FDIC-insured non-negotiable Certificates of Deposit) representing a total of 8.86% 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 mentioned previously in this report, the yield curve steepened dramatically during the 1st quarter. Short maturity Treasury bills dropped by almost 200 basis points in yield, while the 5 year Treasury dropped by only 100 basis points, causing slope of the 3 month to 5 year Treasury curve to increase from 20 basis points on 12/31/07 to 112 basis points on 3/31/08.

Our move to position the portfolio in a more bulleted manner paid off. The curve steepening did result in the loss of a few basis points of performance versus the index, which was again the result of holding a few securities with a maturity over 3 years, which the index does not have.

Credit Spreads:

Credit spreads again widened significantly during the quarter, though they did tighten in from the widest levels reached in mid-March. This spread widening did affect our holdings in Agency and corporate bonds, and detracted from portfolio performance versus the Merrill Lynch 1-3 year Treasury benchmark, which has no such securities.

During the quarter, we trimmed our corporate MTN exposure and added to Agency securities, for a net addition to spread products. We saw the extreme widening in Agency bonds as an opportunity to add high quality securities to the portfolio at attractive levels, a move which has paid off so far in Q2 2008 as spread levels have tightened considerably.

Total Return/Earned Interest Yield

For the quarter ending March 31, 2008, the Treasurer's Core Portfolio had a total return of 3.03% versus a benchmark return of 2.98% and an earned interest yield for the quarter of 7.77%. The Liquidity Portfolio had an earned interest yield of 4.75% for the quarter ending March 31, 2008.

Note: In the report for the quarter ended 9/30/2007, the Earned Income Yield for the Core portfolio had been reported as 5.297%. The correct Earned Income Yield for the Core portfolio was 4.952%.

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
April	**335**	**129**	**206**	**206**
May	**317**	**262**	**55**	**261**
June	**268**	**178**	**90**	**351**
June	**310**	**246**	**64**	**415**
July	**200**	**187**	**13**	**428**
August	**283**	**175**	**108**	**536**

(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 Mar. 31, 2008 vs. Dec. 31, 2007

Benchmark (G1O2) **US Treasury Notes 1-3yr**	**Core Portfolio**			**Benchmark**	
	Qtr Ending Dec. 31, 2007	**Qtr Ending Mar. 31, 2008**	**FYTD**	**Qtr Ending Mar. 31, 2008**	**FYTD**
Portfolio cost	$1,070,206,719	$1,092,142,673			
Market value (w/acc int.)	$1,089,997,182	$1,122,283,720			
Average maturity (years)	1.79	1.74		1.755	
Earned income yield	5.043%	7.772%	5.93%		
Total return	2.27%	3.03%	8.04%	2.98%	8.23%
Duration (Effective)	1.66	1.671		1.672	
Change in value vs. 1% change in interest rates	$17.8MM	$18.8MM			
Average credit quality	Agency	Agency		Treasury	
% of portfolio below "A/A"	0.0%	0.0%		0.0%	
	Portfolio	**Benchmark**	**Difference**		
One Year Total Return	8.84%	9.00%	-0.16%		
Three Year Total Return *	5.61%	5.41%	0.20%		

Quarter Ending	**3/31/08**	**12/31/2007**	**09/30/2007**	**06/30/2007**
Core Portfolio Total Return	3.03%	2.27%	2.54%	0.74%
Index Return Total Return	2.98%	2.36%	2.67%	0.71%

* Annualized.

Quarter Ending Dec. 31, 2007 vs. Sept. 30, 2007

Benchmark (G0B2) US Treasury Bills 3-6mo	Liquidity Portfolio			Benchmark	
	Qtr Ending Dec. 31, 2007	Qtr Ending Mar. 31, 2008	FYTD	Qtr Ending Mar. 31, 2008	FYTD
Portfolio cost	$665,279,305	$698,278,244			
Market value	$673,145,010	$707,723,194			
Average maturity (years)	0.31	0.32		0.37	
Earned income yield***	4.919%	4.754%	4.969%		
Duration (Macaulay in years)	0.30	0.32		0.37	0.37
Change in value vs. 1% change in interest rates	$2.1MM	$2.3MM			
% 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* **	**5.062%**	**Three Year Return*** **	**4.664%**

