



+COUNCIL AGENDA REPORT

**City of Anaheim
OFFICE OF THE CITY TREASURER**

DATE: OCTOBER 26, 2010
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – SEPTEMBER 2010

ATTACHMENT (Y/N): YES ITEM #

RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for September 2010.

DISCUSSION:

This is the investment report for the City’s general pool for the month ending September 30, 2010. 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 September 30, 2010:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value)	\$ 119,485,790	\$ 227,468,279	\$ 346,954,069
Effective Yield	0.33 %	2.70 %	1.86 %
Avg. Weighted Maturity	3 Days	2.1 Years	1.4 Years
Net Earnings	\$ 33,184	\$ 507,021	\$ 540,205
Benchmark*	0.14 %	0.41 %	0.30 %

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

INVESTMENT ACTIVITIES

The City Treasurer’s Investment Portfolio received a credit rating of AAf and a volatility rating of S1 from Standard and Poor’s in July 2008. The portfolio is reviewed monthly by Standard and Poor’s for portfolio holdings, liquidity values and the overall management of the investment staff. Standard and Poor’s reaffirmed the City’s AAf credit rating during their annual June 2010 due diligence review. The City of Anaheim is only the fourth City in the country at this time to receive the prestigious credit rating.

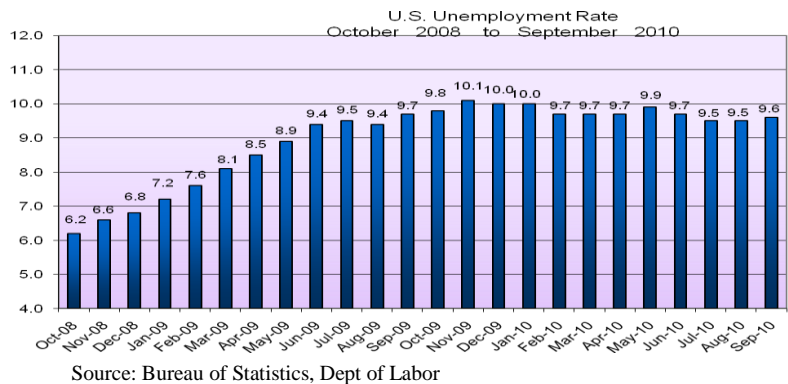
In addition to independent verification of the high standard for the City’s investment program, the AAf credit rating is recognized by leading bond insurer's as a highly safe investment option for future City bond issues and to include the City’s portfolio as a ‘permitted investment’ in the bond covenants.

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.

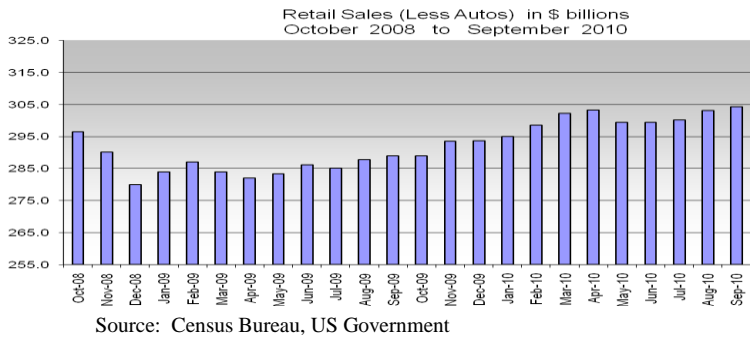
INVESTMENT ENVIRONMENT

The economy continues to show signs of a delayed and slow recovery from the recession of 2008-2009. One economist has referred the current recovery as “the square root” recovery, meaning the graph shows a definitive drop, then a significant short term recovery, followed by a long gradual increasing growth line, similar to the shape of the square root sign in mathematics.

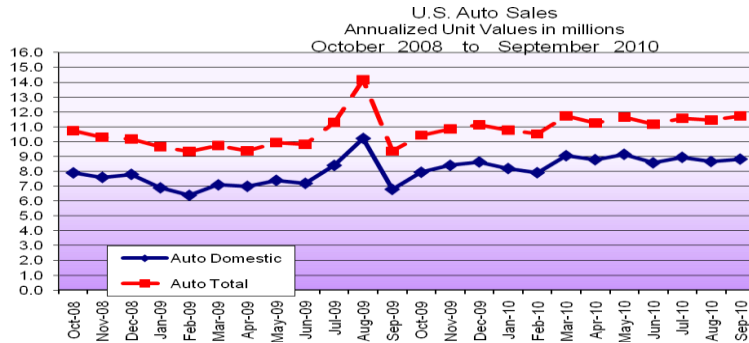
A key economic indicator watched is the national unemployment rate. Since May 2009, the national unemployment rate has remained above 9.4 percent, reaching a high of 10.1 % in October 2009 and registering 9.6 % for September 2010. This indicator is considered a “lagging” economic indicator and does not immediately reflect any improvement in economic conditions. It appears unemployment will continue to stay at current levels through the remainder of calendar year 2010 as other economic sectors of the economy continue to show mixed results. The chart below shows the national unemployment rate for the past twenty four months:



Another economic factor that measures the vitality of the overall national economy is the economic strength of the consumer as measured in the monthly Retail Sales (less Autos) figures. The chart below shows that from October 2008 through September 2010, the level of consumer spending has shown a steady increase to support the economic recovery. This economic indicator tends to be cyclic, improving during traditional sales periods, such as the holidays, and slowing during non-holiday periods. The slow increase in overall sales by the consumer supports the view point of a “square root” recovery. This data reflects the daily buying habits of consumers and does not indicate the level of “large” or “major” purchases, such as autos, houses, etc. The chart below shows Retail Sales (less autos) for the past twenty four months:



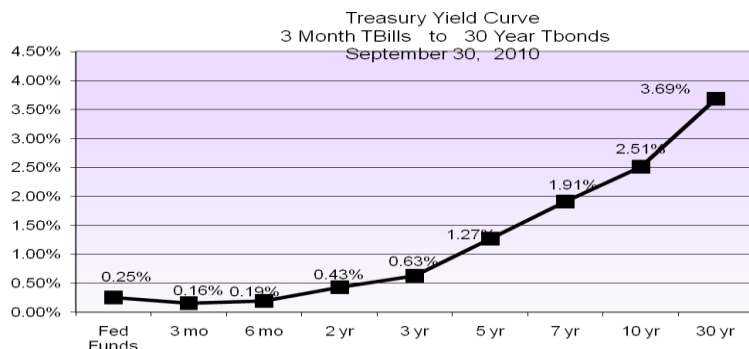
We look to Auto Sales as an indicator of consumer buying sentiment, particularly the consumer sentiment toward large dollar purchases. For the past twenty four months, auto sales have shown flat to slow growth, with the exception of the “cash for clunkers” program in August 2009, which caused a temporary “spike” in auto sales. Since that time, auto sales have remained somewhat steady at 9 million units for domestic sales and 11 to 12 million annualized units for total auto sales. The chart below shows the monthly annualized auto sales for the past twenty four months:



Source: Bloomberg Financial System

Interest rates for September 2010 continue to stay at historic low levels. There are concerns that the economic recovery is showing signs of stalling or moving at a slower pace than desired which could be interpreted as “malaise”. There are discussions about additional stimulus efforts from Washington; however, with the approach of the November elections, we do not anticipate any action until at least the end of the calendar year. The Federal Reserve’s ‘Federal Open Market Committee’ (FOMC) meeting on September 21, 2010 continued to reaffirm the benchmark Federal Funds rate at the range of 0.0% to 0.25%. This key market interest rate has remained at this level since the FOMC meeting on December 16, 2008. The statement issued by the FOMC to justify the continued low interest rates is a “risk to growth” in the overall economy. The Federal Funds interest rate is the interest rate that banks charge other banks to borrow money. The Federal Reserve has continued to indicate that with the slow economic recovery and absence of evidence of sustainability, their posture is to hold short term interest rates at current levels for the foreseeable future. A majority of economists and market participants do not anticipate an increase in interest rates until the second half of calendar year 2011.

The City’s short-term portfolio ended September earning 0.33%, as compared to the three month U.S. Treasury bill yield of 0.16%. The longer term portfolio’s yield was 2.70%, which exceeded the interpolated yield of 0.41% for the month of September 2010. We do not anticipate any material rise in interest rates until either inflationary pressures increase or the Federal Reserve changes its current strategy. The chart below shows the interest rates for U. S. Treasury issues for the month ending September 2010:



Source: Bloomberg Financial Systems

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.

