



# COUNCIL AGENDA REPORT

## City of Anaheim OFFICE OF THE CITY TREASURER

**DATE: NOVEMBER 19, 2013**  
**FROM: OFFICE OF THE CITY TREASURER**  
**SUBJECT: INVESTMENT PORTFOLIO REPORT – OCTOBER 2013**

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

### RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for October 2013.

### DISCUSSION:

This is the investment report for the City’s general pool for the month ending October 31, 2013. 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, 2013:

	<b>Short-term Portfolio</b>	<b>Long-term Portfolio</b>	<b>Total Portfolio Values</b>
Portfolio Balance (Market Value) *	\$ 117,872,756	\$ 295,174,674	\$ 413,047,430
Effective Yield	0.18 %	1.42 %	1.07 %
Avg. Weighted Maturity	15 Days	2.4 Years	1.7 Years
Net Earnings	\$ 17,205	\$ 351,086	\$ 368,291
Benchmark**	0.02 %	0.40 %	0.26 %

\* Portfolio balance includes approximately \$32.4 million of the 2011A Electric Bond project funds (September 2013)  
\*\* Benchmark value is the Interpolated Treasury Yield to the Portfolio’s Average 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 53% 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.

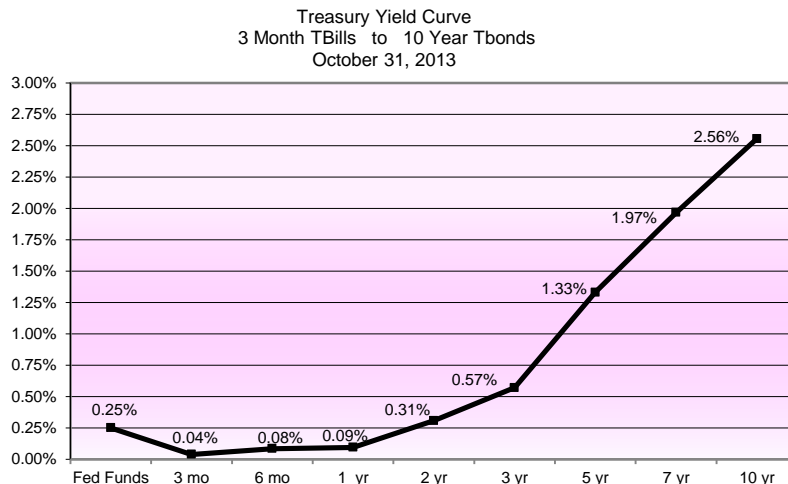
On August 11, 2008, the City of Anaheim’s Investment Policy was recognized and certified by the Association of Professional Treasurers of the United States and Canada (APT US&C) as meeting all standards and criteria established by the APT US&C.

**INVESTMENT ENVIRONMENT:**

The month of October 2013 showed little change in interest rates as the anxiety of the budget and debt limitation issues between Congress and the Senate proceeded in successfully “kicking the can” down the road to a January and February 2014 reconciliation. Interest rates under one year moved slightly higher by 3 to 5 basis points, with the three month US Treasury bill closing October 2014 at 0.04%, up from the prior month close of 0.01%. Conversely, longer term interest rates moved slightly lower as the immediate financial concerns abated. The five year US Treasury note closed October at 1.33%, down five basis points from the September 2014 close of 1.38% and the benchmark ten year US Treasury note closed October at 2.56%, down from the prior month close of 2.61%. These interest rate levels for the two to ten year US Treasuries are still trading at the higher end of the range since the summer of 2011

The Federal Reserve continues to maintain their “quantitative easing” (QE program) position to sustain the low incremental growth in the economy. The October 29-30 Federal Open Market Committee (FOMC) meeting continues to keep the benchmark Federal Funds rate at 0 to 0.25% with the language assessment of “Risk to Growth” to the economic recovery. The Federal Reserve lowered the Federal Funds rate to this historically low level at their December 2008 FOMC meeting. The Federal Funds rate is the interest rate that banks lend to each other to maintain their capital values and positions. The long length of extended low interest rates coupled with the hint of reducing the monthly purchases of mortgage backed securities of the Federal Reserve Bank has increased the volatility in interest rates. The U.S. Treasury debt issues have historically been used as the default yield curve that all other interest rates are compared to.

