



+COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: OCTOBER 25, 2011
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – SEPTEMBER 2011

ATTACHMENT (Y/N): YES ITEM #

RECOMMENDATION:

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

DISCUSSION:

This is the investment report for the City's general pool for the month ending September 30, 2011. The report is provided to ensure that the City Council is informed as to the investment activities and fulfills the reporting requirements of the City's adopted investment policy.

COMPLIANCE:

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

INVESTMENT SUMMARY:

The following table shows summary investment information for the month ending September 30, 2011:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 115,751,976	\$ 291,999,974	\$ 407,751,950
Effective Yield	0.23 %	2.22 %	1.65 %
Avg. Weighted Maturity	1 Day	2.4 Years	1.75 Years
Net Earnings	\$ 24,433	\$ 560,990	\$ 585,423
Benchmark**	0.01%	0.35%	0.25 %

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

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

INVESTMENT ACTIVITIES

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

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

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

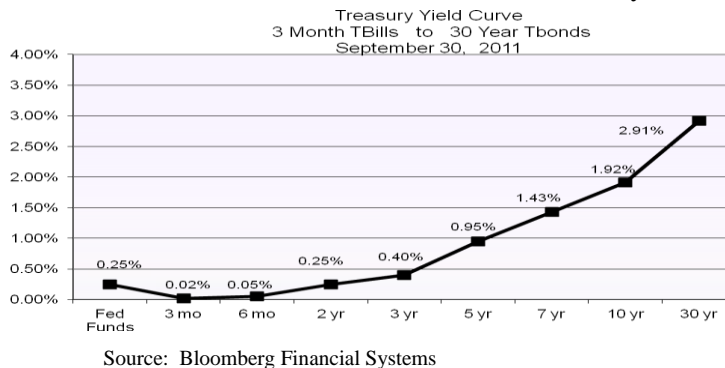
On August 11, 2008, the City of Anaheim’s Investment Policy was recognized and certified by the Association of Professional Treasurers of the United States and Canada (APT US&C) as meeting all standards and criteria established by the APT US&C.

INVESTMENT ENVIRONMENT

The month of September 2011 saw the financial markets stressed over the escalating debt crisis in Europe. The European banking system “. . . has been dealing for more than a year with the financial instability of Greece and the other so-called PIIGS nations – Portugal, Ireland, Italy and Spain. The five nations are all coping with severe debt, leading to unpopular attempts to impose austerity measures and efforts by more stable neighboring countries to work out bailout plans.” Moody’s Investor Services downgraded Greece (sovereign debt) on July 25, 2011 to one class above default.

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

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

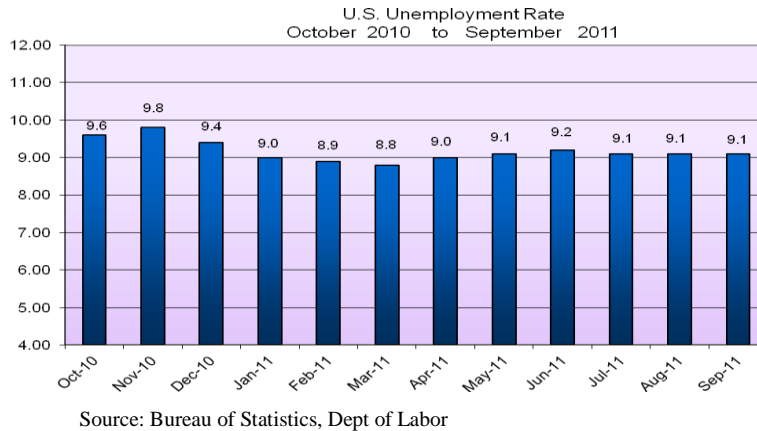


The Federal Reserve announced at the September 21, 2011 ‘Federal Open Market Committee’ (FOMC) meeting that the ‘target’ Federal Funds rate would remain at the range of 0.0% to 0.25%, citing continued “risk to growth” to the economy. This key market interest rate has remained at this level since the FOMC meeting on December 16, 2008. The Federal Funds interest rate is the interest rate that banks charge other banks to borrow money.

