



CITY COUNCIL  
**Staff Report**

**Meeting Date:** Sept. 12, 2023

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Craig Lindholm, City Treasurer  
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**Subject:** Report on City Investments as of July 31, 2023

**Districts:** All

**Recommended Action**

Accept and file Report on City Investments as of July 31, 2023.

**Executive Summary**

The city's Investment Policy requires the City Treasurer to report the status of the city's pooled investment portfolio to the City Council each month.

**Discussion & Fiscal Analysis**

The city's pooled investment portfolio as of the month ending July 31, 2023, is summarized below.

**Pooled investment portfolio (cash and securities)**

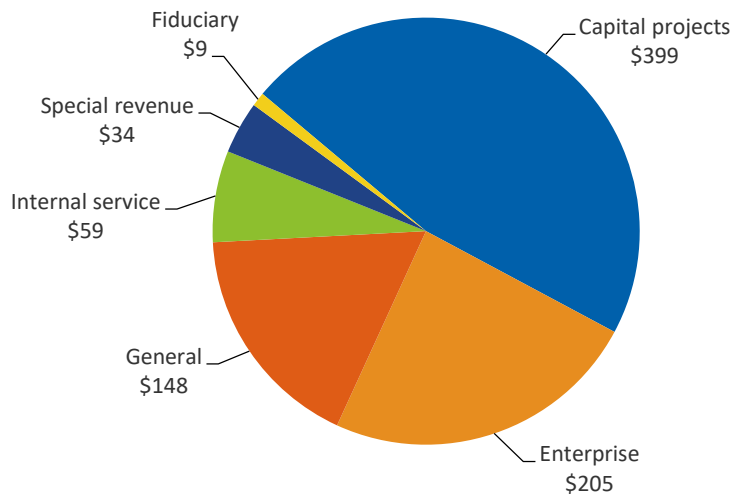
	Current month	Prior month
Par value <sup>1</sup>	\$858,905,852	\$874,350,106
Investment cost	\$864,719,920	\$880,334,154
Amortized cost <sup>2</sup>	\$858,945,684	\$874,704,150
Market value <sup>3</sup>	\$816,237,410	\$830,832,607

- (1) The face value of the investments.
- (2) The cost of investments adjusted for amortized premiums and discounts.
- (3) The amount at which the investments could be sold. Source of market value is Wells Fargo Bank's custodial report.

The equity portion of the various funds in the total portfolio is summarized in the graph below. Fund balances are restricted for various purposes (see Exhibit 7 for a more detailed breakdown).

### Fund equity in pooled investments

July 31, 2023  
(\$ in millions)



### Pooled investment interest income

	Fiscal year to date	Current month	Prior month
Cash income	\$1,589,456	\$1,589,456	\$1,759,471

The cash income received is adjusted for any received interest previously purchased.

### Pooled investment performance

	Average life (years)	Yield <sup>4</sup>	Modified duration
May 2023	1.76	2.21%	1.57
June 2023	1.73	2.22%	1.55
July 2023	1.74	2.23%	1.56

(4) Yield is computed by totaling the weighted average of each investment's return less any costs.

All pooled investments have been made in accordance with the city's Investment Policy, which was adopted Jan. 2, 1985, and last revised Feb. 7, 2023; however, events after the purchase might result in perceived non-compliance with the current policy. These events are typically a change in the credit rating after a purchase, a change in the city's Investment Policy, or a temporary reduction in total portfolio assets.

Exhibit 8 shows the investments out of compliance with the current policy that experienced a subsequent change in credit rating. Ratings on three investments have dropped to less than the rating required by the Investment Policy since their initial purchase. Corporate notes and municipal bonds require a "split rating" of AA from one rating company and an A rating from a second. Mortgage-backed securities require an AA rating from one rating company.

The city's Investment Policy allows the City Treasurer to determine the course of action that would correct exceptions to the policy. These investments are paying interest at the required

times and their principal is considered secure. It is the intent of the City Treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.

### **Next Steps**

The report on city investments will continue to be produced monthly by the City Treasurer.

### **Environmental Evaluation**

This action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change or a reasonably foreseeable indirect physical change in the environment.

### **Exhibits**

1. Investments by cost, market value, cash income, and average yield by class
2. Maturities by classification and length of time at market value
3. Yield comparison & market yield curve
4. Cumulative cash income
5. Maturities, calls, and purchases this quarter
6. Detailed investment report
7. Fund equity in pooled investments
8. Security ratings and outlooks
9. Portfolio allocation at amortized cost by issuer

**City of Carlsbad investment portfolio**

As of July 31, 2023

Investments by cost, market value, cash income, and average yield by class

Class	Investment cost			Market value			Average yield		
	Current month	Prior month	YTD income	Current month	Prior month	YTD income	Current month	Prior month	Prior month
Federal Agency	\$ 333,892,082	\$ 332,021,012	\$ 311,540,257	\$ 309,326,161	\$ 178,053	1.38%	1.35%	1.35%	1.35%
Supranational	21,303,332	20,063,332	19,654,444	18,379,217	5,800	1.44%	1.24%	1.24%	1.24%
US Treasury	74,206,495	78,157,188	71,483,153	75,318,700	66,590	1.80%	1.76%	1.76%	1.76%
Corporate Notes	157,557,944	162,235,899	144,741,834	149,168,105	421,300	1.88%	1.92%	1.92%	1.92%
Cert. of Deposit	21,262,877	21,268,877	19,825,022	19,735,113	18,857	1.82%	1.79%	1.79%	1.79%
Mortgage-backed	38,150,940	35,569,206	35,962,555	33,350,238	71,460	2.62%	2.50%	2.50%	2.50%
Municipal	70,242,657	70,242,657	64,926,551	64,779,091	159,824	1.83%	1.76%	1.76%	1.76%
Bank account	2,488,161	2,254,087	2,488,161	2,254,087	-	0.10%	0.10%	0.10%	0.10%
Sweep	4,137,369	6,628,166	4,137,369	6,628,166	25,695	5.16%	4.96%	4.96%	4.96%
Custody	5,060,771	9,108,823	5,060,771	9,108,823	9,491	0.10%	0.10%	0.10%	0.10%
CAMP	134,624,477	141,006,057	134,624,477	141,006,057	618,419	5.31%	5.24%	5.24%	5.24%
LAIF	1,792,816	1,778,849	1,792,816	1,778,849	13,966	3.39%	3.26%	3.26%	3.26%
<b>Total</b>	<b>\$864,719,920</b>	<b>\$ 880,334,154</b>	<b>\$816,237,410</b>	<b>\$830,832,607</b>	<b>\$1,589,456</b>	<b>2.23%</b>	<b>2.22%</b>	<b>2.22%</b>	<b>2.22%</b>