* 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 +/-40%	Complies – 99.94 % Complies - 87.33 %
Maximum Maturity	5 years	Complies
Agency Securities	100% maximum	Complies – 48.63%
FNMA	33.3% maximum	Complies- 14.58%
FHLMC	33.3% maximum	Complies – 16.85 %
FHLB	33.3% maximum	Complies – 14.96 %
FFCB	33.3% maximum	Complies – 2.25 %
Callable Securities	30% maximum	Complies – 0.84 %
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 – 6.35 %
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 – 3.85%
Mutual Funds	20% maximum	Complies – None in Portfolio
FDIC-insured Certificates of Deposit	1% maximum	Complies – 0.28 %
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 March 31, 2008

Security Type	Issuer	Invst No.	Sec. Description	Coupon	Maturity	CUSIP	Par	Book	Market Value	Price Source
US Treasury Bill	US Treasury	71722	TB-99 378-G54-07	1 271	9/11/2008	912795G54	$20,000,000 00	$19,875,724 44	$19,862,500 00	SUNGARD
US Treasury Note	US Treasury	60175	TN-99.555-EV8-39	4 5	2/15/2009	912828EV8	$17,000,000 00	$16,924,296 88	$17,430,312 50	SUNGARD
US Treasury Note	US Treasury	60266	TN-99 125-EV8-83	4 5	2/15/2009	912828EV8	$15,000,000 00	$14,868,750.00	$15,379,687 50	SUNGARD
US Treasury Note	US Treasury	71049	TN-99 797-GL8-38	4 5	3/31/2009	912828GL8	$25,000,000 00	$24,949,218 75	$25,734,375 00	SUNGARD
US Treasury Note	US Treasury	71048	TN-100 469-FE5-42	4 875	5/15/2009	912828FE5	$50,000,000 00	$50,234,375.00	$51,828,125 00	SUNGARD
US Treasury Note	US Treasury	70820	TN-99.976-GT1-83	4 875	5/31/2009	912828GT1	$30,000,000 00	$29,992,968 75	$31,143,750 00	SUNGARD
US Treasury Note	US Treasury	71059	TN-100 125-GY0-83	4 625	7/31/2009	912828GY0	$50,000,000 00	$50,062,500 00	$52,031,250 00	SUNGARD
US Treasury Note	US Treasury	70291	TN-100 383-FP0-40	4 875	8/15/2009	912828FP0	$20,000,000.00	$20,076,562 50	$20,893,750 00	SUNGARD
US Treasury Note	US Treasury	70376	TN-101 109-FP0-40	4 875	8/15/2009	912828FP0	$25,000,000 00	$25,277,343.75	$26,117,187 50	SUNGARD
US Treasury Note	US Treasury	70684	TN-100 557-FPO-38	4 875	8/15/2009	912828FP0	$50,000,000 00	$50,279,296 88	$52,234,375.00	SUNGARD
US Treasury Note	US Treasury	71269	TN-100 132-HD5-83	4	9/30/2009	912828HD5	$45,000,000 00	$45,059,765.63	$46,617,187 50	SUNGARD
US Treasury Note	US Treasury	71270	TN-100 132-HD5-83	4	9/30/2009	912828HD5	$45,000,000 00	$45,059,765.63	$46,617,187.50	SUNGARD
US Treasury Note	US Treasury	71782	TN-99 833-HU7--5	1 75	3/31/2010	912828HU7	$150,000,000 00	$149,750,743 50	$150,375,000.00	SUNGARD
US Treasury Note	US Treasury	71781	TN-99 995-HU7-42	1 75	3/31/2010	912828HU7	$30,000,000 00	$29,998,532 40	$30,075,000 00	SUNGARD
US Treasury Note	US Treasury	70817	TN-99 063-GR5-43	4 5	5/15/2010	912828GR5	$30,000,000 00	$29,718,750.00	$31,837,500 00	SUNGARD
US Treasury Note	US Treasury	70600	TN-99.090-ES5-05	4 25	1/15/2011	912828ES5	$10,000,000 00	$9,908,984 37	$10,687,500 00	SUNGARD
US Treasury Note	US Treasury	71162	TN-100.351-ES5-05	4 25	1/15/2011	912828ES5	$80,000,000 00	$80,281,250 00	$85,500,000 00	SUNGARD
