



COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: NOVEMBER 25, 2014
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – OCTOBER 2014

ATTACHMENT (Y/N): YES ITEM #

RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for October 2014.

DISCUSSION:

This is the investment report for the City’s general pool for the month ending October 31, 2014. 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, 2014:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 87,236,868	\$ 288,483,282	\$ 375,720,150
Effective Yield	0.20 %	1.39 %	1.12 %
Avg. Weighted Maturity	6 Days	2.4 Years	1.8 Years
Net Earnings	\$ 15,118	\$ 331,889	\$ 347,007
Benchmark**	0.02 %	0.65 %	0.40 %

* Portfolio balance includes approximately \$1.2 million of the 2011A Electric Bond project funds (September 2014)

** 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 credit 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 56% 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.

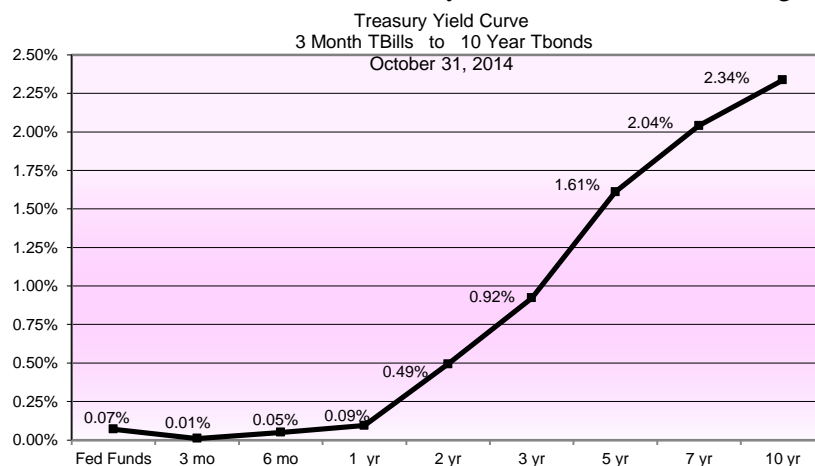
INVESTMENT ENVIRONMENT:

The month of October 2014 saw interest rates move lower on speculation that the economy could be moving into a “deflationary” cycle. The weakness in the European financial markets along with the rapidly declining price in base commodities, such as crude oil, copper and other industrial materials is concern that future economic growth could be limited. The price of crude oil has dropped from \$105.37 per barrel at the end of August 2014 to \$80.54 per barrel at the close of October 31, 2014, a decrease of nearly 24%. The sharp decrease in price of this key commodity reflects the reduced demand from Europe and the projected slowing of economic growth from China, which has shown a significant lack of demand for all commodities. Additionally, the Federal Reserve completed its Quantitative Easing (QE3) program in October of purchasing mortgage backed securities to provide liquidity to the financial markets.

The 3 month U.S. Treasury bill closed October at 0.01%, down slightly from its September close of 0.02%, with the lower rates reflected in the two year U.S. Treasury Note closing at 0.49%, down 0.08% from September’s 0.57%. . The U.S. Treasury 5 year Note closed October at 1.61%, down fifteen basis points (0.15%) from the September value of 1.76% while the benchmark 10 year U.S. Treasury Note closed at 2.34%, down fifteen basis points (0.15%) from the previous month.

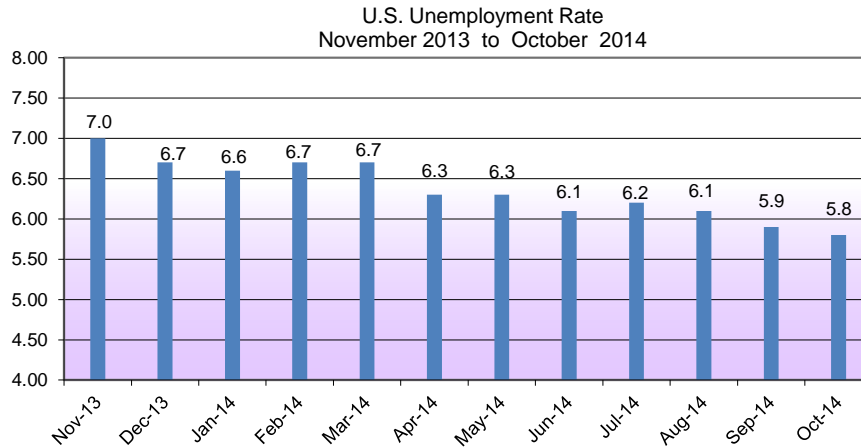
The Federal Reserve continues to monitor the economic data and at their October 29, 2014 Federal Open Market Committee (FOMC) meeting continues to keep the benchmark Federal Funds rate at 0 to 0.25%. The Federal Funds rate is the interest rate that banks lend to each other to maintain their capital values and positions in compliance with the required reserve requirements. The expectation of the financial markets is for no meaningful change in interest rate until the second quarter of 2015.

