



## +COUNCIL AGENDA REPORT

# City of Anaheim OFFICE OF THE CITY TREASURER

**DATE:** FEBRUARY 15, 2011  
**FROM:** OFFICE OF THE CITY TREASURER  
**SUBJECT:** INVESTMENT PORTFOLIO REPORT – JANUARY 2011

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

### RECOMMENDATION:

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

### DISCUSSION:

This is the investment report for the City's general pool for the month ending January 31, 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 January 31, 2011:

	<b>Short-term Portfolio</b>	<b>Long-term Portfolio</b>	<b>Total Portfolio Values</b>
Portfolio Balance (Market Value)	\$ 108,407,446	\$ 234,543,785	\$ 342,951,231
Effective Yield	0.38 %	2.61 %	1.88 %
Avg. Weighted Maturity	14 Days	2.2 Years	1.5 Years
Net Earnings	\$ 40,413	\$ 476,670	\$ 517,083
Benchmark*	0.15 %	0.56 %	0.39 %

\* 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.

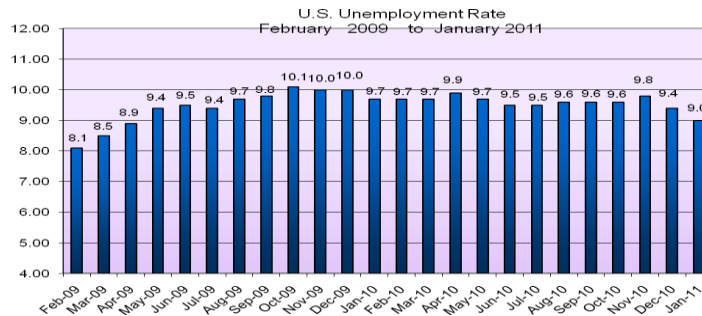
In addition to independent verification of the high standard for the City’s investment program, the AAaf credit rating is recognized by leading bond insurer's as a highly safe investment option for future City bond issues and to include the City’s portfolio as a ‘permitted investment’ in the bond covenants.

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**

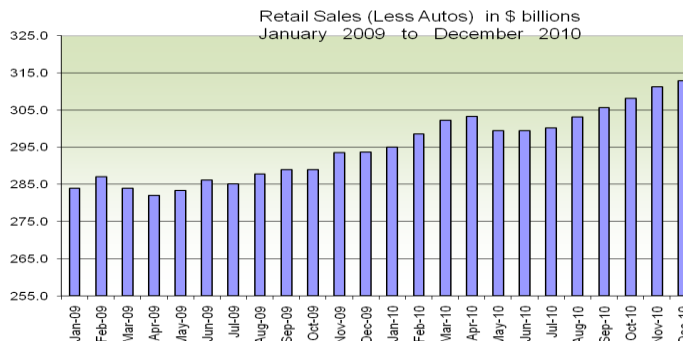
The economy continues to recover from the worst recession since the depression of the 1930’s. Economists agree the recession ended in the second quarter of 2009; however, the recovery appears to be a slow incremental return to growth instead of a rapid return to the “old days” of economic activity.

The unemployment rate for January 2011 dropped to 9.0 %, a decrease of four tenths of a percent from the December 2010 level of 9.4%. However, one of the key numbers for employment showed non-farm payrolls increased by only 36,000 jobs against an estimate of 146,000 jobs. Extremely harsh weather in December may have affected the lower than expected job increase, however, economists have indicated that for a significant decrease in unemployment would require monthly non-farm payrolls to average 150,000 or higher. The large drop in the January 2011 unemployment number may be subject to revision. This is the lowest level for unemployment since April 2009. It should be noted this economic indicator is considered a “lagging” indicator and does not immediately reflect any improvement in economic conditions. Even with the lower value, it appears unemployment will continue to stay at high levels through a majority of the 2011 calendar year. The chart below shows the national unemployment rate for the past twenty four months:



