



+COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: MARCH 22, 2011
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – FEBRUARY 2011

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

RECOMMENDATION:

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

DISCUSSION:

This is the investment report for the City's general pool for the month ending February 28, 2011. The report is provided to ensure that the City Council is informed as to the investment activities and fulfills the reporting requirements of the City's adopted investment policy.

COMPLIANCE:

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

INVESTMENT SUMMARY:

The following table shows summary investment information for the month ending February 28, 2011:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value)	\$ 104,729,248	\$ 236,419,373	\$ 341,248,622
Effective Yield	0.35 %	2.61 %	1.93 %
Avg. Weighted Maturity	10 Days	2.2 Years	1.5 Years
Net Earnings	\$ 28,858	\$ 507,357	\$ 536,215
Benchmark*	0.07%	0.72 %	0.42 %

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

INVESTMENT ACTIVITIES

The City Treasurer's Investment Portfolio received a credit rating of AAf and a volatility rating of S1 from Standard and Poor's in July 2008. The portfolio is reviewed monthly by Standard and Poor's for portfolio holdings, liquidity values and the overall management of the investment staff. Standard and Poor's reaffirmed the City's AAf credit rating during their annual June 2010 due diligence review. The City of Anaheim is only the fourth City in the country at this time to receive the prestigious credit rating.

In addition to independent verification of the high standard for the City’s investment program, the AAf credit rating is recognized by leading bond insurer's as a highly safe investment option for future City bond issues and to include the City’s portfolio as a ‘permitted investment’ in the bond covenants.

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.

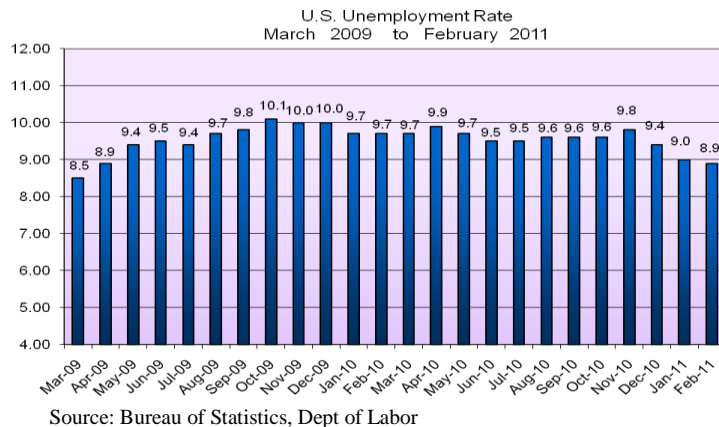
INVESTMENT ENVIRONMENT

The economy continues to show real signs of a recovery, although lacking in strength, from the worst recession since the depression of the 1930’s. Economists have stated the recession ended in the second quarter of 2009; however, the recovery appears to continue a slow incremental return to growth instead of a rapid return to the “old days” of economic activity. For a visual explanation, several economists are referring to the recovery as the “square root” recovery, illustrating the graphical picture of the mathematical sign for the square root function.

A primary economic indicator as to the overall health of the national economy is the level of the national unemployment rate. For the month of February 2011, the national unemployment rate moved to a value of 8.9%, the first time the value has moved below 9.0% since April 2009. For the past two years, the national unemployment rate has been at 9.0% or higher, reaching a high of 10.1% in October 2009, a full year after the financial crisis in September/October of 2008. The unemployment rate is considered a “lagging” indicator for immediate financial and economic events are delayed in being reflected in the unemployment rate. Conversely, as the economy continues to improve, the unemployment level will “lag” or delay in showing improvement. Most economists have stated the unemployment rate will remain high through the calendar year 2011.

