



+COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: OCTOBER 22, 2013
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – SEPTEMBER 2013

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

RECOMMENDATION:

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

DISCUSSION:

This is the investment report for the City's general pool for the month ending September 30, 2013. The report is provided to ensure that the City Council is informed as to the investment activities and fulfills the reporting requirements of the City's adopted investment policy.

COMPLIANCE:

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

INVESTMENT SUMMARY:

The following table shows summary investment information for the month ending September 30, 2013:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 123,651,911	\$ 294,704,136	\$ 418,356,047
Effective Yield	0.16 %	1.42 %	1.05 %
Avg. Weighted Maturity	11 Days	2.4 Years	1.7 Years
Net Earnings	\$ 18,470	\$ 350,554	\$ 369,024
Benchmark**	0.02 %	0.41 %	0.27 %

* Portfolio balance includes approximately \$32.4 million of the 2011A Electric Bond project funds (August 2013)

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

INVESTMENT ACTIVITIES

The City Treasurer's Investment Portfolio has a current rating of "AAF" from Standard and Poor's (S&P). This rating was effective August 8, 2011, as a result of the action of S&P downgrading the debt issues of the United States Treasury and Federal Agencies from a credit rating of "AAA" to "AA+". The credit rating reflects the investment holdings of the City's Investment Portfolio (approximately 53% of funds in Federal Agency issues) and not the management of the investment fund.

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

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

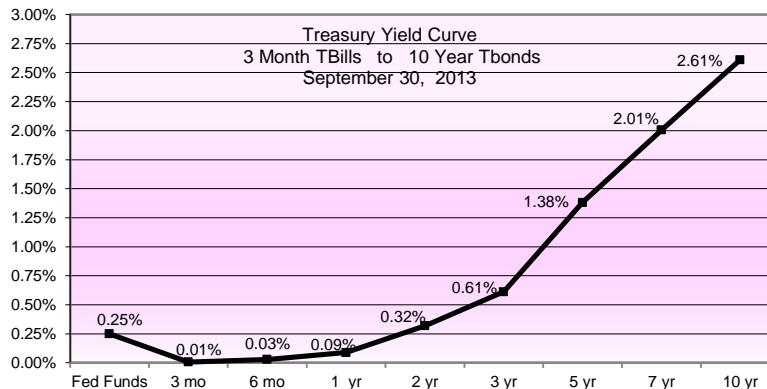
On August 11, 2008, the City of Anaheim’s Investment Policy was recognized and certified by the Association of Professional Treasurers of the United States and Canada (APT US&C) as meeting all standards and criteria established by the APT US&C.

INVESTMENT ENVIRONMENT:

The month of September 2013 showed a change in interest rates. Interest rates less than 30 days moved higher due to the possible “default” of US Treasury issues caused by the stalemate by Congress and the Senate over the budget and debt limitation. Specific to the financial markets was the impasse over the debt limitation. Failure to pass an increase can result in the United States defaulting on its debt. The critical date for the debt limitation is October 17, 2013. To illustrate the financial markets concern, the U.S. Treasury Bill maturing on October 17th, has seen the yield move from a level of 0.008% (or less than 0.01%) on September 26, 2013 to levels of 0.02% on September 30th to a high of 0.48% on October 9, 2013, as concerns about non-payment at maturity increased in the market place. As of this writing on October 11, 2013, it appears there is a high level of confidence the debt limitation will be increased prior to the deadline and short term interest rates will return to their historic low levels.

As the chart below indicates, the three month Treasury Bill closed September 2013 at 0.01%, down one basis point from the August close of 0.02%. The two year Treasury Note closed September at 0.32%, down nine basis points from the August level of 0.40%. This decline in interest rates is more pronounced in the longer maturities, with the benchmark ten year U.S. Treasury Note closing September 2013 at 2.61%, down eighteen basis points from the prior month close of 2.79%, and significantly above the April 2013 rate of 1.67. It is the apprehension for the investment community that the ‘artificial’ manipulation of interest rates by the Federal Reserve coupled with the action or lack of action by Congress is causing increased volatility in interest rates. The U.S. Treasury debt issues have historically been used as the default yield curve that all other interest rates are compared to.

