




THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: October 16, 2023  
TO: Distribution  
FROM: Elizabeth Correia, City Treasurer   
SUBJECT: Monthly Investment Report – September 30, 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

Page 2  
Distribution  
October 16, 2023

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  
Eric Dargan, Chief Operating Officer  
Charles Modica, 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  
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



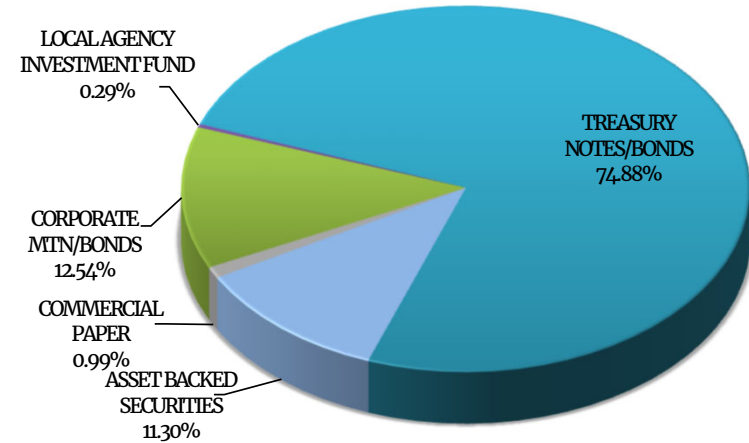
**ASSET ALLOCATION**

Assets (000's)	Current Par Value	Current Book Value	Market Value	Mkt/Book	Yield to Maturity 365
ASSET BACKED SECURITIES	274,194	270,934	266,918	98.52%	4.30%
COMMERCIAL PAPER	23,700	23,700	23,700	100.00%	5.30%
CORPORATE MTN/BONDS	307,156	300,592	297,667	99.03%	4.39%
LOCAL AGENCY INVESTMENT FUND	7,001	7,001	7,001	100.00%	3.15%
TREASURY NOTES/BONDS	1,800,000	1,795,081	1,744,310	97.17%	2.73%
<b>Totals (000's):</b>	<b>2,412,051</b>	<b>2,397,308</b>	<b>2,339,595</b>	<b>97.59%</b>	<b>3.14%</b>

**Portfolio Breakdown & Statistics**

	Liquidity	Core
Portfolio Size	\$496,091,527	\$1,901,215,990
% of total pool	20.69%	79.31%
Portfolio Duration*	0.78	1.78
Index Duration*	0.26	1.80
% of index	300.53%	98.89%
Weighted Average Days to Maturity	262	802
Earned Income Yield	-4.256%	3.543%