The chart below shows the interest rates for U.S. Treasury issues for the month ending October 2014:



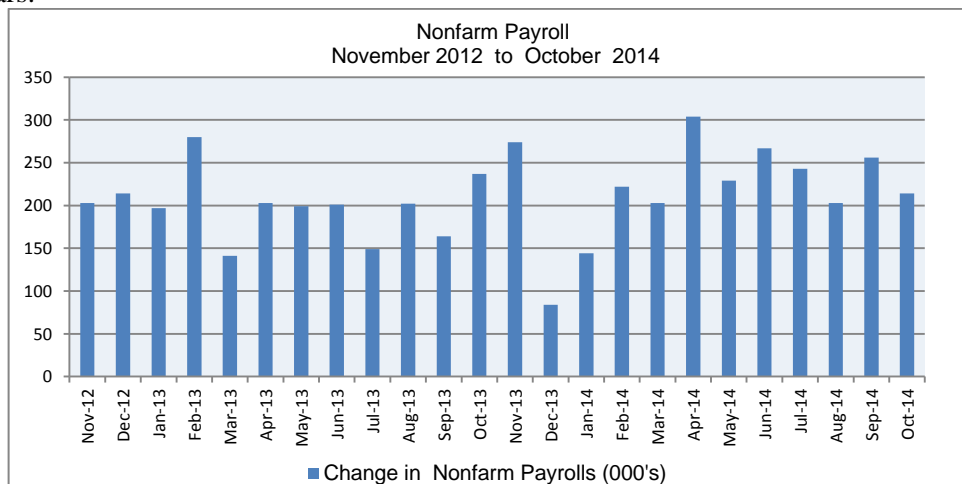
A key economic indicator watched by investors and the news media is the national unemployment rate, which tends to show the overall health of the national economy. For the month of October 2014, the national unemployment rate was reported at 5.8%, down one tenth of a percent from the 5.9% value of September 2014. The rate is the lowest since early 2008. The twelve month average is at 6.4%, which is significantly lower from the December 2011 level of 8.5%, however, economists are divided as to whether the reduction in unemployment is the result of people being employed or are simply not looking any longer, which removes them from the unemployed survey.

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

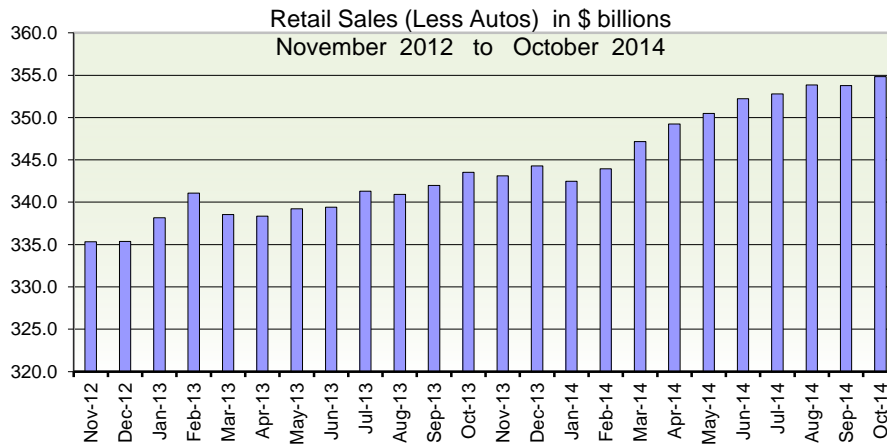
A more accurate gauge of the employment sector and the improving economy is the amount of jobs being created. The Bureau of Labor Statistics publishes monthly the value of US Employees on nonfarm payrolls, which is an indication of how the corporate or business sector is hiring. For the month of October 2014, the nonfarm payroll number was reported to be 214,000 new jobs created. For comparison, the September 2014 value was revised upward to 256,000 new jobs from the previous reported value of 248,000. The annual (twelve month average) value with the revised values shows approximately 220,000 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 seasonal variations and 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. October 2014 reported annualized retail sales at \$354.8 billion, up approximately \$1 billion or 0.3% from September 2014 values.

