



# COUNCIL AGENDA REPORT

## City of Anaheim OFFICE OF THE CITY TREASURER

**DATE:** NOVEMBER 17, 2015  
**FROM:** OFFICE OF THE CITY TREASURER  
**SUBJECT:** INVESTMENT PORTFOLIO REPORT – OCTOBER 2015

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

### RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for October 2015.

### DISCUSSION:

This is the investment report for the City’s general pool for the month ending October 31, 2015. 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 October 31, 2015:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value)	\$ 119,441,641	\$ 282,417,516	\$ 401,859,157
Effective Yield	0.22 %	1.24 %	0.93 %
Avg. Weighted Maturity	21 Day	1.9 Years	1.4 Years
Net Earnings	\$ 17,414	\$ 302,022	\$ 319,436
Benchmark*	0.00 %	0.69 %	0.55 %

\* 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 51% of funds in Federal Agency issues) and not the management of the investment fund.

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.

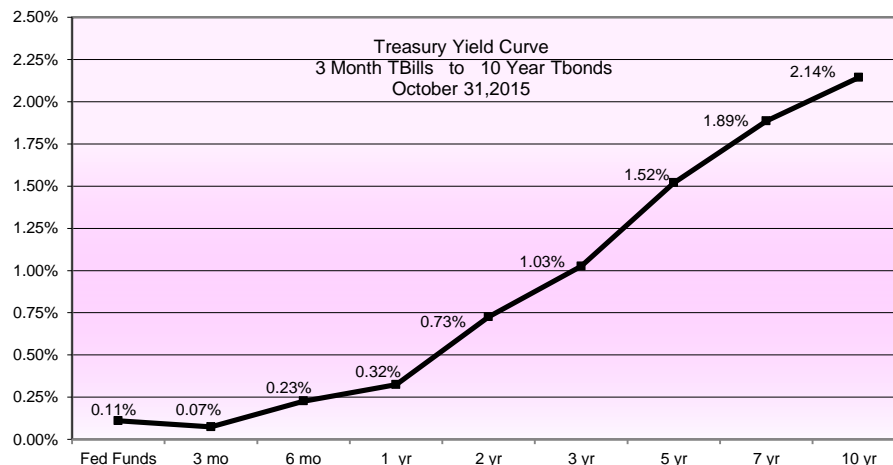
### **INVESTMENT ENVIRONMENT:**

The month of October 2015 showed continued signs of financial stability for the U.S. economy. For the positive, the Gross Domestic Product (GDP) values for the second calendar quarter were released at 3.2%, significantly up from the first quarter values of minus -0.07%. However, overall economic indicators show continued slow growth in the U.S. economy. Concern over the continued financial volatility in Europe, specifically the brinkmanship between the Greek government and the International Monetary Fund (IMF) over the repayment agreements to relieve the enormous debt of the Greek economy coupled with the evidence the Chinese economy is dramatically slowing has led to a sharp decline in world-wide commodity prices. This unease in the immediate short-term financial environment is evidenced with the key commodity of petroleum. A contraction of world economic growth is a concern that we are either in or entering a disinflation economic environment that may last for several years.

The increasing lack of demand for commodities has fueled fears of a disinflationary global financial environment. A key commodity is crude oil, where prices continue to trade in the range of \$47 to \$60 per barrel for the past year. We anticipate the price of oil to continue to trade in a range of \$40 to \$65 per barrel.

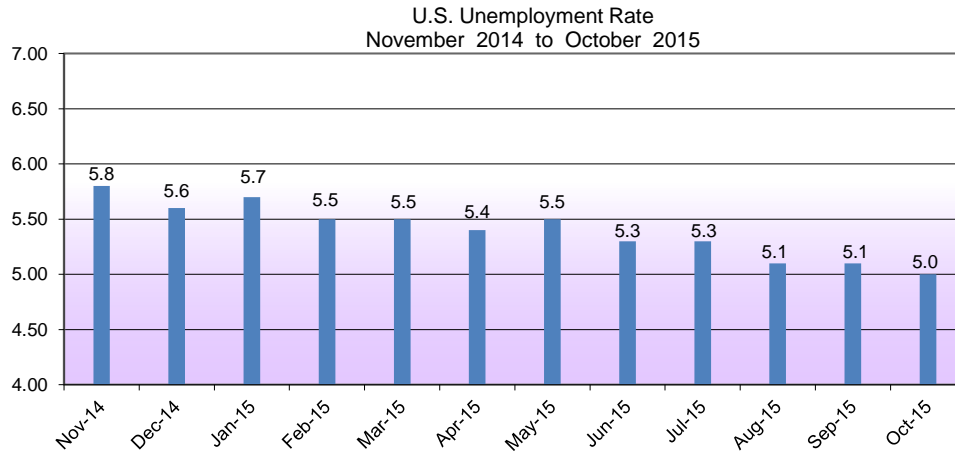
Interest rates in October 2015 rose dramatically as the Federal Reserve Open Market Committee (FOMC) at their October 28, 2015 meeting provided strong language that there may be a rate increase in the benchmark Federal Funds rate at the next meeting scheduled December 16, 2015. This would be the first interest rate increase by the Fed since the December 2008 when the Federal Funds rate was lowered to a range of 0.0% to 0.25%. The anticipated rate increase would only be on the order of 0.25%; however, in light of the absence of any rate increases in the last seven years, the financial markets are trying to adjust to potentially higher interest rates.

