

Santa Cruz County Treasurer's  
**Quarterly Investment Report**

**For the Quarter Ended  
September 30, 2023**



**Edith Driscoll**  
**Auditor – Controller – Treasurer - Tax Collector**

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# MEMBERS AND AUDIT PROCESS

<b>Treasury Oversight Commission - Commissioner List</b>			
<i>Representation:</i>	<i>Name:</i>	<i>Member Status:</i>	<i>Title:</i>
<b>Board of Supervisors</b>	Supervisor Manu Koenig	Voting	<i>Board of Supervisor - 1st District</i>
	Supervisor Felipe Hernandez	Voting	<i>Board of Supervisor - 4th District</i>
<b>Superintendent of Schools*</b>	Dr. Faris Sabbah	Voting	<i>County Superintendent of Schools</i>
	Ms. Liann Reyes	Alternate	<i>Deputy Superintendent - Business Services</i>
<b>Special Districts</b>	Mr. Chuck Farmer**	Voting	<i>Chief Financial Officer, Santa Cruz METRO</i>
	Vacant	Vacant	<i>Vacant</i>
<b>County School Districts</b>	Mr. Chris Shiermeyer	Voting	<i>Superintendent, San Lorenzo VUSD</i>
	Mr. Jim Monreal	Alternate	<i>Asst. Superintendent - Business Services</i>
<b>Public Members</b>	Dr. Gail Mahood	Voting	<i>Public Member</i>
	Mr. David Culver	Alternate	<i>Public Member</i>
<b>Advisory Staff</b>	Ms. Edith Driscoll	Advisory	<i>Auditor - Controller - Treasurer - Tax Collector</i>
	Mr. Brandon Marquez	Advisory	<i>County Investment Officer</i>
	Ms. Laura Bowers	Advisory	<i>Deputy Auditor - Controller</i>
	Mr. Carlos Palacios	Advisory	<i>County Administrative Officer</i>
	Mr. Marcus Pimentel	Advisory	<i>County Budget Manager</i>

\* Treasury Oversight Commission Chairperson

\*\* Treasury Oversight Commission Vice Chairperson

The Office of the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector (ACTTC) is included in the County's annual financial audit process. The County's Audit Committee selects an external audit firm to perform the annual audit which includes a review of the internal controls of the County and the ACTTC. Additionally, in compliance with Section 26920 of the Government Code of the State of California, four quarterly audits are performed by the county auditor to review the Treasurer's statement of assets in the county treasury. These audits include manual cash counts, verification of records, and a report to the Board of Supervisors in accordance with the appropriate professional standards, as determined by the ACTTC.



# COUNTY OF SANTA CRUZ

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EDITH DRISCOLL  
AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR  
701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 95060-4073  
(831) 454-2500 FAX (831) 454-2660

September 30, 2023

Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

Subject: **CERTIFICATION OF LIQUIDITY**

Dear Members of the Board:

This report shows the investment activity for the quarter ending September 30, 2023 of pooled funds on deposit with the Treasurer and that it is in compliance with California Government Code Sections 27000 et seq., 53600 et seq., and the County's 2023 Investment Policy.

Attached are summaries of the Portfolio Structure, Investment Details, Securities Activity by Brokers, and other information to provide a better understanding of the investment activity that has occurred through September 30, 2023.

Pursuant to Government Code § 53646(b)(3), I certify that because of the liquidity of the pool and the county's issuance of Teeter Notes and TRANS, the county has the ability to meet the pool's expenditure requirements for the next six months.

Respectfully submitted,

DocuSigned by:  
  
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EDITH DRISCOLL  
Auditor-Controller-Treasurer-Tax Collector

10/3/2023

**Santa Cruz County Treasurer's Portfolio**  
**As of September 30, 2023**

ISSUER	COST	BOOK VALUE	YIELD	PAR VALUE	MARKET VALUE (1)	% of PORTFOLIO(6)	% ALLOWED	PURCHASE DATE	MATURITY DATE	CREDIT RATING (2)
<b>U.S. Treasuries</b>										
U.S.Trust	19,759,276.94	19,988,398.89	5.43%	20,000,000.00	19,991,200.00	1.73%	100.00%	07/14/23	10/05/23	Aaa/AA+/AAA
U.S.Trust	19,474,295.56	19,703,746.67	5.52%	20,000,000.00	19,702,400.00	1.71%	100.00%	07/14/23	01/11/24	Aaa/AA+/AAA
U.S.Trust	21,896,936.73	21,988,602.06	0.30%	22,000,000.00	21,670,880.00	1.90%	100.00%	04/05/21	01/15/24	Aaa/AA+/AAA
US Treasury N/B	18,147,371.59	17,127,386.41	0.25%	17,000,000.00	16,834,590.00	1.48%	100.00%	03/03/21	01/31/24	Aaa/AA+/AAA
U.S.Trust	19,946,231.87	19,993,243.22	0.22%	20,000,000.00	19,612,600.00	1.73%	100.00%	02/17/21	02/15/24	Aaa/AA+/AAA
U.S.Trust	19,548,834.60	19,721,918.87	4.83%	20,000,000.00	19,641,400.00	1.71%	100.00%	04/27/22	05/15/24	Aaa/AA+/AAA
U.S.Trust	14,968,282.95	14,993,294.75	0.32%	15,000,000.00	14,521,350.00	1.30%	100.00%	05/20/21	05/15/24	Aaa/AA+/AAA
U.S.Trust	19,352,581.52	19,357,797.41	5.15%	20,000,000.00	19,365,931.52	1.68%	100.00%	09/26/23	08/15/25	Aaa/AA+/AAA
<b>Total US Treasuries</b>	<b>153,093,811.76</b>	<b>152,874,388.28</b>	<b>2.83%</b>	<b>154,000,000.00</b>	<b>151,340,351.52</b>	<b>13.23%</b>				
<b>U.S. Government Agencies</b>										
Fed.Home Loan Mtg.Corp	19,928,947.22	19,999,003.72	0.25%	20,000,000.00	19,999,003.72	1.73%	100.00%	10/21/20	10/16/23	Aaa/AA+/AAA
Fed.Home Loan Mtg.Corp	18,000,000.00	18,000,000.00	0.32%	18,000,000.00	17,922,960.00	1.56%	100.00%	11/02/20	11/02/23	Aaa/AA+/AAA
Fed.Home Loan Mtg.Corp	9,995,500.00	9,999,854.30	0.27%	10,000,000.00	9,951,400.00	0.87%	100.00%	11/05/20	11/06/23	Aaa/AA+/AAA
Federal Farm Credit Bank	14,992,500.00	14,999,250.00	0.69%	15,000,000.00	14,856,300.00	1.30%	100.00%	12/13/21	12/13/23	Aaa/AA+/AAA
Federal Farm Credit Bank	18,015,290.00	18,001,385.97	0.20%	18,000,000.00	17,716,320.00	1.56%	100.00%	02/03/21	01/19/24	Aaa/AA+/AAA
Federal Home Loan Bank	15,000,000.00	15,000,000.00	3.40%	15,000,000.00	14,901,000.00	1.30%	100.00%	07/29/22	01/26/24	Aaa/AA+/AAA
Federal Home Loan Bank	20,000,000.00	20,000,000.00	0.80%	20,000,000.00	19,392,200.00	1.73%	100.00%	11/30/21	05/24/24	Aaa/AA+/AAA
Federal Home Loan Bank	10,000,000.00	10,000,000.00	2.72%	10,000,000.00	9,813,800.00	0.87%	100.00%	04/28/22	05/28/24	Aaa/AA+/AAA
Federal Home Loan Bank	29,723,664.67	29,305,498.16	2.70%	29,270,000.00	28,709,186.80	2.54%	100.00%	05/13/22	06/14/24	Aaa/AA+/AAA
Federal Home Loan Bank	25,000,000.00	25,000,000.00	1.05%	25,000,000.00	24,096,500.00	2.16%	100.00%	01/25/22	07/25/24	Aaa/AA+/AAA
Fed.Home Loan Mtg.Corp	20,000,000.00	20,000,000.00	3.65%	20,000,000.00	19,687,400.00	1.73%	100.00%	07/29/22	07/26/24	Aaa/AA+/AAA
Federal Home Loan Mort. Cor	25,000,000.00	25,000,000.00	2.63%	25,000,000.00	24,400,750.00	2.16%	100.00%	04/29/22	07/29/24	Aaa/AA+/AAA
Federal Home Loan Mort. Cor	20,000,000.00	20,000,000.00	3.05%	20,000,000.00	19,552,000.00	1.73%	100.00%	05/26/22	08/26/24	Aaa/AA+/AAA
Federal Farm Credit Bank	20,043,100.00	20,013,192.16	0.32%	20,000,000.00	18,753,800.00	1.73%	100.00%	01/27/21	01/15/25	Aaa/AA+/AAA
Fed.Home Loan Mtg.Corp	20,000,000.00	20,000,000.00	4.05%	20,000,000.00	19,504,200.00	1.73%	100.00%	08/15/22	08/15/25	Aaa/AA+/AAA
Fed.Home Loan Mtg.Corp	14,965,593.75	14,980,025.72	0.44%	15,000,000.00	13,676,400.00	1.30%	100.00%	12/22/20	09/23/25	Aaa/AA+/AAA
Federal Home Loan Bank	15,000,000.00	15,000,000.00	1.15%	15,000,000.00	13,328,700.00	1.30%	100.00%	10/28/21	10/28/26	Aaa/AA+/AAA
<b>Total Government Agencies</b>	<b>315,664,595.64</b>	<b>315,298,210.03</b>	<b>1.71%</b>	<b>315,270,000.00</b>	<b>306,261,920.52</b>	<b>27.29%</b>				
<b>Supranationals</b>										
Int Bank of Recon & Developr	17,980,425.00	17,998,975.63	0.29%	18,000,000.00	17,859,240.00	1.56%	30.00%	12/03/20	11/24/23	Aaa/AAA/NA
Inter-American Devel Bank	15,101,100.00	14,142,267.05	0.37%	14,000,000.00	13,860,840.00	1.22%	30.00%	03/15/21	02/21/24	Aaa/AAA/AAA
Int Bank of Recon & Developr	15,021,614.58	15,000,000.00	0.63%	15,000,000.00	13,940,100.00	1.30%	30.00%	07/15/21	04/22/25	Aaa/AAA/NA
Int Bank of Recon & Developr	17,942,900.00	17,962,605.80	0.60%	18,000,000.00	16,381,080.00	1.55%	30.00%	02/18/21	10/28/25	Aaa/AAA/NA
<b>Total Supranationals</b>	<b>66,046,039.58</b>	<b>65,103,848.48</b>	<b>0.47%</b>	<b>65,000,000.00</b>	<b>62,041,260.00</b>	<b>5.64%</b>				
<b>Medium Term Notes</b>										
Bank of America	3,372,682.95	3,287,082.24	2.99%	3,276,000.00	3,259,390.68	0.28%	30.00%	04/22/22	01/22/24	A2/A-/AA-
Bank of America	10,000,000.00	10,000,000.00	3.10%	10,000,000.00	9,818,300.00	0.87%	30.00%	04/27/22	04/29/24	A2/A-/AA-
Bank of America	20,000,000.00	20,000,000.00	1.00%	20,000,000.00	19,362,800.00	1.73%	30.00%	12/03/21	06/03/24	A2/A-/AA-
Caterpillar Financial Services	3,076,495.00	3,013,478.40	2.62%	3,000,000.00	2,950,320.00	0.26%	30.00%	04/14/22	06/09/24	A2/A/A
Toyota Motor Corp	9,483,819.44	9,552,954.52	5.14%	10,000,000.00	9,497,519.44	0.83%	30.00%	07/20/23	01/13/25	A1/A+/A+
Microsoft	17,665,053.60	17,567,928.07	2.60%	17,544,000.00	16,939,433.76	1.52%	30.00%	04/06/22	02/12/25	Aaa/AAA/AAA
Bank of America	10,000,000.00	10,000,000.00	2.35%	10,000,000.00	9,411,900.00	0.87%	30.00%	03/10/22	03/10/25	A2/A-/AA-
Intel Corporation	9,945,250.00	9,791,949.25	4.91%	10,000,000.00	9,679,000.00	0.85%	30.00%	07/20/23	07/29/25	A2/A/A-
Toyota Motor Corp	9,170,222.22	9,247,972.53	4.84%	10,000,000.00	9,120,022.22	0.80%	30.00%	07/17/23	10/16/25	A1/A+/A+
Apple Inc	9,123,316.67	9,165,323.34	4.50%	10,000,000.00	9,015,900.00	0.79%	30.00%	07/17/23	02/08/26	Aaa/AA+/NA
Merck & Co Inc	4,970,725.00	4,982,414.34	0.90%	5,000,000.00	4,504,100.00	0.43%	30.00%	09/24/21	02/24/26	A1/A+/A+
JP Morgan	15,000,000.00	15,000,000.00	5.25%	15,000,000.00	14,747,400.00	1.30%	30.00%	06/12/26	06/12/26	A1/A-/A
Bank of America	15,000,000.00	15,000,000.00	6.00%	15,000,000.00	15,001,050.00	1.30%	30.00%	09/25/23	09/25/26	A2/A-/AA-
<b>Total Medium Term Notes</b>	<b>136,807,564.88</b>	<b>136,609,102.69</b>	<b>3.62%</b>	<b>138,820,000.00</b>	<b>133,307,136.10</b>	<b>11.82%</b>				

