



+COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: NOVEMBER 15, 2011
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – OCTOBER 2011

ATTACHMENT (Y/N): YES **ITEM #**

RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for October 2011.

DISCUSSION:

This is the investment report for the City's general pool for the month ending October 31, 2011. The report is provided to ensure that the City Council is informed as to the investment activities and fulfills the reporting requirements of the City's adopted investment policy.

COMPLIANCE:

All investment transactions were executed in accordance with the California Government Code and the City's Investment Policy. There is sufficient liquidity to meet the City's anticipated expenditure requirements for the next six months.

INVESTMENT SUMMARY:

The following table shows summary investment information for the month ending October 31, 2011:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 97,174,816	\$ 287,167,526	\$ 384,342,342
Effective Yield	0.28 %	2.19 %	1.70 %
Avg. Weighted Maturity	5 Days	2.4 Years	1.82 Years
Net Earnings	\$ 22,900	\$ 514,894	\$ 537,794
Benchmark**	0.01%	0.29%	0.21 %

* Portfolio balance includes approximately \$79.1 million of the 2011A Electric Bond project funds

** Benchmark value is the Interpolated Treasury Yield to the Portfolio's Avg. Weighted Maturity

INVESTMENT ACTIVITIES

The City Treasurer's Investment Portfolio has a current rating of "AAf" from Standard and Poor's (S&P). This rating was effective August 8, 2011, as a result of the action of S&P downgrading the debt issues of the United States Treasury and Federal Agencies from a credit rating of "AAA" to "AA+". The credit rating reflects the investment holdings of the City's Investment Portfolio (approximately 58% of funds in Federal Agency issues) and not the management of the investment fund.

It should be pointed out the downgrade in credit rating is the sole action of Standard and Poor’s, since the other two major national credit firms of Moody’s Investor Services and Fitch Ratings have maintained the “AAA” credit rating on all U.S. Treasury and Federal Agency debt issues. Even with the credit downgrade to the investment portfolio, the investment portfolio is still eligible and qualifies as a ‘permitted investment’ for City bond funds (i.e., project or acquisition funds).

This credit rating is for the City’s investment portfolio and does NOT reflect the credit rating of the City’s bond issues.

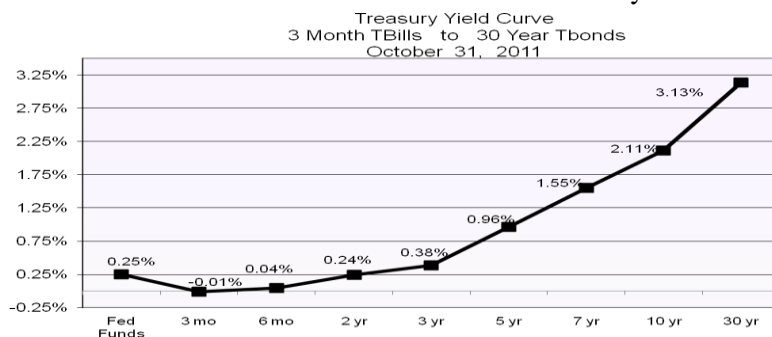
On August 11, 2008, the City of Anaheim’s Investment Policy was recognized and certified by the Association of Professional Treasurers of the United States and Canada (APT US&C) as meeting all standards and criteria established by the APT US&C.

INVESTMENT ENVIRONMENT

The month of October 2011 saw the financial markets stressed over the continuing debt crisis in Europe. The European banking system “. . . has been dealing for more than a year with the financial instability of Greece and the other so-called PIIGS nations – Portugal, Ireland, Italy and Spain. The five nations are all coping with severe debt, leading to unpopular attempts to impose austerity measures and efforts by more stable neighboring countries to work out bailout plans.” Moody’s Investor Services downgraded Greece (sovereign debt) on July 25, 2011 to one class above default. To further complicate the situation, after an initial agreement with the European Union on a rescue plan for Greece, the legislative body announced they would issue a referendum for a vote on the overall financial rescue package. This reversal to a “done deal” will cause the world financial markets continued volatility.

This ongoing issue is causing concern of a possible collapse of the European bond market and has investors seeking a safe haven for their funds. Consequently, even with the S&P downgrade of U.S Treasury debt issues to ‘AA+’ (note that Moody’s and Fitch still list U.S. Treasury debt as ‘AAA’) investors have been heavily purchasing U.S. issued debt . There is no other market in the world that provides the efficiencies and volume of funds than the United States financial markets and U.S. Treasury issues. This “flight to quality” in investment securities has lowered yields on all U.S. Treasury debt to historic low levels.

