



+COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: MARCH 20, 2012
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – FEBRUARY 2012

ATTACHMENT (Y/N): YES ITEM #

RECOMMENDATION:

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

DISCUSSION:

This is the investment report for the City's general pool for the month ending February 29, 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 February 29, 2012:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 94,579,193	\$ 314,333,654	\$ 408,912,847
Effective Yield	0.21 %	1.92 %	1.51 %
Avg. Weighted Maturity	24Days	2.6 Years	2.0 Years
Net Earnings	\$ 16,003	\$ 493,669	\$ 509,672
Benchmark**	0.04%	0.38%	0.30 %

* Portfolio balance includes approximately \$75.9 million of the 2011A Electric Bond project funds (January 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 62% 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.

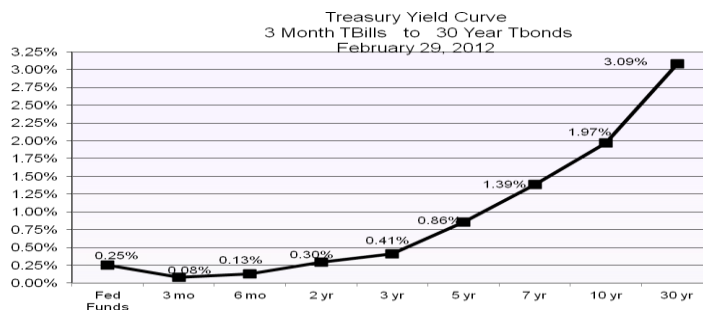
INVESTMENT ENVIRONMENT

The month of February 2012 continues to have interest rates remain at historic low levels. This action is the result of the Federal Reserve’s continued policy of maintaining low interest rates to promote an economic recovery and the ongoing financial issues facing the European Union. The country of Greece is now on its second financial reorganization, with the prospect of long term austerity measures facing its citizens. Additional concerns have been mentioned about the financial and economic status of Spain and Italy. The European Monetary Fund (EMF) is continually faced with financial challenges as the sovereign debt issues are being addressed and remedied.

As mentioned, the ongoing financial issues in the international markets have many international investors seeking a “safe haven” for their funds. The U.S. debt markets (U.S. Treasury issues and Federal Agency debt issues) have benefited from the volatility and uncertainty in world markets with the ability to maintain interest rates at low levels.

The United States financial markets continued to make slow, incremental progress toward recovery. The Federal Reserve, concerned the U.S. economic recovery could be jeopardized with world financial events, has continued to maintain low short-term interest rates to avoid stalling the recovery. At their Federal Open Market Committee (FOMC) meeting of January 25, 2012, the key Federal Funds interest rate remained unchanged at a target range of 0.0% to 0.25% with the focus on “risk to growth”. The Federal Funds rate was reduced to this target range at the December 2008 FOMC meeting. The Federal Funds interest rate is the interest rate that banks charge other banks to borrow money.

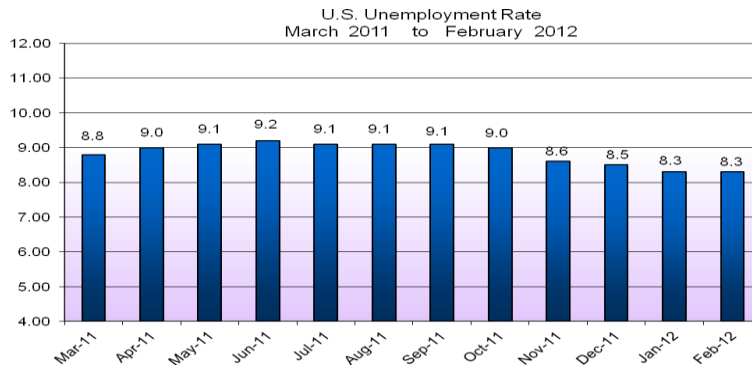
Federal Reserve Chairman Bernanke has announced he intends to keep rates at these levels through the end of calendar year 2014. The chart below shows the interest rates for U. S. Treasury issues for the month ending February 2012:



Source: Bloomberg Financial Systems

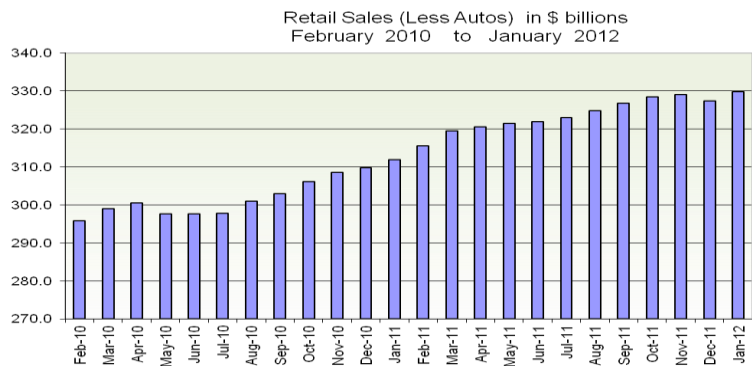
The U.S. economy continues to show signs of a slow recovery from the financial crisis of 2008. A key economic indicator we monitor is the national unemployment rate, which tends to show the overall health of the national economy. For the month of February 2012, the national unemployment rate was reported at 8.3%, unchanged from the January 2012 level and significantly below the annual average rate of 9.0% for the 2011 calendar year.

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 second economic factor we review is the monthly Retail Sales (less Autos), which measures the level of consumer spending and provides an indication of the underlying vitality of the overall national economy. At the time of this monthly report, the February 2012 retail sales data had not been released, however, the January 2012 data showed an increase in consumer spending over the slight decrease in December 2011, providing further indications the economy is beginning to rebound from the malaise of the past three years. The chart below shows the monthly increase in consumer spending for the past twenty four months.



Source: Census Bureau, US Government

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

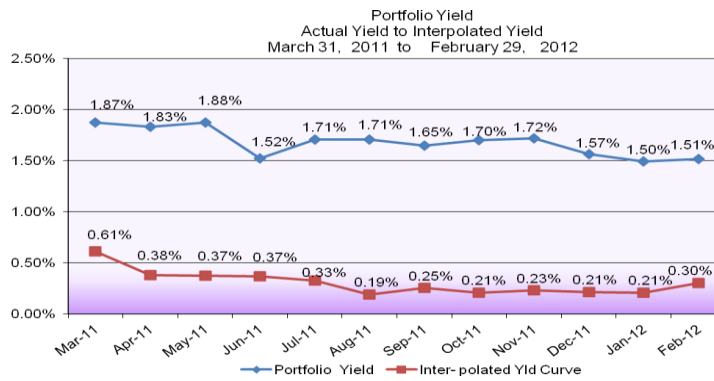
For February 29, 2012, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 94,579,193	24 days	0.21 %	0.04 %	0.016	0.316
Long-Term Portfolio	\$ 314,333,654	2.6 years	1.91 %	0.38 %	0.168	3.258
Total Portfolio	\$ 408,912,847	2.0 years	1.51 %	0.30 %	0.131	2.519

The portfolio balance includes a deposit, as of January 31, 2012, of \$75,973,267 for acquisition funds from the 2011A Electric Bonds. 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:



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 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