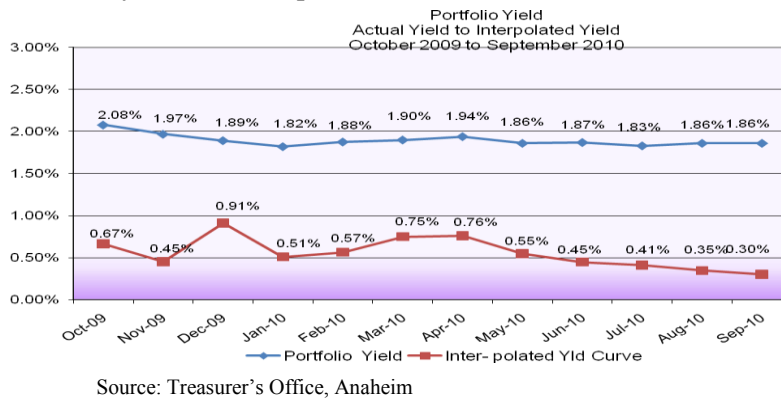
INVESTMENT PERFORMANCE

For September 2010, 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	\$ 119,485,790	3 days	0.33 %	0.14 %	0.028	0.480
Long-Term Portfolio	\$ 227,468,279	2.1 years	2.70 %	0.41 %	0.242	4.083
Total Portfolio	\$ 346,954,069	1.4 years	1.86 %	0.30 %	0.169	3.496

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 a 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:



A complete listing of the portfolio holdings and investment activity for the City of Anaheim’s Investment Portfolio for the month of September 2010 is on the following pages.

IMPACT ON BUDGET:

None.

Respectfully submitted,

Henry W. Stern, CTP
 City Treasurer

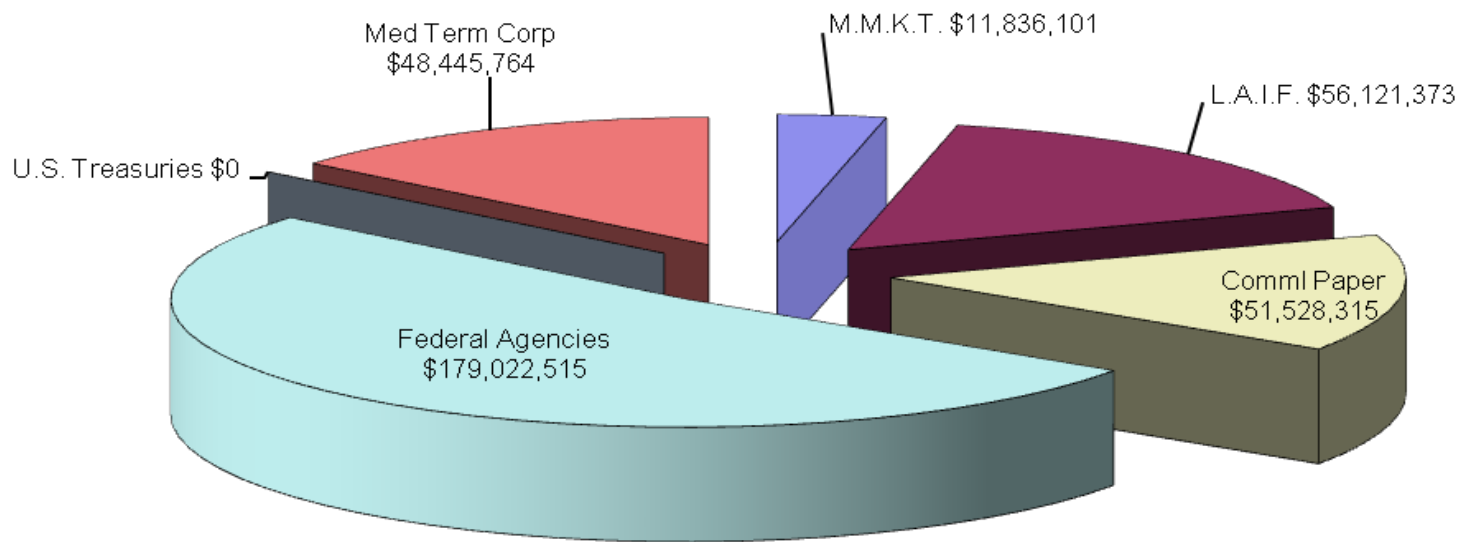
Attachment

1. Investment Report

**Balances, Yields and Average Maturities
September 30, 2010**

<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	\$11,836,101	\$11,836,101	\$11,836,101	0.51%	3.41%	1	0.00
L.A.I.F. (State of California)	\$56,121,373	\$56,121,373	\$56,121,373	0.50%	16.18%	1	0.00
subtotal: Cash and Overnight Investments	\$67,957,474	\$67,957,474	\$67,957,474		19.59%	1	0.00
Commercial Paper	\$51,530,000	\$51,528,315	\$51,528,315	0.19%	14.85%	6	0.02
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	\$51,530,000	\$51,528,315	\$51,528,315	0.19%	14.85%	6	0.02
Total Short-Term Portfolio:	\$119,487,474	\$119,485,790	\$119,485,790	0.33%	34.44%	3	0.01
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$45,799,000	\$46,844,057	\$48,445,764	3.64%	13.96%	600	1.64
U.S. Federal Agencies	\$173,788,000	\$173,886,368	\$179,022,515	2.45%	51.60%	814	2.23
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$219,587,000	\$220,730,426	\$227,468,279	2.70%	65.56%	768	2.10
Total Cash and Pooled Investments	\$339,074,474	\$340,216,215	\$346,954,069	1.86%	100.00%	500	1.37