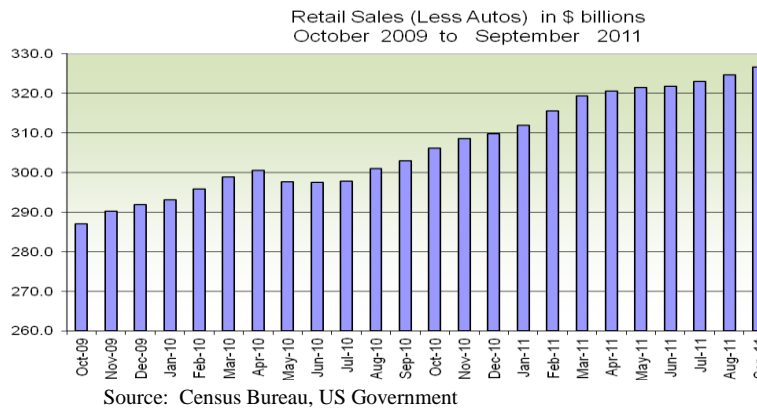
Against this backdrop, the economic data for the U.S. economy continues to show signs of a slowdown from the recovery that began in the spring of 2009. A key economic indicator is the national unemployment rate, which

tends to show the overall health of the national economy. For the month of September 2011, the national unemployment rate was reported at 9.1%, unchanged from July and August 2011. The unemployment rate appears to be stalled in a narrow range from a low of 8.8% in March 2011 to a high of 9.2% in June 2011.

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



Another key economic factor we review is the monthly Retail Sales (less Autos), which measures the level of consumer spending and provides an indication of the underlying vitality of the overall national economy. The release of September 2011 data indicates the consumer is continuing to spend but at marginally lower levels in the past four months. The chart below shows the monthly increase in consumer spending for the past twenty four months.



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

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

INVESTMENT PERFORMANCE

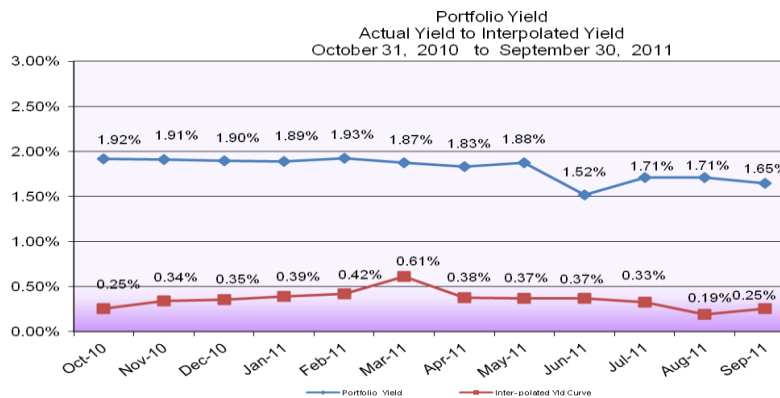
For September 2011, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 115,751,976	1 day	0.23 %	0.01 %	0.021	0.433
Long-Term Portfolio	\$ 291,999,974	2.4 years	2.22 %	0.35 %	-0.121	2.708
Total Portfolio	\$ 407,751,950	1.7 years	1.65 %	0.25 %	-0.080	2.351

The portfolio balance reflects a deposit of \$79,127,679 for acquisition funds from the 2011A Electric Bonds. As a “AA” credit rated portfolio, we are recognized as a permitted investment by the bond indenture of the above bonds. These funds enjoy the advantage of superior market rates of return in a historically low interest rate environment.

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

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



Source: Treasurer’s Office, Anaheim

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

IMPACT ON BUDGET:

There is no impact on the General Fund.