The annualized increase, year to year, showed a percentage increase of 3.3%. The incremental increase shows the economy continues to expand with the increase in employment and consumer spending. It is estimated that consumer spending accounts for nearly seventy percent of economic activity, so an increase in retail sales can indicate expanding economic activity. The chart below shows the monthly increase in consumer spending for the past twenty four 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.

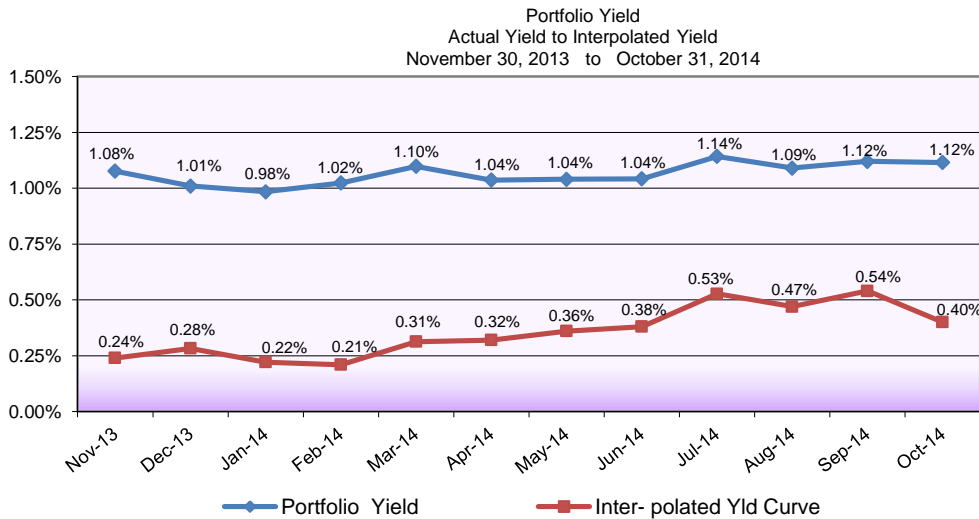
For October 31, 2014, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 87,236,868	6 days	0.20 %	0.02 %	0.016	0.251
Long-Term Portfolio	\$ 288,483,282	2.4 years	1.39 %	0.65 %	0.118	0.838
Total Portfolio	\$ 375,720,150	1.8 years	1.12 %	0.40 %	0.093	0.771

The portfolio balance includes a deposit for the acquisition funds of the 2011A Electric Bonds of \$1,185,120 as of the September 30, 2014 bond fund report balance. As a credit rated investment portfolio of “AA” by Standard and Poor’s, 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 0.40% reflects current market interest rates comparable to the City’s Investment Portfolio average weighted maturity of 1.8 years as of October 31, 2014. As shown, the City’s Investment Portfolio interest earnings were 1.12% for October, a monthly approximate dollar earnings of \$225,432 over market interest rates. Cumulative earnings for the City portfolio earnings over market interest rates for the past twelve months are approximately \$2,919,000.

A complete listing of the portfolio holdings and investment activity for the City of Anaheim’s Investment Portfolio for the month of October 2014 is on the following pages.

IMPACT ON BUDGET:

There is no budgetary impact. Interest income is allocated in various funds based on the performance of the Investment Portfolio.