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



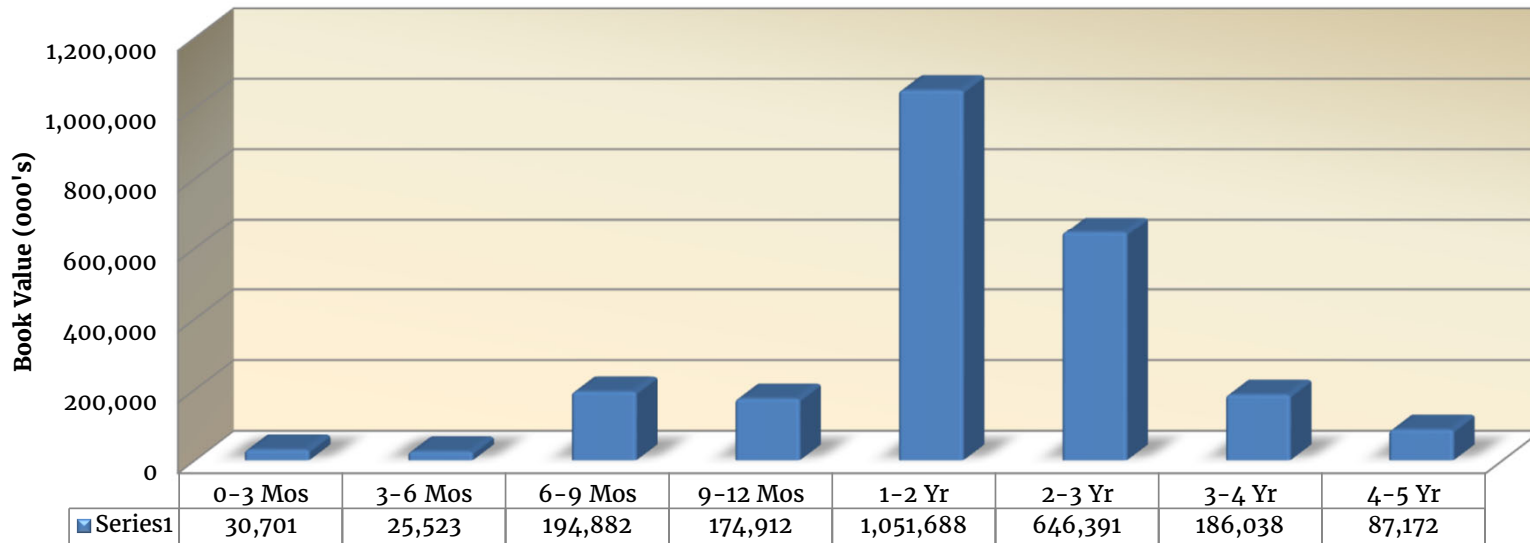
Pooled Portfolio Composition by Book Value



**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						26,999	156,763	87,172	270,934
COMMERCIAL PAPER	23,700								23,700
CORPORATE MTN/BONDS		25,523	19,987		78,941	146,866	29,275		300,592
LOCAL AGENCY INVESTMENT FUND	7,001								7,001
TREASURY NOTES/BONDS			174,895	174,912	972,748	472,526			1,795,081
<b>Totals (000's):</b>	<b>30,701</b>	<b>25,523</b>	<b>194,882</b>	<b>174,912</b>	<b>1,051,688</b>	<b>646,391</b>	<b>186,038</b>	<b>87,172</b>	<b>2,397,308</b>
<b>% of Portfolio</b>	<b>1.28%</b>	<b>1.06%</b>	<b>8.13%</b>	<b>7.30%</b>	<b>43.87%</b>	<b>26.96%</b>	<b>7.76%</b>	<b>3.64%</b>	<b>100.00%</b>