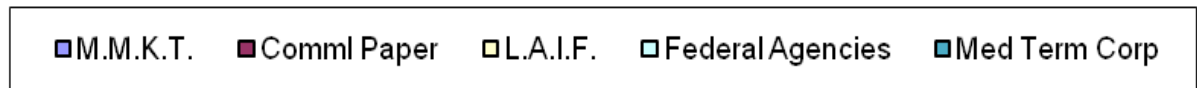
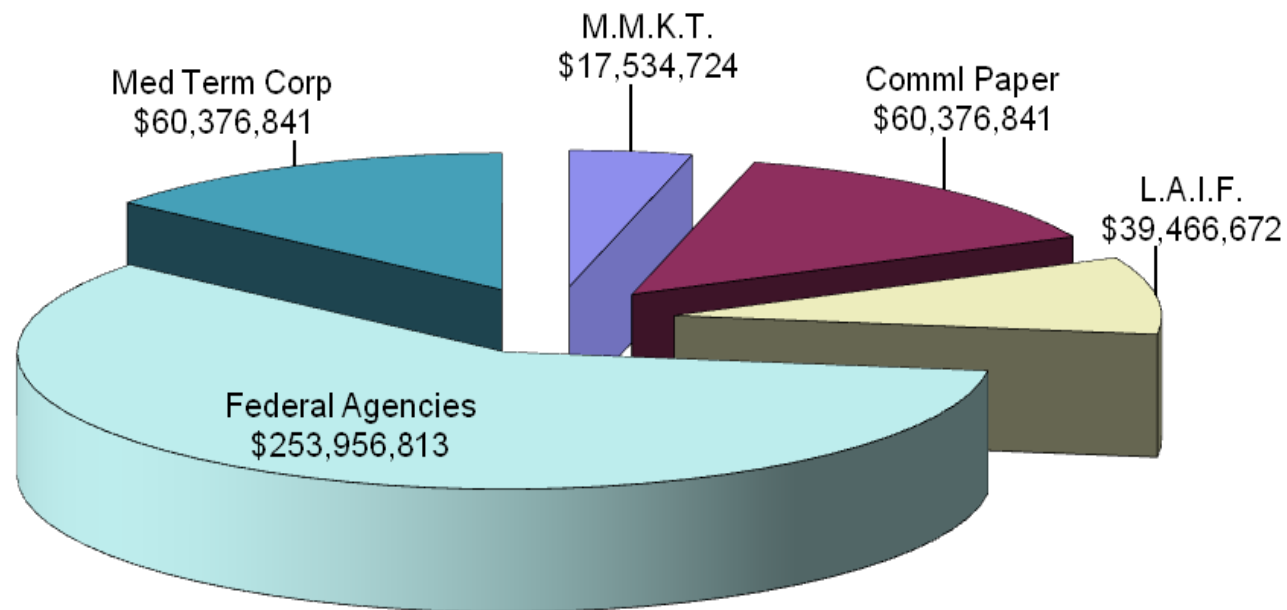
Attachment

1. City Treasurer’s Investment Report

Balances, Yields and Average Maturities
February 29, 2012

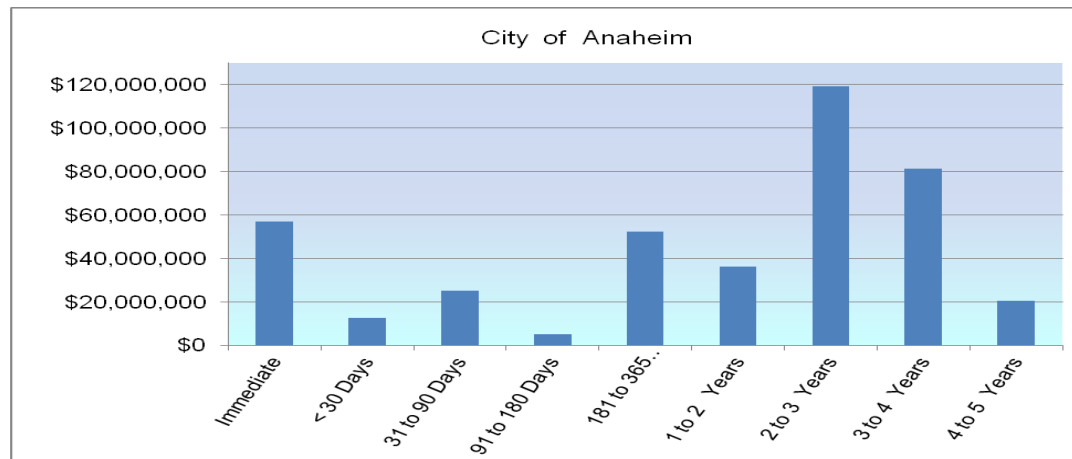
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	Percent of <u>Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$17,534,724	\$17,534,724	\$17,534,724	0.01%	4.29%	1	0.00
L.A.I.F. (State of California	\$39,466,672	\$39,466,672	\$39,466,672	0.38%	9.65%	1	0.00
subtotal: Cash and Overnight Investments	\$57,001,396	\$57,001,396	\$57,001,396		13.94%	1	0.00
Commercial Paper	\$37,585,000	\$37,577,797	\$37,577,797	0.11%	9.19%	59	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	\$37,585,000	\$37,577,797	\$37,577,797	0.11%	9.19%	59	0.16
Total Short-Term Portfolio:	\$94,586,396	\$94,579,193	\$94,579,193	0.21%	23.13%	24	0.07
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$58,386,000	\$58,730,422	\$60,376,841	3.09%	14.77%	907	2.48
U.S. Federal Agencies	\$249,725,000	\$249,471,634	\$253,956,813	1.64%	62.11%	941	2.58
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$308,111,000	\$308,202,056	\$314,333,654	1.92%	76.87%	934	2.56
Total Cash and Pooled Investments	\$402,697,396	\$402,781,249	\$408,912,847	1.51%	100.00%	721	1.98