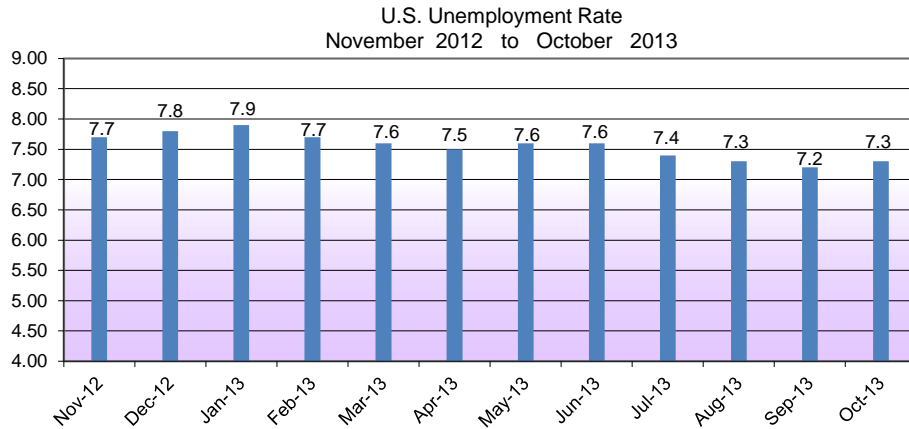
The chart below shows the interest rates for U.S. Treasury issues for the month ending October 2013:



Source: Bloomberg Financial Systems

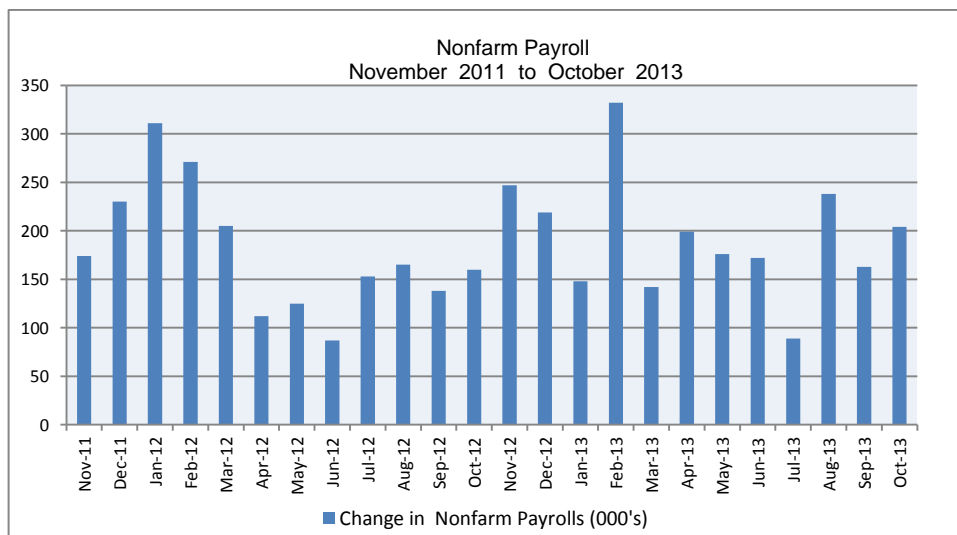
A key economic indicator watched by investors is the national unemployment rate, which tends to show the overall health of the national economy. For the month of October 2013, the national unemployment rate was reported at 7.3%, up 0.1% from September 2013. The twelve month average is at 7.7%, which is significantly lower from the December 2011 level of 8.5%, however, economists are still forecasting a rate of 7.0% or higher for calendar year 2013.

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: U.S. Bureau of Labor Statistics

A more accurate gauge of the employment sector and the improving economy is the amount of jobs being created. The Bureau of Labor Statistics publishes monthly the value of US Employees on nonfarm payrolls, which is an indication of how the corporate or business sector is hiring. For the month of October 2013, the nonfarm payroll number was reported to be 204,000 new jobs created. The September 2013 value was revised upward from 148,000 to 163,000, as was the August 2013 value revised upward from 193,000 to 238,000. The annual (twelve month average) value with the revised values shows approximately 190,000 monthly new jobs are being created, which is above the minimum value of 165,000 new monthly jobs that economists have said are needed to show sustained economic growth. It should be noted the nonfarm payroll values are subject to revisions, making an analysis of a distinct trend in this indicator difficult at times. The chart below shows the nonfarm payroll values for the past two years:



Source: U.S. Bureau of Labor Statistics

Another economic factor we watch 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 this report was prepared, the October 2013 data were not available. The month of September 2013 value showed an annualized retail sales value of \$346.1 billion, up from the August 2013 value reported of \$344.8 billion, for a month over month percentage increase of 0.4%. The annualized increase, year to year, showed a percentage increase of 2.8%. The increase in month over month retail sales continues to show evidence that the consumer is still purchasing goods, however, at a slow to moderate rate. It is estimated that consumer spending accounts for over sixty five percent of economic activity, so a low or moderate level of spending (below 4.0% annually) indicates a continued “soft” or slow incremental economic recovery. The chart below shows the monthly increase in consumer spending for the past thirty six months:



Source: Census Bureau, US Government

**INVESTMENT PERFORMANCE:**

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.

