



+COUNCIL AGENDA REPORT

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

DATE: JANUARY 29, 2013
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – DECEMBER 2012

ATTACHMENT (Y/N): YES ITEM #

RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for December 2012.

DISCUSSION:

This is the investment report for the City’s general pool for the month ending December 31, 2012. 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 December 31, 2012:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 97,621,426	\$ 285,055,252	\$ 382,676,678
Effective Yield	0.21 %	1.81 %	1.39 %
Avg. Weighted Maturity	28 Days	2.3 Years	1.7 Years
Net Earnings	\$ 16,091	\$ 425,539	\$ 441,630
Benchmark**	0.02%	0.29%	0.23 %

* Portfolio balance includes approximately \$54.8 million of the 2011A Electric Bond project funds (November 2012)
** 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 54% 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).

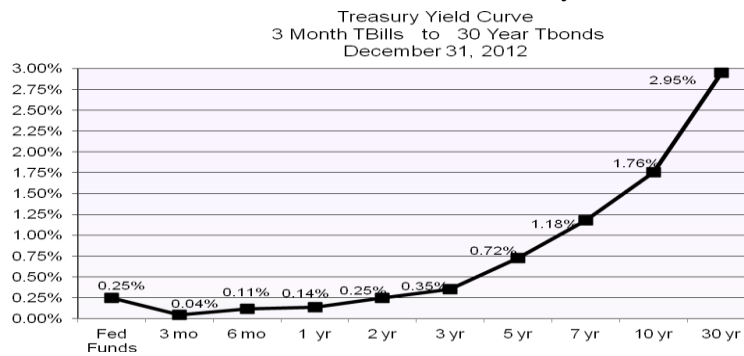
This credit rating is for the City’s investment portfolio and does NOT reflect the credit rating of the City’s bond issues.

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 December 2012 closed with year-end short-term interest rates drifting lower from a month earlier as concern for a solid agreement on the national budget focused on the “fiscal cliff” scenario. The brinksmanship of the President and Congress over who blinks first caused considerable frustration in the financial markets. The three month U.S. Treasury bill closed December at 0.04%, down from the prior month’s close of 0.08%. The two year U.S Treasury Notes closed the month at 0.25%, unchanged from November and the ten year U.S. Treasury Note closed at 1.76%, up 14 basis points (0.14%) from November’s level of 1.62%. We look for interest rates to continue at historical low levels going into the New Year.

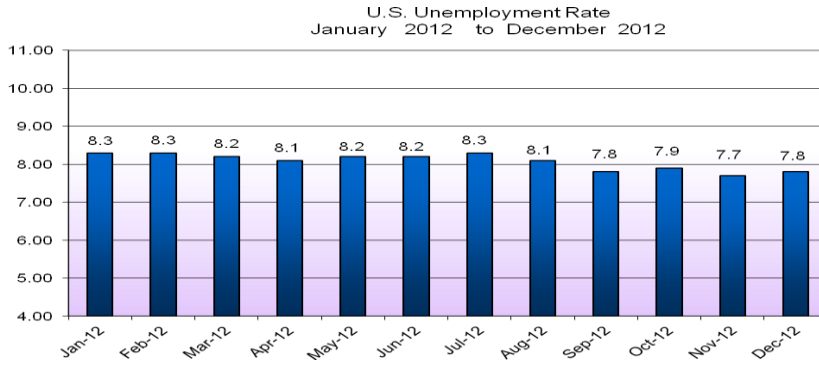
The Federal Reserve continues to maintain the benchmark “Federal Funds” rate in the established range of 0.00% to 0.25%. The Fed Funds rate has been at this rate for over four years, since the Federal Open Market Committee (FOMC) took action at their December 2008 meeting. The FOMC meeting of December 12, 2012 continued its policy statement that the low rate action is in response to “risk to growth.” There is no indication that at the next FOMC meeting scheduled for January 30, 2013 that there will be a change in policy. Federal Reserve Chairman Bernanke has voiced his concern for the slow growth of new job creation in the economy and has indicated he is prepared to advance additional stimulus, which the financial markets are calling “qualitative easing” or QE 3. Mr. Bernanke has also stated he intends to keep rates at these levels through the end of calendar year 2014 and even into 2015. The chart below shows the interest rates for U. S. Treasury issues for the month ending December 2012:



Source: Bloomberg Financial Systems

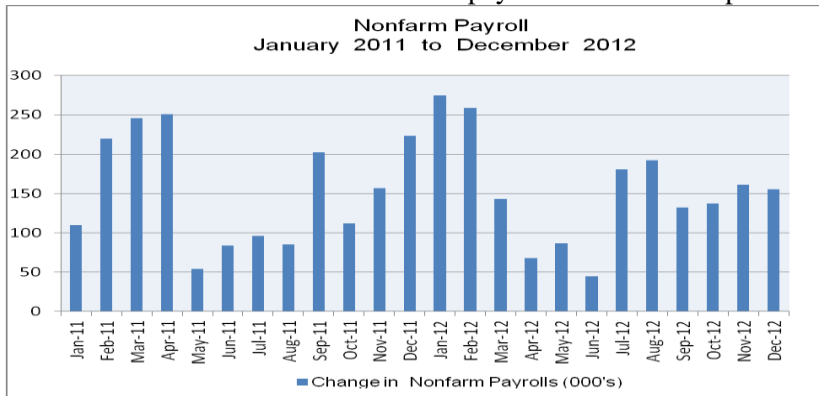
The U.S. economy continues to show slow incremental growth. One economic indicator watched by a large group of investors is the national unemployment rate, which tends to show the overall health of the national economy. For the month of December 2012, the national unemployment rate was reported at 7.8%, up 1/10 of a percent from the November 2012 value of 7.7% and below the twelve month average of 8.1%. The level has declined significantly from the December 2011 level of 8.5%, however, economists are still forecasting the rate at 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:



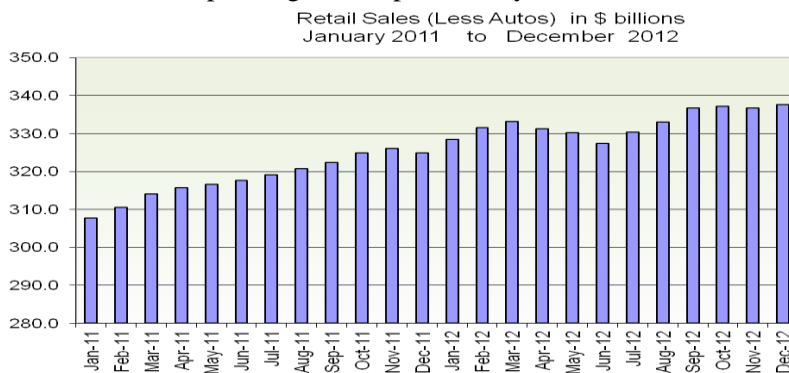
Source: Bureau of Statistics, Dept of Labor

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 December 2012, the nonfarm payroll number was reported to be 155,000 new jobs created, slightly down from the revised value for the November 2012 of 161,000 (revised upward from a previously reported value of 146,000). The annual (twelve month average) value with the revised values shows approximately 153,000 monthly new jobs are being created, which is slightly below the minimum value of 160,000 new monthly jobs that economists have said are needed to show significant economic growth. The chart below shows the nonfarm payroll values for the past two years:



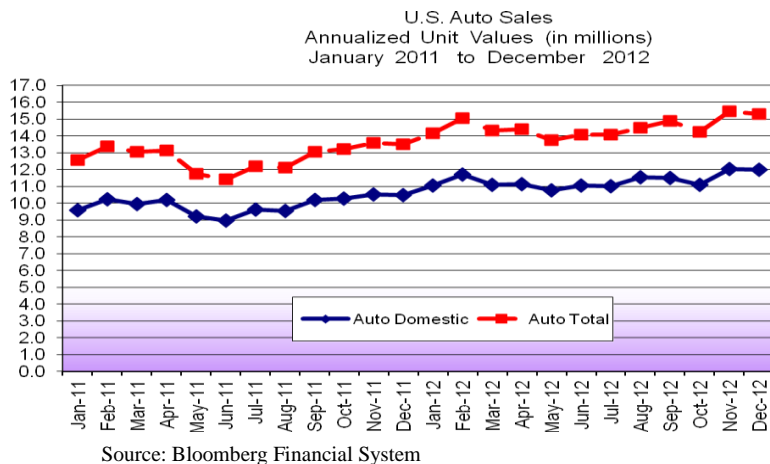
Source: U.S. Bureau of Labor Statistics

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. The December 2012 retail sales data shows annualized retail sales less autos to be \$337.6 billion or 0.3% higher than November 2012 value of \$336.7 billion. The small increase in sales could reflect the combination of the ongoing uncertainty in Congress on tax issues, the recent Super Storm Sandy hurricane that affected much of the eastern seaboard and the consumer scramble to acquire some transportation (cars) that were destroyed by the storm. The chart below shows the monthly increase in consumer spending for the past twenty four months:



Source: Census Bureau, US Government

Supporting the slow trend in retail sales, we see the annualized rate of auto sales showing an annualized value at approximately 14 to 15 million units, with a significant rise in November and December sales which reflect the effects of Super Storm Sandy. This economic statistic is cyclical and driven by a combination of consumer confidence, the price of gasoline and the overall health of the economy. The chart below shows the monthly annualized auto sales for the past twenty four months:



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.

