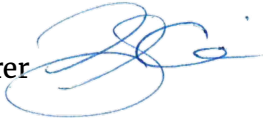




The City of San Diego

MEMORANDUM

DATE: March 24, 2022  
TO: Distribution  
FROM: Elizabeth Correia, City Treasurer   
SUBJECT: Monthly Investment Report – February 28, 2022

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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 securities were 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

Page 2  
Distribution  
March 24, 2022

Distribution:

Honorable Mayor Todd Gloria  
Honorable Mara Elliott, City Attorney  
Honorable Council President Elo-Rivera and Members of the City Council  
Paola Avila, Chief of Staff, Office of the Mayor  
Jay Goldstone, Chief Operating Officer  
Jeff Kavar, Interim Independent Budget Analyst  
Deborah Higgins, Investment Advisory Committee  
Stefan Meierhofer, Investment Advisory Committee  
Jayson Schmitt, Investment Advisory Committee  
Matt Vespi, Chief Financial Officer and Investment Advisory Committee  
Lakshmi Kommi, Director, Debt Management 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  
Jeremy Shortess, Principal Accountant, Office of the City Treasurer



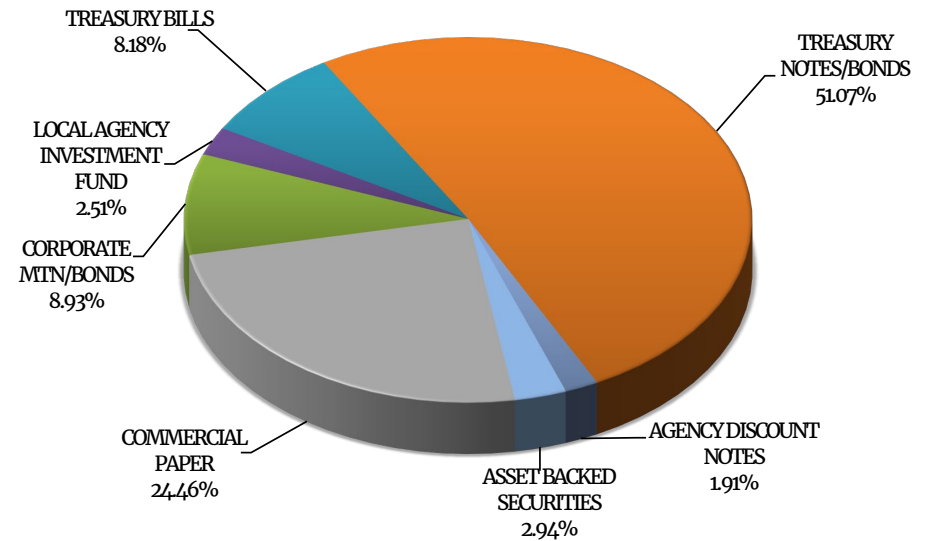
**ASSET ALLOCATION**

Assets (000's)	Current Par Value	Current Book Value	Market Value	Mkt/Book	Yield to Maturity
ASSET BACKED SECURITIES	76,500	77,075	75,930	98.51%	0.95%
COMMERCIAL PAPER	642,600	641,623	641,599	100.00%	0.30%
CORPORATE MTN/BONDS	232,603	234,358	232,628	99.26%	1.74%
LOCAL AGENCY INVESTMENT FUND	65,742	65,742	65,742	100.00%	0.23%
TREASURY BILLS	215,000	214,673	214,682	100.00%	0.41%
TREASURY NOTES/BONDS	1,335,000	1,339,451	1,312,508	97.99%	0.46%
AGENCY DISCOUNT NOTES	50,000	49,986	49,989	100.01%	0.15%
<b>Totals (000's):</b>	<b>2,617,445</b>	<b>2,622,909</b>	<b>2,593,077</b>	<b>98.86%</b>	<b>0.54%</b>

**Portfolio Breakdown & Statistics**

	Liquidity	Core
Portfolio Size	\$1,047,548,981	\$1,575,359,873
% of total pool	39.94%	60.06%
Portfolio Duration*	0.26	1.77
Index Duration*	0.27	1.86
% of index	97.49%	95.16%
Weighted Average Days to Maturity	96	667
Earned Income Yield	0.472%	0.536%