- Bank account - General cash account
- Sweep - Overnight cash account
- Custody - Investment cash account
- CAMP - California Asset Management Program
- LAIF - Local Area Investment Fund

**City of Carlsbad investment portfolio**

As of July 31, 2023

Maturities by classification and length of time at market value

Class	Within 6 months	7 to 12 months	1 to 5 years	Total	% Total
Federal Investments	\$37,784,188	\$21,066,780	\$252,689,289	\$311,540,257	38.17%
Supranational	4,978,350	-	14,676,094	19,654,444	2.41%
US Treasury	9,902,015	22,600,040	38,981,098	71,483,153	8.76%
Corporate Notes	15,892,820	33,337,805	95,511,209	144,741,834	17.73% (2)
Certificate of Deposit	1,709,497	965,033	17,150,492	19,825,022	2.43%
MBS (agency)	1,920,000	2,040,000	32,002,555	35,962,555	4.41% (3)
Municipal Bonds	500,000	-	64,426,551	64,926,551	7.95% (5)
Bank account	2,488,161	-	-	2,488,161	0.30%
Sweep	4,137,369	-	-	4,137,369	0.51%
IRT	5,060,771	-	-	5,060,771	0.62%
CAMP	134,624,477	-	-	134,624,477	16.49%
LAIF	1,792,816	-	-	1,792,816	0.22%
<b>Totals</b>	<b>\$220,790,463</b>	<b>\$80,009,659</b>	<b>\$515,437,288</b>	<b>\$816,237,410</b>	<b>100.0%</b>
<b>% Totals</b>	<b>27.1%</b>	<b>9.8%</b>	<b>63.2%</b>	<b>100.0%</b>	

**Total within one year** \$300,800,121 (1)  
**Percentage of the budget within one year** 80.9%

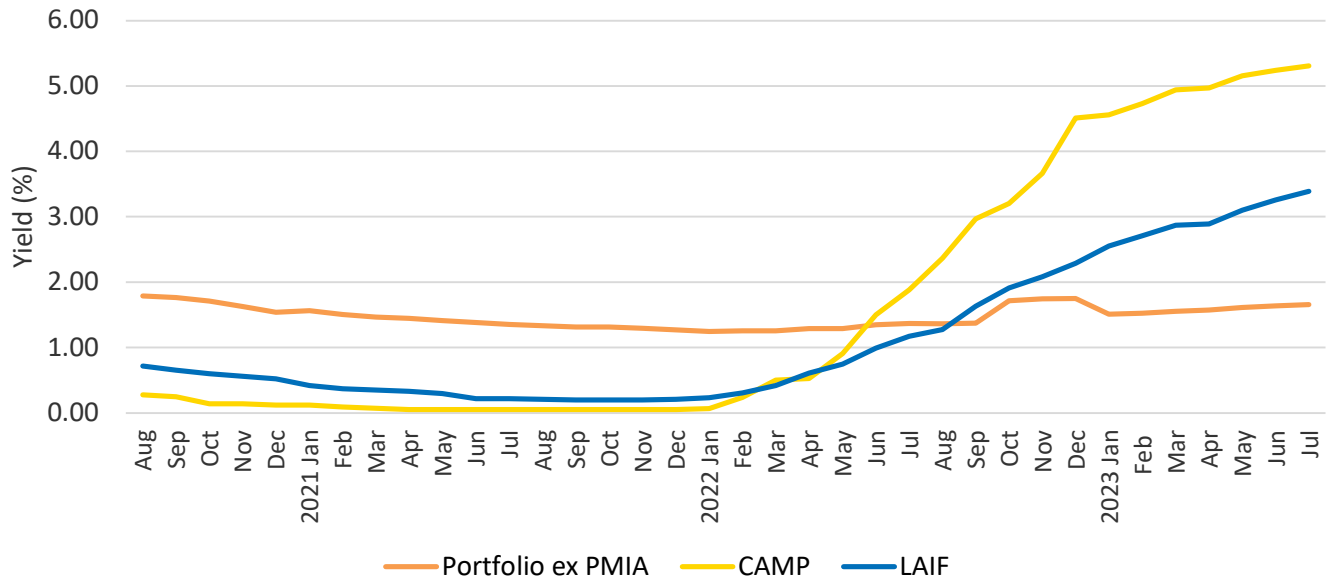
Policy

- (1) Not less than \$247,900,000 to mature within one year, two-thirds of FY 23-24 operating budget of \$371,850,000.
- (2) Policy states that not more than 30% of portfolio is to be invested in corporate notes at time of purchase.
- (3) Policy states that not more than 20% of portfolio is to be invested in mortgage backed securities at time of purchase.
- (4) Total non-agency mortgage backed securities shall be limited to 5% of the city's portfolio.
- (5) Policy states that not more than 15% of portfolio is to be invested in municipal bonds at time of purchase.