Respectfully submitted,

Henry W. Stern, CTP
City Treasurer

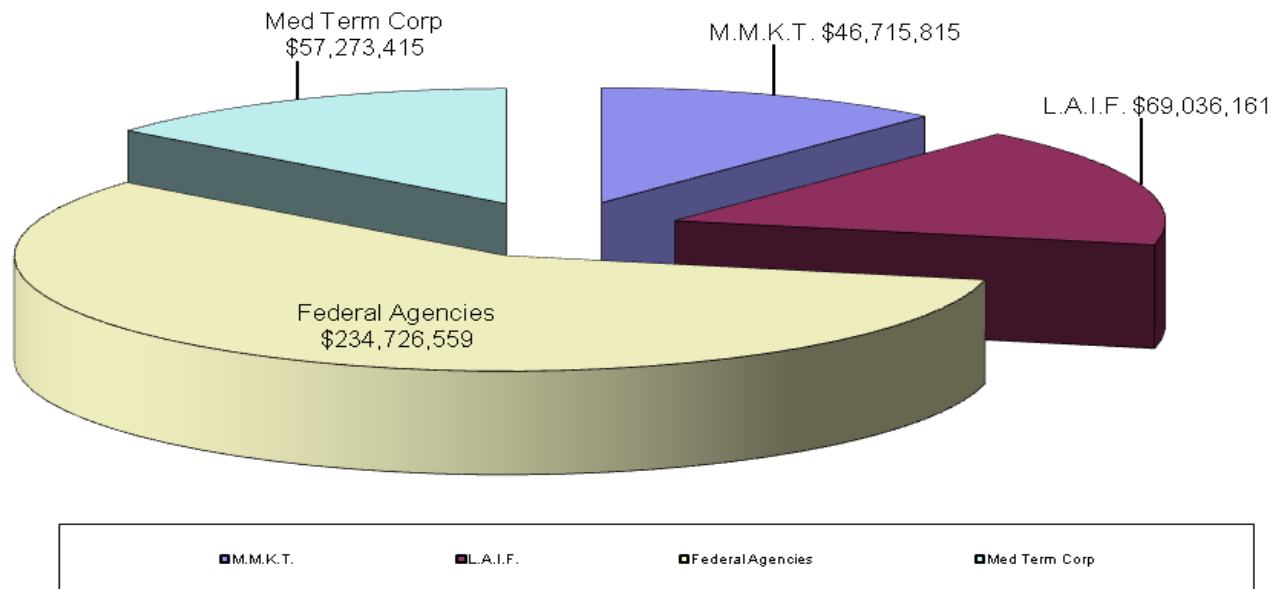
Attachment

1. City Treasurer’s Investment Report

Balances, Yields and Average Maturities
September 30, 2011

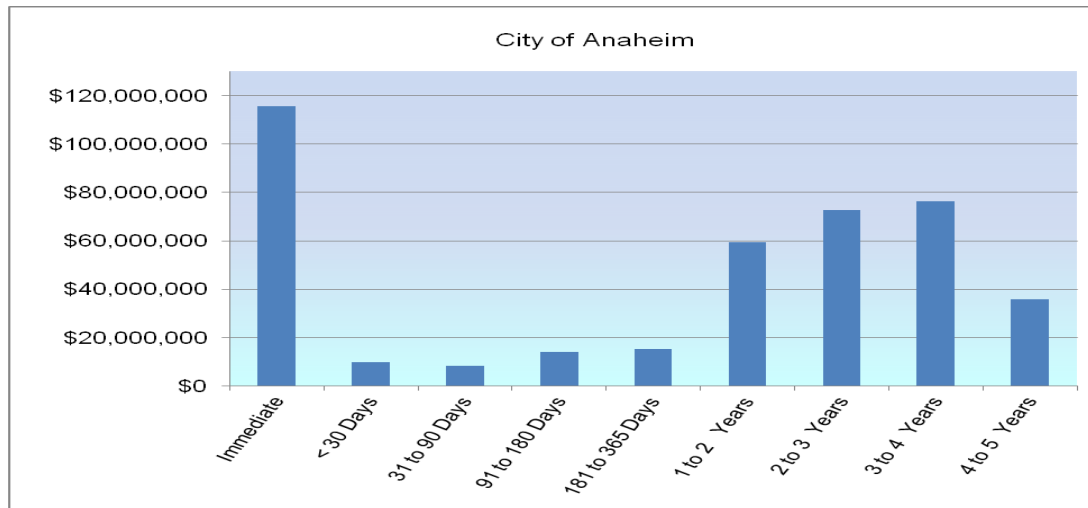
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Percent of Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$46,715,815	\$46,715,815	\$46,715,815	0.01%	11.46%	1	0.00
L.A.I.F. (State of California)	\$69,036,161	\$69,036,161	\$69,036,161	0.41%	16.93%	1	0.00
subtotal: Cash and Overnight Investments	\$115,751,976	\$115,751,976	\$115,751,976		28.39%	1	0.00
Commercial Paper	\$0	\$0	\$0	0.00%	0.00%	0	0.00
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	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Short-Term Portfolio:	\$115,751,976	\$115,751,976	\$115,751,976	0.23%	28.39%	1	0.00
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$56,391,000	\$56,697,104	\$57,273,415	3.15%	14.05%	725	1.99
U.S. Federal Agencies	\$230,185,000	\$229,927,502	\$234,726,559	1.99%	57.57%	913	2.50
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$286,576,000	\$286,624,606	\$291,999,974	2.22%	71.61%	876	2.40
Total Cash and Pooled Investments	\$402,327,976	\$402,376,582	\$407,751,950	1.65%	100.00%	624	1.71

City of Anaheim
Investment Portfolio Asset Allocation
September 30, 2011
\$ 407,751,950



Liquidity Schedule
 September 30, 2011

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$46,715,815	\$46,715,815	11.46%
L.A.I.F. (State of California)	Immediate	\$69,036,161	\$115,751,976	28.39%
Pooled Investment Maturities:	< 30 Days	\$10,000,000	\$125,751,976	30.84%
	31 to 90 Days	\$8,256,171	\$134,008,147	32.87%
