



## COUNCIL AGENDA REPORT

### City of Anaheim OFFICE OF THE CITY TREASURER

**DATE: OCTOBER 21, 2014**  
**FROM: OFFICE OF THE CITY TREASURER**  
**SUBJECT: INVESTMENT PORTFOLIO REPORT – SEPTEMBER 2014**

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

#### **RECOMMENDATION:**

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

#### **DISCUSSION:**

This is the investment report for the City's general pool for the month ending September 30, 2014. The report is provided to ensure that the City Council is informed as to the investment activities and fulfills the reporting requirements of the City's adopted investment policy.

#### **COMPLIANCE:**

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

#### **INVESTMENT SUMMARY:**

The following table shows summary investment information for the month ending September 30, 2014:

	<b>Short-term Portfolio</b>	<b>Long-term Portfolio</b>	<b>Total Portfolio Values</b>
Portfolio Balance (Market Value) *	\$ 85,922,588	\$ 288,483,282	\$ 374,405,871
Effective Yield	0.22 %	1.39 %	1.12 %
Avg. Weighted Maturity	7 Days	2.4 Years	1.9 Years
Net Earnings	\$ 10,834	\$ 353,122	\$ 363,956
Benchmark**	0.01 %	0.79 %	0.54 %

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

\*\* Benchmark value is the Interpolated Treasury Yield to the Portfolio's Average Weighted Maturity

#### **INVESTMENT ACTIVITIES**

The City Treasurer's Investment Portfolio has a current credit rating of "AAF" from Standard and Poor's (S&P). This rating was effective August 8, 2011, as a result of the action of S&P downgrading the debt issues of the United States Treasury and Federal Agencies from a credit rating of "AAA" to "AA+". The credit rating reflects the investment holdings of the City's Investment Portfolio (approximately 56% of funds in Federal Agency issues) and not the management of the investment fund.

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

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

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

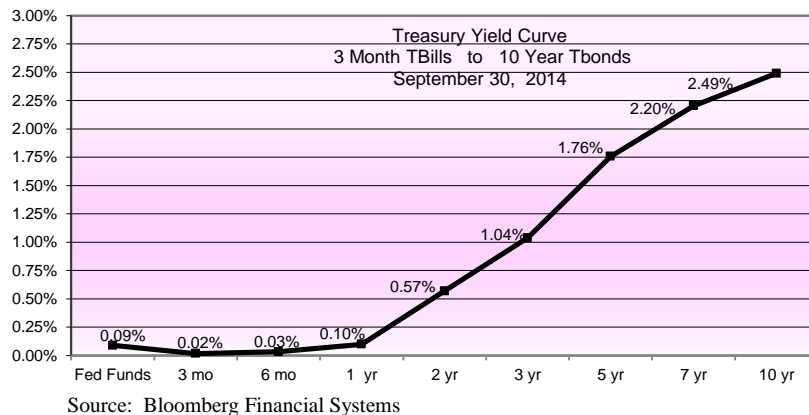
### **INVESTMENT ENVIRONMENT:**

The month of September 2014 saw interest rates move higher on speculation that continued strength in the economy would precept the Federal Reserve to move the benchmark short-term Federal Funds rate higher. The Federal Funds rate is the interest rate that banks lend to each other to maintain their capital values and positions in compliance with the required reserve requirements. The Federal Reserve lowered the Federal Funds rate in December 2008 to a historically low range of 0.0% to 0.25%. For the past several years the interest rate has stayed between 0.08% and 0.12%. The combination of an improving economy and the end of the Quantative Easing (QE3) program of purchasing mortgage backed securities to provide liquidity is causing concern in the financial markets of higher interest rates. In addition, we are more than five years into the economic recovery from the "Great Recession" of 2008, which historically a long time period for recovery to continue.

The U.S. Treasury 3 month bill closed September at 0.02%, unchanged from its close for the past three months, however, the two year U.S. Treasury Note closed the month at 0.57%, up eight basis points (0.08%) from its August close of 0.49%. The U.S. Treasury 5 year Note closed September at 1.76%, up thirteen basis points (0.13%) from the August of 1.63% while the benchmark 10 year U.S. Treasury Note closed at 2.49%, up fifteen basis points (0.15%) from the previous month.

The Federal Reserve continues to monitor the economic data and at their September 17, 2014 Federal Open Market Committee (FOMC) meeting continues to keep the benchmark Federal Funds rate at 0 to 0.25%. The expectation of the financial markets is for no meaningful change in interest rate until the second quarter of 2015.