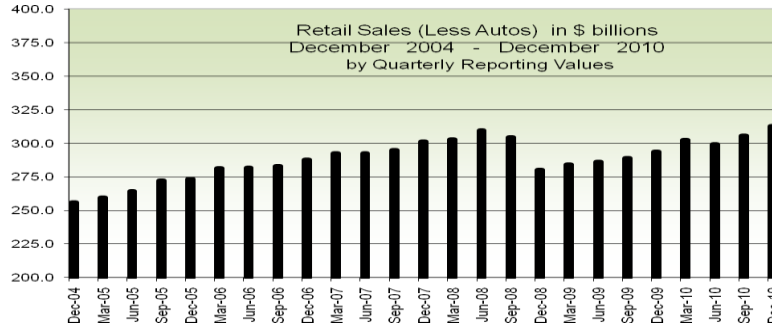
Source: Bureau of Statistics, Dept of Labor

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, improving during traditional sales periods, such as the holidays, and slowing during non-holiday periods. The chart below shows that from a low in January 2009 through December 2010, the level of 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 June 2008 and the large decrease in September 2008 quarter was the result of the financial crisis. The quarter ending December 2010 shows we are almost back to pre-recession levels of March 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:

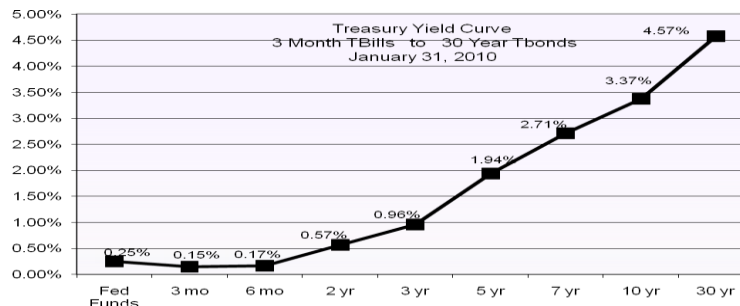


Source: Census Bureau, US Government

Interest rates for January 2011 remained unchanged from their December 2010 levels, with the exception of the ten year Treasury Notes and longer maturities. The three month Treasury bill closed January at 0.15%, up two basis points (a basis point is 1/100 of a percent) from the December level of 0.13%. The two year Treasury note closed January at 0.57%, down three basis points from the December 2010 close of 0.60%. These short term rates remain at historical low levels due to the continued action of the Federal Reserve to hold down interest rates.

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 January 2011 earning 0.34 %, as compared to the three month U.S. Treasury bill yield of 0.15%. The City’s long term portfolio’s yield was 2.61%, which exceeded the interpolated yield of 0.56% for the month of January 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 January 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.

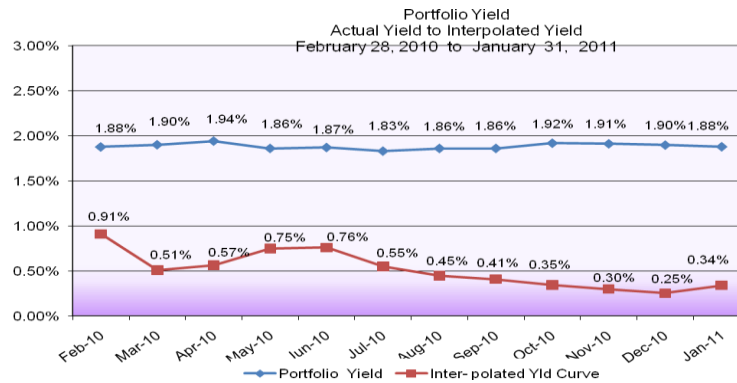
**INVESTMENT PERFORMANCE**

For January 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	\$ 108,407,446	14 days	0.38 %	0.15 %	0.030	0.408
Long-Term Portfolio	\$ 234,543,785	2.2 years	2.61 %	0.56 %	0.231	3.127
Total Portfolio	\$ 342,951,231	1.5 years	1.89 %	0.39 %	0.155	2.424

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 January 2011 is on the following pages.

**IMPACT ON BUDGET:**

None.