	91 to 180 Days	\$14,229,908	\$148,238,055	36.35%
	181 to 365 Days	\$15,419,285	\$163,657,340	40.14%
	1 to 2 years	\$59,509,147	\$223,166,487	54.73%
	2 to 3 years	\$72,583,901	\$295,750,389	72.53%
	3 to 4 years	\$76,256,613	\$372,007,002	91.23%
	4 to 5 years	\$35,744,948	\$407,751,950	100.00%
Total Cash and Pooled Investments:		\$407,751,950		



Summary and Comparison of Yields and Balances
September 30, 2011

<u>Description</u>	<u>Current Month</u> <u>September 30, 2011</u>	<u>Prior Month</u> <u>August 31, 2011</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.41%	0.41%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.99%	2.04%
Commercial Paper	0.00%	0.13%
Medium Term Corporate Notes	3.15%	3.15%
	1.65%	1.71%
Weighted Average Maturity (Days)	624	650
Weighted Average Maturity (Years)	1.71	1.78
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$46,715,815	\$29,016,258
L.A.I.F. (State of California)	\$69,036,161	\$69,036,161
U.S. Treasuries	\$0	\$0
Federal Agencies	\$234,726,559	\$245,194,395
Commercial Paper	\$0	\$13,998,997
Medium Term Corporate Notes	\$57,273,415	\$57,931,960
Total Portfolio:	\$407,751,950	\$415,177,772
	<u>Current Month</u>	<u>Fiscal Year to</u>
Earnings:	<u>September 30, 2011</u>	<u>Date Earnings</u>
Total Interest Earnings for Month:	\$627,118.35	\$1,873,086.12
Total Adjustments from Premiums and Discounts	-\$41,695.70	-\$117,220.16
Total Capital Gains or Losses	\$0.00	\$3,920.00
Total Earnings for Month	<u>\$585,422.65</u>	<u>\$1,759,785.96</u>

City of Anaheim
Investment Portfolio Summary

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

Note: September 2011 balance reflects acquisition funds from 2011A Electric Bonds, approx \$79.1million.