Respectfully submitted,

Henry W. Stern, CTP
 City Treasurer

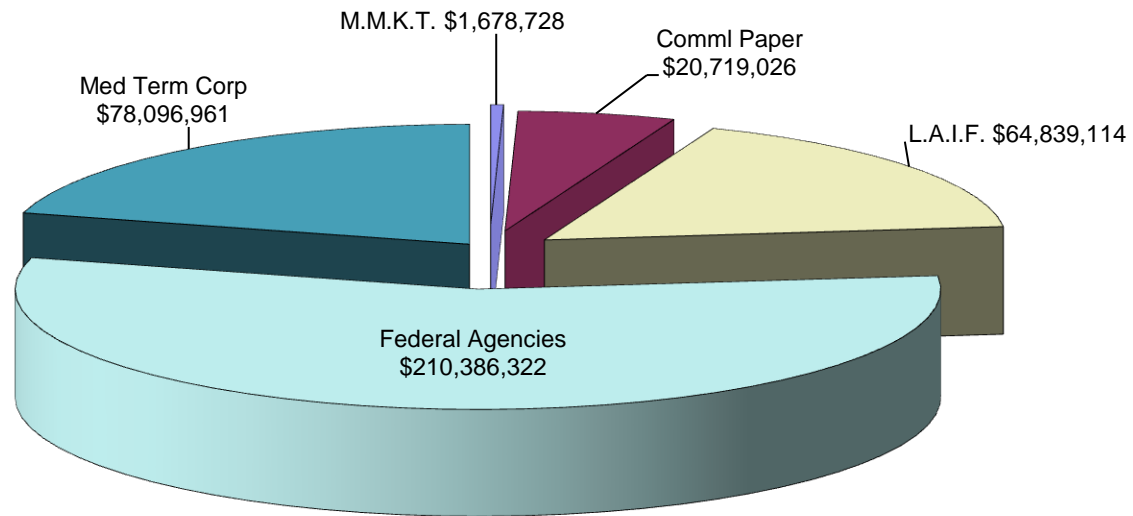
Attachment

1. City Treasurer’s Investment Report

Balances, Yields and Average Maturities**October 31, 2014**

<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>	Average Weighted Maturity	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$1,678,728	\$1,678,728	\$1,678,728	0.01%	0.45%	1	0.00
L.A.I.F. (State of California	\$64,839,114	\$64,839,114	\$64,839,114	0.26%	17.26%	1	0.00
subtotal: Cash and Overnight Investments	\$66,517,842	\$66,517,842	\$66,517,842		17.70%	1	0.00
Commercial Paper	\$20,720,000	\$20,719,026	\$20,719,026	0.08%	5.51%	23	0.06
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	\$20,720,000	\$20,719,026	\$20,719,026	0.08%	5.51%	23	0.06
Total Short-Term Portfolio:	\$87,237,842	\$87,236,868	\$87,236,868	0.20%	23.22%	6	0.02
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$77,404,000	\$77,399,692	\$78,096,961	1.74%	20.79%	598	1.64
U.S. Federal Agencies	\$211,229,000	\$211,092,794	\$210,386,322	1.26%	56.00%	952	2.61
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$288,633,000	\$288,492,485	\$288,483,282	1.39%	76.78%	888	2.43
Total Cash and Pooled Investments	\$375,870,842	\$375,729,353	\$375,720,150	1.12%	100.00%	660	1.81