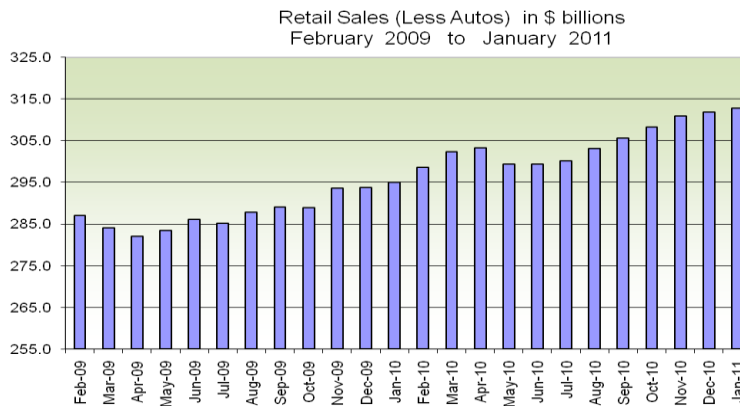
The Bureau of Labor Statistics (BLS) news release of March 4, 2011, stated “. . . Nonfarm payroll employment increased by 192,000 in February, and the unemployment rate was little changed at 8.9 percent” (from the previous month). “The number of unemployed persons (13.7 million)” remains high. Economists agree that to continue to lower the unemployment rate, the economy must create or provide approximately 200,000 new jobs monthly for the remainder of the calendar year.

The chart below shows the national unemployment rate for the past twenty four months:



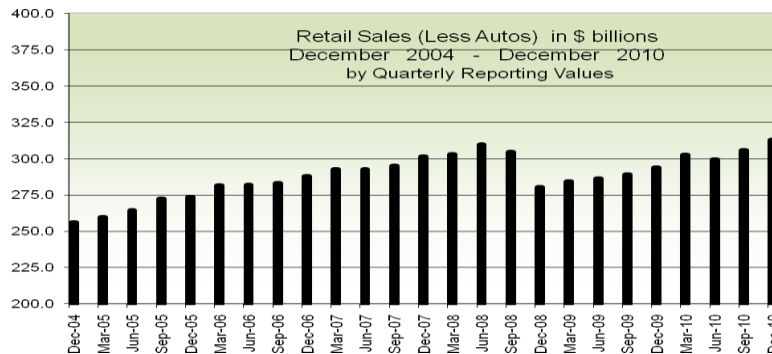
Another key economic factor we review is the monthly Retail Sales (less Autos), which measures the spending of consumers and indicates the underlying vitality of the overall national economy. This economic indicator tends to be cyclic in nature, and provides a close approximation of “real time” economic activity. For the past thirty years, the economic engine has been the overwhelming spending by the consumer or American public. The economic crisis in the fall of 2008 caused the consumer to drastically cut back on purchases. For the past two years, the individual consumer has been faced with the challenges of unemployment or possible unemployment (layoffs or

furloughs) which has prevented the economic recovery from being robust. The chart below shows that from a low in April 2009 (approximately \$280 billion in annualized sales) through January 2011 (approximately \$314 billion in annualized sales) consumer spending has shown a steady increase to support the economic recovery:



Source: Census Bureau, US Government

If we take a broader view of consumer spending by looking at the Retail Sales (less Autos) on a quarterly basis, we see from the following graph that retail sales from December 2004 through March 2008 showed a steady increase in consumer spending, however, retail sales began to decline by the quarter ending September 2008 and the large decrease in the quarter ending December 2008 was the result of the financial crisis. The quarter ending December 2010 shows we are almost back to pre-recession levels of June 2008. Please note the values are for the overall national retail sales and do not indicate the effect the recession had on specific regions of the United States economy:



Source: Census Bureau, US Government

Interest rates for February 2011 rose slightly from their January 2011 levels. Short-term interest rates, less than six months to maturity, were unchanged, while maturities from one year to thirty years moved upward approximately 0.10% or ten basis points (a basis point is 1/100 of a percent). The three month Treasury bill closed February 2011 at 0.14%, the two year Treasury Note closed at 0.68% and the five year Treasury Note closed the month at 2.14%.

The Federal Reserve announced at the January 26, 2011 ‘Federal Open Market Committee’ (FOMC) meeting that the ‘target’ Federal Funds rate would remain at the range of 0.0% to 0.25%, citing continued “risk to growth” to the economy. This key market interest rate has remained at this level since the FOMC meeting on December 16, 2008. The Federal Funds interest rate is the interest rate that banks charge other banks to borrow money.

