

## Exhibit A

### Investment Portfolio Review

### Quarter Ending September 30, 2022

#### OVERVIEW

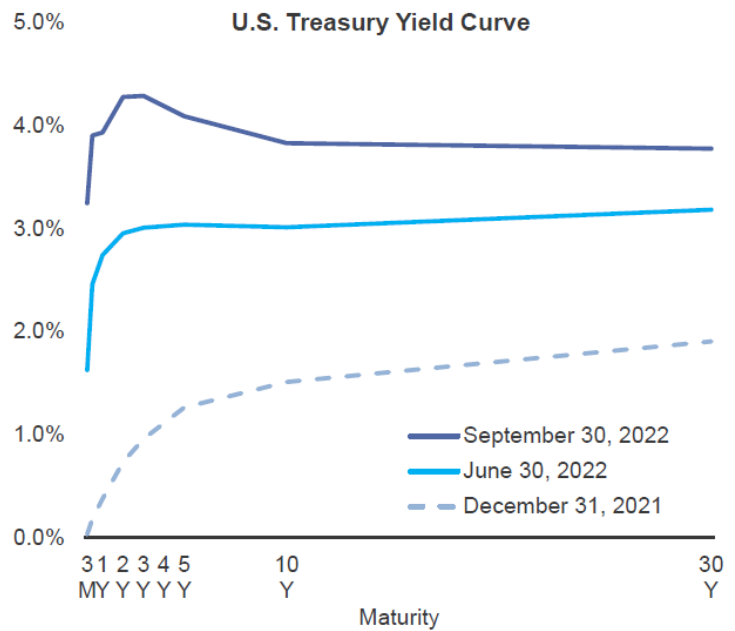
July 1, 2022 – September 30, 2022

The U.S. economy during this period was characterized by high inflation with consumer price index (CPI) rising 8.3% over the past year. Gasoline and energy prices fell, but rents rose the most since 1991 and food prices continued to rise. The labor market cooled slightly during the quarter but remained strong and continued out of balance, with demand for workers substantially exceeding the supply. The Federal Reserve remained committed to bring inflation down by aggressively increasing its target rate by an additional 0.75%, bringing the rate to 3.25%.