City of Anaheim
Investment Portfolio Asset Allocation
February 29, 2012
\$ 408,912,847



Liquidity Schedule
February 29, 2012

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$17,534,724	\$17,534,724	4.29%
L.A.I.F. (State of California)	Immediate	\$39,466,672	\$57,001,396	13.94%
Pooled Investment Maturities:	< 30 Days	\$12,584,636	\$69,586,032	17.02%
	31 to 90 Days	\$25,012,763	\$94,598,795	23.13%
	91 to 180 Days	\$4,998,757	\$99,597,552	24.36%
	181 to 365 Days	\$52,405,190	\$152,002,742	37.17%
	1 to 2 years	\$36,072,633	\$188,075,375	45.99%
	2 to 3 years	\$119,125,122	\$307,200,497	75.13%
	3 to 4 years	\$81,200,299	\$388,400,795	94.98%
	4 to 5 years	\$20,512,052	\$408,912,847	100.00%
Total Cash and Pooled Investments:		\$408,912,847		



Summary and Comparison of Yields and Balances
February 29, 2012

<u>Description</u>	<u>Current Month</u> <u>February 29, 2012</u>	<u>Prior Month</u> <u>January 31, 2012</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.38%	0.38%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.64%	1.68%
Commercial Paper	0.11%	0.10%
Medium Term Corporate Notes	3.09%	3.02%
	1.51%	1.50%
Weighted Average Maturity (Days)	721	685
Weighted Average Maturity (Years)	1.98	1.88
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$17,534,724	\$10,401,040
L.A.I.F. (State of California)	\$39,466,672	\$39,466,672
U.S. Treasuries	\$0	\$0
Federal Agencies	\$253,956,813	\$238,979,698
Commercial Paper	\$37,577,797	\$58,573,980
Medium Term Corporate Notes	\$60,376,841	\$65,386,336
Total Portfolio:	\$408,912,847	\$412,807,726
Earnings:	<u>Current Month</u> <u>February 29, 2012</u>	<u>Fiscal Year to</u> <u>Date Earnings</u>
Total Interest Earnings for Month:	\$527,390.50	\$4,664,714.63
Total Adjustments from Premiums and Discounts	-\$17,718.39	-\$297,897.62
Total Capital Gains or Losses	\$0.00	\$3,920.00
Total Earnings for Month	<u>\$509,672.11</u>	<u>\$4,370,737.01</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%
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%
Mar-11	\$111,156,980	\$235,802,908	\$346,959,888	1.87%	572	1.57	0.61%	1.26%
Apr-11	\$116,033,678	\$227,553,117	\$343,586,795	1.83%	533	1.46	0.38%	1.45%
May-11	\$102,200,682	\$240,161,108	\$342,361,790	1.88%	613	1.68	0.37%	1.50%
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%

Note: February 2012 balance reflects acquisition funds from 2011A Electric Bonds, approx \$75.9 million