### City of Carlsbad investment portfolio

#### Yield comparison

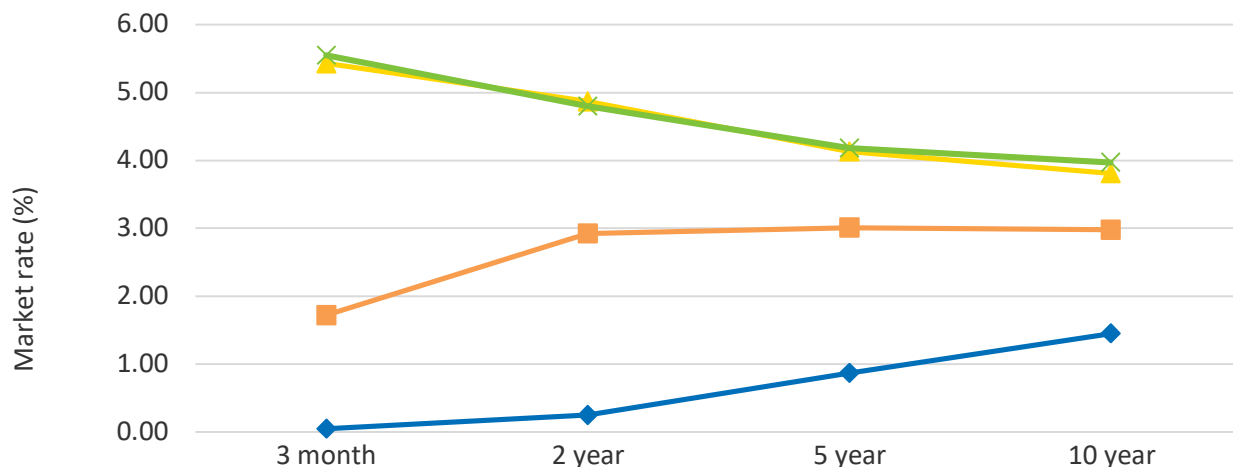
Portfolio yield ex pool money investment accounts (PMIA) vs CAMP yield vs LAIF yield



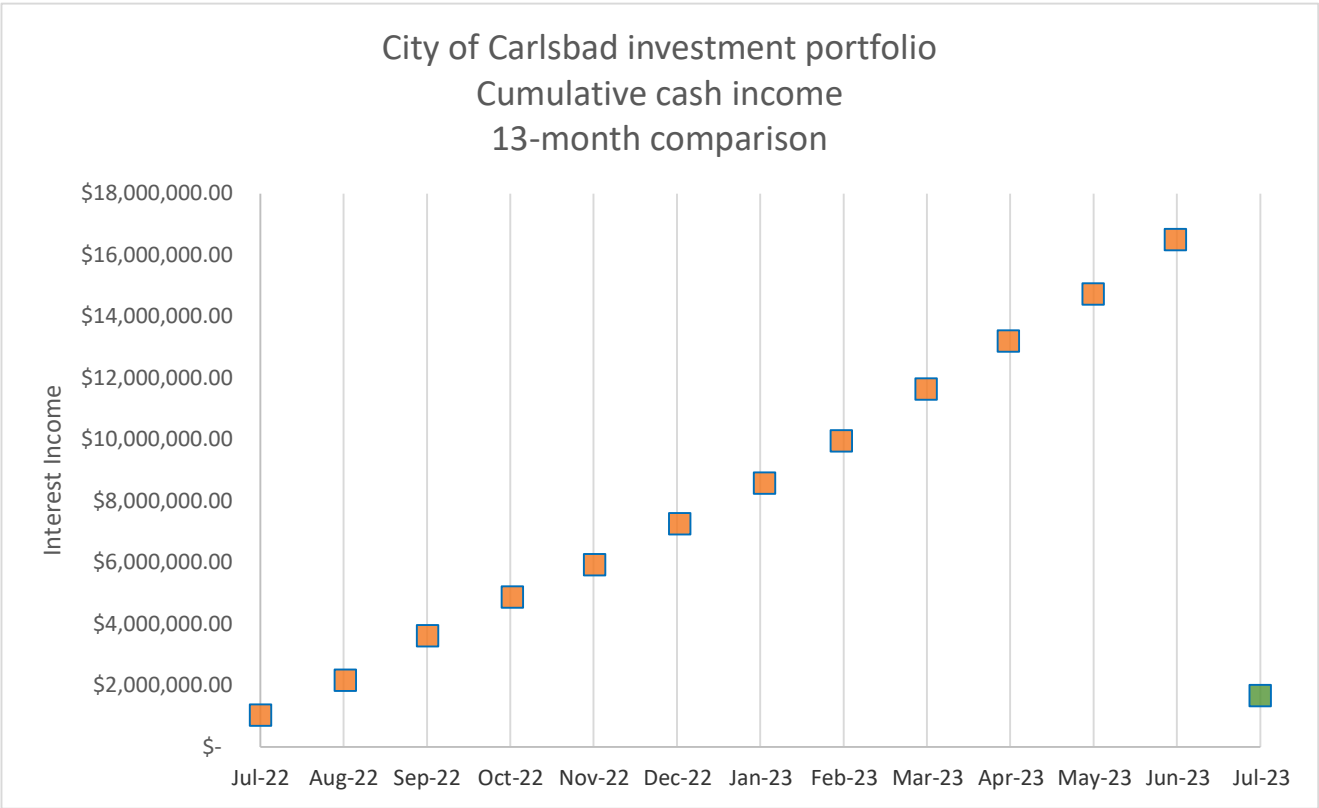
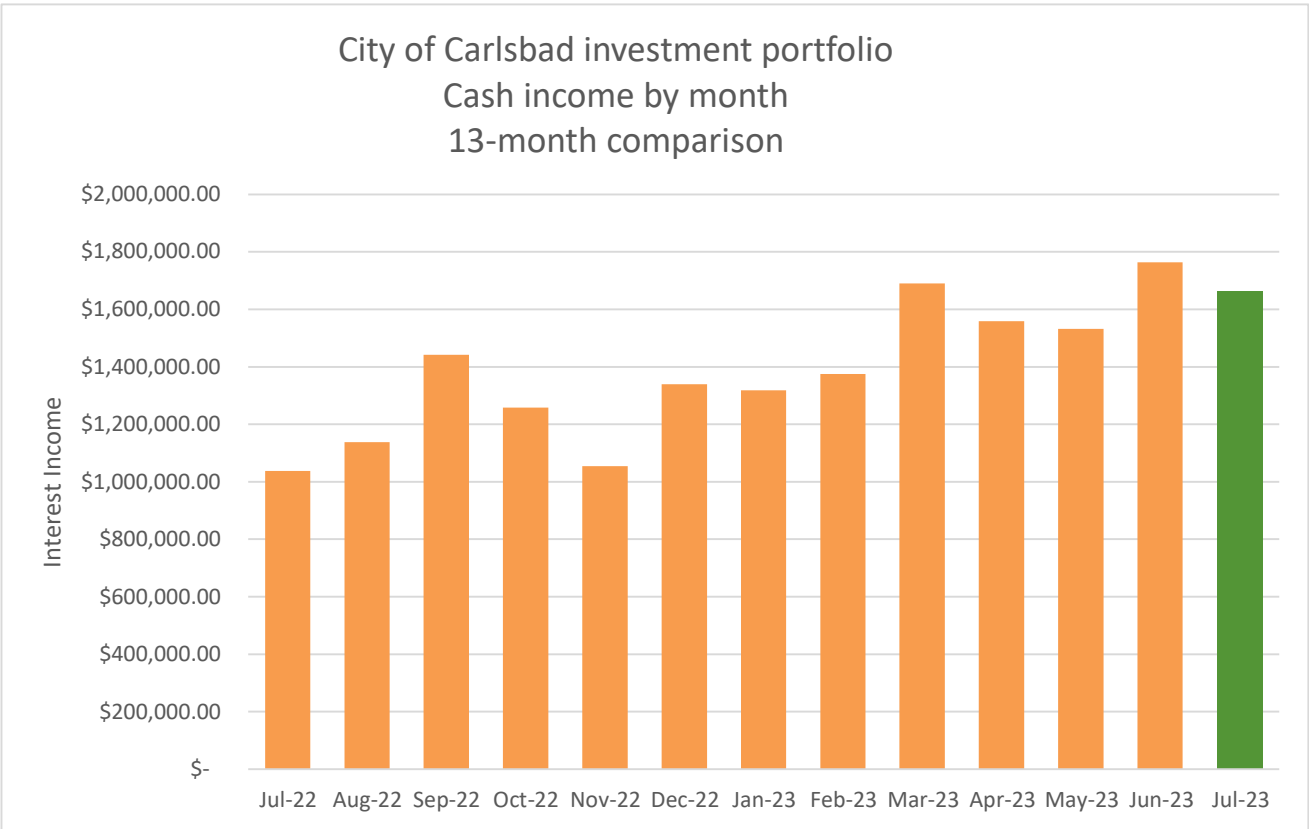
### City of Carlsbad investment portfolio