Associating the slow-growth of the U.S. economy with the European crisis, the Federal Reserve has continued a program of maintaining short-term interest rates at current low levels to attempt to provide stimulus for the economy. Federal Reserve Chairman Bernanke has announced he intends to keep rates at these levels through mid-year 2013. The chart below shows the interest rates for U. S. Treasury issues for the month ending October 2011:

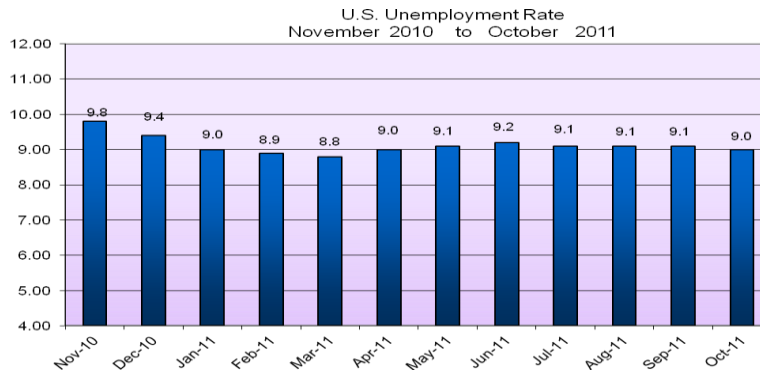


Source: Bloomberg Financial Systems

Please note the October 31, 2011 yield on the 3 month Treasury Bill was a negative 0.013 percent as the result of this concern to “fix” the Greece financial issue. The Federal Reserve announced at the September 21, 2011 ‘Federal Open Market Committee’ (FOMC) meeting that the ‘target’ Federal Funds rate would remain at the range of 0.0% to 0.25%, citing continued “risk to growth” to the economy. This key market interest rate has remained at this level since the FOMC meeting on December 16, 2008. The Federal Funds interest rate is the interest rate that banks charge other banks to borrow money.

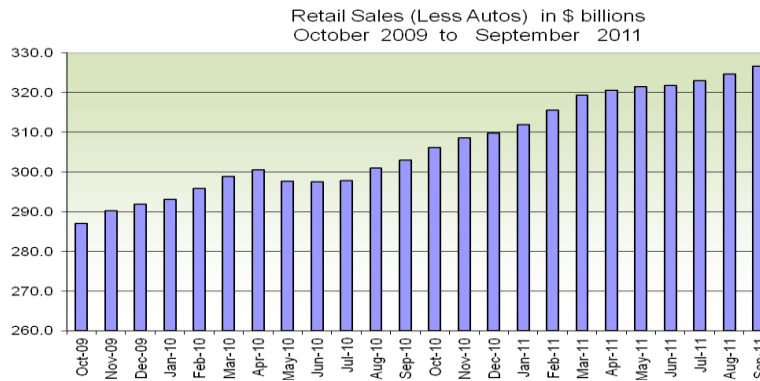
Against this backdrop, the economic data for the U.S. economy continues to show signs of a slow recovery that began in the spring of 2009. A key economic indicator is the national unemployment rate, which tends to show the overall health of the national economy. For the month of October 2011, the national unemployment rate was reported at 9.0%, a decrease from the past three months which were at 9.1%. The unemployment rate appears to be stalled in a narrow range from a low of 8.8% in March 2011 to a high of 9.2% in June 2011.

As noted, the unemployment rate is considered a “lagging” economic indicator and does not reflect immediate or current financial and economic events. The unemployment rate does indicate the level of idle workers as a percentage of the overall labor force. The chart below shows the national unemployment rate for the past twelve months:



Source: Bureau of Statistics, Dept of Labor

Another key economic factor we review is the monthly Retail Sales (less Autos), which measures the level of consumer spending and provides an indication of the underlying vitality of the overall national economy. At the time of this monthly report, the October 2011 retail sales data had not been released, however, the September 2011 data indicates the consumer is continuing to spend but at marginally lower levels in the past four months. The chart below shows the monthly increase in consumer spending for the past twenty four months.



Source: Census Bureau, US Government

Since the U.S. economy is heavily weighted on the consumer spending, the year to year increase (September 2010 to September 2011) of 7.8% is a strong positive sign the economy has stabilized from the strong downturn at the end of 2008.

The City’s investment portfolio remains strongly diversified and invested in high credit quality issues of U.S. Treasuries, Federal Agencies, Medium Term Corporate Notes and high grade commercial paper. Investments in money market accounts are restricted to U.S. Treasury and Federal Agencies only and a review of the State of California Local Agency Investment Fund (LAIF) shows high levels of liquidity and safe investments. The City’s investment strategy continues to focus on safety and providing liquidity for the City’s operational requirements.

INVESTMENT PERFORMANCE

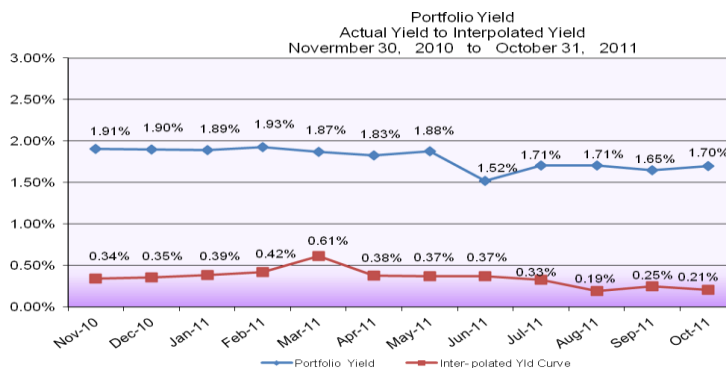
For October 2011, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 97,174,816	5 days	0.28 %	0.01 %	0.023	0.392
Long-Term Portfolio	\$ 287,167,526	2.4 years	2.19 %	0.29 %	0.281	2.622
Total Portfolio	\$ 384,342,342	1.7 years	1.70 %	0.21 %	0.213	2.227

The portfolio balance reflects a deposit of \$76,732,798 for acquisition funds from the 2011A Electric Bonds. As a “AA” credit rated portfolio, we are recognized as a permitted investment by the bond indenture of the above bonds. These funds enjoy the advantage of superior market rates of return in a historically low interest rate environment.