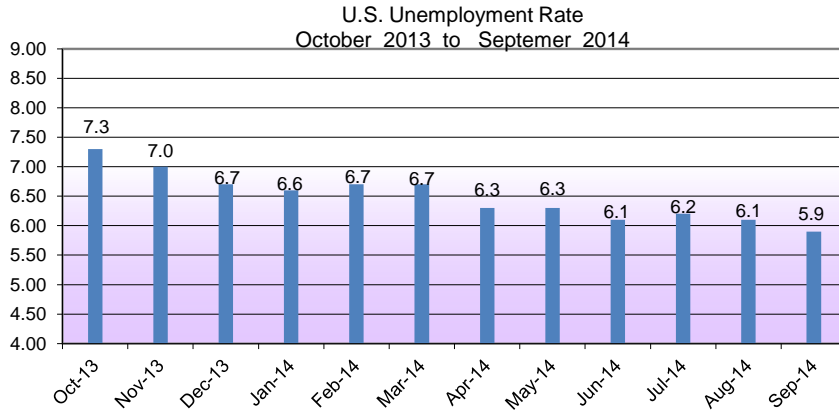
The chart below shows the interest rates for U.S. Treasury issues for the month ending September 2014:



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 September 2014, the national unemployment rate was reported at 5.9%, down two tenths of a percentage from the 6.1% value of August 2014. The rate moved below 6 % for the first time since the first part of 2008. The twelve month average is at 6.5%, which is significantly lower from the

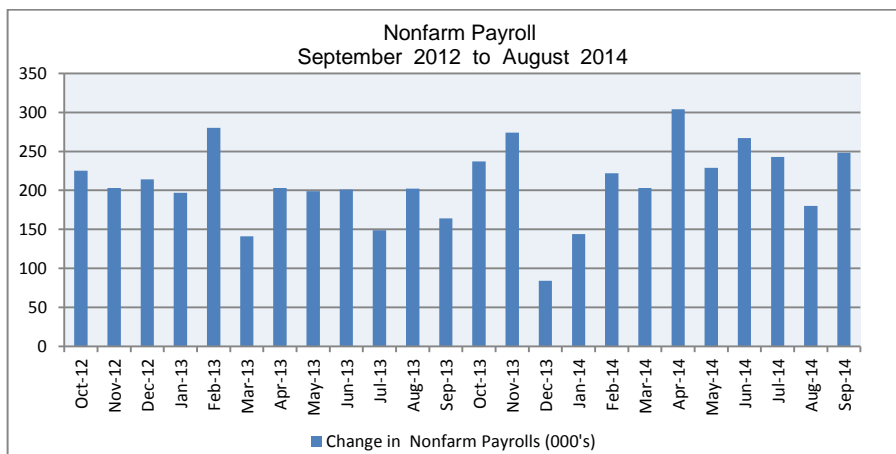
December 2011 level of 8.5%, however, economists are divided as to whether the reduction in unemployment is the result of people being employed or are simply not looking any longer, which removes them from the unemployed survey.

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



Source: U.S. Bureau of Labor Statistics

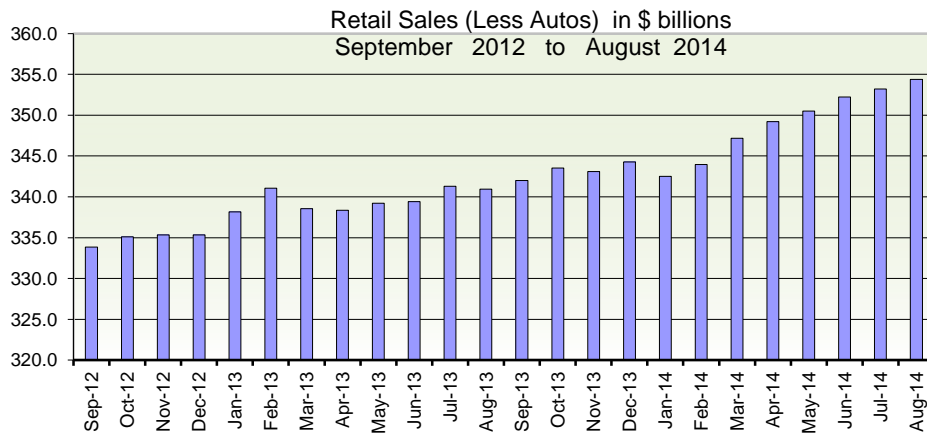
A more accurate gauge of the employment sector and the improving economy is the amount of jobs being created. The Bureau of Labor Statistics publishes monthly the value of US Employees on nonfarm payrolls, which is an indication of how the corporate or business sector is hiring. For the month of September 2014, the nonfarm payroll number was reported to be 248,000 new jobs created, higher than estimated by the financial markets. For comparison, the August 2014 value was revised upward to 180,000 new jobs from the previous reported value of 142,000. The annual (twelve month average) value with the revised values shows approximately 219,000 monthly new jobs are being created, which is above the minimum value of 165,000 new monthly jobs that economists have said are needed to show sustained economic growth. It should be noted the nonfarm payroll values are subject to seasonal variations and revisions, making an analysis of a distinct trend in this indicator difficult at times. The chart below shows the nonfarm payroll values for the past two years:



Source: U.S. Bureau of Labor Statistics

Another economic factor we watch is the monthly Retail Sales (less Autos), which measures the level of consumer spending and provides an indication of the underlying vitality of the overall national economy. At the time this report was prepared the September 2014 retail sales was not available. The month of August 2014 value showed an annualized retail sales value of \$354.4 billion, up slightly from the revised July 2014 value of \$353.2 billion, for a month over month percentage change of 0.3%. The annualized increase, year to year, showed a percentage increase of 3.9%. The incremental increase shows an expanding economy and may be connected to the increase in

employment and consumer spending. It is estimated that consumer spending accounts for nearly seventy percent of economic activity, so an increase in retail sales can indicate expanding economic activity. The chart below shows the monthly increase in consumer spending for the past twenty four months:



Source: Census Bureau, US Government

**INVESTMENT PERFORMANCE:**

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

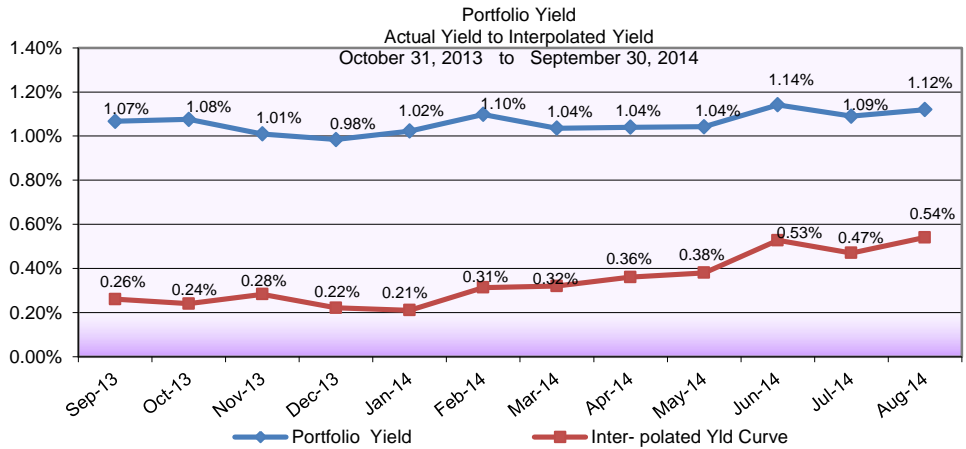
For September 30, 2014, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 85,922,588	7 days	0.22 %	0.01 %	0.011	0.271
Long-Term Portfolio	\$ 288,483,282	2.4 years	1.39 %	0.79 %	-0.125	1.016
Total Portfolio	\$ 374,405,871	1.9 years	1.12 %	0.54 %	-0.088	0.946

The portfolio balance includes a deposit for the acquisition funds of the 2011A Electric Bonds of \$1,185,120 as of the August 31, 2014 bond fund report balance. As a credit rated investment portfolio of “AA” by Standard and Poor’s, we are recognized as a permitted investment by the bond indenture of the above bonds. These funds enjoy the advantage of superior market rates of return in a historically low interest rate environment.

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

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



Source: Treasurer's Office, Anaheim

The interpolated yield curve value of 0.54% reflects current market interest rates comparable to the City's Investment Portfolio average weighted maturity of 1.9 years as of September 30, 2014. As shown, the City's Investment Portfolio interest earnings were 1.12% for September, a monthly approximate dollar earnings of \$180,962 over market interest rates. Cumulative earnings for the City portfolio earnings over market interest rates for the past twelve months are approximately \$2,971,000.