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



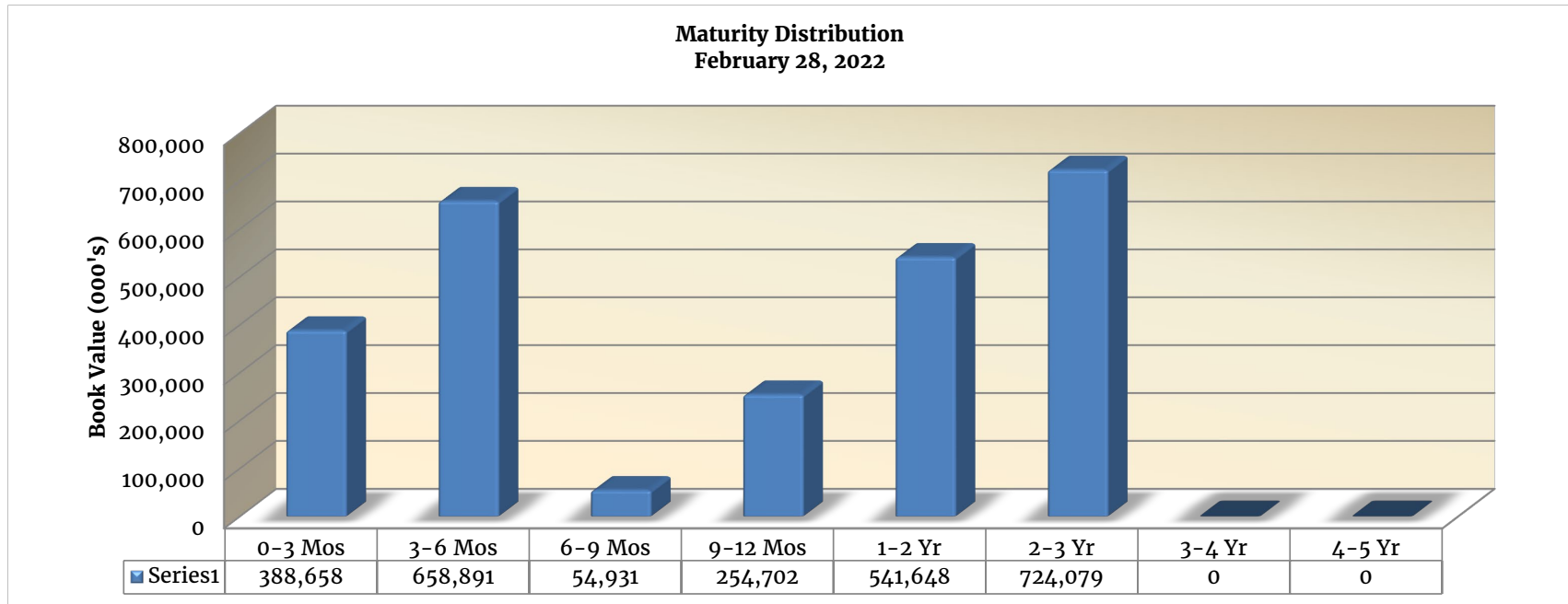
Pooled Portfolio Composition by Book Value

POOLED INVESTMENTS AT FEBRUARY 28, 2022 - MATURITY DISTRIBUTION

City of San Diego  
Office of the City Treasurer



<b>MATURITY DISTRIBUTION</b>									
<b>Current Book Value (000's)</b>	<b>0-3 Mos</b>	<b>3-6 Mos</b>	<b>6-9 Mos</b>	<b>9-12 Mos</b>	<b>1-2 Yr</b>	<b>2-3 Yr</b>	<b>3-4 Yr</b>	<b>4-5 Yr</b>	<b>Totals (000's)</b>
<b>ASSET BACKED SECURITIES</b>			20,117	11,997		44,961			77,075
<b>COMMERCIAL PAPER</b>	207,432	434,191							641,623
<b>CORPORATE MTN/BONDS</b>	65,497	10,028	9,342	38,029	91,485	19,977			234,358
<b>LOCAL AGENCY INVESTMENT FUND</b>	65,742								65,742
<b>TREASURY BILLS</b>		214,673							214,673
<b>TREASURY NOTES/BONDS</b>			25,472	204,675	450,163	659,141			1,339,451
<b>AGENCY DISCOUNT NOTES</b>	49,986								49,986
<b>Totals (000's):</b>	<b>388,658</b>	<b>658,891</b>	<b>54,931</b>	<b>254,702</b>	<b>541,648</b>	<b>724,079</b>	<b>0</b>	<b>0</b>	<b>2,622,909</b>
<b>% of Portfolio</b>	<b>14.82%</b>	<b>25.12%</b>	<b>2.09%</b>	<b>9.71%</b>	<b>20.65%</b>	<b>27.61%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>