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

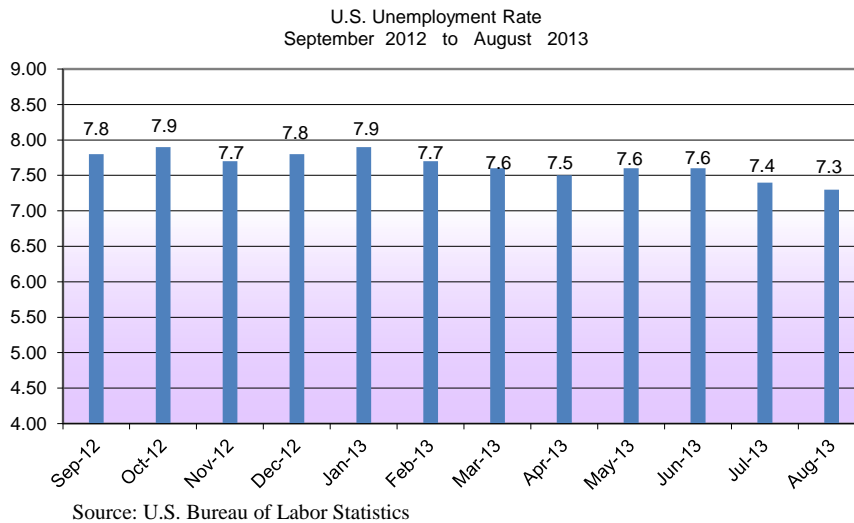


Source: Bloomberg Financial Systems

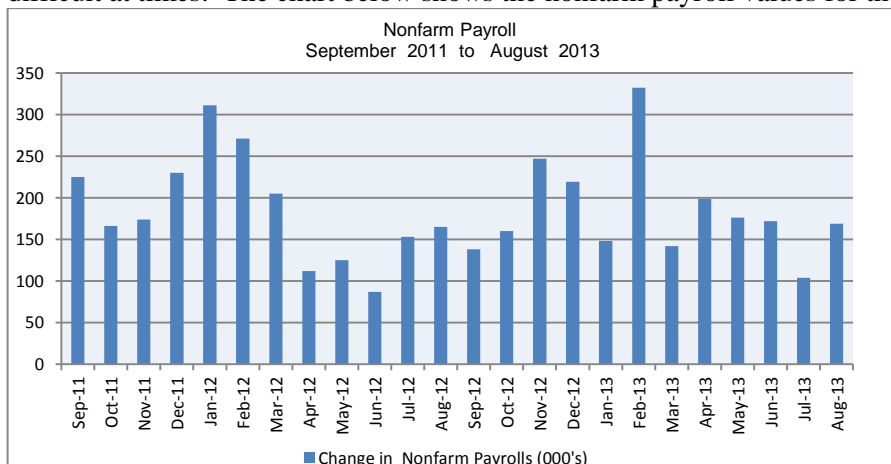
Please note at the time this report was prepared, the Government “shutdown” did not allow the following key economic data available. For discussion purposes, we have included the prior month’s economic data sets for your review.

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

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



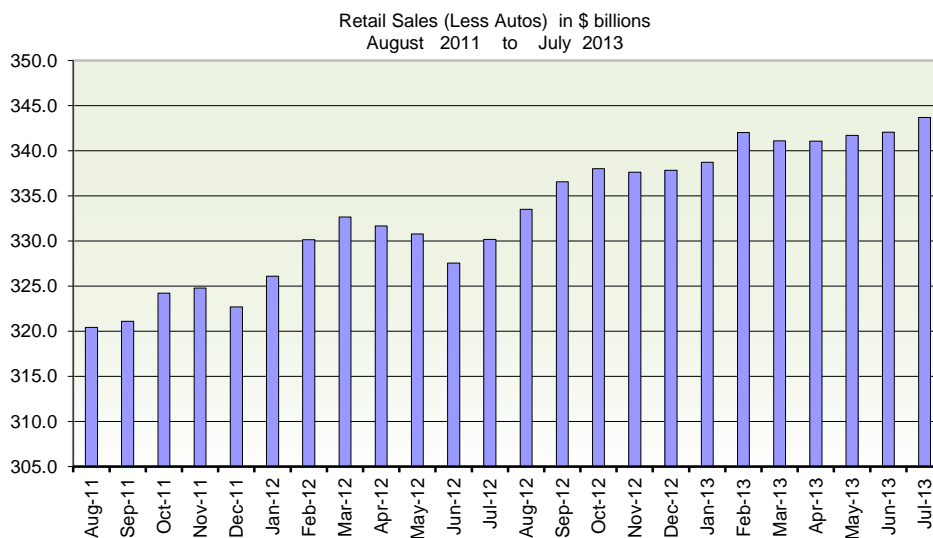
A more accurate gauge of the employment sector and the improving economy is the amount of jobs being created. The Bureau of Labor Statistics publishes monthly the value of US Employees on nonfarm payrolls, which is an indication of how the corporate or business sector is hiring. For the month of August 2013, the nonfarm payroll number was reported to be 169,000 new jobs created. The July 2013 value was revised down from 162,000 to 104,000, as was the June 2013 value revised down from 188,000 to 172,000. The annual (twelve month average) value with the revised values shows approximately 184,000 monthly new jobs are being created, which is above the minimum value of 165,000 new monthly jobs that economists have said are needed to show sustained economic growth. It should be noted the nonfarm payroll values are subject to revisions, making an analysis of a distinct trend in this indicator difficult at times. The chart below shows the nonfarm payroll values for the past two years:



Source: U.S. Bureau of Labor Statistics

Another economic factor we watch is the monthly Retail Sales (less Autos), which measures the level of consumer spending and provides an indication of the underlying vitality of the overall national economy. At the time this report was prepared, the August 2013 data were not available. The month of July 2013 value showed an annualized

retail sales value of \$343.7 billion, up slightly from the June 2013 value reported of \$342.1 billion, for an overall percentage increase of 0.5%. The increase in month over month retail sales continues to show evidence that the economy is still showing slow growth with marginal buying by consumers. It is estimated that consumer spending accounts for over sixty five percent of economic activity, so a ‘flat’ value indicates slow or incremental recovery. Several factors may be contributing to the absence of strong consumer spending: the ‘sequestered’ action of Congress, since the Government is a large factor in retail sales, the additional social security withholding tax that was increased with January 2013 payrolls, and increasing consumer debt levels. For the past year (August 2012 thru July 2013) retail sales have increased at an annualized rate of 4.1%. The chart below shows the monthly increase in consumer spending for the past thirty six months:



Source: Census Bureau, US Government

INVESTMENT PERFORMANCE:

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

For September 30, 2013, the City Treasurer’s Investment Portfolio performance was:

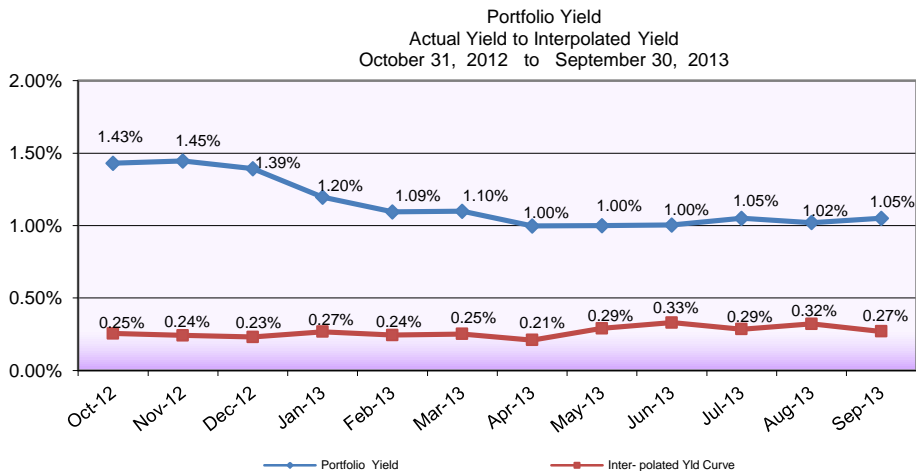
	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 123,651,911	11 days	0.16 %	0.01 %	0.013	0.160
Long-Term Portfolio	\$ 294,704,136	2.4 years	1.42 %	0.41 %	0.437	0.250
Total Portfolio	\$ 418,356,047	1.7 years	1.05 %	0.27 %	0.298	0.222

The portfolio balance includes a deposit for the acquisition funds of the 2011A Electric Bonds of \$32,361,765.00 as of the August 31, 2013 bond fund report balance. As a credit rated portfolio of “AA”, we are recognized as a permitted investment by the bond indenture of the above bonds. These funds enjoy the advantage of superior market rates of return in a historically low interest rate environment.

Please note the use of interpolated yield values and total return values are guidelines and not used in the performance evaluation of the portfolio. The investment of public funds is exposed to a large range of variable

factors, such as increases or decreases in revenues and expenditures as well as seasonal timing, which can affect the cash flow of the City.

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



Source: Treasurer's Office, Anaheim

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

IMPACT ON BUDGET:

There is no impact on the General Fund.

