




THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: August 15, 2023
TO: Distribution
FROM: Elizabeth Correia, City Treasurer 
SUBJECT: Monthly Investment Report – July 31, 2023

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).

As provided on Schedule I, the Earned Income Yield of the Liquidity Portfolio was negative this month. The negative yield is due to realizing capital losses of securities purchased in prior periods of lower interest rates. As a result of the monthly rebalancing of the Core portfolio, these securities were transferred to the Liquidity portfolio and subsequently sold to meet liquidity needs. The Core portfolio continues to be managed in line with its benchmark, allowing the City to take advantage of higher yield securities within the maturity range of 2-to-3-years.

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

EC/el

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
August 15, 2023

Distribution:

Honorable Mayor Todd Gloria
Honorable Mara Elliott, City Attorney
Honorable Council President Elo-Rivera and Members of the City Council
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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
Emmanuel Labrinos, Chief Investment Officer, Office of the City Treasurer
Nicole LeClair-Miller, Deputy Director, Office of the City Treasurer
Jeremy Shortess, Principal Accountant, Office of the City Treasurer



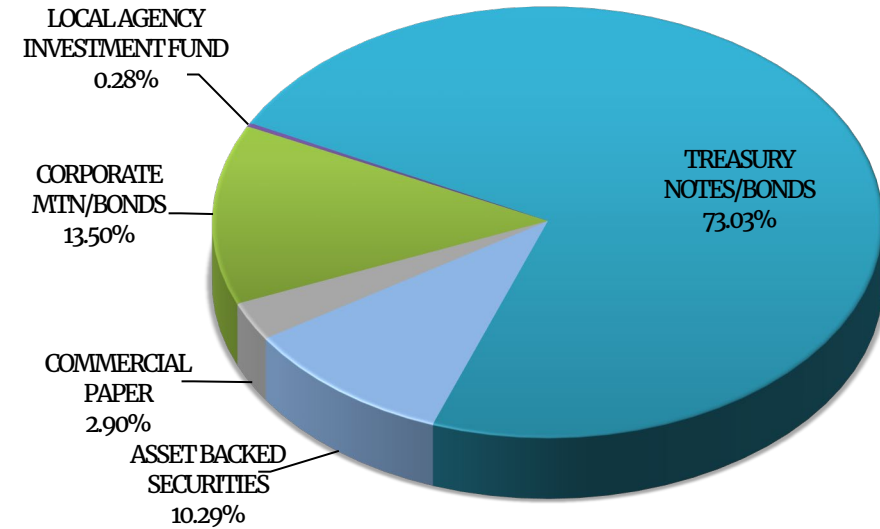
ASSET ALLOCATION

Assets (000's)	Current Par Value	Current Book Value	Market Value	Mkt/Book	Yield to Maturity 365
ASSET BACKED SECURITIES	261,194	257,952	254,610	98.70%	4.24%
COMMERCIAL PAPER	72,600	72,600	72,600	100.00%	5.30%
CORPORATE MTN/BONDS	344,998	338,364	336,937	99.58%	4.11%
LOCAL AGENCY INVESTMENT FUND	7,028	7,028	7,028	100.00%	3.15%
TREASURY NOTES/BONDS	1,835,000	1,829,983	1,774,113	96.95%	2.27%
Totals (000's):	2,520,820	2,505,927	2,445,288	97.58%	2.81%

Portfolio Breakdown & Statistics

	Liquidity	Core
Portfolio Size	\$677,733,820	\$1,828,193,314
% of total pool	27.05%	72.95%
Portfolio Duration*	0.58	1.80
Index Duration*	0.26	1.79
% of index	221.60%	100.56%
Weighted Average Days to Maturity	212	805
Earned Income Yield	-1.493%	3.064%