The City’s short-term portfolio ended February 2011 earning 0.35 % , as compared to the three month U.S. Treasury bill yield of 0.14%. The City’s long term portfolio’s yield was 2.64%, which exceeded the interpolated yield of 0.72% for the month of February 2011. We do not anticipate any material rise in interest rates until either

inflationary pressures increase or the Federal Reserve changes its current strategy. The chart below shows the interest rates for U. S. Treasury issues for the month ending February 2011:



Source: Bloomberg Financial Systems

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

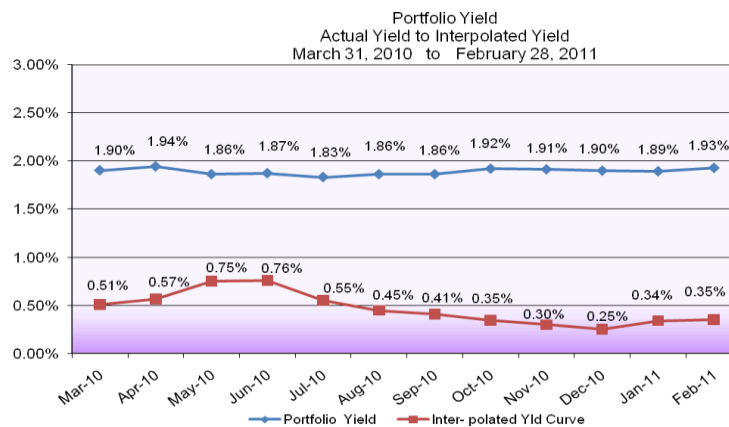
INVESTMENT PERFORMANCE

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

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 104,829,248	10 days	0.35 %	0.07 %	0.025	0.401
Long-Term Portfolio	\$ 236,419,373	2.2 years	2.64 %	0.72 %	0.030	2.765
Total Portfolio	\$ 341,248,622	1.5 years	1.93 %	0.42 %	0.029	2.110

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

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



Source: Treasurer’s Office, Anaheim

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

IMPACT ON BUDGET:

There is no impact on the General Fund.