City Treasurer's Investment Report – February 2012

Attachment 1

Page 6 of 11

CITY OF
ANAHEIM
Short-Term Portfolio Listing

February 29, 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+	39,466,671.99	39,466,671.99	39,466,671.99		3/1/2012	0.39%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	10,479,527.26	10,479,527.26	10,479,527.26		3/1/2012	0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	7,055,196.51	7,055,196.51	7,055,196.51		3/1/2012	0.01%
64105GC77	1621	Nestle Capital	CP	A1 / P1	5,000,000.00	4,999,958.79	4,999,958.79	12/08/2011	03/07/2012	0.05%
47816FCP4	1622	Johnson & Johnson	CP	A1 / P1	3,585,000.00	3,584,869.99	3,584,869.99	12/08/2011	03/23/2012	0.06%
19121ACS8	1641	COCA COLA	CP	A1 / P1	4,000,000.00	3,999,807.71	3,999,807.71	01/23/2012	03/26/2012	0.07%
19121AE72	1639	COCA COLA	CP	A1 / P1	5,000,000.00	4,999,079.70	4,999,079.70	01/17/2012	05/07/2012	0.10%
89233GEB8	1627	TOYOTA MOTOR CREDIT	CP	A1 / P1	5,000,000.00	4,997,659.33	4,997,659.33	01/06/2012	05/11/2012	0.24%
2546R2ER3	1628	Disney	CP	A1 / P1	5,000,000.00	4,998,832.39	4,998,832.39	01/06/2012	05/25/2012	0.10%
2546R2ER3	1630	Disney	CP	A1 / P1	5,000,000.00	4,998,832.40	4,998,832.40	01/10/2012	05/25/2012	0.10%
2546R2EX0	1631	Disney	CP	A1 / P1	5,000,000.00	4,998,756.81	4,998,756.81	01/10/2012	05/31/2012	0.10%
Total Short-Term Portfolio:					<u>94,586,395.76</u>	<u>94,579,192.88</u>	<u>94,579,192.88</u>			<u>0.21%</u>

CITY OF ANAHEIM
Long-Term Portfolio Listing

February 29, 2012

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,998,357.79	5,018,359.38	12/28/2009	05/25/2012	1.25%
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,010,057.37	10,262,340.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	9,850,000.00	9,859,445.19	9,979,960.90	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,988,827.74	5,056,355.00	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	10,363,120.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	A+	8,000,000.00	7,979,328.91	8,298,496.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A-	8,206,000.00	8,339,956.07	8,444,917.69	06/23/2010	02/05/2013	5.45%
38141GDB7	1517	Goldman Sachs Group	MTN	A-	2,224,000.00	2,267,585.27	2,306,252.42	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A+	5,000,000.00	4,999,326.61	5,209,805.00	04/02/2008	04/02/2013	4.63%
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,974,645.09	5,050,795.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	6,845,000.00	6,859,053.57	7,194,923.25	12/15/2008	12/13/2013	3.13%
3134G3DT4	1642	FED HOME LOAN MORT CORP	Fed Agy	AA+	6,310,000.00	6,324,022.22	6,315,287.78	01/24/2012	12/27/2013	0.55%
3133EAAG3	1643	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	10,000,000.00	9,988,038.19	9,995,570.00	01/30/2012	01/30/2014	0.33%
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,995,003.83	5,086,375.00	03/23/2011	03/14/2014	1.25%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,000,000.00	8,002,042.67	8,396,696.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,500,000.00	4,490,639.45	4,723,141.50	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,000,000.00	4,028,036.21	4,198,348.00	01/29/2010	04/17/2014	2.63%