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



Pooled Portfolio Composition by Book Value

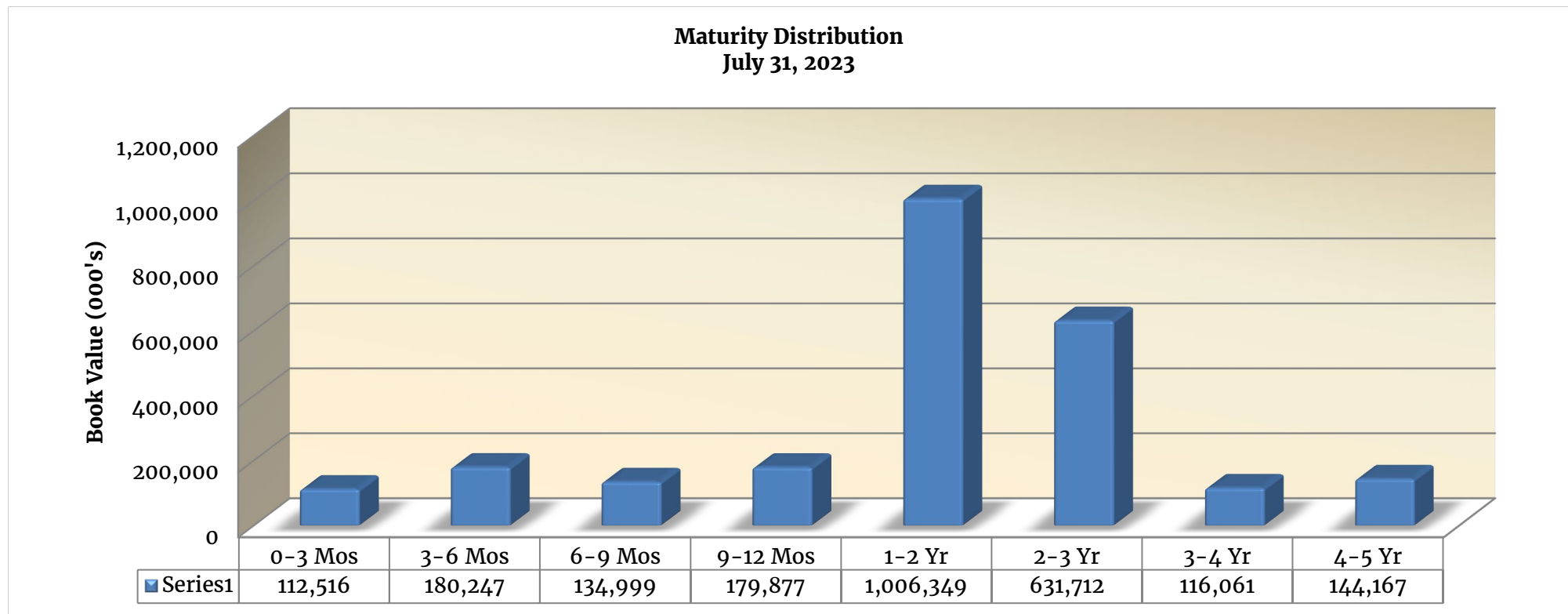
POOLED INVESTMENTS AT JULY 31, 2023 - MATURITY DISTRIBUTION

City of San Diego
Office of the City Treasurer



MATURITY DISTRIBUTION

Current Book Value (000's)	0-3 Mos	3-6 Mos	6-9 Mos	9-12 Mos	1-2 Yr	2-3 Yr	3-4 Yr	4-5 Yr	Totals (000's)
ASSET BACKED SECURITIES						26,999	86,786	144,167	257,952
COMMERCIAL PAPER	72,600								72,600
CORPORATE MTN/BONDS	32,888	30,306	24,997	4,993	57,762	158,144	29,275		338,364
LOCAL AGENCY INVESTMENT FUND	7,028								7,028
TREASURY NOTES/BONDS		149,941	110,002	174,884	948,587	446,569			1,829,983
Totals (000's):	112,516	180,247	134,999	179,877	1,006,349	631,712	116,061	144,167	2,505,927
% of Portfolio	4.49%	7.19%	5.39%	7.18%	40.16%	25.21%	4.63%	5.75%	100.00%

