




The City of San Diego

MEMORANDUM

DATE: February 28, 2022
TO: Distribution
FROM: Elizabeth Correia, City Treasurer 
SUBJECT: Monthly Investment Report – January 31, 2022

Attached is the City Treasurer’s Monthly Investment Report. As of January 31, 2022, the City’s investments were in compliance with the City Treasurer’s [Investment Policy](#) (Policy), with one exception described in the paragraph below, 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 of January 31, 2022, the City’s investment in commercial paper exceeded the Policy limit by 2.86%. The Investments Division (Investments) purchased commercial paper in an effort to fund near term obligations; Investment staff made an error in calculating the impacts of the purchase on the Policy’s limits. The overage was identified during the month end review process and is detailed in the attached report. Investments instituted additional controls to prevent a future miscalculation and the overage has been corrected and commercial paper holdings are now below the Policy limit.

As previously reported, although the following security is in compliance with the Policy, the security was below the minimum credit rating as of month end. The Policy requires that all securities meet the minimum credit rating requirement at the time of purchase.

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

Investments 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

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



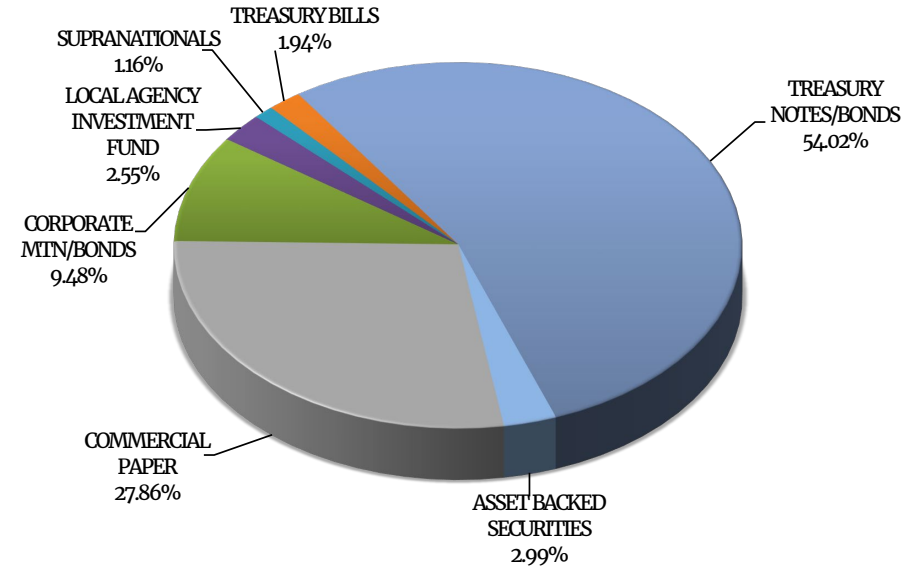
ASSET ALLOCATION

Assets (000's)	Current Par Value	Current Book Value	Market Value	Mkt/Book	Yield to Maturity
ASSET BACKED SECURITIES	76,500	77,075	76,282	98.97%	0.95%
COMMERCIAL PAPER	718,800	717,876	718,049	100.02%	0.25%
CORPORATE MTN/BONDS	242,603	244,258	243,489	99.69%	1.80%
LOCAL AGENCY INVESTMENT FUND	65,742	65,742	65,742	100.00%	0.23%
SUPRANATIONALS	30,000	29,972	30,009	100.13%	1.67%
TREASURY BILLS	50,000	49,933	49,930	99.99%	0.32%
TREASURY NOTES/BONDS	1,385,000	1,391,868	1,368,893	98.35%	0.44%
Totals (000's):	2,568,645	2,576,725	2,552,394	99.06%	0.54%

Portfolio Breakdown & Statistics

	Liquidity	Core
Portfolio Size	\$918,976,263	\$1,657,748,716
% of total pool	35.66%	64.34%
Portfolio Duration*	0.28	1.70
Index Duration*	0.27	1.87
% of index	105.43%	90.91%
Weighted Average Days to Maturity	104	644
Earned Income Yield	0.520%	1.148%