Respectfully submitted,

Henry W. Stern, CTP
City Treasurer

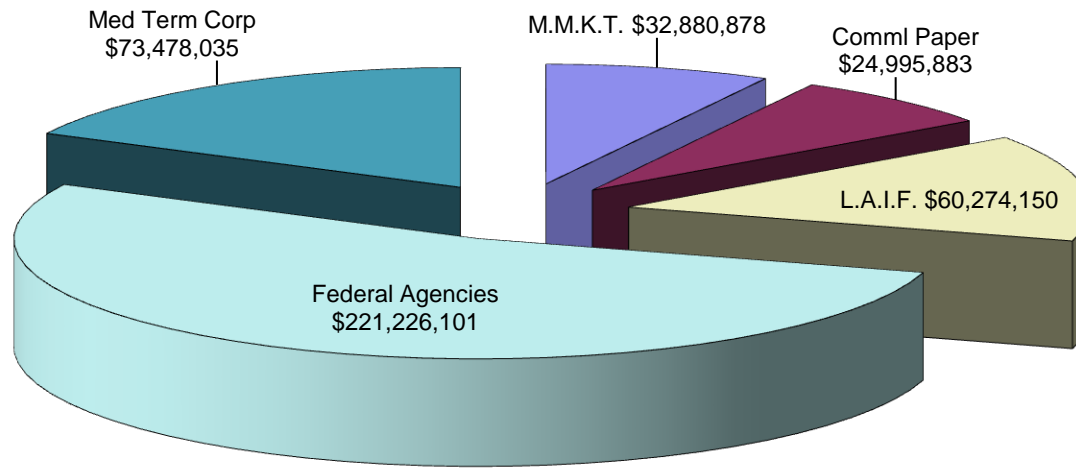
Attachment

1. City Treasurer's Investment Report

Balances, Yields and Average Maturities**September 30, 2013**

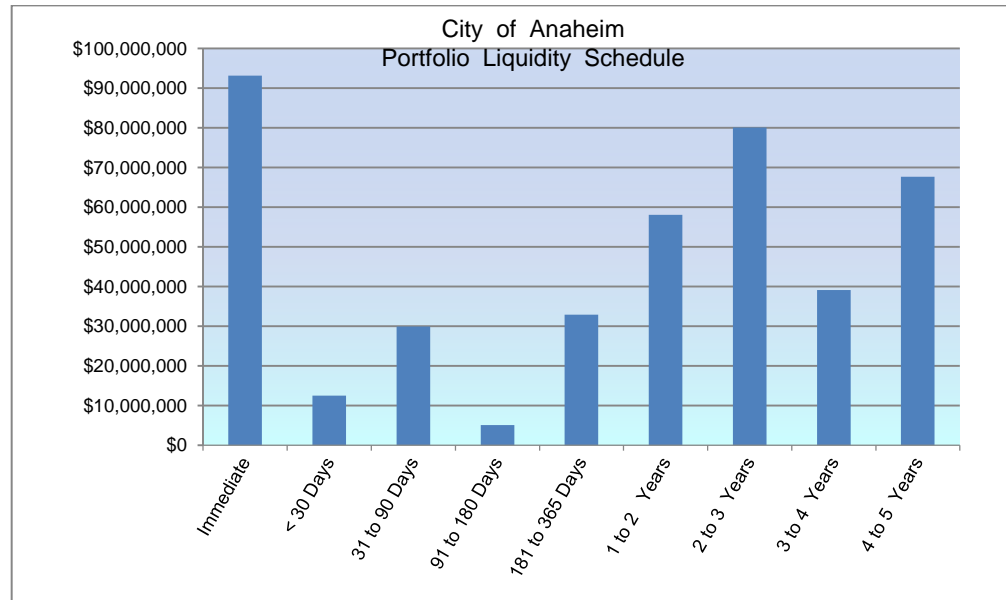
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	Percent of <u>Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$32,880,878	\$32,880,878	\$32,880,878	0.01%	7.86%	1	0.00
L.A.I.F. (State of California	\$60,274,150	\$60,274,150	\$60,274,150	0.27%	14.41%	1	0.00
subtotal: Cash and Overnight Investments	\$93,155,028	\$93,155,028	\$93,155,028		22.27%	1	0.00
Commercial Paper	\$30,500,000	\$30,496,883	\$30,496,883	0.09%	7.29%	41	0.11
Medium Term Corporate Notes	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Federal Agencies	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
subtotal: Pooled Investments	\$30,500,000	\$30,496,883	\$30,496,883	0.09%	7.29%	41	0.11
Total Short-Term Portfolio:	\$123,655,028	\$123,651,911	\$123,651,911	0.16%	29.56%	11	0.03
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$71,956,000	\$72,432,916	\$73,478,035	1.74%	17.56%	893	2.45
U.S. Federal Agencies	\$221,175,000	\$220,973,953	\$221,226,101	1.32%	52.88%	887	2.43
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$293,131,000	\$293,406,869	\$294,704,136	1.42%	70.44%	889	2.44
Total Cash and Pooled Investments	\$416,786,028	\$417,058,780	\$418,356,047	1.05%	100.00%	628	1.72

City of Anaheim
Investment Portfolio Asset Allocation
September 30, 2013
\$ 418,356,047



Liquidity Schedule
September 30, 2013

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$32,880,878	\$32,880,878	7.86%
L.A.I.F. (State of California)	Immediate	\$60,274,150	\$93,155,028	22.27%
Pooled Investment Maturities:	< 30 Days	\$12,499,411	\$105,654,439	25.25%
	31 to 90 Days	\$29,890,404	\$135,544,843	32.40%
	91 to 180 Days	\$5,026,380	\$140,571,223	33.60%
	181 to 365 Days	\$32,908,807	\$173,480,030	41.47%
	1 to 2 years	\$58,072,935	\$231,552,965	55.35%
	2 to 3 years	\$80,058,691	\$311,611,657	74.48%
	3 to 4 years	\$39,130,081	\$350,741,737	83.84%
	4 to 5 years	\$67,614,310	\$418,356,047	100.00%
Total Cash and Pooled Investments:		\$418,356,047		