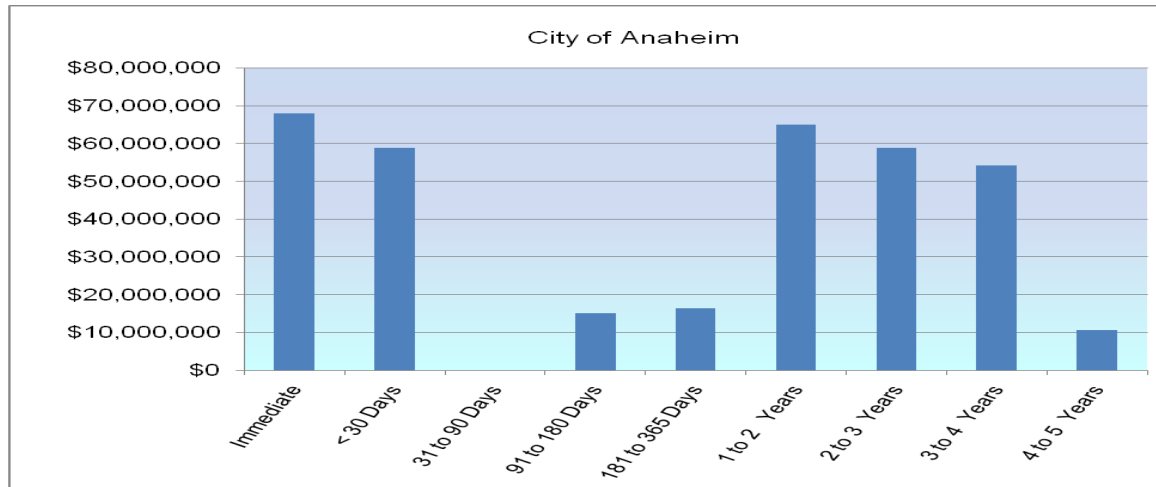
City of Anaheim
Investment Portfolio Asset Allocation
September 30, 2010
\$ 346,954,069



■ M.M.K.T.	■ L.A.I.F.	■ Comml Paper
■ Federal Agencies	■ U.S. Treasuries	■ Med Term Corp

Liquidity Schedule
September 30, 2010

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$11,836,101	\$11,836,101	3.41%
L.A.I.F. (State of California)	Immediate	\$56,121,373	\$67,957,474	19.59%
Pooled Investment Maturities:	< 30 Days	\$58,912,916	\$126,870,390	36.57%
	31 to 90 Days	\$0	\$126,870,390	36.57%
	91 to 180 Days	\$15,084,375	\$141,954,765	40.91%
	181 to 365 Days	\$16,314,063	\$158,268,828	45.62%
	1 to 2 years	\$64,947,074	\$223,215,902	64.34%
	2 to 3 years	\$58,918,404	\$282,134,306	81.32%
	3 to 4 years	\$54,274,137	\$336,408,444	96.96%
	4 to 5 years	\$10,545,625	\$346,954,069	100.00%
Total Cash and Pooled Investments:		\$346,954,069		



Summary and Comparison of Yields and Balances
September 30, 2010

<u>Description</u>	Current Month <u>September 30, 2010</u>	Prior Month <u>August 31, 2010</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.04%	0.06%
L.A.I.F. (State of California)	0.50%	0.51%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	2.45%	2.36%
Commercial Paper	0.19%	0.18%
Medium Term Corporate Notes	3.65%	3.65%
	1.86%	1.86%
Weighted Average Maturity (Days)	500	516
Weighted Average Maturity (Years)	1.37	1.41
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$11,836,101	\$10,069,154
L.A.I.F. (State of California)	\$56,121,373	\$61,121,373
U.S. Treasuries	\$0	\$0
Federal Agencies	\$179,022,515	\$194,068,498
Commercial Paper	\$51,528,315	\$46,045,021
Medium Term Corporate Notes	\$48,445,764	\$48,421,556
Total Portfolio:	\$346,954,069	\$359,725,603
	Current Month	Fiscal Year to
Earnings:	<u>September 30, 2010</u>	<u>Date Earnings</u>
Total Interest Earnings for Month:	\$594,619.26	\$1,824,612.16
Total Adjustments from Premiums and Discounts	-\$54,413.26	-\$162,797.28
Total Capital Gains or Losses	\$0.00	\$3,072.12
Total Earnings for Month	\$540,206.00	\$1,664,887.00

