




THE CITY OF SAN DIEGO

MEMORANDUM

DATE: September 20, 2022

TO: Distribution

FROM: Elizabeth Correia, City Treasurer 

SUBJECT: Monthly Investment Report August 31, 2022

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

In compliance with the Investment Policy, all securities met the minimum credit rating requirement at the time of purchase. The following security was below the minimum Investment Policy credit rating for the applicable investment category as of month end:

Issuer	Maturity	Par Amount	S&P Rating	Moody’s	Fitch
Oracle Corporation Bond	10/15/2022	\$9,400,000	BBB	Baa2	BBB+

Our Investments Division continues to closely monitor the issuer and the financial market for any significant change.

If you have any questions, please contact Kent Morris, Chief Investment Officer, at (619) 236-6112.

EC/km

Attachments:

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

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Distribution
September 20, 2022

Distribution:

Honorable Mayor Todd Gloria
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Matt Vespi, Chief Financial Officer and Investment Advisory Committee
Jyothi Pantulu, Assistant Director, Department of Finance and Investment Advisory Committee

cc: Jessica Lawrence, Director of Policy, Office of the Mayor
Rolando Charvel, Director, Department of Finance and City Comptroller
Kent J. Morris, Chief Investment Officer, Office of the City Treasurer
Nicole LeClair-Miller, Deputy Director, Office of the City Treasurer
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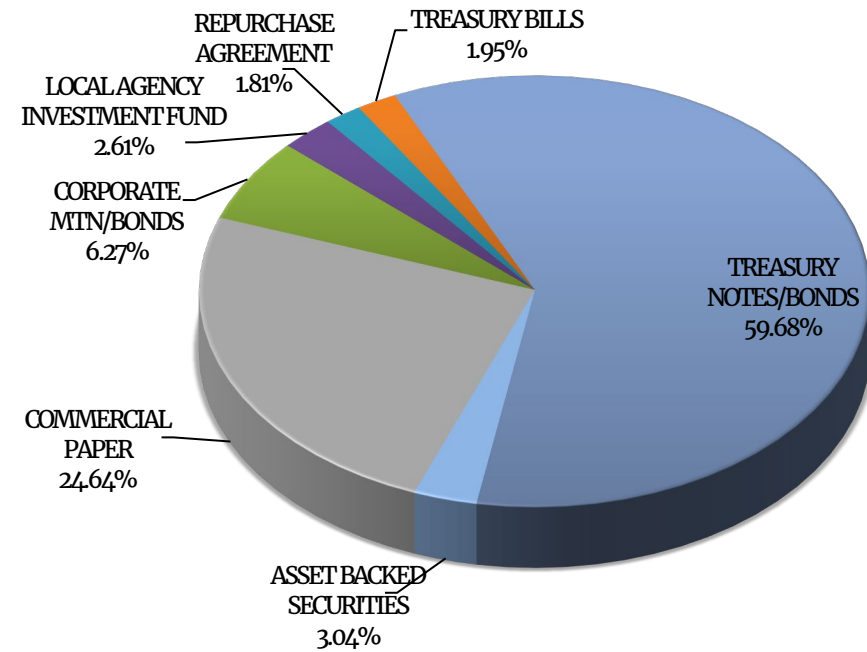
ASSET ALLOCATION

Assets (000's)	Current Par Value	Current Book Value	Market Value	Mkt/Book	Yield to Maturity 365
ASSET BACKED SECURITIES	76,500	77,075	74,702	96.92%	0.90%
COMMERCIAL PAPER	630,000	623,966	625,662	100.27%	2.47%
CORPORATE MTN/BONDS	157,132	158,834	154,407	97.21%	1.39%
LOCAL AGENCY INVESTMENT FUND	66,021	66,021	66,021	100.00%	0.75%
REPURCHASE AGREEMENT	45,800	45,800	45,800	100.00%	2.23%
TREASURY BILLS	50,000	49,425	49,534	100.22%	2.54%
TREASURY NOTES/BONDS	1,510,000	1,511,149	1,450,808	96.01%	0.93%
Totals (000's):	2,535,453	2,532,270	2,466,934	97.42%	1.39%

Portfolio Breakdown & Statistics

	Liquidity	Core
Portfolio Size	\$785,211,633	\$1,747,058,097
% of total pool	31.01%	68.99%
Portfolio Duration*	0.17	1.75
Index Duration*	0.26	1.80
% of index	66.97%	97.22%
Weighted Average Days to Maturity	65	635
Earned Income Yield	2.182%	0.345%