For October 31, 2013, the City Treasurer’s Investment Portfolio performance was:

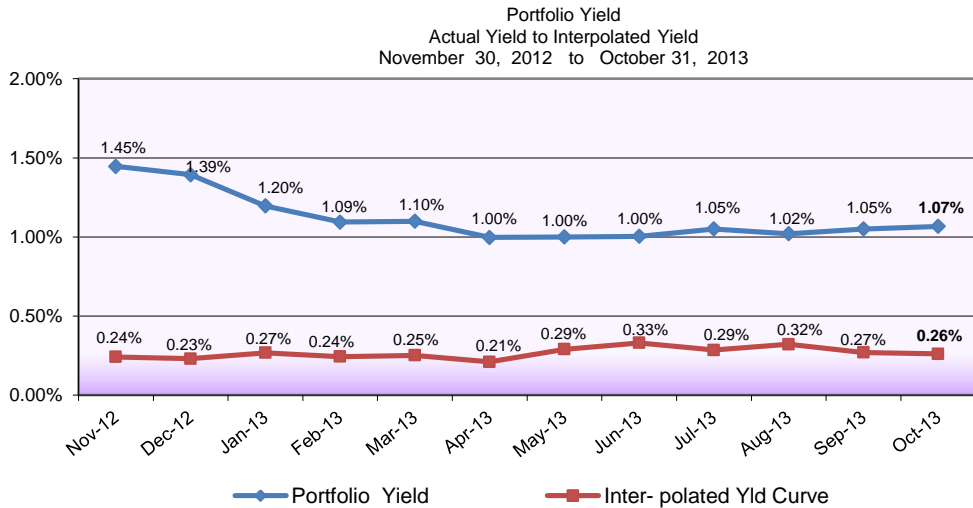
	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 117,872,756	15 days	0.18 %	0.02 %	0.015	0.158
Long-Term Portfolio	\$ 295,174,674	2.4 years	1.42 %	0.40 %	0.283	0.505
Total Portfolio	\$ 413,047,430	1.7 years	1.07 %	0.26 %	0.207	0.398

The portfolio balance includes a deposit for the acquisition funds of the 2011A Electric Bonds of \$32,361,765.00 as of the September 30, 2013 bond fund report balance. As a credit rated portfolio of “AA”, 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 above market rates of return on funds invested 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

The interpolated yield curve value of 0.26% reflects the current market interest rates comparable to the City's Investment Portfolio average weighted maturity of 1.7 years as of October 31, 2013. As shown, the City's Investment Portfolio interest earnings were 1.07% for October, showing for the month of an approximate dollar earnings of \$277,000 over market interest rates. Cumulative earnings for the City portfolio over market interest rates for the past twelve months are approximately \$3,493,000.

A complete listing of the portfolio holdings and investment activity for the City of Anaheim's Investment Portfolio for the month of October 2013 is on the following pages.

**IMPACT ON BUDGET:**

There is no impact on the General Fund.

Respectfully submitted,

Henry W. Stern, CTP  
 City Treasurer

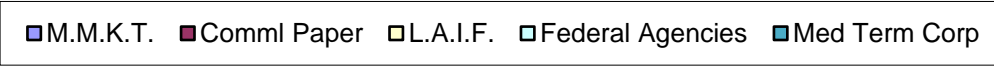
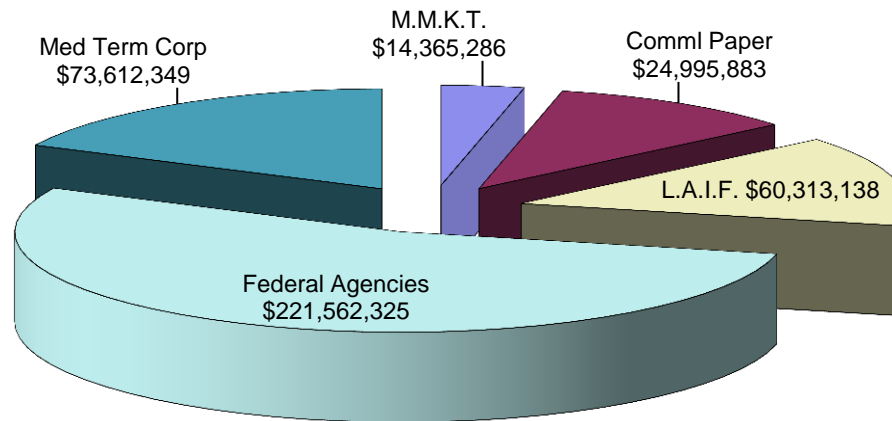
**Attachment**

