Exhibit A
Investment Portfolio Review
Quarter Ending June 30, 2022

OVERVIEW

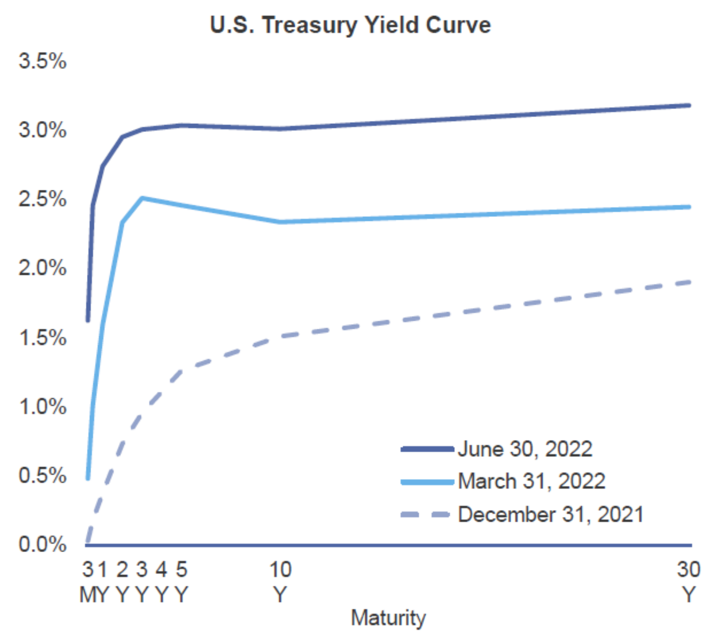
April 1, 2022 – June 30, 2022
The U.S. economy during this period was characterized by the following factors: high inflation, a strong labor market, depressed consumer confidence, and growing potential for an economic recession.

The Federal Reserve continues to tighten monetary policy through aggressive interest rate increases to battle persistent inflation. Short-term federal funds rates are projected to reach 3.25% to 3.75% by year end. The Federal Reserve also began its balance sheet reduction this quarter and plans to double the pace of this beginning in September.

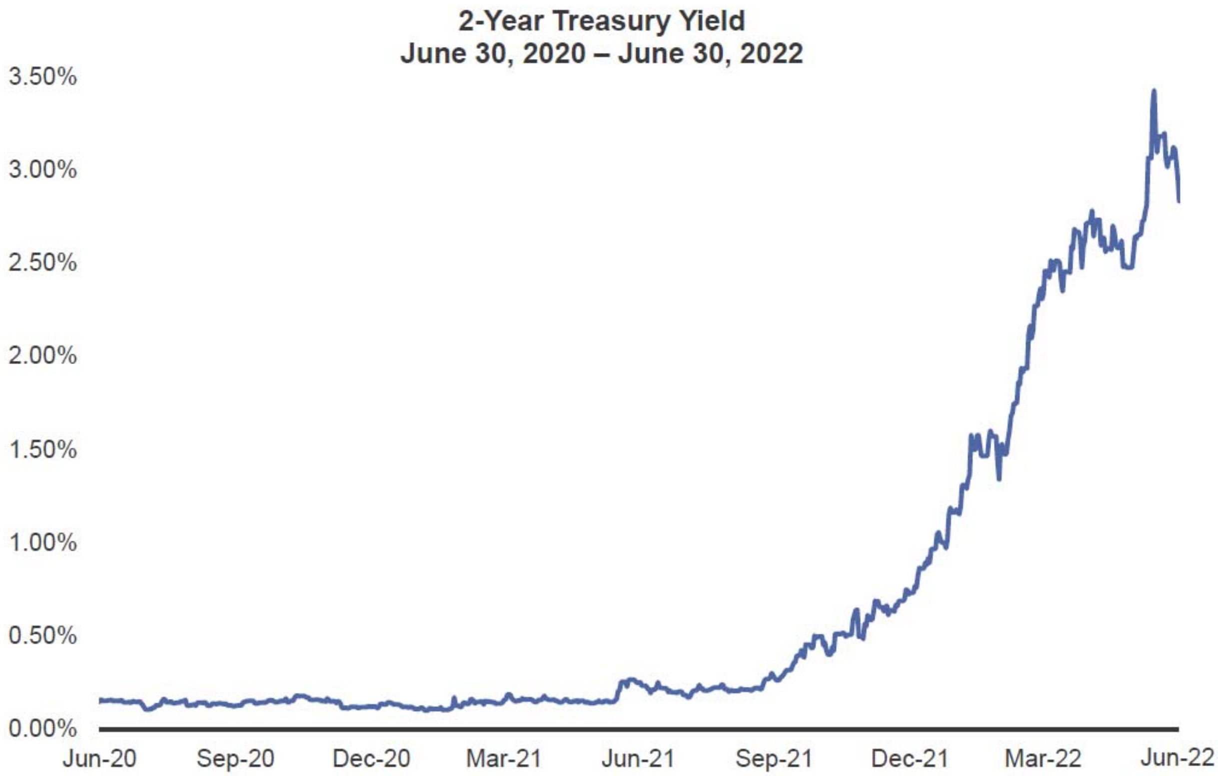
U.S. TREASURY YIELD CURVE

- Yields moved higher acorss the yield curve, with the largest increases on the shorter end as these maturities reacted to the Federal Reserve interest rate increases and forward guidance.
- The yield cuve was extremely flat beyond 2 years, with only a positive 6 basis point spread bewteen the 2- and 10-year Treasury.

	06/30/22	03/31/22	Change
3-month	1.63%	0.48%	+1.15%
1-year	2.74%	1.60%	+1.14%
2-year	2.95%	2.33%	+0.62%
3-year	3.01%	2.51%	+0.50%
5-year	3.04%	2.46%	+0.58%
10-year	3.01%	2.34%	+0.67%
30-year	3.18%	2.45%	+0.73%



- Overall, the 2-year Treasury yield increased 62 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, U.S. Treasury Notes, Commercial Paper, and Negotiable CDs. 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 259 separate fixed income investments, all of which are authorized by the State of California Government Code 53601 and the Investment Policy.

   The portfolio asset spread is 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
11.7%	3.8%	20%	40.4%	13.5%	8.6%	2.1%	<0.1%	<0.1%

- Total may not equal 100% due to rounding

3. Credit Risk – Approximately 86.3% 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. All corporate debt (11.7%) is rated in the higher levels of investment grade and all Federal Agency and Municipal holdings are rated AA- or higher. The Supranationals (2.1%) 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
2%	8%	56%	9%	12%	9%	1%	3%	<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 April – June quarter. The portfolio's weighted average maturity was 482 days, and the Treasurer maintained $527 million (19%) invested in overnight investments and $666 million (25%) 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

	March 31, 2022	June 30, 2022
Total Assets	$2,419,914,130	$2,713,566,160
Market Value	$2,371,225,548	$2,638,757,893
Days to Maturity	505	482
Yield	0.40%	0.71%
Estimated Earnings	$2,375,763	$4,603,441

Given the evolving market environment, 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.