Respectfully submitted,

Henry W. Stern, CTP  
 City Treasurer

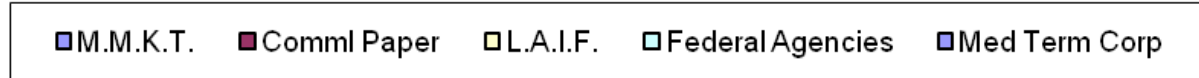
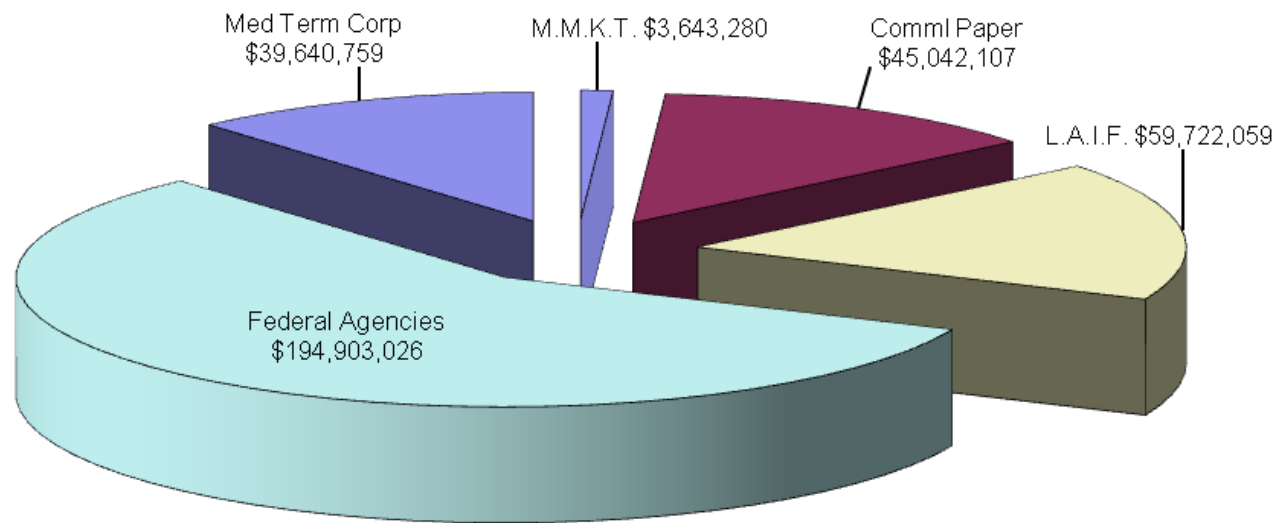
**Attachment:**