1. City Treasurer's Investment Report

**Balances, Yields and Average Maturities****October 31, 2013**

<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	Percent of <u>Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
<b>Short-Term Portfolio</b>							
Money Market Funds	\$14,365,286	\$14,365,286	\$14,365,286	0.01%	3.48%	1	0.00
L.A.I.F. (State of California	\$60,313,138	\$60,313,138	\$60,313,138	0.27%	14.60%	1	0.00
subtotal: Cash and Overnight Investments	\$74,678,424	\$74,678,424	\$74,678,424		18.08%	1	0.00
Commercial Paper	\$43,200,000	\$43,194,332	\$43,194,332	0.13%	10.46%	39	0.11
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	\$43,200,000	\$43,194,332	\$43,194,332	0.13%	10.46%	39	0.11
<b>Total Short-Term Portfolio:</b>	<b>\$117,878,424</b>	<b>\$117,872,756</b>	<b>\$117,872,756</b>	<b>0.18%</b>	<b>28.54%</b>	<b>15</b>	<b>0.04</b>
<b>Long -Term Portfolio</b>							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$71,956,000	\$72,414,318	\$73,612,349	1.74%	17.82%	862	2.36
U.S. Federal Agencies	\$221,175,000	\$220,985,988	\$221,562,325	1.32%	53.64%	856	2.35
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
<b>Total Long-Term Portfolio:</b>	<b>\$293,131,000</b>	<b>\$293,400,306</b>	<b>\$295,174,674</b>	<b>1.42%</b>	<b>71.46%</b>	<b>858</b>	<b>2.35</b>
<b>Total Cash and Pooled Investments</b>	<b>\$411,009,424</b>	<b>\$411,273,062</b>	<b>\$413,047,430</b>	<b>1.07%</b>	<b>100.00%</b>	<b>616</b>	<b>1.69</b>

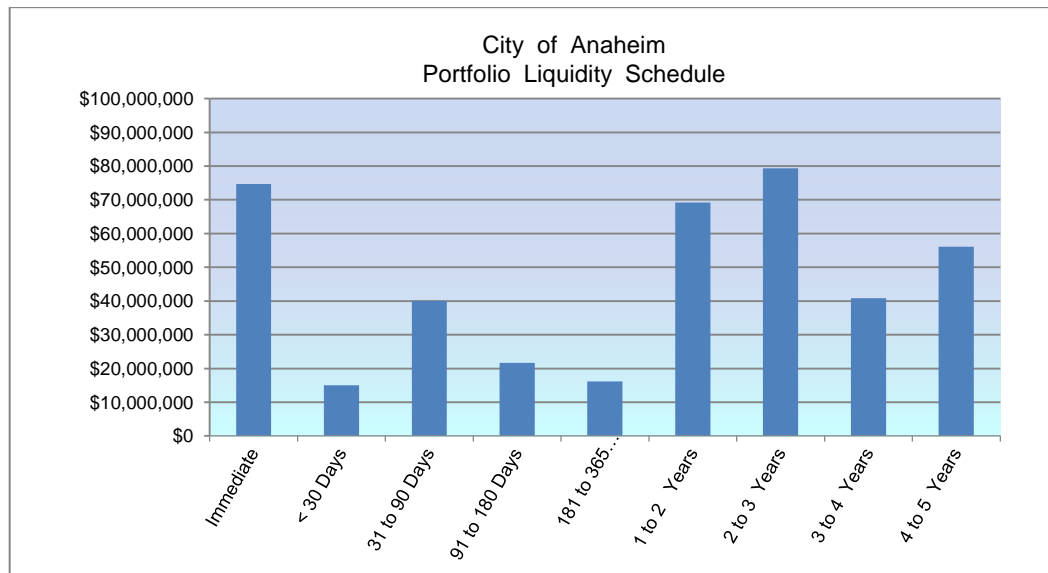
City of Anaheim  
Investment Portfolio Asset Allocation  
October 31, 2013  
\$ 413,047,430



Liquidity Schedule

October 31, 2013

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$14,365,286	\$14,365,286	3.48%
L.A.I.F. (State of California)	Immediate	\$60,313,138	\$74,678,424	18.08%
Pooled Investment Maturities:	< 30 Days	\$15,002,307	\$89,680,730	21.71%
	31 to 90 Days	\$40,063,907	\$129,744,638	31.41%
	91 to 180 Days	\$21,711,092	\$151,455,730	36.67%
	181 to 365 Days	\$16,160,075	\$167,615,805	40.58%
	1 to 2 years	\$69,149,403	\$236,765,208	57.32%
	2 to 3 years	\$79,350,033	\$316,115,241	76.53%
	3 to 4 years	\$40,833,615	\$356,948,856	86.42%
	4 to 5 years	\$56,098,574	\$413,047,430	100.00%
Total Cash and Pooled Investments:		\$413,047,430		