The six month U.S. Treasury bill closed October at 0.23%, up from the September value of 0.07% and the rest of the U.S. Treasury yield curve moved higher. The five year TNote moved up 0.16% (sixteen basis points) to close October at 1.52% and the benchmark ten year TNote was up 0.14% (fourteen basis points) from the September level of 2.04% to close at 2.14%. As mentioned, the greatest increase in interest rates was evident in the short-term maturities (3 months to two years), which is where the immediate impact of the change in the Federal Funds rate the largest effect with financial markets. The chart below shows the interest rates for U.S. Treasury issues for the month ending October 2015:



Source: Bloomberg Financial Systems

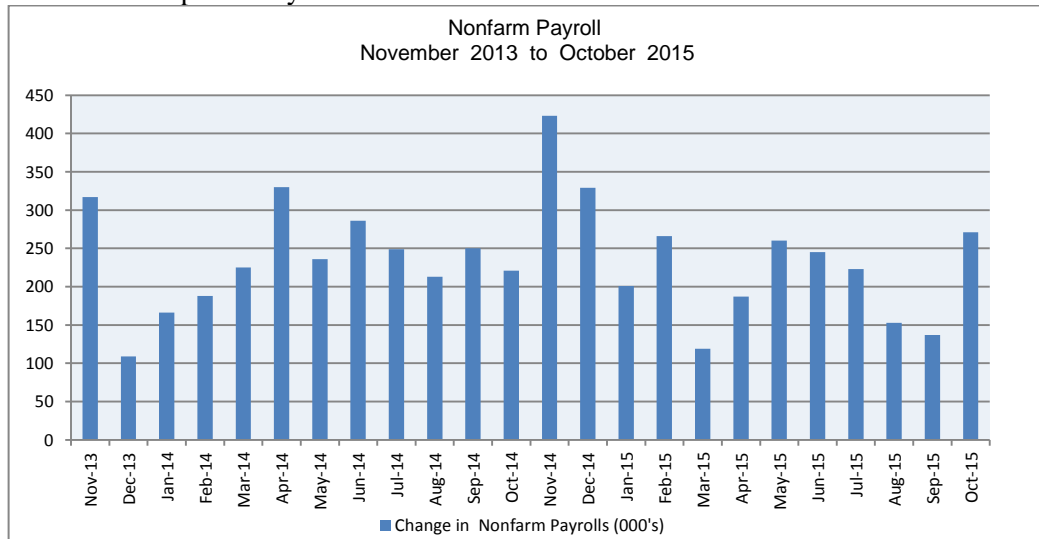
A key economic indicator watched by investors and the news media is the national unemployment rate, which tends to show the overall health of the national economy. For the month of October 2015, the national unemployment rate was reported at 5.0%, down 0.1% from the September value of 5.1%. The 5.0% value is the lowest number since the pre-recession month of April 2008. The twelve month moving average is at 5.4%, which is significantly lower from the December 2013 average level of 7.4%. The unemployment rate is considered a “lagging” economic indicator and does not reflect immediate or current financial and economic events. 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 October 2015, the nonfarm payroll number was reported to be 271,000 new jobs created. For comparison, the September 2015 value was revised downward to 137,000 new jobs from the previous reported value of 142,000.

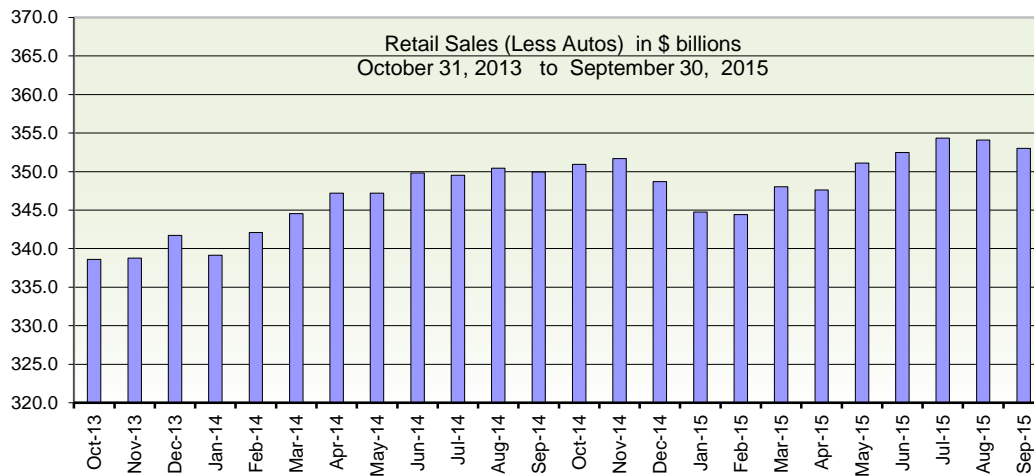
The annual (twelve month average) value with the revised values shows approximately 234,000 monthly new jobs are being created, which is above the value of 165,000 new monthly jobs that economists have said are needed to show sustained economic growth. It should be noted the nonfarm payroll values are 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. The October 2015 value was not available at the time this report was written. For September 2015, the annualized retail sales value was released at \$353.0 billion, a monthly decrease of \$1.1 billion or a minus 0.3% from the August 2015 revised value of \$354.1 billion. The decrease is due to revisions by the Bureau of Labor Statistics of recent past months of consumer activity and is subject to revision. The retail sales values do show continued consumer spending but at essentially static levels. Economists are expecting a 3 to 4 percent increase for the upcoming holiday season, even with Thanksgiving late in November and a short buying period.