Please note the use of interpolated yield values and total return values are guidelines and not used in the performance evaluation of the portfolio. The investment of public funds is exposed to a large range of variable factors, such as increases or decreases in revenues and expenditures as well as seasonal timing, which can affect the cash flow of the City.

The City’s investment portfolio continues to provide an above market rate of return on funds as shown in the following graph which shows the City’s net overall performance to a market indicator for the past twelve months:



Source: Treasurer’s Office, Anaheim

A complete listing of the portfolio holdings and investment activity for the City of Anaheim’s Investment Portfolio for the month of October 2011 is on the following pages.

IMPACT ON BUDGET:

There is no impact on the General Fund.

Respectfully submitted,

Henry W. Stern, CTP
City Treasurer

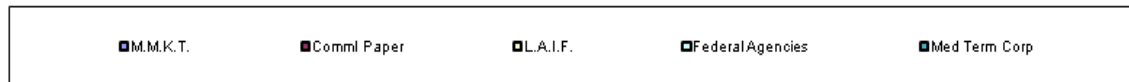
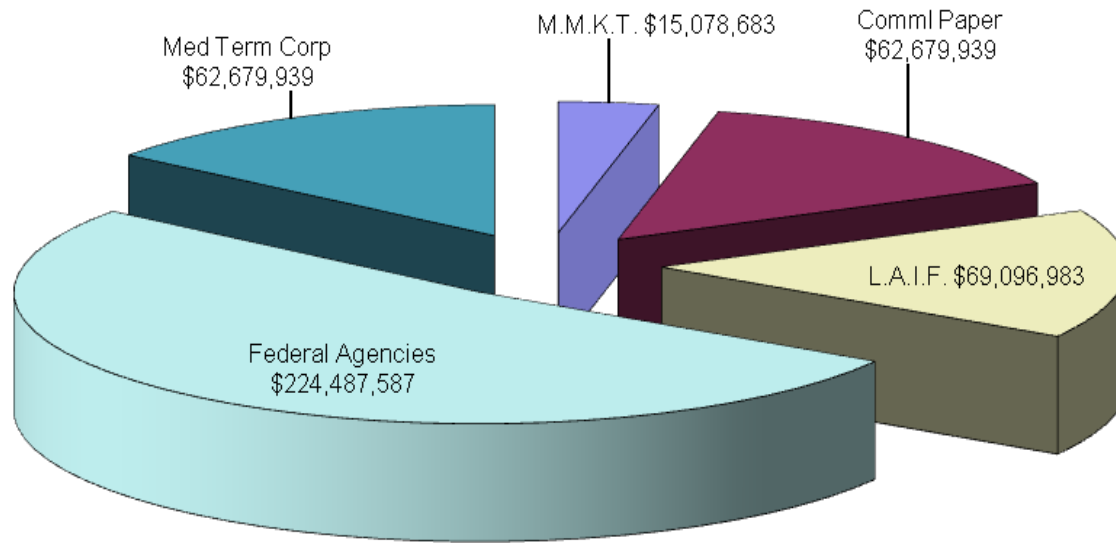
Attachment