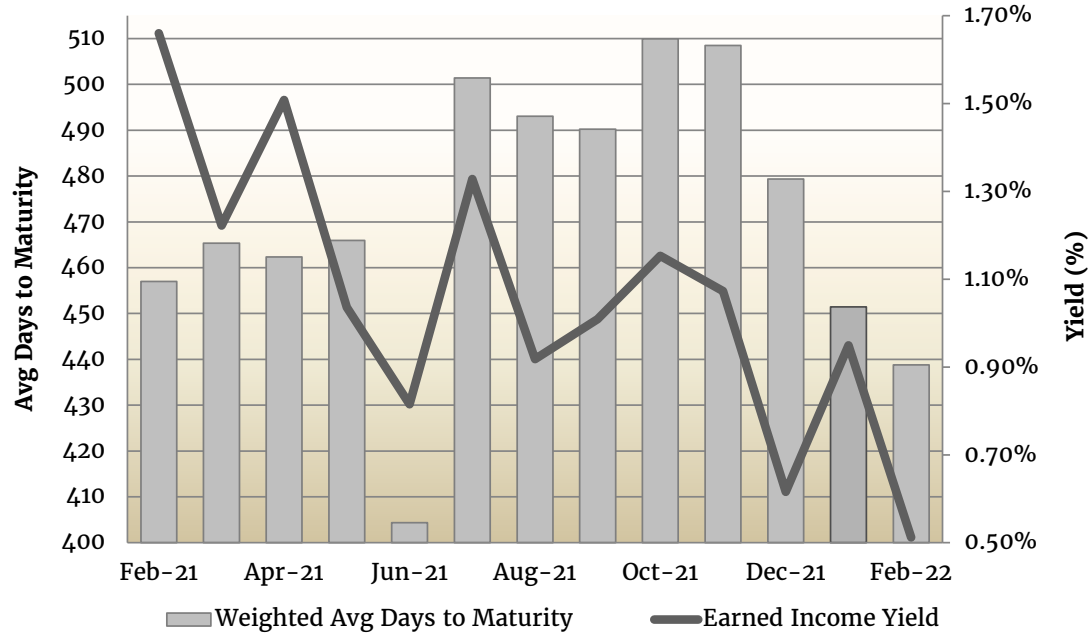




**PORTFOLIO - EARNED INCOME YIELD**

Month	Earned Income Yield	Weighted Avg Days to Maturity
Feb-21	1.66%	457.02
Mar-21	1.22%	465.35
Apr-21	1.51%	462.35
May-21	1.04%	465.93
Jun-21	0.82%	404.34
Jul-21	1.33%	501.39
Aug-21	0.92%	493.08
Sep-21	1.01%	490.26
Oct-21	1.15%	509.97
Nov-21	1.07%	508.49
Dec-21	0.62%	479.35
Jan-22	0.95%	451.45
Feb-22	0.51%	438.77