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

**IMPACT ON BUDGET:**

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

Respectfully submitted,

Henry W. Stern, CTP  
 City Treasurer

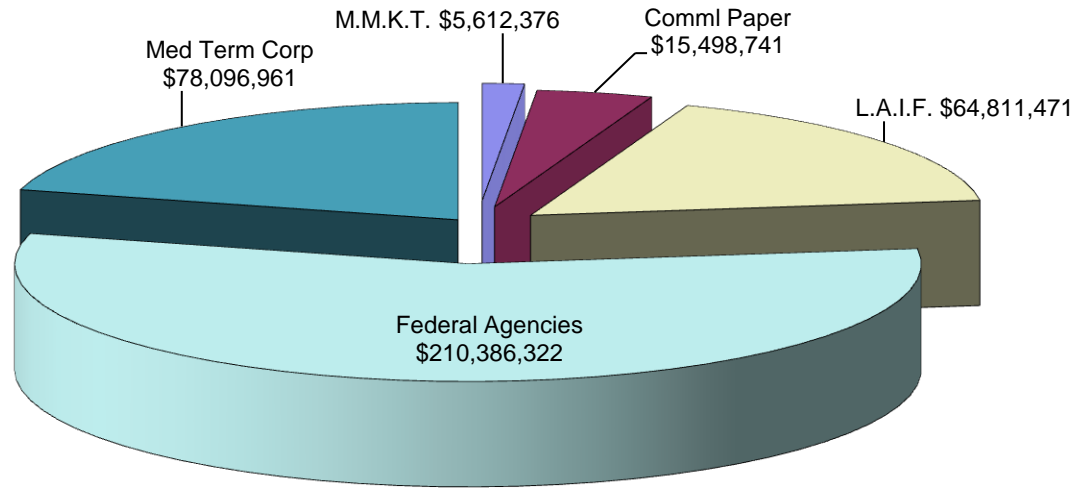
**Attachment**

1. City Treasurer's Investment Report

**Balances, Yields and Average Maturities****September 30, 2014**

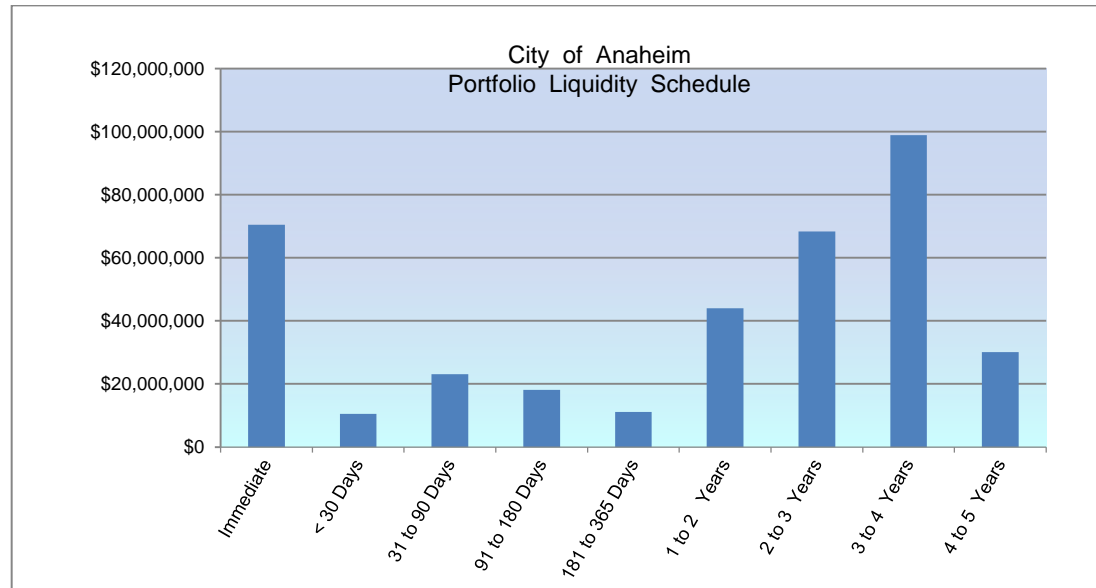
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Percent of Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$5,612,376	\$5,612,376	\$5,612,376	0.01%	1.50%	1	0.00
L.A.I.F. (State of California	\$64,811,471	\$64,811,471	\$64,811,471	0.26%	17.31%	1	0.00
subtotal: Cash and Overnight Investments	\$70,423,847	\$70,423,847	\$70,423,847		18.81%	1	0.00
Commercial Paper	\$15,500,000	\$15,498,741	\$15,498,741	0.10%	4.14%	32	0.09
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	\$15,500,000	\$15,498,741	\$15,498,741	0.10%	4.14%	32	0.09
Total Short-Term Portfolio:	\$85,923,847	\$85,922,588	\$85,922,588	0.22%	22.95%	7	0.02
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$77,404,000	\$77,405,743	\$78,096,961	1.74%	20.86%	629	1.72
U.S. Federal Agencies	\$211,229,000	\$211,084,433	\$210,386,322	1.26%	56.19%	983	2.69
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$288,633,000	\$288,490,176	\$288,483,282	1.39%	77.05%	888	2.43
Total Cash and Pooled Investments	\$374,556,847	\$374,412,764	\$374,405,871	1.12%	100.00%	686	1.88

City of Anaheim  
Investment Portfolio Asset Allocation  
September 30, 2014  
\$ 374,405,871



Liquidity Schedule  
September 30, 2014

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$5,612,376	\$5,612,376	1.50%
L.A.I.F. (State of California)	Immediate	\$64,811,471	\$70,423,847	18.81%
Pooled Investment Maturities:	< 30 Days	\$10,499,284	\$80,923,132	21.61%
	31 to 90 Days	\$23,048,955	\$103,972,086	27.77%
	91 to 180 Days	\$18,145,548	\$122,117,634	32.62%
	181 to 365 Days	\$11,122,291	\$133,239,925	35.59%
	1 to 2 years	\$43,969,386	\$177,209,311	47.33%
	2 to 3 years	\$68,315,301	\$245,524,612	65.58%
	3 to 4 years	\$98,844,088	\$344,368,701	91.98%
	4 to 5 years	\$30,037,170	\$374,405,871	100.00%
Total Cash and Pooled Investments:		\$374,405,871		