#### Market yield curve

Fiscal year end compared to current



	3 month	2 year	5 year	10 year
◆ FY 2020-21 end	0.05	0.25	0.87	1.45
■ FY 2021-22 end	1.72	2.92	3.01	2.98
▲ FY 2022-23 end	5.43	4.87	4.13	3.81
✕ July 31, 2023	5.55	4.80	4.18	3.97



**City of Carlsbad investment portfolio**  
Maturities, calls, and purchases this quarter  
As of July 31, 2023

**Maturities**

CUSIP	Issuer	Settled	Maturity	Par value	Book value	Interest	Total
31398E6W9	FHLMC FHR 3544	08/27/20	07/17/23	13,181.83	13,812.09	352.36	14,164.45
3137F32A1	FHLMC FHMS	04/15/20	07/25/23	88,537.44	94,901.07	4,153.61	99,054.68
30315EAA4	FRESB	07/24/20	07/25/23	1,416.70	1,423.63	619.02	2,042.65
30318NAA1	FRESB	02/19/21	07/25/23	2,295.86	2,306.64	676.09	2,982.73
3137FBTA4	FHLMC FHMS	03/10/21	07/25/23	4,410.39	4,757.19	7,400.12	12,157.31
30321CAQ5	FRESB	07/23/21	07/25/23	3,035.16	3,049.41	1,310.06	4,359.47
3137BP4J5	FHLMC	08/20/21	07/25/23	43,669.46	45,736.94	3,040.05	48,776.99
30324QAC2	FRESB	01/21/22	07/25/23	7,413.48	7,447.77	5,815.13	13,262.90
30311SAA7	FRESB	04/22/22	07/25/23	5,150.99	4,946.85	5,042.99	9,989.84
3137BM7B6	FHLMC FHMS	06/30/22	07/25/23	94,671.18	93,931.56	6,790.67	100,722.23
3137BL6J2	FHLMC FHMC	07/22/22	07/25/23	73,907.00	73,167.93	2,609.89	75,777.82
30329MAA0	FRESB	10/28/22	07/25/23	2,219.56	1,988.47	2,765.42	4,753.89
30329QAA1	FAMCA	11/18/22	07/25/23	3,486.93	3,183.00	8,620.66	11,803.66
3138L7D60	FNMA	12/19/22	07/25/23	2,469.21	2,390.50	2,853.31	5,243.81
90331HNV1	USBANK	07/25/18	07/24/23	1,250,000.00	1,251,625.00	21,250.00	1,272,875.00
90331HNV1	USBANK	12/11/18	07/24/23	2,500,000.00	2,489,250.00	42,500.00	2,531,750.00
90331HNV1	USBANK	01/24/19	07/24/23	1,000,000.00	1,010,000.00	17,000.00	1,027,000.00
90331HNV1	USBANK	02/28/19	07/24/23	1,800,000.00	1,835,100.00	30,600.00	1,865,700.00
06426KAN8	BK NEN	07/31/18	07/31/23	249,000.00	249,000.00	665.14	249,665.14
58404DCM1	MEDALL	07/31/18	07/31/23	249,000.00	249,000.00	665.14	249,665.14
91282CCN9	USTR	01/20/22	07/31/23	2,000,000.00	1,977,812.50	1,250.00	1,979,062.50
91282CCN9	USTR	04/12/22	07/31/23	3,000,000.00	2,925,937.50	1,875.00	2,927,812.50
				12,393,865.19	12,340,768.05	167,854.66	12,508,622.71