	Treasury Total					***38.67%***	***$692,000,000.00***	***$692,318,828.48***	***$714,364,687.50***	
US Agency	Federal Home Loan Mortgage Corporation	70822	fmcdn-0-04-18-08-38	4 985	4/18/2008	313396VT7	$20,000,000.00	$19,105,469 44	$19,981,250 00	SUNGARD
US Agency	Federal Home Loan Bank	70707	FHLB-LT0-99 973-5	5 125	4/24/2008	3133XKLT0	$20,000,000 00	$19,994,600 00	$20,031,250 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	71313	FRE-DN-97 873-WD1-39	4 23	4/28/2008	313396WD1	$25,000,000 00	$24,468,312 50	$24,968,750 00	SUNGARD
US Agency	Federal National Mortgage Association	70952	fndn o 05-16-08-43	4 99	5/16/2008	313588WX9	$30,000,000 00	$28,661,016 67	$29,934,375 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70953	fmcdn o 05-27-08-38	4 975	5/27/2008	313396XJ7	$25,000,000 00	$23,849,531 25	$24,929,687 50	SUNGARD
US Agency	Federal Home Loan Bank	71378	FHLB-DN-97 912-XM6-43	4 13	5/30/2008	313384XM6	$35,000,000 00	$34,269,219 44	$34,901,562 50	SUNGARD
US Agency	Federal Home Loan Bank	71423	FHLB-DN-97 972-XZ7-38	4 01	6/11/2008	313384XZ7	$45,000,000 00	$44,087,725 00	$44,817,187 50	SUNGARD
US Agency	Federal National Mortgage Association	71060	fndn 0-06-30-08-05	4 85	6/30/2008	313588YU3	$50,000,000 00	$47,743,402 78	$49,750,000 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	71424	FHLMC-DN-97 801-YX5-43	3 88	7/3/2008	313396YX5	$30,000,000 00	$29,340,400 00	$29,840,625.00	SUNGARD
US Agency	Federal Home Loan Bank	71741	FHLB-DN-98 979-G86-05	2 03	9/22/2008	313384G86	$40,000,000 00	$39,591,744 44	$39,612,500 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	71740	FHLMC-DN-98 944-G80-39	2 1	9/22/2008	313396G80	$40,000,000 00	$39,577,666 67	$39,612,500 00	SUNGARD
US Agency	Federal National Mortgage Association	71665	FNMA-DN-98 710-J30-07	2 18	10/3/2008	313588J30	$25,000,000 00	$24,677,541 67	$24,742,187 50	SUNGARD
US Agency	Federal National Mortgage Association	71679	FNMA-DN-98 722-J30-39	2 18	10/3/2008	313588J30	$30,000,000 00	$29,616,683 33	$29,690,625 00	SUNGARD
US Agency	Federal National Mortgage Association	71651	FNMA-DN-98 484-N92-07	2 14	11/10/2008	313588N92	$31,000,000 00	$30,530,091 67	$30,622,187 50	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	71767	FRE-DN-98 507-T86-07	2 02	12/19/2008	313396T86	$25,000,000 00	$24,626,861 11	$24,640,625 00	SUNGARD
US Agency	Federal Home Loan Bank	71469	FHLB-DN-96 290-U56-07	3 72	12/24/2008	313384U56	$26,000,000 00	$25,035,486 67	$25,618,125 00	SUNGARD
US Agency	Federal Home Loan Bank	71680	FHLB-DN-98.074-AV8-07	2 166	1/20/2009	313385AV8	$20,000,000 00	$19,614,933 33	$19,681,250 00	SUNGARD
US Agency	Federal Home Loan Bank	71604	FHLB-CC0808-100 00-SY1-07	2 75	2/20/2009	3133XPSY1	$15,000,000 00	$15,000,000 00	$15,023,437 50	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	60473	FHLMC-99 934-AE9-05	5 25	5/21/2009	3137EAAE9	$25,000,000 00	$24,983,500 00	$25,835,937 50	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70206	FHLMC-100 604-AE9-40	5 25	5/21/2009	3137EAAE9	$60,000,000 00	$60,362,400 00	$62,006,250 00	SUNGARD