The annualized increase, year to year, showed a percentage increase of 0.9%. The incremental increase confirms the economy continues to expand, however, the recent value indicates a potentially slower pace than was earlier predicted. 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.

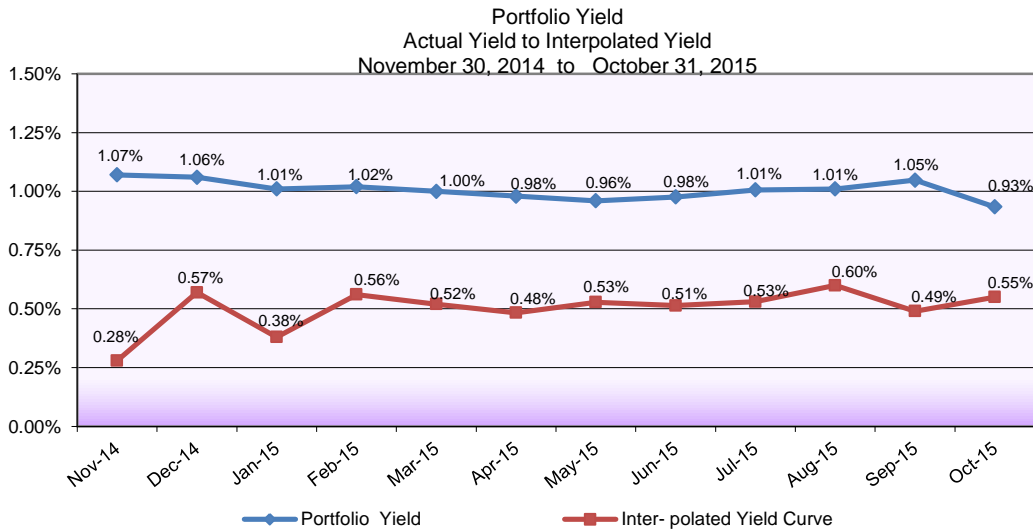
For October 31, 2015, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 119,441,641	21 day	0.22 %	0.00 %	0.019	0.338
Long-Term Portfolio	\$ 282,417,516	1.9 years	1.24 %	0.69 %	0.016	1.739
Total Portfolio	\$ 401,859,157	1.4 years	0.93 %	0.55 %	0.017	1.576

As a credit rated investment portfolio of “AA” by Standard and Poor’s, we are recognized as a permitted investment for future bond funds issued by the City.

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 0.55% reflects current market interest rates comparable to the City’s Investment Portfolio average weighted maturity of 1.4 years as of October 31, 2015. As shown, the City’s Investment Portfolio interest earnings were 0.93% for October; approximate dollar earnings for the month of \$128,500 over market interest rates. Cumulative earnings for the City portfolio earnings over market interest rates for the past twelve months are approximately \$2,032,000.

A complete listing of the portfolio holdings and investment activity for the City of Anaheim’s Investment Portfolio for the month of October 2015 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