**Calls**

CUSIP	Issuer	Settled	Maturity	Redeemed	Par value	Book value	Total
No calls this quarter							
					-	-	-

**Purchases**

CUSIP	Issuer	Settled	Maturity	First Coupon	Yield	Par value	Dollar price	Book value
3130AVZQ8	Federal Home Loan Bank (FHLB)	07/07/23	05/17/28	11/17/23	5.150194%	1,880,000.00	99.53	1,871,070.00
910286GS6	United Fidelity Bank	07/14/23	07/14/27	08/14/23	4.600000%	249,000.00	100.00	249,000.00
9128284N7	US Treasury	07/17/23	05/15/28	11/15/23	3.952000%	1,000,000.00	95.31	953,056.42
501798UJ9	LCA Bank Corporation	07/18/23	07/18/28	01/18/24	4.500000%	243,000.00	100.00	243,000.00
30332EAA3	FRESB	07/20/23	05/25/28	08/25/23	4.633100%	3,000,000.00	97.83	2,934,777.00
64952WEQ2	New York Life Global	07/20/23	04/07/27	10/07/23	4.610201%	2,000,000.00	95.40	1,908,020.00
45906M4E8	IBRD	07/31/23	06/26/28	12/26/23	4.683580%	1,250,000.00	99.20	1,240,000.00
						9,622,000.00	98.18	9,398,923.42











501798UJ9	07/18/23	07/18/28	LCA Bank Corporation	243,000.00	243,000.00	4.500%	0.0005143	54,734.92	297,734.92
			Certificate of deposit	<b>21,270,000.00</b>	<b>21,262,876.92</b>	<b>1.825%</b>	\$	<b>1,879,416.37</b>	<b>\$ 23,151,010.72</b>

**Mortgage backed securities (agency)**

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Weighted average	Interest expected	Return
3137FBT44	03/10/21	08/25/24	FHLM - FHMS K728	2,893,810.02	3,126,925.43	3.064%	0.0025113	153,244.21	\$ 3,047,054.23
3137F32A1	04/15/20	11/25/24	FHMS KHG1 A1	1,403,331.87	1,500,559.19	0.999%	0.0003929	217,130.28	1,620,462.15
3137BL612	07/22/22	12/25/24	FHLMC FHMS K048 A1	1,090,788.50	1,079,880.62	3.425%	0.0009695	64,096.69	1,154,885.19
3137BM7B6	06/30/22	04/25/25	FHMS K051 A1	2,727,910.55	2,706,598.75	3.299%	0.0023405	163,239.98	2,891,150.53
30315EAA4	07/24/20	05/25/25	FRESB MFM	893,544.24	897,914.59	0.830%	0.0001953	19,418.08	912,962.32
3137BJQ71	03/15/21	05/25/25	FHLMC - FHMS KPLB A	2,000,000.00	2,157,500.00	2.770%	0.0015665	110,231.60	2,110,231.60
31398E6W9	08/27/20	06/15/25	FHLMC FHR 3544 BC	92,527.22	159,637.87	0.532%	0.0000223	83,540.73	176,067.95
30318NA11	02/19/21	01/25/26	FRESB 2021-SB83	1,285,501.29	1,290,858.90	0.505%	0.0001709	22,551.11	1,308,052.40
3137BPW21	03/25/21	03/25/26	FHLM - KHMS K055	2,500,000.00	2,700,000.00	2.673%	0.0018917	154,976.68	2,654,976.68
3137BP415	08/20/21	03/25/26	FHLMC - FHMS K1R1	1,447,767.70	1,289,836.15	0.414%	0.0001400	239,848.91	1,687,616.61
30321CAQ5	07/23/21	04/25/26	FRESB	1,786,257.00	1,794,647.03	0.746%	0.0003509	40,587.56	1,826,844.56
30324QAC2	01/21/22	11/25/26	FRESB 2022-SB94	4,244,713.05	4,264,344.64	1.500%	0.0016766	171,584.69	4,416,297.74
30311SAA7	04/22/22	04/25/27	FRESB 2022-SB97 A5F	3,394,620.52	3,260,084.93	2.803%	0.0023952	145,119.91	3,539,740.43
30329MAA0	10/28/22	06/25/27	FRESB 2022-SB103 A5F	1,593,217.77	1,427,343.08	4.989%	0.0018665	186,362.10	1,779,579.87
30329QAA1	11/18/22	09/25/27	FRESB	3,975,281.69	3,628,788.20	2.600%	0.0024730	248,449.63	4,223,731.32
3132XGRH1	01/27/23	11/01/27	FRESB - FR WN2287	3,000,000.00	2,972,812.50	3.929%	0.0030613	259,613.30	3,259,613.30
3138L7D60	12/16/22	12/16/27	FN AM6424	989,987.04	958,431.21	4.212%	0.0010582	77,476.88	1,067,463.92
30332EAA3	07/20/23	05/25/28	FRESB	3,000,000.00	2,934,777.00	4.090%	0.0031462	298,198.55	3,298,198.55
			Mortgage backed securities (agency)	<b>38,319,258.46</b>	<b>38,150,940.09</b>	<b>2.623%</b>	\$	<b>2,655,670.89</b>	<b>\$ 40,974,929.35</b>