Summary and Comparison of Yields and Balances
September 30, 2013

<u>Description</u>	Current Month <u>September 30, 2013</u>	Prior Month <u>August 31, 2013</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.27%	0.27%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.32%	1.32%
Commercial Paper	0.09%	0.10%
Medium Term Corporate Notes	1.74%	1.74%
	1.05%	1.02%
Weighted Average Maturity (Days)	628	626
Weighted Average Maturity (Years)	1.72	1.72
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$32,880,878	\$19,744,223
L.A.I.F. (State of California)	\$60,274,150	\$60,274,150
U.S. Treasuries	\$0	\$0
Federal Agencies	\$221,226,101	\$220,516,248
Commercial Paper	\$30,496,883	\$59,326,279
Medium Term Corporate Notes	\$73,478,035	\$73,235,894
Total Portfolio:	\$418,356,047	\$433,096,794
Earnings:	Current Month <u>September 30, 2013</u>	Fiscal Year to <u>Date Earnings</u>
Total Interest Earnings for Month:	\$371,269.29	\$1,117,941.32
Total Adjustments from Premiums and Discounts	-\$2,245.60	-\$4,024.87
Total Capital Gains or Losses	\$0.00	\$0.00
Total Earnings for Month	<u>\$369,023.69</u>	<u>\$1,113,916.45</u>

City of Anaheim
Investment Portfolio Summary

<u>Month / Yr</u>	<u>Core Portfolio</u>	<u>Reserve Portfolio</u>	<u>Portfolio Balance (market value)</u>	<u>Portfolio Yield</u>	<u>Avg Wgt Mat. - Days</u>	<u>Avg Wgt Mat. - Yrs</u>	<u>Inter - polated Yld Curve</u>	<u>Difference: City Yield / Interpolated</u>
Jun-09	\$92,988,732	\$316,049,180	\$409,037,911	2.26%	752	2.06	1.12%	1.14%
Jun-10	\$127,268,510	\$256,712,953	\$383,981,463	1.87%	536	1.47	0.45%	1.42%
Jun-11	\$180,459,755	\$261,836,213	\$442,295,968	1.52%	554	1.52	0.35%	1.17%
Jun-12	\$161,711,522	\$259,031,847	\$420,743,369	1.38%	484	1.33	0.28%	1.11%
Jul-12	\$130,883,306	\$254,515,935	\$385,399,241	1.49%	503	1.38	0.19%	1.29%
Aug-12	\$128,310,646	\$269,502,499	\$397,813,145	1.47%	521	1.43	0.20%	1.27%
Sep-12	\$108,805,936	\$259,373,508	\$368,179,443	1.46%	542	1.48	0.22%	1.24%
Oct-12	\$107,137,761	\$270,989,809	\$378,127,570	1.43%	561	1.54	0.25%	1.18%
Nov-12	\$97,947,618	\$273,455,616	\$371,403,234	1.45%	575	1.58	0.24%	1.20%
Dec-12	\$97,621,426	\$285,055,252	\$382,676,678	1.39%	634	1.74	0.23%	1.16%
Jan-13	\$105,033,351	\$291,834,246	\$396,867,596	1.20%	751	2.06	0.27%	0.93%
Feb-13	\$128,239,171	\$286,885,162	\$415,124,333	1.09%	716	1.96	0.24%	0.85%
Mar-13	\$125,785,560	\$286,780,703	\$412,566,263	1.10%	695	1.90	0.25%	0.85%
Apr-13	\$145,789,032	\$279,600,648	\$425,389,680	1.00%	654	1.79	0.21%	0.79%
May-13	\$142,296,123	\$296,152,869	\$438,448,991	1.00%	680	1.86	0.29%	0.71%
Jun-13	\$141,655,794	\$299,138,984	\$440,794,778	1.00%	670	1.84	0.33%	0.67%
Jul-13	\$124,516,874	\$299,599,908	\$424,116,783	1.05%	675	1.85	0.29%	0.76%
Aug-13	\$139,344,652	\$293,752,142	\$433,096,794	1.02%	626	1.72	0.32%	0.70%
Sep-13	\$123,651,911	\$294,704,136	\$418,356,047	1.05%	628	1.72	0.27%	0.78%

Note: September 2013 balance reflects acquisition funds from 2011A Electric Bonds, approx \$32.4 million (August 2013)
Portfolio balances from June 2011 through June 2013 reflect additional funds from 2011A Electric Bonds

City Treasurer's Investment Report – September 2013

Attachment 1

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City of Anaheim
Short-Term Portfolio Listing