1. City Treasurer’s Investment Report

**Balances, Yields and Average Maturities
October 31, 2011**

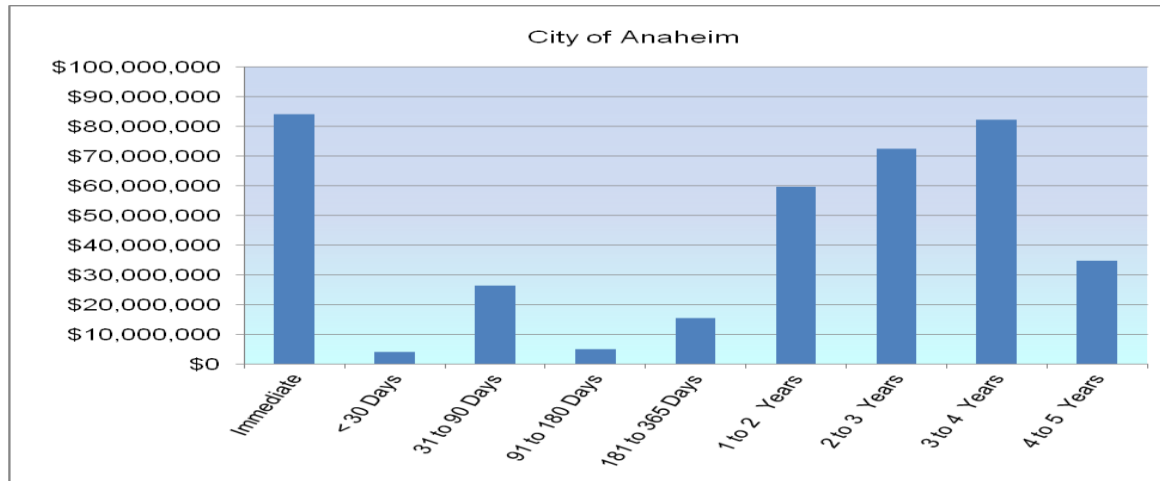
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Percent of Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$15,078,683	\$15,078,683	\$15,078,683	0.01%	3.92%	1	0.00
L.A.I.F. (State of California)	\$69,096,983	\$69,096,983	\$69,096,983	0.38%	17.98%	1	0.00
subtotal: Cash and Overnight Investments	\$84,175,666	\$84,175,666	\$84,175,666		21.90%	1	0.00
Commercial Paper	\$13,000,000	\$12,999,150	\$12,999,150	0.07%	3.38%	33	0.09
Medium Term Corporate Notes	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Federal Agencies	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
subtotal: Pooled Investments	\$13,000,000	\$12,999,150	\$12,999,150	0.00%	3.38%	33	0.09
Total Short-Term Portfolio:	\$97,175,666	\$97,174,816	\$97,174,816	0.28%	25.28%	5	0.01
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$61,391,000	\$61,637,631	\$62,679,939	3.17%	16.31%	785	2.15
U.S. Federal Agencies	\$220,185,000	\$219,937,351	\$224,487,587	1.92%	58.41%	923	2.53
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$281,576,000	\$281,574,982	\$287,167,526	2.19%	74.72%	893	2.45
Total Cash and Pooled Investments	\$378,751,666	\$378,749,798	\$384,342,342	1.70%	100.00%	665	1.82

City of Anaheim
Investment Portfolio Asset Allocation
October 31, 2011
\$ 384,342,342



Liquidity Schedule
 October 31, 2011

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$15,078,683	\$15,078,683	3.92%
L.A.I.F. (State of California)	Immediate	\$69,096,983	\$84,175,666	21.90%
Pooled Investment Maturities:	< 30 Days	\$3,999,908	\$88,175,574	22.94%
	31 to 90 Days	\$26,355,013	\$114,530,587	29.80%
	91 to 180 Days	\$5,069,240	\$119,599,827	31.12%
	181 to 365 Days	\$15,386,655	\$134,986,482	35.12%
	1 to 2 years	\$59,652,698	\$194,639,180	50.64%
	2 to 3 years	\$72,520,748	\$267,159,928	69.51%
	3 to 4 years	\$82,300,427	\$349,460,355	90.92%
	4 to 5 years	\$34,881,987	\$384,342,342	100.00%
Total Cash and Pooled Investments:		\$384,342,342		



Summary and Comparison of Yields and Balances
October 31, 2011

<u>Description</u>	<u>Current Month</u> <u>October 31, 2011</u>	<u>Prior Month</u> <u>September 30, 2011</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.38%	0.41%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.91%	1.99%
Commercial Paper	0.07%	0.00%
Medium Term Corporate Notes	3.17%	3.15%
	1.70%	1.65%
Weighted Average Maturity (Days)	665	624
Weighted Average Maturity (Years)	1.82	1.71
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$15,078,683	\$46,715,815
L.A.I.F. (State of California)	\$69,096,983	\$69,036,161
U.S. Treasuries	\$0	\$0
Federal Agencies	\$224,487,587	\$234,726,559
Commercial Paper	\$12,999,150	\$0
Medium Term Corporate Notes	\$62,679,939	\$57,273,415
Total Portfolio:	\$384,342,342	\$407,751,950
Earnings:	<u>Current Month</u> <u>October 31, 2011</u>	<u>Fiscal Year to</u> <u>Date Earnings</u>
Total Interest Earnings for Month:	\$580,890.97	\$2,449,237.22
Total Adjustments from Premiums and Discounts	-\$43,096.93	-\$160,317.09
Total Capital Gains or Losses	\$0.00	\$3,920.00
Total Earnings for Month	<u>\$537,794.04</u>	<u>\$2,292,840.13</u>