Summary and Comparison of Yields and Balances  
September 30, 2014

<u>Description</u>	Current Month <u>September 30, 2014</u>	Prior Month <u>August 31, 2014</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.26%	0.24%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.26%	1.27%
Commercial Paper	0.10%	0.11%
Medium Term Corporate Notes	1.74%	1.55%
Total Portfolio Yield	1.12%	1.09%
Weighted Average Maturity (Days)	686	686
Weighted Average Maturity (Years)	1.88	1.88
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$5,612,376	\$28,011,753
L.A.I.F. (State of California)	\$64,811,471	\$40,811,471
U.S. Treasuries	\$0	\$0
Federal Agencies	\$210,386,322	\$218,905,833
Commercial Paper	\$15,498,741	\$18,383,399
Medium Term Corporate Notes	\$78,096,961	\$95,582,534
Total Portfolio:	\$374,405,871	\$401,694,990
Earnings:	Current Month <u>9/31/14</u>	Fiscal Year to <u>Date Earnings</u>
Total Interest Earnings for Month:	\$343,491.20	\$1,085,133.59
Total Adjustments from Premiums and Discounts	\$3,548.40	-\$9,488.51
Total Capital Gains or Losses	\$16,916.68	\$16,916.68
Total Earnings for Month	<u>\$363,956.28</u>	<u>\$1,092,561.76</u>

City of Anaheim  
Investment Portfolio Summary

<u>Month / Yr</u>	<u>Core Portfolio</u>	<u>Reserve Portfolio</u>	<u>Portfolio Balance (market value)</u>	<u>Portfolio Yield</u>	<u>Avg Wgt Mat. - Days</u>	<u>Avg Wgt Mat. - Yrs</u>	<u>Inter - polated Yld Curve</u>	<u>Difference: City Yield / Interpolated</u>
Jun-09	\$92,988,732	\$316,049,180	\$409,037,911	2.26%	752	2.06	1.12%	1.14%
Jun-10	\$127,268,510	\$256,712,953	\$383,981,463	1.87%	536	1.47	0.45%	1.42%
Jun-11	\$180,459,755	\$261,836,213	\$442,295,968	1.52%	554	1.52	0.35%	1.17%
Jun-12	\$161,711,522	\$259,031,847	\$420,743,369	1.38%	484	1.33	0.28%	1.11%
Jun-13	\$141,655,794	\$299,138,984	\$440,794,778	1.00%	670	1.84	0.33%	0.67%
Jul-13	\$124,516,874	\$299,599,908	\$424,116,783	1.05%	675	1.85	0.29%	0.76%
Aug-13	\$139,344,652	\$293,752,142	\$433,096,794	1.02%	626	1.72	0.32%	0.70%
Sep-13	\$123,651,911	\$294,704,136	\$418,356,047	1.05%	628	1.72	0.27%	0.78%
Oct-13	\$117,872,756	\$295,174,674	\$413,047,430	1.07%	616	1.69	0.26%	0.81%
Nov-13	\$113,839,617	\$290,231,135	\$404,070,752	1.08%	608	1.67	0.24%	0.84%
Dec-13	\$124,147,728	\$295,558,379	\$419,706,107	1.01%	591	1.62	0.28%	0.73%
Jan-14	\$140,354,792	\$290,840,980	\$431,195,771	0.98%	573	1.57	0.22%	0.76%
Feb-14	\$131,552,682	\$300,973,013	\$432,525,695	1.02%	596	1.63	0.21%	0.81%
Mar-14	\$100,319,655	\$322,055,363	\$422,375,018	1.10%	676	1.85	0.31%	0.79%
Apr-14	\$119,066,392	\$307,618,205	\$426,684,596	1.04%	678	1.86	0.32%	0.72%
May-14	\$110,570,206	\$314,659,648	\$425,229,854	1.04%	719	1.97	0.36%	0.68%
Jun-14	\$111,173,014	\$314,857,777	\$426,030,791	1.04%	697	1.91	0.38%	0.66%
Jul-14	\$69,683,869	\$314,097,185	\$383,781,055	1.14%	745	2.04	0.53%	0.61%
Aug-14	\$87,206,623	\$314,488,367	\$401,694,990	1.09%	686	1.88	0.47%	0.62%
Sep-14	\$85,922,588	\$288,483,282	\$374,405,871	1.12%	686	1.88	0.54%	0.58%

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

## City of Anaheim

## Short-Term Portfolio Listing

September 30, 2014

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
SYS17430	17430	LAIF	MMKT	AA+	30,146,032.37	30,146,032.37	30,146,032.37			0.26%
SYS17432	17432	LAIF	MMKT	AA+	34,665,438.70	34,665,438.70	34,665,438.70			0.26%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	5,143,108.81	5,143,108.81	5,143,108.81			0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	469,267.60	469,267.60	469,267.60			0.01%
43851UKM4	1837	Honeywell Intl	CP	A1 / P1	5,500,000.00	5,499,639.32	5,499,639.32	06/27/2014	10/21/2014	0.12%
59157UKT6	1840	METROPOLITAN LIFE	CP	A1 / P1	5,000,000.00	4,999,644.87	4,999,644.87	09/16/2014	10/27/2014	0.10%
00282DLL2	1841	Abbott Labs	CP	A1 / P1	5,000,000.00	4,999,456.58	4,999,456.58	09/16/2014	11/20/2014	0.08%
Total Short-Term Portfolio:					<u>85,923,847.48</u>	<u>85,922,588.25</u>	<u>85,922,588.25</u>			<u>0.22%</u>