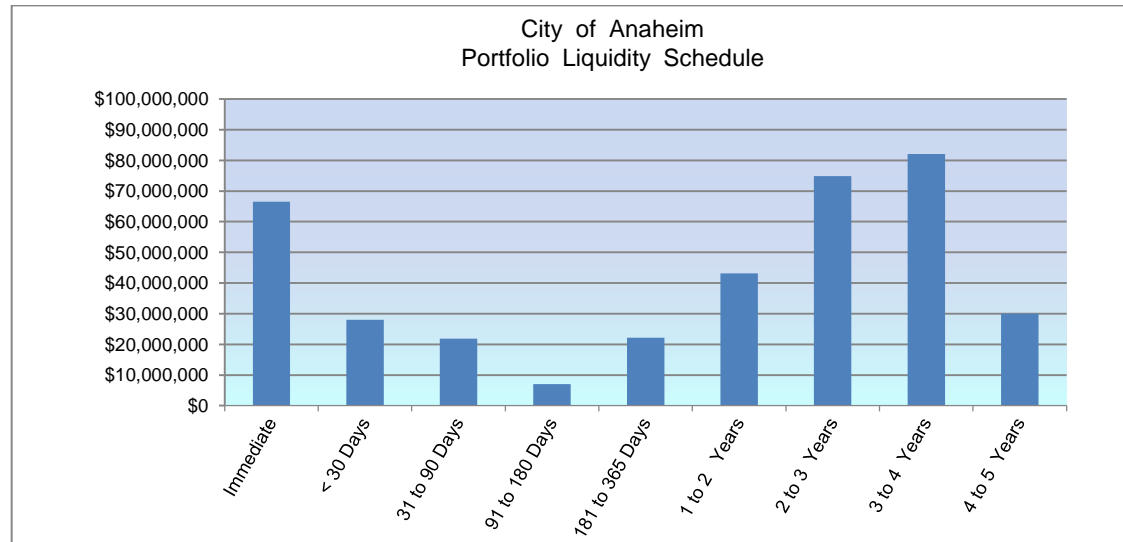
City of Anaheim
Investment Portfolio Asset Allocation
October 31, 2014
\$ 375,720,150



Liquidity Schedule

October 31, 2014

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$1,678,728	\$1,678,728	0.45%
L.A.I.F. (State of California)	Immediate	\$64,839,114	\$66,517,842	17.70%
Pooled Investment Maturities:	< 30 Days	\$28,037,386	\$94,555,228	25.17%
	31 to 90 Days	\$21,815,590	\$116,370,819	30.97%
	91 to 180 Days	\$7,061,095	\$123,431,914	32.85%
	181 to 365 Days	\$22,181,411	\$145,613,325	38.76%
	1 to 2 years	\$43,118,676	\$188,732,000	50.23%
	2 to 3 years	\$74,912,803	\$263,644,803	70.17%
	3 to 4 years	\$82,038,177	\$345,682,980	92.01%
	4 to 5 years	\$30,037,170	\$375,720,150	100.00%
Total Cash and Pooled Investments:		\$375,720,150		



Summary and Comparison of Yields and Balances

October 31, 2014

<u>Description</u>	Current Month <u>October 31, 2014</u>	Prior Month <u>September 30, 2014</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.26%	0.26%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.26%	1.26%
Commercial Paper	0.08%	0.10%
Medium Term Corporate Notes	1.74%	1.74%
Total Portfolio Yield	1.12%	1.12%
Weighted Average Maturity (Days)	660	686
Weighted Average Maturity (Years)	1.81	1.88
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$1,678,728	\$5,612,376
L.A.I.F. (State of California)	\$64,839,114	\$64,811,471
U.S. Treasuries	\$0	\$0
Federal Agencies	\$210,386,322	\$210,386,322
Commercial Paper	\$20,719,026	\$15,498,741
Medium Term Corporate Notes	\$78,096,961	\$78,096,961
Total Portfolio:	\$375,720,150	\$374,405,871
Earnings:	Current Month <u>October 31, 2014</u>	Fiscal Year to <u>Date Earnings</u>
Total Interest Earnings for Month:	\$343,439.90	\$1,428,497.50
Total Adjustments from Premiums and Discounts	\$3,566.80	-\$5,921.71
Total Capital Gains or Losses	\$0.00	\$16,916.68
Total Earnings for Month	<u>\$347,006.70</u>	<u>\$1,439,492.47</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%
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%
Nov-13	\$113,839,617	\$290,231,135	\$404,070,752	1.08%	608	1.67	0.24%	0.84%
Dec-13	\$124,147,728	\$295,558,379	\$419,706,107	1.01%	591	1.62	0.28%	0.73%
Jan-14	\$140,354,792	\$290,840,980	\$431,195,771	0.98%	573	1.57	0.22%	0.76%
Feb-14	\$131,552,682	\$300,973,013	\$432,525,695	1.02%	596	1.63	0.21%	0.81%
Mar-14	\$100,319,655	\$322,055,363	\$422,375,018	1.10%	676	1.85	0.31%	0.79%
Apr-14	\$119,066,392	\$307,618,205	\$426,684,596	1.04%	678	1.86	0.32%	0.72%
May-14	\$110,570,206	\$314,659,648	\$425,229,854	1.04%	719	1.97	0.36%	0.68%
Jun-14	\$111,173,014	\$314,857,777	\$426,030,791	1.04%	697	1.91	0.38%	0.66%
Jul-14	\$69,683,869	\$314,097,185	\$383,781,055	1.14%	745	2.04	0.53%	0.61%
Aug-14	\$87,206,623	\$314,488,367	\$401,694,990	1.09%	686	1.88	0.47%	0.62%
Sep-14	\$85,922,588	\$288,483,282	\$374,405,871	1.12%	686	1.88	0.54%	0.58%
Oct-14	\$87,236,868	\$288,483,282	\$375,720,150	1.12%	660	1.81	0.40%	0.72%