City Treasurer's Investment Report – February 2012

Attachment 1

Page 7 of 11

CITY OF
ANAHEIM
Long-Term Portfolio Listing

February 29, 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	5,021,664.47	5,238,470.00	04/30/2010	05/15/2014	2.50%
478160AX2	1584	Johnson & Johnson	MTN	AAA	3,000,000.00	2,997,407.50	3,053,184.00	05/20/2011	05/15/2014	1.20%
3135G0BT9	1606	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,024,990.00	07/11/2011	07/11/2014	1.13%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	8,000,000.00	7,961,721.95	8,190,968.00	03/23/2011	09/12/2014	1.38%
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,032,638.72	5,179,705.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,012,607.61	8,466,448.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,937,276.39	5,090,695.00	01/24/2011	12/12/2014	1.25%
3136FRXN8	1604	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,013,170.00	06/30/2011	12/30/2014	1.25%
36962G5M2	1638	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,048,424.46	5,110,575.00	01/18/2012	01/09/2015	2.15%
46625HHP8	1637	JP Morgan	MTN	A	6,000,000.00	6,214,329.76	6,319,026.00	01/18/2012	01/20/2015	3.70%
3134G3JX9	1647	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,998,564.58	10,023,370.00	01/30/2012	01/30/2015	0.65%
3135G0HC0	1648	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,998,172.22	10,004,980.00	01/30/2012	01/30/2015	0.63%
3135G0HC0	1649	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,997,898.06	10,004,980.00	01/30/2012	01/30/2015	0.63%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,000,962.36	2,133,662.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,985,676.32	5,168,340.00	03/24/2011	03/24/2015	1.67%
31331KKU3	1579	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,002,815.64	5,051,915.00	05/16/2011	05/13/2015	1.93%
3136FRSL8	1599	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,997,541.67	5,019,830.00	06/29/2011	06/29/2015	1.50%
3134G3JY7	1636	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,014,340.00	01/30/2012	07/30/2015	0.84%
594918AG9	1591	Microsoft Corp	MTN	AAA	5,000,000.00	5,000,000.00	5,184,830.00	06/09/2011	09/25/2015	1.63%
3134G3FZ8	1625	FED HOME LOAN MORT CORP	Fed Agy	AA+	2,200,000.00	2,199,637.00	2,204,908.20	12/28/2011	09/28/2015	1.05%
31331K5U0	1634	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,999,533.33	5,005,420.00	01/13/2012	10/13/2015	0.95%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,361.91	3,112,329.00	05/11/2011	10/15/2015	1.88%
931142CX9	1581	Walmart	MTN	AA	2,956,000.00	2,904,608.14	3,037,559.00	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,904,375.00	5,147,030.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,913,374.36	5,147,030.00	01/24/2011	12/01/2015	1.75%
3136FTXD6	1626	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	5,015,585.00	12/28/2011	12/28/2015	1.10%
38143USC6	1560	Goldman Sachs Group	MTN	A-	5,000,000.00	4,992,679.93	4,980,405.00	02/08/2011	02/07/2016	3.63%
313376U86	1645	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	10,000,000.00	9,981,303.47	9,981,303.47	02/08/2012	02/08/2016	0.96%
3134G3LJ7	1646	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,995,811.98	4,995,811.98	02/10/2012	02/10/2016	0.95%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,992,282.40	3,155,781.00	05/20/2011	05/15/2016	2.15%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,994,492.94	5,276,010.00	10/17/2011	10/17/2016	3.35%
3136FTLJ6	1619	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	3,003,001.20	3,019,056.00	11/25/2011	11/14/2016	1.63%
313376RQ0	1635	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,020,000.00	4,018,322.10	4,044,694.86	01/24/2012	01/24/2017	1.15%
3136FTZB8	1644	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,991,204.14	5,016,510.00	01/30/2012	01/30/2017	1.25%
Total Long-Term Portfolio:					<u>308,111,000.00</u>	<u>308,202,055.79</u>	<u>314,333,654.43</u>			<u>1.92%</u>
Total Portfolio:					<u>402,697,395.76</u>	<u>402,781,248.67</u>	<u>408,912,847.31</u>			<u>1.51%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 February 1, 2012 - February 29, 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 380	Ending Book Value
LONG-TERM PORTFOLIO												
313375U85	1645	02	FAC FHLB	10,000,000.00	02/08/2012	08/08 - 02/08	9,981,000.00		0.960	02/08/2016	0.995	9,981,303.47
3134G3LJ7	1646	02	FAC FHLMC	5,000,000.00	02/10/2012	08/10 - 02/10	4,995,750.00		0.950	02/10/2016	0.958	4,995,811.98
Subtotal				15,000,000.00			14,976,750.00	0.00				14,977,116.45
Managed Pool Deposits												
				Deposit Amount	Deposit Date		Deposit Amount		Rate			
SY8987	987	01	PA2 FIDELI	6,943,000.00	02/01/2012		6,943,000.00		0.010			
SY8987	987	01	PA2 FIDELI	6,000,000.00	02/03/2012		6,000,000.00		0.010			
SY8987	987	01	PA2 FIDELI	223,613.50	02/06/2012		223,613.50		0.010			
SY8987	987	01	PA2 FIDELI	90,625.00	02/07/2012		90,625.00		0.010			
SY8987	987	01	PA2 FIDELI	1,425,000.00	02/09/2012		1,425,000.00		0.010			
SY8987	987	01	PA2 FIDELI	3,796,000.00	02/13/2012		3,796,000.00		0.010			
SY8987	987	01	PA2 FIDELI	5,146,875.00	02/15/2012		5,146,875.00		0.010			
SY8987	987	01	PA2 FIDELI	280,000.00	02/24/2012		280,000.00		0.010			
SY8500	500	01	PA2 GOLDSA	3,612,000.00	02/03/2012		3,612,000.00		0.010			
SY8500	500	01	PA2 GOLDSA	2,932,000.00	02/14/2012		2,932,000.00		0.010			
SY8500	500	01	PA2 GOLDSA	1,330,000.00	02/16/2012		1,330,000.00		0.010			
SY8500	500	01	PA2 GOLDSA	6,165,000.00	02/22/2012		6,165,000.00		0.010			
SY8500	500	01	PA2 GOLDSA	2,281,000.00	02/23/2012		2,281,000.00		0.010			
SY8500	500	01	PA2 GOLDSA	2,281,000.00	02/28/2012		2,281,000.00		0.010			
SY8500	500	01	PA2 GOLDSA	42.47	02/29/2012		42.47		0.010			
Subtotal				42,608,166.97			42,608,166.97					
Total Purchases and Deposits				67,608,166.97			67,482,906.97	0.00				14,977,116.45