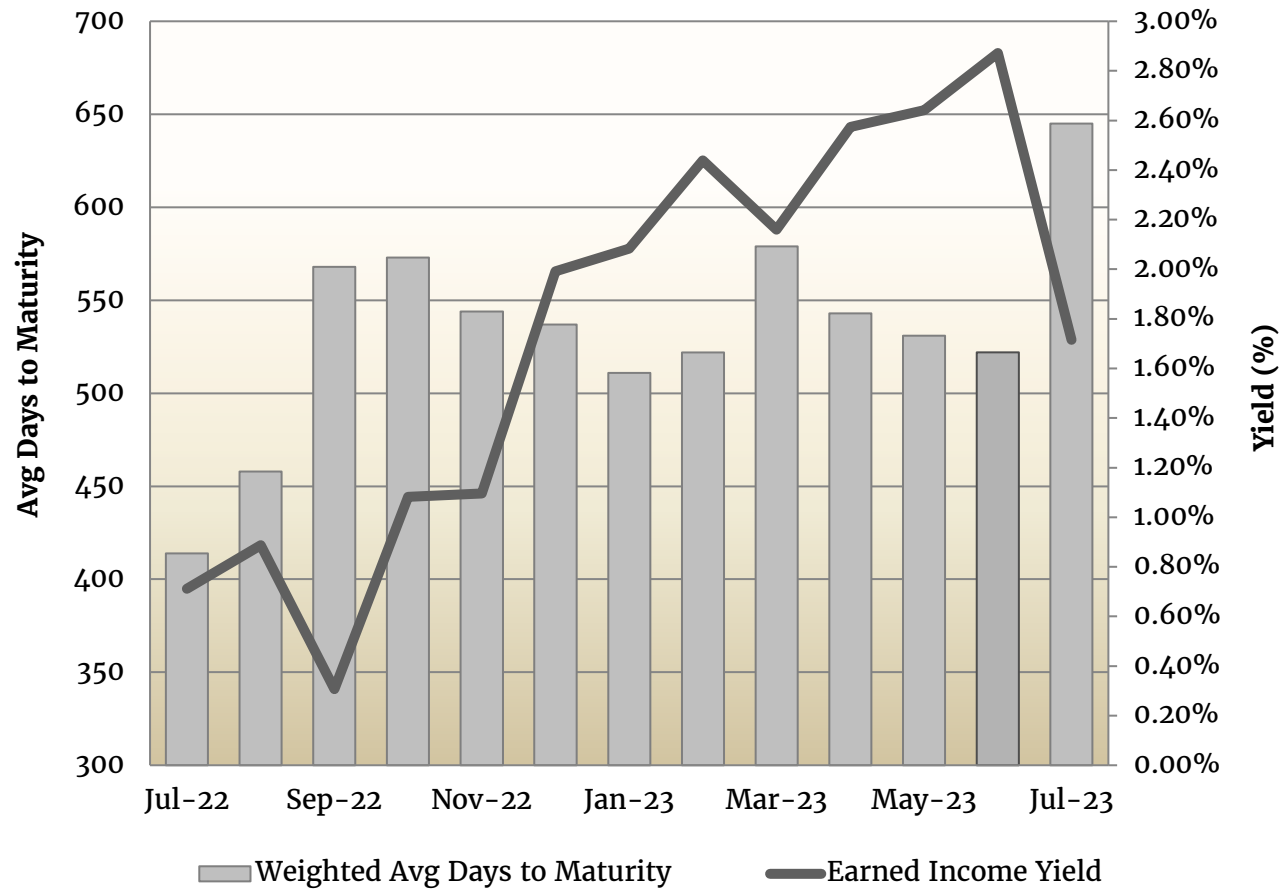




PORTFOLIO - EARNED INCOME YIELD

Month	Earned Income Yield	Weighted Avg Days to Maturity
Jul-22	0.71%	414
Aug-22	0.89%	458
Sep-22	0.31%	568
Oct-22	1.08%	573
Nov-22	1.10%	544
Dec-22	1.99%	537
Jan-23	2.08%	511
Feb-23	2.44%	522
Mar-23	2.16%	579
Apr-23	2.57%	543
May-23	2.64%	531
Jun-23	2.87%	522
Jul-23	1.72%	645

Yield and Weighted Average Days to Maturity Trends



POOLED INVESTMENTS AT JULY 31, 2023 - PORTFOLIO POSITION DETAIL

TREASURY NOTES/BONDS	Issuer	CUSIP	Coupon Rate	Yield to Maturity	Modified Duration	Purchase Date	Maturity Date	Current Par Value	Current Book Value	Market Value	Market Price	Price Source
Treasury Notes	UST Note	91282CAW1	0.250	0.153	0.420	3/1/2023	11/15/2023	50,000,000.00	50,034,269.49	49,271,500.00	98.543	ICED
Treasury Notes	UST Note	91282CBE0	0.125	0.174	0.457	4/3/2023	1/15/2024	50,000,000.00	49,980,827.49	48,845,700.00	97.691	ICED
Treasury Notes	UST Note	91282CBE0	0.125	0.315	0.457	4/3/2023	1/15/2024	50,000,000.00	49,925,520.83	48,845,700.00	97.691	ICED
Treasury Notes	UST Note	91282CBR1	0.250	0.333	0.605	5/1/2023	3/15/2024	60,000,000.00	59,975,640.75	58,132,020.00	96.887	ICED
Treasury Notes	UST Note	91282CBV2	0.375	0.337	0.684	5/1/2023	4/15/2024	50,000,000.00	50,026,551.02	48,275,400.00	96.551	ICED
Treasury Notes	UST Note	91282CCC3	0.250	0.296	0.766	6/1/2023	5/15/2024	75,000,000.00	74,975,712.84	72,023,475.00	96.031	ICED