## Summary and Comparison of Yields and Balances

October 31, 2013

<u>Description</u>	Current Month <u>October 31, 2013</u>	Prior Month <u>September 30, 2013</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.27%	0.27%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.32%	1.32%
Commercial Paper	0.13%	0.09%
Medium Term Corporate Notes	1.74%	1.74%
	1.07%	1.05%
Weighted Average Maturity (Days)	616	628
Weighted Average Maturity (Years)	1.69	1.72
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$14,365,286	\$32,880,878
L.A.I.F. (State of California)	\$60,313,138	\$60,274,150
U.S. Treasuries	\$0	\$0
Federal Agencies	\$221,562,325	\$221,226,101
Commercial Paper	\$43,194,332	\$30,496,883
Medium Term Corporate Notes	\$73,612,349	\$73,478,035
Total Portfolio:	\$413,047,430	\$418,356,047
Earnings:	Current Month <u>October 31, 2013</u>	Fiscal Year to <u>Date Earnings</u>
Total Interest Earnings for Month:	\$370,949.81	\$1,486,815.22
Total Adjustments from Premiums and Discounts	-\$2,658.79	-\$6,683.66
Total Capital Gains or Losses	\$0.00	\$0.00
Total Earnings for Month	<u>\$368,291.02</u>	<u>\$1,480,131.56</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%
Jun-11	\$180,459,755	\$261,836,213	\$442,295,968	1.52%	554	1.52	0.35%	1.17%
Jun-12	\$161,711,522	\$259,031,847	\$420,743,369	1.38%	484	1.33	0.28%	1.11%
Jul-12	\$130,883,306	\$254,515,935	\$385,399,241	1.49%	503	1.38	0.19%	1.29%
Aug-12	\$128,310,646	\$269,502,499	\$397,813,145	1.47%	521	1.43	0.20%	1.27%
Sep-12	\$108,805,936	\$259,373,508	\$368,179,443	1.46%	542	1.48	0.22%	1.24%
Oct-12	\$107,137,761	\$270,989,809	\$378,127,570	1.43%	561	1.54	0.25%	1.18%
Nov-12	\$97,947,618	\$273,455,616	\$371,403,234	1.45%	575	1.58	0.24%	1.20%
Dec-12	\$97,621,426	\$285,055,252	\$382,676,678	1.39%	634	1.74	0.23%	1.16%
Jan-13	\$105,033,351	\$291,834,246	\$396,867,596	1.20%	751	2.06	0.27%	0.93%
Feb-13	\$128,239,171	\$286,885,162	\$415,124,333	1.09%	716	1.96	0.24%	0.85%
Mar-13	\$125,785,560	\$286,780,703	\$412,566,263	1.10%	695	1.90	0.25%	0.85%
Apr-13	\$145,789,032	\$279,600,648	\$425,389,680	1.00%	654	1.79	0.21%	0.79%
May-13	\$142,296,123	\$296,152,869	\$438,448,991	1.00%	680	1.86	0.29%	0.71%
Jun-13	\$141,655,794	\$299,138,984	\$440,794,778	1.00%	670	1.84	0.33%	0.67%
Jul-13	\$124,516,874	\$299,599,908	\$424,116,783	1.05%	675	1.85	0.29%	0.76%
Aug-13	\$139,344,652	\$293,752,142	\$433,096,794	1.02%	626	1.72	0.32%	0.70%
Sep-13	\$123,651,911	\$294,704,136	\$418,356,047	1.05%	628	1.72	0.27%	0.78%
Oct-13	\$117,872,756	\$295,174,674	\$413,047,430	1.07%	616	1.69	0.26%	0.81%

Note: October 2013 balance reflects acquisition funds from 2011A Electric Bonds, approx \$36.9 million (July 2013)  
Portfolio balances from June 2011 through June 2013 reflect additional funds from 2011A Electric Bonds

City Treasurer's Investment Report – October 2013

Attachment 1

**CITY OF ANAHEIM  
Short-Term Portfolio**

**October 31, 2013**

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+	30,102,667.24	30,102,667.24	30,102,667.24			0.26%
SYS17432	17432	LAIF	MMKT	AA+	30,210,470.74	30,210,470.74	30,210,470.74			0.26%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	844,095.08	844,095.08	844,095.08			0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	13,521,190.78	13,521,190.78	13,521,190.78			0.01%
59157TY64	1775	METROPOLITAN LIFE	CP	A1/P1	5,000,000.00	4,999,925.28	4,999,925.28	09/30/2013	11/06/2013	0.11%
59157TYR8	1774	METROPOLITAN LIFE	CP	A1/P1	5,000,000.00	4,999,641.35	4,999,641.35	09/30/2013	11/25/2013	0.11%
2635J4Z39	1779	DUPONT	CP	A1/P1	5,000,000.00	4,999,125.96	4,999,125.96	10/15/2013	12/03/2013	0.20%
00282CZ96	1777	Abbott Labs	CP	A1/P1	5,000,000.00	4,999,221.47	4,999,221.47	10/11/2013	12/09/2013	0.15%
59157TZ97	1773	METROPOLITAN LIFE	CP	A1/P1	3,000,000.00	2,999,657.42	2,999,657.42	09/30/2013	12/09/2013	0.11%
00282CZG0	1778	Abbott Labs	CP	A1/P1	5,000,000.00	4,998,955.14	4,998,955.14	10/11/2013	12/16/2013	0.17%
2546R2ZL3	1776	Disney	CP	A1/P1	5,000,000.00	4,999,665.32	4,999,665.32	09/30/2013	12/20/2013	0.05%
71838LZP0	1780	PHILLIP MORRIS	CP	A1/P1	5,000,000.00	4,998,792.62	4,998,792.62	10/15/2013	12/23/2013	0.17%
19121BA66	1781	COCA COLA	CP	A1/P1	5,200,000.00	5,199,347.24	5,199,347.24	10/31/2013	01/06/2014	0.07%
Total Short-Term Portfolio:					<u>117,878,423.84</u>	<u>117,872,755.64</u>	<u>117,872,755.64</u>			<u>0.18%</u>