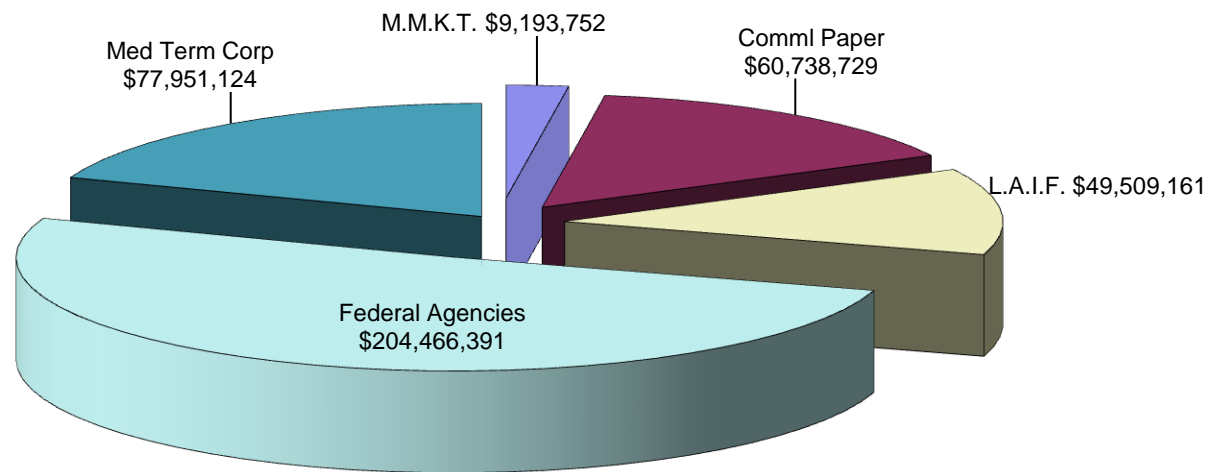
**Attachment**

1. City Treasurer’s Investment Report

**Balances, Yields and Average Maturities****October 31, 2015**

<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>	Average Weighted Maturity	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$9,193,752	\$9,193,752	\$9,193,752	0.01%	2.29%	1	0.00
L.A.I.F. (State of California	\$49,509,161	\$49,509,161	\$49,509,161	0.34%	12.32%	1	0.00
subtotal: Cash and Overnight Investments	\$58,702,913	\$58,702,913	\$58,702,913		14.61%	1	0.00
Commercial Paper	\$60,750,000	\$60,738,729	\$60,738,729	0.15%	15.11%	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	\$60,750,000	\$60,738,729	\$60,738,729	0.15%	15.11%	41	0.11
Total Short-Term Portfolio:	\$119,452,913	\$119,441,641	\$119,441,641	0.22%	29.72%	21	0.06
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Medium Term Corporate Notes	\$77,593,000	\$77,617,649	\$77,951,124	1.49%	19.40%	544	1.49
U.S. Federal Agencies	\$203,609,000	\$203,548,410	\$204,466,391	1.14%	50.88%	752	2.06
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$281,202,000	\$281,166,059	\$282,417,516	1.24%	70.28%	695	1.90
Total Cash and Pooled Investments	\$400,654,913	\$400,607,700	\$401,859,157	0.93%	100.00%	494	1.35

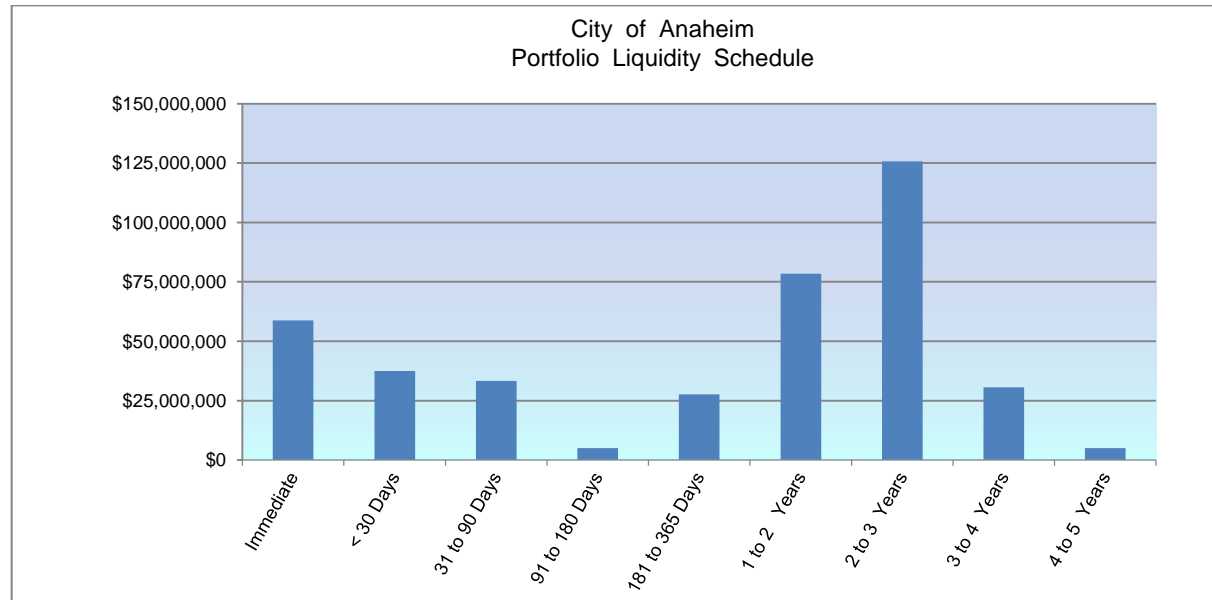
City of Anaheim  
Investment Portfolio Asset Allocation  
October 31, 2015  
\$ 401,859,157



Liquidity Schedule

October 31, 2015

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$9,193,752	\$9,193,752	2.29%
L.A.I.F. (State of California)	Immediate	\$49,509,161	\$58,702,913	14.61%
Pooled Investment Maturities:	< 30 Days	\$37,488,477	\$96,191,390	23.94%
	31 to 90 Days	\$33,239,951	\$129,431,341	32.21%
	91 to 180 Days	\$5,038,735	\$134,470,076	33.46%
	181 to 365 Days	\$27,693,471	\$162,163,547	40.35%
	1 to 2 years	\$78,378,039	\$240,541,587	59.86%
	2 to 3 years	\$125,674,845	\$366,216,432	91.13%
	3 to 4 years	\$30,586,930	\$396,803,362	98.74%
	4 to 5 years	\$5,055,795	\$401,859,157	100.00%
Total Cash and Pooled Investments:		\$401,859,157		