1. Investment Portfolio Report

**Balances, Yields and Average Maturities  
January 31, 2011**

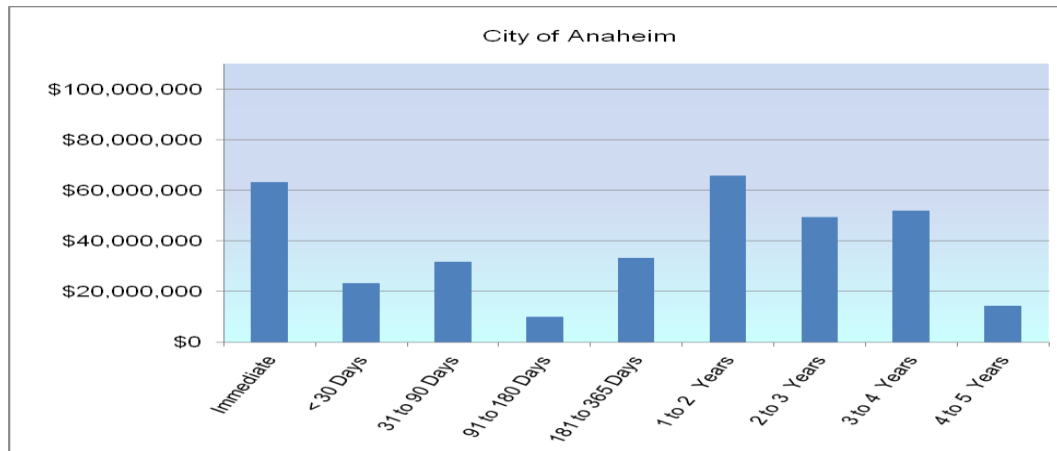
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Percent of Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
<b>Short-Term Portfolio</b>							
Money Market Funds	\$3,643,280	\$3,643,280	\$3,643,280	0.01%	1.06%	1	0.00
L.A.I.F. (State of California)	\$59,722,059	\$59,722,059	\$59,722,059	0.54%	17.41%	1	0.00
subtotal: Cash and Overnight Investments	\$63,365,339	\$63,365,339	\$63,365,339		18.48%	1	0.00
Commercial Paper	\$45,050,000	\$45,042,107	\$45,042,107	0.20%	13.13%	33	0.09
Medium Term Corporate Notes	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Federal Agencies	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
subtotal: Pooled Investments	\$45,050,000	\$45,042,107	\$45,042,107	0.22%	13.13%	9	0.02
<b>Total Short-Term Portfolio:</b>	<b>\$108,415,339</b>	<b>\$108,407,446</b>	<b>\$108,407,446</b>	<b>0.38%</b>	<b>31.61%</b>	<b>14</b>	<b>0.04</b>
<b>Long -Term Portfolio</b>							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$37,435,000	\$38,259,215	\$39,640,759	3.59%	11.56%	602	1.65
U.S. Federal Agencies	\$191,318,000	\$191,036,584	\$194,903,026	2.41%	56.83%	829	2.27
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
<b>Total Long-Term Portfolio:</b>	<b>\$228,753,000</b>	<b>\$229,295,798</b>	<b>\$234,543,785</b>	<b>2.61%</b>	<b>68.39%</b>	<b>791</b>	<b>2.17</b>
<b>Total Cash and Pooled Investments</b>	<b>\$337,168,339</b>	<b>\$337,703,245</b>	<b>\$342,951,231</b>	<b>1.89%</b>	<b>100.00%</b>	<b>542</b>	<b>1.48</b>

City of Anaheim  
Investment Portfolio Asset Allocation  
January 31, 2011  
\$ 342,951,231



Liquidity Schedule  
 January 31, 2011

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$3,643,280	\$3,643,280	1.06%
L.A.I.F. (State of California)	Immediate	\$59,722,059	\$63,365,339	18.48%
Pooled Investment Maturities:	< 30 Days	\$23,198,200	\$86,563,539	25.24%
	31 to 90 Days	\$31,862,577	\$118,426,116	34.53%
	91 to 180 Days	\$10,034,230	\$128,460,346	37.46%
	181 to 365 Days	\$33,183,226	\$161,643,572	47.13%
	1 to 2 years	\$65,683,481	\$227,327,053	66.29%
	2 to 3 years	\$49,301,050	\$276,628,103	80.66%
	3 to 4 years	\$52,077,961	\$328,706,064	95.85%
	4 to 5 years	\$14,245,167	\$342,951,231	100.00%
Total Cash and Pooled Investments:		\$342,951,231		



Summary and Comparison of Yields and Balances  
January 31, 2011

<u>Description</u>	<u>Current Month</u> <u>January 31, 2011</u>	<u>Prior Month</u> <u>December 31, 2010</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.02%
L.A.I.F. (State of California)	0.54%	0.46%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	2.41%	2.49%
Commercial Paper	0.20%	0.22%
Medium Term Corporate Notes	3.59%	3.59%
	1.88%	1.90%
Weighted Average Maturity (Days)	542	470
Weighted Average Maturity (Years)	1.48	1.29
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$3,643,280	\$18,448,768
L.A.I.F. (State of California)	\$59,722,059	\$75,295,444
U.S. Treasuries	\$0	\$0
Federal Agencies	\$194,903,026	\$170,646,157
Commercial Paper	\$45,042,107	\$12,154,338
Medium Term Corporate Notes	\$39,640,759	\$39,617,915
Total Portfolio:	\$342,951,231	\$316,162,622
Earnings:	<u>Current Month</u> <u>January 31, 2011</u>	<u>Fiscal Year to</u> <u>Date Earnings</u>
Total Interest Earnings for Month:	\$567,654.59	\$4,090,074.97
Total Adjustments from Premiums and Discounts	-\$50,571.70	-\$391,357.11
Total Capital Gains or Losses	\$0.00	\$15,919.26
Total Earnings for Month	<u>\$517,082.89</u>	<u>\$3,714,637.12</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%	1.49%