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%
Jul-09	\$69,624,981	\$311,176,014	\$380,800,994	2.35%	771	2.11	1.20%	1.15%
Aug-09	\$78,910,669	\$292,296,273	\$371,206,941	2.31%	740	2.03	0.88%	1.43%
Sep-09	\$119,694,331	\$243,409,221	\$363,103,553	2.03%	628	1.72	0.77%	1.26%
Oct-09	\$109,527,089	\$223,615,064	\$333,142,153	2.08%	621	1.70	0.67%	1.41%
Nov-09	\$119,609,833	\$229,587,543	\$349,197,376	1.97%	593	1.62	0.45%	1.52%
Dec-09	\$124,300,074	\$249,625,896	\$373,925,970	1.89%	584	1.60	0.91%	0.98%
Jan-10	\$130,806,608	\$244,573,543	\$375,380,151	1.82%	558	1.53	0.51%	1.31%
Feb-10	\$114,221,905	\$249,725,431	\$363,947,336	1.88%	582	1.59	0.57%	1.31%
Mar-10	\$111,849,550	\$247,962,523	\$359,812,073	1.90%	571	1.56	0.75%	1.15%
Apr-10	\$109,355,043	\$261,305,436	\$370,660,480	1.94%	593	1.62	0.76%	1.18%
May-10	\$122,993,132	\$251,525,293	\$374,518,425	1.86%	543	1.49	0.55%	1.31%
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%

City Treasurer's Investment Report – September 2010

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CITY OF
ANAHEIM
Short-Term Portfolio

September 30, 2010

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	28,241,715.80	28,241,715.80	28,241,715.80			
SYS17431	17431	LAIF	MMKT	AA	27,879,657.44	27,879,657.44	27,879,657.44			0.50%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	7,889,829.45	7,889,829.45	7,889,829.45			0.04%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	3,946,271.75	3,946,271.75	3,946,271.75			0.04%
4662J1K17	1528	JP Morgan	CP	A-1	8,000,000.00	8,000,000.00	8,000,000.00	07/30/2010	10/01/2010	0.21%
4662J1K17	1533	JP Morgan	CP	A-1	5,000,000.00	5,000,000.00	5,000,000.00	08/30/2010	10/01/2010	0.15%
0660P1K18	1534	BANK OF AMERICA	CP	A-1	8,000,000.00	8,000,000.00	8,000,000.00	09/09/2010	10/01/2010	0.19%
47816GK16	1524	Johnson & Johnson	CP	A-1	5,750,000.00	5,750,000.00	5,750,000.00	07/29/2010	10/01/2010	0.19%
89233HK11	1532	TOYOTA MOTOR CREDIT	CP	A-1	5,000,000.00	5,000,000.00	5,000,000.00	08/24/2010	10/01/2010	0.13%
2546R3K78	1535	Disney	CP	A-1	2,780,000.00	2,779,908.89	2,779,908.89	09/09/2010	10/07/2010	0.20%
14178MCK1	1537	CARGILL	CP	A-1	2,000,000.00	1,999,879.83	1,999,879.83	09/21/2010	10/12/2010	0.20%
14178MCK3	1536	CARGILL	CP	A-1	5,000,000.00	4,999,508.39	4,999,508.39	09/21/2010	10/19/2010	0.20%
71344UKM0	1538	Pepsico	CP	A-1	5,000,000.00	4,999,562.98	4,999,562.98	09/21/2010	10/21/2010	0.16%
14178MKN7	1539	CARGILL	CP	A-1	5,000,000.00	4,999,455.12	4,999,455.12	09/23/2010	10/22/2010	0.19%
Total Short-Term Portfolio:					<u>119,487,474.44</u>	<u>119,485,789.65</u>	<u>119,485,789.65</u>			<u>0.33%</u>