## Summary and Comparison of Yields and Balances

October 31, 2015

<u>Description</u>	Current Month <u>October 31, 2015</u>	Prior Month <u>September 30, 2015</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.34%	0.34%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.14%	1.13%
Commercial Paper	0.15%	0.17%
Medium Term Corporate Notes	1.49%	1.48%
Total Portfolio Yield	1.05%	1.05%
Weighted Average Maturity (Days)	494	566
Weighted Average Maturity (Years)	1.35	1.55
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$9,193,752	\$15,950,272
L.A.I.F. (State of California)	\$49,509,161	\$49,464,224
U.S. Treasuries	\$0	\$0
Federal Agencies	\$204,466,391	\$224,683,924
Commercial Paper	\$60,738,729	\$5,649,816
Medium Term Corporate Notes	\$77,951,124	\$85,940,045
Total Portfolio:	\$401,859,157	\$381,688,281
Earnings:	Current Month <u>October 31, 2015</u>	Fiscal Year to <u>Date Earnings</u>
Total Interest Earnings for Month:	\$307,891.87	\$1,292,747.75
Total Adjustments from Premiums and Discounts	\$9,591.05	\$44,443.79
Total Capital Gains or Losses	\$1,953.12	\$1,953.12
Total Earnings for Month	<u>\$319,436.04</u>	<u>\$1,339,144.66</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%
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%
Oct-14	\$87,236,868	\$288,483,282	\$375,720,150	1.12%	660	1.81	0.40%	0.72%
Nov-14	\$92,143,137	\$276,651,682	\$368,794,819	1.07%	652	1.79	0.28%	0.79%
Dec-14	\$95,608,216	\$280,667,666	\$376,275,882	1.06%	654	1.79	0.57%	0.49%
Jan-15	\$100,473,571	\$302,164,053	\$402,637,623	1.01%	672	1.84	0.38%	0.63%
Feb-15	\$98,185,410	\$305,947,454	\$404,132,864	1.02%	656	1.80	0.56%	0.46%
Mar-15	\$97,617,849	\$311,677,658	\$409,295,507	1.00%	656	1.80	0.52%	0.48%
Apr-15	\$109,019,960	\$311,572,994	\$420,592,954	0.98%	616	1.69	0.48%	0.50%
May-15	\$124,201,985	\$311,389,067	\$435,591,052	0.96%	576	1.58	0.53%	0.43%
Jun-15	\$115,530,559	\$321,099,213	\$436,629,771	0.98%	565	1.55	0.51%	0.46%
Jul-15	\$94,884,427	\$315,241,764	\$410,126,191	1.01%	578	1.58	0.53%	0.48%
Aug-15	\$90,760,980	\$314,919,339	\$405,680,319	1.01%	557	1.53	0.60%	0.41%
Sep-15	\$71,064,312	\$310,623,969	\$381,688,281	1.05%	566	1.55	0.49%	0.56%
Oct-15	\$119,441,641	\$282,417,516	\$401,859,157	0.93%	494	1.35	0.55%	0.38%

Note: Portfolio balances from June 2011 through March 2015 reflect additional funds from 2011A Electric Bonds

City Treasurer's Investment Report – October 2015

Attachment 1

City of Anaheim  
Short-Term Portfolio

October 31, 2015

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+	24,239,106.95	24,239,106.95	24,239,106.95			0.34%
SYS17432	17432	LAIF	MMKT	AA+	25,270,054.16	25,270,054.16	25,270,054.16			0.34%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	7,724,318.30	7,724,318.30	7,724,318.30			0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	1,469,433.50	1,469,433.50	1,469,433.50			0.01%
14178MY36	1899	CARGILL	CP	A1 / P1	6,100,000.00	6,099,960.23	6,099,960.23	10/16/2015	11/03/2015	0.12%
43851UYC1	1900	Honeywell Intl	CP	A1 / P1	5,000,000.00	4,999,835.63	4,999,835.63	10/16/2015	11/12/2015	0.11%
03948HYG0	1905	ARCHER DANIELS	CP	A1 / P1	8,400,000.00	8,399,555.02	8,399,555.02	10/26/2015	11/16/2015	0.13%
30229BYP6	1904	Exxon Mobil	CP	A1 / P1	8,000,000.00	7,999,426.22	7,999,426.22	10/23/2015	11/23/2015	0.12%
43851UZE6	1906	Honeywell Intl	CP	A1 / P1	5,000,000.00	4,999,236.52	4,999,236.52	10/28/2015	12/14/2015	0.13%
36960MZP1	1907	GE COMPANY COMM PAPER	CP	A1 / P1	5,000,000.00	4,999,005.69	4,999,005.69	10/28/2015	12/23/2015	0.14%
45920GZV1	1903	International Business Machine	CP	A1 / P1	8,000,000.00	7,997,972.04	7,997,972.04	10/22/2015	12/29/2015	0.16%
89233GAE6	1901	TOYOTA MOTOR CREDIT	CP	A1 / P1	10,000,000.00	9,995,577.23	9,995,577.23	10/22/2015	01/14/2016	0.22%
19121AAS0	1902	COCA COLA	CP	A1 / P1	5,250,000.00	5,248,159.92	5,248,159.92	10/22/2015	01/26/2016	0.15%
Total Short Term Portfolio:					<u>119,452,912.91</u>	<u>119,441,641.41</u>	<u>119,441,641.41</u>			<u>0.22%</u>