## City of Anaheim

## Long-Term Portfolio Listing

September 30, 2014

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,001,601.90	5,010,405.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,000,631.02	8,027,568.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,995,551.07	5,011,525.00	01/24/2011	12/12/2014	1.25%
36962G5M2	1638	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,004,616.34	5,025,215.00	01/18/2012	01/09/2015	2.15%
46625HHP8	1637	JP Morgan	MTN	A	6,000,000.00	6,022,485.03	6,059,238.00	01/18/2012	01/20/2015	3.70%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,000,142.77	2,023,640.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,997,753.40	5,037,455.00	03/24/2011	03/24/2015	1.67%
94974BFE5	1665	WELLS FARGO CO	MTN	A+	1,000,000.00	999,511.81	1,008,141.00	06/27/2012	07/01/2015	1.50%
36962G5Z3	1668	GE CAPITAL SERVICES	MTN	AA+	5,000,000.00	4,998,933.56	5,047,550.00	07/02/2012	07/02/2015	1.63%
594918AG9	1591	Microsoft Corp	MTN	AAA	5,000,000.00	5,000,000.00	5,066,600.00	06/09/2011	09/25/2015	1.63%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,816.99	3,048,000.00	05/11/2011	10/15/2015	1.88%
46623EJR1	1705	JP Morgan	MTN	A	5,000,000.00	5,000,000.00	5,020,795.00	12/19/2012	10/15/2015	1.10%
931142CX9	1581	Walmart	MTN	AA	2,956,000.00	2,940,981.37	2,990,325.07	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,970,250.00	5,082,925.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,973,049.80	5,082,925.00	01/24/2011	12/01/2015	1.75%
38143USC6	1560	Goldman Sachs Group	MTN	A-	5,000,000.00	4,997,487.60	5,167,110.00	02/08/2011	02/07/2016	3.63%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,997,023.06	3,075,780.00	05/20/2011	05/15/2016	2.15%
89236TAL9	1743	TOYOTA MOTOR CRE	MTN	AA-	3,000,000.00	2,999,332.61	3,006,996.00	05/17/2013	05/17/2016	0.80%
166764AC4	1757	CHEVRON	MTN	AA	2,000,000.00	2,000,000.00	2,008,432.00	06/24/2013	06/24/2016	0.89%
3130A0JL5	1806	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,500,000.00	4,499,285.19	4,498,087.50	01/30/2014	06/27/2016	0.53%
3135G0XP3	1747	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,992,406.68	4,988,010.00	05/22/2013	07/05/2016	0.38%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,997,567.11	5,240,975.00	10/17/2011	10/17/2016	3.35%
3133EA5V6	1690	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,996,130.21	4,967,435.00	10/24/2012	10/24/2016	0.62%
3135G0WY5	1750	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,976,695.00	05/22/2013	11/14/2016	0.55%
822582AZ5	1787	Royal Dutch Shell	MTN	AA	6,228,000.00	6,238,284.28	6,235,118.60	12/24/2013	11/15/2016	0.90%
3134G3Z37	1703	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	10,000,000.00	9,954,680.00	12/12/2012	12/05/2016	0.63%
3136G04R9	1702	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,977,315.00	12/13/2012	02/21/2017	0.75%