Treasury Notes	UST Note	91282CCG4	0.250	0.457	0.847	6/1/2023	6/15/2024	50,000,000.00	49,893,077.26	47,837,900.00	95.676	ICED
Treasury Notes	UST Note	91282CCL3	0.375	0.346	0.927	7/3/2023	7/15/2024	50,000,000.00	50,015,041.06	47,695,300.00	95.391	ICED
Treasury Notes	UST Note	91282CCT6	0.375	0.397	1.008	7/3/2023	8/15/2024	75,000,000.00	75,088,384.31	71,238,300.00	94.984	ICED
Treasury Notes	UST Note	91282CCX7	0.375	0.527	1.088	10/1/2021	9/15/2024	50,000,000.00	49,777,343.75	47,310,550.00	94.621	ICED
Treasury Notes	UST Note	91282CDB4	0.625	0.760	1.169	11/1/2021	10/15/2024	75,000,000.00	74,704,101.56	70,921,875.00	94.563	ICED
Treasury Notes	UST Note	91282CDH1	0.750	0.749	1.249	12/1/2021	11/15/2024	50,000,000.00	50,001,953.13	47,199,200.00	94.398	ICED
Treasury Notes	UST Note	91282CDN8	1.000	0.947	1.328	1/3/2022	12/15/2024	75,000,000.00	75,114,257.81	70,828,125.00	94.438	ICED
Treasury Notes	UST Note	91282Z52	1.375	1.402	1.448	2/1/2022	1/31/2025	50,000,000.00	49,960,937.50	47,285,150.00	94.570	ICED
Treasury Notes	UST Note	91282CGG0	4.125	4.222	1.429	2/1/2023	1/31/2025	100,000,000.00	99,816,406.25	98,480,500.00	98.481	ICED
Treasury Notes	UST Note	91282CDZ1	1.500	1.638	1.477	3/1/2022	2/15/2025	50,000,000.00	49,800,781.25	47,316,400.00	94.633	ICED
Treasury Notes	UST Note	9128284F4	2.625	2.471	1.584	3/31/2022	3/31/2025	50,000,000.00	50,220,703.13	48,056,650.00	96.113	ICED