**Santa Cruz County Treasurer's Portfolio  
As of September 30, 2023**

ISSUER	COST	BOOK VALUE	YIELD	PAR VALUE	MARKET VALUE (1)	% of PORTFOLIO(6)	% ALLOWED	PURCHASE DATE	MATURITY DATE	CREDIT RATING (2)
<b>Negotiable CDs</b>										
Swedbank	25,000,000.00	35,000,000.00	5.51%	35,000,000.00	35,001,750.00	3.03%	30.00%	07/21/23	10/19/23	P1/A1+/F1
Rabobank NY	25,000,000.00	25,000,000.00	5.48%	25,000,000.00	24,985,850.00	2.16%	30.00%	03/14/23	11/13/23	P1/A1+/F1
Swedbank	25,000,000.00	25,000,000.00	5.33%	25,000,000.00	24,977,750.00	2.16%	30.00%	03/31/23	12/29/23	P1/A1+/F1
Standard Chartered Bank	25,000,000.00	25,000,000.00	5.90%	25,000,000.00	25,010,500.00	2.16%	30.00%	07/17/23	02/21/24	P1/A1+/F1
<b>Total Negotiable CDs</b>	<b>100,000,000.00</b>	<b>110,000,000.00</b>	<b>5.55%</b>	<b>110,000,000.00</b>	<b>109,975,850.00</b>	<b>9.52%</b>				
<b>Municipal Bonds</b>										
Santa Clara County (GO)	2,469,263.40	2,442,077.21	1.39%	2,430,000.00	2,360,502.00	0.21%	100.00%	03/03/22	08/01/24	NA/AAA/AA+
State of California	15,109,085.00	15,031,896.84	4.15%	15,200,000.00	14,759,048.00	1.30%	100.00%	01/20/23	04/01/25	Aa2/AA-/AA
University of Calif	9,430,824.50	8,914,987.65	0.92%	8,600,000.00	8,287,390.00	0.77%	100.00%	04/01/21	07/01/25	Aa2/AA/AA
Suc Agc City & County San Fi	4,299,555.00	4,275,043.11	1.23%	4,250,000.00	3,917,480.00	0.37%	100.00%	12/15/21	08/01/25	NA/AA/NA
Cabrillo Comm College GO	1,172,879.19	1,187,563.78	3.50%	1,215,000.00	1,147,008.60	0.10%	100.00%	08/25/22	08/01/25	Aa2/AA/NA
HAWAII ST	10,004,713.06	10,000,000.00	0.89%	10,000,000.00	8,883,200.00	0.87%	100.00%	08/20/21	08/01/26	Aa2/AA+/AA
Los Angeles Community Colle	5,000,507.78	4,990,106.72	1.25%	5,000,000.00	4,463,550.00	0.43%	100.00%	11/15/21	08/01/26	Aaa/AA+/NA
University of Calif	6,284,390.00	6,350,601.10	4.13%	7,000,000.00	6,165,151.22	0.55%	100.00%	05/22/23	05/15/27	Aa2/AA/AA
University of Calif	2,706,569.00	2,733,757.64	3.99%	3,000,000.00	2,641,769.00	0.24%	100.00%	05/18/23	05/15/27	Aa2/AA/AA
<b>Total Municipal Bonds</b>	<b>56,477,786.93</b>	<b>55,926,034.05</b>	<b>2.43%</b>	<b>56,695,000.00</b>	<b>52,625,098.82</b>	<b>4.84%</b>				
<b>Checking</b>										
<b>US Bank Checking</b>	8,622,960.31	8,622,960.31	0.01%	8,622,960.31	8,622,960.31	0.75%	100.00%	0	0	NA/NA/NA
<b>Total Checking</b>	<b>8,622,960.31</b>	<b>8,622,960.31</b>	<b>0.01%</b>	<b>8,622,960.31</b>	<b>8,622,960.31</b>	<b>0.75%</b>				
<b>Money Market Funds (3)</b>										
US Bank CDA	50,266,579.41	50,266,579.41	5.39%	50,266,579.41	50,266,579.41	4.35%	20.00%	10/23/18	01/00/00	NA/NA/NA
Bank of the West MMF	15,454,745.92	15,454,745.92	4.59%	15,454,745.92	15,454,745.92	1.34%	100.00%	12/07/22	01/00/00	NA/NA/NA
US Bank	0.00	0.00	5.28%	0.00	0.00	0.00%	100.00%	08/01/21	01/00/00	NA/NA/NA
<b>Total Money Market Funds</b>	<b>65,721,325.33</b>	<b>65,721,325.33</b>	<b>5.20%</b>	<b>65,721,325.33</b>	<b>65,721,325.33</b>	<b>5.69%</b>				
<b>Miscellaneous Investments</b>										
LAIF (General Fund)	10,348.20	10,348.20	3.33%	10,348.20	10,348.20	0.00%	10.00%	01/00/00	01/00/00	NA/NA/NA
CAMP	245,123,250.65	245,123,250.65	5.52%	245,123,250.65	245,123,250.65	21.22%	25.00%	01/11/19	01/00/00	NA/AAm/NA
<b>Total Misc. Investments</b>	<b>245,133,598.85</b>	<b>245,133,598.85</b>	<b>5.52%</b>	<b>245,133,598.85</b>	<b>245,133,598.85</b>	<b>21.22%</b>				
<b>GRAND TOTAL</b>	<b>\$1,147,567,683.28</b>	<b>\$1,155,289,468.02</b>	<b>3.41%</b>	<b>\$1,159,262,884.49</b>	<b>\$1,135,029,501.45</b>	<b>100%</b>				

(1) Market Value pricing obtained from US Bank safekeeper (custodial bank)

(2) Split ratings reflect ratings from Moodys, S&P, and Fitch

(3) Money Market Mutual Fund/LAIF balances do not include current month interest

(4) Per CA Code, CAMP is categorized as a JPA, but kept under MMF for cash flow purposes

(5) Checking account balances excluded in other reports to focus on investment performance

(6) Percentage calculated based off of Book Value

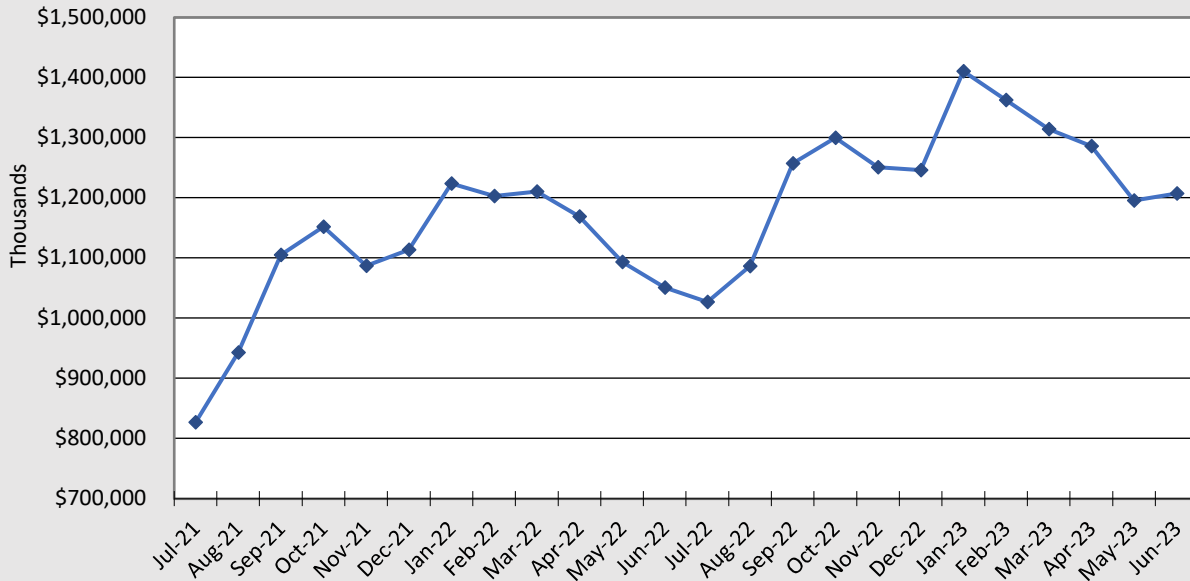
# County of Santa Cruz Investment Pool

## Portfolio Size and Composition

September 30, 2023

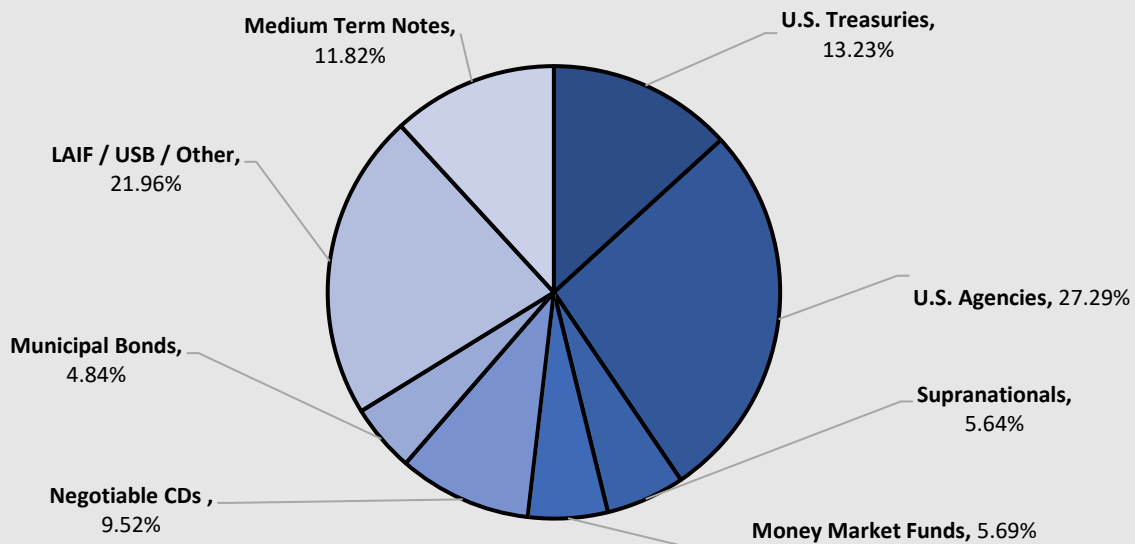
### Monthly Portfolio Balance Trend

Historic review of monthly balance trends from October 2021 to September 2023. Two years ago, portfolio balances were approximately \$827 million compared to our reported amount of \$1.2 billion.