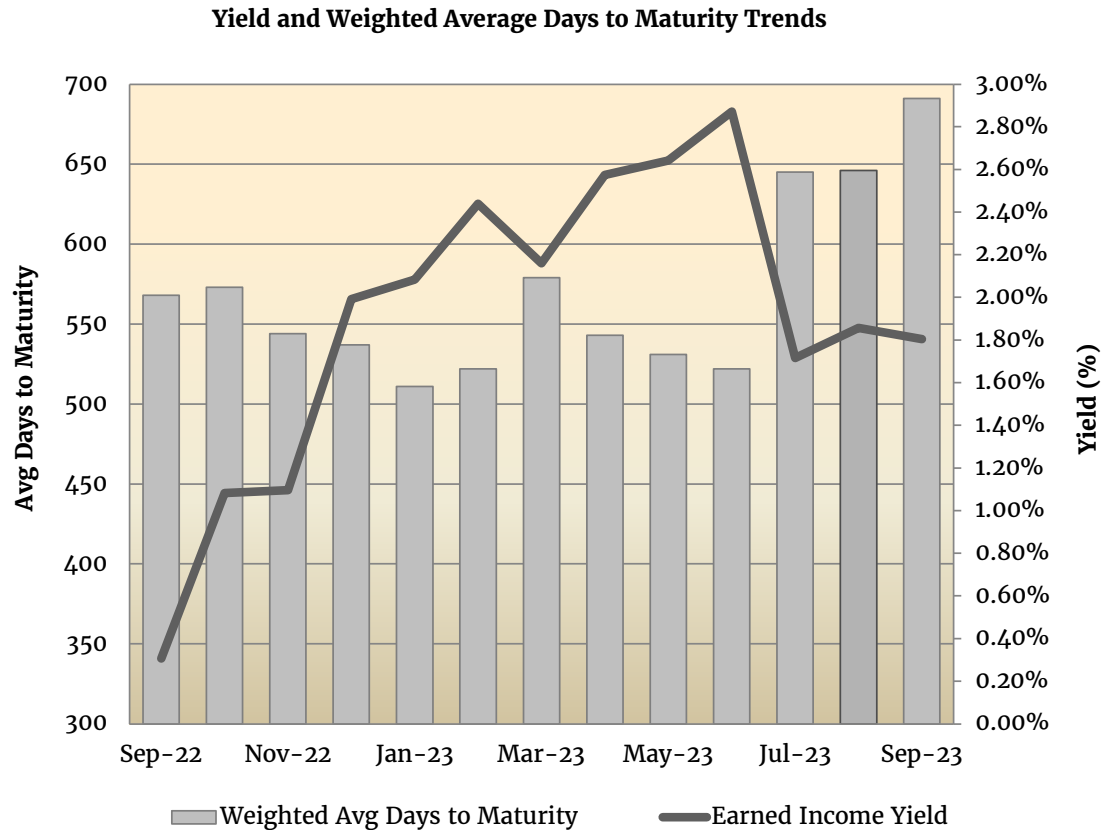
Maturity Distribution  
September 30, 2023





**PORTFOLIO - EARNED INCOME YIELD**

Month	Earned Income Yield	Weighted Avg Days to Maturity
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
Aug-23	1.86%	646
Sep-23	1.80%	691