City of Anaheim  
Long-Term Portfolio

October 31, 2015

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,997,875.00	4,994,850.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,998,074.99	4,994,850.00	01/24/2011	12/01/2015	1.75%
38143USC6	1560	Goldman Sachs Group	MTN	A-	5,000,000.00	4,999,503.72	5,038,735.00	02/08/2011	02/07/2016	3.63%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,999,011.09	3,028,155.00	05/20/2011	05/15/2016	2.15%
89236TAL9	1743	TOYOTA MOTOR CRE	MTN	AA-	3,000,000.00	2,999,776.78	3,005,838.00	05/17/2013	05/17/2016	0.80%
166764AC4	1757	CHEVRON	MTN	AA	2,000,000.00	2,000,000.00	2,005,814.00	06/24/2013	06/24/2016	0.89%
3130A0JL5	1806	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,500,000.00	4,499,730.52	4,504,689.00	01/30/2014	06/27/2016	0.53%
3135G0XP3	1747	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,997,077.65	5,000,615.00	05/22/2013	07/05/2016	0.38%
94974BFL9	1893	WELLS FARGO CO	MTN	A+	5,000,000.00	5,017,878.48	5,021,710.00	06/29/2015	07/20/2016	1.25%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,998,856.28	5,126,650.00	10/17/2011	10/17/2016	3.35%
3135G0WY5	1750	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	5,002,235.00	05/22/2013	11/14/2016	0.55%
822582AZ5	1787	Royal Dutch Shell	MTN	AA	6,228,000.00	6,233,034.45	6,235,847.28	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	10,002,770.00	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	5,001,165.00	12/13/2012	02/21/2017	0.75%
3137EADT3	1805	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,786.49	10,037,290.00	01/29/2014	02/22/2017	0.88%
64952WBR3	1809	New York Life	MTN	AA+	5,000,000.00	5,008,065.57	5,003,335.00	02/13/2014	03/01/2017	1.13%
3133782N0	1816	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	5,006,186.69	5,017,350.00	03/19/2014	03/10/2017	0.88%
30231GAA0	1817	Exxon Mobil	MTN	AAA	5,000,000.00	5,000,000.00	5,015,440.00	03/20/2014	03/15/2017	0.92%
3135G0ZB2	1867	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,005,811.74	5,007,850.00	01/29/2015	04/20/2017	0.75%
94974BFW5	1868	WELLS FARGO CO	MTN	A+	5,000,000.00	5,001,565.32	5,003,655.00	02/03/2015	06/02/2017	1.15%
3137EADL0	1808	FED HOME LOAN MORT CORP	Fed Agy	AA+	7,012,000.00	6,992,929.91	7,034,852.11	01/31/2014	09/29/2017	1.00%

City Treasurer's Investment Report – October 2015

Attachment 1

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City of Anaheim  
Long-Term Portfolio