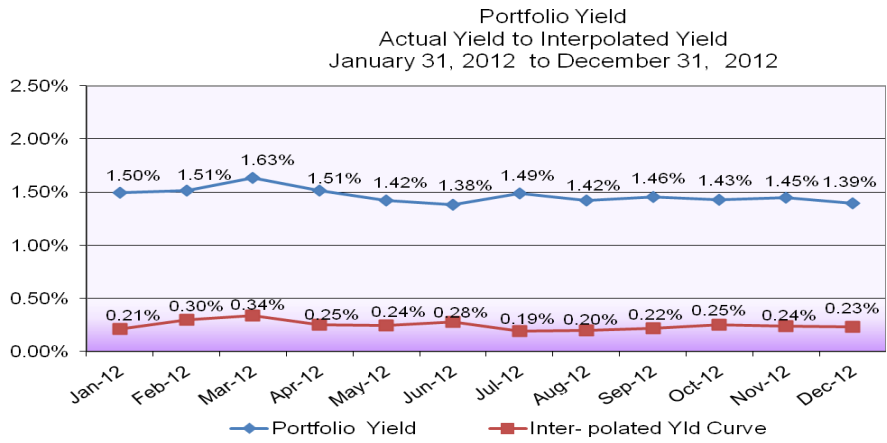
For December 31, 2012, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 97,621,426	28 days	0.21 %	0.02 %	0.017	0.294
Long-Term Portfolio	\$ 285,055,252	2.3 years	1.81 %	0.29 %	-0.007	1.901
Total Portfolio	\$ 382,676,678	1.7 years	1.39 %	0.23 %	-0.001	1.568

The portfolio balance includes a deposit for the acquisition funds of the 2011A Electric Bonds of \$54,756,256 as of the November 30, 2012 bond fund report balance. 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 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:



A complete listing of the portfolio holdings and investment activity for the City of Anaheim's Investment Portfolio for the month of December 2012 is on the following pages.

IMPACT ON BUDGET:

There is no impact on the General Fund.