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



Pooled Portfolio Composition by Book Value

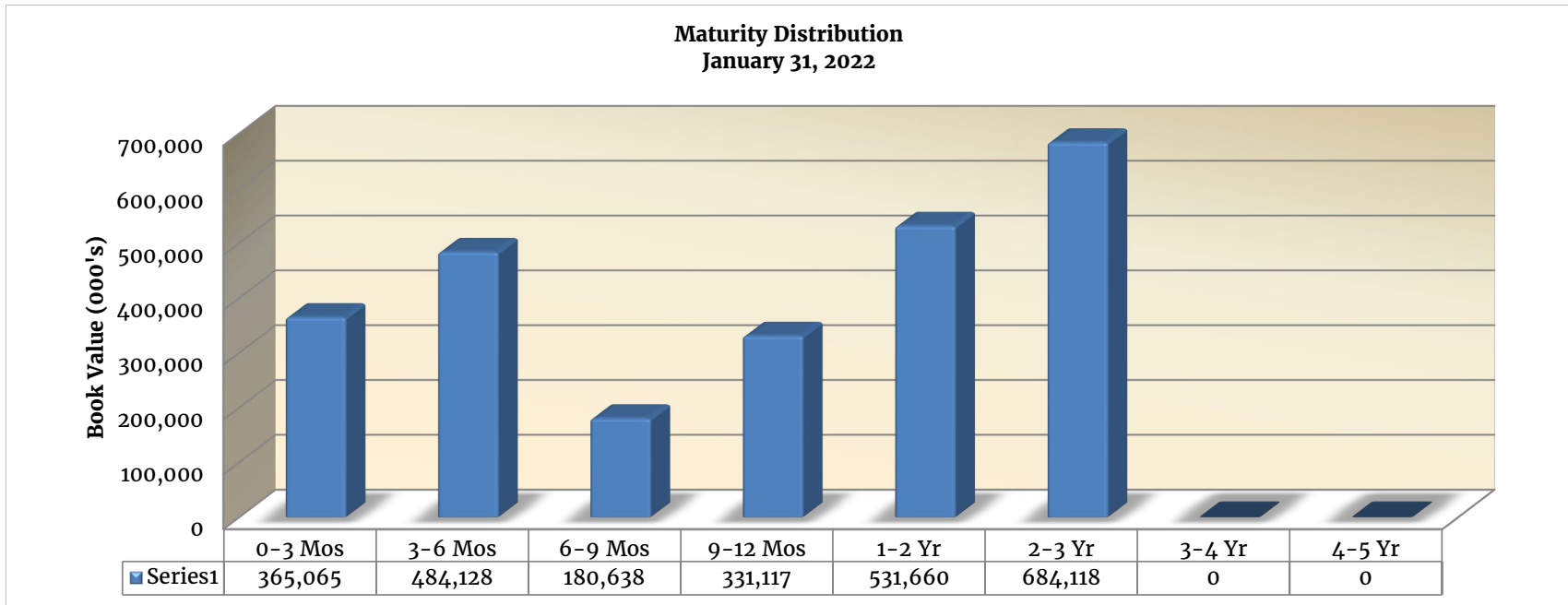
POOLED INVESTMENTS AT JANUARY 31, 2022 - MATURITY DISTRIBUTION

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			20,117	11,997		44,961			77,075
COMMERCIAL PAPER	238,700	379,422	99,755						717,876
CORPORATE MTN/BONDS	30,652	54,773	9,342	38,029	81,497	29,965			244,258
LOCAL AGENCY INVESTMENT FUND	65,742								65,742
SUPRANATIONALS	29,972								29,972
TREASURY BILLS		49,933							49,933
TREASURY NOTES/BONDS			51,424	281,090	450,163	609,191			1,391,868
Totals (000's):	365,065	484,128	180,638	331,117	531,660	684,118	0	0	2,576,725
% of Portfolio	14.17%	18.79%	7.01%	12.85%	20.63%	26.55%	0.00%	0.00%	100.00%