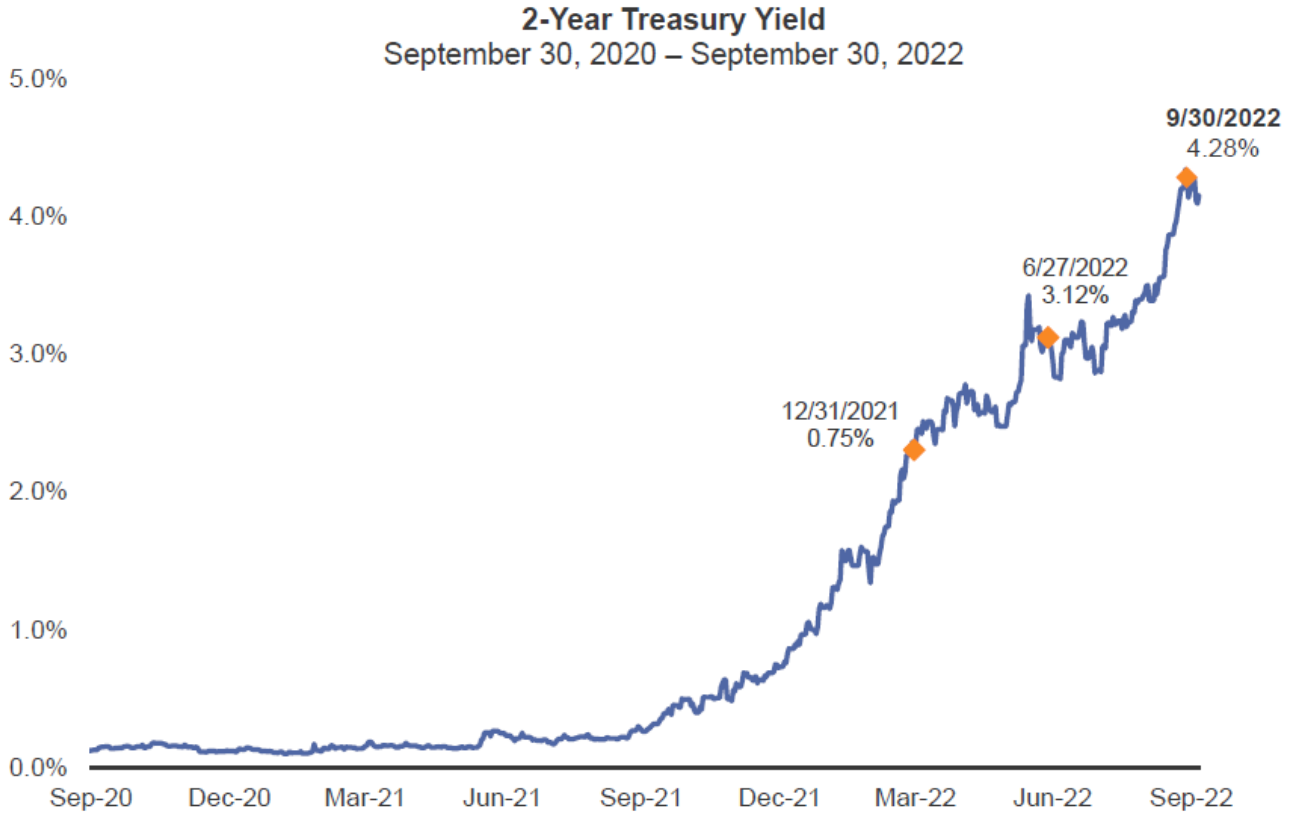
#### U.S. TREASURY YIELD CURVE

- Treasury yields move higher across the curve, which inverts beyond the 3-year Treasury.

	09/30/22	06/30/22	Change
3-month	3.25%	1.63%	+1.62%
1-year	3.93%	2.74%	+1.19%
2-year	4.28%	2.95%	+1.33%
3-year	4.29%	3.01%	+1.28%
5-year	4.09%	3.04%	+1.05%
10-year	3.83%	3.01%	+0.82%
30-year	3.78%	3.18%	+0.60%



- The 2-year Treasury yield increased 133 basis points during the quarter.



**PORTFOLIO STRATEGY**

Monterey County Treasury investments continue to focus on capturing relative value while remaining cautious. The following indicators reflect key aspects of the investment portfolio in light of the above noted conditions:

1. Market Access – During the quarter, investment purchases for the portfolio included Corporate Notes and U.S. Treasury Notes. The Treasurer continues to maintain an adequate level of liquid assets to ensure the ability to meet all cash flow needs.
2. Diversification - The Monterey County Treasurer’s portfolio consists of 260 separate fixed income investments, all of which are authorized by the State of California Government Code 53601 and the Investment Policy.

The portfolio asset allocations are detailed in the table below:

Portfolio Asset Composition								
Corporate Notes	Negotiable CDs	Overnight Liquid Assets	U.S. Treasuries	Federal Agencies	Commercial Paper	Supra-nationals	Municipal Bonds	Asset Backed Securities
12.7%	4.2%	19.9%	41.9%	14.8%	4.0%	2.3%	<0.1%	<0.1%

- Total may not equal 100% due to rounding

3. Credit Risk – Approximately 84.8% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities, Negotiable CDs, and other liquid funds. All assets have a better than investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. Most corporate debt (12.7%) is rated in the higher levels of investment grade and all Federal Agency and Municipal holdings are rated AA- or higher. The Supranationals (2.3%) are rated AAA. The credit quality of the Treasurer’s portfolio continues to be high.

The portfolio credit composition is detailed in the table below:

Portfolio Credit Composition								
AAA	AAAm	AA	A	A-1 (Short Term)	Aaf/S1+ (CalTRUST)	BBB+ (split rated)	LAIF (not rated)	Not Rated by S&P
3%	12%	59%	9%	8%	8%	1%	<1%	<1%

- Total may not equal 100% due to rounding

4. Liquidity Risk – Liquidity risk, as measured by the ability of the County Treasury to meet withdrawal demands on invested assets, was actively managed during the July-September quarter. The portfolio’s weighted average maturity was 450 days, and the Treasurer maintained \$475 million (19%) invested in overnight investments and \$671 million (27%) in securities with maturities of one day to one year to provide immediate liquidity to be able to react quickly to unanticipated needs or opportunities in the current market environment.

## PORTFOLIO CHARACTERISTICS

	June 30, 2022	September 30, 2022
Total Assets	\$2,713,566,160	\$2,479,457,264
Market Value	\$2,638,757,893	\$2,382,359,729
Days to Maturity	482	450
Yield	0.71%	1.06%
Estimated Earnings	\$4,603,441	\$6,528,970

The Treasury continues to strategically invest matured assets while accounting for potential liquidity needs. As market conditions continue to evolve, the portfolio will be actively managed under the established tenets of safety and liquidity while seeking to maximize the total rate of return.