City of Anaheim
Investment Portfolio Summary

<u>Month / Yr</u>	<u>Core Portfolio</u>	<u>Reserve Portfolio</u>	<u>Portfolio Balance (market value)</u>	<u>Portfolio Yield</u>	<u>Avg Wgt Mat. - Days</u>	<u>Avg Wgt Mat. - Yrs</u>	<u>Inter - polated Yld Curve</u>	<u>Difference: City Yield / Interpolated</u>
Jun-09	\$92,988,732	\$316,049,180	\$409,037,911	2.26%	752	2.06	1.12%	1.14%
Jun-10	\$127,268,510	\$256,712,953	\$383,981,463	1.87%	536	1.47	0.45%	1.42%
Jul-10	\$123,081,456	\$242,447,380	\$365,528,837	1.83%	530	1.45	0.41%	1.42%
Aug-10	\$117,235,549	\$242,490,054	\$359,725,603	1.86%	516	1.41	0.35%	1.51%
Sep-10	\$119,485,790	\$227,468,279	\$346,954,069	1.86%	500	1.37	0.30%	1.56%
Oct-10	\$100,978,349	\$219,241,780	\$320,220,129	1.92%	520	1.42	0.25%	1.66%
Nov-10	\$101,526,759	\$218,216,183	\$319,742,942	1.91%	499	1.37	0.34%	1.57%
Dec-10	\$105,898,549	\$210,264,073	\$316,162,622	1.90%	470	1.29	0.35%	1.54%
Jan-11	\$108,407,446	\$234,543,785	\$342,951,231	1.89%	542	1.48	0.39%	1.50%
Feb-11	\$104,729,248	\$236,419,373	\$341,148,622	1.93%	546	1.50	0.42%	1.50%
Mar-11	\$111,156,980	\$235,802,908	\$346,959,888	1.87%	572	1.57	0.61%	1.26%
Apr-11	\$116,033,678	\$227,553,117	\$343,586,795	1.83%	533	1.46	0.38%	1.45%
May-11	\$102,200,682	\$240,161,108	\$342,361,790	1.88%	613	1.68	0.37%	1.50%
Jun-11	\$180,459,755	\$261,836,213	\$442,295,968	1.52%	554	1.52	0.35%	1.17%
Jul-11	\$110,147,815	\$302,809,741	\$412,957,556	1.71%	676	1.85	0.33%	1.38%
Aug-11	\$112,051,416	\$303,126,356	\$415,177,772	1.71%	650	1.78	0.19%	1.52%
Sep-11	\$115,751,976	\$291,999,974	\$407,751,950	1.65%	624	1.71	0.25%	1.40%
Oct-11	\$97,174,816	\$287,167,526	\$384,342,342	1.70%	665	1.82	0.21%	1.49%

Note: October 2011 balance reflects acquisition funds from 2011A Electric Bonds, approx \$76.7 million

City Treasurer's Investment Report – October 2011

Attachment 1

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CITY OF ANAHEIM

Short-Term Portfolio Listing

October 31, 2011

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
SYS17430	17430	LAIF	MMKT	AA	36,932,357.89	36,932,357.89	36,932,357.89			0.38%
SYS17431	17431	LAIF	MMKT	AA	32,164,625.60	32,164,625.60	32,164,625.60			0.38%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AA+	5,184,054.54	5,184,054.54	5,184,054.54			0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AA+	9,894,628.12	9,894,628.12	9,894,628.12			0.01%
2546R3YJ7	1616	Disney	CP	A1/P1	4,000,000.00	3,999,907.62	3,999,907.62	10/12/2011	11/18/2011	0.05%
47816GZ28	1614	Johnson & Johnson	CP	A1/P1	5,000,000.00	4,999,788.27	4,999,788.27	10/07/2011	12/02/2011	0.05%
19121BZM4	1615	COCA COLA	CP	A1/P1	4,000,000.00	3,999,453.61	3,999,453.61	10/07/2011	12/21/2011	0.10%
Total Short-Term Portfolio:					<u>97,175,666.15</u>	<u>97,174,815.65</u>	<u>97,174,815.65</u>			<u>0.28%</u>

CITY OF ANAHEIM

Long-Term Portfolio Listing

October 31, 2011

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3133XVQL8	1456	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	3,240,000.00	3,240,003.51	3,243,502.44	12/28/2009	12/09/2011	1.13%
3137EACF4	1454	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	5,000,267.61	5,006,260.00	12/28/2009	12/15/2011	1.13%
38141GBU7	1511	Goldman Sachs Group	MTN	A	9,005,000.00	9,070,808.29	9,106,009.09	05/28/2010	01/15/2012	6.60%
36962GXS8	1510	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,052,075.85	5,069,240.00	05/28/2010	02/15/2012	5.88%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,996,011.76	5,028,405.00	12/28/2009	05/25/2012	1.25%
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,016,278.42	10,358,250.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	9,850,000.00	9,863,450.22	9,999,493.45	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,984,474.91	5,063,910.00	01/29/2010	01/09/2013	1.38%
31398AME9	1206	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,442,260.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	A+	8,000,000.00	7,971,789.30	8,319,880.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A-	8,206,000.00	8,388,084.00	8,297,316.37	06/23/2010	02/05/2013	5.45%
38141GDB7	1517	Goldman Sachs Group	MTN	A	2,224,000.00	2,280,996.13	2,301,573.12	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A+	5,000,000.00	4,999,119.94	5,221,175.00	04/02/2008	04/02/2013	4.63%
3134G2QF2	1609	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,007,090.00	07/18/2011	07/18/2013	0.65%
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,969,776.95	5,044,760.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	6,845,000.00	6,861,680.40	7,225,308.20	12/15/2008	12/13/2013	3.13%
3136FPZ26	1559	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,896.85	5,009,685.00	01/24/2011	01/13/2014	1.38%
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,994,185.90	5,085,780.00	03/23/2011	03/14/2014	1.25%
313374D56	1602	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,000,000.00	3,999,066.67	4,003,544.00	07/11/2011	04/11/2014	1.00%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,000,000.00	8,002,362.67	8,395,808.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,500,000.00	4,489,173.04	4,722,642.00	05/01/2009	04/17/2014	2.63%