### Portfolio Composition

Investment breakdown of the County Investment Pool as of September 2023. U.S Treasury and U.S Agency bonds are approximately 41% of the portfolio. Treasury bonds are one of the safest and most liquid investments in the United States, rated as prime/high investment grade securities.



# County of Santa Cruz Investment Pool

Portfolio Net Yield

September 30, 2023

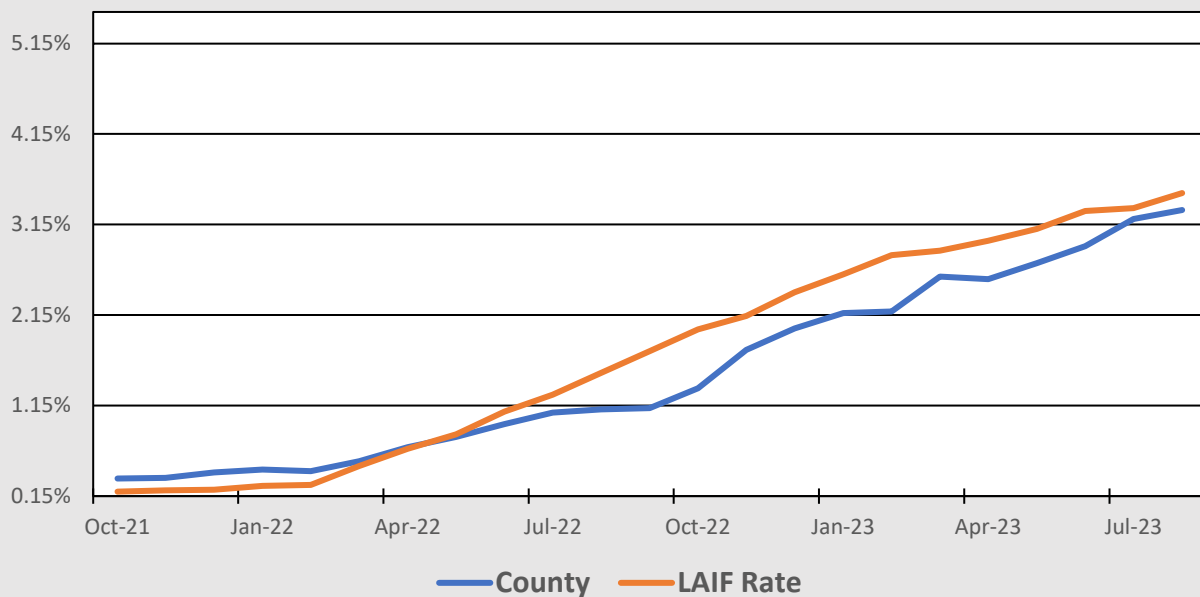
## Apportionment Rate History

Current and historic review of the County Investment Pool with our closest benchmark, LAIF (Local Agency Investment Fund) managed by the State of California. As of September 2023, the apportionment rate of the County Investment Pool is a 3.31% yield, versus a 3.50% yield from LAIF.

<i>Date</i>	<i>County</i>	<i>LAIF</i>	<i>Difference</i>
Sep-22	1.11%	1.51%	-0.40%
Oct-22	1.12%	1.75%	-0.63%
Nov-22	1.34%	1.99%	-0.65%
Dec-22	1.76%	2.14%	-0.38%
Jan-23	2.00%	2.40%	-0.40%
Feb-23	2.17%	2.60%	-0.43%
Mar-23	2.19%	2.81%	-0.62%
Apr-23	2.58%	2.86%	-0.28%
May-23	2.55%	2.97%	-0.42%
Jun-23	2.72%	3.10%	-0.38%
Jul-23	2.91%	3.30%	-0.39%
Aug-23	3.21%	3.33%	-0.12%
Sep-23	3.31%	3.50%	-0.19%

## Net Yield Trend

Yields are tracked on a monthly basis between the County Investment Pool (blue) and LAIF (orange), our closest benchmark. Participants of LAIF are exclusively California Local Agencies and Special Districts, per section 16429.1 of the CA gov code. LAIF's investment portfolio is over \$30 billion.





# County of Santa Cruz Investment Pool

## Maturity Distribution

September 30, 2023

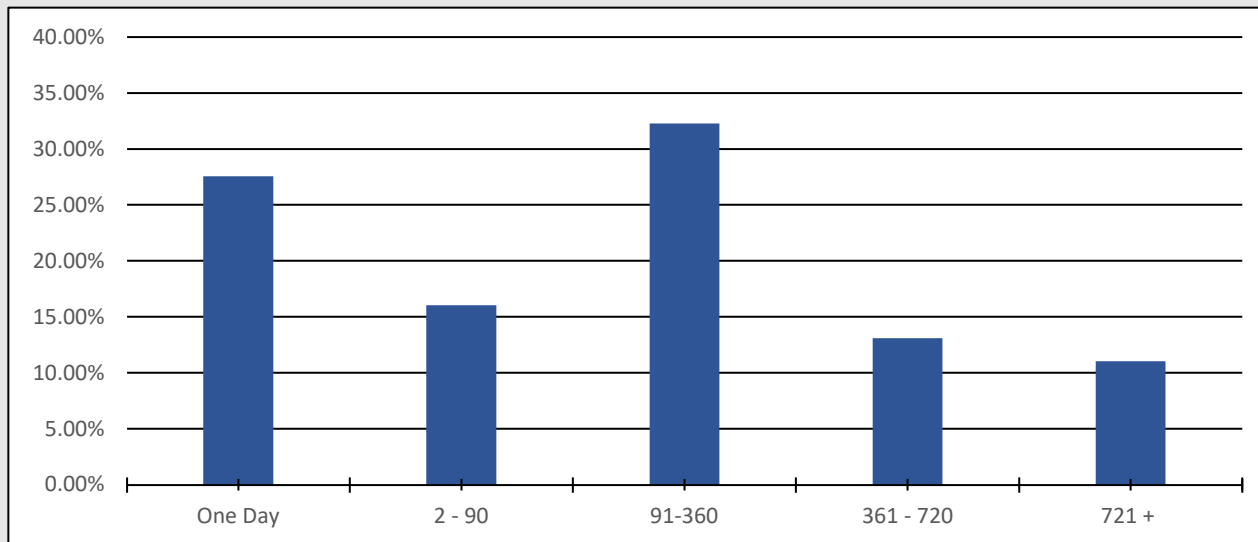
### Maturity Classification and Liquidity Review

Investment breakdown based on maturity, as of September 2023. Upon maturity date, the portfolio will receive the investment's face value in cash. These values inherently effect the portfolio's WAM (Weighted Average Maturity) calculated in days, as well as the overall Duration. As of September 30, 2023, the portfolio's average investment takes approximately 256 days to mature.

Category:	Current Reported Values:	Historic Values:		
	September 30, 2023	6/30/23	9/30/22	9/30/21
One Day	27.56%	28.29%	5.69%	18.32%
2 - 90	16.04%	21.12%	4.04%	11.81%
91-360	32.26%	28.79%	38.14%	19.76%
361 - 720	13.10%	12.48%	36.66%	18.38%
721 +	11.04%	9.32%	15.47%	31.75%
WAM	256	229	467	461
Duration	0.71	0.63	1.3	1.27

### Portfolio Maturity Distribution

Current allocation of maturities as of September 2023. Most fixed-income investments mature within the age range of 91 - 360 days. The County Investment Pool is currently very liquid, holding around 43.6% of Cash, and Cash-Equivalent securities (bonds and other investments maturing within 90 days).



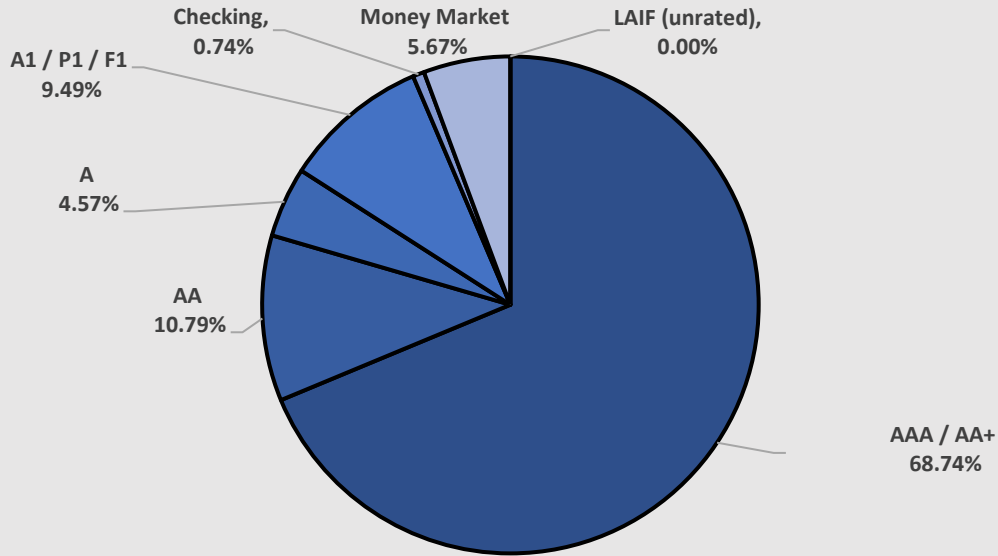
# County of Santa Cruz Investment Pool

Credit Quality

September 30, 2023

## Credit Rating Composition

Safety is the primary objective within the County Investment Pool, and CA state codes 27000.5 and 53600.5. As of September 2023, 78% of the portfolio is invested in the highest rated securities (AAA for long term, and A1 / P1 / F1 for short term). Counties within the State of California have strict investment standards and can only invest in highly rated, investment grade securities.



## Credit Breakdown

Current and historic values based on credit rating and outstanding cash accounts. The State of California's LAIF fund is unrated, but is governed by the same investment restrictions as the County Investment Pool, per CA government codes 16430 and 16480.4.