**CITY OF ANAHEIM  
Long-Term Portfolio**

**October 31, 2013**

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,998,985.80	5,002,740.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	6,845,000.00	6,845,919.39	6,869,142.32	12/15/2008	12/13/2013	3.13%
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,093.46	5,021,045.00	03/23/2011	03/14/2014	1.25%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,000,000.00	8,000,442.67	8,092,144.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,500,000.00	4,497,971.47	4,551,831.00	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,000,000.00	4,006,075.73	4,046,072.00	01/29/2010	04/17/2014	2.63%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,005,293.33	5,063,420.00	04/30/2010	05/15/2014	2.50%
478160AX2	1584	Johnson & Johnson	MTN	AAA	3,000,000.00	2,999,366.57	3,013,479.00	05/20/2011	05/15/2014	1.20%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	8,000,000.00	7,986,932.52	8,083,176.00	03/23/2011	09/12/2014	1.38%
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,012,614.96	5,076,325.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,004,880.78	8,208,224.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,974,872.96	5,053,180.00	01/24/2011	12/12/2014	1.25%
36962G5M2	1638	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,020,161.16	5,099,295.00	01/18/2012	01/09/2015	2.15%
46625HHP8	1637	JP Morgan	MTN	A	6,000,000.00	6,090,558.96	6,215,628.00	01/18/2012	01/20/2015	3.70%
3134G3JX9	1647	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,814.58	10,012,250.00	01/30/2012	01/30/2015	0.65%
3133XW95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,000,433.59	2,068,374.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,993,467.99	5,098,905.00	03/24/2011	03/24/2015	1.67%
94974BFE5	1665	WELLS FARGO CO	MTN	A+	1,000,000.00	998,915.13	1,013,853.00	06/27/2012	07/01/2015	1.50%
36962G5Z3	1668	GE CAPITAL SERVICES	MTN	AA+	5,000,000.00	4,997,634.95	5,080,505.00	07/02/2012	07/02/2015	1.63%