City Treasurer's Investment Report – October 2011

Attachment 1

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CITY OF ANAHEIM

Long-Term Portfolio Listing

October 31, 2011

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,000,000.00	4,032,428.30	4,197,904.00	01/29/2010	04/17/2014	2.63%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,024,938.69	5,240,415.00	04/30/2010	05/15/2014	2.50%
478160AX2	1584	Johnson & Johnson	MTN	AAA	3,000,000.00	2,997,015.68	3,045,414.00	05/20/2011	05/15/2014	1.20%
3136FPV95	1548	FED NATL MORTGAGE ASSN	Fed Agy	AA+	2,350,000.00	2,349,590.73	2,355,315.70	01/07/2011	07/03/2014	1.70%
3135G0BT9	1606	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,036,300.00	07/11/2011	07/11/2014	1.13%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	8,000,000.00	7,956,679.84	8,157,872.00	03/23/2011	09/12/2014	1.38%
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,036,643.47	5,129,420.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,014,152.98	8,474,592.00	04/30/2010	11/20/2014	2.63%
3134G2HC9	1582	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,999,466.67	5,003,320.31	05/25/2011	11/25/2014	1.50%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,929,757.08	5,061,065.00	01/24/2011	12/12/2014	1.25%
3136FRXN8	1604	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,033,530.00	06/30/2011	12/30/2014	1.25%
3134G2MX7	1601	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,998,356.94	5,006,855.00	07/06/2011	01/06/2015	1.35%
3134G2MX7	1605	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,997,219.44	10,013,710.00	07/06/2011	01/06/2015	1.35%
3134G2MX7	1608	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,999,331.94	5,006,855.00	07/06/2011	01/06/2015	1.35%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,001,068.11	2,126,440.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,984,117.99	5,135,195.00	03/24/2011	03/24/2015	1.67%
31331KKU3	1579	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,004,156.42	5,066,420.00	05/16/2011	05/13/2015	1.93%
3136FRSL8	1599	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,995,041.67	5,031,795.00	06/29/2011	06/29/2015	1.50%
594918AG9	1591	Microsoft Corp	MTN	AAA	5,000,000.00	5,000,000.00	5,117,125.00	06/09/2011	09/25/2015	1.63%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,303.19	3,094,524.00	05/11/2011	10/15/2015	1.88%
931142CX9	1581	Walmart	MTN	AA	2,956,000.00	2,899,914.81	2,999,580.31	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,895,875.00	5,122,250.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,905,674.30	5,122,250.00	01/24/2011	12/01/2015	1.75%
38143USC6	1560	Goldman Sachs Group	MTN	A	5,000,000.00	4,992,059.59	4,954,020.00	02/08/2011	02/07/2016	3.63%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,991,670.70	3,110,556.00	05/20/2011	05/15/2016	2.15%
3136FRTM5	1598	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,998,590.83	5,015,290.00	06/28/2011	06/28/2016	2.15%
3136FRTM5	1607	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,400,000.00	6,398,328.85	6,419,571.20	06/29/2011	06/28/2016	2.15%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,994,096.28	5,138,050.00	10/17/2011	10/17/2016	3.35%
Long-Term Portfolio Listing:					<u>281,576,000.00</u>	<u>281,574,981.92</u>	<u>287,167,526.19</u>			<u>2.19%</u>
Total Portfolio Listing:					<u>378,751,666.15</u>	<u>378,749,797.57</u>	<u>384,342,341.84</u>			<u>1.70%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 October 1, 2011 - October 31, 2011**