Rating Category	Current Reported Values:		Historic Values: Last Quarter   Last Year   Last 2 yrs.		
	September 30, 2023		6/30/23	9/30/22	9/30/21
	\$ (mm)	%			
AAA / AA+	\$ 797	68.74%	57.52%	81.35%	61.30%
AA	\$ 125	10.79%	7.01%	7.51%	3.97%
A	\$ 53	4.57%	1.69%	0.75%	1.80%
A1 / P1 / F1	\$ 110	9.49%	5.50%	4.70%	12.02%
Checking	\$ 9	0.74%	0.83%	1.45%	2.04%
Money Market	\$ 66	5.67%	26.36%	4.24%	9.86%
LAIF (unrated)	\$ 0	0.00%	1.10%	0.00%	9.01%

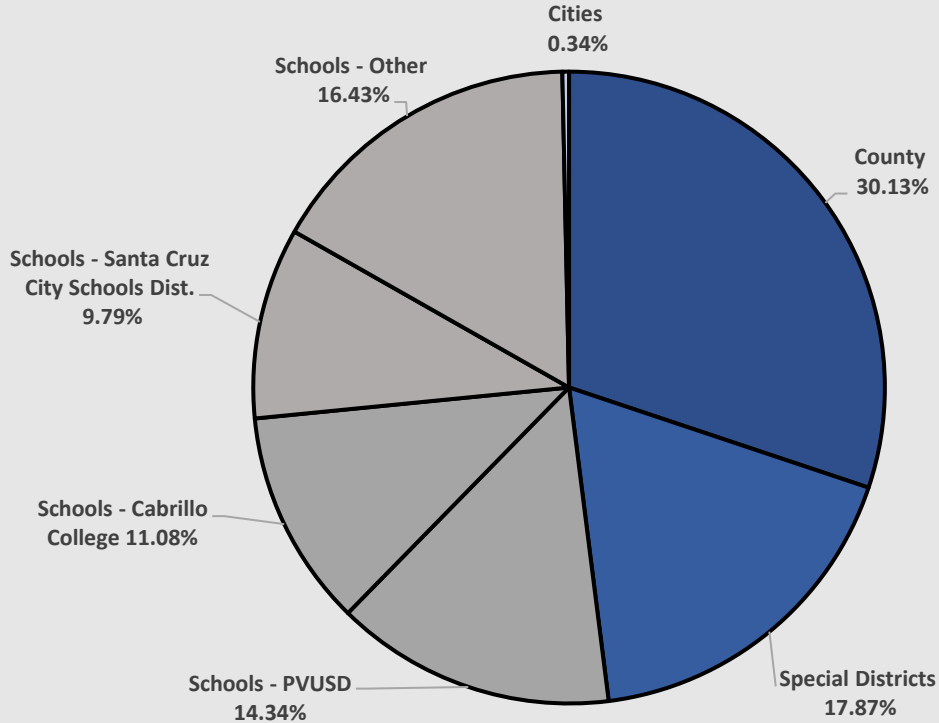
# County of Santa Cruz Investment Pool

Source of Funds

September 30, 2023

## Source of Funds Composition

The County Investment Pool is composed of four main participants: County School Districts, Special Districts within Santa Cruz County, County Funds, and Cities within Santa Cruz County.



## Funds Breakdown

The largest participant with the highest deposited funds is the Schools category. This category holds 52% of the County Investment Pool. The second largest participant is the County category, which consists of around 30% of the County Investment Pool.

Participant Category	Current Reported Values:	Historic Values:		
	June 30, 2023	3/31/23	6/30/22	6/30/21
County	30.13%	30.27%	31.84%	33.20%
Special Districts	17.87%	16.50%	19.83%	21.73%
Schools	51.65%	52.93%	48.02%	44.74%
Cities	0.34%	0.31%	0.31%	0.33%

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# DETAILED LIST OF INVESTMENTS OUTSTANDING

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As of September 30, 2023

## REPORT DESCRIPTION

The **Detailed List of Investments Outstanding** lists active investments in the portfolio on a specific date providing information on the market values, book values, interest rates and yields. It is arranged so that the securities of the same type are grouped together. What follows is a description of the abbreviations used in the report.

**CUSIP** – The CUSIP number is a 9-character alphanumeric code which identifies a North American financial security for the purposes of facilitating clearing and settlement of trades.

**INVESTMENT NUMBER** – This is a unique system-generated number assigned to the security. Assigned by the County for internal identification purposes.

**ISSUER** – The issuer named is the name of the institution which issued the bond.

**PURCHASE DATE** – This is the date on which the security was purchased.

**PAR VALUE** – The nominal or face value of a bond. This is the amount that will be received at maturity with accrued interest. It is also the amount that is used in calculating the interest received on the bond.

**MARKET VALUE** – Market value is the dollar amount the security could have been sold for on the report date. By comparing this number to the book value one is able to determine what, if any, loss or gain we would realize if we were to sell the bond in the open market.

**BOOK VALUE** – The original cost for each investment adjusted for amortization of premiums or accretions of discounts to the date of the report. Amortizations and accretions are calculated on a straight line basis.

**STATED RATE** – In most cases this is the coupon rate (rate of interest) set on a bond at the issue date by the issuer. If the security has no coupon (discount note, UST Bill or CP) then the stated rate is the yield to maturity on the date that the bond is purchased. The stated rate is not intended for comparing yields between different investments because the item may have been purchased at a discount or premium to par.

**YTM** – This is the Yield to Maturity. This is what the yield will be on the bond if it is held to maturity.

**DAYS TO MATURITY** – This is the number of days remaining between the report date and the maturity date.

**MATURITY DATE** – The maturity date is the date when a bond matures. On the maturity date an issuer of a security will pay the holder of the security the par value plus any accrued interest earned on the security from the date of last distribution.

**County of Santa Cruz  
Portfolio Management  
Portfolio Summary  
September 30, 2023**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
U.S. Treasury Notes/ Bonds	114,000,000.00	111,646,751.52	113,182,242.72	9.87	894	250	1.873	1.899
Federal Agency Issues - Coupon	315,270,000.00	306,261,920.52	315,298,210.03	27.50	1,008	314	1.682	1.706
Medium Term Notes	138,820,000.00	133,307,136.10	136,609,102.69	11.91	943	611	3.568	3.617
Negotiable CDs	110,000,000.00	109,975,850.00	110,000,000.00	9.59	196	68	5.473	5.549
Municipal Bonds	56,695,000.00	52,625,098.82	55,926,034.05	4.88	1,338	820	2.394	2.427
Local Agency Investment Fund (LAIF)	10,348.20	10,348.20	10,348.20	0.00	1	1	3.284	3.330
Treasury Discounts -Amortizing	40,000,000.00	39,693,600.00	39,692,145.56	3.46	132	53	5.400	5.475
Supranationals	65,000,000.00	62,041,260.00	65,103,848.48	5.68	1,323	386	0.464	0.470
Money Market Mutual Funds 02	310,844,575.98	310,844,575.98	310,844,575.98	27.11	1	1	5.378	5.453
<b>Investments</b>	<b>1,150,639,924.18</b>	<b>1,126,406,541.14</b>	<b>1,146,666,507.71</b>	<b>100.00%</b>	<b>642</b>	<b>254</b>	<b>3.386</b>	<b>3.433</b>

<b>Total Earnings</b>	<b>September 30 Period Ending</b>
Current Year	9,738,817.18
<b>Average Daily Balance</b>	<b>1,207,034,833.92</b>
<b>Effective Rate of Return</b>	<b>3.20%</b>

Santa Cruz County Treasurer,

**County of Santa Cruz  
Portfolio Management  
Portfolio Details - Investments  
September 30, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>U.S. Treasury Notes/ Bonds</b>												
9128285Z9	22406	US Treasury N/B		03/03/2021	17,000,000.00	16,834,590.00	17,127,386.41	2.500	0.245	0.248	122	01/31/2024
912828WJ5	22483	US Treasury N/B		02/07/2023	20,000,000.00	19,641,400.00	19,721,918.87	2.500	4.763	4.830	227	05/15/2024
91282CBM2	22403	U.S.Trust		02/17/2021	20,000,000.00	19,612,600.00	19,993,243.22	0.125	0.212	0.215	137	02/15/2024
91282CBE0	22411	U.S.Trust		04/05/2021	22,000,000.00	21,670,880.00	21,988,602.06	0.125	0.300	0.304	106	01/15/2024
91282CCC3	22416	U.S.Trust		05/20/2021	15,000,000.00	14,521,350.00	14,993,294.75	0.250	0.318	0.322	227	05/15/2024
91282CFE6	22502	U.S.Trust		09/26/2023	20,000,000.00	19,365,931.52	19,357,797.41	3.125	5.077	5.147	684	08/15/2025
<b>Subtotal and Average</b>			<b>138,403,329.63</b>		<b>114,000,000.00</b>	<b>111,646,751.52</b>	<b>113,182,242.72</b>		<b>1.873</b>	<b>1.899</b>	<b>250</b>	
<b>Federal Agency Issues - Coupon</b>												
3133EMNF5	22399	Federal Farm Credit Bank		01/27/2021	20,000,000.00	18,753,800.00	20,013,192.16	0.375	0.319	0.323	472	01/15/2025
3133EMNG3	22401	Federal Farm Credit Bank		02/03/2021	18,000,000.00	17,716,320.00	18,001,385.97	0.230	0.201	0.204	110	01/19/2024
3133ENGW4	22444	Federal Farm Credit Bank		12/13/2021	15,000,000.00	14,856,300.00	14,999,250.00	0.660	0.676	0.685	73	12/13/2023
3130APGN9	22427	Federal Home Loan Bank		10/28/2021	15,000,000.00	13,328,700.00	15,000,000.00	1.150	1.134	1.150	1,123	10/28/2026
3130APYX7	22442	Federal Home Loan Bank		11/30/2021	20,000,000.00	19,392,200.00	20,000,000.00	0.800	0.789	0.800	236	05/24/2024
3130AQJ38	22455	Federal Home Loan Bank		01/25/2022	25,000,000.00	24,096,500.00	25,000,000.00	1.050	1.036	1.050	298	07/25/2024
3130ARQ46	22464	Federal Home Loan Bank		04/28/2022	10,000,000.00	9,813,800.00	10,000,000.00	2.720	2.683	2.721	240	05/28/2024
3130A1XJ2	22471	Federal Home Loan Bank		05/13/2022	29,270,000.00	28,709,186.80	29,305,498.16	2.875	2.659	2.696	257	06/14/2024
3130ASRB7	22473	Federal Home Loan Bank		07/29/2022	15,000,000.00	14,901,000.00	15,000,000.00	3.400	3.354	3.400	117	01/26/2024
3137EAEY1	22387	Fed.Home Loan Mtg.Corp		10/21/2020	20,000,000.00	19,999,003.72	19,999,003.72	0.125	0.242	0.245	15	10/16/2023
3134GW6E1	22389	Fed.Home Loan Mtg.Corp		11/02/2020	18,000,000.00	17,922,960.00	18,000,000.00	0.320	0.316	0.320	32	11/02/2023
3137EAEZ8	22392	Fed.Home Loan Mtg.Corp		11/05/2020	10,000,000.00	9,951,400.00	9,999,854.30	0.250	0.261	0.265	36	11/06/2023
3137EAEX3	22398	Fed.Home Loan Mtg.Corp		12/22/2020	15,000,000.00	13,676,400.00	14,980,025.72	0.375	0.437	0.443	723	09/23/2025
3134GXRF3	22466	Fed.Home Loan Mtg.Corp		04/29/2022	25,000,000.00	24,400,750.00	25,000,000.00	2.625	2.590	2.626	302	07/29/2024
3134GXTA2	22469	Fed.Home Loan Mtg.Corp		05/26/2022	20,000,000.00	19,552,000.00	20,000,000.00	3.050	3.010	3.051	330	08/26/2024
3134GXJ54	22474	Fed.Home Loan Mtg.Corp		07/29/2022	20,000,000.00	19,687,400.00	20,000,000.00	3.650	3.600	3.650	299	07/26/2024
3134GXK94	22475	Fed.Home Loan Mtg.Corp		08/15/2022	20,000,000.00	19,504,200.00	20,000,000.00	4.050	3.995	4.050	684	08/15/2025
<b>Subtotal and Average</b>			<b>336,334,676.74</b>		<b>315,270,000.00</b>	<b>306,261,920.52</b>	<b>315,298,210.03</b>		<b>1.682</b>	<b>1.706</b>	<b>314</b>	
<b>Medium Term Notes</b>												
037833EB2	22493	Apple Inc		07/17/2023	10,000,000.00	9,015,900.00	9,165,323.34	0.700	4.438	4.500	861	02/08/2026
06048WQ60	22440	Bank of America		12/03/2021	20,000,000.00	19,362,800.00	20,000,000.00	1.000	0.986	1.000	246	06/03/2024
06048WT91	22457	Bank of America		03/10/2022	10,000,000.00	9,411,900.00	10,000,000.00	2.350	2.318	2.350	526	03/10/2025
06051GFB0	22467	Bank of America		04/22/2022	3,276,000.00	3,259,390.68	3,287,082.24	4.125	2.948	2.988	113	01/22/2024
06048WV31	22470	Bank of America		04/29/2022	10,000,000.00	9,818,300.00	10,000,000.00	3.100	3.058	3.100	211	04/29/2024
06055JCH0	22501	Bank of America		09/25/2023	15,000,000.00	15,001,050.00	15,000,000.00	6.000	5.918	6.000	1,090	09/25/2026
14912L6C0	22465	Caterpillar Financial Services		04/14/2022	3,000,000.00	2,950,320.00	3,013,478.40	3.300	2.588	2.624	252	06/09/2024