Respectfully submitted,

Henry W. Stern, CTP
City Treasurer

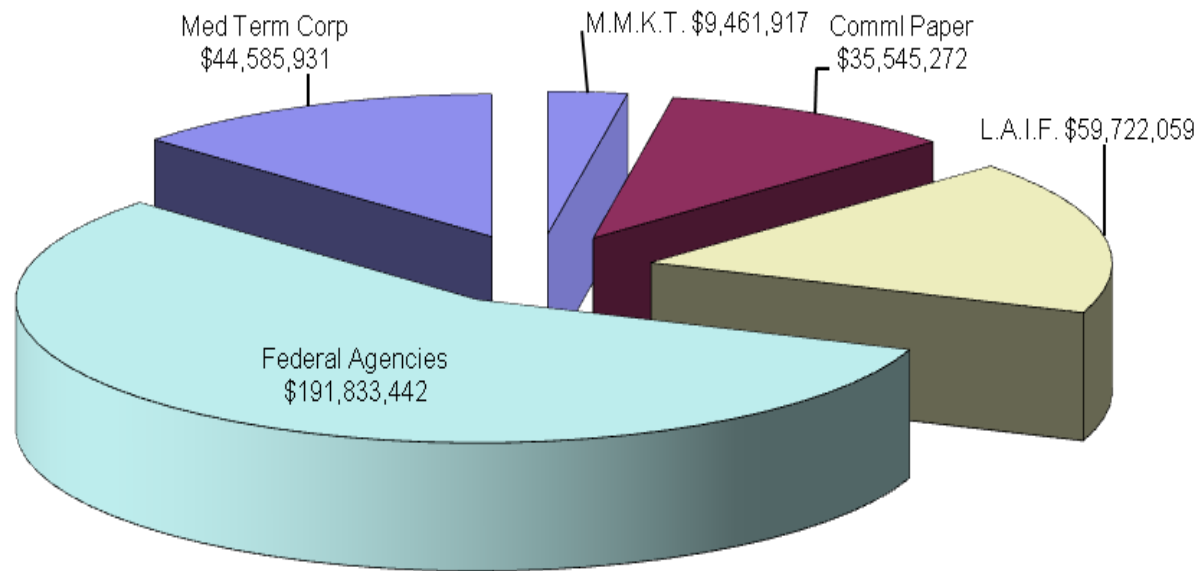
Attachment

1. Investment Portfolio Report

Balances, Yields and Average Maturities
February 28, 2011

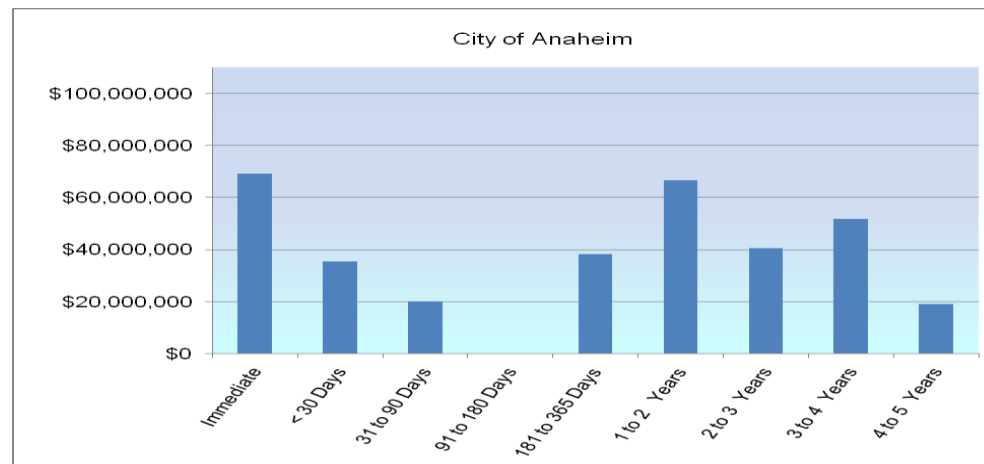
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Percent of Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$9,461,917	\$9,461,917	\$9,461,917	0.01%	2.77%	1	0.00
L.A.I.F. (State of California	\$59,722,059	\$59,722,059	\$59,722,059	0.51%	17.51%	1	0.00
subtotal: Cash and Overnight Investments	\$69,183,976	\$69,183,976	\$69,183,976		20.28%	1	0.00
Commercial Paper	\$35,550,000	\$35,545,272	\$35,545,272	0.18%	10.42%	58	0.16
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	\$35,550,000	\$35,545,272	\$35,545,272	0.18%	10.42%	9	0.02
Total Short-Term Portfolio:	\$104,733,976	\$104,729,248	\$104,729,248	0.35%	30.70%	10	0.03
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$42,435,000	\$43,194,885	\$44,585,931	3.59%	13.07%	716	1.96
U.S. Federal Agencies	\$188,818,000	\$188,539,640	\$191,833,442	2.41%	56.23%	805	2.21
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$231,253,000	\$231,734,525	\$236,419,373	2.64%	69.30%	789	2.16
Total Cash and Pooled Investments	\$335,986,976	\$336,463,773	\$341,148,622	1.93%	100.00%	546	1.50

City of Anaheim
Investment Portfolio Asset Allocation
February 28, 2011
\$ 341,148,622



Liquidity Schedule
 February 28, 2011

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$9,461,917	\$9,461,917	2.77%
L.A.I.F. (State of California)	Immediate	\$59,722,059	\$69,183,976	20.28%
Pooled Investment Maturities:	< 30 Days	\$35,553,746	\$104,737,721	30.70%
	31 to 90 Days	\$20,022,707	\$124,760,428	36.57%
	91 to 180 Days	\$0	\$124,760,428	36.57%
	181 to 365 Days	\$38,334,383	\$163,094,811	47.81%
	1 to 2 years	\$66,528,758	\$229,623,569	67.31%
	2 to 3 years	\$40,484,443	\$270,108,012	79.18%
	3 to 4 years	\$51,885,330	\$321,993,342	94.39%
	4 to 5 years	\$19,155,280	\$341,148,622	100.00%
Total Cash and Pooled Investments:		\$341,148,622		