City Treasurer's Investment Report – September 2011

Attachment 1

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CITY OF
ANAHEIM
Short-Term Portfolio Listing

September 30, 2011

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
SYS17430	17430	LAIF	MMKT	AAA	36,902,344.35	36,902,344.35	36,902,344.35	07/01/2011	9/1/2011	0.41%
SYS17431	17431	LAIF	MMKT	AAA	32,133,816.66	32,133,816.66	32,133,816.66	07/01/2011	9/1/2011	0.41%
SYS987	987	FIDELITY GOVERNMENT	MMKT	AAA	30,629,267.76	30,629,267.76	30,629,267.76	07/01/2011	9/2/2011	0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	16,086,547.26	16,086,547.26	16,086,547.26	07/01/2011	9/2/2011	0.01%
Total Short-Term Portfolio:					<u>115,751,976.03</u>	<u>115,751,976.03</u>	<u>115,751,976.03</u>			<u>0.23%</u>

CITY OF ANAHEIM
Long-Term Portfolio Listing

September 30, 2011

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	AA+	10,000,000.00	9,999,967.88	10,000,000.00	07/15/2008	10/03/2011	3.50%
3133XVQL8	1456	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	3,240,000.00	3,240,006.29	3,246,026.40	12/28/2009	12/09/2011	1.13%
3137EACF4	1454	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	5,000,450.07	5,010,145.00	12/28/2009	12/15/2011	1.13%
38141GBU7	1511	Goldman Sachs Group	MTN	A	9,005,000.00	9,097,487.33	9,134,392.85	05/28/2010	01/15/2012	6.60%
36962GXS8	1510	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,067,097.73	5,095,515.00	05/28/2010	02/15/2012	5.88%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,995,425.26	5,031,585.00	12/28/2009	05/25/2012	1.25%
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,017,833.68	10,387,700.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	9,850,000.00	9,864,451.48	10,012,328.00	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,983,386.70	5,066,050.00	01/29/2010	01/09/2013	1.38%
31398AME9	1206	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,462,440.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	A+	8,000,000.00	7,969,904.40	8,300,936.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A	8,206,000.00	8,400,115.98	8,132,367.56	06/23/2010	02/05/2013	5.45%
38141GDB7	1517	Goldman Sachs Group	MTN	A	2,224,000.00	2,284,348.84	2,296,195.49	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A+	5,000,000.00	4,999,068.28	5,230,080.00	04/02/2008	04/02/2013	4.63%
3134G2QF2	1609	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,008,750.00	07/18/2011	07/18/2013	0.65%
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,968,559.91	5,045,025.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	6,845,000.00	6,862,337.11	7,239,251.47	12/15/2008	12/13/2013	3.13%
3136FPZ26	1559	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,853.87	5,012,470.00	01/24/2011	01/13/2014	1.38%
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,993,981.42	5,082,545.00	03/23/2011	03/14/2014	1.25%
313374D56	1602	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,000,000.00	3,998,666.67	4,005,036.00	07/11/2011	04/11/2014	1.00%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,000,000.00	8,002,442.67	8,413,760.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,500,000.00	4,488,806.44	4,732,740.00	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,000,000.00	4,033,526.32	4,206,880.00	01/29/2010	04/17/2014	2.63%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,025,757.25	5,242,655.00	04/30/2010	05/15/2014	2.50%

City Treasurer's Investment Report – September 2011

Attachment 1

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CITY OF
ANAHEIM
Long-Term Portfolio Listing