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**County of Santa Cruz  
Portfolio Management  
Portfolio Details - Investments  
September 30, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Medium Term Notes</b>												
48130CBC8	22492	Chase Bank		06/12/2023	15,000,000.00	14,747,400.00	15,000,000.00	5.250	5.178	5.250	985	06/12/2026
458140AS9	22499	Intel Corporation		07/20/2023	10,000,000.00	9,679,000.00	9,791,949.25	3.700	4.842	4.909	667	07/29/2025
58933YAY1	22425	Merck & Co Inc		09/24/2021	5,000,000.00	4,504,100.00	4,982,414.34	0.750	0.888	0.900	877	02/24/2026
594918BB9	22462	Microsoft Corp		04/06/2022	17,544,000.00	16,939,433.76	17,567,928.07	2.700	2.559	2.595	500	02/12/2025
89236THP3	22495	Toyota Motor Credit Corp		07/17/2023	10,000,000.00	9,120,022.22	9,247,972.53	0.800	4.774	4.840	746	10/16/2025
89236TJT3	22498	Toyota Motor Credit Corp		07/20/2023	10,000,000.00	9,497,519.44	9,552,954.52	1.450	5.065	5.135	470	01/13/2025
<b>Subtotal and Average</b>			<b>115,328,566.23</b>		<b>138,820,000.00</b>	<b>133,307,136.10</b>	<b>136,609,102.69</b>	<b>3.568</b>	<b>3.617</b>	<b>611</b>		
<b>Negotiable CDs</b>												
21684XD29	22484	Rabobank N.Y.		03/14/2023	25,000,000.00	24,985,850.00	25,000,000.00	5.400	5.400	5.475	43	11/13/2023
85325VGJ3	22497	Standard Chartered		07/17/2023	25,000,000.00	25,010,500.00	25,000,000.00	5.820	5.820	5.901	143	02/21/2024
87019WKT1	22485	Swedbank NY		03/31/2023	25,000,000.00	24,977,750.00	25,000,000.00	5.260	5.260	5.333	89	12/29/2023
87019WNN1	22500	Swedbank NY		07/21/2023	35,000,000.00	35,001,750.00	35,000,000.00	5.430	5.430	5.505	18	10/19/2023
<b>Subtotal and Average</b>			<b>122,500,000.00</b>		<b>110,000,000.00</b>	<b>109,975,850.00</b>	<b>110,000,000.00</b>	<b>5.473</b>	<b>5.549</b>	<b>68</b>		
<b>Municipal Bonds</b>												
127109QB5	22477	Cabrillo Comm College GO		08/25/2022	1,215,000.00	1,147,008.60	1,187,563.78	2.194	3.452	3.500	670	08/01/2025
13063DGB8	22480	State of California		01/20/2023	15,200,000.00	14,759,048.00	15,031,896.84	3.375	4.095	4.152	548	04/01/2025
419792YR1	22421	HAWAII ST		08/20/2021	10,000,000.00	8,883,200.00	10,000,000.00	0.893	0.881	0.893	1,035	08/01/2026
54438CYL0	22439	Los Angeles Community College		11/15/2021	5,000,000.00	4,463,550.00	4,990,106.72	1.174	1.229	1.246	1,035	08/01/2026
801546QU9	22456	COUNTY OF SANTA CLARA		03/03/2022	2,430,000.00	2,360,502.00	2,442,077.21	2.000	1.372	1.391	305	08/01/2024
79770GJB3	22445	Suc Agc City & County San Fran		12/15/2021	4,250,000.00	3,917,480.00	4,275,043.11	1.561	1.214	1.231	670	08/01/2025
91412GU94	22410	University of Calif		04/01/2021	8,600,000.00	8,287,390.00	8,914,987.65	3.063	0.911	0.924	639	07/01/2025
91412HGF4	22489	University of Calif		05/18/2023	3,000,000.00	2,641,769.00	2,733,757.64	1.316	3.939	3.994	1,322	05/15/2027
91412HGF4	22490	University of Calif		05/22/2023	7,000,000.00	6,165,151.22	6,350,601.10	1.316	4.071	4.127	1,322	05/15/2027
<b>Subtotal and Average</b>			<b>56,926,967.14</b>		<b>56,695,000.00</b>	<b>52,625,098.82</b>	<b>55,926,034.05</b>	<b>2.394</b>	<b>2.427</b>	<b>820</b>		
<b>Santa Cruz County Auditor Loan</b>												
<b>Subtotal and Average</b>			<b>326,086.96</b>									
<b>Local Agency Investment Fund (LAIF)</b>												
SYS6501	6501	LAIF (General Fund)			10,348.20	10,348.20	10,348.20	3.330	3.284	3.330	1	
<b>Subtotal and Average</b>			<b>10,299.00</b>		<b>10,348.20</b>	<b>10,348.20</b>	<b>10,348.20</b>	<b>3.284</b>	<b>3.330</b>	<b>1</b>		

**County of Santa Cruz  
Portfolio Management  
Portfolio Details - Investments  
September 30, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Dividends</b>												
SYS22423	22423	US Bank			0.00	0.00	0.00	5.210	5.210	5.282	1	
<b>Subtotal and Average</b>			<b>109.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.000</b>	<b>0.000</b>	<b>0</b>	
<b>Treasury Discounts -Amortizing</b>												
912796YJ2	22494	US Treasury Bill		07/14/2023	20,000,000.00	19,991,200.00	19,988,398.89	5.221	5.357	5.432	4	10/05/2023
912797GC5	22496	U.S. Treasury Bill		07/14/2023	20,000,000.00	19,702,400.00	19,703,746.67	5.228	5.444	5.519	102	01/11/2024
<b>Subtotal and Average</b>			<b>83,401,566.30</b>		<b>40,000,000.00</b>	<b>39,693,600.00</b>	<b>39,692,145.56</b>		<b>5.400</b>	<b>5.475</b>	<b>53</b>	
<b>Supranationals</b>												
4581X0CF3	22407	Inter-American Devel Bank		03/15/2021	14,000,000.00	13,860,840.00	14,142,267.05	3.000	0.365	0.370	143	02/21/2024
459058JM6	22394	Int Bank of Recon & Developmen		12/03/2020	18,000,000.00	17,859,240.00	17,998,975.63	0.250	0.285	0.289	54	11/24/2023
459058JL8	22404	Int Bank of Recon & Developmen		02/18/2021	18,000,000.00	16,381,080.00	17,962,605.80	0.500	0.593	0.602	758	10/28/2025
459058JB0	22420	Int Bank of Recon & Developmen		07/15/2021	15,000,000.00	13,940,100.00	15,000,000.00	0.625	0.616	0.625	569	04/22/2025
<b>Subtotal and Average</b>			<b>70,041,802.68</b>		<b>65,000,000.00</b>	<b>62,041,260.00</b>	<b>65,103,848.48</b>		<b>0.464</b>	<b>0.470</b>	<b>386</b>	
<b>Money Market Mutual Funds 02</b>												
070731229	1229	Bank of the West		12/07/2022	15,454,745.92	15,454,745.92	15,454,745.92	4.590	4.527	4.590	1	
SYS011119	22302	CAMP		01/11/2019	245,123,250.65	245,123,250.65	245,123,250.65	5.520	5.444	5.520	1	
157 519 832 743	22283	US Bank MMMF		10/23/2018	50,266,579.41	50,266,579.41	50,266,579.41	5.390	5.316	5.390	1	
<b>Subtotal and Average</b>			<b>283,761,430.25</b>		<b>310,844,575.98</b>	<b>310,844,575.98</b>	<b>310,844,575.98</b>		<b>5.378</b>	<b>5.453</b>	<b>1</b>	
<b>Total and Average</b>			<b>1,207,034,833.92</b>		<b>1,150,639,924.18</b>	<b>1,126,406,541.14</b>	<b>1,146,666,507.71</b>		<b>3.386</b>	<b>3.433</b>	<b>254</b>	



**County of Santa Cruz  
Portfolio Management  
Portfolio Details - Cash  
September 30, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
Average Balance			0.00								0
Total Cash and Investments			1,207,034,833.92		1,150,639,924.18	1,126,406,541.14	1,146,666,507.71		3.386	3.433	254

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# Securities Activity By Broker

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A Report on the

Investment Transactions by Broker-Dealer  
For the Period Indicated

**County of Santa Cruz  
Activity Report  
Sorted By Dealer  
July 1, 2023 - September 30, 2023**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Dealer: Bank of the West</b>									
<b>Money Market Mutual Funds 02</b>									
070731229	1229	Bank of the West			4.490		816,181.89	87,154,745.09	
		<b>Subtotal and Balance</b>		<b>101,793,309.12</b>			<b>816,181.89</b>	<b>87,154,745.09</b>	<b>15,454,745.92</b>
		<b>Dealer Subtotal</b>	<b>1.343%</b>	<b>101,793,309.12</b>			<b>816,181.89</b>	<b>87,154,745.09</b>	<b>15,454,745.92</b>
<b>Dealer: CAMP</b>									
<b>Money Market Mutual Funds 02</b>									
SYS011119	22302	CAMP			5.550		418,933,358.58	431,421,963.07	
		<b>Subtotal and Balance</b>		<b>257,611,855.14</b>			<b>418,933,358.58</b>	<b>431,421,963.07</b>	<b>245,123,250.65</b>
		<b>Dealer Subtotal</b>	<b>21.303%</b>	<b>257,611,855.14</b>			<b>418,933,358.58</b>	<b>431,421,963.07</b>	<b>245,123,250.65</b>
<b>Dealer: Cantor, Fitzgerald L.P.</b>									
<b>U.S. Treasury Notes/ Bonds</b>									
912828ZY9	22451	US Treasury N/B			0.125 *	07/15/2023	0.00	30,000,000.00	
		<b>Subtotal and Balance</b>		<b>72,000,000.00</b>			<b>0.00</b>	<b>30,000,000.00</b>	<b>42,000,000.00</b>
<b>Federal Agency Issues - Coupon</b>									
		<b>Subtotal and Balance</b>		<b>20,000,000.00</b>					<b>20,000,000.00</b>
<b>Medium Term Notes</b>									
		<b>Subtotal and Balance</b>		<b>35,000,000.00</b>					<b>35,000,000.00</b>
<b>Treasury Discounts -Amortizing</b>									
912797GT8	22491	U.S. Treasury Bill			5.170	09/19/2023	0.00	30,000,000.00	
		<b>Subtotal and Balance</b>		<b>30,000,000.00</b>			<b>0.00</b>	<b>30,000,000.00</b>	<b>0.00</b>
		<b>Dealer Subtotal</b>	<b>8.430%</b>	<b>157,000,000.00</b>			<b>0.00</b>	<b>60,000,000.00</b>	<b>97,000,000.00</b>