Yield and Weighted Average Days to Maturity Trends



POOLED INVESTMENTS AT FEBRUARY 28, 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
US Treasury Bill	US Treasury	912796R50	0.316	0.316	0.334	1/28/2022	6/30/2022	50,000,000.00	49,932,850.00	49,926,000.00	99.852	IDC-FIS
US Treasury Bill	US Treasury	912796R50	0.431	0.432	0.334	2/10/2022	6/30/2022	50,000,000.00	49,916,194.44	49,926,000.00	99.852	IDC-FIS
US Treasury Bill	US Treasury	912796R50	0.448	0.449	0.334	2/25/2022	6/30/2022	100,000,000.00	99,844,444.44	99,852,000.00	99.852	IDC-FIS
US Treasury Bill	US Treasury	912796R50	0.411	0.412	0.334	2/28/2022	6/30/2022	15,000,000.00	14,979,087.17	14,977,800.00	99.852	IDC-FIS
<b>Total</b>	<b>Count 4</b>		<b>0.411</b>	<b>0.411</b>	<b>0.334</b>			<b>215,000,000.00</b>	<b>214,672,576.05</b>	<b>214,681,800.00</b>	<b>99.852</b>	

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
US Treasury Note	US Treasury	912828TY6	1.625	0.917	0.710	3/2/2020	11/15/2022	25,000,000.00	25,471,679.68	25,137,750.00	100.551	IDC-FIS
US Treasury Note	US Treasury	912828Z29	1.500	1.332	0.877	2/3/2020	1/15/2023	75,000,000.00	75,363,281.25	75,325,500.00	100.434	IDC-FIS
US Treasury Note	US Treasury	912828Z29	1.500	0.180	0.877	6/1/2020	1/15/2023	125,000,000.00	129,311,523.44	125,542,500.00	100.434	IDC-FIS
US Treasury Note	US Treasury	912828ZU7	0.250	0.168	1.295	7/1/2020	6/15/2023	100,000,000.00	100,242,187.50	98,785,000.00	98.785	IDC-FIS
US Treasury Note	US Treasury	912828ZU7	0.250	0.123	1.295	8/3/2020	6/15/2023	25,000,000.00	25,090,820.31	24,696,250.00	98.785	IDC-FIS
US Treasury Note	US Treasury	912828ZU7	0.250	0.138	1.295	9/1/2020	6/15/2023	25,000,000.00	25,078,125.00	24,696,250.00	98.785	IDC-FIS
US Treasury Note	US Treasury	91282CAK7	0.125	0.153	1.545	10/1/2020	9/15/2023	50,000,000.00	49,958,984.38	49,095,500.00	98.191	IDC-FIS
US Treasury Note	US Treasury	91282CAK7	0.125	0.191	1.545	11/2/2020	9/15/2023	50,000,000.00	49,906,250.00	49,095,500.00	98.191	IDC-FIS
US Treasury Note	US Treasury	91282CAW1	0.250	0.186	1.710	12/1/2020	11/15/2023	50,000,000.00	50,093,750.00	49,051,000.00	98.102	IDC-FIS
US Treasury Note	US Treasury	91282CAW1	0.250	0.153	1.710	1/5/2021	11/15/2023	50,000,000.00	50,138,671.88	49,051,000.00	98.102	IDC-FIS
US Treasury Note	US Treasury	91282CBE0	0.125	0.174	1.879	2/1/2021	1/15/2024	50,000,000.00	49,927,734.38	48,797,000.00	97.594	IDC-FIS
US Treasury Note	US Treasury	91282CBE0	0.125	0.316	1.879	3/1/2021	1/15/2024	50,000,000.00	49,726,562.50	48,797,000.00	97.594	IDC-FIS
US Treasury Note	US Treasury	91282CBR1	0.250	0.334	2.041	4/1/2021	3/15/2024	60,000,000.00	59,852,343.75	58,533,000.00	97.555	IDC-FIS
US Treasury Note	US Treasury	91282CBV2	0.375	0.336	2.121	5/4/2021	4/15/2024	50,000,000.00	50,056,640.63	48,840,000.00	97.680	IDC-FIS
US Treasury Note	US Treasury	91282CCC3	0.250	0.296	2.208	5/28/2021	5/15/2024	75,000,000.00	74,897,460.94	72,957,750.00	97.277	IDC-FIS
US Treasury Note	US Treasury	91282CCG4	0.250	0.458	2.291	7/1/2021	6/15/2024	50,000,000.00	49,695,312.50	48,566,500.00	97.133	IDC-FIS
US Treasury Note	US Treasury	91282CCL3	0.375	0.346	2.371	8/3/2021	7/15/2024	50,000,000.00	50,042,968.75	48,652,500.00	97.305	IDC-FIS
US Treasury Note	US Treasury	91282CCT6	0.375	0.398	2.455	9/1/2021	8/15/2024	75,000,000.00	74,950,195.31	72,879,000.00	97.172	IDC-FIS
US Treasury Note	US Treasury	91282CCX7	0.375	0.527	2.533	10/1/2021	9/15/2024	50,000,000.00	49,785,631.04	48,517,000.00	97.035	UPPRICE
US Treasury Note	US Treasury	91282CDB4	0.625	0.760	2.607	11/1/2021	10/15/2024	75,000,000.00	74,725,993.73	73,168,950.00	97.559	UPPRICE
US Treasury Note	US Treasury	91282CDH1	0.750	0.749	2.686	12/1/2021	11/15/2024	50,000,000.00	50,018,527.72	48,878,900.00	97.758	UPPRICE
US Treasury Note	US Treasury	91282CDN8	1.000	0.947	2.760	1/3/2022	12/15/2024	75,000,000.00	75,153,406.16	73,775,250.00	98.367	IDC-FIS
US Treasury Note	US Treasury	91282Z52	1.375	1.402	2.866	2/1/2022	1/31/2025	50,000,000.00	49,962,836.67	49,668,000.00	99.336	IDC-FIS
<b>Total</b>	<b>Count 23</b>		<b>0.593</b>	<b>0.463</b>	<b>1.887</b>			<b>1,335,000,000.00</b>	<b>1,339,450,887.52</b>	<b>1,312,507,700.00</b>	<b>98.315</b>	