September 30, 2013

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
SYS17430	17430	LAIF	MMKT	AA+	30,083,208.12	30,083,208.12	30,083,208.12		10/1/2013	0.27%
SYS17432	17432	LAIF	MMKT	AA+	30,190,941.95	30,190,941.95	30,190,941.95		10/1/2013	0.27%
SYS987	987	FIDELITY GOVERNMENT	MMKT	AAA	21,361,750.08	21,361,750.08	21,361,750.08		10/2/2013	0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	11,519,127.66	11,519,127.66	11,519,127.66		10/2/2013	0.01%
02665JX70	1767	American Honda	CP	A1/P1	2,500,000.00	2,499,975.41	2,499,975.41	08/26/2013	10/07/2013	0.06%
00282CX80	1770	Abbott Labs	CP	A1/P1	5,000,000.00	4,999,952.19	4,999,952.19	09/05/2013	10/08/2013	0.05%
59157TXU2	1771	METROPOLITAN LIFE	CP	A1/P1	5,000,000.00	4,999,483.71	4,999,483.71	09/05/2013	10/28/2013	0.14%
59157TY64	1775	METROPOLITAN LIFE	CP	A1/P1	5,000,000.00	4,999,462.07	4,999,462.07	09/30/2013	11/06/2013	0.11%
59157TYR8	1774	METROPOLITAN LIFE	CP	A1/P1	5,000,000.00	4,999,178.14	4,999,178.14	09/30/2013	11/25/2013	0.11%
59157TZ97	1773	METROPOLITAN LIFE	CP	A1/P1	3,000,000.00	2,999,377.97	2,999,377.97	09/30/2013	12/09/2013	0.11%
2546R2ZL3	1776	Disney	CP	A1/P1	5,000,000.00	4,999,453.59	4,999,453.59	09/30/2013	12/20/2013	0.05%
Total Short-Term Portfolio:					<u>123,655,027.81</u>	<u>123,651,910.89</u>	<u>123,651,910.89</u>			<u>0.16%</u>

City of Anaheim
Long-Term Portfolio Listing

September 30, 2013

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,997,768.77	5,006,260.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	6,845,000.00	6,846,576.10	6,886,672.36	12/15/2008	12/13/2013	3.13%
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,998,888.98	5,026,380.00	03/23/2011	03/14/2014	1.25%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,000,000.00	8,000,522.67	8,109,888.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,500,000.00	4,497,604.87	4,561,812.00	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,000,000.00	4,007,173.75	4,054,944.00	01/29/2010	04/17/2014	2.63%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,006,111.89	5,074,160.00	04/30/2010	05/15/2014	2.50%
478160AX2	1584	Johnson & Johnson	MTN	AAA	3,000,000.00	2,999,268.61	3,016,347.00	05/20/2011	05/15/2014	1.20%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	8,000,000.00	7,985,671.99	8,091,656.00	03/23/2011	09/12/2014	1.38%
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,013,616.15	5,081,760.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,005,267.12	8,224,360.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,972,993.13	5,055,405.00	01/24/2011	12/12/2014	1.25%
36962G5M2	1638	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,021,574.32	5,103,730.00	01/18/2012	01/09/2015	2.15%
46625HHP8	1637	JP Morgan	MTN	A	6,000,000.00	6,096,747.50	6,214,176.00	01/18/2012	01/20/2015	3.70%
3134G3JX9	1647	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,752.08	10,017,040.00	01/30/2012	01/30/2015	0.65%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,000,460.03	2,071,238.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,993,078.40	5,102,970.00	03/24/2011	03/24/2015	1.67%
94974BFE5	1665	WELLS FARGO CO	MTN	A+	1,000,000.00	998,860.89	1,012,541.00	06/27/2012	07/01/2015	1.50%
36962G5Z3	1668	GE CAPITAL SERVICES	MTN	AA+	5,000,000.00	4,997,516.90	5,073,630.00	07/02/2012	07/02/2015	1.63%
594918AG9	1591	Microsoft Corp	MTN	AAA	5,000,000.00	5,000,000.00	5,116,085.00	06/09/2011	09/25/2015	1.63%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,640.83	3,082,020.00	05/11/2011	10/15/2015	1.88%

City Treasurer's Investment Report – September 2013

Attachment 1

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City of Anaheim
Long-Term Portfolio Listing

