



**CITY OF HUNTINGTON BEACH**

**QUARTERLY INVESTMENT REPORT**

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**QUARTER ENDED: SEPTEMBER 30, 2022**

# INTEREST RATES – US TREASURY YIELD CURVE JANUARY 1, 2022 – SEPTEMBER 30, 2022:

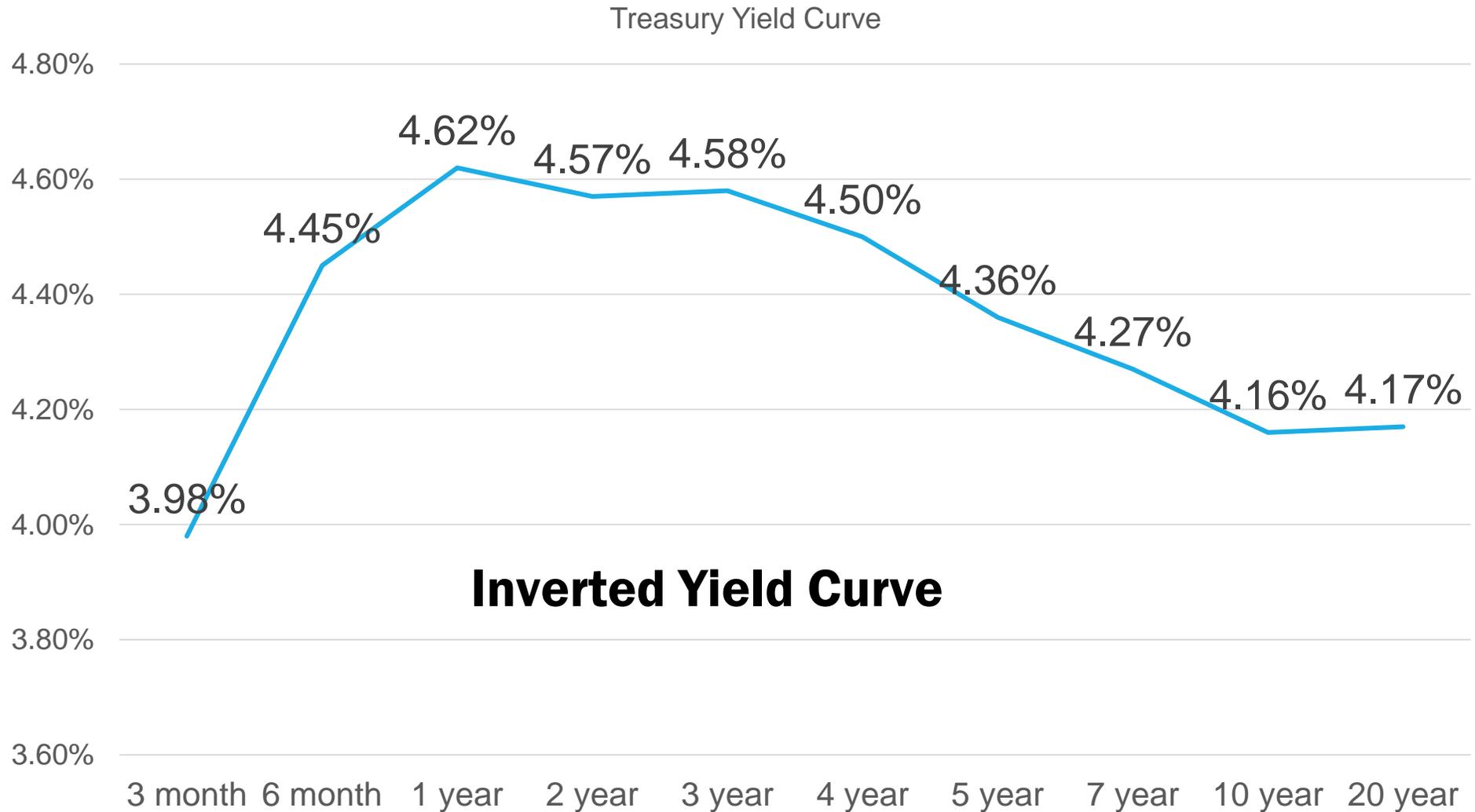
Daily Treasury Rates Jan-Sept 2022



2-year US Treasury  
4.22%  
at 9/30

5-year US Treasury  
4.06%  
at 9/30

# US TREASURY YIELD CURVE AS OF OCTOBER 20, 2022



## INVESTMENT PORTFOLIO – SUMMARY:

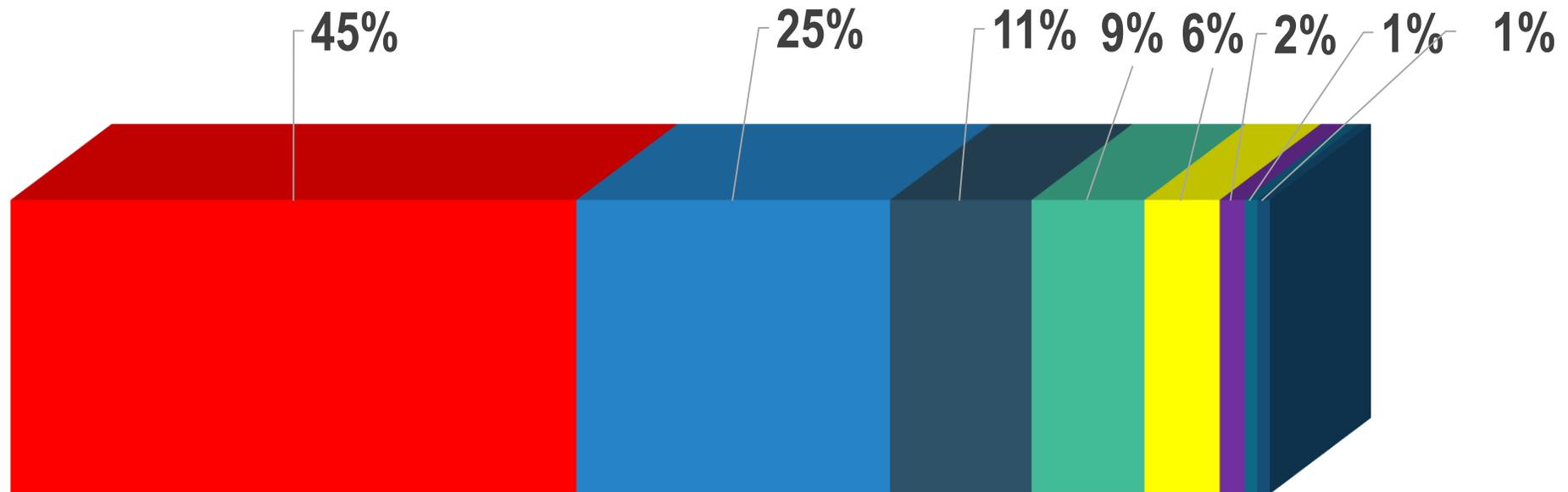
**AS OF: September 30, 2022**

### **Investment Type**

**\$ in 000's**

	<b>Market Value</b>	<b>Book Value</b>
<b>Federal Agency Issues</b>	<b>\$ 129,097</b>	<b>\$ 139,238</b>
<b>Local Agency Investment Fund (LAIF)</b>	<b>\$ 3,720</b>	<b>\$ 3,720</b>
<b>CA Asset Management Program (CAMP)</b>	<b>\$ 19,000</b>	<b>\$ 19,000</b>
<b>Treasury Securities</b>	<b>\$ 73,422</b>	<b>\$ 77,914</b>
<b>Medium Term Notes - Supranationals</b>	<b>\$ 26,961</b>	<b>\$ 29,081</b>
<b>Corporate Bonds</b>	<b>\$ 33,575</b>	<b>\$ 34,816</b>
<b>Commercial Paper</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
<b>OC Investment Pool</b>	<b>\$ 7</b>	<b>\$ 7</b>
<b>TOTAL</b>	<b>\$ 290,782</b>	<b>\$ 308,775</b>

## INVESTMENT PORTFOLIO – INVESTMENTS BY TYPE:



■ Federal Agencies

■ Treasuries

■ Corporate Bonds

■ MTN-Supras

■ CAMP

■ Commercial Paper

■ LAIF

■ OC Investment Pool

## INVESTMENT PORTFOLIO – ACTIVITY:

### QUARTERLY ACTIVITY: July 1 to September 30, 2022

Investment Type \$ in 000's	Purchases/ Deposits	Calls/Maturities/ Withdrawals
Federal Agency Issues	\$ 5,000	\$ 13,000
LAIF*	\$ 16,030	\$ 38,000
CAMP*	\$ 19,000	\$ -
Supranationals	\$ -	\$ ▲ 6,000
Corporate Bonds	\$ ▲ 11,000	\$ 3,000
OC Investment Pool *	\$ 17	\$ 10,617
<b>TOTAL</b>	<b>\$ 51,047</b>	<b>\$ 70,617</b>