US Agency	Federal Home Loan Bank	60474	FHLB-99 875-LG9-05	5 25	6/12/2009	3133XFLG9	$25,000,000 00	$24,968,750 00	$25,875,000 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	52783	FHLMC-100-PB1-79	4 625	9/28/2009	3128X4PB1	$5,000,000 00	$5,000,000 00	$5,171,875 00	SUNGARD
US Agency	Federal Farm Credit Bank	71323	FFCB-101 218-BQ4-42	5	10/23/2009	31331XBQ4	$20,000,000 00	$20,265,822 22	$20,843,750 00	SUNGARD
US Agency	Federal National Mortgage Association	71586	FNMA-99 750-MV1-83	2 5	4/9/2010	31398AMV1	$75,000,000 00	$74,812,500 00	$75,304,687 50	SUNGARD
US Agency	Federal Home Loan Bank	71728	FHLB-100 500-5C2-07	2 375	4/30/2010	3133XQ5C2	$25,000,000 00	$25,153,088 19	$25,039,062.50	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	71715	FHLMC-99 755-BH1-26	2 375	5/28/2010	3137EABH1	$35,000,000 00	$34,914,250 00	$35,021,875.00	SUNGARD
US Agency	Federal Home Loan Bank	52777	FHLB-100 374-UR2-87	4 5	9/10/2010	3133XCUR2	$20,000,000 00	$20,074,600 00	$20,950,000 00	SUNGARD
US Agency	Federal Farm Credit Bank	71656	FFCB-99 724-WG1-48	3	3/3/2011	31331YWG1	$20,000,000 00	$19,944,800 00	$20,156,250.00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70240	FHLMC-102 952-EW0-41	5 875	3/21/2011	3134A4EW0	$10,000,000 00	$10,295,197 80	$10,787,500 00	SUNGARD
US Agency	Federal Home Loan Mortgage Corporation	70241	FHLMC-102 944-EW0-41	5 875	3/21/2011	3134A4EW0	$5,000,000 00	$5,147,200 00	$5,393,750 00	SUNGARD
US Agency	Federal National Mortgage Association	71688	FNMA-99 710-PG1-07	2 75	4/11/2011	31398APG1	$25,000,000 00	$24,927,500 00	$24,984,375 00	SUNGARD
	U.S. Agency Total					***48.63%***	***$882,000,000.00***	***$870,640,494.18***	***$885,768,437.50***	
Local Agency Investment Fund	California State Pool	49819	LOCAL AGENCY INVESTMENT FUND	4 96	4/1/2008		$23,794,309 96	$23,794,309 96	$23,794,309 96	BOOK
Repurchase Agreement	Overnight Repo	71787	REPURCHASE AGREEMENT ACT- 360	2 45	4/1/2008		$16,158,222 00	$16,158,222 00	$16,158,222 00	BOOK
Commercial Paper	Rabobank USA Financial Corporation	71783	CP-RABOUSA-99 993-D14-38	2 49	4/1/2008	74977KD14	$35,000,000 00	$34,997,579 17	$35,000,000 00	SUNGARD
Commercial Paper	UBS Finance	71784	CP-UBSFIN-99 993-D12-38	2 35	4/1/2008	90262CD12	$25,000,000 00	$24,998,368 06	$25,000,000 00	SUNGARD
Commercial Paper	Toyota Motor Credit Corporation	71312	CP-TOYCC-97 722-DU7-24	4 53	4/28/2008	89233GDU7	$25,000,000 00	$24,430,604 17	$24,948,437 50	SUNGARD
Commercial Paper	General Electric Capital Corporation	71518	CP-GECC-97 442-KA4-23	3 41	10/10/2008	36959HKA4	$30,000,000 00	$29,232,750 00	$29,561,600 00	SUNGARD
Non-Negotiable Certificate of Deposit	Neighborhood National Bank CDARS	71750	NNCD-CDARS-100 00-04	3 78	3/20/2009		$5,000,000 00	$5,000,000 00	$5,000,000 00	UPRICE
	Repo, BA's, CD's, CP, LAIF, Funds Total					***8.86%***	***$159,952,531.96***	***$158,611,833.36***	***$159,462,569.46***	