AGENCY DISCOUNT NOTES	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
Agency Discount Note	Federal Home Loan Bank	313385VM5	0.145	0.145	0.120	2/1/2022	4/13/2022	50,000,000.00	49,985,701.39	49,988,500.00	99.977	IDC-FIS
<b>Total</b>	<b>Count 1</b>		<b>0.145</b>	<b>0.145</b>	<b>0.120</b>			<b>50,000,000.00</b>	<b>49,985,701.39</b>	<b>49,988,500.00</b>	<b>99.977</b>	

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
Local Agency Investment Fund	California State Pool		0.230	0.230	0.003	3/31/2003	3/1/2022	65,742,493.61	65,742,493.61	65,742,493.61	100.000	BOOK
<b>Total</b>	<b>Count 1</b>		<b>0.230</b>	<b>0.230</b>	<b>0.003</b>			<b>65,742,493.61</b>	<b>65,742,493.61</b>	<b>65,742,493.61</b>	<b>100.000</b>	

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 Security	Chase Issuance Trust	161571FQ2	2.160	1.775	0.297	9/18/2019	9/15/2022	20,000,000.00	20,117,187.50	20,133,490.00	100.667	UPPRICE
Asset Backed Security	Chase Issuance Trust	161571HP2	1.530	1.545	0.462	2/18/2020	1/17/2023	12,000,000.00	11,997,250.80	12,034,816.80	100.290	UPPRICE
Asset Backed Security	Capital One	14041NFW6	0.550	0.553	1.211	7/22/2021	7/15/2024	27,000,000.00	26,998,906.50	26,211,127.50	97.078	UPPRICE
Asset Backed Security	Chase Issuance Trust	161571HP2	1.530	0.235	1.467	1/6/2021	1/15/2025	17,500,000.00	17,962,109.38	17,550,774.50	100.290	UPPRICE
<b>Total</b>	<b>Count 4</b>		<b>1.351</b>	<b>0.952</b>	<b>0.913</b>			<b>76,500,000.00</b>	<b>77,075,454.18</b>	<b>75,930,208.80</b>	<b>99.255</b>	