Respectfully submitted,

Henry W. Stern, CTP
City Treasurer

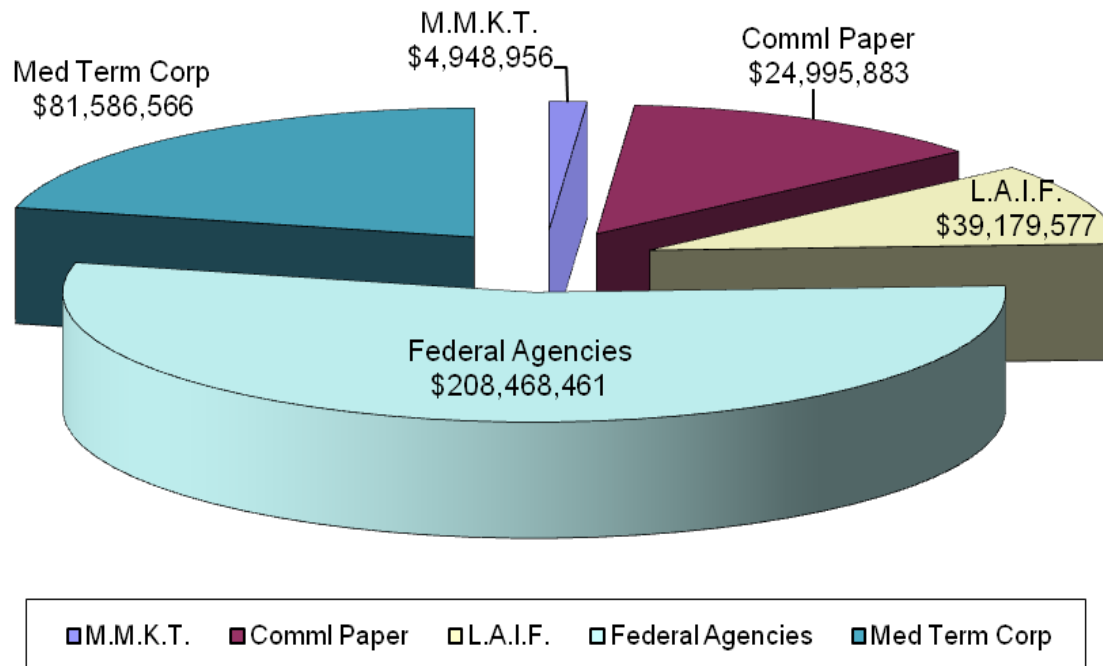
Attachment

1. City Treasurer's Investment Report

Balances, Yields and Average Maturities
December 31, 2012

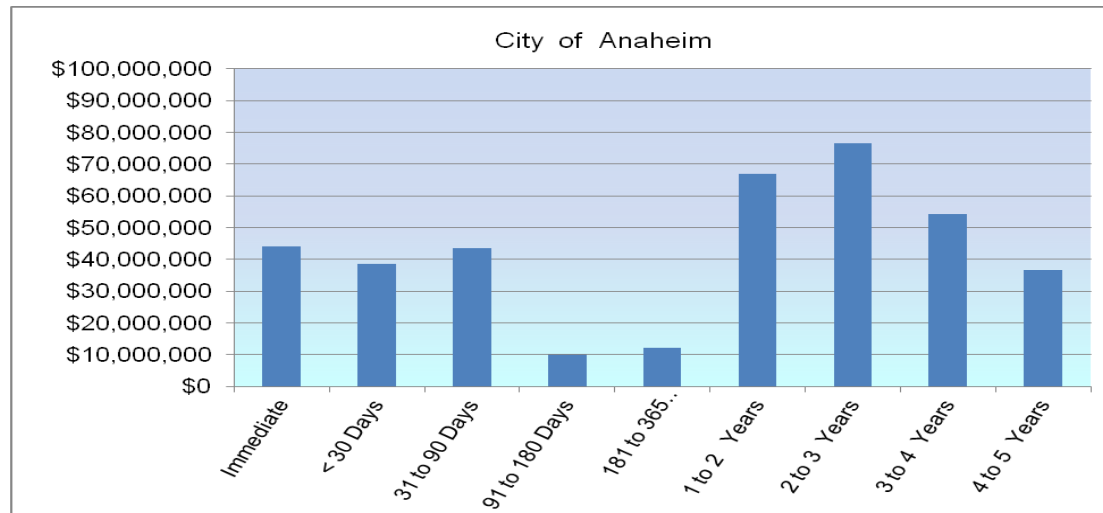
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Percent of Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$4,948,956	\$4,948,956	\$4,948,956	0.01%	1.29%	1	0.00
L.A.I.F. (State of California)	\$39,179,577	\$39,179,577	\$39,179,577	0.33%	10.24%	1	0.00
subtotal: Cash and Overnight Investments	\$44,128,533	\$44,128,533	\$44,128,533		11.53%	1	0.00
Commercial Paper	\$48,500,000	\$48,493,118	\$48,493,118	0.14%	12.67%	39	0.11
Medium Term Corporate Notes	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Federal Agencies	\$5,000,000	\$4,999,755	\$4,999,775	0.14%	1.31%	176	0.48
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
subtotal: Pooled Investments	\$53,500,000	\$53,492,873	\$53,492,893	0.14%	13.98%	63	0.17
Total Short-Term Portfolio:	\$97,628,533	\$97,621,406	\$97,621,426	0.21%	25.51%	41	0.11
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$79,386,000	\$80,051,539	\$81,586,566	2.53%	21.32%	734	2.01
U.S. Federal Agencies	\$200,995,000	\$200,803,000	\$203,468,686	1.52%	53.17%	889	2.44
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$280,381,000	\$280,854,539	\$285,055,252	1.81%	74.49%	845	2.32
Total Cash and Pooled Investments	\$378,009,533	\$378,475,945	\$382,676,678	1.39%	100.00%	634	1.74

City of Anaheim
Investment Portfolio Asset Allocation
December 31, 2012
\$ 382,676,678



Liquidity Schedule December 31, 2012

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$4,948,956	\$4,948,956	1.29%
L.A.I.F. (State of California)	Immediate	\$39,179,577	\$44,128,533	11.53%
Pooled Investment Maturities:	< 30 Days	\$38,551,451	\$82,679,984	21.61%
	31 to 90 Days	\$43,485,327	\$126,165,311	32.97%
	91 to 180 Days	\$10,051,740	\$136,217,051	35.60%
	181 to 365 Days	\$12,068,050	\$148,285,101	38.75%
	1 to 2 years	\$66,842,516	\$215,127,616	56.22%
	2 to 3 years	\$76,547,676	\$291,675,293	76.22%
	3 to 4 years	\$54,280,026	\$345,955,319	90.40%
	4 to 5 years	\$36,721,359	\$382,676,678	100.00%
Total Cash and Pooled Investments:		\$382,676,678		