September 30, 2013

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
46623EJR1	1705	JP Morgan	MTN	A	5,000,000.00	5,000,000.00	5,009,570.00	12/19/2012	10/15/2015	1.10%
931142CX9	1581	Walmart	MTN	AA	2,956,000.00	2,926,901.41	3,010,130.27	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,944,750.00	5,138,090.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,949,949.63	5,138,090.00	01/24/2011	12/01/2015	1.75%
3136G17A1	1712	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,381.94	4,993,335.00	12/31/2012	12/30/2015	0.45%
3135G0TT0	1719	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,996,361.67	9,977,340.00	01/29/2013	01/29/2016	0.50%
3135G0TZ6	1720	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,995,083.33	9,979,900.00	01/29/2013	01/29/2016	0.45%
38143USC6	1560	Goldman Sachs Group	MTN	A-	5,000,000.00	4,995,626.57	5,262,305.00	02/08/2011	02/07/2016	3.63%
3134G3LJ7	1646	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,997,494.27	5,013,560.00	02/10/2012	02/10/2016	0.95%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,995,187.97	3,113,868.00	05/20/2011	05/15/2016	2.15%
478160AY0	1704	Johnson & Johnson	MTN	AAA	10,000,000.00	10,404,351.79	10,379,560.00	12/17/2012	05/15/2016	2.15%
89236TAL9	1743	TOYOTA MOTOR CRE	MTN	AA-	3,000,000.00	2,998,922.61	2,997,369.00	05/17/2013	05/17/2016	0.80%
166764AC4	1757	CHEVRON	MTN	AA	2,000,000.00	2,000,000.00	2,007,814.00	06/24/2013	06/24/2016	0.89%
3135G0XP3	1747	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,988,095.01	4,955,740.00	05/22/2013	07/05/2016	0.38%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,996,377.11	5,299,220.00	10/17/2011	10/17/2016	3.35%
3133EA5V6	1690	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,994,255.21	4,984,270.00	10/24/2012	10/24/2016	0.62%
3135G0WY5	1750	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,998,416.19	4,956,625.00	05/22/2013	11/14/2016	0.55%
3134G3Z37	1703	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,818.70	9,916,720.00	12/12/2012	12/05/2016	0.63%
313376RQ0	1635	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,020,000.00	4,019,722.40	3,996,245.82	01/24/2012	01/24/2017	1.15%
3136FTZB8	1644	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,994,038.31	5,014,715.00	01/30/2012	01/30/2017	1.25%
3136G04R9	1702	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,693.42	4,962,285.00	12/13/2012	02/21/2017	0.75%
3135G0PU1	1694	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,122.32	4,923,895.00	11/14/2012	10/11/2017	1.00%
3135G0QD8	1689	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,995,000.00	6,995,287.51	6,889,347.52	10/22/2012	10/16/2017	1.00%
3135G0QW6	1691	FED NATL MORTGAGE ASSN	Fed Agy	AA+	2,035,000.00	2,035,000.00	2,003,272.32	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	3,543,872.40	11/08/2012	11/08/2017	1.00%
94974BFG0	1742	WELLS FARGO CO	MTN	A+	5,000,000.00	5,003,078.97	4,920,115.00	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	8,777,645.27	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	4,916,380.00	01/30/2013	01/30/2018	1.02%
3135G0TV5	1723	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,991,736.11	9,821,980.00	01/30/2013	01/30/2018	1.03%
3135G0TV5	1724	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,250,000.00	6,244,835.07	6,138,737.50	01/30/2013	01/30/2018	1.03%
02666QM26	1730	American Honda	MTN	A+	3,000,000.00	2,998,501.25	2,951,295.00	02/19/2013	02/16/2018	1.60%
3134G42R8	1749	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,999,081.08	4,879,765.00	05/22/2013	04/25/2018	1.05%
3135G0WJ8	1748	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,974,704.00	4,857,725.00	05/22/2013	05/21/2018	0.88%
166764AE0	1756	CHEVRON	MTN	AA	3,000,000.00	3,000,000.00	2,990,280.00	06/24/2013	06/24/2018	1.72%
Total Long-Term Portfolio:					<u>293,131,000.00</u>	<u>293,406,868.83</u>	<u>294,704,136.46</u>			<u>1.42%</u>
Total Portfolio Holdings:					<u>416,786,027.81</u>	<u>417,058,779.72</u>	<u>418,356,047.35</u>			<u>1.05%</u>