POOLED INVESTMENTS AT FEBRUARY 28, 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	US Bank Commercial Paper Sweep		0.010	0.010	0.003	7/1/2019	3/1/2022	7,600,000.00	7,600,000.00	7,600,000.00	100.000	BOOK
Commercial Paper	Skandi Enskilda Bank NY	83050UC48	0.120	0.120	0.011	9/30/2021	3/4/2022	40,000,000.00	39,979,333.33	39,999,566.67	99.999	IDC-FIS
Commercial Paper	MUFG Bank Ltd NY	62479MD18	0.150	0.150	0.088	10/25/2021	4/1/2022	40,000,000.00	39,973,666.67	39,995,522.22	99.989	IDC-FIS
Commercial Paper	Toyota Motor Credit Corp.	89233HDV3	0.170	0.170	0.164	11/16/2021	4/29/2022	40,000,000.00	39,969,022.22	39,991,477.78	99.979	IDC-FIS
Commercial Paper	Credit Agricole CIB NY	22533UED1	0.230	0.230	0.203	12/15/2021	5/13/2022	40,000,000.00	39,961,922.22	39,978,100.00	99.945	IDC-FIS
Commercial Paper	Sumitomo Mitsui Trust Bank	86563HET3	0.250	0.250	0.241	11/22/2021	5/27/2022	40,000,000.00	39,948,333.33	39,973,900.00	99.935	IDC-FIS
Commercial Paper	Royal Bank of Canada NY	78015DFA3	0.270	0.270	0.279	12/16/2021	6/10/2022	40,000,000.00	39,947,200.00	39,945,011.11	99.863	IDC-FIS
Commercial Paper	Skandi Enskilda Bank NY	83050UFQ6	0.280	0.280	0.318	11/24/2021	6/24/2022	40,000,000.00	39,934,044.44	39,937,388.89	99.843	IDC-FIS
Commercial Paper	Rabobank NY	21687BG13	0.270	0.270	0.337	12/16/2021	7/1/2022	40,000,000.00	39,940,900.00	39,917,311.11	99.793	IDC-FIS
Commercial Paper	Landesbank Baden-	5148X1G15	0.290	0.290	0.337	1/5/2022	7/1/2022	50,000,000.00	49,928,708.33	49,896,638.89	99.793	IDC-FIS
Commercial Paper	ING US Funding LLC	4497W1G18	0.370	0.371	0.337	1/19/2022	7/1/2022	50,000,000.00	49,916,236.11	49,896,638.89	99.793	IDC-FIS
Commercial Paper	JP Morgan Securities	46640QG13	0.630	0.631	0.337	2/28/2022	7/1/2022	35,000,000.00	34,924,662.50	34,927,647.22	99.793	IDC-FIS
Commercial Paper	Natixis NY	63873KG84	0.280	0.280	0.356	11/24/2021	7/8/2022	40,000,000.00	39,929,688.89	39,912,566.67	99.781	IDC-FIS
Commercial Paper	Société Générale	83369CGN8	0.350	0.351	0.394	12/15/2021	7/22/2022	40,000,000.00	39,914,833.33	39,903,077.78	99.758	IDC-FIS
Commercial Paper	BNP Paribas NY	09659CH35	0.325	0.326	0.427	1/3/2022	8/3/2022	50,000,000.00	49,904,305.56	49,868,680.56	99.737	IDC-FIS
Commercial Paper	Barclays US	06742XE78	0.530	0.532	0.471	1/28/2022	8/19/2022	50,000,000.00	49,850,569.44	49,855,125.00	99.710	IDC-FIS
	Total	Count 16	0.300	0.300	0.289			642,600,000.00	641,623,426.37	641,598,652.79	99.844	