Summary and Comparison of Yields and Balances
December 31, 2012

<u>Description</u>	<u>Current Month</u> <u>December 31, 2012</u>	<u>Prior Month</u> <u>November 30, 2012</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.33%	0.33%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.48%	1.56%
Commercial Paper	0.14%	0.12%
Medium Term Corporate Notes	2.53%	2.96%
	1.39%	1.45%
Weighted Average Maturity (Days)	634	575
Weighted Average Maturity (Years)	1.74	1.58
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$4,948,956	\$9,071,291
L.A.I.F. (State of California)	\$39,179,577	\$41,379,577
U.S. Treasuries	\$0	\$0
Federal Agencies	\$208,468,461	\$207,210,786
Commercial Paper	\$48,493,118	\$47,496,751
Medium Term Corporate Notes	\$81,586,566	\$66,244,830
Total Portfolio:	\$382,676,678	\$371,403,234
Earnings:	<u>Current Month</u> <u>December 31, 2012</u>	<u>Fiscal Year to</u> <u>Date Earnings</u>
Total Interest Earnings for Month:	\$456,526.69	\$2,800,899.49
Total Adjustments from Premiums and Discounts	-\$14,897.07	-\$66,775.51
Total Capital Gains or Losses	\$0.00	\$0.00
Total Earnings for Month	<u>\$441,629.62</u>	<u>\$2,734,123.98</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%
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%
Oct-11	\$97,174,816	\$287,167,526	\$384,342,342	1.70%	665	1.82	0.21%	1.49%
Nov-11	\$92,886,921	\$284,326,047	\$377,212,968	1.72%	654	1.79	0.23%	1.49%
Dec-11	\$129,691,517	\$272,170,290	\$401,861,807	1.57%	573	1.57	0.21%	1.35%
Jan-12	\$108,441,692	\$304,366,034	\$412,807,726	1.50%	685	1.88	0.21%	1.28%
Feb-12	\$94,579,193	\$314,333,654	\$408,912,847	1.51%	721	1.98	0.30%	1.21%
Mar-12	\$68,764,668	\$293,380,467	\$362,145,135	1.63%	716	1.96	0.34%	1.29%
Apr-12	\$120,322,637	\$268,779,964	\$389,102,601	1.51%	575	1.58	0.25%	1.26%
May-12	\$150,877,446	\$263,058,671	\$413,936,117	1.42%	521	1.43	0.24%	1.18%
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%

Note: December 2012 balance reflects acquisition funds from 2011A Electric Bonds, approx \$54.8 million (November 2012)
Portfolio balances from June 2011 through November 2012 reflect additional funds from 2011A Electric Bonds

City Treasurer's Investment Report – December 2012

Attachment 1

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CITY OF ANAHEIM
Short-Term Portfolio Listing

December 31, 2012

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+	19,036,874.22	19,036,874.22	19,036,874.22		1/1/2013	0.32%
SYS17432	17432	LAIF	MMKT	AA+	20,142,702.35	20,142,702.35	20,142,702.35		1/1/2013	0.32%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	2,241,550.00	2,241,550.00	2,241,550.00		1/2/2013	0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	2,707,406.15	2,707,406.15	2,707,406.15		1/2/2013	0.01%
64951WN75	1698	NEW YORK LIFE	CP	A1/P1	5,500,000.00	5,499,883.44	5,499,883.44	11/15/2012	01/07/2013	0.13%
19121ANB3	1687	COCA COLA	CP	A1/P1	5,000,000.00	4,999,782.60	4,999,782.60	10/01/2012	01/11/2013	0.16%
89233GNH5	1708	TOYOTA MOTOR CREDIT	CP	A1/P1	5,000,000.00	4,999,739.20	4,999,739.20	12/26/2012	01/17/2013	0.12%
14177TP16	1707	CARGILL	CP	A1/P1	4,000,000.00	3,999,494.70	3,999,494.70	12/21/2012	02/01/2013	0.15%
90526MP84	1710	UNION BANK OF CALIFORNIA	CP	A1/P1	5,000,000.00	4,999,587.01	4,999,587.01	12/26/2012	02/08/2013	0.08%
89233GPC4	1709	TOYOTA MOTOR CREDIT	CP	A1/P1	5,000,000.00	4,999,201.28	4,999,201.28	12/26/2012	02/12/2013	0.14%
19121APF2	1701	COCA COLA	CP	A1/P1	4,000,000.00	3,999,364.24	3,999,364.24	12/11/2012	02/15/2013	0.13%
90526MPN1	1700	UNION BANK OF CALIFORNIA	CP	A1/P1	5,000,000.00	4,999,152.30	4,999,152.30	12/11/2012	02/22/2013	0.12%
2546R2Q82	1699	DISNEY	CP	A1/P1	5,000,000.00	4,998,632.80	4,998,632.80	12/11/2012	03/08/2013	0.15%
02665JQR4	1706	AMERICAN HONDA	CP	A1/P1	5,000,000.00	4,998,280.65	4,998,280.65	12/21/2012	03/25/2013	0.15%
Total Short-Term Portfolio:					<u>92,628,532.72</u>	<u>92,621,650.94</u>	<u>92,621,650.94</u>			<u>0.21%</u>