October 31, 2015

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3130A4TR3	1877	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	5,001,731.71	5,008,940.00	03/30/2015	10/16/2017	0.88%
3135G0PQ0	1819	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,963,640.78	5,007,310.00	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	2,035,203.50	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	3,600,360.00	11/08/2012	11/08/2017	1.00%
3136G1L23	1863	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,001,580.43	4,998,535.00	01/16/2015	11/08/2017	0.80%
166764AL4	1894	CHEVRON	MTN	AA	5,000,000.00	5,013,505.26	5,017,965.00	06/29/2015	11/15/2017	1.35%
594918AP9	1804	Microsoft Corp	MTN	AAA	2,220,000.00	2,202,823.11	2,219,509.38	01/28/2014	11/15/2017	0.88%
478160BL7	1857	Johnson & Johnson	MTN	AAA	5,145,000.00	5,147,257.00	5,160,033.69	01/12/2015	11/21/2017	1.13%
478160BL7	1858	Johnson & Johnson	MTN	AAA	5,000,000.00	5,002,195.53	5,014,610.00	01/13/2015	11/21/2017	1.13%
3133EEFE5	1853	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,998,402.08	5,025,515.00	12/18/2014	12/18/2017	1.13%
3137EADN6	1876	FED HOME LOAN MORT CORP	Fed Agy	AA+	7,000,000.00	6,973,199.15	6,980,547.00	03/30/2015	01/12/2018	0.75%
94974BFG0	1742	WELLS FARGO CO	MTN	A+	5,000,000.00	5,001,584.32	5,018,030.00	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	8,930,339.34	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	5,008,400.00	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	10,020,260.00	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	6,262,662.50	01/30/2013	01/30/2018	1.03%
02666QM26	1730	American Honda	MTN	A+	3,000,000.00	2,999,214.94	3,000,642.00	02/19/2013	02/16/2018	1.60%
3137EADP1	1820	FED HOME LOAN MORT CORP	Fed Agy	AA+	1,600,000.00	1,585,798.30	1,597,966.40	04/14/2014	03/07/2018	0.88%
3137EADP1	1823	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,958,378.28	4,993,645.00	05/15/2014	03/07/2018	0.88%
313378A43	1815	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	10,000,000.00	10,026,863.22	10,105,120.00	03/19/2014	03/09/2018	1.38%
191216BA7	1859	COCA COLA	MTN	AA	5,000,000.00	4,993,377.16	5,004,120.00	01/15/2015	04/01/2018	1.15%
3134G42R8	1749	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	5,000,000.00	5,008,740.00	05/22/2013	04/25/2018	1.05%
3133ECBY9	1864	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,375,000.00	5,374,200.95	5,370,296.88	01/16/2015	04/26/2018	0.93%
3135G0WJ8	1748	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,986,064.48	4,985,500.00	05/22/2013	05/21/2018	0.88%
3135G0WJ8	1818	FED NATL MORTGAGE ASSN	Fed Agy	AA+	7,307,000.00	7,191,469.30	7,285,809.70	03/25/2014	05/21/2018	0.88%
166764AE0	1756	CHEVRON	MTN	AA	3,000,000.00	3,000,000.00	3,031,035.00	06/24/2013	06/24/2018	1.72%
3135G0YT4	1813	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,994,637.97	10,159,930.00	02/25/2014	11/27/2018	1.63%
3135G0ZA4	1821	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,079,313.47	10,213,400.00	04/14/2014	02/19/2019	1.88%
313378QK0	1822	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	10,000,000.00	10,100,327.96	10,213,600.00	05/15/2014	03/08/2019	1.88%
3135G0ZY2	1851	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,328.48	5,055,795.00	12/12/2014	11/26/2019	1.75%
Total Long-Term Portfolio:					<u>281,202,000.00</u>	<u>281,166,058.56</u>	<u>282,417,515.78</u>			<u>1.24%</u>
Total Portfolio Listing:					<u>400,654,912.91</u>	<u>400,607,699.97</u>	<u>401,859,157.19</u>			<u>0.93%</u>

**Mat Call Sale Purch  
Purchases Report  
Sorted by Fund - Fund  
October 1, 2015 - October 31, 2015**

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>												
14178MXT0	1898	01	ACP CARGIL	5,000,000.00	10/15/2015	10/27 - At Maturity	4,999,833.33		0.100	10/27/2015	0.100	0.00
49436UXV1	1897	01	ACP KMB	4,680,000.00	10/15/2015	10/29 - At Maturity	4,679,818.00		0.100	10/29/2015	0.100	0.00
14178MY36	1899	01	ACP CARGIL	6,100,000.00	10/16/2015	11/03 - At Maturity	6,099,634.00		0.120	11/03/2015	0.120	6,099,960.23
43851UYC1	1900	01	ACP HONIPP	5,000,000.00	10/16/2015	11/12 - At Maturity	4,999,587.50		0.110	11/12/2015	0.110	4,999,835.63
19121AAS0	1902	01	ACP COCA C	5,250,000.00	10/22/2015	01/26 - At Maturity	5,247,900.00		0.150	01/26/2016	0.150	5,248,159.92
45920GZV1	1903	01	ACP IBM	8,000,000.00	10/22/2015	12/29 - At Maturity	7,997,582.22		0.160	12/29/2015	0.160	7,997,972.04
89233GAE6	1901	01	ACP TOYCC	10,000,000.00	10/22/2015	01/14 - At Maturity	9,994,866.67		0.220	01/14/2016	0.220	9,995,577.23
302298YPS	1904	01	ACP EXXON	8,000,000.00	10/23/2015	11/23 - At Maturity	7,999,173.33		0.120	11/23/2015	0.120	7,999,426.22
03948HYG0	1905	01	ACP ADMPP	8,400,000.00	10/26/2015	11/16 - At Maturity	8,399,363.00		0.130	11/16/2015	0.130	8,399,555.02
36960MZF1	1907	01	ACP GE COM	5,000,000.00	10/28/2015	12/23 - At Maturity	4,998,911.11		0.140	12/23/2015	0.140	4,999,005.69
43851UZE6	1906	01	ACP HONIPP	5,000,000.00	10/28/2015	12/14 - At Maturity	4,999,151.39		0.130	12/14/2015	0.130	4,999,236.52
			<b>Subtotal</b>	<b>70,430,000.00</b>			<b>70,416,820.66</b>	<b>0.00</b>				<b>60,738,728.60</b>
<b>Managed Pool Deposits</b>												
				<b>Deposit Amount</b>	<b>Deposit Date</b>		<b>Deposit Amount</b>		<b>Rate</b>			
SYS987	987	01	PA2 FIDELI	28,750.00	10/01/2015		28,750.00		0.010			
SYS987	987	01	PA2 FIDELI	5,650,000.00	10/08/2015		5,650,000.00		0.010			
SYS987	987	01	PA2 FIDELI	5,014,208.33	10/09/2015		5,014,208.33		0.010			
SYS987	987	01	PA2 FIDELI	5,025,000.00	10/13/2015		5,025,000.00		0.010			
SYS987	987	01	PA2 FIDELI	83,750.00	10/19/2015		83,750.00		0.010			
SYS987	987	01	PA2 FIDELI	18,750.00	10/20/2015		18,750.00		0.010			
SYS987	987	01	PA2 FIDELI	12,000,826.67	10/23/2015		12,000,826.67		0.010			
SYS987	987	01	PA2 FIDELI	2,978,170.00	10/26/2015		2,978,170.00		0.010			
SYS987	987	01	PA2 FIDELI	26,250.00	10/26/2015		26,250.00		0.010			
SYS987	987	01	PA2 FIDELI	21,875.00	10/26/2015		21,875.00		0.010			
SYS987	987	01	PA2 FIDELI	24,993.75	10/26/2015		24,993.75		0.010			
SYS987	987	01	PA2 FIDELI	5,000,000.00	10/27/2015		5,000,000.00		0.010			
SYS987	987	01	PA2 FIDELI	4,680,000.00	10/29/2015		4,680,000.00		0.010			
SYS500	500	01	PA2 GOLDSA	7.44	10/30/2015		7.44		0.010			
			<b>Subtotal</b>	<b>40,662,681.18</b>			<b>40,662,681.18</b>					