CITY OF ANAHEIM
Long-Term Portfolio

September 30, 2010

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31331Y3P3	1296	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	10,000,000.00	9,994,185.49	10,315,625.00	07/15/2008	10/03/2011	3.50%
94974BAZ3	1334	WELLS FARGO CO	MTN	AA	8,364,000.00	8,364,246.15	8,384,600.53	12/23/2008	10/29/2010	3.98%
31331GJY6	1338	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	5,001,070.57	5,018,750.00	01/15/2009	01/12/2011	1.60%
3133XT4D5	1365	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,008,846.81	10,065,625.00	04/01/2009	03/16/2011	1.63%
3133XTJ64	1380	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,002,316.28	10,065,625.00	05/01/2009	05/16/2011	1.38%
3133XH6G2	1039 C	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	5,000,000.00	5,248,437.50	09/29/2006	09/29/2011	5.34%
3133XVQL8	1456	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	3,240,000.00	3,240,039.56	3,268,350.00	12/28/2009	12/09/2011	1.13%
3137EACF4	1454	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	5,002,639.60	5,045,312.50	12/28/2009	12/15/2011	1.13%
3136FJF89	1459	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,990,022.22	5,010,937.50	12/30/2009	12/30/2011	1.13%
38141GBU7	1511	Goldman Sachs Group	MTN	A	9,005,000.00	9,417,635.79	9,597,321.88	05/28/2010	01/15/2012	6.60%
36962GXS8	1510	GENERAL ELEC CAP CORP	MTN	AA	5,000,000.00	5,247,360.29	5,329,215.00	05/28/2010	02/15/2012	5.88%
3136FHEV3	1362	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,033,746.27	8,060,000.00	04/01/2009	03/23/2012	2.38%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,988,387.20	5,062,500.00	12/28/2009	05/25/2012	1.25%
3136F94U4	1342	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,500,000.00	2,500,000.00	2,514,062.50	02/03/2009	08/03/2012	2.00%

City Treasurer's Investment Report – September 2010

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CITY OF ANAHEIM
Long-Term Portfolio

September 30, 2010

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,036,496.84	10,743,750.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	9,850,000.00	9,876,466.57	10,083,937.50	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	4,970,328.21	5,082,812.50	01/29/2010	01/09/2013	1.38%
31398AME9	1206	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,000,000.00	10,734,375.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	AA	8,000,000.00	7,947,285.58	8,537,712.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A	8,206,000.00	8,544,499.76	8,812,751.64	06/23/2010	02/05/2013	5.45%
38141GDB7	1517	Goldman Sachs Group	MTN	A	2,224,000.00	2,324,581.40	2,402,498.24	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A	5,000,000.00	4,998,448.28	5,381,665.00	04/02/2008	04/02/2013	4.63%
3128X8TZ5	1368	FED HOME LOAN MORT CORP	Fed Agy	AAA	3,955,000.00	3,952,648.57	3,996,899.27	04/14/2009	04/08/2013	2.50%
3133XTNY8	1390	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	1,685,000.00	1,683,592.91	1,703,956.25	06/03/2009	06/03/2013	2.38%
3136FJZZ7	1457	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,175,000.00	2,169,684.30	2,181,796.88	12/28/2009	06/28/2013	2.00%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	6,845,000.00	6,870,217.62	7,309,176.56	12/15/2008	12/13/2013	3.13%
3134G1KD5	1515	FED HOME LOAN MORT CORP	Fed Agy	AAA	10,000,000.00	10,000,000.00	10,100,160.00	06/30/2010	12/30/2013	1.75%
31398AWH1	1367	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,018,252.15	5,059,375.00	04/14/2009	04/07/2014	2.90%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	8,000,000.00	8,003,402.67	8,432,500.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,500,000.00	4,484,407.22	4,743,281.25	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,000,000.00	4,046,702.61	4,216,250.00	01/29/2010	04/17/2014	2.63%
3128X8YK2	1381	FED HOME LOAN MORT CORP	Fed Agy	AAA	4,038,000.00	4,023,536.86	4,091,519.65	05/01/2009	04/29/2014	2.75%
31331GVG1	1392	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,933,210.63	5,075,000.00	05/28/2009	05/06/2014	2.75%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,035,579.93	5,246,875.00	04/30/2010	05/15/2014	2.50%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,019,175.41	8,435,000.00	04/30/2010	11/20/2014	2.63%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	2,000,000.00	2,001,411.81	2,110,625.00	03/19/2010	03/13/2015	2.75%
Total Long-Term Portfolio:					<u>219,587,000.00</u>	<u>220,730,425.56</u>	<u>227,468,279.15</u>			<u>2.70%</u>
Total Portfolio:					<u>339,074,474.44</u>	<u>340,216,215.21</u>	<u>346,954,068.80</u>			<u>1.86%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 September 1, 2010 - September 30, 2010**