**Municipal Bonds**

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Weighted average	Interest expected	Return
797508HV3	06/09/21	08/01/23	San Diego Union HS	500,000.00	500,000.00	0.275%	0.0000196	2,948.61	502,948.61
005158XL9	06/17/21	03/15/24	Ada&Canyon Cty SD	1,500,000.00	1,710,405.00	0.520%	0.0001266	237,083.33	1,737,083.33
127145LE8	05/27/21	06/15/24	Cache County SD	3,250,000.00	3,505,872.50	0.400%	0.0001996	297,375.00	3,547,375.00
419792ZK5	02/26/21	10/01/24	State of Hawaii	3,000,000.00	3,039,420.00	0.433%	0.0001874	86,549.17	3,086,549.17
419792ZK5	03/17/22	10/01/24	State of Hawaii	2,000,000.00	1,933,240.00	2.160%	0.0005945	40,723.78	2,040,723.78
79771FAX5	03/01/21	11/01/24	City of San Francisco Util	1,000,000.00	1,004,450.00	0.600%	0.0000858	26,523.31	1,026,523.31
575181GX	06/02/21	12/01/24	Mason & Kitsap Counties SD	640,000.00	640,000.00	0.538%	0.0000490	12,041.64	652,041.64
023051YW9	07/19/21	02/01/25	Amarillo Independent SD	1,800,000.00	1,762,290.00	0.600%	0.0001505	-	1,800,000.00
3130ALRK2	03/22/21	02/15/25	Texas St Tech Univ	2,500,000.00	2,524,850.00	0.679%	0.0002441	91,389.86	2,591,389.86
91412HGE7	06/29/21	05/15/25	University of California	1,960,000.00	1,966,154.40	0.799%	0.0002236	67,111.92	2,027,111.92
91412HGE7	03/01/21	05/15/25	University of California	1,500,000.00	1,517,250.00	0.600%	0.0001296	55,724.13	1,555,724.13
625506QN3	02/02/21	06/15/25	County of Multnomah OR	2,000,000.00	2,006,040.00	0.430%	0.0001228	37,553.89	2,037,553.89
91412GU94	01/28/21	07/01/25	University of California UNVHGR	1,805,000.00	1,995,210.90	0.509%	0.0001446	244,645.68	2,049,645.68
13063DMA3	06/30/22	09/15/25	State of Connecticut	2,850,000.00	2,850,000.00	3.201%	0.0012986	342,250.56	3,192,250.56
13063DMA3	05/18/21	04/01/26	State of California	1,250,000.00	1,353,350.00	0.910%	0.0001753	161,300.35	1,411,300.35
569280EX4	04/01/21	04/01/26	State of California	4,140,000.00	4,478,652.00	0.970%	0.0006185	548,550.00	4,688,550.00
736688MF6	12/07/21	06/15/26	Marion County School	1,880,000.00	1,885,245.20	1.374%	0.0003688	122,255.56	2,007,255.56
842475P87	09/01/21	06/15/26	Portland Community College	1,100,000.00	1,102,992.00	0.841%	0.0001321	47,357.32	1,147,357.32
544646A77	02/11/22	07/01/26	Strhn CA ST Pub Pwr Auth	2,485,000.00	2,415,643.65	1.930%	0.0006637	15,705.20	2,500,705.20
20772KEW5	01/06/22	08/01/26	San Jose Redeve	3,000,000.00	3,220,260.00	1.507%	0.0006909	476,400.00	3,476,400.00
798170A15	08/12/21	08/01/26	San Diego Community College	3,000,000.00	3,209,550.00	0.860%	0.0003930	342,742.58	3,342,742.58
797272QR5	08/23/21	08/01/26	Santa Barbara CA USD	500,000.00	511,970.00	0.842%	0.0000614	33,041.17	533,041.17
801315KR2	08/23/21	08/01/26	San Jose Evergreen CC	750,000.00	799,522.50	0.842%	0.0000958	81,862.08	831,862.08
6041295T9	08/10/22	08/01/26	Minnesota State	1,215,000.00	1,215,000.00	3.250%	0.0005622	174,512.81	1,389,512.81
798189PY6	03/02/22	10/01/26	State of Hawaii	2,000,000.00	1,938,920.00	1.810%	0.0004996	101,809.78	2,101,809.78
419792ZN9	02/08/22	10/01/26	CAS	2,400,000.00	2,468,808.00	1.730%	0.0006080	264,891.67	2,664,891.67
13063DRD2	04/18/22	12/01/26	CASWTR	2,705,000.00	2,475,237.30	3.035%	0.0010695	170,415.98	2,875,415.98
13067WSW3	03/29/22	12/01/26	CASWTR	1,425,000.00	1,322,001.00	2.708%	0.0005097	90,565.95	1,515,565.95
13067WSW3	12/20/21	12/01/26	CASWTR	1,275,000.00	1,257,405.00	1.051%	0.0001881	84,523.29	1,359,523.29
13067WSW3	06/13/22	05/01/27	LA Unified	3,500,000.00	3,883,600.00	3.820%	0.0021120	977,643.33	4,477,643.33
419794F72	06/06/23	07/01/27	Hawaii State	1,125,000.00	1,004,962.50	4.720%	0.0006753	82,624.50	1,207,624.50
544495VX9	08/27/23	07/01/27	Los Angeles Dept of Water & Power	1,500,000.00	1,580,685.00	4.100%	0.0009226	345,669.33	1,845,669.33
438701Y40	06/28/23	07/01/27	Honolulu Wastewater System Revenue	1,500,000.00	1,392,885.00	4.460%	0.0008844	168,412.50	1,668,412.50
357155BA7	05/09/23	08/01/27	Fremont CA Unified School District	2,000,000.00	1,795,450.00	3.750%	0.0009585	94,110.34	2,094,110.34
796720NT3	02/22/23	08/01/27	SBDHGR	1,500,000.00	1,328,325.00	1.480%	0.0009228	107,266.25	1,607,266.25
91412HGF4	05/15/23	08/15/27	University of California	1,000,000.00	908,270.00	3.810%	0.0004927	52,640.00	1,052,640.00
68607DVD4	06/16/23	11/15/27	Oregon State Dept of Transportation	2,000,000.00	1,738,740.00	4.370%	0.0010817	97,560.00	2,097,560.00
			Municipal Bonds	<b>69,555,000.00</b>	<b>70,242,656.95</b>	<b>1.826%</b>	\$	<b>6,183,780.87</b>	<b>\$ 75,738,780.87</b>