Note: October 2014 balance reflects acquisition funds from 2011A Electric Bonds, approximately \$1.2 million (September 2014)
Portfolio balances from June 2011 through October 2014 reflect additional funds from 2011A Electric Bonds

City Treasurer's Investment Report – October 2014

Attachment 1

CITY OF ANAHEIM
Short-Term Portfolio

October 31, 2014

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+	30,158,061.65	30,158,061.65	30,158,061.65		11/1/2014	0.26%
SYS17432	17432	LAIF	MMKT	AA+	34,681,052.67	34,681,052.67	34,681,052.67		11/1/2014	0.26%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	209,407.19	209,407.19	209,407.19		11/1/2014	0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	1,469,320.42	1,469,320.42	1,469,320.42		11/1/2014	0.01%
49438ULJ9	1843	Kimberly Clark	CP	A1 / P1	5,000,000.00	4,999,838.34	4,999,838.34	10/27/2014	11/18/2014	0.07%
00282DLL2	1841	Abbott Labs	CP	A1 / P1	5,000,000.00	4,999,793.49	4,999,793.49	09/16/2014	11/20/2014	0.08%
2635J5LQ0	1842	DUPONT	CP	A1 / P1	5,000,000.00	4,999,781.28	4,999,781.28	10/24/2014	11/24/2014	0.07%
45813SM23	1844	Intel Corporation	CP	A1 / P1	5,720,000.00	5,719,612.47	5,719,612.47	10/27/2014	12/02/2014	0.08%
Total Short-Term Portfolio:					<u>87,237,841.93</u>	<u>87,236,867.51</u>	<u>87,236,867.51</u>			<u>0.20%</u>

CITY OF ANAHEIM
Long-Term Portfolio

October 31, 2014

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,000,600.71	5,010,405.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,000,244.68	8,027,568.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,997,430.90	5,011,525.00	01/24/2011	12/12/2014	1.25%
36962G5M2	1638	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,003,203.17	5,025,215.00	01/18/2012	01/09/2015	2.15%
46625HHP8	1637	JP Morgan	MTN	A	6,000,000.00	6,016,296.49	6,059,238.00	01/18/2012	01/20/2015	3.70%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,000,116.33	2,023,640.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,998,142.99	5,037,455.00	03/24/2011	03/24/2015	1.67%
94974BFE5	1665	WELLS FARGO CO	MTN	A+	1,000,000.00	999,566.05	1,008,141.00	06/27/2012	07/01/2015	1.50%
36962G5Z3	1668	GE CAPITAL SERVICES	MTN	AA+	5,000,000.00	4,999,051.62	5,047,550.00	07/02/2012	07/02/2015	1.63%
594918AG9	1591	Microsoft Corp	MTN	AAA	5,000,000.00	5,000,000.00	5,066,600.00	06/09/2011	09/25/2015	1.63%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,831.67	3,048,000.00	05/11/2011	10/15/2015	1.88%
46623EJR1	1705	JP Morgan	MTN	A	5,000,000.00	5,000,000.00	5,020,795.00	12/19/2012	10/15/2015	1.10%
931142CX9	1581	Walmart	MTN	AA	2,956,000.00	2,942,154.70	2,990,325.07	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,972,375.00	5,082,925.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,974,974.81	5,082,925.00	01/24/2011	12/01/2015	1.75%
38143USC6	1560	Goldman Sachs Group	MTN	A-	5,000,000.00	4,997,642.69	5,167,110.00	02/08/2011	02/07/2016	3.63%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,997,175.99	3,075,780.00	05/20/2011	05/15/2016	2.15%
89236TAL9	1743	TOYOTA MOTOR CRE	MTN	AA-	3,000,000.00	2,999,366.78	3,006,996.00	05/17/2013	05/17/2016	0.80%
166764AC4	1757	CHEVRON	MTN	AA	2,000,000.00	2,000,000.00	2,008,432.00	06/24/2013	06/24/2016	0.89%
3130A0JL5	1806	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,500,000.00	4,499,319.45	4,498,087.50	01/30/2014	06/27/2016	0.53%
3135G0XP3	1747	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,992,765.98	4,988,010.00	05/22/2013	07/05/2016	0.38%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,997,666.28	5,240,975.00	10/17/2011	10/17/2016	3.35%