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Prtnlcal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM %	Ending Book Value
SHORT- TERM PORTFOLIO												
19121BZM4	1615	01	ACP COCA C	4,000,000.00	10/07/2011	12/21 - At Maturity	3,999,166.67		0.100	12/21/2011	0.100	3,999,453.61
47816GZ28	1614	01	ACP JNJ	5,000,000.00	10/07/2011	12/02 - At Maturity	4,999,611.11		0.050	12/02/2011	0.050	4,999,788.27
2546R3YJ7	1616	01	ACP DISNEY	4,000,000.00	10/12/2011	11/18 - At Maturity	3,999,794.44		0.050	11/18/2011	0.050	3,999,907.62
			Subtotal	13,000,000.00			12,998,572.22	0.00				12,998,148.60
LONG-TERM PORTFOLIO												
36962G5H3	1617	02	MTN GECC	5,000,000.00	10/17/2011	04/17 - 10/17	4,994,050.00		3.350	10/17/2016	3.330	4,994,096.28
			Subtotal	5,000,000.00			4,994,050.00	0.00				4,994,096.28
Managed Pool Deposits												
				Deposit Amount	Deposit Date		Deposit Amount		Rate			
SYS987	987	01	PA2 FIDELI	10,175,000.00	10/03/2011		10,175,000.00		0.010			
SYS987	987	01	PA2 FIDELI	115,625.00	10/03/2011		115,625.00		0.010			
SYS987	987	01	PA2 FIDELI	10,000.00	10/11/2011		10,000.00		0.010			
SYS987	987	01	PA2 FIDELI	244,687.50	10/17/2011		244,687.50		0.010			
SYS987	987	01	PA2 FIDELI	5,161,000.00	10/18/2011		5,161,000.00		0.010			
SYS987	987	01	PA2 FIDELI	22,170.00	10/25/2011		22,170.00		0.010			
SYS500	500	01	PA2 GOLDSA	3,971,000.00	10/04/2011		3,971,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	2,720,000.00	10/05/2011		2,720,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	6,019,000.00	10/12/2011		6,019,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	1,916,000.00	10/13/2011		1,916,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	1,725,000.00	10/19/2011		1,725,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	3,184,000.00	10/20/2011		3,184,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	1,874,000.00	10/26/2011		1,874,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	2,207,000.00	10/28/2011		2,207,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	80.86	10/31/2011		80.86		0.010			
			Subtotal	38,344,683.38			38,344,683.38					
			Total Purchases and Deposits	67,344,683.38			67,337,186.68	0.00				17,998,246.78

Mat Call Sale Purch
Maturity Report
 Sorted by Maturity Date
 Receipts during October 1, 2011 - October 31, 2011

CUSIP	Investment #	Fund	Sec. Type Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
31331Y3P3	1296	02	FAC FFCB	10,000,000.00	10/03/2011	07/15/2008	3.500	10,000,000.00	175,000.00	10,175,000.00	175,000.00
Total Maturities:				10,000,000.00				10,000,000.00	175,000.00	10,175,000.00	175,000.00



FUND PROFILE

July 29, 2011



City of Anaheim Treasurer Investment Pool

Fund Credit Quality Ratings Definitions

AAAF The fund's portfolio holdings provide extremely strong protection against losses from credit defaults.

AAF The fund's portfolio holdings provide very strong protection against losses from credit defaults.

A The fund's portfolio holdings provide strong protection against losses from credit defaults.

BBB+ The fund's portfolio holdings provide adequate protection against losses from credit defaults.

BB+ The fund's portfolio holdings provide uncertain protection against losses from credit defaults.

B+ The fund's portfolio holdings exhibit vulnerability to losses from credit defaults.

CCC+ The fund's portfolio holdings make it extremely vulnerable to losses from credit defaults.

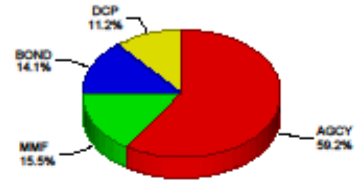
Plus (+) or Minus (-) The ratings from 'AA+' to 'CCC+' may be modified to show relative standing within the major rating categories.

Fund Credit quality ratings, identified by the 'F' subscript, are assigned to bond funds and other actively managed funds that exhibit variable net asset values. These ratings are current assessments of the overall credit quality of a fund's portfolio. The ratings reflect the level of protection against losses from credit defaults and are based on an analysis of the credit quality of the portfolio investments and the likelihood of counterparty defaults.

About the Fund

Fund Rating	AA+ / S1
Fund Type	Variable NAV Government Investment Pool
Investment Adviser	City of Anaheim CA
Portfolio Manager	Henry Stern
Fund Rated Since	July 2008

Portfolio Composition as of July 29, 2011



AGCY - Agency Fixed Rate; MMF - Money Market Fund; BOND - Corporate Fixed Rate; DCP - Commercial Paper

*As assessed by Standard & Poor's

Fund Highlights

- Average maturity 2 years or less
- The portfolio must purchase securities with a rating of A or better

Management

The Treasurer for the city of Anaheim, CA is responsible for overall management of the portfolio. The Treasurer has prior experience managing S&P rated government investment pools during his tenure at the cities of Los Angeles and Long Beach. The city of Anaheim's \$300+ million portfolio is divided into a short term and a long term portfolios, where \$95-\$120 million comprises the shorter-term component. The investment policy is reviewed and submitted to the City Council annually, with the current 2011 policy in effect, applies to all cash and investments controlled by the Anaheim Treasurer on behalf of the City.

Credit Quality

The 'AA+' fund credit quality rating is based on our analysis of the credit quality of the Portfolio's eligible investments, the counterparties, and overall management by the portfolio's investment managers. The 'AA+' rating signifies that the portfolio holdings provide very strong protection against losses from credit defaults. The 'S1' volatility rating signifies that a fund possesses low sensitivity to changing market conditions and a level of risk that is less than or equal to that of a portfolio comprised of the highest quality fixed-income instruments with an average maturity of one to three years. As part of our volatility analysis, we assessed the management, portfolio-level risk, target durations, and comparable return strategies of the Portfolio.