Summary and Comparison of Yields and Balances
February 28, 2011

<u>Description</u>	Current Month <u>February 28, 2011</u>	Prior Month <u>January 31, 2011</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.51%	0.54%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	2.41%	2.41%
Commercial Paper	0.18%	0.20%
Medium Term Corporate Notes	3.60%	3.59%
	1.93%	1.89%
Weighted Average Maturity (Days)	546	542
Weighted Average Maturity (Years)	1.50	1.48
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$9,461,917	\$3,643,280
L.A.I.F. (State of California)	\$59,722,059	\$59,722,059
U.S. Treasuries	\$0	\$0
Federal Agencies	\$191,833,442	\$194,903,026
Commercial Paper	\$44,585,931	\$45,042,107
Medium Term Corporate Notes	\$35,545,272	\$39,640,759
Total Portfolio:	\$341,148,622	\$342,951,231
Earnings:	Current Month <u>February 28, 2011</u>	Fiscal Year to <u>Date Earnings</u>
Total Interest Earnings for Month:	\$583,117.02	\$4,673,191.99
Total Adjustments from Premiums and Discounts	-\$46,901.73	-\$438,258.84
Total Capital Gains or Losses	\$0.00	\$15,919.26
Total Earnings for Month	<u>\$536,215.29</u>	<u>\$4,250,852.41</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%
Jul-09	\$69,624,981	\$311,176,014	\$380,800,994	2.35%	771	2.11	1.20%	1.15%
Aug-09	\$78,910,669	\$292,296,273	\$371,206,941	2.31%	740	2.03	0.88%	1.43%
Sep-09	\$119,694,331	\$243,409,221	\$363,103,553	2.03%	628	1.72	0.77%	1.26%
Oct-09	\$109,527,089	\$223,615,064	\$333,142,153	2.08%	621	1.70	0.67%	1.41%
Nov-09	\$119,609,833	\$229,587,543	\$349,197,376	1.97%	593	1.62	0.45%	1.52%
Dec-09	\$124,300,074	\$249,625,896	\$373,925,970	1.89%	584	1.60	0.91%	0.98%
Jan-10	\$130,806,608	\$244,573,543	\$375,380,151	1.82%	558	1.53	0.51%	1.31%
Feb-10	\$114,221,905	\$249,725,431	\$363,947,336	1.88%	582	1.59	0.57%	1.31%
Mar-10	\$111,849,550	\$247,962,523	\$359,812,073	1.90%	571	1.56	0.75%	1.15%
Apr-10	\$109,355,043	\$261,305,436	\$370,660,480	1.94%	593	1.62	0.76%	1.18%
May-10	\$122,993,132	\$251,525,293	\$374,518,425	1.86%	543	1.49	0.55%	1.31%
Jun-10	\$127,268,510	\$256,712,953	\$383,981,463	1.87%	536	1.47	0.45%	1.42%
Jul-10	\$123,081,456	\$242,447,380	\$365,528,837	1.83%	530	1.45	0.41%	1.42%
Aug-10	\$117,235,549	\$242,490,054	\$359,725,603	1.86%	516	1.41	0.35%	1.51%
Sep-10	\$119,485,790	\$227,468,279	\$346,954,069	1.86%	500	1.37	0.30%	1.56%
Oct-10	\$100,978,349	\$219,241,780	\$320,220,129	1.92%	520	1.42	0.25%	1.66%
Nov-10	\$101,526,759	\$218,216,183	\$319,742,942	1.91%	499	1.37	0.34%	1.57%
Dec-10	\$105,898,549	\$210,264,073	\$316,162,622	1.90%	470	1.29	0.35%	1.54%
Jan-11	\$108,407,446	\$234,543,785	\$342,951,231	1.89%	542	1.48	0.39%	1.50%
Feb-11	\$104,729,248	\$236,419,373	\$341,148,622	1.93%	546	1.50	0.42%	1.50%