**Cash**

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Weighted average	Interest expected	Return
01WFBFCASH			Wells Fargo Bank - General	2,488,161.00	2,488,161.00	0.100%	0.0000168	204.51	2,488,365.51
01WFBFSWEEP			Wells Fargo Sweep account	4,137,368.75	4,137,368.75	5.162%	0.0014419	17,552.08	4,154,920.83
01WFBFCUSTODY			Wells Fargo Bank - Custody	5,060,771.01	5,060,771.01	0.100%	0.0000342	415.95	5,061,186.96
01CAMP1028			CAMP	134,624,476.56	134,624,476.56	5.310%	0.0482673	587,552.85	135,212,029.41
01CI0502			LAIF City	205,022.72	205,022.72	3.390%	0.0000469	579.19	205,601.91
01CM0502			LAIF CMWD	828,686.04	828,686.04	3.390%	0.0001897	2,341.04	831,027.08
01PF10391			LAIF CPFA	759,107.19	759,107.19	3.390%	0.0001738	2,144.48	761,251.67
			Cash	<b>148,103,593.27</b>	<b>148,103,593.27</b>	<b>5.017%</b>	\$	<b>610,790.10</b>	<b>\$ 148,714,383.37</b>

<b>GRAND TOTAL</b>	<b>858,905,851.73</b>	<b>864,719,919.65</b>	<b>2.2332%</b>	<b>\$ 54,039,462.27</b>	<b>\$ 912,969,515.86</b>
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**City of Carlsbad investment portfolio**  
Fund equity in pooled investments  
As of July 31, 2023

**Cash balance by fund:**

General		148,345,332
Special revenue		33,577,964
Capital projects:		
Infrastructure replacement	121,783,960	
Special districts	110,215,693	
General capital construction	50,592,399	
Public facilities fees	30,514,890	
Traffic impact fees	22,407,332	
Gas tax	18,937,310	
Park development	16,567,517	
Technology investment	15,237,591	
TransNet taxes	7,824,410	
Drainage fees	5,026,339	
Capital project subtotal		399,107,440
Enterprise:		
Carlsbad Municipal Water District	142,481,246	
Sewer fund	45,476,725	
Storm water	7,008,593	
Solid waste	4,230,421	
Golf course	5,632,786	
Enterprise subtotal		204,829,771
Internal service		58,902,584
Fiduciary		9,417,395
<b>Total general ledger balance **</b>		<b>854,180,486</b>
Reconciling adjustments (1)		4,765,198
<b>Total treasurer's investment portfolio at amortized cost</b>		<b>\$858,945,684</b>

\*\*Figures based on best estimate at the time report run on 08/21/2023.

(1) The reconciling adjustments consist of differences between the general ledger which is prepared on an accrual basis and the treasurer's report which is prepared on a cash basis. Accrued interest, amortized premium or discounts and outstanding checks and deposits in transit are not included in the treasurer's summary. Differences between the time journal entries are posted and the time this report is produced may also be a component of the adjustment.

## City of Carlsbad investment portfolio

Security ratings and outlooks

As of July 31, 2023

Corporate notes	Moody's	S&P	Fitch	Outlook
3M Company	A2	A -		Neg/Neg
Amazon.com Inc	A1	AA	AA-	Stable/Stable/Stable
Apple Inc	Aaa	AA+		Stable/Stable/
Bank of America	A1	A-	AA-	Stable/ /Stable
Bank of Montreal	A2	A+	AA-	Stable
Bank of New York Mellon Corp	A1	A	AA-	Neg/Stable/Stable
Blackrock Inc	Aa3	AA-		Stable/Stable/
Citibank	Aa3	A+	A+	Stable/Stable/Stable
CME Group Inc	Aa3	AA-	AA-	Stable/Stable/Stable
Colgate-Palmolive	Aa3	AA-		Stable/Negative
Flordia Power and Light Co	Aa2	A+	AA-	Stable/Stable/Stable
Johnson & Johnson	Aaa	AAA		Stable/Neg
JP Morgan Chase Bank	A1	A-	AA-	Stable/Stable/Stable
MassMutual Global Funding	Aa3	AA+	AA+	/Stable/
Merck & Co	A1	A+		Stable/Stable/
Met Life Global	Aa3	AA-	AA-	/Stable/
Microsoft	Aaa	AAA		Stable/Stable/
Nike Inc.	A1	AA-		Stable/Stable/
New York Life	Aaa	AA+	AAA	Stable
Novartis Capital Corp	A1	AA-	AA-	Positive/Stable
Procter & Gamble	Aa3	AA-		Stable/Stable/
Private Export Funding	Aaa		AA+	Stable
Public Service Electric	A1	A		Stable/Stable/
Royal Bank of Canada	A1	A	AA-	Stable/Stable/Stable
Seattle Children's Hospital	Aa2		AA	Stable
State Street Corporation	A1	A	AA-	Stable/Stable/Stable
Toyota	A1	A+	A+	Stable/Stable/Stable
Visa Inc.	Aa3	AA-		Stable/Stable/
Wal-Mart	Aa2	AA	AA	Stable/Stable/Stable

Ratings of corporate notes must be AA or better by one and A or better another of the three: Moody's, S&P, or Fitch.

Mortgage backed securities	Moody's	S&P	Fitch	Outlook
FHLMC	Aaa	AA+		Stable
FNMA	Aaa	AAA		Stable
FRESB	Aaa	AA+		Stable

Ratings of mortgage backed securities must be AA or better by one of the three: Moody's, S&P, or Fitch.