\* Includes Interest Income

▲ One rebalance made in August. Sold IADB bond, purchased IBM bond. \$48K versus \$119.3K interest, cash positive January 2023.

## INVESTMENT PORTFOLIO – EARNINGS:

### Current Year - Month

- ☐ September 2022: \$362,965
- ☐ Up 54% from prior year

### Current Fiscal Year-to-date

- ☐ Through 09/30/22: \$951,576
- ☐ Up 21% from prior year

### Effective Rate of Return

- ☐ September 2022: 1.46%
- ☐ Fiscal Year-to-date: 1.22%

### Benchmark

- ☐ September 2022: 1.85%
- ☐ 12-month moving average 1.5-year Treasury

## SELECTED INVESTMENT POLICY COMPLIANCE REQUIREMENTS:

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO/ MAXIMUM PER ISSUER	MINIMUM QUALITY REQUIREMENTS	IN COMPLIANCE?
Commercial Paper	270 days	25%/10%	A1, "A" Rating	YES
State Obligations-- CA And Others	5 years	None/10%	"A" Rating	YES
U.S. Treasury Obligations	5 years	None	None	YES
U.S. Government Agency Obligations	5 years	None	None	YES
IBRD, IFC, IADB	5 years	10%	"AA" Rating	YES
Corporate Notes	5 years	30%/10%	"A" Rating	YES
Local Agency Investment Fund (LAIF)	N/A	Up to \$75,000,000	None	YES
Orange County Investment Pool (OCIP)	N/A	Up to \$75,000,000	None	YES
CA Asset Mgt Program (CAMP)	N/A	Up to \$20,000,000	None	YES
Maximum Maturities	No more than 50% of portfolio maturing over 4 years.			YES

(Requirements are at purchase)

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## SUMMARY:

- **Safety – No principal losses**
- **Liquidity – Sufficient funds for operations**
- **Market rate of return – 1.46% September, 1.22% Fiscal Year-to-date (upward trend)**
- **Prudently managed – No compliance issues**
- **Positive contributor to City – Earnings of \$951,576 fiscal-year-to-date 2022-23 to be utilized for operating and other expenses**