\* Matured, Withdrawal, or Stated Coupon Rate

County of Santa Cruz  
Activity Report  
July 1, 2023 - September 30, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Dealer: Jeffries &amp; Company, INC</b>									
<b>U.S. Treasury Notes/ Bonds</b>									
Subtotal and Balance				15,000,000.00					15,000,000.00
<b>Federal Agency Issues - Coupon</b>									
Subtotal and Balance				33,000,000.00					33,000,000.00
<b>Treasury Discounts -Amortizing</b>									
912797GA9	22487	US Treasury Bill				08/01/2023	0.00	25,000,000.00	
Subtotal and Balance				25,000,000.00			0.00	25,000,000.00	0.00
Dealer Subtotal				4.172%	73,000,000.00		0.00	25,000,000.00	48,000,000.00
<b>Dealer: Keybank Capital Mark</b>									
<b>U.S. Treasury Notes/ Bonds</b>									
91282CCN9	22453	U.S.Trust			0.125 *	07/31/2023	0.00	30,000,000.00	
Subtotal and Balance				30,000,000.00			0.00	30,000,000.00	0.00
<b>Federal Agency Issues - Coupon</b>									
3135G05G4	22452	Federal National Mort. Assoc.			0.250 *	07/10/2023	0.00	10,000,000.00	
313383AQ4	22461	Federal Home Loan Bank			2.220 *	08/30/2023	0.00	25,000,000.00	
Subtotal and Balance				75,000,000.00			0.00	35,000,000.00	40,000,000.00
<b>Medium Term Notes</b>									
037833EB2	22493	Apple Inc			0.700 *	07/17/2023	10,000,000.00	0.00	
Subtotal and Balance				0.00			10,000,000.00	0.00	10,000,000.00
Dealer Subtotal				4.345%	105,000,000.00		10,000,000.00	65,000,000.00	50,000,000.00
<b>Dealer: LAIF (General Fund)</b>									
<b>Local Agency Investment Fund (LAIF)</b>									
SYS6501	6501	LAIF (General Fund)			3.500		348.20	0.00	
Subtotal and Balance				10,000.00			348.20	0.00	10,348.20
Dealer Subtotal				0.001%	10,000.00		348.20	0.00	10,348.20

\* Matured, Withdrawal, or Stated Coupon Rate

County of Santa Cruz  
Activity Report  
July 1, 2023 - September 30, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value	
				Beginning Balance	Current Rate			Redemptions or Withdrawals	Ending Balance
<b>Dealer: Piper Jaffray &amp; Co</b>									
<b>Municipal Bonds</b>									
127109PZ3	22336	Cabrillo Comm College GO			1.964	* 08/01/2023	0.00	3,035,000.00	
<b>Subtotal and Balance</b>				<b>4,250,000.00</b>			<b>0.00</b>	<b>3,035,000.00</b>	<b>1,215,000.00</b>
<b>Dealer Subtotal</b>				<b>4,250,000.00</b>			<b>0.00</b>	<b>3,035,000.00</b>	<b>1,215,000.00</b>
<b>Dealer: Piper Sandler</b>									
<b>U.S. Treasury Notes/ Bonds</b>									
91282CFE6	22502	U.S.Trust			3.125	09/26/2023	20,000,000.00	0.00	
<b>Subtotal and Balance</b>				<b>0.00</b>			<b>20,000,000.00</b>	<b>0.00</b>	<b>20,000,000.00</b>
<b>Municipal Bonds</b>									
<b>Subtotal and Balance</b>				<b>15,200,000.00</b>					<b>15,200,000.00</b>
<b>Treasury Discounts -Amortizing</b>									
912796ZS1	22482	US Treasury Bill			4.560	* 07/06/2023	0.00	20,000,000.00	
912797GH4	22488	US Treasury Bill				08/22/2023	0.00	25,000,000.00	
<b>Subtotal and Balance</b>				<b>45,000,000.00</b>			<b>0.00</b>	<b>45,000,000.00</b>	<b>0.00</b>
<b>Dealer Subtotal</b>				<b>60,200,000.00</b>			<b>20,000,000.00</b>	<b>45,000,000.00</b>	<b>35,200,000.00</b>
<b>Dealer: Prebon</b>									
<b>Federal Agency Issues - Coupon</b>									
<b>Subtotal and Balance</b>				<b>29,270,000.00</b>					<b>29,270,000.00</b>
<b>Negotiable CDs</b>									
89115B3Y4	22486	Swedbank NY			5.300	09/29/2023	0.00	25,000,000.00	
85325VGJ3	22497	Standard Chartered			5.820	07/17/2023	25,000,000.00	0.00	
87019WNN1	22500	Swedbank NY			5.430	07/21/2023	35,000,000.00	0.00	
<b>Subtotal and Balance</b>				<b>75,000,000.00</b>			<b>60,000,000.00</b>	<b>25,000,000.00</b>	<b>110,000,000.00</b>
<b>Dealer Subtotal</b>				<b>104,270,000.00</b>			<b>60,000,000.00</b>	<b>25,000,000.00</b>	<b>139,270,000.00</b>
<b>Dealer: Royal Bank Canada Capital Mrkt</b>									

\* Matured, Withdrawal, or Stated Coupon Rate

County of Santa Cruz  
Activity Report  
July 1, 2023 - September 30, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
<b>Dealer: Royal Bank Canada Capital Mrkt</b>										
<b>U.S. Treasury Notes/ Bonds</b>										
91282CAK7	22402	U.S.Trust			0.125	* 09/15/2023	0.00		15,000,000.00	
91282CAF8	22408	U.S.Trust			0.125	* 08/15/2023	0.00		12,000,000.00	
912828ZY9	22413	US Treasury N/B			0.125	* 07/17/2023	0.00		18,000,000.00	
91282CCU3	22450	U.S.Trust			0.125	* 08/31/2023	0.00		5,000,000.00	
91282CAF8	22468	U.S.Trust			0.125	* 08/15/2023	0.00		10,000,000.00	
<b>Subtotal and Balance</b>					<b>97,000,000.00</b>		<b>0.00</b>		<b>60,000,000.00</b>	<b>37,000,000.00</b>
<b>Federal Agency Issues - Coupon</b>										
<b>Subtotal and Balance</b>					<b>73,000,000.00</b>					<b>73,000,000.00</b>
<b>Medium Term Notes</b>										
<b>Subtotal and Balance</b>					<b>20,000,000.00</b>					<b>20,000,000.00</b>
<b>Treasury Discounts -Amortizing</b>										
912796YJ2	22494	US Treasury Bill			5.221	07/14/2023	20,000,000.00		0.00	
912797GC5	22496	U.S. Treasury Bill			5.228	07/14/2023	20,000,000.00		0.00	
<b>Subtotal and Balance</b>					<b>0.00</b>		<b>40,000,000.00</b>		<b>0.00</b>	<b>40,000,000.00</b>
<b>Supranationals</b>										
45950KCP3	22375	International Fin Corp			2.875	* 07/31/2023	0.00		15,000,000.00	
<b>Subtotal and Balance</b>					<b>66,000,000.00</b>		<b>0.00</b>		<b>15,000,000.00</b>	<b>51,000,000.00</b>
<b>Dealer Subtotal</b>				<b>19.207%</b>	<b>256,000,000.00</b>		<b>40,000,000.00</b>		<b>75,000,000.00</b>	<b>221,000,000.00</b>
<b>Dealer: Raymond James Financial Inc</b>										
<b>Federal Agency Issues - Coupon</b>										
<b>Subtotal and Balance</b>					<b>10,000,000.00</b>					<b>10,000,000.00</b>
<b>Medium Term Notes</b>										
89236THP3	22495	Toyota Motor Credit Corp			0.800	* 07/17/2023	10,000,000.00		0.00	
<b>Subtotal and Balance</b>					<b>8,000,000.00</b>		<b>10,000,000.00</b>		<b>0.00</b>	<b>18,000,000.00</b>
<b>Municipal Bonds</b>										

\* Matured, Withdrawal, or Stated Coupon Rate

County of Santa Cruz  
Activity Report  
July 1, 2023 - September 30, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Current Rate	Transaction Date	Par Value		Ending Balance
				Beginning Balance				Purchases or Deposits	Redemptions or Withdrawals	
<b>Subtotal and Balance</b>				<b>40,280,000.00</b>					<b>40,280,000.00</b>	
<b>Supranationals</b>										
<b>Subtotal and Balance</b>				<b>14,000,000.00</b>					<b>14,000,000.00</b>	
<b>Dealer Subtotal</b>			<b>7.151%</b>	<b>72,280,000.00</b>			<b>10,000,000.00</b>	<b>0.00</b>	<b>82,280,000.00</b>	
<b>Dealer: SANTA CRUZ COUNTY</b>										
<b>Santa Cruz County Auditor Loan</b>										
SYS7012	7012	Santa Cruz County Auditor			5.080 *	07/03/2023	0.00	15,000,000.00		
<b>Subtotal and Balance</b>				<b>15,000,000.00</b>			<b>0.00</b>	<b>15,000,000.00</b>	<b>0.00</b>	
<b>Dealer Subtotal</b>			<b>0.000%</b>	<b>15,000,000.00</b>			<b>0.00</b>	<b>15,000,000.00</b>	<b>0.00</b>	
<b>Dealer: Stifel Nicolaus &amp; Co</b>										
<b>Federal Agency Issues - Coupon</b>										
3133ENEY2	22441	Federal Farm Credit Bank			0.450 *	07/24/2023	0.00	15,000,000.00		
<b>Subtotal and Balance</b>				<b>125,000,000.00</b>			<b>0.00</b>	<b>15,000,000.00</b>	<b>110,000,000.00</b>	
<b>Medium Term Notes</b>										
89236TJT3	22498	Toyota Motor Credit Corp			1.450 *	07/20/2023	10,000,000.00	0.00		
458140AS9	22499	Intel Corporation			3.700 *	07/20/2023	10,000,000.00	0.00		
06055JCH0	22501	Bank of America			6.000	09/25/2023	15,000,000.00	0.00		
<b>Subtotal and Balance</b>				<b>20,820,000.00</b>			<b>35,000,000.00</b>	<b>0.00</b>	<b>55,820,000.00</b>	
<b>Dealer Subtotal</b>			<b>14.411%</b>	<b>145,820,000.00</b>			<b>35,000,000.00</b>	<b>15,000,000.00</b>	<b>165,820,000.00</b>	
<b>Dealer: US Bank MMMF</b>										
<b>Dividends</b>										
SYS22423	22423	US Bank			5.230		915.05	915.05		
<b>Subtotal and Balance</b>				<b>0.00</b>			<b>915.05</b>	<b>915.05</b>	<b>0.00</b>	
<b>Money Market Mutual Funds 02</b>										
157 519 832 743	22283	US Bank MMMF			5.390		50,266,579.41	0.00		
<b>Subtotal and Balance</b>				<b>0.00</b>			<b>50,266,579.41</b>	<b>0.00</b>	<b>50,266,579.41</b>	

\* Matured, Withdrawal, or Stated Coupon Rate

County of Santa Cruz  
Activity Report  
July 1, 2023 - September 30, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
		Dealer Subtotal	4.369%	0.00			50,267,494.46	915.05	50,266,579.41
		<b>Total</b>	<b>100.000%</b>	<b>1,352,235,164.26</b>			<b>645,017,383.13</b>	<b>846,612,623.21</b>	<b>1,150,639,924.18</b>



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# ACCRUED INTEREST REPORT

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As of September 30, 2023

## REPORT DESCRIPTION

The **Accrued Interest Report** shows the amount of interest earned, but not yet received, for each active investment within the portfolio. Within the date range, the report displays the amount of interest accrued as of the report beginning date, the amount of interest earned during the reporting period, the amount of interest recorded as received, and the ending accrued interest. What follows is a description of the report's headings.