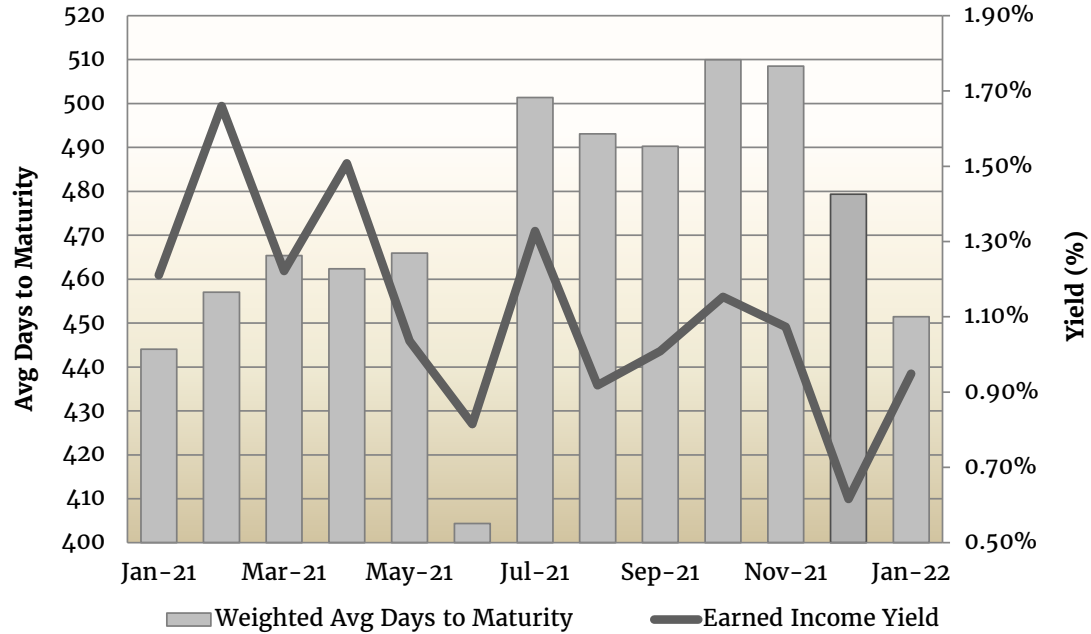




PORTFOLIO - EARNED INCOME YIELD

Month	Earned Income Yield	Weighted Avg Days to Maturity
Jan-21	1.21%	444.07
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