City Treasurer's Investment Report – February 2011

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February 28, 2011

Short-Term Portfolio Listing

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+	30,820,099.92	30,820,099.92	30,820,099.92			0.51%
SYS17431	17431	LAIF	MMKT	AA+	28,901,958.90	28,901,958.90	28,901,958.90			0.51%
SYS987	987	FIDELITY GOVERNMENT	MMKT	AAA	216,534.87	216,534.87	216,534.87			0.01%
SYS500	500	GOLDMAN SACHS PRIME OBLIGATION	MMKT	AAA	9,245,382.07	9,245,382.07	9,245,382.07			0.01%
64105SQB7	1551	Nestle Capital	CP	A1,P1	5,000,000.00	4,999,737.62	4,999,737.62	01/11/2011	03/11/2011	0.19%
2546R3QJ6	1545	Disney	CP	A1,P1	5,000,000.00	4,999,577.41	4,999,577.41	01/07/2011	03/18/2011	0.18%
19121BQM4	1544	COCA COLA	CP	A1,P1	1,850,000.00	1,849,785.39	1,849,785.39	01/07/2011	03/21/2011	0.21%
0660P1QR5	1561	BANK OF AMERICA	CP	A1,P1	4,000,000.00	3,999,496.34	3,999,496.34	02/28/2011	03/25/2011	0.19%
2546R3QR8	1553	Disney	CP	A1,P1	5,000,000.00	4,999,403.40	4,999,403.40	01/12/2011	03/25/2011	0.18%
19416FQW7	1562	Colgate Palmolive	CP	A1,P1	4,700,000.00	4,699,435.40	4,699,435.40	02/28/2011	03/30/2011	0.15%
89233HR71	1563	TOYOTA MOTOR CREDIT	CP	A1,P1	5,000,000.00	4,999,237.86	4,999,237.86	02/28/2011	04/07/2011	0.15%
2546R3RM8	1552	Disney	CP	A1,P1	5,000,000.00	4,998,599.02	4,998,599.02	01/11/2011	04/21/2011	0.20%
Total Short-Term Portfolio:					<u>104,733,975.76</u>	<u>104,729,248.20</u>	<u>104,729,248.20</u>			<u>0.35%</u>

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February 28, 2011

Long-Term Portfolio Listing

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3133XT4D5	1365	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,000,804.26	10,006,310.00	04/01/2009	03/16/2011	1.63%
3133XTJ64	1380	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,000,772.09	10,024,870.00	05/01/2009	05/16/2011	1.38%
3133XH6G2	1039 C	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	5,000,000.00	5,145,060.00	09/29/2006	09/29/2011	5.34%
31331Y3P3	1296	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	10,000,000.00	9,996,594.82	10,186,170.00	07/15/2008	10/03/2011	3.50%
3133XVQL8	1456	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	3,240,000.00	3,240,025.70	3,259,427.04	12/28/2009	12/09/2011	1.13%
3137EACF4	1454	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	5,001,727.30	5,030,475.00	12/28/2009	12/15/2011	1.13%
38141GBU7	1511	Goldman Sachs Group	MTN	A	9,005,000.00	9,284,240.60	9,464,110.92	05/28/2010	01/15/2012	6.60%
36962GXS8	1510	GENERAL ELEC CAP CORP	MTN	AA	5,000,000.00	5,172,250.89	5,249,140.00	05/28/2010	02/15/2012	5.88%
3136FHEV3	1362	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,024,231.34	8,007,472.00	04/01/2009	03/23/2012	2.38%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,991,319.72	5,046,645.00	12/28/2009	05/25/2012	1.25%
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,028,720.53	10,578,020.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	9,850,000.00	9,871,460.28	10,027,240.90	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	4,975,769.25	5,061,485.00	01/29/2010	01/09/2013	1.38%
31398AME9	1206	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,000,000.00	10,594,640.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	AA	8,000,000.00	7,956,710.09	8,470,008.00	12/23/2008	01/31/2013	4.38%