**ISSUER** – Issuer is the name of the institution which issued the investment.

**INVESTMENT NUMBER** – The investment number is a unique number that identifies the investment position.

**SECURITY TYPE** – This heading is a three-character code assigned by the program to identify each type of investment.

**PAR VALUE**- The nominal or face value of the security.

**MATURITY DATE** – The maturity date is the date on when an investment will mature.

**CURRENT RATE** – For coupon instruments, the current rate is the coupon or interest rate at the time of purchase. For discount instruments, the current rate is the yield to maturity.

**BEGINNING ACCRUED INTEREST** – This column displays the amount of interest earned, but not yet received, as of the report beginning date.

**INTEREST EARNED** – This column shows the amount of interest earned during the selected reporting period.

**INTEREST RECEIVED** – This column includes the amount of interest posted as received during the selected reporting period.

**ENDING ACCRUED INTEREST** – This column displays the amount of interest earned, but not yet received, as of the report ending date.

**County of Santa Cruz**  
**Accrued Interest**  
**Sorted by Security Type - Maturity Date**  
**July 1, 2023 - September 30, 2023**

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
<b>U.S. Treasury Notes/ Bonds</b>										
912828ZY9	22413	TRC	0.00	07/15/2023	0.125	10,379.83	0.00	870.17	11,250.00	0.00
912828ZY9	22451	TRC	0.00	07/15/2023	0.125	17,299.72	0.00	1,450.28	18,750.00	0.00
91282CCN9	22453	TRC	0.00	07/31/2023	0.125	15,642.27	0.00	3,107.73	18,750.00	0.00
91282CAF8	22408	TRC	0.00	08/15/2023	0.125	5,635.36	0.00	1,864.64	7,500.00	0.00
91282CAF8	22468	TRC	0.00	08/15/2023	0.125	4,696.13	0.00	1,553.87	6,250.00	0.00
91282CCU3	22450	TRC	0.00	08/31/2023	0.125	2,088.99	0.00	1,036.01	3,125.00	0.00
91282CAK7	22402	TRC	0.00	09/15/2023	0.125	5,502.72	0.00	3,872.28	9,375.00	0.00
91282CBE0	22411	TRC	22,000,000.00	01/15/2024	0.125	12,686.46	0.00	6,892.34	13,750.00	5,828.80
9128285Z9	22406	TRC	17,000,000.00	01/31/2024	2.500	177,279.01	0.00	106,824.25	212,500.00	71,603.26
91282CBM2	22403	TRC	20,000,000.00	02/15/2024	0.125	9,392.27	0.00	6,300.66	12,500.00	3,192.93
912828WJ5	22483	TRC	20,000,000.00	05/15/2024	2.500	63,858.70	0.00	125,000.00	0.00	188,858.70
91282CCC3	22416	TRC	15,000,000.00	05/15/2024	0.250	4,789.40	0.00	9,375.00	0.00	14,164.40
91282CFE6	22502	TRC	20,000,000.00	08/15/2025	3.125	0.00	0.00	8,491.85	0.00	8,491.85
<b>Subtotal</b>			<b>114,000,000.00</b>			<b>329,250.86</b>	<b>0.00</b>	<b>276,639.08</b>	<b>313,750.00</b>	<b>292,139.94</b>
<b>Federal Agency Issues - Coupon</b>										
3135G05G4	22452	FAC	0.00	07/10/2023	0.250	11,875.00	0.00	625.00	12,500.00	0.00
3133ENEY2	22441	FAC	0.00	07/24/2023	0.450	29,437.50	0.00	4,312.50	33,750.00	0.00
313383AQ4	22461	FAC	0.00	08/30/2023	2.220	47,791.67	0.00	90,958.33	138,750.00	0.00
3137EAEY1	22387	FAC	20,000,000.00	10/16/2023	0.125	5,208.33	0.00	6,250.00	0.00	11,458.33
3134GW6E1	22389	FAC	18,000,000.00	11/02/2023	0.320	9,440.00	0.00	14,400.00	0.00	23,840.00
3137EAEZ8	22392	FAC	10,000,000.00	11/06/2023	0.250	3,819.44	0.00	6,250.00	0.00	10,069.44
3133ENGW4	22444	FAC	15,000,000.00	12/13/2023	0.660	4,950.00	0.00	24,750.00	0.00	29,700.00
3133EMNG3	22401	FAC	18,000,000.00	01/19/2024	0.230	18,630.00	0.00	10,350.00	20,700.00	8,280.00
3130ASRB7	22473	FAC	15,000,000.00	01/26/2024	3.400	219,583.32	0.00	127,500.00	255,000.00	92,083.32
3130APYX7	22442	FAC	20,000,000.00	05/24/2024	0.800	16,444.43	0.00	40,000.00	0.00	56,444.43
3130ARQ46	22464	FAC	10,000,000.00	05/28/2024	2.720	47,600.00	0.00	68,000.00	0.00	115,600.00
3130A1XJ2	22471	FAC	29,270,000.00	06/14/2024	2.875	39,738.09	0.00	210,378.13	0.00	250,116.22
3130AQJ38	22455	FAC	25,000,000.00	07/25/2024	1.050	113,750.00	0.00	65,625.00	131,250.00	48,125.00
3134GXJ54	22474	FAC	20,000,000.00	07/26/2024	3.650	314,305.57	0.00	182,500.00	365,000.00	131,805.57
3134GXRF3	22466	FAC	25,000,000.00	07/29/2024	2.625	277,083.33	0.00	164,062.50	328,125.00	113,020.83
3134GXTA2	22469	FAC	20,000,000.00	08/26/2024	3.050	211,805.56	0.00	152,500.00	305,000.00	59,305.56
3133EMNF5	22399	FAC	20,000,000.00	01/15/2025	0.375	34,583.33	0.00	18,750.00	37,500.00	15,833.33
3134GXK94	22475	FAC	20,000,000.00	08/15/2025	4.050	306,000.00	0.00	202,500.00	405,000.00	103,500.00
3137EAEX3	22398	FAC	15,000,000.00	09/23/2025	0.375	15,312.50	0.00	14,062.50	28,125.00	1,250.00

\* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest.

**County of Santa Cruz**  
**Accrued Interest**  
**Sorted by Security Type - Maturity Date**

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
<b>Federal Agency Issues - Coupon</b>										
3130APGN9	22427	FAC	15,000,000.00	10/28/2026	1.150	30,187.50	0.00	43,125.00	0.00	73,312.50
		<b>Subtotal</b>	<b>315,270,000.00</b>			<b>1,757,545.57</b>	<b>0.00</b>	<b>1,446,898.96</b>	<b>2,060,700.00</b>	<b>1,143,744.53</b>
<b>Medium Term Notes</b>										
06051GFB0	22467	MTN	3,276,000.00	01/22/2024	4.125	59,684.63	0.00	33,783.75	67,567.50	25,900.88
06048WV31	22470	MTN	10,000,000.00	04/29/2024	3.100	53,388.89	0.00	77,500.00	77,500.00	53,388.89
06048WQ60	22440	MTN	20,000,000.00	06/03/2024	1.000	15,555.56	0.00	50,000.00	50,000.00	15,555.56
14912L6C0	22465	MTN	3,000,000.00	06/09/2024	3.300	6,050.00	0.00	24,750.00	0.00	30,800.00
89236JTT3	22498	MTN	10,000,000.00	01/13/2025	1.450	0.00	0.00	28,597.23	0.00	28,597.23
594918BB9	22462	MTN	17,544,000.00	02/12/2025	2.700	182,896.20	0.00	118,422.00	236,844.00	64,474.20
06048WT91	22457	MTN	10,000,000.00	03/10/2025	2.350	72,458.33	0.00	58,750.00	117,500.00	13,708.33
458140AS9	22499	MTN	10,000,000.00	07/29/2025	3.700	0.00	0.00	72,972.22	9,250.00	63,722.22
89236THP3	22495	MTN	10,000,000.00	10/16/2025	0.800	0.00	0.00	16,444.45	0.00	16,444.45
037833EB2	22493	MTN	10,000,000.00	02/08/2026	0.700	0.00	0.00	14,388.89	4,083.33	10,305.56
58933YAY1	22425	MTN	5,000,000.00	02/24/2026	0.750	13,229.17	0.00	9,375.00	18,750.00	3,854.17
48130CBC8	22492	MTN	15,000,000.00	06/12/2026	5.250	41,562.50	0.00	196,875.00	0.00	238,437.50
06055JCH0	22501	MTN	15,000,000.00	09/25/2026	6.000	0.00	0.00	15,000.00	0.00	15,000.00
		<b>Subtotal</b>	<b>138,820,000.00</b>			<b>444,825.28</b>	<b>0.00</b>	<b>716,858.54</b>	<b>581,494.83</b>	<b>580,188.99</b>
<b>Negotiable CDs</b>										
89115B3Y4	22486	NCB	0.00	09/29/2023	5.300	338,611.11	0.00	331,250.00	669,861.11	0.00
87019WNN1	22500	NCB	35,000,000.00	10/19/2023	5.430	0.00	0.00	380,100.00	0.00	380,100.00
21684XD29	22484	NCB	25,000,000.00	11/13/2023	5.400	408,750.00	0.00	345,000.00	0.00	753,750.00
87019WKT1	22485	NCB	25,000,000.00	12/29/2023	5.260	336,055.55	0.00	336,055.56	0.00	672,111.11
85325VGJ3	22497	NCB	25,000,000.00	02/21/2024	5.820	0.00	0.00	307,166.67	0.00	307,166.67
		<b>Subtotal</b>	<b>110,000,000.00</b>			<b>1,083,416.66</b>	<b>0.00</b>	<b>1,699,572.23</b>	<b>669,861.11</b>	<b>2,113,127.78</b>
<b>Municipal Bonds</b>										
127109PZ3	22336	MUN	0.00	08/01/2023	1.964	24,836.42	0.00	4,967.28	29,803.70	0.00
801546QU9	22456	MUN	2,430,000.00	08/01/2024	2.000	20,250.00	0.00	12,150.00	24,300.00	8,100.00
13063DGB8	22480	MUN	15,200,000.00	04/01/2025	3.375	128,250.00	0.00	128,250.00	0.00	256,500.00
91412GU94	22410	MUN	8,600,000.00	07/01/2025	3.063	131,709.00	0.00	65,854.50	131,709.00	65,854.50
127109QB5	22477	MUN	1,215,000.00	08/01/2025	2.194	11,107.13	0.00	6,664.27	13,328.55	4,442.85
79770GJB3	22445	MUN	4,250,000.00	08/01/2025	1.561	27,642.71	0.00	16,585.62	33,171.25	11,057.08
419792YR1	22421	MUN	10,000,000.00	08/01/2026	0.893	37,208.33	0.00	22,325.00	44,650.00	14,883.33
54438CYL0	22439	MUN	5,000,000.00	08/01/2026	1.174	24,458.33	0.00	14,675.00	29,350.00	9,783.33
91412HGF4	22489	MUN	3,000,000.00	05/15/2027	1.316	4,715.67	0.00	9,870.00	0.00	14,585.67
91412HGF4	22490	MUN	7,000,000.00	05/15/2027	1.316	9,979.67	0.00	23,030.00	0.00	33,009.67

\* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest.