CITY OF ANAHEIM
Long-Term Portfolio Listing

December 31, 2012

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,999,709.81	5,001,220.00	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	10,027,050.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	A+	8,000,000.00	7,998,177.93	8,023,776.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A-	8,206,000.00	8,219,636.25	8,241,622.25	06/23/2010	02/05/2013	5.45%
38141GDB7	1517	GOLDMAN SACHS GROUP	MTN	A-	2,224,000.00	2,234,058.14	2,249,991.89	06/23/2010	04/01/2013	5.25%
02666QB69	1237	AMERICAN HONDA	MTN	A+	5,000,000.00	4,999,843.28	5,051,965.00	04/02/2008	04/02/2013	4.63%
313381M28	1711	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,999,755.75	4,999,775.00	12/27/2012	06/21/2013	0.13%
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,986,815.45	5,032,355.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	6,845,000.00	6,852,486.48	7,035,694.86	12/15/2008	12/13/2013	3.13%
3133EAAG3	1643	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	10,000,000.00	9,993,246.53	10,001,880.00	01/30/2012	01/30/2014	0.33%
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,997,048.65	5,062,415.00	03/23/2011	03/14/2014	1.25%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,000,000.00	8,001,242.67	8,180,840.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,500,000.00	4,494,305.46	4,601,722.50	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,000,000.00	4,017,055.97	4,090,420.00	01/29/2010	04/17/2014	2.63%

City Treasurer's Investment Report – December 2012

Attachment 1

CITY OF ANAHEIM
Long-Term Portfolio Listing

December 31, 2012

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,013,478.90	5,154,975.00	04/30/2010	05/15/2014	2.50%
478160AX2	1584	JOHNSON & JOHNSON	MTN	AAA	3,000,000.00	2,998,387.03	3,035,433.00	05/20/2011	05/15/2014	1.20%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	8,000,000.00	7,974,327.24	8,148,832.00	03/23/2011	09/12/2014	1.38%
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,022,626.84	5,127,150.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,008,744.20	8,356,968.00	04/30/2010	11/20/2014	2.63%
313371WS1	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,956,074.68	5,081,880.00	01/24/2011	12/12/2014	1.25%
36962G5M2	1638	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,034,292.81	5,135,675.00	01/18/2012	01/09/2015	2.15%
46625HHP8	1637	JP MORGAN	MTN	A	6,000,000.00	6,152,444.36	6,317,292.00	01/18/2012	01/20/2015	3.70%
3134G3JX9	1647	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,189.58	10,044,440.00	01/30/2012	01/30/2015	0.65%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,000,697.98	2,105,888.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,989,572.15	5,148,400.00	03/24/2011	03/24/2015	1.67%
94974BFE5	1665	WELLS FARGO CO	MTN	A+	1,000,000.00	998,372.69	1,017,229.00	06/27/2012	07/01/2015	1.50%
36962G5Z3	1668	GE CAPITAL SERVICES	MTN	AA+	5,000,000.00	4,996,454.40	5,082,970.00	07/02/2012	07/02/2015	1.63%
3134G3JY7	1636	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,005,490.00	01/30/2012	07/30/2015	0.84%
594918AG9	1591	MICROSOFT CORP	MTN	AAA	5,000,000.00	5,000,000.00	5,145,175.00	06/09/2011	09/25/2015	1.63%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,508.71	3,114,936.00	05/11/2011	10/15/2015	1.88%
46623EJR1	1705	JP MORGAN	MTN	A	5,000,000.00	5,000,000.00	4,999,845.00	12/19/2012	10/15/2015	1.10%
931142CX9	1581	WALMART	MTN	AA	2,956,000.00	2,916,341.44	3,042,516.21	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,925,625.00	5,192,400.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,932,624.50	5,192,400.00	01/24/2011	12/01/2015	1.75%
3136G17A1	1712	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,997,506.94	5,003,020.00	12/31/2012	12/30/2015	0.45%
38143USC6	1560	GOLDMAN SACHS GROUP	MTN	A-	5,000,000.00	4,994,230.79	5,292,615.00	02/08/2011	02/07/2016	3.63%
3134G3LJ7	1646	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,996,697.40	5,040,100.00	02/10/2012	02/10/2016	0.95%
3135G0NM1	1678	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,677.65	5,008,445.00	08/27/2012	02/16/2016	0.56%
3135G0NJ8	1679	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,781.43	5,003,005.00	08/27/2012	02/22/2016	0.60%
478160AY0	1583	JOHNSON & JOHNSON	MTN	AAA	3,000,000.00	2,993,811.64	3,134,661.00	05/20/2011	05/15/2016	2.15%
478160AY0	1704	JOHNSON & JOHNSON	MTN	AAA	10,000,000.00	10,520,003.26	10,448,870.00	12/17/2012	05/15/2016	2.15%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,995,484.61	5,366,930.00	10/17/2011	10/17/2016	3.35%
3133EA5V6	1690	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,992,848.96	5,010,370.00	10/24/2012	10/24/2016	0.62%
3134G3Z37	1703	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,053.82	9,975,030.00	12/12/2012	12/05/2016	0.63%
313376RQ0	1635	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,020,000.00	4,019,059.10	4,026,749.58	01/24/2012	01/24/2017	1.15%
3136FTZB8	1644	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,992,695.81	5,026,710.00	01/30/2012	01/30/2017	1.25%
3136G04R9	1702	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,004,437.87	5,002,555.00	12/13/2012	02/21/2017	0.75%
3134G3C81	1677	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,999,562.86	5,006,440.00	08/27/2012	08/22/2017	1.01%
3135G0PU1	1694	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,003,425.08	5,016,180.00	11/14/2012	10/11/2017	1.00%
3135G0QD8	1689	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,995,000.00	7,000,462.62	7,002,568.59	10/22/2012	10/16/2017	1.00%
3135G0QW6	1691	FED NATL MORTGAGE ASSN	Fed Agy	AA+	2,035,000.00	2,034,425.68	2,036,862.03	11/08/2012	11/08/2017	1.00%
3135G0QW6	1692	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,600,000.00	3,598,984.00	3,603,294.00	11/08/2012	11/08/2017	1.00%
Total Long-Term Portfolio:					<u>285,381,000.00</u>	<u>285,854,294.40</u>	<u>290,055,026.91</u>			<u>1.81%</u>
Total Portfolio Holdings:					<u>378,009,532.72</u>	<u>378,475,945.34</u>	<u>382,676,677.85</u>			<u>1.39%</u>