City Treasurer's Investment Report – October 2014

Attachment 1

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3133EA5V6	1690	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,996,286.46	4,967,435.00	10/24/2012	10/24/2016	0.62%
3135G0WY5	1750	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,976,695.00	05/22/2013	11/14/2016	0.55%
822582AZ5	1787	Royal Dutch Shell	MTN	AA	6,228,000.00	6,237,880.44	6,235,118.60	12/24/2013	11/15/2016	0.90%
3134G3Z37	1703	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	10,000,000.00	9,954,680.00	12/12/2012	12/05/2016	0.63%
3136G04R9	1702	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,977,315.00	12/13/2012	02/21/2017	0.75%
3137EADT3	1805	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,623.30	9,996,010.00	01/29/2014	02/22/2017	0.88%
64952WBR3	1809	New York Life	MTN	AA+	5,000,000.00	5,014,114.75	5,000,145.00	02/13/2014	03/01/2017	1.13%
3133782N0	1816	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	5,010,741.32	4,996,145.00	03/19/2014	03/10/2017	0.88%
30231GAA0	1817	Exxon Mobil	MTN	AAA	5,000,000.00	5,000,000.00	4,990,435.00	03/20/2014	03/15/2017	0.92%
3137EADL0	1808	FED HOME LOAN MORT CORP	Fed Agy	AA+	7,012,000.00	6,982,951.38	6,980,347.83	01/31/2014	09/29/2017	1.00%
3135G0PU1	1694	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,933,555.00	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	6,919,796.76	10/22/2012	10/16/2017	1.00%
3135G0PQ0	1819	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,945,334.04	4,952,560.00	03/25/2014	10/26/2017	0.88%
3135G0QW6	1691	FED NATL MORTGAGE ASSN	Fed Agy	AA+	2,035,000.00	2,035,000.00	2,012,102.18	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	3,559,492.80	11/08/2012	11/08/2017	1.00%
594918AP9	1804	Microsoft Corp	MTN	AAA	2,220,000.00	2,194,398.48	2,193,027.00	01/28/2014	11/15/2017	0.88%
94974BFG0	1742	WELLS FARGO CO	MTN	A+	5,000,000.00	5,002,301.75	4,970,990.00	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	8,875,178.73	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	4,924,315.00	01/30/2013	01/30/2018	1.02%
3135G0TV5	1723	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	9,865,210.00	01/30/2013	01/30/2018	1.03%
3135G0TV5	1724	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,250,000.00	6,250,000.00	6,165,756.25	01/30/2013	01/30/2018	1.03%
02666QM26	1730	American Honda	MTN	A+	3,000,000.00	2,998,872.37	2,989,035.00	02/19/2013	02/16/2018	1.60%
3137EADP1	1820	FED HOME LOAN MORT CORP	Fed Agy	AA+	1,600,000.00	1,579,755.02	1,572,753.60	04/14/2014	03/07/2018	0.88%
3137EADP1	1823	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,940,666.91	4,914,855.00	05/15/2014	03/07/2018	0.88%
313378A43	1815	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	10,000,000.00	10,038,267.41	9,994,680.00	03/19/2014	03/09/2018	1.38%
3134G42R8	1749	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,946,720.00	05/22/2013	04/25/2018	1.05%
3135G0WJ8	1748	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,980,611.45	4,896,810.00	05/22/2013	05/21/2018	0.88%
3135G0WJ8	1818	FED NATL MORTGAGE ASSN	Fed Agy	AA+	7,307,000.00	7,146,261.63	7,156,198.13	03/25/2014	05/21/2018	0.88%
166764AE0	1756	CHEVRON	MTN	AA	3,000,000.00	3,000,000.00	3,001,053.00	06/24/2013	06/24/2018	1.72%
3135G0YT4	1813	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,992,892.64	9,979,340.00	02/25/2014	11/27/2018	1.63%
3135G0ZA4	1821	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,103,347.85	10,028,890.00	04/14/2014	02/19/2019	1.88%
313378QK0	1822	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	10,000,000.00	10,130,251.79	10,028,940.00	05/15/2014	03/08/2019	1.88%
Total Long-Term Portfolio:					<u>288,633,000.00</u>	<u>288,492,485.28</u>	<u>288,483,282.45</u>			<u>1.39%</u>
Total Portfolio Holdings:					<u>375,870,841.93</u>	<u>375,729,352.79</u>	<u>375,720,149.96</u>			<u>1.12%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 October 1, 2014 - October 31, 2014**