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

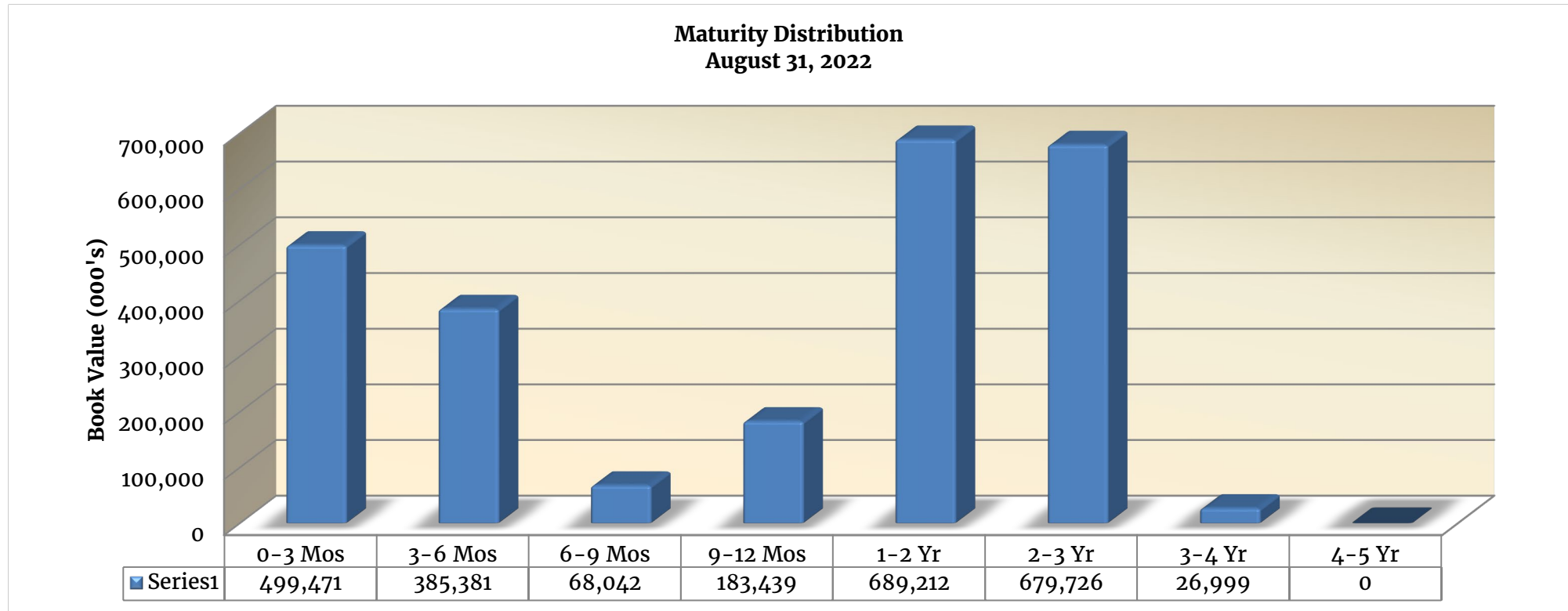


Pooled Portfolio Composition by Book Value



MATURITY DISTRIBUTION

Current Book Value (000's)	0-3 Mos	3-6 Mos	6-9 Mos	9-12 Mos	1-2 Yr	2-3 Yr	3-4 Yr	4-5 Yr	Totals (000's)
ASSET BACKED SECURITIES	20,117					29,959	26,999		77,075
COMMERCIAL PAPER	358,190	246,202	19,574						623,966
CORPORATE MTN/BONDS	9,342	38,029	48,469	33,028	29,965				158,834
LOCAL AGENCY INVESTMENT FUND REPURCHASE AGREEMENT	66,021								66,021
TREASURY BILLS	45,800								45,800
TREASURY NOTES/BONDS		49,425							49,425
		51,725		150,411	659,247	649,766			1,511,149
Totals (000's):	499,471	385,381	68,042	183,439	689,212	679,726	26,999	0	2,532,270
% of Portfolio	19.72%	15.22%	2.69%	7.24%	27.22%	26.84%	1.07%	0.00%	100.00%