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 %	Ending Book Value
SHORT- TERM PORTFOLIO												
0660P1K18	1534	01	ACP BAC	8,000,000.00	09/09/2010	10/01 - At Maturity	7,999,071.11		0.190	10/01/2010	0.190	8,000,000.00
2546R3K78	1535	01	ACP DISNEY	2,750,000.00	09/09/2010	10/07 - At Maturity	2,779,567.56		0.200	10/07/2010	0.200	2,779,908.89
14178MKN3	1536	01	ACP CARGIL	5,000,000.00	09/21/2010	10/19 - At Maturity	4,999,222.22		0.200	10/19/2010	0.200	4,999,508.39
14178MKN1	1537	01	ACP CARGIL	2,000,000.00	09/21/2010	10/12 - At Maturity	1,999,766.87		0.200	10/12/2010	0.200	1,999,879.83
71344UKM0	1538	01	ACP PEPSIC	5,000,000.00	09/21/2010	10/21 - At Maturity	4,999,333.33		0.160	10/21/2010	0.160	4,999,562.98
14178MKN7	1539	01	ACP CARGIL	5,000,000.00	09/23/2010	10/22 - At Maturity	4,999,234.72		0.190	10/22/2010	0.190	4,999,455.12
Subtotal				27,780,000.00			27,778,196.81	0.00				27,778,316.21

Managed Pool Deposits				Deposit Amount	Deposit Date	Deposit Amount	Rate
SYS987	987	01	PA2 FIDELI	1,166,000.00	09/03/2010	1,166,000.00	0.045
SYS987	987	01	PA2 FIDELI	4,000,000.00	09/07/2010	4,000,000.00	0.045
SYS987	987	01	PA2 FIDELI	5,000,000.00	09/10/2010	5,000,000.00	0.045
SYS987	987	01	PA2 FIDELI	33,611.11	09/13/2010	33,611.11	0.045
SYS987	987	01	PA2 FIDELI	218,750.00	09/15/2010	218,750.00	0.045
SYS987	987	01	PA2 FIDELI	10,156,250.00	09/16/2010	10,156,250.00	0.045
SYS987	987	01	PA2 FIDELI	8,300,000.00	09/17/2010	8,300,000.00	0.045
SYS987	987	01	PA2 FIDELI	5,340,000.00	09/22/2010	5,340,000.00	0.045
SYS987	987	01	PA2 FIDELI	95,000.00	09/23/2010	95,000.00	0.045
SYS987	987	01	PA2 FIDELI	10,018,375.00	09/28/2010	10,018,375.00	0.045
SYS987	987	01	PA2 FIDELI	133,500.00	09/29/2010	133,500.00	0.045
SYS500	500	01	PA2 GOLDSA	4,642,000.00	09/01/2010	4,642,000.00	0.045
SYS500	500	01	PA2 GOLDSA	2,304,000.00	09/02/2010	2,304,000.00	0.045
SYS500	500	01	PA2 GOLDSA	3,316,346.00	09/07/2010	3,316,346.00	0.045
SYS500	500	01	PA2 GOLDSA	1,019,000.00	09/08/2010	1,019,000.00	0.045
SYS500	500	01	PA2 GOLDSA	429,000.00	09/10/2010	429,000.00	0.045
SYS500	500	01	PA2 GOLDSA	2,277,000.00	09/15/2010	2,277,000.00	0.045
SYS500	500	01	PA2 GOLDSA	1,758,000.00	09/16/2010	1,758,000.00	0.045
SYS500	500	01	PA2 GOLDSA	158,665.00	09/23/2010	158,665.00	0.045
SYS500	500	01	PA2 GOLDSA	1,857,000.00	09/29/2010	1,857,000.00	0.045
SYS500	500	01	PA2 GOLDSA	219.61	09/30/2010	219.61	0.045

Mat Call Sale Purch
 Purchases Report
 September 1, 2010 - September 30, 2010

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
Subtotal				82,222,718.72			82,222,718.72					
Total Purchases and Deposits				80,002,718.72			88,888,812.33	0.00				27,778,315.21

Mat Call Sale Purch
Maturity Report
Sorted by Maturity Date
 Receipts during September 1, 2010 - September 30, 2010