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
SHORT- TERM PORTFOLIO												
2635JSLQ0	1842	01	ACP DUPONT	5,000,000.00	10/24/2014	11/24 - At Maturity	4,999,698.61		0.070	11/24/2014	0.070	4,999,781.28
458138M23	1844	01	ACP INTEL	5,720,000.00	10/27/2014	12/02 - At Maturity	5,719,542.40		0.080	12/02/2014	0.080	5,719,612.47
49438ULJ9	1843	01	ACP KMB	5,000,000.00	10/27/2014	11/18 - At Maturity	4,999,786.11		0.070	11/18/2014	0.070	4,999,838.34
			Subtotal	16,720,000.00			16,719,027.12	0.00				16,719,232.09
Managed Pool Deposits												
				Deposit Amount	Deposit Date		Deposit Amount		Rate			
SYS987	987	01	PA2 FIDELI	25,000.00	10/14/2014		25,000.00		0.010			
SYS987	987	01	PA2 FIDELI	55,625.00	10/15/2014		55,625.00		0.010			
SYS987	987	01	PA2 FIDELI	34,975.00	10/16/2014		34,975.00		0.010			
SYS987	987	01	PA2 FIDELI	83,750.00	10/17/2014		83,750.00		0.010			
SYS987	987	01	PA2 FIDELI	5,500,000.00	10/21/2014		5,500,000.00		0.010			
SYS987	987	01	PA2 FIDELI	15,500.00	10/24/2014		15,500.00		0.010			
SYS987	987	01	PA2 FIDELI	5,000,000.00	10/27/2014		5,000,000.00		0.010			
SYS987	987	01	PA2 FIDELI	70,295.00	10/27/2014		70,295.00		0.010			
SYS500	500	01	PA2 GOLDSA	15,000,000.00	10/10/2014		15,000,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	52.82	10/31/2014		52.82		0.010			
			Subtotal	26,786,187.82			26,786,187.82					
			Total Purchases and Deposits	41,606,187.82			41,604,224.94	0.00				16,719,232.09

Mat Call Sale Purch
Maturity Report
Sorted by Maturity Date
 Receipts during October 1, 2014 - October 31, 2014

CUSIP	Investment #	Fund	Sec. Type Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
43851UKM4	1837	01	ACP HONIPP	5,500,000.00	10/21/2014	06/27/2014	0.120	5,500,000.00	0.00	5,500,000.00	0.00
59157UKT6	1840	01	ACP MET-LF	5,000,000.00	10/27/2014	09/16/2014	0.100	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities				10,500,000.00				10,500,000.00	0.00	10,500,000.00	0.00



POOL PROFILE

September 30, 2013

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.

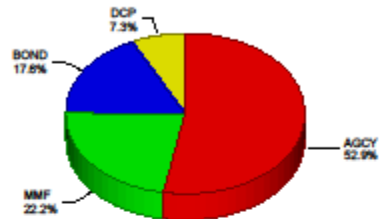
Plus (+) or Minus (-) The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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	AAf / S1
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 30, 2013



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 \$400 million-plus portfolio is divided into a short-term and a long-term portfolio; \$85 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.