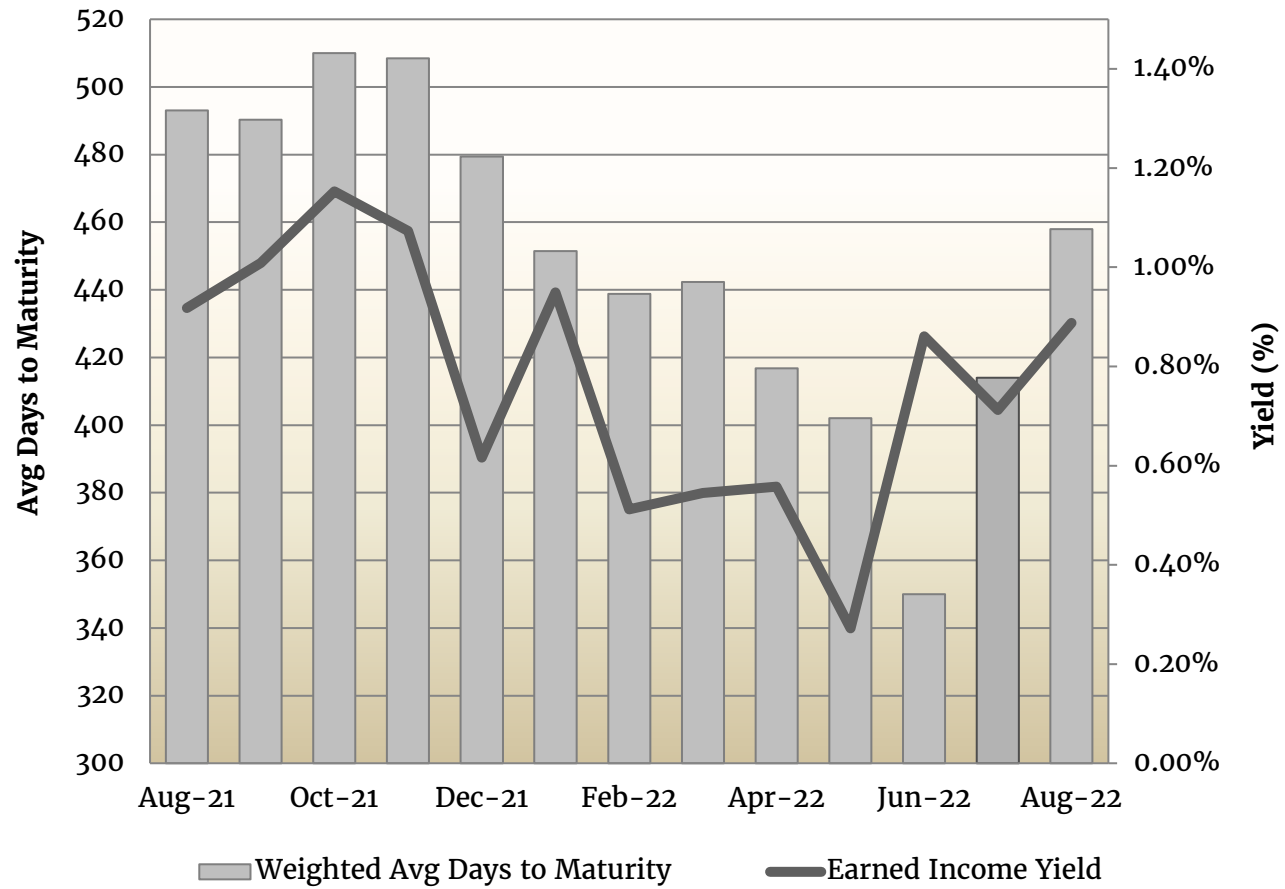




PORTFOLIO - EARNED INCOME YIELD

Month	Earned Income Yield	Weighted Avg Days to Maturity
Aug-21	0.92%	493
Sep-21	1.01%	490
Oct-21	1.15%	510
Nov-21	1.07%	508
Dec-21	0.62%	479
Jan-22	0.95%	451
Feb-22	0.51%	439
Mar-22	0.55%	442
Apr-22	0.56%	417
May-22	0.27%	402
Jun-22	0.86%	350
Jul-22	0.71%	414
Aug-22	0.89%	458

Yield and Weighted Average Days to Maturity Trends



POOLED INVESTMENTS AT AUGUST 31, 2022 - PORTFOLIO POSITION DETAIL

TREASURY BILLS	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Treasury Bills	UST Bill	912796X87	2.481	2.544	0.303	7/8/2022	12/22/2022	50,000,000.00	49,424,661.81	49,533,900.00	99.068	CDL
	Total	Count 1	2.481	2.544	0.303			50,000,000.00	49,424,661.81	49,533,900.00	99.068	