September 30, 2011

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
478160AX2	1584	Johnson & Johnson	MTN	AAA	3,000,000.00	2,996,917.73	3,042,804.00	05/20/2011	05/15/2014	1.20%
3136FPV95	1548	FED NATL MORTGAGE ASSN	Fed Agy	AA+	2,350,000.00	2,349,392.70	2,357,444.80	01/07/2011	07/03/2014	1.70%
3135G0BT9	1606	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,036,770.00	07/11/2011	07/11/2014	1.13%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	8,000,000.00	7,955,419.31	8,166,520.00	03/23/2011	09/12/2014	1.38%
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,037,644.66	5,140,625.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,014,539.32	8,479,464.00	04/30/2010	11/20/2014	2.63%
3134G2HC9	1582	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,998,800.00	5,007,630.00	05/25/2011	11/25/2014	1.50%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,927,877.25	5,065,335.00	01/24/2011	12/12/2014	1.25%
3136FRXN8	1604	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,039,190.00	06/30/2011	12/30/2014	1.25%
3134G2MX7	1601	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,997,598.61	5,010,890.00	07/06/2011	01/06/2015	1.35%
3134G2MX7	1605	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,995,936.11	10,021,780.00	07/06/2011	01/06/2015	1.35%
3134G2MX7	1608	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,999,023.61	5,010,890.00	07/06/2011	01/06/2015	1.35%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,001,094.55	2,131,254.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,983,728.40	5,144,690.00	03/24/2011	03/24/2015	1.67%
31331KKU3	1579	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,004,491.62	5,074,160.00	05/16/2011	05/13/2015	1.93%
3136FRSL8	1599	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,994,416.67	5,034,445.00	06/29/2011	06/29/2015	1.50%
594918AG9	1591	Microsoft Corp	MTN	AAA	5,000,000.00	5,000,000.00	5,096,260.00	06/09/2011	09/25/2015	1.63%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,288.51	3,094,653.00	05/11/2011	10/15/2015	1.88%
931142CX9	1581	Walmart	MTN	AA	2,956,000.00	2,898,741.48	2,980,679.64	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,893,750.00	5,129,135.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,903,749.28	5,129,135.00	01/24/2011	12/01/2015	1.75%
38143USC6	1560	Goldman Sachs Group	MTN	A	5,000,000.00	4,991,904.50	4,867,875.00	02/08/2011	02/07/2016	3.63%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,991,517.77	3,096,309.00	05/20/2011	05/15/2016	2.15%
3136FRMT5	1598	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,997,849.17	5,020,685.00	06/28/2011	06/28/2016	2.15%
3136FRMT5	1607	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,400,000.00	6,397,449.30	6,426,476.80	06/29/2011	06/28/2016	2.15%
Total Long-Term Portfolio:					<u>286,576,000.00</u>	<u>286,624,606.13</u>	<u>291,999,974.01</u>			<u>2.22%</u>
Total Portfolio Values:					<u>402,327,976.03</u>	<u>402,376,582.16</u>	<u>407,751,950.04</u>			<u>1.65%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 September 1, 2011 - September 30, 2011**