POOLED INVESTMENTS AT SEPTEMBER 30, 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	91282CBV2	0.375	0.337	0.523	5/1/2023	4/15/2024	50,000,000.00	50,026,551.02	48,658,200.00	97.316	ICED
Treasury Notes	UST Note	91282CCC3	0.250	0.296	1.161	6/1/2023	5/15/2024	75,000,000.00	74,975,712.84	72,606,750.00	96.809	MNL
Treasury Notes	UST Note	91282CCG4	0.250	0.457	0.685	6/1/2023	6/15/2024	50,000,000.00	49,893,077.26	48,205,100.00	96.410	ICED
Treasury Notes	UST Note	91282CCL3	0.375	0.346	0.766	7/3/2023	7/15/2024	50,000,000.00	50,015,041.06	48,050,800.00	96.102	ICED
Treasury Notes	UST Note	91282CCT6	0.375	0.397	0.848	7/3/2023	8/15/2024	75,000,000.00	74,981,167.46	71,753,925.00	95.672	ICED
Treasury Notes	UST Note	91282CCX7	0.375	0.526	0.929	8/1/2023	9/15/2024	50,000,000.00	49,915,473.09	47,646,500.00	95.293	ICED
Treasury Notes	UST Note	91282CDB4	0.625	0.759	1.006	9/1/2023	10/15/2024	75,000,000.00	75,065,860.85	71,384,775.00	95.180	ICED
Treasury Notes	UST Note	91282CDH1	0.750	0.749	0.672	12/1/2021	11/15/2024	50,000,000.00	50,001,953.13	47,492,200.00	94.984	ICED
Treasury Notes	UST Note	91282CDN8	1.000	0.947	1.166	1/3/2022	12/15/2024	75,000,000.00	75,114,257.81	71,217,750.00	94.957	ICED
Treasury Notes	UST Note	91282Z52	1.375	1.402	1.286	2/1/2022	1/31/2025	50,000,000.00	49,960,937.50	47,476,550.00	94.953	ICED
Treasury Notes	UST Note	91282CGG0	4.125	4.222	1.267	2/1/2023	1/31/2025	100,000,000.00	99,816,406.25	98,453,100.00	98.453	ICED
Treasury Notes	UST Note	91282CDZ1	1.500	1.638	1.325	3/1/2022	2/15/2025	50,000,000.00	49,800,781.25	47,496,100.00	94.992	ICED
Treasury Notes	UST Note	9128284F4	2.625	2.471	1.439	3/31/2022	3/31/2025	50,000,000.00	50,220,703.13	48,117,200.00	96.234	ICED
Treasury Notes	UST Note	91282CEH0	2.625	2.863	1.460	4/29/2022	4/15/2025	50,000,000.00	49,664,062.50	48,087,900.00	96.176	ICED
Treasury Notes	UST Note	91282CGX3	3.875	4.470	1.485	6/1/2023	4/30/2025	75,000,000.00	74,441,193.95	73,473,600.00	97.965	ICED
Treasury Notes	UST Note	91282CEQ0	2.750	2.753	1.540	5/31/2022	5/15/2025	50,000,000.00	49,996,093.75	48,099,600.00	96.199	ICED
Treasury Notes	UST Note	91282CEU1	2.875	3.036	1.619	7/1/2022	6/15/2025	50,000,000.00	49,773,437.50	48,136,700.00	96.273	ICED
Treasury Notes	UST Note	91282CHL8	4.625	4.872	1.638	7/3/2023	6/30/2025	50,000,000.00	49,786,430.03	49,572,250.00	99.145	ICED
Treasury Notes	UST Note	91282CEY3	3.000	2.843	1.699	8/1/2022	7/15/2025	100,000,000.00	100,441,406.25	96,367,200.00	96.367	ICED
Treasury Notes	UST Note	91282CFE6	3.125	3.444	1.779	9/1/2022	8/15/2025	150,000,000.00	148,664,062.50	144,709,050.00	96.473	ICED
Treasury Notes	UST Note	91282CFP3	4.250	4.320	1.887	12/2/2022	10/15/2025	100,000,000.00	99,808,593.75	98,433,600.00	98.434	ICED
Treasury Notes	UST Note	91282CGA3	4.000	4.238	2.055	1/3/2022	12/15/2025	100,000,000.00	99,343,750.00	97,918,000.00	97.918	ICED
Treasury Notes	UST Note	91282CGL9	4.000	4.511	2.219	3/1/2023	2/15/2026	100,000,000.00	98,597,656.25	97,886,700.00	97.887	ICED
Treasury Notes	UST Note	91282CHM6	4.500	4.528	2.564	8/1/2023	7/15/2026	75,000,000.00	75,097,316.58	74,308,575.00	99.078	ICED
Treasury Notes	UST Note	91282CHU8	4.375	4.566	2.651	9/1/2023	8/15/2026	100,000,000.00	99,678,668.48	98,757,800.00	98.758	ICED
Total	Count 25		2.589	2.726	1.530			1,800,000,000.00	1,795,080,594.19	1,744,309,925.00	96.906	