Portfolio Assets

Eligible portfolio holdings are typically comprised of highly rated securities, including money-market

funds, investment-grade corporate debt, CP, the Local Agency Investment Fund (LAIF), U.S. Treasury and Agency securities. The portfolio has to purchase securities with a rating of A or better. The Anaheim Treasurer's Investment Pool's primary objective is to provide safety of principal followed by maintenance of liquidity and return on investment. The various city departments are the Investment Pool's predominant investors. The short-term portfolio's benchmark is the ninety-one day T-bill and it is managed with the view that cash is needed for operating purposes within a 6-month period. The long-term portfolio uses the ML 1-3 Year US Treasury benchmark. The Investment Pool's overall duration is currently 1.5 years with a maximum duration of 3 years. Union Bank of CA is the custodian for the pool.

Standard & Poor's Analyst: Guyna Johnson - (1) 312-233-7008

www.standardandpoors.com

Investors should consider the investment objectives, risks and charges and expenses of the fund before investing. The prospectus which can be obtained from your broker-dealer, contains this and other information about the fund and should be read carefully before investing.

BOND FUND INVESTMENTS

September 30, 2011

<u>Debt Issue</u>	<u>Trustee</u>	<u>Book Value</u>	<u>Total Trustee Holdings</u>
Decommissioning Trust	Union Bank of Calif.	\$ 120,426,252	
APFA Revenue Bds, 1998 Series	Union Bank of Calif.	\$ 1	\$ 120,426,253
COP 1992 Convention Ctr.	US Bank	\$ 8,219,320	
1993 Land Acquisition Program Lease	US Bank	\$ 2,565,481	
Anaheim R/A Tax Allocation Bond - Escrow Fd	US Bank	\$ 30,444,964	
Anaheim CFD no. 1989-3	US Bank	\$ 830,891	
APFR Rev Bds. - Escrow Fd	US Bank	\$ -	
Anaheim CFD 1989 - 1, Sycamore Canyon	US Bank	\$ 428,687	
Anaheim CFD 1989 - 2, Highlands Sp Tax Bds	US Bank	\$ 692,017	
CITY OF ANAHEIM CFD DIST 06-2 2007	US Bank	\$ 707,287	
Anaheim CFD 08-1 2010 Platinum Triangle	US Bank	\$ 28,543,046	
Anaheim RDA 2007 Tax Allocation Refunding Bds	US Bank	\$ 19,928,037	
APFA Lease Revenue Refunding Bonds Ser 2008	US Bank	\$ 4,434,500	
APFA Water System Bonds 2010-A & 2010-B	US Bank	\$ 22,585,908	
Anaheim RDA 2010 Tax Allocation Bond	US Bank	\$ 657,848	
Anaheim 11A Electric	US Bank	\$ 88,192,827	\$ 208,230,812
Anaheim Dist Sys 99	BNY Western Trust	\$ 3,135,647	
Anaheim Arena 03	BNY Western Trust	\$ -	
Anaheim 04 Electric Purchase	BNY Western Trust	\$ 10,090,257	
Anaheim Debt Service Payment Account	BNY Western Trust	\$ -	
Anaheim/Disney Lease Revenue 1997A	BNY Western Trust	\$ 53,870,250	
Anaheim Lenain Reserve	BNY Western Trust	\$ 1,276,407	
APFA 02 A	BNY Western Trust	\$ 7,168,771	
APFA 03 B	BNY Western Trust	\$ 9,720,660	
Anaheim 03 A	BNY Western Trust	\$ 4,958,832	
Anaheim 03 B	BNY Western Trust	\$ -	
Anaheim 93 A Reserve Fund	BNY Western Trust	\$ -	
Anaheim 04 Water	BNY Western Trust	\$ 1,257,363	
APFA 2007A	BNY Western Trust	\$ 17,596,214	
APFA 2007A Farecal Escrow	BNY Western Trust	\$ 768,501	
Anaheim Sewer Rev Bds 2007	BNY Western Trust	\$ 27,946,691	
Anaheim (Dsny) 2007 Ref Ser A	BNY Western Trust	\$ 780,768	
Anaheim (Dsny) 2007 Ref Ser B	BNY Western Trust	\$ 494,772	
Anaheim/Disney 97 Series A-1/B Escrow	BNY Western Trust	\$ -	
Anaheim/Disney 97 Series A-2 Escrow	BNY Western Trust	\$ -	
Farecal Anaheim	BNY Western Trust	\$ -	
Anaheim 08 Water	BNY Western Trust	\$ 4,083,307	
Anaheim 09A Electric	BNY Western Trust	\$ 4,177	\$ 143,152,616
Total Bond Funds with external Trustees:			\$ 471,809,682
Anaheim RDA PFA 1992 Tax Alloc Rev	City Treasurer	\$ 46	
2000 RDA SubAccount	City Treasurer	\$ 23,968	
2007 RDA Bond - A	City Treasurer	\$ 0	
2007 RDA Bond - B	City Treasurer	\$ 6	
2007 RDA Bond - D	City Treasurer	\$ -	
Total Bond Funds with City Treasurer:			\$ 24,021
Total Bond Funds:			\$ 471,833,702