TREASURY NOTES/BONDS	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Treasury Notes	UST Note	912828Z29	1.500	0.180	0.000	6/1/2020	1/15/2023	50,000,000.00	51,724,609.38	49,685,550.00	99.371	CDL
Treasury Notes	UST Note	912828ZU7	0.250	0.168	0.773	7/1/2020	6/15/2023	100,000,000.00	100,242,187.50	97,546,900.00	97.547	CDL
Treasury Notes	UST Note	912828ZU7	0.250	0.123	0.773	8/3/2020	6/15/2023	25,000,000.00	25,090,820.31	24,386,725.00	97.547	CDL
Treasury Notes	UST Note	912828ZU7	0.250	0.138	0.773	9/1/2020	6/15/2023	25,000,000.00	25,078,125.00	24,386,725.00	97.547	CDL
Treasury Notes	UST Note	91282CAK7	0.125	0.153	1.019	10/1/2020	9/15/2023	50,000,000.00	49,958,984.38	48,304,700.00	96.609	CDL
Treasury Notes	UST Note	91282CAK7	0.125	0.191	1.019	11/2/2020	9/15/2023	50,000,000.00	49,906,250.00	48,304,700.00	96.609	CDL
Treasury Notes	UST Note	91282CAW1	0.250	0.186	1.181	12/1/2020	11/15/2023	50,000,000.00	50,093,750.00	48,128,900.00	96.258	CDL
Treasury Notes	UST Note	91282CAW1	0.250	0.153	1.181	1/5/2021	11/15/2023	50,000,000.00	50,138,671.88	48,128,900.00	96.258	CDL
Treasury Notes	UST Note	91282CBE0	0.125	0.174	1.345	2/1/2021	1/15/2024	50,000,000.00	49,927,734.38	47,761,700.00	95.523	CDL
Treasury Notes	UST Note	91282CBE0	0.125	0.316	1.345	3/1/2021	1/15/2024	50,000,000.00	49,726,562.50	47,761,700.00	95.523	CDL
Treasury Notes	UST Note	91282CBR1	0.250	0.334	1.508	4/1/2021	3/15/2024	60,000,000.00	59,852,343.75	57,107,820.00	95.180	CDL
Treasury Notes	UST Note	91282CBV2	0.375	0.336	1.586	5/4/2021	4/15/2024	50,000,000.00	50,056,640.63	47,550,800.00	95.102	CDL
Treasury Notes	UST Note	91282CCC3	0.250	0.296	1.670	5/28/2021	5/15/2024	75,000,000.00	74,897,460.94	71,021,475.00	94.695	CDL
Treasury Notes	UST Note	91282CCG4	0.250	0.458	1.752	7/1/2021	6/15/2024	50,000,000.00	49,695,312.50	47,220,700.00	94.441	CDL
Treasury Notes	UST Note	91282CCL3	0.375	0.346	1.831	8/3/2021	7/15/2024	50,000,000.00	50,042,968.75	47,226,550.00	94.453	CDL
Treasury Notes	UST Note	91282CCT6	0.375	0.398	1.914	9/1/2021	8/15/2024	75,000,000.00	74,950,195.31	70,643,550.00	94.191	CDL
Treasury Notes	UST Note	91282CCX7	0.375	0.527	1.993	10/1/2021	9/15/2024	50,000,000.00	49,777,343.75	46,968,750.00	93.938	CDL
Treasury Notes	UST Note	91282CDB4	0.625	0.760	2.068	11/1/2021	10/15/2024	75,000,000.00	74,704,101.56	70,658,175.00	94.211	CDL
Treasury Notes	UST Note	91282CDH1	0.750	0.749	2.146	12/1/2021	11/15/2024	50,000,000.00	50,001,953.13	47,111,350.00	94.223	CDL
Treasury Notes	UST Note	91282CDN8	1.000	0.947	2.222	1/3/2022	12/15/2024	75,000,000.00	75,114,257.81	70,933,575.00	94.578	CDL
Treasury Notes	UST Note	912828Z52	1.375	1.402	2.337	2/1/2022	1/31/2025	50,000,000.00	49,960,937.50	47,572,250.00	95.145	CDL
Treasury Notes	UST Note	91282CDZ1	1.500	1.638	2.373	3/1/2022	2/15/2025	50,000,000.00	49,800,781.25	47,666,000.00	95.332	CDL
Treasury Notes	UST Note	9128284F4	2.625	2.471	2.439	3/31/2022	3/31/2025	50,000,000.00	50,220,703.13	48,943,350.00	97.887	CDL
Treasury Notes	UST Note	91282CEH0	2.625	2.863	2.480	4/29/2022	4/15/2025	50,000,000.00	49,714,267.42	48,914,050.00	97.828	CDL
Treasury Notes	UST Note	91282CEQ0	2.750	2.753	2.557	5/31/2022	5/15/2025	50,000,000.00	50,058,876.36	49,037,100.00	98.074	CDL
Treasury Notes	UST Note	91282CEU1	2.875	3.036	2.635	7/1/2022	6/15/2025	50,000,000.00	49,836,279.03	49,171,900.00	98.344	CDL
Treasury Notes	UST Note	91282CEY3	3.000	2.843	2.712	8/1/2022	7/15/2025	100,000,000.00	100,579,993.21	98,664,100.00	98.664	CDL
	Total	Count 27	0.955	0.930	1.739			1,510,000,000.00	1,511,149,111.36	1,450,807,995.00	96.080	