**City of Anaheim  
Long-Term Portfolio Listing**

September 30, 2014

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3137EADT3	1805	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,609.70	9,996,010.00	01/29/2014	02/22/2017	0.88%
64952WBR3	1809	New York Life	MTN	AA+	5,000,000.00	5,014,618.85	5,000,145.00	02/13/2014	03/01/2017	1.13%
3133782N0	1816	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	5,011,120.87	4,996,145.00	03/19/2014	03/10/2017	0.88%
30231GAA0	1817	Exxon Mobil	MTN	AAA	5,000,000.00	5,000,000.00	4,990,435.00	03/20/2014	03/15/2017	0.92%
3137EADL0	1808	FED HOME LOAN MORT CORP	Fed Agy	AA+	7,012,000.00	6,982,119.84	6,980,347.83	01/31/2014	09/29/2017	1.00%
3135G0PU1	1694	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,933,555.00	11/14/2012	10/11/2017	1.00%
3135G0QD8	1689	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,995,000.00	6,995,000.00	6,919,796.76	10/22/2012	10/16/2017	1.00%
3135G0PQ0	1819	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,943,808.48	4,952,560.00	03/25/2014	10/26/2017	0.88%
3135G0QW6	1691	FED NATL MORTGAGE ASSN	Fed Agy	AA+	2,035,000.00	2,035,000.00	2,012,102.18	11/08/2012	11/08/2017	1.00%
3135G0QW6	1692	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,600,000.00	3,600,000.00	3,559,492.80	11/08/2012	11/08/2017	1.00%
594918AP9	1804	Microsoft Corp	MTN	AAA	2,220,000.00	2,193,696.43	2,193,027.00	01/28/2014	11/15/2017	0.88%
94974BFG0	1742	WELLS FARGO CO	MTN	A+	5,000,000.00	5,002,361.54	4,970,990.00	05/15/2013	01/16/2018	1.50%
3133ECE26	1721	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,930,000.00	8,930,000.00	8,875,178.73	01/30/2013	01/30/2018	0.94%
3135G0TM5	1722	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,924,315.00	01/30/2013	01/30/2018	1.02%
3135G0TV5	1723	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	9,865,210.00	01/30/2013	01/30/2018	1.03%
3135G0TV5	1724	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,250,000.00	6,250,000.00	6,165,756.25	01/30/2013	01/30/2018	1.03%
02666QM26	1730	American Honda	MTN	A+	3,000,000.00	2,998,843.82	2,989,035.00	02/19/2013	02/16/2018	1.60%
3137EADP1	1820	FED HOME LOAN MORT CORP	Fed Agy	AA+	1,600,000.00	1,579,251.41	1,572,753.60	04/14/2014	03/07/2018	0.88%
3137EADP1	1823	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,939,190.96	4,914,855.00	05/15/2014	03/07/2018	0.88%
313378A43	1815	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	10,000,000.00	10,039,217.76	9,994,680.00	03/19/2014	03/09/2018	1.38%
3134G42R8	1749	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,946,720.00	05/22/2013	04/25/2018	1.05%
3135G0WJ8	1748	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,980,157.03	4,896,810.00	05/22/2013	05/21/2018	0.88%
3135G0WJ8	1818	FED NATL MORTGAGE ASSN	Fed Agy	AA+	7,307,000.00	7,142,494.32	7,156,198.13	03/25/2014	05/21/2018	0.88%
166764AE0	1756	CHEVRON	MTN	AA	3,000,000.00	3,000,000.00	3,001,053.00	06/24/2013	06/24/2018	1.72%
3135G0YT4	1813	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,992,747.20	9,979,340.00	02/25/2014	11/27/2018	1.63%
3135G0ZA4	1821	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,105,350.72	10,028,890.00	04/14/2014	02/19/2019	1.88%
313378QK0	1822	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	10,000,000.00	10,132,745.44	10,028,940.00	05/15/2014	03/08/2019	1.88%
Total Long-Term Portfolio:					<u>288,633,000.00</u>	<u>288,490,176.17</u>	<u>288,483,282.45</u>			<u>1.39%</u>
Total Portfolio Listings:					<u>374,556,847.48</u>	<u>374,412,764.42</u>	<u>374,405,870.70</u>			<u>1.12%</u>

**Mat Call Sale Purch  
Purchases Report  
Sorted by Fund - Fund  
September 1, 2014 - September 30, 2014**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM %	Ending Book Value
<b>SHORT-TERM PORTFOLIO</b>													
00282DLL2	1841	01	ACP	ABT	5,000,000.00	09/16/2014	11/20 - At Maturity	4,999,277.78		0.080	11/20/2014	0.080	4,999,456.58
59157UKT6	1840	01	ACP	MET-LF	5,000,000.00	09/16/2014	10/27 - At Maturity	4,999,430.56		0.100	10/27/2014	0.100	4,999,644.87
<b>Subtotal</b>					<b>10,000,000.00</b>			<b>8,868,708.34</b>	<b>0.00</b>				<b>8,868,101.45</b>
<b>Managed Pool Deposits</b>													
					Deposit Amount	Deposit Date		Deposit Amount		Rate			
SY9987	987	01	PA2	FIDELI	7,031,515.56	09/02/2014		7,031,515.56		0.010			
SY9987	987	01	PA2	FIDELI	33,906.25	09/02/2014		33,906.25		0.010			
SY9987	987	01	PA2	FIDELI	10,326,200.00	09/03/2014		10,326,200.00		0.010			
SY9987	987	01	PA2	FIDELI	122,625.00	09/08/2014		122,625.00		0.010			
SY9987	987	01	PA2	FIDELI	68,750.00	09/09/2014		68,750.00		0.010			
SY9987	987	01	PA2	FIDELI	21,875.00	09/10/2014		21,875.00		0.010			
SY9987	987	01	PA2	FIDELI	2,885,000.00	09/11/2014		2,885,000.00		0.010			
SY9987	987	01	PA2	FIDELI	8,055,000.00	09/12/2014		8,055,000.00		0.010			
SY9987	987	01	PA2	FIDELI	27,500.00	09/15/2014		27,500.00		0.010			
SY9987	987	01	PA2	FIDELI	22,385.42	09/15/2014		22,385.42		0.010			
SY9987	987	01	PA2	FIDELI	5,000,000.00	09/17/2014		5,000,000.00		0.010			
SY9987	987	01	PA2	FIDELI	41,750.00	09/24/2014		41,750.00		0.010			
SY9987	987	01	PA2	FIDELI	40,625.00	09/25/2014		40,625.00		0.010			
SY9987	987	01	PA2	FIDELI	35,060.00	09/29/2014		35,060.00		0.010			
SY9987	987	01	PA2	FIDELI	5,000,000.00	09/29/2014		5,000,000.00		0.010			
SY9500	500	01	PA2	GOLDSA	11,000,000.00	09/12/2014		11,000,000.00		0.010			
SY9500	500	01	PA2	GOLDSA	127.24	09/30/2014		127.24		0.010			
SY917430	17430	01	PA1	LAIF	14,000,000.00	09/30/2014		14,000,000.00		0.230			
SY917432	17432	01	PA1	LAIF	10,000,000.00	09/30/2014		10,000,000.00		0.230			
<b>Subtotal</b>					<b>73,712,319.47</b>			<b>73,712,319.47</b>					
<b>Total Purchases and Deposits</b>					<b>83,712,319.47</b>			<b>83,711,027.81</b>	<b>0.00</b>				<b>8,868,101.45</b>