City of San Diego -- Pooled Investment Fund as of March 31, 2008

Security Type	Issuer	Invst No.	Sec. Description	Coupon	Maturity	CUSIP	Par	Book	Market Value	Price Source
Medium Term Note	HSBC Finance Corporation	70437	MTN-HSBC-98 207-KF0-40	4 125	12/15/2008	441812KF0	$5,000,000 00	$4,910,350 00	$4,997,656 25	SUNGARD
Medium Term Note	Credit Suisse FB USA	70290	MTN-CS-97.07-AL7-41	3 875	1/15/2009	22541LAL7	$10,000,000.00	$9,707,000 00	$9,996,500 00	UPRICE
Medium Term Note	Wachovia Corporation	70300	MTN-WB-96 655-AD4-40	3 625	2/17/2009	929903AD4	$10,000,000 00	$9,665,500 00	$9,968,900 00	UPRICE
Medium Term Note	Illinois Tool Works	70328	MTN-ITW-101 587-AE9-43	5 75	3/1/2009	452308AE9	$9,150,000 00	$9,295,210 50	$9,381,769 50	UPRICE
Medium Term Note	Wells Fargo Bank	70301	MTN-WFC-95 391-FQ9-41	3 125	4/1/2009	949746FQ9	$10,000,000 00	$9,539,100 00	$9,894,800 00	UPRICE
Medium Term Note	Wal-Mart	70279	MTN-WMT-105 033-BE2-40	6.875	8/10/2009	931142BE2	$10,000,000.00	$10,503,300 00	$10,564,062 50	SUNGARD
Medium Term Note	Wal-Mart	70534	MTN-WMT-104 134-BE2-83	6 875	8/10/2009	931142BE2	$5,000,000.00	$5,206,700 00	$5,282,031 25	SUNGARD
Medium Term Note	General Electric Capital Corporation	70495	MTN-GE-100 226-Z31-42	5 25	10/27/2009	36962GZ31	$10,000,000 00	$10,022,600 00	$10,325,500 00	UPRICE
	Corporate MTN's and Other Notes Total					*3.85%*	*$69,150,000.00*	*$68,849,760.50*	*$70,411,219.50*	
	Grand Total					*100%*	*$1,803,102,531.96*	*$1,790,420,916.52*	*$1,830,006,913.96*	

CITY OF SAN DIEGO

BROKER ACTIVITY DISTRIBUTION
01/01/08 THROUGH 03/31/08
FUNDS: 9998, 0003

BROKER NAME	# OF TXNS	PURCHASE OF SECURITIES	SALE OF SECURITIES	REVERSE REPURCHASE	REPURCHASE	TOTAL
BANK OF AMERICA	12	314,999,619.26	304,300,751.82			619,300,371.08
BARCLAYS CAPITAL INC	4	50,080,588.19	35,640,534.73			85,721,122.92
CREDIT SUISSE	2	34,914,250.00	35,356,893.06			70,271,143.06
MORGAN STANLEY	1		7,304,415.28			7,304,415.28
MERRILL LYNCH	2	34,985,650.00	35,003,936.30			69,989,586.30
LEHMAN BROTHERS	6	165,118,894.43	105,405,479.95			270,524,374.38
SMITH BARNEY-SHEARSON	1	49,971,668.96				49,971,668.96
UBS FINANCIAL SERVICES	7	94,899,800.00	108,083,393.05			202,983,193.05
FIRST TENNESEE BANK	2		61,912,126.55			61,912,126.55
BEAR STEARNS	8	174,599,356.50	188,764,515.85			363,363,872.35
FUND - 9998 TOTAL:	45	919,569,827.34	881,772,046.59			1,801,341,873.93
GRAND TOTAL	174	2,578,646,732.45	1,189,248,329.46	.00	3,821,512,074.00	7,589,407,135.91