**Mat Call Sale Purch
Purchases Report
Sorted by Fund - Fund
September 1, 2013 - September 30, 2013**

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 380	Ending Book Value
SHORT- TERM PORTFOLIO												
00282CX80	1770	01	ACP ABT	5,000,000.00	09/05/2013	10/08 - At Maturity	4,999,770.83		0.050	10/08/2013	0.050	4,999,952.19
591577XU2	1771	01	ACP MET-LF	5,000,000.00	09/05/2013	10/28 - At Maturity	4,999,969.44		0.140	10/28/2013	0.140	4,999,483.71
89233GWW2	1772	01	ACP TOYCC	9,000,000.00	09/06/2013	09/30 - At Maturity	8,999,640.00		0.060	09/30/2013	0.060	0.00
2546RZL3	1776	01	ACP DISNEY	5,000,000.00	09/30/2013	12/20 - At Maturity	4,999,437.50		0.050	12/20/2013	0.050	4,999,453.59
591577Z57	1773	01	ACP MET-LF	3,000,000.00	09/30/2013	12/09 - At Maturity	2,999,358.33		0.110	12/09/2013	0.110	2,999,377.97
591577YR8	1774	01	ACP MET-LF	5,000,000.00	09/30/2013	11/25 - At Maturity	4,999,144.44		0.110	11/25/2013	0.110	4,999,178.14
591577Y64	1775	01	ACP MET-LF	5,000,000.00	09/30/2013	11/06 - At Maturity	4,999,434.72		0.110	11/06/2013	0.110	4,999,462.07
Subtotal				37,000,000.00			36,886,766.28	0.00				27,888,807.87
Managed Pool Deposits												
				Deposit Amount	Deposit Date		Deposit Amount		Rate			
SY9987	987	01	PA2 FIDELI	4,000,000.00	09/03/2013		4,000,000.00		0.010			
SY9987	987	01	PA2 FIDELI	55,000.00	09/12/2013		55,000.00		0.010			
SY9987	987	01	PA2 FIDELI	27,500.00	09/13/2013		27,500.00		0.010			
SY9987	987	01	PA2 FIDELI	31,250.00	09/16/2013		31,250.00		0.010			
SY9987	987	01	PA2 FIDELI	7,830,000.00	09/19/2013		7,830,000.00		0.010			
SY9987	987	01	PA2 FIDELI	7,041,750.00	09/24/2013		7,041,750.00		0.010			
SY9987	987	01	PA2 FIDELI	40,625.00	09/25/2013		40,625.00		0.010			
SY9987	987	01	PA2 FIDELI	25,000,000.00	09/27/2013		25,000,000.00		0.010			
SY9987	987	01	PA2 FIDELI	9,000,000.00	09/30/2013		9,000,000.00		0.010			
SY9500	500	01	PA2 GOLDGA	10,263,000.00	09/03/2013		10,263,000.00		0.010			
SY9500	500	01	PA2 GOLDGA	5,629,975.00	09/13/2013		5,629,975.00		0.010			
SY9500	500	01	PA2 GOLDGA	88.00	09/30/2013		88.00		0.010			
Subtotal				68,919,188.00			68,919,188.00					
Total Purchases and Deposits				106,919,188.00			106,814,943.28	0.00				27,888,807.87

Mat Call Sale Purch
Maturity Report
Sorted by Maturity Date
Receipts during September 1, 2013 - September 30, 2013

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date at Maturity	Rate	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
71838LW32	1764	01	ACP	PH MOR	4,000,000.00	09/03/2013	09/13/2013	0.050	4,000,000.00	0.00	4,000,000.00	0.00
64105GW67	1752	01	ACP	NESTLE	5,000,000.00	09/06/2013	05/31/2013	0.070	5,000,000.00	0.00	5,000,000.00	0.00
02665JWK2	1754	01	ACP	HNDA	7,830,000.00	09/19/2013	06/17/2013	0.120	7,830,000.00	0.00	7,830,000.00	0.00
59157TWQ2	1768	01	ACP	MET-LF	7,000,000.00	09/24/2013	09/27/2013	0.100	7,000,000.00	0.00	7,000,000.00	0.00
90526MWS2	1763	01	ACP	UN BK	8,000,000.00	09/26/2013	07/19/2013	0.140	8,000,000.00	0.00	8,000,000.00	0.00
22532AWT1	1766	01	ACP	CR AGR	10,000,000.00	09/27/2013	09/26/2013	0.140	10,000,000.00	0.00	10,000,000.00	0.00
71838LWT5	1760	01	ACP	PH MOR	8,000,000.00	09/27/2013	07/11/2013	0.110	8,000,000.00	0.00	8,000,000.00	0.00
90526MWT0	1769	01	ACP	UN BK	7,000,000.00	09/27/2013	08/29/2013	0.050	7,000,000.00	0.00	7,000,000.00	0.00
89233GWW2	1772	01	ACP	TOYCC	9,000,000.00	09/30/2013	09/06/2013	0.060	9,000,000.00	0.00	9,000,000.00	0.00
Total Maturities					66,830,000.00				66,830,000.00	0.00	66,830,000.00	0.00



POOL PROFILE

September 28, 2012

City of Anaheim Treasurer Investment Pool

Fund Credit Quality Ratings Definitions

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

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

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

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

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

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

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

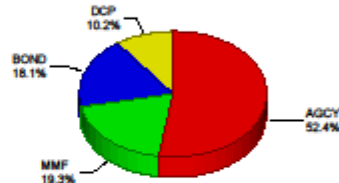
Plus (+) or Minus (-) The ratings from 'AAF' to 'CCCf' may be modified to show relative standing within the major rating categories.

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

About the Pool

Pool Rating	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 28, 2012



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

*As assessed by Standard & Poor's

Pool Highlights

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

Management

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

Credit Quality

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

analysis, it assessed the management, portfolio-level risk, target durations, and comparable return strategies of the portfolio.

Portfolio Assets

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

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

www.standardandpoors.com

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