**CITY OF  
ANAHEIM  
Long-Term Portfolio**

**October 31, 2013**

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
594918AG9	1591	Microsoft Corp	MTN	AAA	5,000,000.00	5,000,000.00	5,112,550.00	06/09/2011	09/25/2015	1.63%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,655.51	3,082,488.00	05/11/2011	10/15/2015	1.88%
46623EJR1	1705	JP Morgan	MTN	A	5,000,000.00	5,000,000.00	5,013,720.00	12/19/2012	10/15/2015	1.10%
931142CX9	1581	Walmart	MTN	AA	2,956,000.00	2,928,074.74	3,014,106.09	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,946,875.00	5,138,835.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,951,874.64	5,138,835.00	01/24/2011	12/01/2015	1.75%
3136G17A1	1712	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,590.28	5,001,910.00	12/31/2012	12/30/2015	0.45%
3135G0TT0	1719	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,997,286.67	9,996,770.00	01/29/2013	01/29/2016	0.50%
3135G0TZ6	1720	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,996,333.33	10,000,510.00	01/29/2013	01/29/2016	0.45%
38143USC6	1560	Goldman Sachs Group	MTN	A-	5,000,000.00	4,995,781.66	5,277,425.00	02/08/2011	02/07/2016	3.63%
3134G3LJ7	1646	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,997,582.81	5,011,480.00	02/10/2012	02/10/2016	0.95%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,995,340.89	3,111,390.00	05/20/2011	05/15/2016	2.15%
478160AY0	1704	Johnson & Johnson	MTN	AAA	10,000,000.00	10,391,501.63	10,371,300.00	12/17/2012	05/15/2016	2.15%
89236TAL9	1743	TOYOTA MOTOR CRE	MTN	AA-	3,000,000.00	2,998,956.78	3,002,535.00	05/17/2013	05/17/2016	0.80%
166764AC4	1757	CHEVRON	MTN	AA	2,000,000.00	2,000,000.00	2,011,098.00	06/24/2013	06/24/2016	0.89%
3135G0XP3	1747	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,988,454.32	4,972,835.00	05/22/2013	07/05/2016	0.38%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,996,476.28	5,318,705.00	10/17/2011	10/17/2016	3.35%
3133EA5V6	1690	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,994,411.46	4,996,405.00	10/24/2012	10/24/2016	0.62%
3135G0WY5	1750	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,998,629.26	4,979,715.00	05/22/2013	11/14/2016	0.55%
3134G3Z37	1703	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,903.68	9,968,450.00	12/12/2012	12/05/2016	0.63%
313376RQ0	1635	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,020,000.00	4,019,796.10	4,016,912.64	01/24/2012	01/24/2017	1.15%
3136FTZB8	1644	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,994,187.47	5,011,695.00	01/30/2012	01/30/2017	1.25%
3136G04R9	1702	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,277.37	4,985,525.00	12/13/2012	02/21/2017	0.75%
3135G0PU1	1694	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,948,310.00	11/14/2012	10/11/2017	1.00%
3135G0QD8	1689	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,995,000.00	6,995,000.00	6,923,007.46	10/22/2012	10/16/2017	1.00%
3135G0QW6	1691	FED NATL MORTGAGE ASSN	Fed Agy	AA+	2,035,000.00	2,035,000.00	2,012,765.59	11/08/2012	11/08/2017	1.00%
3135G0QW6	1692	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,600,000.00	3,600,000.00	3,560,666.40	11/08/2012	11/08/2017	1.00%
94974BFG0	1742	WELLS FARGO CO	MTN	A+	5,000,000.00	5,003,019.19	4,981,570.00	05/15/2013	01/16/2018	1.50%
3133ECE26	1721	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,930,000.00	8,930,000.00	8,822,741.77	01/30/2013	01/30/2018	0.94%
3135G0TM5	1722	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,910,360.00	01/30/2013	01/30/2018	1.02%
3135G0TV5	1723	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,993,819.44	9,870,440.00	01/30/2013	01/30/2018	1.03%
3135G0TV5	1724	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,250,000.00	6,246,137.15	6,169,025.00	01/30/2013	01/30/2018	1.03%
02666QM26	1730	American Honda	MTN	A+	3,000,000.00	2,998,529.80	2,970,348.00	02/19/2013	02/16/2018	1.60%
3134G42R8	1749	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,999,216.22	4,909,145.00	05/22/2013	04/25/2018	1.05%
3135G0WJ8	1748	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,975,158.42	4,886,670.00	05/22/2013	05/21/2018	0.88%
166764AE0	1756	CHEVRON	MTN	AA	3,000,000.00	3,000,000.00	3,004,842.00	06/24/2013	06/24/2018	1.72%
Total Long-Term Portfolio:					<u>293,131,000.00</u>	<u>293,400,306.10</u>	<u>295,174,674.27</u>			<u>1.42%</u>
Total Portfolio:					<u>411,009,423.84</u>	<u>411,273,061.74</u>	<u>413,047,429.91</u>			<u>1.07%</u>

**Mat Call Sale Purch  
 Purchases Report  
 Sorted by Fund - Fund  
 October 1, 2013 - October 31, 2013**

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 360	Ending Book Value
<b>SHORT- TERM PORTFOLIO</b>												
00282CZ96	1777	01	ACP ABT	5,000,000.00	10/11/2013	12/09 - At Maturity	4,998,770.83		0.150	12/09/2013	0.150	4,999,221.47
00282CZG0	1778	01	ACP ABT	5,000,000.00	10/11/2013	12/16 - At Maturity	4,998,441.67		0.170	12/16/2013	0.170	4,998,955.14
2635J4Z39	1779	01	ACP DUPONT	5,000,000.00	10/15/2013	12/03 - At Maturity	4,998,638.89		0.200	12/03/2013	0.200	4,999,125.96
71838LZP0	1780	01	ACP PH MOR	5,000,000.00	10/15/2013	12/23 - At Maturity	4,998,370.83		0.170	12/23/2013	0.170	4,998,792.62
19121BA66	1781	01	ACP COCA C	5,200,000.00	10/31/2013	01/06 - At Maturity	5,199,322.56		0.070	01/06/2014	0.070	5,199,347.24
			<b>Subtotal</b>	<b>25,200,000.00</b>			<b>25,193,544.78</b>	<b>0.00</b>				<b>25,195,442.43</b>
<b>Managed Pool Deposits</b>												
				<b>Deposit Amount</b>	<b>Deposit Date</b>		<b>Deposit Amount</b>		<b>Rate</b>			
SY997	987	01	PA2 FIDELI	5,000,000.00	10/08/2013		5,000,000.00		0.010			
SY997	987	01	PA2 FIDELI	34,975.00	10/16/2013		34,975.00		0.010			
SY997	987	01	PA2 FIDELI	300,312.50	10/17/2013		300,312.50		0.010			
SY997	987	01	PA2 FIDELI	15,500.00	10/24/2013		15,500.00		0.010			
SY997	987	01	PA2 FIDELI	48,420.00	10/25/2013		48,420.00		0.010			
SY997	987	01	PA2 FIDELI	5,000,000.00	10/28/2013		5,000,000.00		0.010			
SY9500	500	01	PA2 GOLDSA	8,443,000.00	10/11/2013		8,443,000.00		0.010			
SY9500	500	01	PA2 GOLDSA	3,409,000.00	10/28/2013		3,409,000.00		0.010			
SY9500	500	01	PA2 GOLDSA	63.12	10/31/2013		63.12		0.010			
			<b>Subtotal</b>	<b>22,261,270.82</b>			<b>22,261,270.82</b>					
			<b>Total Purchases and Deposits</b>	<b>47,461,270.82</b>			<b>47,444,815.60</b>	<b>0.00</b>				<b>25,195,442.43</b>