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	10/1/2023	7,000,846.87	7,000,846.87	7,000,846.87	100.000	BOOK
Total	Count 1		3.150	3.150	0.000			7,000,846.87	7,000,846.87	7,000,846.87	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	1.401	7/22/2021	7/15/2026	27,000,000.00	26,998,906.50	25,888,302.00	95.883	ICED
Asset Backed Secs	Mercedes-Benz Auto Lease	58768RAC4	4.740	4.789	1.567	5/24/2023	1/15/2027	19,000,000.00	18,999,338.80	18,697,691.00	98.409	ICED
Asset Backed Secs	Capital One	14041NEZ9	2.800	4.872	1.597	10/7/2022	3/15/2027	20,000,000.00	19,130,468.75	19,184,780.00	95.924	ICED
Asset Backed Secs	Capital One	14041NGA3	3.490	4.794	1.684	9/30/2022	5/15/2027	25,000,000.00	24,285,156.25	24,152,050.00	96.608	ICED
Asset Backed Secs	American Express Credit	02582JIT8	3.390	4.802	1.683	4/20/2023	5/15/2027	25,000,000.00	24,371,093.75	24,126,725.00	96.507	ICED
Asset Backed Secs	American Express Credit	02582JIV3	3.750	3.898	1.791	9/12/2022	8/15/2027	27,740,000.00	27,589,380.47	26,851,043.96	96.795	ICED
Asset Backed Secs	Chase Issuance Trust	161571HS6	3.970	4.010	1.823	9/16/2022	9/15/2027	10,000,000.00	9,998,331.00	9,715,230.00	97.152	ICED
Asset Backed Secs	Chase Issuance Trust	161571HS6	3.970	4.417	1.830	2/2/2023	9/15/2027	8,871,000.00	8,776,052.58	8,618,380.53	97.152	ICED
Asset Backed Secs	Chase Issuance Trust	161571HS6	3.970	4.705	1.823	3/31/2023	9/15/2027	24,000,000.00	23,613,476.56	23,316,552.00	97.152	ICED
Asset Backed Secs	American Express Credit	02582JIX9	4.950	5.004	1.854	11/3/2022	10/15/2027	10,000,000.00	9,999,504.00	9,893,380.00	98.934	ICED
Asset Backed Secs	American Express Credit	02582JIX9	4.950	5.185	1.854	11/3/2022	10/15/2027	7,500,000.00	7,469,238.28	7,420,035.00	98.934	ICED
Asset Backed Secs	Bank of America Credit Card	05522RDE5	3.530	4.781	1.887	5/22/2023	11/15/2027	15,000,000.00	14,645,507.81	14,495,385.00	96.636	ICED
Asset Backed Secs	Bank of America Credit Card	05522RDF2	5.000	5.113	2.048	6/21/2023	4/15/2028	20,645,000.00	20,600,645.51	20,430,147.49	98.959	ICED
Asset Backed Secs	Discover Card	254683CZ6	4.930	4.820	2.253	7/20/2023	6/15/2028	21,438,000.00	21,460,610.39	21,175,813.26	98.777	ICED
Asset Backed Secs	Chase Issuance Trust	161571HT4	5.160	5.228	2.263	9/15/2023	9/15/2028	13,000,000.00	12,996,396.40	12,952,134.00	99.632	ICED
Total	Count 15		3.734	4.302	1.797			274,194,000.00	270,934,107.05	266,917,649.24	97.346	