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
Managed Pool Deposits													
					Deposit Amount	Deposit Date		Deposit Amount		Rate			
SYS987	987	01	PA2	FIDELI	55,000.00	09/12/2011		55,000.00		0.010			
SYS987	987	01	PA2	FIDELI	27,500.00	09/13/2011		27,500.00		0.010			
SYS987	987	01	PA2	FIDELI	31,250.00	09/14/2011		31,250.00		0.010			
SYS987	987	01	PA2	FIDELI	218,750.00	09/15/2011		218,750.00		0.010			
SYS987	987	01	PA2	FIDELI	5,000,000.00	09/16/2011		5,000,000.00		0.010			
SYS987	987	01	PA2	FIDELI	5,015,625.00	09/22/2011		5,015,625.00		0.010			
SYS987	987	01	PA2	FIDELI	3,591,944.00	09/23/2011		3,591,944.00		0.010			
SYS987	987	01	PA2	FIDELI	82,375.00	09/26/2011		82,375.00		0.010			
SYS987	987	01	PA2	FIDELI	5,133,500.00	09/29/2011		5,133,500.00		0.010			
SYS987	987	01	PA2	FIDELI	4,000,000.00	09/30/2011		4,000,000.00		0.010			
SYS987	987	01	PA2	FIDELI	58,380.00	09/30/2011		58,380.00		0.010			
SYS987	987	01	PA2	FIDELI	0.06	09/30/2011		0.06		0.010			
SYS500	500	01	PA2	GOLDSA	3,735,000.00	09/01/2011		3,735,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	2,964,000.00	09/02/2011		2,964,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	1,901,809.00	09/06/2011		1,901,809.00		0.010			
SYS500	500	01	PA2	GOLDSA	1,774,000.00	09/07/2011		1,774,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	2,501,000.00	09/14/2011		2,501,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	8,087,000.00	09/15/2011		8,087,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	4,295,000.00	09/20/2011		4,295,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	2,482,545.00	09/22/2011		2,482,545.00		0.010			
SYS500	500	01	PA2	GOLDSA	4,103,000.00	09/29/2011		4,103,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	90.00	09/30/2011		90.00		0.010			
Subtotal					66,067,788.08			66,067,788.08					
Total Purchases and Deposits					66,067,788.08			66,067,788.08	0.00				0.00

Mat Call Sale Purch
Maturity Report
 Sorted by Maturity Date
 Receipts during September 1, 2011 - September 30, 2011

CUSIP	Investment #	Fund	Sec. Type Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
19121BWG0	1595	01	ACP COCA C	5,000,000.00	09/16/2011	06/17/2011	0.130	5,000,000.00	0.00	5,000,000.00	0.00
3695BJWP4	1612	01	ACP GECC	5,000,000.00	09/23/2011	08/23/2011	0.110	5,000,000.00	0.00	5,000,000.00	0.00
3133XH6G2	1039 C	02	FAC FHLB	5,000,000.00	09/29/2011	09/29/2006	5.340	5,000,000.00	133,500.00	5,133,500.00	133,500.00
90526NWW1	1613	01	ACP UN BK	4,000,000.00	09/30/2011	08/24/2011	0.130	4,000,000.00	0.00	4,000,000.00	0.00
Total Maturities				19,000,000.00				19,000,000.00	133,500.00	19,133,500.00	133,500.00

**Mat Call Sale Purch
 Sales/Call Report
 Sorted by Maturity Date - Fund
 September 1, 2011 - September 30, 2011**

CUSIP	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
09/22/2014												
3133745Q9	1597	02	FHLB FAC	06/22/2011	09/22/2011 09/22/2014	5,000,000.00	1.250	5,000,000.00	5,000,000.00	15,625.00	5,015,625.00	15,625.00
Subtotal						5,000,000.00		5,000,000.00	5,000,000.00	15,825.00	5,015,825.00	15,825.00
Total Sales						5,000,000.00		5,000,000.00	5,000,000.00	15,825.00	5,015,825.00	15,825.00