**Mat Call Sale Purch
Purchases Report
Sorted by Fund - Fund
December 1, 2012 - December 31, 2012**

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM %	Ending Book Value
SHORT- TERM PORTFOLIO												
19121APF2	1701	01	ACP COCA C	4,000,000.00	12/11/2012	02/15 - At Maturity	3,999,046.67		0.130	02/15/2013	0.130	3,999,364.24
2546R2Q82	1699	01	ACP DISNEY	5,000,000.00	12/11/2012	03/08 - At Maturity	4,998,187.50		0.150	03/08/2013	0.150	4,998,632.80
90526MPN1	1700	01	ACP UN BK	5,000,000.00	12/11/2012	02/22 - At Maturity	4,998,783.33		0.120	02/22/2013	0.120	4,999,152.30
14177TP16	1707	01	ACP CARGIL	4,000,000.00	12/21/2012	02/01 - At Maturity	3,999,300.00		0.150	02/01/2013	0.150	3,999,494.70
02665JQR4	1706	01	ACP HNDIA	5,000,000.00	12/21/2012	03/25 - At Maturity	4,998,041.67		0.150	03/25/2013	0.150	4,998,280.65
89233GNH5	1708	01	ACP TOYCC	5,000,000.00	12/26/2012	01/17 - At Maturity	4,999,633.33		0.120	01/17/2013	0.120	4,999,739.20
89233GPC4	1709	01	ACP TOYCC	5,000,000.00	12/26/2012	02/12 - At Maturity	4,999,066.67		0.140	02/12/2013	0.140	4,999,201.28
90526MP84	1710	01	ACP UN BK	5,000,000.00	12/26/2012	02/08 - At Maturity	4,999,511.11		0.080	02/08/2013	0.080	4,999,587.01
313381M28	1711	01	FAC FHLB	5,000,000.00	12/27/2012	06/21 - Final Pmt.	4,999,750.00	126.39	0.130	06/21/2013	0.138	4,999,755.75
Subtotal				43,000,000.00			42,881,320.28	126.39				42,883,207.83
LONG-TERM PORTFOLIO												
3134G3Z37	1703	02	FAC FHLMC	10,000,000.00	12/12/2012	06/05 - 12/05	9,999,000.00	1,215.28	0.625	12/05/2016	0.619	9,999,053.82
3136G04R9	1702	02	FAC FNMA	5,000,000.00	12/13/2012	02/21 - 08/21	5,004,687.50	2,291.67	0.750	02/21/2017	0.717	5,004,437.87
478160AYD	1704	02	MTN JNJ	10,000,000.00	12/17/2012	05/15 - 11/15	10,526,000.00	19,111.11	2.150	05/15/2016	0.582	10,520,003.26
46623EJR1	1705	02	MTN JPM	5,000,000.00	12/19/2012	04/15 - 10/15	5,000,000.00	9,319.44	1.100	10/15/2015	1.085	5,000,000.00
3136G17A1	1712	02	FAC FNMA	5,000,000.00	12/31/2012	06/30 - 12/30	4,997,500.00		0.450	12/30/2015	0.460	4,997,506.94
Subtotal				36,000,000.00			36,627,187.60	31,837.60				36,621,001.88
Managed Pool Deposits												
				Deposit Amount	Deposit Date		Deposit Amount		Rate			
SY987	987	01	PA2 FIDELI	5,087,500.00	12/03/2012		5,087,500.00		0.010			
SY987	987	01	PA2 FIDELI	5,000,000.00	12/05/2012		5,000,000.00		0.010			
SY987	987	01	PA2 FIDELI	4,000,000.00	12/07/2012		4,000,000.00		0.010			
SY987	987	01	PA2 FIDELI	99,973.96	12/13/2012		99,973.96		0.010			
SY987	987	01	PA2 FIDELI	14,049,187.50	12/14/2012		14,049,187.50		0.010			
SY987	987	01	PA2 FIDELI	7,239,050.00	12/28/2012		7,239,050.00		0.010			
SY950	500	01	PA2 GOLDSA	3,845,000.00	12/03/2012		3,845,000.00		0.010			
SY950	500	01	PA2 GOLDSA	3,661,000.00	12/06/2012		3,661,000.00		0.010			
SY950	500	01	PA2 GOLDSA	15,696,000.00	12/20/2012		15,696,000.00		0.010			
SY950	500	01	PA2 GOLDSA	46.61	12/31/2012		46.61		0.010			