Mat Call Sale Purch
Maturity Report
Sorted by Maturity Date
 Receipts during February 1, 2012 - February 29, 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
14177TB11	1633	01	ACP CARGIL	5,000,000.00	02/01/2012	01/12/2012	0.070	5,000,000.00	0.00	5,000,000.00	0.00
64105GB37	1640	01	ACP NESTLE	6,000,000.00	02/03/2012	01/23/2012	0.050	6,000,000.00	0.00	6,000,000.00	0.00
14177BD5	1629	01	ACP CARGIL	5,000,000.00	02/13/2012	01/09/2012	0.060	5,000,000.00	0.00	5,000,000.00	0.00
36962GX88	1510	02	MTN GECC	5,000,000.00	02/15/2012	05/28/2010	5.875	5,000,000.00	146,875.00	5,146,875.00	146,875.00
90526MBQ9	1632	01	ACP UN BK	5,000,000.00	02/24/2012	01/12/2012	0.180	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities:				28,000,000.00				28,000,000.00	146,875.00	28,146,875.00	146,875.00



FUND PROFILE

July 29, 2011



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.

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

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

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

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

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

Plus (+) or Minus (-) The ratings from 'AA+' to 'CCC+' 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 Fund

Fund Rating	AA+ / S1
Fund Type	Variable NAV Government Investment Pool
Investment Adviser	City of Anaheim CA
Portfolio Manager	Henry Stern
Fund Rated Since	July 2008

Portfolio Composition as of July 29, 2011



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

*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 \$300+ million portfolio is divided into a short term and a long term portfolios, where \$95-\$120 million comprises the shorter-term component. The investment policy is reviewed and submitted to the City Council annually, with the current 2011 policy in effect, applies to all cash and investments controlled by the Anaheim Treasurer on behalf of the City.

Credit Quality

The 'AA+' 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 'AA+' rating signifies that the portfolio holdings provide very 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 1.5 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.

