



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of July 25, 2022

**Title/Subject**

4<sup>th</sup> Quarter Investment Report FY2022

**Summary and Background**

4<sup>th</sup> quarter performance of the portfolio felt the effects of an unstable market. The total investable portfolio saw a loss of approximately 2.25% during the quarter. The good news is the total portfolio's annualized return since inception (2019) is .40%. There was positive movement in investment rates in April and May of the quarter and we did benefit (to a small degree) from the upward rate movement.

LGIP rates matched the market frenzy with rate movements by increasing 60 basis points (from .55% to the current rate of 1.15% in four rate increases) during the quarter. More rate increases are expected in the through the 1<sup>st</sup> and 2<sup>nd</sup> quarters of FY2023.

We are actively reviewing the entire portfolio for "swap" opportunities to benefit from the market swings.

In the next six months, we have one maturity of \$75,000 (Oceanside CA Municipal bond) on 9/1/2022. A FarmerMac agency bullet issue of \$500,000 (due to mature January 3, 2023) was "swapped" out on July 12, 2022 to take advantage of increases in rates in the US Agencies issues.

**Tie-In to Council Goals**

Fiscal Prudence

**Fiscal Information**

None

**Alternatives and Recommendation**

**Alternatives**

NONE

Recommended Action/Motion

Accept the 4th Quarter FY2022 Investment Report as presented.

**Submitted By:**

Mark Krawczyk