City Treasurer's Investment Report – January 2011

Attachment 1

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**CITY OF ANAHEIM**

**Short-Term Portfolio Listing**

**January 31, 2011**

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			0.54%
SYS17431	17431	LAIF	MMKT	AA	28,901,958.90	28,901,958.90	28,901,958.90			0.54%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	472,165.00	472,165.00	472,165.00			0.02%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	2,971,115.05	2,971,115.05	2,971,115.05			0.01%
4662J1PA2	1546	J P MORGAN	CP	A1	5,000,000.00	4,999,767.74	4,999,767.74	01/07/2011	02/10/2011	0.19%
14178MPB8	1550	CARGILL	CP	A1	5,000,000.00	4,999,714.78	4,999,714.78	01/11/2011	02/11/2011	0.21%
14178MPB8	1554	CARGILL	CP	A1	3,200,000.00	3,199,826.15	3,199,826.15	01/12/2011	02/11/2011	0.20%
0660P1PJ4	1543	BANK OF AMERICA	CP	A1	5,000,000.00	4,999,445.86	4,999,445.86	01/07/2011	02/18/2011	0.24%
89233HPR9	1555	TOYOTA MOTOR CREDIT	CP	A1	5,000,000.00	4,999,445.80	4,999,445.80	01/12/2011	02/25/2011	0.17%
64105SQB7	1551	Nestle Capital	CP	A1	5,000,000.00	4,999,003.02	4,999,003.02	01/11/2011	03/11/2011	0.19%
2546R3QJ6	1545	Disney	CP	A1	5,000,000.00	4,998,881.45	4,998,881.45	01/07/2011	03/18/2011	0.18%
19121BQM4	1544	COCA COLA	CP	A1	1,850,000.00	1,849,484.99	1,849,484.99	01/07/2011	03/21/2011	0.21%
2546R3QR8	1553	Disney	CP	A1	5,000,000.00	4,998,707.47	4,998,707.47	01/12/2011	03/25/2011	0.18%
2546R3RM8	1552	Disney	CP	A1	5,000,000.00	4,997,830.02	4,997,830.02	01/11/2011	04/21/2011	0.20%
Total Short-Term Portfolio:					<u>108,215,338.87</u>	<u>108,207,446.15</u>	<u>108,207,446.15</u>			<u>0.38%</u>

**CITY OF ANAHEIM**

**Long-Term Portfolio Listing**

**January 31, 2011**

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	10,002,412.77	10,018,670.00	04/01/2009	03/16/2011	1.63%
3133XTJ64	1380	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,001,080.93	10,034,230.00	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	5,165,975.00	09/29/2006	09/29/2011	5.34%
31331Y3P3	1296	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	10,000,000.00	9,996,112.95	10,212,620.00	07/15/2008	10/03/2011	3.50%
3133XVQL8	1456	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	3,240,000.00	3,240,028.47	3,261,915.36	12/28/2009	12/09/2011	1.13%
3137EACF4	1454	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	5,001,909.76	5,034,390.00	12/28/2009	12/15/2011	1.13%
38141GBU7	1511	Goldman Sachs Group	MTN	A	9,005,000.00	9,310,919.64	9,508,325.47	05/28/2010	01/15/2012	6.60%
36962GXS8	1510	GENERAL ELEC CAP CORP	MTN	AA	5,000,000.00	5,187,272.77	5,266,450.00	05/28/2010	02/15/2012	5.88%
3136FHEV3	1362	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,026,134.33	8,018,256.00	04/01/2009	03/23/2012	2.38%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,990,733.22	5,052,410.00	12/28/2009	05/25/2012	1.25%
3136F94U4	1342	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,500,000.00	2,500,000.00	2,500,250.00	02/03/2009	08/03/2012	2.00%
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,030,275.79	10,618,160.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	9,850,000.00	9,872,461.54	10,048,457.80	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	4,974,681.04	5,071,325.00	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	10,637,540.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	AA	8,000,000.00	7,954,825.19	8,470,632.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A	8,206,000.00	8,496,371.84	8,692,804.54	06/23/2010	02/05/2013	5.45%