Yield and Weighted Average Days to Maturity Trends



POOLED INVESTMENTS AT JANUARY 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
US Treasury Bill	US Treasury	912796R50	0.316	0.316	0.411	1/28/2022	6/30/2022	50,000,000.00	49,932,850.00	49,930,000.00	99.860	IDC-FIS
	Total	Count 1	0.316	0.316	0.411			50,000,000.00	49,932,850.00	49,930,000.00	99.860	
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	912828YK0	1.375	0.212	0.702	5/1/2020	10/15/2022	50,000,000.00	51,423,828.13	50,273,500.00	100.547	IDC-FIS
US Treasury Note	US Treasury	912828TY6	1.625	0.917	0.785	3/2/2020	11/15/2022	75,000,000.00	76,415,039.06	75,565,500.00	100.754	IDC-FIS
US Treasury Note	US Treasury	912828Z29	1.500	1.332	0.952	2/3/2020	1/15/2023	75,000,000.00	75,363,281.25	75,507,000.00	100.676	IDC-FIS
US Treasury Note	US Treasury	912828Z29	1.500	0.180	0.952	6/1/2020	1/15/2023	125,000,000.00	129,311,523.44	125,845,000.00	100.676	IDC-FIS
US Treasury Note	US Treasury	912828ZU7	0.250	0.168	1.370	7/1/2020	6/15/2023	100,000,000.00	100,242,187.50	99,047,000.00	99.047	IDC-FIS
US Treasury Note	US Treasury	912828ZU7	0.250	0.123	1.370	8/3/2020	6/15/2023	25,000,000.00	25,090,820.31	24,761,750.00	99.047	IDC-FIS
US Treasury Note	US Treasury	912828ZU7	0.250	0.138	1.370	9/1/2020	6/15/2023	25,000,000.00	25,078,125.00	24,761,750.00	99.047	IDC-FIS
US Treasury Note	US Treasury	91282CAK7	0.125	0.153	1.620	10/1/2020	9/15/2023	50,000,000.00	49,958,984.38	49,263,500.00	98.527	IDC-FIS
US Treasury Note	US Treasury	91282CAK7	0.125	0.191	1.620	11/2/2020	9/15/2023	50,000,000.00	49,906,250.00	49,263,500.00	98.527	IDC-FIS
US Treasury Note	US Treasury	91282CAW1	0.250	0.186	1.785	12/1/2020	11/15/2023	50,000,000.00	50,093,750.00	49,242,000.00	98.484	IDC-FIS
US Treasury Note	US Treasury	91282CAW1	0.250	0.153	1.785	1/5/2021	11/15/2023	50,000,000.00	50,138,671.88	49,242,000.00	98.484	IDC-FIS
US Treasury Note	US Treasury	91282CBE0	0.125	0.174	1.954	2/1/2021	1/15/2024	50,000,000.00	49,927,734.38	49,004,000.00	98.008	IDC-FIS
US Treasury Note	US Treasury	91282CBE0	0.125	0.316	1.954	3/1/2021	1/15/2024	50,000,000.00	49,726,562.50	49,004,000.00	98.008	IDC-FIS
US Treasury Note	US Treasury	91282CBR1	0.250	0.334	2.116	4/1/2021	3/15/2024	60,000,000.00	59,852,343.75	58,797,600.00	97.996	IDC-FIS
US Treasury Note	US Treasury	91282CBV2	0.375	0.336	2.196	5/4/2021	4/15/2024	50,000,000.00	50,056,640.63	49,086,000.00	98.172	IDC-FIS
US Treasury Note	US Treasury	91282CC3	0.250	0.296	2.283	5/28/2021	5/15/2024	75,000,000.00	74,897,460.94	73,332,750.00	97.777	IDC-FIS
US Treasury Note	US Treasury	91282CCG4	0.250	0.458	2.366	7/1/2021	6/15/2024	50,000,000.00	49,695,312.50	48,824,000.00	97.648	IDC-FIS
US Treasury Note	US Treasury	91282CCL3	0.375	0.346	2.446	8/3/2021	7/15/2024	50,000,000.00	50,042,968.75	48,920,000.00	97.840	IDC-FIS
US Treasury Note	US Treasury	91282CCT6	0.375	0.398	2.525	9/1/2021	8/15/2024	75,000,000.00	74,963,187.84	73,295,250.00	97.727	IDC-FIS
US Treasury Note	US Treasury	91282CCX7	0.375	0.527	2.608	10/1/2021	9/15/2024	50,000,000.00	49,785,631.04	48,808,600.00	97.617	UPPRICE
US Treasury Note	US Treasury	91282CDB4	0.625	0.760	2.682	11/1/2021	10/15/2024	75,000,000.00	74,725,993.73	73,614,225.00	98.152	UPPRICE
US Treasury Note	US Treasury	91282CDH1	0.750	0.749	2.761	12/1/2021	11/15/2024	50,000,000.00	50,018,527.72	49,183,600.00	98.367	UPPRICE
US Treasury Note	US Treasury	91282CDN8	1.000	0.947	2.835	1/3/2022	12/15/2024	75,000,000.00	75,153,406.16	74,250,000.00	99.000	IDC-FIS
	Total	Count 23	0.632	0.436	1.838			1,385,000,000.00	1,391,868,230.89	1,368,892,525.00	98.837	
SUPRANATIONALS	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
Supranationals	Intl Bank of Reconstruction & Development	459058DY6	1.626	1.670	0.027	12/4/2019	2/10/2022	30,000,000.00	29,971,500.00	30,009,300.00	100.031	IDC-FIS
	Total	Count 1	1.626	1.670	0.027			30,000,000.00	29,971,500.00	30,009,300.00	100.031	
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	2/1/2022	65,742,493.61	65,742,493.61	65,742,493.61	100.000	BOOK
	Total	Count 1	0.230	0.230	0.003			65,742,493.61	65,742,493.61	65,742,493.61	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 Security	Chase Issuance Trust	161571FQ2	2.160	1.775	0.331	9/18/2019	9/15/2022	20,000,000.00	20,117,187.50	20,189,952.00	100.950	UPPRICE
Asset Backed Security	Chase Issuance Trust	161571HP2	1.530	1.545	0.496	2/18/2020	1/17/2023	12,000,000.00	11,997,250.80	12,073,933.20	100.616	UPPRICE
Asset Backed Security	Capital One	14041NFW6	0.550	0.553	1.244	7/22/2021	7/15/2024	27,000,000.00	26,998,906.50	26,410,290.30	97.816	UPPRICE
Asset Backed Security	Chase Issuance Trust	161571HP2	1.530	0.235	1.500	1/6/2021	1/15/2025	17,500,000.00	17,962,109.38	17,607,819.25	100.616	UPPRICE
	Total	Count 4	1.351	0.952	0.947			76,500,000.00	77,075,454.18	76,281,994.75	99.715	