Mat Call Sale Purch
Purchases Report
 December 1, 2012 - December 31, 2012

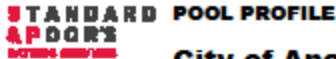
CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 360	Ending Book Value
Subtotal				68,677,768.07			68,677,768.07					
Total Purchases and Deposits				138,677,768.07			137,198,286.86	32,083.88				78,614,209.82

**Mat Call Sale Purch
Maturity Report
Sorted by Maturity Date
Receipts during December 1, 2012 - December 31, 2012**

CUSIP	Investment #	Fund	Sec. Type Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
64105GM35	1680	01	ACP NESTLE	5,000,000.00	12/03/2012	09/12/2012	0.120	5,000,000.00	0.00	5,000,000.00	0.00
47816FM57	1681	01	ACP JNJ	5,000,000.00	12/05/2012	09/12/2012	0.090	5,000,000.00	0.00	5,000,000.00	0.00
89233GM78	1695	01	ACP TOYCC	4,000,000.00	12/07/2012	11/14/2012	0.140	4,000,000.00	0.00	4,000,000.00	0.00
2546R2MD5	1688	01	ACP DISNEY	5,000,000.00	12/13/2012	10/04/2012	0.130	5,000,000.00	0.00	5,000,000.00	0.00
3133XVNT4	1470	02	FAC FHLB	9,850,000.00	12/14/2012	02/04/2010	1.750	9,850,000.00	86,187.50	9,936,187.50	86,187.50
71838LME9	1696	01	ACP PH MOR	4,000,000.00	12/14/2012	11/15/2012	0.150	4,000,000.00	0.00	4,000,000.00	0.00
89233GME3	1693	01	ACP TOYCC	5,000,000.00	12/14/2012	11/13/2012	0.170	5,000,000.00	0.00	5,000,000.00	0.00
90526MMM6	1697	01	ACP UN BK	4,000,000.00	12/21/2012	11/15/2012	0.110	4,000,000.00	0.00	4,000,000.00	0.00
19121AMT5	1686	01	ACP COCA C	5,000,000.00	12/27/2012	10/01/2012	0.140	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities				48,850,000.00				48,850,000.00	86,187.50	48,936,187.50	86,187.50

**Mat Call Sale Purch
 Sales/Call Report
 Sorted by Maturity Date - Fund
 December 1, 2012 - December 31, 2012**

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
12/27/2013												
3134G3DT4	1642	02	FHLMC FAC	01/24/2012	12/27/2012 12/27/2013	6,310,000.00	0.550	6,310,000.00	6,310,000.00	17,352.50	6,327,352.50	17,352.50
Subtotal						6,310,000.00		6,310,000.00	6,310,000.00	17,352.50	6,327,352.50	17,352.50
09/28/2015												
3134G3FZ8	1625	02	FHLMC FAC	12/28/2011	12/28/2012 09/28/2015	2,200,000.00	1.050	2,200,000.00	2,200,000.00	11,550.00	2,211,550.00	11,550.00
Subtotal						2,200,000.00		2,200,000.00	2,200,000.00	11,550.00	2,211,550.00	11,550.00
12/28/2015												
3136FTXD6	1626	02	FNMA FAC	12/28/2011	12/28/2012 12/28/2015	5,000,000.00	1.100	5,000,000.00	5,000,000.00	27,500.00	5,027,500.00	27,500.00
Subtotal						5,000,000.00		5,000,000.00	5,000,000.00	27,500.00	5,027,500.00	27,500.00
Total Sales						13,510,000.00		13,510,000.00	13,510,000.00	66,402.50	13,586,402.50	66,402.50



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.

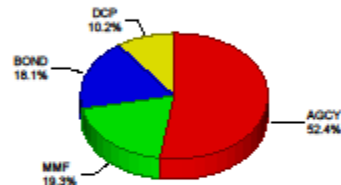
Plus (+) or Minus (-) The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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.