City Treasurer's Investment Report – January 2011

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**CITY OF ANAHEIM**

**Long-Term Portfolio Listing**

**January 31, 2011**

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
38141GDB7	1517	Goldman Sachs Group	MTN	A	2,224,000.00	2,311,170.55	2,384,072.40	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A	5,000,000.00	4,998,654.94	5,318,475.00	04/02/2008	04/02/2013	4.63%
3128X8TZ5	1368	FED HOME LOAN MORT CORP	Fed Agy	AAA	3,955,000.00	3,952,959.67	3,970,982.16	04/14/2009	04/08/2013	2.50%
3133XTNY8	1390	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	1,685,000.00	1,683,768.43	1,695,027.44	06/03/2009	06/03/2013	2.38%
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,958,823.63	4,970,045.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	6,845,000.00	6,867,590.78	7,222,453.84	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	10,052,600.00	06/30/2010	12/30/2013	1.75%
3136FPZ26	1559	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,999,510.03	4,994,590.00	01/24/2011	01/13/2014	1.38%
31398AWH1	1367	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,016,522.09	5,020,540.00	04/14/2009	04/07/2014	2.90%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	8,000,000.00	8,003,082.67	8,334,976.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,500,000.00	4,485,873.63	4,688,424.00	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,000,000.00	4,042,310.51	4,167,488.00	01/29/2010	04/17/2014	2.63%
3128X8YK2	1381	FED HOME LOAN MORT CORP	Fed Agy	AAA	4,038,000.00	4,024,884.36	4,060,451.28	05/01/2009	04/29/2014	2.75%
31331GVG1	1392	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,939,399.61	5,033,240.00	05/28/2009	05/06/2014	2.75%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,032,305.70	5,184,565.00	04/30/2010	05/15/2014	2.50%
3136FPV95	1548	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,350,000.00	2,347,808.43	2,361,505.60	01/07/2011	07/03/2014	1.70%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,017,630.05	8,309,216.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,912,838.63	4,917,555.00	01/24/2011	12/12/2014	1.25%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	2,000,000.00	2,001,306.06	2,064,356.00	03/19/2010	03/13/2015	2.75%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,876,750.00	4,911,760.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,888,349.17	4,911,760.00	01/24/2011	12/01/2015	1.75%
3136FPZ34	1556	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,355,000.00	2,349,039.28	2,357,291.42	01/24/2011	12/30/2015	2.50%
Total Long-Term Portfolio:					<u>228,753,000.00</u>	<u>229,295,798.46</u>	<u>234,543,785.31</u>			<u>2.61%</u>
Total Portfolio:					<u>336,968,338.87</u>	<u>337,503,244.61</u>	<u>342,751,231.46</u>			<u>1.89%</u>