LOCAL AGENCY INVESTMENT FUND	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
LAIF	LAIF	SYS49819	0.750	0.750	0.000	3/31/2003		66,021,382.71	66,021,382.71	66,021,382.71	100.000	Book
	Total	Count 1	0.750	0.750	0.000			66,021,382.71	66,021,382.71	66,021,382.71	100.000	

ASSET BACKED SECURITIES	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Asset Backed Secs	Chase Issuance Trust	161571FQ2	2.160	1.645	0.000	9/18/2019	9/15/2022	20,000,000.00	20,117,187.50	19,996,580.00	99.983	CDL
Asset Backed Secs	Chase Issuance Trust	161571HP2	1.530	1.545	1.205	2/18/2020	1/15/2025	12,000,000.00	11,997,250.80	11,914,932.00	99.291	CDL
Asset Backed Secs	Chase Issuance Trust	161571HP2	1.530	0.154	1.137	1/6/2021	1/15/2025	17,500,000.00	17,962,109.38	17,375,942.50	99.291	CDL
Asset Backed Secs	Capital One	14041NFW6	0.550	0.552	1.887	7/22/2021	7/15/2026	27,000,000.00	26,998,906.50	25,414,560.00	94.128	CDL
	Total	Count 4	1.351	0.899	1.114			76,500,000.00	77,075,454.18	74,702,014.50	97.650	

REPURCHASE AGREEMENT	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Repurchase Agreement	JP Morgan Repurchase Agmt	REPO79699	2.200	2.231	0.000	8/31/2022	9/1/2022	45,800,000.00	45,800,000.00	45,800,000.00	100.000	Book
	Total	Count 1	2.200	2.231	0.000			45,800,000.00	45,800,000.00	45,800,000.00	100.000	