Treasury Notes	UST Note	91282CEH0	2.625	2.863	1.624	4/29/2022	4/15/2025	50,000,000.00	49,664,062.50	48,025,400.00	96.051	ICED
Treasury Notes	UST Note	91282CGX3	3.875	4.470	1.649	6/1/2023	4/30/2025	75,000,000.00	74,441,193.95	73,564,425.00	98.086	ICED
Treasury Notes	UST Note	91282CEQ0	2.750	2.753	1.703	5/31/2022	5/15/2025	50,000,000.00	49,996,093.75	48,078,150.00	96.156	ICED
Treasury Notes	UST Note	91282CEU1	2.875	3.036	1.783	7/1/2022	6/15/2025	50,000,000.00	49,773,437.50	48,132,800.00	96.266	ICED
Treasury Notes	UST Note	91282CHL8	4.625	4.872	1.802	7/3/2023	6/30/2025	50,000,000.00	49,786,430.03	49,722,650.00	99.445	ICED
Treasury Notes	UST Note	91282CEY3	3.000	2.843	1.862	8/1/2022	7/15/2025	100,000,000.00	100,441,406.25	96,441,400.00	96.441	ICED
Treasury Notes	UST Note	91282CFE6	3.125	3.444	1.914	9/1/2022	8/15/2025	150,000,000.00	148,664,062.50	144,931,650.00	96.621	ICED
Treasury Notes	UST Note	91282CFP1	4.250	4.320	2.053	12/2/2022	10/15/2025	100,000,000.00	99,808,593.75	98,851,600.00	98.852	ICED
Treasury Notes	UST Note	91282CGA3	4.000	4.238	2.221	1/3/2023	12/15/2025	100,000,000.00	99,343,750.00	98,371,100.00	98.371	ICED
Treasury Notes	UST Note	91282CGL9	4.000	4.511	2.338	3/1/2023	2/15/2026	100,000,000.00	98,752,352.38	98,429,700.00	98.430	ICED
Total	Count 27		2.139	2.268	1.435			1,835,000,000.00	1,829,982,892.04	1,774,112,620.00	96.682	