CITY OF SAN DIEGO

BROKER ACTIVITY DISTRIBUTION
01/01/08 THROUGH 03/31/08
FUNDS: 9997, 0002

RUN DATE: 05/28/08

BROKER NAME	# OF TXNS	PURCHASE OF SECURITIES	SALE OF SECURITIES	REVERSE REPURCHASE	REPURCHASE	TOTAL
IEIGHBORHOOD NATL BANK	1	5,000,000.00				5,000,000.00
3ANK OF AMERICA	10	99,586,844.44			392,179,642.00	491,766,486.44
3ARCLAYS CAPITAL INC	7	134,325,152.22	20,000,958.34			154,326,110.56
1ORGAN KEEGAN	2	69,311,326.39	25,552,361.12			94,863,687.51
;ENERAL ELECTRIC COMPANY	2	53,231,750.00				53,231,750.00
:REDIT SUISSE	2		69,888,745.84			69,888,745.84
1ORGAN STANLEY	14	84,993,558.33			498,265,490.00	583,259,048.33
1ERRILL LYNCH	6	208,354,516.45				208,354,516.45
.EHMAN BROTHERS	21	564,640,037.51				564,640,037.51
;MITH BARNEY-SHEARSON	2	84,377,310.56				84,377,310.56
JBS FINANCIAL SERVICES	13	354,964,131.95	62,202,559.38			417,166,691.33
:ITICORP SECURITIES	1		59,861,695.00			59,861,695.00
3EAR STEARNS	47		69,969,963.19		2,931,066,942.00	3,001,036,905.19
;TATE TREASURER	1	292,277.26				292,277.26
FUND - 9997 TOTAL:	129	1,659,076,905.11	307,476,282.87		3,821,512,074.00	5,788,065,261.98

CITY OF SAN DIEGO

BROKER ACTIVITY DISTRIBUTION
01/01/08 THROUGH 03/31/08
FUNDS: 9997, 9998

RUN DATE: 05/28/08
PAGE: 1

BROKER NAME	# OF TXNS	PURCHASE OF SECURITIES	SALE OF SECURITIES	REVERSE REPURCHASE	REPURCHASE	TOTAL
EIGHBORHOOD NATL BANK	1	5,000,000.00				5,000,000.00
ANK OF AMERICA	22	414,586,463.70	304,300,751.82		392,179,642.00	1,111,066,857.52
ARCLAYS CAPITAL INC	11	184,405,740.41	55,641,493.07			240,047,233.48
ORGAN KEEGAN	2	69,311,326.39	25,552,361.12			94,863,687.51
ENERAL ELECTRIC COMPANY	2	53,231,750.00				53,231,750.00
REDIT SUISSE	4	34,914,250.00	105,245,638.90			140,159,888.90
ORGAN STANLEY	15	84,993,558.33	7,304,415.28		498,265,490.00	590,563,463.61
ERRILL LYNCH	8	243,340,166.45	35,003,936.30			278,344,102.75
EHMAN BROTHERS	27	729,758,931.94	105,405,479.95			835,164,411.89
MITH BARNEY-SHEARSON	3	134,348,979.52				134,348,979.52
BS FINANCIAL SERVICES	20	449,863,931.95	170,285,952.43			620,149,884.38
ITICORP SECURITIES	1		59,861,695.00			59,861,695.00
IRST TENNESEE BANK	2		61,912,126.55			61,912,126.55
EAR STEARNS	55	174,599,356.50	258,734,479.04		2,931,066,942.00	3,364,400,777.54
TATE TREASURER	1	292,277.26				292,277.26
RAND TOTAL	174	2,578,646,732.45	1,189,248,329.46	.00	3,821,512,074.00	7,589,407,135.91