POOLED INVESTMENTS AT AUGUST 31, 2022 - PORTFOLIO POSITION DETAIL

COMMERCIAL PAPER	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Commercial Paper	Credit Agricole	22533UJ12	2.290	2.323	0.000	8/25/2022	9/1/2022	50,000,000.00	49,977,736.11	50,000,000.00	100.000	CDL
Commercial Paper	Credit Agricole	22533UJ12	2.280	2.312	0.000	8/29/2022	9/1/2022	20,000,000.00	19,996,200.00	20,000,000.00	100.000	CDL
Commercial Paper	MUFG Bank	62479MJ20	1.280	1.305	0.002	4/4/2022	9/2/2022	40,000,000.00	39,785,244.44	39,909,320.00	99.773	CDL
Commercial Paper	Mizuho Bank	60689GJ98	1.710	1.741	0.021	6/10/2022	9/9/2022	50,000,000.00	49,783,875.00	49,970,850.00	99.942	CDL
Commercial Paper	Sumitomo Mitsui Trust	86563HJG6	1.590	1.620	0.041	5/31/2022	9/16/2022	50,000,000.00	49,761,500.00	49,948,300.00	99.897	CDL
Commercial Paper	Toyota Motor Credit Corp	89233HJV7	1.810	1.846	0.076	6/7/2022	9/29/2022	50,000,000.00	49,713,416.67	49,901,500.00	99.803	CDL
Commercial Paper	Bayerische Landesbank	07274MKH7	2.300	2.350	0.126	6/17/2022	10/17/2022	50,000,000.00	49,610,277.78	49,832,700.00	99.665	CDL
Commercial Paper	Korea Development Bank	5006E1L36	2.630	2.690	0.171	7/6/2022	11/3/2022	50,000,000.00	49,561,666.67	49,758,600.00	99.517	CDL
Commercial Paper	Landesbank Baden-Wuert	5148X1M26	2.760	2.830	0.250	7/7/2022	12/2/2022	50,000,000.00	49,432,666.67	49,615,450.00	99.231	CDL
Commercial Paper	ING Funding	4497W1M94	2.790	2.863	0.269	7/8/2022	12/9/2022	50,000,000.00	49,403,250.00	49,568,450.00	99.137	CDL
Commercial Paper	Natixis SA	63873KP19	3.530	3.642	0.413	8/9/2022	2/1/2023	50,000,000.00	49,137,111.11	49,233,000.00	98.466	User
Commercial Paper	Credit Suisse NY	2254EBPA3	3.540	3.737	0.436	8/10/2022	2/10/2023	50,000,000.00	49,095,333.33	49,154,650.00	98.309	CDL
Commercial Paper	Societe Generale	83369CPF5	3.390	3.575	0.450	8/15/2022	2/15/2023	50,000,000.00	49,133,666.67	49,185,200.00	98.370	CDL
Commercial Paper	JPMorgan Chase	46640QQN4	3.620	0.000	0.543	8/22/2022	3/22/2023	20,000,000.00	19,573,644.44	19,583,740.00	97.919	CDL
	Total	Count 14	2.514	2.472	0.195			630,000,000.00	623,965,588.89	625,661,760.00	99.311	
CORPORATE MTN/BONDS	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Medium Term Notes	Oracle Corp	68389XAP0	2.500	2.687	0.120	5/2/2019	10/15/2022	9,400,000.00	9,342,284.00	9,387,996.20	99.872	CDL
Medium Term Notes	Visa Inc	92826CAC6	2.800	2.567	0.284	5/2/2019	12/14/2022	15,000,000.00	15,119,700.00	14,984,805.00	99.899	CDL
Medium Term Notes	US BANK NA	90331HPF4	1.950	1.978	0.356	12/9/2019	1/9/2023	10,000,000.00	9,991,600.00	9,956,300.00	99.563	CDL
Medium Term Notes	Bank of America	06051GEU9	3.300	2.201	0.361	10/2/2019	1/11/2023	12,487,000.00	12,918,176.11	12,477,185.22	99.921	CDL
Medium Term Notes	Pepsico Inc	713448EY0	0.750	0.273	0.653	3/12/2021	5/1/2023	16,000,000.00	16,162,400.00	15,723,536.00	98.272	CDL
Medium Term Notes	Apple Corp	037833AK6	2.400	1.884	0.655	10/2/2019	5/3/2023	8,895,000.00	9,053,331.00	8,833,740.14	99.311	CDL
Medium Term Notes	Apple Corp	037833AK6	2.400	0.314	0.655	9/18/2020	5/3/2023	9,338,000.00	9,846,734.24	9,273,689.19	99.311	CDL
Medium Term Notes	JPMorgan Chase	46625HRL6	2.700	2.159	0.695	12/4/2019	5/18/2023	13,170,000.00	13,406,138.10	13,095,220.74	99.432	CDL
Medium Term Notes	Toyota Corporation	89236THF5	0.500	0.327	0.934	2/23/2021	8/14/2023	15,000,000.00	15,063,900.00	14,549,055.00	96.994	CDL
Medium Term Notes	Bank of New York Mellon	06406FAD5	2.200	2.011	0.935	11/4/2019	8/16/2023	17,842,000.00	17,964,217.70	17,596,208.61	98.622	CDL
Medium Term Notes	PACCAR Inc	69371RR24	0.350	0.389	1.390	2/2/2021	2/2/2024	10,000,000.00	9,988,400.00	9,529,720.00	95.297	CDL
Medium Term Notes	Bank of New York Mellon	06406RAS6	0.500	0.536	1.616	4/26/2021	4/26/2024	15,000,000.00	14,983,950.00	14,257,965.00	95.053	CDL
Medium Term Notes	Amazon	023135BW5	0.450	0.499	1.660	5/12/2021	5/12/2024	5,000,000.00	4,992,700.00	4,741,740.00	94.835	CDL
	Total	Count 13	1.774	1.392	0.775			157,132,000.00	158,833,531.15	154,407,161.10	98.266	
Grand Total								2,535,453,382.71	2,532,269,730.10	2,466,934,213.31		



GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

YIELD: The rate of annual income return on an investment, expressed as a percentage.
(a) **EARNED INCOME YIELD** is the annual income from an investment divided by the current market value.
(b) **YIELD TO MATURITY** is the rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

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