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	3.150	3.150	0.000	3/31/2003	8/1/2023	7,027,846.87	7,027,846.87	7,027,846.87	100.000	BOOK
Total	Count 1		3.150	3.150	0.000			7,027,846.87	7,027,846.87	7,027,846.87	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	Capital One	14041NFW6	0.550	0.552	1.473	7/22/2021	7/15/2026	27,000,000.00	26,998,906.50	25,736,940.00	95.322	ICED
Asset Backed Secs	Mercedes-Benz Auto Lease	58768RAC4	4.740	4.789	1.646	5/24/2023	1/15/2027	19,000,000.00	18,999,338.80	18,758,700.00	98.730	MNL
Asset Backed Secs	Capital One	14041NFZ9	2.800	4.872	1.673	10/7/2022	3/15/2027	20,000,000.00	19,130,468.75	19,180,500.00	95.903	ICED
Asset Backed Secs	Capital One	14041NGA3	3.490	4.794	1.760	9/30/2022	5/15/2027	25,000,000.00	24,285,156.25	24,199,500.00	96.798	ICED
Asset Backed Secs	American Express Credit	02582JTT8	3.390	4.802	1.758	4/20/2023	5/15/2027	25,000,000.00	24,371,093.75	24,191,800.00	96.767	ICED
Asset Backed Secs	American Express Credit	02582JVV3	3.750	3.896	1.905	9/12/2022	8/16/2027	27,740,000.00	27,589,380.47	26,910,574.00	97.010	MNL
Asset Backed Secs	Chase Issuance Trust	161571HS6	3.970	4.010	1.899	9/16/2022	9/15/2027	10,000,000.00	9,998,331.00	9,744,170.00	97.442	ICED
Asset Backed Secs	Chase Issuance Trust	161571HS6	3.970	4.417	1.910	2/2/2023	9/15/2027	8,871,000.00	8,776,052.58	8,644,053.21	97.442	ICED
Asset Backed Secs	Chase Issuance Trust	161571HS6	3.970	4.705	1.899	3/31/2023	9/15/2027	24,000,000.00	23,613,476.56	23,386,008.00	97.442	ICED
Asset Backed Secs	American Express Credit	02582JXX9	4.950	5.004	1.931	11/3/2022	10/15/2027	10,000,000.00	9,999,504.00	9,949,960.00	99.500	ICED
Asset Backed Secs	American Express Credit	02582JXX9	4.950	5.185	1.931	11/3/2022	10/15/2027	7,500,000.00	7,469,238.28	7,462,470.00	99.500	ICED
Asset Backed Secs	Bank of America Credit Card	05522RDE5	3.530	4.781	1.961	5/22/2023	11/15/2027	15,000,000.00	14,645,507.81	14,532,705.00	96.885	ICED
Asset Backed Secs	Bank of America Credit Card	05522RDF2	5.000	5.112	2.158	6/21/2023	4/17/2028	20,645,000.00	20,600,645.51	20,543,839.50	99.510	MNL
Asset Backed Secs	Discover Card	254683CZ6	4.930	4.648	2.295	7/20/2023	6/15/2028	21,438,000.00	21,475,289.46	21,369,226.90	99.679	ICED
Total	Count 14		3.662	4.241	1.853			261,194,000.00	257,952,389.72	254,610,446.61	97.479	