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 Note	Home Depot Inc.	437076BV3	3.250	3.337	0.003	3/1/2021	3/1/2022	10,000,000.00	9,991,531.75	10,000,000.00	100.000	IDC-FIS
Medium Term Note	UnitedHealth Group Inc.	91324PBV3	2.875	2.102	0.041	3/15/2021	3/15/2022	10,679,000.00	10,760,266.59	10,688,717.89	100.091	IDC-FIS
Medium Term Note	Intel Corp.	458140BB5	2.350	3.216	0.197	5/11/2021	5/11/2022	13,156,000.00	13,044,713.88	13,183,364.48	100.208	IDC-FIS
Medium Term Note	Intel Corp.	458140BB5	2.350	2.317	0.197	5/11/2021	5/11/2022	5,756,000.00	5,757,877.60	5,767,972.48	100.208	IDC-FIS
Medium Term Note	IBM Corp.	459200JX0	2.850	2.041	0.203	5/13/2021	5/13/2022	10,000,000.00	10,079,636.36	10,044,100.00	100.441	IDC-FIS
Medium Term Note	Eli Lilly & Co.	532457BQ0	2.350	2.624	0.208	5/15/2021	5/15/2022	3,170,000.00	3,161,467.27	3,179,795.30	100.309	IDC-FIS
Medium Term Note	Eli Lilly & Co.	532457BQ0	2.350	2.060	0.208	5/15/2021	5/15/2022	4,710,000.00	4,723,440.63	4,724,553.90	100.309	IDC-FIS
Medium Term Note	United Parcel Service, Inc.	911312BC9	2.350	2.628	0.211	5/16/2021	5/16/2022	8,000,000.00	7,978,166.00	7,993,040.00	99.913	IDC-FIS
Medium Term Note	Home Depot Inc.	437076BG6	2.625	2.343	0.255	6/1/2021	6/1/2022	10,000,000.00	10,027,683.90	10,031,600.00	100.316	IDC-FIS
Medium Term Note	Oracle Corp.	68389XAP0	2.500	2.687	0.624	5/2/2019	10/15/2022	9,400,000.00	9,342,284.00	9,471,346.00	100.759	IDC-FIS
Medium Term Note	Visa Inc.	92826CAC6	2.800	2.567	0.788	5/2/2019	12/14/2022	15,000,000.00	15,119,700.00	15,164,550.00	101.097	IDC-FIS
Medium Term Note	US Bank NA	90331HPP4	1.950	1.978	0.859	12/9/2019	1/9/2023	10,000,000.00	9,991,600.00	10,069,000.00	100.690	IDC-FIS
Medium Term Note	Bank of America Corp.	06051GEU9	3.300	2.201	0.861	10/2/2019	1/11/2023	12,487,000.00	12,918,176.11	12,696,282.12	101.676	IDC-FIS
Medium Term Note	PepsiCo Inc.	713448EY0	0.750	0.273	1.169	3/12/2021	5/1/2023	16,000,000.00	16,162,400.00	15,875,680.00	99.223	IDC-FIS
Medium Term Note	Apple Inc.	037833AK6	2.400	1.884	1.163	10/2/2019	5/3/2023	8,895,000.00	9,053,331.00	9,008,944.95	101.281	IDC-FIS
Medium Term Note	Apple Inc.	037833AK6	2.400	0.314	1.163	9/18/2020	5/3/2023	9,338,000.00	9,846,734.24	9,457,619.78	101.281	IDC-FIS
Medium Term Note	JP Morgan Chase & Co.	46625HRL6	2.700	2.159	1.202	12/4/2019	5/18/2023	13,170,000.00	13,406,138.10	13,322,376.90	101.157	IDC-FIS
Medium Term Note	Toyota Motor Credit Corp.	89233THF5	0.500	0.327	1.457	2/23/2021	8/14/2023	15,000,000.00	15,063,900.00	14,785,650.00	98.571	IDC-FIS
Medium Term Note	Bank of New York Mellon	06406FAD5	2.200	2.011	1.450	11/4/2019	8/16/2023	17,842,000.00	17,964,217.70	17,977,599.20	100.760	IDC-FIS
Medium Term Note	PACCAR Financial Corp.	69371RRZ4	0.350	0.389	1.923	2/2/2021	2/2/2024	10,000,000.00	9,988,400.00	9,732,400.00	97.324	IDC-FIS
Medium Term Note	Bank of New York Mellon	06406RAS6	0.500	0.035	2.149	4/26/2021	4/26/2024	15,000,000.00	14,983,950.00	14,578,050.00	97.187	IDC-FIS
Medium Term Note	Amazon.com, Inc.	023135BW5	0.450	0.499	2.194	5/12/2021	5/12/2024	5,000,000.00	4,992,700.00	4,875,000.00	97.500	UPPRICE
	Total	Count 22	2.055	1.740	0.924			232,603,000.00	234,358,315.13	232,627,643.00	100.011	
<b>Grand Total</b>								<b>2,617,445,493.61</b>	<b>2,622,908,854.25</b>	<b>2,593,076,998.20</b>		



<b>GLOSSARY OF INVESTMENT TERMS</b>
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**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/>