City Treasurer's Investment Report – February 2011

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Long-Term Portfolio Listing

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
59018YM40	1516	BANK OF AMERICA	MTN	A	8,206,000.00	8,484,339.85	8,743,246.82	06/23/2010	02/05/2013	5.45%
38141GDB7	1517	Goldman Sachs Group	MTN	A	2,224,000.00	2,307,817.84	2,374,295.70	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A	5,000,000.00	4,998,706.61	5,294,380.00	04/02/2008	04/02/2013	4.63%
3128X8TZ5	1368	FED HOME LOAN MORT CORP	Fed Agy	AAA	3,955,000.00	3,953,037.45	3,964,056.95	04/14/2009	04/08/2013	2.50%
3133XTNY8	1390	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	1,685,000.00	1,683,812.31	1,692,777.96	06/03/2009	06/03/2013	2.38%
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,960,040.66	4,950,970.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	6,845,000.00	6,866,934.08	7,183,752.21	12/15/2008	12/13/2013	3.13%
3134G1KD5	1515	FED HOME LOAN MORT CORP	Fed Agy	AAA	10,000,000.00	10,000,000.00	10,041,940.00	06/30/2010	12/30/2013	1.75%
3136FPZ26	1559	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,999,553.01	4,982,270.00	01/24/2011	01/13/2014	1.38%
31398AWH1	1367	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,016,089.57	5,011,065.00	04/14/2009	04/07/2014	2.90%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	8,000,000.00	8,003,002.67	8,299,280.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,500,000.00	4,486,240.23	4,668,345.00	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,000,000.00	4,041,212.49	4,149,640.00	01/29/2010	04/17/2014	2.63%
3128X8YK2	1381	FED HOME LOAN MORT CORP	Fed Agy	AAA	4,038,000.00	4,025,221.23	4,052,581.22	05/01/2009	04/29/2014	2.75%
31331GVG1	1392	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,940,946.85	5,021,940.00	05/28/2009	05/06/2014	2.75%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,031,487.15	5,166,015.00	04/30/2010	05/15/2014	2.50%
3136FPV95	1548	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,350,000.00	2,348,006.46	2,346,012.05	01/07/2011	07/03/2014	1.70%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,017,243.71	8,260,632.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,914,718.45	4,909,820.00	01/24/2011	12/12/2014	1.25%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	2,000,000.00	2,001,279.62	2,057,450.00	03/19/2010	03/13/2015	2.75%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,878,875.00	4,878,960.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,890,274.18	4,878,960.00	01/24/2011	12/01/2015	1.75%
3136FPZ34	1556	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,355,000.00	2,350,239.43	2,349,159.60	01/24/2011	12/30/2015	2.50%
38143USC6	1560	Goldman Sachs Group	MTN	A	5,000,000.00	4,990,818.90	4,990,750.00	02/08/2011	02/07/2016	3.63%
Total Long-Term Portfolio:					<u>231,253,000.00</u>	<u>231,734,524.62</u>	<u>236,419,373.37</u>			<u>2.64%</u>
Total Portfolio:					<u>335,986,975.76</u>	<u>336,463,772.82</u>	<u>341,148,621.57</u>			<u>1.93%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 February 1, 2011 - February 28, 2011**

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Prtnolpal Purohased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM %	Ending Book Value
SHORT- TERM PORTFOLIO												
0660P1QR5	1561	01	ACP BAC	4,000,000.00	02/28/2011	03/25 - At Maturity	3,999,472.22		0.190	03/25/2011	0.190	3,999,496.34
19416FQW7	1562	01	ACP COLG-C	4,700,000.00	02/28/2011	03/30 - At Maturity	4,699,412.50		0.150	03/30/2011	0.150	4,699,435.40
89233HR71	1563	01	ACP TOYCC	5,000,000.00	02/28/2011	04/07 - At Maturity	4,999,208.33		0.150	04/07/2011	0.150	4,999,237.86
Subtotal				13,700,000.00			13,888,093.06	0.00				13,888,169.90
LONG-TERM PORTFOLIO												
38143JUC6	1560	02	MTN GOLDMA	5,000,000.00	02/08/2011	08/07 - 02/07	4,990,700.00	503.47	3.625	02/07/2016	3.616	4,990,818.90
Subtotal				6,000,000.00			4,990,700.00	503.47				4,990,818.90
Managed Pool Deposits												
				Deposit Amount	Deposit Date		Deposit Amount		Rate			
SY987	987	01	PA2 FIDELI	2,525,000.00	02/03/2011		2,525,000.00		0.045			
SY987	987	01	PA2 FIDELI	223,613.50	02/07/2011		223,613.50		0.045			
SY987	987	01	PA2 FIDELI	5,000,000.00	02/10/2011		5,000,000.00		0.045			
SY987	987	01	PA2 FIDELI	1,648,000.00	02/11/2011		1,648,000.00		0.045			
SY987	987	01	PA2 FIDELI	146,875.00	02/15/2011		146,875.00		0.045			
SY987	987	01	PA2 FIDELI	5,000,000.00	02/18/2011		5,000,000.00		0.045			
SY9500	500	01	PA2 GOLDSA	1,474,000.00	02/01/2011		1,474,000.00		0.045			
SY9500	500	01	PA2 GOLDSA	8,227,000.00	02/02/2011		8,227,000.00		0.045			
SY9500	500	01	PA2 GOLDSA	2,257,000.00	02/03/2011		2,257,000.00		0.045			
SY9500	500	01	PA2 GOLDSA	350,000.00	02/04/2011		350,000.00		0.045			
SY9500	500	01	PA2 GOLDSA	1,298,000.00	02/09/2011		1,298,000.00		0.045			
SY9500	500	01	PA2 GOLDSA	1,995,000.00	02/16/2011		1,995,000.00		0.045			
SY9500	500	01	PA2 GOLDSA	987,000.00	02/18/2011		987,000.00		0.045			
SY9500	500	01	PA2 GOLDSA	6,284,000.00	02/23/2011		6,284,000.00		0.045			
SY9500	500	01	PA2 GOLDSA	267.02	02/28/2011		267.02		0.045			
Subtotal				37,416,766.62			37,416,766.62					
Total Purchases and Deposits				68,116,766.62			68,104,648.67	503.47				18,888,888.90

