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Exhibit A
Investment Portfolio Review
Quarter Ending September 30, 2020

OVERVIEW

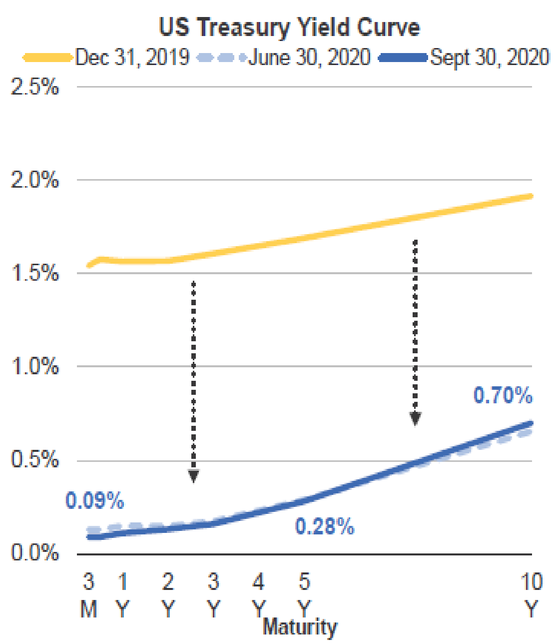
July 1, 2020 – September 30, 2020
The effects of the coronavirus continued to ripple through global economies and financial markets during the quarter ended September 30, 2020. The Federal Reserve extended its forward guidance regarding zero short-term interest rates through 2023. Some economic indicators were strong and recovered at a faster pace than originally expected, leading various economists to pull forward the expected timeframe for recovery. The U.S. Treasury yield curve remained relatively unchanged over the quarter, with most maturities ending the quarter within 0.05% of where they began.

U.S. TREASURY YIELD CURVE

- Yields maintained a low and tight range during the quarter.
- The longer end of the yield curve moved up slightly, as bonds began to price in rising inflation expectations.

	3Q2020 9/30/20	2Q2020 6/30/20	QoQ Change
3 month	0.09%	0.13%	-0.04%
1 year	0.11%	0.15%	-0.04%
2 year	0.13%	0.15%	-0.02%
3 year	0.16%	0.18%	-0.02%
5 year	0.28%	0.29%	-0.01%
10 year	0.70%	0.66%	+0.04%
30 year	1.49%	1.41%	+0.08%

Source: Bloomberg as of 9/30/2020.



- The 2-year Treasury remained stable throughout the quarter, starting the quarter with a yield of 0.15% and ending the quarter at 0.13%

Source: Bloomberg, as of 9/30/20.

The 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 Federal Agencies, Municipal Bonds, Certificates of Deposit, Corporate Notes and a Treasury Note. The Treasurer continues to keep a slightly higher level of liquid assets reflecting the need to maintain levels of available cash to ensure the ability to meet all cash flow needs.

2. Diversification - The Monterey County Treasurer's portfolio consists of 203 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	US Treasuries	Federal Agencies	Supranationals	Municipal Bonds
15.1%	2.0%	23.5%	40.6%	18.6%	<0.1%	<0.1%

- Total may not equal 100% due to rounding

3. Credit Risk – Approximately 85% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities, Negotiable CDs, Municipal Bonds 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 (15%) is rated in the higher levels of investment grade and all Federal Agency and Municipal holdings are rated AA. The Supranational (<0.1%) is 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 (non-rated)
0.1%	13.4%	63.8%	10.4%	1.5%	6.2%	0.8%	3.9%

- 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 average weighted maturity was 380 days, and the Treasurer maintained $465M (24%) in overnight investments to provide immediate liquidity to be able to react quickly to unanticipated needs or opportunities in the current volatile environment. In addition, the Treasurer maintained $748M (39%) in securities with maturities under a year to provide additional enhanced liquidity.

PORTFOLIO CHARACTERISTICS

	June 30, 2020	September 30, 2020
Total Assets	$1,805,293,911.87	$1,918,472,919.39
Market Value	$1,803,857,359.57	$1,922,009,718.02
Days to Maturity	307	380
Yield	1.89%	1.61%
Estimated Earnings	$9,031,433.43	$7,320,952.18

Since the start of the pandemic, the volatility of the bond market has subsided, and interest rates have stabilized. With the expectation that the Federal Reserve will maintain their zero interest rate policy for the next several years, interest rates are expected to remain stable and low. Given this, the County has resumed investing excess liquidity into securities in order to lock in interest rates and to safely maximize the portfolio return. The portfolio will continue to be actively managed under the established tenets of safety and liquidity while seeking to maximize the rate of return.