POOLED INVESTMENTS AT JANUARY 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	US Bank Commercial Paper Sweep		0.010	0.010	0.003	7/1/2019	2/1/2022	38,800,000.00	38,800,000.00	38,800,000.00	100.000	BOOK
Commercial Paper	Société Générale	83369CB11	0.050	0.050	0.003	1/28/2022	2/1/2022	40,000,000.00	39,999,777.78	40,000,000.00	100.000	IDC-FIS
Commercial Paper	Mizuho Bank Ltd NY	60689GBR6	0.130	0.130	0.068	9/24/2021	2/25/2022	40,000,000.00	39,977,755.56	39,997,333.33	99.993	IDC-FIS
Commercial Paper	Skandi Enskilda Bank NY	83050UC48	0.120	0.120	0.088	9/30/2021	3/4/2022	40,000,000.00	39,979,333.33	39,996,555.56	99.991	IDC-FIS
Commercial Paper	MUFG Bank Ltd NY	62479MD18	0.150	0.150	0.164	10/25/2021	4/1/2022	40,000,000.00	39,973,666.67	39,993,444.44	99.984	IDC-FIS
Commercial Paper	Toyota Motor Credit Corp.	89233HDV3	0.170	0.170	0.241	11/16/2021	4/29/2022	40,000,000.00	39,969,022.22	39,984,533.33	99.961	IDC-FIS
Commercial Paper	Credit Agricole CIB NY	22533UED1	0.230	0.230	0.279	12/15/2021	5/13/2022	40,000,000.00	39,961,922.22	39,973,066.67	99.933	IDC-FIS
Commercial Paper	Sumitomo Mitsui Trust Bank NY	86563HET3	0.250	0.250	0.318	11/22/2021	5/27/2022	40,000,000.00	39,948,333.33	39,969,333.33	99.923	IDC-FIS
Commercial Paper	Royal Bank of Canada NY	78015DFA3	0.270	0.270	0.356	12/16/2021	6/10/2022	40,000,000.00	39,947,200.00	39,954,133.33	99.885	IDC-FIS
Commercial Paper	Skandi Enskilda Bank NY	83050UFQ6	0.280	0.280	0.394	11/24/2021	6/24/2022	40,000,000.00	39,934,044.44	39,949,155.56	99.873	IDC-FIS
Commercial Paper	ING US Funding LLC	4497WtG18	0.370	0.371	0.413	1/19/2022	7/1/2022	50,000,000.00	49,916,236.11	49,933,333.33	99.867	IDC-FIS
Commercial Paper	Landesbank Baden-Württemberg	5148X1G15	0.290	0.290	0.413	1/5/2022	7/1/2022	50,000,000.00	49,928,708.33	49,933,333.33	99.867	IDC-FIS
Commercial Paper	Rabobank NY	21687BG13	0.270	0.270	0.413	12/16/2021	7/1/2022	40,000,000.00	39,940,900.00	39,946,666.67	99.867	IDC-FIS
Commercial Paper	Natixis NY	63873KG84	0.280	0.280	0.433	11/24/2021	7/8/2022	40,000,000.00	39,929,688.89	39,944,177.78	99.860	IDC-FIS
Commercial Paper	Société Générale	83369CGN8	0.350	0.351	0.471	12/15/2021	7/22/2022	40,000,000.00	39,914,833.33	39,939,200.00	99.848	IDC-FIS
Commercial Paper	BNP Paribas NY	09659CH35	0.325	0.326	0.504	1/3/2022	8/3/2022	50,000,000.00	49,904,305.56	49,872,916.67	99.746	IDC-FIS
Commercial Paper	Barclays US	06742XE78	0.530	0.532	0.548	1/28/2022	8/19/2022	50,000,000.00	49,850,569.44	49,861,805.56	99.724	IDC-FIS
	Total	Count 17	0.247	0.248	0.310			718,800,000.00	717,876,297.21	718,048,988.89	99.896	