CITY OF SAN DIEGO

INVESTMENT MATURITY DISTRIBUTION
AS OF 03/31/08

RUN: 05/28/08 12:28:50

FUND 9998 99998 POOLED INVEST-CORE

CALL/MATURITY	DATE RANGE	NO OF INV	COST	%	CUM %
0 TO 2 MONTHS	04/01/08-05/31/08	0		.0	.0
2 TO 3 MONTHS	06/01/08-06/30/08	0		.0	.0
3 TO 6 MONTHS	07/01/08-09/30/08	0		.0	.0
6 TO 9 MONTHS	10/01/08-12/31/08	1	4,910,350.00	.4	.4
9 TO 12 MONTHS	01/01/09-03/31/09	6	85,409,976.13	7.8	8.3
12 TO 15 MONTHS	04/01/09-06/30/09	6	200,081,093.75	18.3	26.6
15 TO 18 MONTHS	07/01/09-09/30/09	9	256,525,234.39	23.5	50.1
18 TO 21 MONTHS	10/01/09-12/31/09	2	30,288,422.22	2.8	52.9
21 TO 24 MONTHS	01/01/10-03/31/10	2	179,749,275.90	16.5	69.3
24 TO 27 MONTHS	04/01/10-06/30/10	4	164,598,588.19	15.1	84.4
27 TO 30 MONTHS	07/01/10-09/30/10	1	20,074,800.00	1.8	86.2
30 TO 33 MONTHS	10/01/10-12/31/10	0		.0	86.2
33 TO 36 MONTHS	01/01/11-03/31/11	5	125,577,432.17	11.5	97.7
36 TO 39 MONTHS	04/01/11-06/30/11	1	24,927,500.00	2.3	100.0
39 TO 42 MONTHS	07/01/11-09/30/11	0		.0	100.0
42 TO 45 MONTHS	10/01/11-12/31/11	0		.0	100.0
45 TO 48 MONTHS	01/01/12-03/31/12	0		.0	100.0
48 TO 51 MONTHS	04/01/12-06/30/12	0		.0	100.0
51 TO 54 MONTHS	07/01/12-09/30/12	0		.0	100.0
54 TO 57 MONTHS	10/01/12-12/31/12	0		.0	100.0
57 TO 60 MONTHS	01/01/13-03/31/13	0		.0	100.0
60 TO *** MONTHS	04/01/13-	0		.0	100.0
TOTALS		37	1,092,142,672.75		
GRAND TOTALS		63	1,790,420,916.52		

Total number of funds represented: 2

CITY OF SAN DIEGO

INVESTMENT MATURITY DISTRIBUTION
AS OF 03/31/08

RUN: 05/28/08 12:28:50

FUND 9997 99998 POOLED INVEST-LIQUIDITY

CALL/MATURITY	DATE RANGE	NO OF INV	COST	%	CUM %
0 TO 2 MONTHS	04/01/08-05/31/08	11	274,727,232.66	39.3	39.3
2 TO 3 MONTHS	06/01/08-06/30/08	2	91,831,127.78	13.2	52.5
3 TO 6 MONTHS	07/01/08-09/30/08	4	128,385,535.55	18.4	70.9
6 TO 9 MONTHS	10/01/08-12/31/08	6	163,719,414.45	23.4	94.3
9 TO 12 MONTHS	01/01/09-03/31/09	3	39,614,933.33	5.7	100.0
12 TO 15 MONTHS	04/01/09-06/30/09	0		.0	100.0
15 TO 18 MONTHS	07/01/09-09/30/09	0		.0	100.0
18 TO 21 MONTHS	10/01/09-12/31/09	0		.0	100.0
21 TO 24 MONTHS	01/01/10-03/31/10	0		.0	100.0
24 TO 27 MONTHS	04/01/10-06/30/10	0		.0	100.0
27 TO 30 MONTHS	07/01/10-09/30/10	0		.0	100.0
30 TO 33 MONTHS	10/01/10-12/31/10	0		.0	100.0
33 TO 36 MONTHS	01/01/11-03/31/11	0		.0	100.0
36 TO 39 MONTHS	04/01/11-06/30/11	0		.0	100.0
39 TO 42 MONTHS	07/01/11-09/30/11	0		.0	100.0
42 TO 45 MONTHS	10/01/11-12/31/11	0		.0	100.0
45 TO 48 MONTHS	01/01/12-03/31/12	0		.0	100.0
48 TO 51 MONTHS	04/01/12-06/30/12	0		.0	100.0
51 TO 54 MONTHS	07/01/12-09/30/12	0		.0	100.0
54 TO 57 MONTHS	10/01/12-12/31/12	0		.0	100.0
57 TO 60 MONTHS	01/01/13-03/31/13	0		.0	100.0
60 TO *** MONTHS	04/01/13-	0		.0	100.0
TOTALS		26	698,278,243.77		

City of San Diego
Asset Allocation as of March 31, 2008
Attachment #7