**County of Santa Cruz  
Accrued Interest  
Sorted by Security Type - Maturity Date**

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
<b>Subtotal</b>			<b>56,695,000.00</b>			<b>420,157.26</b>	<b>0.00</b>	<b>304,371.67</b>	<b>306,312.50</b>	<b>418,216.43</b>
<b>Santa Cruz County Auditor Loan</b>										
SYS7012	7012	MC9	0.00	07/03/2023	5.080	2,116.67	0.00	4,233.33	6,350.00	0.00
<b>Subtotal</b>			<b>0.00</b>			<b>2,116.67</b>	<b>0.00</b>	<b>4,233.33</b>	<b>6,350.00</b>	<b>0.00</b>
<b>Local Agency Investment Fund (LAIF)</b>										
SYS6501	6501	LA1	10,348.20		3.330	348.20	0.00	83.06	348.20	83.06
<b>Subtotal</b>			<b>10,348.20</b>			<b>348.20</b>	<b>0.00</b>	<b>83.06</b>	<b>348.20</b>	<b>83.06</b>
<b>Dividends</b>										
SYS22423	22423	PA4	0.00		5.210	104.92	0.00	949.28	915.05	139.15
<b>Subtotal</b>			<b>0.00</b>			<b>104.92</b>	<b>0.00</b>	<b>949.28</b>	<b>915.05</b>	<b>139.15</b>
<b>Supranationals</b>										
45950KCP3	22375	MC6	0.00	07/31/2023	2.875	180,435.42	0.00	34,739.58	215,700.00	-525.00
459058JM6	22394	MC6	18,000,000.00	11/24/2023	0.250	4,625.00	0.00	11,250.00	0.00	15,875.00
4581X0CF3	22407	MC6	14,000,000.00	02/21/2024	3.000	151,666.67	0.00	105,000.00	210,000.00	46,666.67
459058JBO	22420	MC6	15,000,000.00	04/22/2025	0.625	17,668.75	0.00	23,437.50	0.00	41,106.25
459058JL8	22404	MC6	18,000,000.00	10/28/2025	0.500	15,750.00	0.00	22,500.00	0.00	38,250.00
<b>Subtotal</b>			<b>65,000,000.00</b>			<b>370,145.84</b>	<b>0.00</b>	<b>196,927.08</b>	<b>425,700.00</b>	<b>141,372.92</b>
<b>Money Market Mutual Funds 02</b>										
070731229	1229	RRP	15,454,745.92		4.590	361,435.97	0.00	542,925.02	816,181.89	88,179.10
SYS011119	22302	RRP	245,123,250.65		5.520	788,042.44	0.00	2,725,036.02	2,583,781.45	929,297.01
157 519 832 743	22283	RRP	50,266,579.41		5.390	0.00	0.00	483,936.11	266,579.41	217,356.70
<b>Subtotal</b>			<b>310,844,575.98</b>			<b>1,149,478.41</b>	<b>0.00</b>	<b>3,751,897.15</b>	<b>3,666,542.75</b>	<b>1,234,832.81</b>
<b>Total</b>			<b>1,110,639,924.18</b>			<b>5,557,389.67</b>	<b>0.00</b>	<b>8,398,430.38</b>	<b>8,031,974.44</b>	<b>5,923,845.61</b>

\* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest.

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## DESCRIPTION OF INVESTMENT INSTRUMENTS (1/3)

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The investment activities of County Treasurers are restricted by state law to a select group of government securities and prime money market instruments. To reduce the risk inherent in any one instrument, state law further limits the percentage of the county's portfolio that can be invested in any one type of security.

The types of securities available to the County Treasurer can be divided into three main categories: 1) U.S. Treasury bills, notes and bonds. They are guaranteed by the U.S. Government and are considered to have no credit risk. They also typically have the lowest yield of the securities available for investing. 2) Securities issued by U.S. Government Agencies and Instrumentalities. These securities consist mostly of notes and debentures of agencies and government sponsored corporations. They are not guaranteed by the U.S. government and therefore have some credit risk. Their yield is typically higher than U.S. Treasury securities. 3) Prime money market securities. These consist of securities such as bankers' acceptances, certificates of deposit, commercial paper and municipal bonds. The yield is typically higher than the other types of securities in which the county invests but the risk is also higher. Through diversification and purchasing only highly rated paper, the credit risk is kept to an acceptable minimum. Each of the securities in these three categories is subject to market risk if sold prior to maturity.

### **What follows is a brief description of the different securities used by the County Treasurer:**

**U.S. Treasury Notes and Bonds** are long term obligations of the U.S. government, which bear coupons. Interest is payable every six months at a rate of one-half the annual coupon. Treasury bonds and notes trading is conducted by the same securities dealers who trade T bills. In the secondary market, prices are quoted in thirty-seconds of 1 percent. Except for their maturities, notes and bonds are identical regardless of their label. Notes are issued for original maturities of one to 10 years. Bonds are issued with original maturities of more than 10 years.

**U.S. Treasury Bills** are unusual instruments because they bear no specific interest rate. Rather, they are issued originally at a discount from its ultimate maturity (par) value. Because T Bills are issued and traded at a discount, investors receive their returns at maturity or on subsequent resale, which ordinarily will be at prices higher than the original discount.

**Federal Farm Credit Bank (FFCB) Discount Notes.** FFCB is an instrumentality of the U.S. Government. The notes are the consolidated obligations of the 37 Farm Credit Banks issued on a discount basis with maturities of one year or less. Although not as risk free as Treasury notes, most experts believe the U.S. government has a moral commitment to the farm credit system.

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## DESCRIPTION OF INVESTMENT INSTRUMENTS (2/3)

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**Federal Farm Credit Bank (FFCB) debentures** are consolidated obligations of the 37 Farm Credit Banks issued with a fixed coupon rate with maturities ranging from 6 months to 20 years. A debenture is a bond secured only by the general credit of the issuer.

**Federal Home Loan Bank (FHLB) Discount notes** are consolidated obligations of 12 District banks issued with a fixed coupon rate with maturities ranging from one to ten years. Although the FHLB operates under federal charter with government supervision, the securities are not guaranteed by the U.S. government. However, the banks are required to maintain a considerable reserve pledged against the outstanding debt. They are therefore considered relatively risk free.

**Federal National Mortgage Association (Fannie Mae) Discount notes** are consolidations of government chartered private corporations issued on a discount basis with maturities under one year. They are guaranteed by the corporations, but not by the U.S. government. Many investors consider the securities a moral obligation of the U.S. government and believe Congress would intervene before allowing default.

**Federal National Mortgage Association (Fannie Mae) debentures** are obligations issued by the Association with a fixed coupon rate and various maturities. A debenture is a bond secured only by the general credit of the issuer.

**Local Agency Investment Fund (LAIF)** is the state sponsored investment fund. LAIF is an excellent cash management tool to help meet most of the unexpected cash demands. Currently the state limits the county's investment in this pool to \$65,000,000.

**Federal Home Loan Mortgage Corporation (Freddie Mac) Participation Notes** are issues of the Federal Home Loan Mortgage Corporation representing undivided interests in conventional mortgages underwritten and previously purchased by it. The corporation guarantees the timely payment of interest at the certificate rate and full return of principal. Participation Certificates have original final payment dates of 30 years.

**Government National Mortgage Association (Ginnie Mae) Pass Through** are issues of the wholly owned government corporation within the Department of Housing and Urban Development. Principal and interest payment collected on mortgages in specified pools are passed through to holders of GNMA Guaranteed certificates after deduction of servicing and guaranty fees. GNMA's have original stated maturities of 12 to 40 years. For Santa Cruz County, these are used only as collateral for overnight repurchase agreements.

**Municipal Securities (Notes and Bonds) Debt** securities issued by state and local governments and their agencies are referred to as municipal securities. Such securities can be divided into two broad categories: bonds issued to finance capital projects and short term notes sold in anticipation of the receipt of other funds, such as taxes or proceeds from a bond issue.

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## DESCRIPTION OF INVESTMENT INSTRUMENTS (3/3)

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**Banker's Acceptances.** Briefly stated, the function of the bankers' acceptance is as follows: A borrower may, under certain circumstances, obtain short-term credit by arranging for his bank to accept a time draft upon it. The bank stamps its official accepted across the face of the draft and converts it into a bankers' acceptance. The instrument, now being a bank obligation, may be sold to an acceptance dealer who, in turn, may sell it to an investor. Most BAs arise out of transactions involving the trade of manufactured goods or commodities. Maturities range from one to 180 days.

**Commercial Paper** is a short-term promissory note issued by a company to finance current transactions. All commercial paper is negotiable, but most commercial paper sold to investors is held to maturity. Commercial paper is issued not only by industrial and manufacturing firms but also by finance companies. Notes are sold on a discount or interest-bearing basis with maturities not exceeding 270 days.

**Medium Term Notes** are obligations that have maturities of less than 5 years and are issued by corporations or depositories organized and operating in the U.S.

**Negotiable Certificate of Deposit (NCD).** It is a receipt for deposit of a stated sum in the bank on a given date, together with a promise to redeem this sum plus interest at the indicated rate on a designated date. The instrument is negotiable because it is payable either to bearer or to the order of the depositor.

**Repurchase Agreements (RP or Repos).** A holder of securities sells securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. Repurchase agreements are usually for short periods of time (one to five days), when large sums are received that will be needed in the next day or two. As a result, they are often called overnight repos. From the point of view of investors, overnight repos offer several attractive features. First, by rolling overnight repos, investors can keep surplus funds invested without losing liquidity or incurring a price risk. Second, because repo transactions are secured by top quality paper, investors expose themselves to little or no risk.

**Guaranteed Investment Contract (GIC).** This is a fixed income agreement offered by insurance companies. GICs offer to pay a specific interest rate over a period of time. Some GICs are eligible for early redemption, with or without penalty, which eliminates market risk if interest rates rise. In Santa Cruz County it is only used for the investment of secured indebtedness and only if the note documentation permits such an investment.

**Money Market (Mutual) Fund.** A money market mutual fund is a pooled fund that invests in a number of money market vehicles (CD's, CP, T-Bills, etc.). These funds are designed to pay the investor interest, as well as provide full liquidity. Maturities of the underlying investments are 13 months or less.