Mat Call Sale Purch
Maturity Report
Sorted by Maturity Date
 Receipts during February 1, 2011 - February 28, 2011

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
4662J1PA2	1546	01	ACP	JPM	5,000,000.00	02/10/2011	01/07/2011	0.190	5,000,000.00	0.00	5,000,000.00	0.00
14178MPB8	1550	01	ACP	CARGIL	5,000,000.00	02/11/2011	01/11/2011	0.210	5,000,000.00	0.00	5,000,000.00	0.00
14178MPB8	1554	01	ACP	CARGIL	3,200,000.00	02/11/2011	01/12/2011	0.200	3,200,000.00	0.00	3,200,000.00	0.00
0660P1PJ4	1543	01	ACP	BAC	5,000,000.00	02/18/2011	01/07/2011	0.240	5,000,000.00	0.00	5,000,000.00	0.00
89233HPR9	1555	01	ACP	TOYCC	5,000,000.00	02/25/2011	01/12/2011	0.170	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities:					23,200,000.00				23,200,000.00	0.00	23,200,000.00	0.00

**Mat Call Sale Purch
 Sales/Call Report
 Sorted by Maturity Date - Fund
 February 1, 2011 - February 28, 2011**

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate of Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
08/03/2012												
3136F34U4	1342	02	FNMA FAC	02/03/2009	02/03/2011 08/03/2012	2,500,000.00	2.000	2,500,000.00	2,500,000.00	25,000.00	2,525,000.00	25,000.00
					Subtotal	2,600,000.00		2,600,000.00	2,600,000.00	25,000.00	2,625,000.00	25,000.00
					Total Sales	2,600,000.00		2,600,000.00	2,600,000.00	25,000.00	2,625,000.00	25,000.00



FUND PROFILE

March 31, 2010

City of Anaheim Treasurer Investment Pool



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.

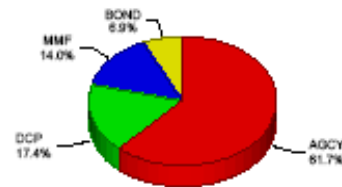
Plus (+) or Minus (-) The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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

About the Fund

Fund Rating: **AAAf / S1**
 Fund Type: Variable NAV Government Investment Pool
 Investment Adviser: City of Anaheim CA
 Portfolio Manager: Henry Stern, CTP
 Fund Rated Since: July 2008

Portfolio Composition as of March 31, 2010



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

*As assessed by Standard & Poor's

Fund Highlights

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

Management

The Treasurer for the city of Anaheim, CA is responsible for overall management of the portfolio. The Treasurer has prior experience managing S&P rated government investment pools during his tenure at the cities of Los Angeles and Long Beach. The city of Anaheim's \$400+ million portfolio is being divided into a shorter-term and a longer term portion, where \$100-\$125 million comprises the shorter-term component. The investment policy, which was last revised and approved in January 2008, apply to all cash and investments controlled by the Anaheim Treasurer on behalf of the City.

Credit Quality

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

Portfolio Assets

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

funds, investment-grade corporate debt, CP, the Local Agency Investment Fund (LAIF), U.S. Treasury and Agency securities. The portfolio has to purchase securities with a rating of A or better. The Anaheim Treasurer's Investment Pool's primary objective is to provide safety of principal followed by maintenance of liquidity and return on investment. The various city departments are the Investment Pool's predominant investors. The short-term portfolio's benchmark is the ninety-one day T-bill and it is managed with the view that cash is needed for operating purposes within a 6-month period. The long-term portfolio uses the ML 1-3 Year US Treasury benchmark. The Investment Pool's overall duration is currently 1.8 years with a maximum duration of 3 years. Union Bank of CA is the custodian for the pool.

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

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