CITY OF ANAHEIM
BOND FUND INVESTMENTS
January 31, 2012

<u>Debt Issue</u>	<u>Trustee</u>	<u>Book Value</u>	<u>Total Trustee Holdings</u>
Decommissioning Trust	Union Bank of Calif.	\$ 121,687,217	
APFA Revenue Bds, 1998 Series	Union Bank of Calif.	\$ 1	\$ 121,687,218
COP 1992 Convention Ctr.	US Bank	\$ 8,436,513	
1993 Land Acquisition Program Lease	US Bank	\$ 1,937,234	
Anaheim R/A Tax Allocation Bond - Escrow Fd	US Bank	\$ 30,444,964	
Anaheim CFD no. 1989-3	US Bank	\$ 1,304,571	
APFR Rev Bds. - Escrow Fd	US Bank	\$ 5,260,000	
Anaheim CFD 1989 - 1, Sycamore Canyon	US Bank	\$ 706,274	
Anaheim CFD 1989 - 2, Highlands Sp Tax Bds	US Bank	\$ 1,314,096	
CITY OF ANAHEIM CFD DIST 06-2 2007	US Bank	\$ 1,022,742	
Anaheim CFD 08-1 2010 Platinum Triangle	US Bank	\$ 29,401,738	
Anaheim RDA 2007 Tax Allocation Refunding Bds	US Bank	\$ 25,311,047	
APFA Lease Revenue Refunding Bonds Ser 2008	US Bank	\$ 4,434,500	
APFA Water System Bonds 2010-A & 2010-B	US Bank	\$ 21,391,166	
Anaheim RDA 2010 Tax Allocation Bond	US Bank	\$ 1,047,483	
Anaheim 11A Electric	US Bank	\$ 82,874,101	\$ 214,886,427
Anaheim Dist Sys 99	BNY Western Trust	\$ 543,432	
Anaheim Arena 03	BNY Western Trust	\$ -	
Anaheim 04 Electric Purchase	BNY Western Trust	\$ 10,090,257	
Anaheim Debt Service Payment Account	BNY Western Trust	\$ -	
Anaheim/Disney Lease Revenue 1997A	BNY Western Trust	\$ 60,046,289	
Anaheim Lenain Reserve	BNY Western Trust	\$ 1,276,453	
APFA 02 A	BNY Western Trust	\$ 7,168,771	
APFA 03 B	BNY Western Trust	\$ 9,620,450	
Anaheim 03 A	BNY Western Trust	\$ 4,958,855	
Anaheim 03 B	BNY Western Trust	\$ -	
Anaheim 93 A Reserve Fund	BNY Western Trust	\$ -	
Anaheim 04 Water	BNY Western Trust	\$ 1,257,363	
APFA 2007A	BNY Western Trust	\$ 17,596,214	
APFA 2007A Farecal Escrow	BNY Western Trust	\$ 746,751	
Anaheim Sewer Rev Bds 2007	BNY Western Trust	\$ 28,997,202	
Anaheim (Dsny) 2007 Ref Ser A	BNY Western Trust	\$ 3,903,646	
Anaheim (Dsny) 2007 Ref Ser B	BNY Western Trust	\$ 2,473,673	
Anaheim/Disney 97 Series A-1/B Escrow	BNY Western Trust	\$ -	
Anaheim/Disney 97 Series A-2 Escrow	BNY Western Trust	\$ -	
Farecal Anaheim	BNY Western Trust	\$ -	
Anaheim 08 Water	BNY Western Trust	\$ 4,083,313	
Anaheim 09A Electric	BNY Western Trust	\$ 21	\$ 152,762,690
Total Bond Funds with external Trustees:			\$ 489,336,335
Anaheim RDA PFA 1992 Tax Alloc Rev	City Treasurer	\$ 46	
2000 RDA SubAccount	City Treasurer	\$ 23,968	
2007 RDA Bond - A	City Treasurer	\$ 0	
2007 RDA Bond - B	City Treasurer	\$ 6	
2007 RDA Bond - D	City Treasurer	\$ -	
Total Bond Funds with City Treasurer:			\$ 24,021
Total Bond Funds:			\$ 489,360,356