POOLED INVESTMENTS AT SEPTEMBER 30, 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	10/1/2023	23,700,000.00	23,700,000.00	23,700,000.00	100.000	BOOK
	Total	Count 1	5.300	5.300	0.000			23,700,000.00	23,700,000.00	23,700,000.00	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	Bank of America	06051GFB0	4.125	5.264	0.309	3/29/2023	1/22/2024	15,668,000.00	15,526,674.64	15,588,531.90	99.493	ICED
Medium Term Notes	PACCAR Inc	69371RR24	0.350	0.389	0.339	4/3/2023	2/2/2024	10,000,000.00	9,996,799.26	9,820,690.00	98.207	ICED
Medium Term Notes	Bank of New York Mellon	06406RAS6	0.500	0.536	0.552	4/3/2023	4/26/2024	15,000,000.00	14,994,323.06	14,556,540.00	97.044	ICED
Medium Term Notes	Amazon	023135BW5	0.450	0.499	0.595	5/12/2021	5/12/2024	5,000,000.00	4,992,700.00	4,845,065.00	96.901	ICED
Medium Term Notes	US BANK NA	90331HPL1	2.050	5.396	1.251	3/17/2023	1/21/2025	10,000,000.00	9,419,700.00	9,498,030.00	94.980	ICED
Medium Term Notes	Microsoft Corp	594918BB9	2.700	4.615	1.308	9/29/2022	2/12/2025	25,000,000.00	23,936,250.00	24,138,600.00	96.554	ICED
Medium Term Notes	Toyota Corporation	89236TKC8	3.950	4.511	1.642	9/23/2022	6/30/2025	24,765,000.00	24,405,659.85	24,099,737.81	97.314	ICED
Medium Term Notes	Caterpillar Fncl Service	14913UAB6	5.150	5.156	1.739	8/11/2023	8/11/2025	10,000,000.00	9,998,900.00	9,946,440.00	99.464	ICED
Medium Term Notes	Home Depot	437076CR1	4.000	4.294	1.847	9/23/2022	9/15/2025	11,272,000.00	11,180,245.92	10,999,702.30	97.584	ICED
Medium Term Notes	UnitedHealth Group	91324PEN8	5.150	5.154	1.866	10/28/2022	10/15/2025	7,000,000.00	6,999,370.00	6,972,000.00	99.600	MNL
Medium Term Notes	Visa Inc	92826CAD4	3.150	4.888	2.068	10/26/2022	12/14/2025	14,032,000.00	13,330,820.96	13,392,870.46	95.445	ICED
Medium Term Notes	Caterpillar Fncl Service	14913R3B1	4.800	4.809	2.092	1/6/2023	1/6/2026	15,000,000.00	14,996,250.00	14,833,740.00	98.892	ICED
Medium Term Notes	Apple Corp	037833EB2	0.700	4.651	2.275	9/29/2022	2/8/2026	15,419,000.00	13,544,820.55	13,901,539.12	90.159	ICED
Medium Term Notes	Cisco Systems	17275RBC5	2.950	4.450	2.275	3/23/2023	2/28/2026	20,000,000.00	19,183,600.00	18,995,300.00	94.977	ICED
Medium Term Notes	Deere & Co.	24422EWT2	5.050	4.470	2.241	3/30/2023	3/3/2026	15,000,000.00	15,235,500.00	14,909,685.00	99.398	ICED
Medium Term Notes	PACCAR Inc	69371RS49	4.450	4.474	2.329	3/30/2023	3/30/2026	17,000,000.00	16,988,610.00	16,733,423.00	98.432	ICED
Medium Term Notes	JPMorgan Chase	46625HQW3	3.300	5.519	2.349	5/18/2023	4/1/2026	10,000,000.00	9,690,183.33	9,431,000.00	94.310	MNL
Medium Term Notes	Morgan Stanley	61690U4T4	4.754	4.754	2.316	4/21/2023	4/21/2026	15,000,000.00	15,000,000.00	14,646,000.00	97.640	MNL
Medium Term Notes	Deere & Co.	24422EWX3	4.750	4.771	2.450	6/8/2023	6/8/2026	7,000,000.00	6,995,940.00	6,898,500.00	98.550	MNL
Medium Term Notes	Bank of America	06051GLA5	4.827	5.050	2.560	5/9/2023	7/22/2026	15,000,000.00	14,901,000.00	14,623,335.00	97.489	ICED
Medium Term Notes	JPMorgan Chase	46625HRV4	2.950	4.991	2.808	6/9/2023	10/1/2026	10,000,000.00	9,439,422.22	9,259,070.00	92.591	ICED
Medium Term Notes	Bank of America	06051GLE7	5.080	5.401	2.962	6/23/2023	1/20/2027	10,000,000.00	9,896,400.00	9,774,530.00	97.745	ICED
Medium Term Notes	Morgan Stanley	61747YEZ4	5.050	5.311	2.988	7/18/2023	1/28/2027	10,000,000.00	9,938,800.00	9,802,320.00	98.023	ICED
	Total	Count 23	3.524	4.390	1.860			307,156,000.00	300,591,969.79	297,666,649.59	96.911	
<b>Grand Total</b>								<b>2,412,050,846.87</b>	<b>2,397,307,517.90</b>	<b>2,339,595,070.70</b>		



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

**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/>