<b>Municipal Bonds</b>	Moody's	S&P	Fitch	Outlook
Ada/Canyon Cty SD	Aa1	AA+		Stable
Amarillo Independent SD	Aaa	AAA		Stable
Cache County SD	Aaa	AAA <sup>1</sup>	AAA <sup>1</sup>	Stable
City of San Francisco Util	Aa2	AA-		Stable
County of Multnomah	Aaa	AAA		Stable
Fremont CA Unified	Aa2	AA-		Stable
Honolulu Wastewater	Aa3		AA-	Stable
Los Angeles Water & Power	Aa3	AA-		Stable
LA County SD	Aa3	AA-		Stable
Marion County SD	Aa1	AA+	AA+	Stable
Mason/Kitsap Cty SD	Aaa	AA+	AA+	Stable
Minnesota State	Aaa	AAA	AAA	Stable
Oregon State Dept of Transp	Aa1	AAA	AA+	Stable
Portland CC	Aa1	AA+	AA+	Stable
San Bernardino CCD	Aa1	AA		Stable
San Diego CC	Aa1	AAA		Stable
San Dieguito Union HS	Aa1	AAA		Stable
San Jose Evergreen CC	Aa1	AA+		Stable
Santa Barbara CA USD	Aa1	AA		Stable
San Jose Redevelopment	Aa1	AA	AA	Stable
Southern CA Public Power		AA-	AA-	Stable
State of California	Aa2	AA-	AA	Stable/positive/stable
State of Hawaii	Aa2	AA+	AA	Stable
Texas Tech University	Aa1	AA+		Stable
University of California	Aa2	AA	AA	Stable

*Ratings of municipal bonds must be AA or better by one and A or better another of the three: Moody's, S&P, or Fitch.*

**Investments with subsequent changes in credit rating \***

<b>Corporate notes</b>	Moody's	S&P	Fitch	Maturity date	Purchased	Book value
Merck	A1	A+		04/24/26	04/12/21	\$ 1,492,493
Public Service Electric	A1	A		09/01/23	05/14/20	\$ 2,505,069
Toyota	A1	A+	A+	01/08/24	07/01/19	\$ 1,001,611
						<u><b>\$ 4,999,173</b></u>

\* All investments were in compliance with the city's investment policy unless otherwise denoted.

The city's Investment Policy allows the city treasurer to determine the course of action that would correct exceptions to the policy. All current exceptions are paying interest at the required times. The principal of all investments are considered secure. It is the intent of the city treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.



**City of Carlsbad investment portfolio**  
 Portfolio allocation at amortized cost by issuer  
 As of July 31, 2023

<b>Corporate notes</b>		<b>Amortized cost</b>	<b>Portfolio allocation*</b>
3M Company	\$	1,511,011	0.18%
Amazon.com Inc.		4,541,408	0.53%
Apple Inc.		1,539,308	0.18%
Bank of America		16,478,379	1.92%
Bank of Montreal		8,450,000	0.98%
Bank of New York Mellon		6,130,152	0.71%
Blackrock Inc.		7,091,557	0.83%
Citibank		7,054,609	0.82%
CME Group		2,865,953	0.33%
Colgate-Palmolive		1,955,907	0.23%
Florida Power & Light		3,774,019	0.44%
Johnson & Johnson		13,045,014	1.52%
JP Morgan Chase Bank		23,153,471	2.70%
Massmutual Global		3,770,503	0.44%
Merck		1,492,493	0.17%
Metlife		4,192,856	0.49%
Microsoft		4,176,775	0.49%
New York Life Global		3,339,512	0.39%
Nike Inc.		2,954,385	0.34%
Novartis Capital Corp		3,332,100	0.39%
Procter & Gamble		6,906,007	0.80%
Private Export Funding Corp.		2,512,467	0.29%
Public Service Electric		2,505,069	0.29%
Royal Bank of Canada		8,994,417	1.05%
Seattle Children's Hospital		860,247	0.10%
State Street Corporation		2,010,105	0.23%
Toyota		1,001,611	0.12%
Visa Inc.		1,311,373	0.15%
Wal-Mart		6,596,854	0.77%

<b>Mortgage backed securities (agency)</b>	Amortized cost	Portfolio allocation*
FAMCA	3,628,788	0.42%
FHLMC	14,882,796	1.73%
FNMA	19,801,891	2.31%

<b>Federal agencies</b>	Amortized cost	Portfolio allocation**
Federal Agricultural Mortgage Corp.	23,146,397	2.69%
Federal Farm Credit Bank	99,117,794	11.54%
Federal Home Loan Bank	123,409,930	14.37%
Federal Home Loan Mortgage Corp.	46,996,125	5.47%
Federal National Mortgage Assoc.	39,412,575	4.59%
Tennessee Valley Authority	1,028,721	0.12%

<b>Municipal Bonds</b>	Amortized cost	Portfolio allocation*
Ada/Canyon Cty SD	1,569,149	0.18%
Amarillo Independent SD	1,783,959	0.21%
Cache County SD	3,323,173	0.39%
City of San Francisco	1,001,520	0.12%
County of Multnomah	2,002,588	0.23%
Fremont CA SD	1,806,556	0.21%
Honolulu Wastewater	1,395,335	0.16%
LA Unified SD	3,725,392	0.43%
LA Dept of Water & Power	1,575,642	0.18%
Marion County SD	1,883,333	0.22%
Mason/Kitsap Cty SD	640,000	0.07%
Minnesota State	1,215,000	0.14%
Oregon State Dept of Transp	1,746,139	0.20%
Portland CC	1,101,795	0.13%
San Bernardino CC	1,345,270	0.16%
San Diego CC	3,126,503	0.36%
San Dieguito Union HS	500,000	0.06%
San Jose Evergreen CC	780,081	0.09%
San Jose Redevelopment	3,144,608	0.37%
Santa Barbara CA USD	507,271	0.06%
Southern CA Public Power	2,438,909	0.28%
State of California	13,227,966	1.54%
State of Connecticut	2,858,634	0.33%
State of Hawaii	7,949,350	0.93%
Texas Tech University	2,509,812	0.29%
University of California	6,270,672	0.73%

<b>Other</b>	Amortized cost	Portfolio allocation
Supranational	20,796,100	2.42%
US Treasury	74,379,041	8.66%
Certificate of deposits	21,265,715	2.48%
Cash	148,103,593	17.24%
<b>Total portfolio amortized cost</b>	<b>\$ <u>858,945,684</u></b>	

\* No more than 5% may be invested with a single issuer.

\*\*There are no percentage limits on federal agency issuers.