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	Apple Inc.	037833AY6	2.150	3.176	0.025	2/9/2021	2/9/2022	10,000,000.00	9,899,838.68	10,003,400.00	100.034	IDC-FIS
Medium Term Note	Home Depot Inc.	437076BV3	3.250	3.337	0.079	3/1/2021	3/1/2022	10,000,000.00	9,991,531.75	10,025,000.00	100.250	IDC-FIS
Medium Term Note	UnitedHealth Group Inc.	91324PBV3	2.875	2.102	0.118	3/15/2021	3/15/2022	10,679,000.00	10,760,266.59	10,701,959.85	100.215	IDC-FIS
Medium Term Note	Intel Corp.	458140BB5	2.350	3.216	0.274	5/11/2021	5/11/2022	13,156,000.00	13,044,713.88	13,207,308.40	100.390	IDC-FIS
Medium Term Note	Intel Corp.	458140BB5	2.350	2.317	0.274	5/11/2021	5/11/2022	5,756,000.00	5,757,877.60	5,778,448.40	100.390	IDC-FIS
Medium Term Note	IBM Corp.	459200JX0	2.850	2.041	0.279	5/13/2021	5/13/2022	10,000,000.00	10,079,636.36	10,065,300.00	100.653	IDC-FIS
Medium Term Note	Eli Lilly & Co.	532457BQ0	2.350	2.624	0.285	5/15/2021	5/15/2022	3,170,000.00	3,161,467.27	3,183,821.20	100.436	IDC-FIS
Medium Term Note	Eli Lilly & Co.	532457BQ0	2.350	2.060	0.285	5/15/2021	5/15/2022	4,710,000.00	4,723,440.63	4,730,535.60	100.436	IDC-FIS
Medium Term Note	United Parcel Service, Inc.	911312BC9	2.350	2.628	0.287	5/16/2021	5/16/2022	8,000,000.00	7,978,166.00	8,031,760.00	100.397	IDC-FIS
Medium Term Note	Home Depot Inc.	437076BG6	2.625	2.343	0.331	6/1/2021	6/1/2022	10,000,000.00	10,027,683.90	10,055,000.00	100.550	IDC-FIS
Medium Term Note	Oracle Corp.	68389XAP0	2.500	2.687	0.699	5/2/2019	10/15/2022	9,400,000.00	9,342,284.00	9,494,564.00	101.006	IDC-FIS
Medium Term Note	Visa Inc.	92826CAC6	2.800	2.567	0.863	5/2/2019	12/14/2022	15,000,000.00	15,119,700.00	15,220,950.00	101.473	IDC-FIS
Medium Term Note	US Bank NA	90331HPF4	1.950	1.978	0.934	12/9/2019	1/9/2023	10,000,000.00	9,991,600.00	10,092,800.00	100.928	IDC-FIS
Medium Term Note	Bank of America Corp.	06051GEU9	3.300	2.201	0.936	10/2/2019	1/11/2023	12,487,000.00	12,918,176.11	12,753,097.97	102.131	IDC-FIS
Medium Term Note	PepsiCo Inc.	713448EY0	0.750	0.273	1.244	3/12/2021	5/1/2023	16,000,000.00	16,162,400.00	15,945,440.00	99.659	IDC-FIS
Medium Term Note	Apple Inc.	037833AK6	2.400	1.884	1.238	10/2/2019	5/3/2023	8,895,000.00	9,053,331.00	9,038,298.45	101.611	IDC-FIS
Medium Term Note	Apple Inc.	037833AK6	2.400	0.314	1.238	9/18/2020	5/3/2023	9,338,000.00	9,846,734.24	9,488,435.18	101.611	IDC-FIS
Medium Term Note	JP Morgan Chase & Co.	46625HRL6	2.700	2.159	1.277	12/4/2019	5/18/2023	13,170,000.00	13,406,138.10	13,393,626.60	101.698	IDC-FIS
Medium Term Note	Toyota Motor Credit Corp.	89236THF5	0.500	0.327	1.529	2/23/2021	8/14/2023	15,000,000.00	15,063,900.00	14,831,700.00	98.878	IDC-FIS
Medium Term Note	Bank of New York Mellon	06406FAD5	2.200	2.011	1.509	11/4/2019	8/16/2023	17,842,000.00	17,964,217.70	18,091,788.00	101.400	IDC-FIS
Medium Term Note	PACCAR Financial Corp.	69371RRZ4	0.350	0.389	1.994	2/2/2021	2/2/2024	10,000,000.00	9,988,400.00	9,783,700.00	97.837	IDC-FIS
Medium Term Note	Bank of New York Mellon	06406RAS6	0.500	0.035	2.224	4/26/2021	4/26/2024	15,000,000.00	14,983,950.00	14,685,750.00	97.905	IDC-FIS
Medium Term Note	Amazon.com, Inc.	023135BW5	0.450	0.499	2.269	5/12/2021	5/12/2024	5,000,000.00	4,992,700.00	4,886,400.00	97.728	IDC-FIS
	Total	Count 23	2.059	1.799	0.958			242,603,000.00	244,258,153.81	243,489,083.65	100.365	

Grand Total								2,568,645,493.61	2,576,724,979.70	2,552,394,385.90		
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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/>