Portfolio CITY  
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**Mat Call Sale Purch  
Maturity Report  
Sorted by Maturity Date  
Receipts during October 1, 2015 - October 31, 2015**

CUBIP	Investment #	Fund	Sec. Type Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
19121BX87	1888	01	ACP COCA C	5,650,000.00	10/08/2015	05/20/2015	0.170	5,650,000.00	0.00	5,650,000.00	0.00
46623EJR1	1705	02	MTN JPM	5,000,000.00	10/15/2015	12/19/2012	1.100	5,000,000.00	27,500.00	5,027,500.00	27,500.00
31398A4KS	1574	02	FAC FNMA	3,000,000.00	10/15/2015	05/11/2011	1.875	3,000,000.00	28,125.00	3,028,125.00	28,125.00
931142CX9	1581	02	MTN WMT	2,956,000.00	10/25/2015	05/18/2011	1.500	2,956,000.00	22,170.00	2,978,170.00	22,170.00
14178MXTD	1898	01	ACP CARGIL	5,000,000.00	10/27/2015	10/15/2015	0.100	5,000,000.00	0.00	5,000,000.00	0.00
49436LXV1	1897	01	ACP KMB	4,680,000.00	10/29/2015	10/15/2015	0.100	4,680,000.00	0.00	4,680,000.00	0.00
<b>Total Maturities</b>				<b>28,288,000.00</b>				<b>28,288,000.00</b>	<b>77,795.00</b>	<b>28,385,795.00</b>	<b>77,795.00</b>

**Mat Call Sale Purch  
 Sales/Call Report  
 Sorted by Maturity Date - Fund  
 October 1, 2015 - October 31, 2015**

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
<b>10/24/2016</b>												
3133EASV6	1690	02	FPCB FAC	10/24/2012	10/09/2015 10/24/2016	5,000,000.00	0.620	4,998,046.88	5,000,000.00	14,208.33	5,014,208.33	16,161.45
						<b>Subtotal</b>		<b>4,998,046.88</b>	<b>5,000,000.00</b>	<b>14,208.33</b>	<b>5,014,208.33</b>	<b>16,161.45</b>
<b>10/11/2017</b>												
3135G0PU1	1694	02	FNMA FAC	11/14/2012	10/11/2015 10/11/2017	5,000,000.00	1.000	5,000,000.00	5,000,000.00	25,000.00	5,025,000.00	25,000.00
						<b>Subtotal</b>		<b>5,000,000.00</b>	<b>5,000,000.00</b>	<b>25,000.00</b>	<b>5,025,000.00</b>	<b>25,000.00</b>
<b>10/16/2017</b>												
3135G0QD8	1689	02	FNMA FAC	10/22/2012	10/16/2015 10/16/2017	6,995,000.00	1.000	6,995,000.00	6,995,000.00	34,975.00	7,029,975.00	34,975.00
						<b>Subtotal</b>		<b>6,995,000.00</b>	<b>6,995,000.00</b>	<b>34,975.00</b>	<b>7,029,975.00</b>	<b>34,975.00</b>
						<b>Total Sales</b>		<b>16,988,046.88</b>	<b>16,985,000.00</b>	<b>74,183.33</b>	<b>17,069,183.33</b>	<b>76,136.45</b>



**POOL PROFILE**

September 30, 2014

**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.

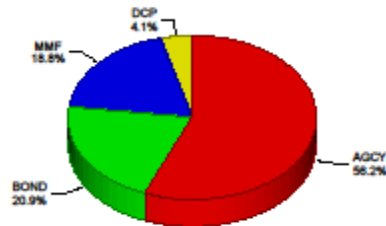
**Plus (+) or Minus (-)** The ratings from 'AAf' to 'CCCF' may be modified to show relative standing within the major rating categories.

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, 2014



AGCY - Agency Fixed Rate; BOND - Corporate Fixed Rate; MMF - Money Market Fund; 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; \$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:** Michael Masih - (1) 212-438-1642

[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.