POOLED INVESTMENTS AT JULY 31, 2023 - 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	US Bank	SYS79354	5.300	5.300	0.000	7/1/2019	8/1/2023	72,600,000.00	72,600,000.00	72,600,000.00	100.000	BOOK
	Total	Count 1	5.300	5.300	0.000			72,600,000.00	72,600,000.00	72,600,000.00	100.000	
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	Toyota Corporation	89236THF5	0.500	0.327	0.035	11/1/2022	8/14/2023	15,000,000.00	15,020,295.96	14,974,485.00	99.830	ICED
Medium Term Notes	Bank of New York Mellon	06406FAD5	2.200	2.015	0.041	11/1/2022	8/16/2023	17,842,000.00	17,867,574.19	17,817,217.46	99.861	ICED
Medium Term Notes	Bank of America	06051GFBO	4.125	5.264	0.476	3/29/2023	1/22/2024	15,668,000.00	15,526,674.64	15,590,741.09	99.507	ICED
Medium Term Notes	US BANK NA	91159HHG8	3.700	5.450	0.498	3/27/2023	1/30/2024	15,000,000.00	14,779,350.00	14,832,750.00	98.885	ICED
Medium Term Notes	PACCAR Inc	69371RR24	0.350	0.389	0.487	4/3/2023	2/2/2024	10,000,000.00	10,002,729.82	9,733,440.00	97.334	ICED
Medium Term Notes	Bank of New York Mellon	06406RAS6	0.500	0.536	0.713	4/3/2023	4/26/2024	15,000,000.00	14,994,323.06	14,426,265.00	96.175	ICED
Medium Term Notes	Amazon	023135BW5	0.450	0.499	0.758	5/12/2021	5/12/2024	5,000,000.00	4,992,700.00	4,807,515.00	96.150	ICED
Medium Term Notes	US BANK NA	90331HPL1	2.050	5.396	1.415	3/17/2023	1/21/2025	10,000,000.00	9,419,700.00	9,485,280.00	94.853	ICED
Medium Term Notes	Microsoft Corp	594918BB9	2.700	4.615	1.452	9/29/2022	2/12/2025	25,000,000.00	23,936,250.00	24,139,450.00	96.558	ICED
Medium Term Notes	Toyota Corporation	89236TKC8	3.950	4.511	1.808	9/23/2022	6/30/2025	24,765,000.00	24,405,659.85	24,228,292.92	97.833	ICED
Medium Term Notes	Home Depot	437076CR1	4.000	4.294	1.975	9/23/2022	9/15/2025	11,272,000.00	11,180,245.92	11,063,546.90	98.151	ICED
Medium Term Notes	UnitedHealth Group	91324PEN8	5.150	5.154	2.032	10/28/2022	10/15/2025	7,000,000.00	6,999,370.00	7,012,551.00	100.179	ICED
Medium Term Notes	Visa Inc	92826CAD4	3.150	4.888	2.235	10/26/2022	12/14/2025	14,032,000.00	13,330,820.96	13,450,373.60	95.855	ICED
Medium Term Notes	Caterpillar Fncl Service	14913R3B1	4.800	4.809	2.260	1/6/2023	1/6/2026	15,000,000.00	14,996,250.00	14,973,750.00	99.825	ICED
Medium Term Notes	Apple Corp	037833EB2	0.700	4.651	2.432	9/29/2022	2/8/2026	15,419,000.00	13,544,820.55	13,931,205.27	90.351	ICED
Medium Term Notes	Cisco Systems	17275RBC5	2.950	4.450	2.410	3/23/2023	2/28/2026	20,000,000.00	19,224,572.22	19,231,940.00	96.160	ICED
Medium Term Notes	Deere & Co.	24422EWT2	5.050	4.470	2.353	3/30/2023	3/3/2026	15,000,000.00	15,292,312.50	15,059,310.00	100.395	ICED
Medium Term Notes	PACCAR Inc	69371RS49	4.450	4.474	2.446	3/30/2023	3/30/2026	17,000,000.00	16,988,610.00	16,882,411.00	99.308	ICED
Medium Term Notes	JPMorgan Chase	46625HQW3	3.300	5.519	2.479	5/18/2023	4/1/2026	10,000,000.00	9,690,183.33	9,535,320.00	95.353	ICED
Medium Term Notes	Morgan Stanley	61690U4T4	4.754	4.754	2.487	4/21/2023	4/21/2026	15,000,000.00	15,000,000.00	14,815,260.00	98.768	ICED
Medium Term Notes	Deere & Co.	24422EWX3	4.750	4.771	2.619	6/8/2023	6/8/2026	7,000,000.00	6,995,940.00	6,980,855.00	99.727	ICED
Medium Term Notes	Bank of America	06051GLA5	4.827	5.050	2.729	5/9/2023	7/22/2026	15,000,000.00	14,901,000.00	14,802,210.00	98.681	ICED
Medium Term Notes	JPMorgan Chase	46625HRV4	2.950	4.991	2.936	6/9/2023	10/1/2026	10,000,000.00	9,439,422.22	9,370,360.00	93.704	ICED
Medium Term Notes	Bank of America	06051GLE7	5.080	5.401	3.133	6/23/2023	1/20/2027	10,000,000.00	9,896,400.00	9,892,850.00	98.929	ICED
Medium Term Notes	Morgan Stanley	61747YEZ4	5.050	5.311	3.156	7/18/2023	1/28/2027	10,000,000.00	9,938,800.00	9,899,810.00	98.998	ICED
	Total	Count 25	3.279	4.108	1.758			344,998,000.00	338,364,005.22	336,937,189.24	97.664	
Grand Total								2,520,819,846.87	2,505,927,133.85	2,445,288,102.72		



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/>