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
49438UJ37	1529	01	ACF	KMB	3,300,000.00	09/03/2010	08/20/2010	0.170	3,300,000.00	0.00	3,300,000.00	0.00
49438UJ78	1527	01	ACF	KMB	4,000,000.00	09/07/2010	07/30/2010	0.170	4,000,000.00	0.00	4,000,000.00	0.00
36960MJA2	1521	01	ACF	GE COM	5,000,000.00	09/10/2010	07/29/2010	0.200	5,000,000.00	0.00	5,000,000.00	0.00
3136FHFED	1363	02	FAC	FNMA	10,000,000.00	09/16/2010	04/01/2009	1.500	10,000,000.00	75,000.00	10,075,000.00	75,000.00
2546R3JNS	1530	01	ACF	DISNEY	5,000,000.00	09/22/2010	08/24/2010	0.180	5,000,000.00	0.00	5,000,000.00	0.00
2546R3JUS	1531	01	ACF	DISNEY	5,000,000.00	09/28/2010	08/24/2010	0.180	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities					32,300,000.00				32,300,000.00	75,000.00	32,375,000.00	76,000.00

**Mat Call Sale Purch
 Sales/Call Report
 Sorted by Maturity Date - Fund
 September 1, 2010 - September 30, 2010**

CU3IP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
03/28/2013												
31331JSZ7	1514	02	FFCB FAC	06/28/2010	09/28/2010 03/28/2013	5,000,000.00	1.470	5,000,000.00	5,000,000.00	18,375.00	5,018,375.00 Call	18,375.00
Subtotal						6,000,000.00		5,000,000.00	5,000,000.00	18,375.00	6,018,375.00	18,375.00
Managed Pool Withdrawals												
				Withdrawal Date		Withdrawal Amount	Current Rate		Withdrawal Amount		Withdrawal Amount	
	500		GOLDSA	09/01/2010		369.90	0.044		369.90		369.90	
	987		FIDELI	09/07/2010		4,000,000.00	0.044		4,000,000.00		4,000,000.00	
	500		GOLDSA	09/08/2010		1,019,000.00	0.044		1,019,000.00		1,019,000.00	
	987		FIDELI	09/09/2010		7,431,000.00	0.044		7,431,000.00		7,431,000.00	
	500		GOLDSA	09/09/2010		2,069,918.00	0.044		2,069,918.00		2,069,918.00	
	987		FIDELI	09/10/2010		5,000,000.00	0.044		5,000,000.00		5,000,000.00	
	500		GOLDSA	09/13/2010		5,326,000.00	0.044		5,326,000.00		5,326,000.00	
	500		GOLDSA	09/14/2010		3,472,000.00	0.044		3,472,000.00		3,472,000.00	
	500		GOLDSA	09/20/2010		2,880,195.00	0.044		2,880,195.00		2,880,195.00	
	987		FIDELI	09/21/2010		11,541,322.22	0.044		11,541,322.22		11,541,322.22	
	987		FIDELI	09/23/2010		4,999,234.72	0.044		4,999,234.72		4,999,234.72	
	500		GOLDSA	09/24/2010		1,679,000.00	0.044		1,679,000.00		1,679,000.00	
	987		FIDELI	09/27/2010		6,851,000.00	0.044		6,851,000.00		6,851,000.00	
	17430		LAIF	09/27/2010		2,000,000.00	0.500		2,000,000.00		2,000,000.00	
	17431		LAIF	09/27/2010		3,000,000.00	0.500		3,000,000.00		3,000,000.00	
	500		GOLDSA	09/28/2010		154,000.00	0.044		154,000.00		154,000.00	
	987		FIDELI	09/30/2010		3,015,000.00	0.044		3,015,000.00		3,015,000.00	
Subtotal						64,438,039.84			64,438,039.84		64,438,039.84	
Total Sales and Withdrawals						69,438,039.84		5,000,000.00	69,438,039.84	18,375.00	69,466,414.84	18,375.00



FUND PROFILE

March 31, 2010

City of Anaheim Treasurer Investment Pool



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.

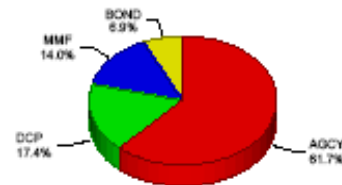
Plus (+) or Minus (-) The ratings from 'AAf' to 'CCCF' may be modified to show relative standing within the major rating categories.

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	AAAf / S1
Fund Type	Variable NAV Government Investment Pool
Investment Adviser	City of Anaheim CA
Portfolio Manager	Henry Stern, CTP
Fund Rated Since	July 2008

Portfolio Composition as of March 31, 2010



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

*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 \$400+ million portfolio is being divided into a shorter-term and a longer term portion, where \$100-\$125 million comprises the shorter-term component. The investment policy, which was last revised and approved in January 2009, apply to all cash and investments controlled by the Anaheim Treasurer on behalf of the City.

Credit Quality

The 'AAAf' 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 'AAAf' rating signifies that the portfolio holdings provide extremely 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 1.8 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.