**Mat Call Sale Purch**  
**Maturity Report**  
**Sorted by Maturity Date**  
**Receipts during October 1, 2013 - October 31, 2013**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate of Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
02665JX70	1767	01	ACP	HNDA	2,500,000.00	10/07/2013	08/26/2013	0.060	2,500,000.00	0.00	2,500,000.00	0.00
00282CX80	1770	01	ACP	ABT	5,000,000.00	10/08/2013	09/05/2013	0.050	5,000,000.00	0.00	5,000,000.00	0.00
59157TXU2	1771	01	ACP	MET-LF	5,000,000.00	10/28/2013	09/05/2013	0.140	5,000,000.00	0.00	5,000,000.00	0.00
<b>Total Maturities</b>					<b>12,600,000.00</b>				<b>12,600,000.00</b>	<b>0.00</b>	<b>12,600,000.00</b>	<b>0.00</b>



**POOL PROFILE**

September 28, 2012

**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.

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

**BBBf** The fund's portfolio holdings provide adequate protection against losses from credit defaults.

**BBf** The fund's portfolio holdings provide uncertain protection against losses from credit defaults.

**Bf** The fund's portfolio holdings exhibit vulnerability to losses from credit defaults.

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

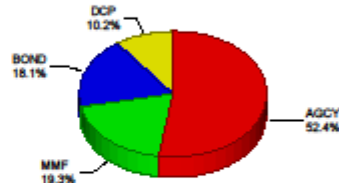
**Plus (+) or Minus (-)** The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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 Pool**

Pool Rating	<b>AAf / S1</b>
Pool Type	Variable NAV Government Investment Pool
Investment Adviser	City of Anaheim CA
Portfolio Manager	Henry Stern
Pool Rated Since	July 2008

Portfolio Composition as of September 28, 2012



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

\*As assessed by Standard & Poor's

**Pool Highlights**

- The City of Anaheim Treasurer Investment Pool holds securities that have an average maturity of two years or less.
- The pool must purchase securities with a rating of 'A' or better.

**Management**

The treasurer for the city of Anaheim, California, is responsible for overall management of the portfolio. The treasurer has prior experience managing Standard & Poor's-rated government investment pools from his tenure at the cities of Los Angeles and Long Beach. The City of Anaheim's \$300 million-plus portfolio is divided into a short-term and a long-term portfolio; \$95 million to \$120 million comprises the short-term component. The investment policy is reviewed and submitted to the city council annually—with the current 2012 policy in effect—and applies to all cash and investments controlled by the Anaheim treasurer on behalf of the city.

**Credit Quality**

Standard & Poor's rates City of Anaheim Treasurer Investment Pool 'AAf/S1'. The 'AAf' fund credit quality rating is based on Standard & Poor's analysis of the credit quality of the portfolio's eligible investments, the counterparties, and the overall management by the portfolio's investment managers. The 'AAf' rating demonstrates that the fund's portfolio holdings provide very strong protection against losses from credit defaults. The 'S1' volatility rating indicates that the pool possesses low sensitivity to changing market conditions and an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years and denominated in the base currency of the pool. As part of Standard & Poor's volatility

analysis, it 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, commercial paper, the Local Agency Investment Fund (LAIF), and U.S. Treasury and agency securities. The pool can only purchase securities with a rating of 'A' or better. The pool's primary objectives are to provide safety of principal, followed by maintenance of liquidity and return on investment. Various city departments are the pool's predominant investors. The short-term portfolio's benchmark is the 91-Day Treasury bill, which is managed with the view that cash is needed for operating purposes within a six-month period. The long-term portfolio's benchmark is the Merrill Lynch 1-3 Year U.S. Treasury Index. The pool's overall duration is currently 1.5 years, with a maximum duration of three years. Union Bank of California is the custodian for the pool.

Standard & Poor's Analyst: Joel Friedman - (1) 212-438-5043

www.standardandpoors.com

Participants should consider the investment objectives, risks, charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.