FUND PROFILE

July 29, 2011

City of Anaheim Treasurer Investment Pool



Fund Credit Quality Ratings Definitions

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

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

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 Fund

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

Portfolio Composition as of July 29, 2011



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

*As assessed by Standard & Poor's

Fund Highlights

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

Management

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

Credit Quality

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

Portfolio Assets

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

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

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

www.standardandpoors.com

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

City Treasurer's Investment Report – September 2011

Attachment 1

Page 12 of 12

CITY OF ANAHEIM
BOND FUND INVESTMENTS

August 31, 2011

<u>Debt Issue</u>	<u>Trustee</u>	<u>Book Value</u>	<u>Holdings</u>
Decommissioning Trust	Union Bank of Calif.	\$ 120,095,495	
APFA Revenue Bds, 1998 Series	Union Bank of Calif.	\$ 1	\$ 120,095,497
COP 1992 Convention Ctr.	US Bank	\$ 8,219,290	
1993 Land Acquisition Program Lease	US Bank	\$ 1,936,542	
Anaheim R/A Tax Allocation Bond - Escrow Fd	US Bank	\$ 29,857,839	
Anaheim CFD no. 1989-3	US Bank	\$ 1,573,656	
APFR Rev Bds. - Escrow Fd	US Bank	\$ 5,260,000	
Anaheim CFD 1989 - 1, Sycamore Canyon	US Bank	\$ 922,741	
Anaheim CFD 1989 - 2, Highlands Sp Tax Bds	US Bank	\$ 1,502,412	
CITY OF ANAHEIM CFD DIST 06-2 2007	US Bank	\$ 1,083,528	
Anaheim CFD 08-1 2010 Platinum Triangle	US Bank	\$ 30,194,975	
Anaheim RDA 2007 Tax Allocation Refunding Bds	US Bank	\$ 19,928,037	
APFA Lease Revenue Refunding Bonds Ser 2008	US Bank	\$ 4,434,500	
APFA Water System Bonds 2010-A & 2010-B	US Bank	\$ 21,396,367	
Anaheim RDA 2010 Tax Allocation Bond	US Bank	\$ 657,789	
Anaheim 11A Electric	US Bank	\$ 87,404,555	\$ 214,372,232
Anaheim Dist Sys 99	BNY Western Trust	\$ 2,613,039	
Anaheim Arena 03	BNY Western Trust	\$ -	
Anaheim 04 Electric Purchase	BNY Western Trust	\$ 10,082,453	
Anaheim Debt Service Payment Account	BNY Western Trust	\$ -	
Anaheim/Disney Lease Revenue 1997A	BNY Western Trust	\$ 63,173,351	
Anaheim Lenain Reserve	BNY Western Trust	\$ 1,276,396	
APFA 02 A	BNY Western Trust	\$ 6,966,291	
APFA 03 B	BNY Western Trust	\$ 9,461,310	
Anaheim 03 A	BNY Western Trust	\$ 4,872,469	
Anaheim 03 B	BNY Western Trust	\$ -	
Anaheim 93 A Reserve Fund	BNY Western Trust	\$ -	
Anaheim 04 Water	BNY Western Trust	\$ 1,233,932	
APFA 2007A	BNY Western Trust	\$ 17,148,953	
APFA 2007A Farecal Escrow	BNY Western Trust	\$ 768,501	
Anaheim Sewer Rev Bds 2007	BNY Western Trust	\$ 27,697,078	
Anaheim (Dsny) 2007 Ref Ser A	BNY Western Trust	\$ 4,684,376	
Anaheim (Dsny) 2007 Ref Ser B	BNY Western Trust	\$ 4,496,894	
Anaheim/Disney 97 Series A-1/B Escrow	BNY Western Trust	\$ -	
Anaheim/Disney 97 Series A-2 Escrow	BNY Western Trust	\$ -	
Farecal Anaheim	BNY Western Trust	\$ -	
Anaheim 08 Water	BNY Western Trust	\$ 3,990,500	
Anaheim 09A Electric	BNY Western Trust	\$ 4,177	\$ 158,469,718
Total Bond Funds with external Trustees:			\$ 492,937,447
Anaheim RDA PFA 1992 Tax Alloc Rev	City Treasurer	\$ 46	
2000 RDA SubAccount	City Treasurer	\$ 23,968	
2007 RDA Bond - A	City Treasurer	\$ 0	
2007 RDA Bond - B	City Treasurer	\$ 6	
2007 RDA Bond - D	City Treasurer	\$ -	
Total Bond Funds with City Treasurer:			\$ 24,021
Total Bond Funds:			\$ 492,961,468