**Mat Call Sale Purch**  
**Sales/Call Report**  
 Sorted by Maturity Date - Fund  
 September 1, 2014 - September 30, 2014

CU8IP	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
<b>12/01/2015</b>												
00206RBL5	1786	02	ATT MTN	12/16/2013	09/02/2014 12/01/2015	7,000,000.00	0.800	7,000,000.00	7,017,360.00	14,155.56	7,031,515.56	31,515.56
					<b>Subtotal</b>	<b>7,000,000.00</b>		<b>7,000,000.00</b>	<b>7,017,360.00</b>	<b>14,155.56</b>	<b>7,031,515.56</b>	<b>31,515.56</b>
<b>05/15/2016</b>												
478160AY0	1704	02	JNJ MTN	12/17/2012	09/03/2014 05/15/2016	10,000,000.00	2.150	10,262,143.32	10,261,700.00	64,500.00	10,326,200.00	64,056.68
					<b>Subtotal</b>	<b>10,000,000.00</b>		<b>10,262,143.32</b>	<b>10,261,700.00</b>	<b>64,500.00</b>	<b>10,326,200.00</b>	<b>64,056.68</b>
					<b>Total Sales</b>	<b>17,000,000.00</b>		<b>17,262,143.32</b>	<b>17,279,060.00</b>	<b>78,655.56</b>	<b>17,357,716.68</b>	<b>95,572.24</b>

**Mat Call Sale Purch**  
**Maturity Report**  
**Sorted by Maturity Date**  
 Receipts during September 1, 2014 - September 30, 2014

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date at Maturity	Rate	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
59157LUB7	1838	01	ACP	MET-LF	2,885,000.00	09/11/2014	06/27/2014	0.130	2,885,000.00	0.00	2,885,000.00	0.00
31337QJ88	1568	02	FAC	FHLB	8,000,000.00	09/12/2014	03/23/2011	1.375	8,000,000.00	55,000.00	8,055,000.00	55,000.00
45920GJH0	1836	01	ACP	IBM	5,000,000.00	09/17/2014	06/19/2014	0.100	5,000,000.00	0.00	5,000,000.00	0.00
45920GJV9	1839	01	ACP	IBM	5,000,000.00	09/29/2014	07/09/2014	0.100	5,000,000.00	0.00	5,000,000.00	0.00
<b>Total Maturities</b>					<b>20,886,000.00</b>				<b>20,886,000.00</b>	<b>66,000.00</b>	<b>20,940,000.00</b>	<b>66,000.00</b>



**POOL PROFILE**

September 30, 2013

**City of Anaheim Treasurer Investment Pool**

**Fund Credit Quality Ratings Definitions**

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

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

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

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

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

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

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

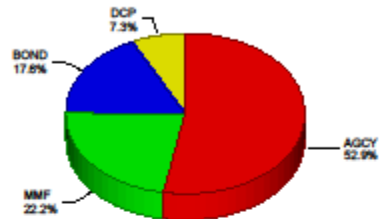
**Plus (+) or Minus (-)** The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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

**About the Pool**

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

Portfolio Composition as of September 30, 2013



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

\*As assessed by Standard & Poor's

**Pool Highlights**

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

**Management**

The treasurer for the city of Anaheim, California, is responsible for overall management of the portfolio. The treasurer has prior experience managing Standard & Poor's-rated government investment pools from his tenure at the cities of Los Angeles and Long Beach. The City of Anaheim's \$400 million-plus portfolio is divided into a short-term and a long-term portfolio; \$85 million to \$120 million comprises the short-term component. The investment policy is reviewed and submitted to the city council annually—with the current 2012 policy in effect—and applies to all cash and investments controlled by the Anaheim treasurer on behalf of the city.

**Credit Quality**

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

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

**Portfolio Assets**

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

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

[www.standardandpoors.com](http://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.