**Mat Call Sale Purch  
 Purchases Report  
 Sorted by Fund - Fund  
 January 1, 2011 - January 31, 2011**

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>													
0660P1PJ4	1543	01	ACP	BAC	5,000,000.00	01/07/2011	02/18 - At Maturity	4,998,600.00		0.240	02/18/2011	0.240	4,999,445.86
19121BQM4	1544	01	ACP	COCA C	1,850,000.00	01/07/2011	03/21 - At Maturity	1,849,212.21		0.210	03/21/2011	0.210	1,849,484.99
2546R3QJ6	1545	01	ACP	DISNEY	5,000,000.00	01/07/2011	03/18 - At Maturity	4,998,250.00		0.180	03/18/2011	0.180	4,998,881.45
4662J1PA2	1546	01	ACP	JPM	5,000,000.00	01/07/2011	02/10 - At Maturity	4,999,102.78		0.190	02/10/2011	0.190	4,999,767.74
14178MPB8	1550	01	ACP	CARGIL	5,000,000.00	01/11/2011	02/11 - At Maturity	4,999,095.83		0.210	02/11/2011	0.210	4,999,714.78
2546R3RM8	1552	01	ACP	DISNEY	5,000,000.00	01/11/2011	04/21 - At Maturity	4,997,222.22		0.200	04/21/2011	0.200	4,997,830.02
64105SQB7	1551	01	ACP	NESTLE	5,000,000.00	01/11/2011	03/11 - At Maturity	4,998,443.06		0.190	03/11/2011	0.190	4,999,003.02
14178MPB8	1554	01	ACP	CARGIL	3,200,000.00	01/12/2011	02/11 - At Maturity	3,199,466.67		0.200	02/11/2011	0.200	3,199,826.15
2546R3QR8	1553	01	ACP	DISNEY	5,000,000.00	01/12/2011	03/25 - At Maturity	4,998,200.00		0.180	03/25/2011	0.180	4,998,707.47
89233HPRS	1555	01	ACP	TOYCC	5,000,000.00	01/12/2011	02/25 - At Maturity	4,998,961.11		0.170	02/25/2011	0.170	4,999,445.80
				<b>Subtotal</b>	<b>46,060,000.00</b>			<b>46,038,663.88</b>	<b>0.00</b>				<b>46,042,107.28</b>
<b>LONG-TERM PORTFOLIO</b>													
31331JZ25	1547	02	FAC	FFCB	5,000,000.00	01/07/2011	05/26 - 11/26	4,957,850.00	5,238.89	0.920	11/26/2013	1.201	4,958,823.63
31331J3T8	1549	02	FAC	FFCB	5,000,000.00	01/07/2011	06/01 - 12/01	4,875,050.00	8,750.00	1.750	12/01/2015	2.261	4,876,750.00
3136FPV95	1548	02	FAC	FNMA	2,350,000.00	01/07/2011	07/03 - 01/03	2,347,650.00	443.89	1.700	07/03/2014	1.706	2,347,808.43
31331J3T8	1558	02	FAC	FFCB	5,000,000.00	01/24/2011	06/01 - 12/01	4,887,900.00	12,881.94	1.750	12/01/2015	2.209	4,888,349.17
313371W51	1557	02	FAC	FHLB	5,000,000.00	01/24/2011	05/22 - 11/22	4,912,400.00	10,763.89	1.250	12/12/2014	1.670	4,912,838.63
3136FPZ34	1556	02	FAC	FNMA	2,355,000.00	01/24/2011	06/30 - 12/30	2,348,759.25	3,925.00	2.500	12/30/2015	2.522	2,349,039.28
3136FPZ26	1559	02	FAC	FNMA	5,000,000.00	01/24/2011	07/13 - 01/13	4,999,500.00	2,100.69	1.375	01/13/2014	1.360	4,999,510.03
				<b>Subtotal</b>	<b>28,705,000.00</b>			<b>28,329,109.25</b>	<b>44,104.30</b>				<b>28,333,119.17</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	16,000,000.00	01/06/2011		16,000,000.00		0.045			
SYS987	987	01	PA2	FIDELI	3,472,375.00	01/10/2011		3,472,375.00		0.045			
SYS987	987	01	PA2	FIDELI	5,000,000.00	01/13/2011		5,000,000.00		0.045			
SYS987	987	01	PA2	FIDELI	297,165.00	01/18/2011		297,165.00		0.045			
SYS987	987	01	PA2	FIDELI	200,000.00	01/28/2011		200,000.00		0.045			
SYS987	987	01	PA2	FIDELI	175,000.00	01/31/2011		175,000.00		0.045			
SYS500	500	01	PA2	GOLDBA	14,286,000.00	01/03/2011		14,286,000.00		0.045			
SYS500	500	01	PA2	GOLDBA	729,000.00	01/04/2011		729,000.00		0.045			

Mat Call Sale Purch  
 Purchases Report  
 January 1, 2011 - January 31, 2011

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
<b>Managed Pool Deposits</b>													
					Deposit Amount	Deposit Date		Deposit Amount		Rate			
SY8500	500	01	PA2	GOLDSA	14,416,000.00	01/06/2011		14,416,000.00		0.045			
SY8500	500	01	PA2	GOLDSA	957,000.00	01/13/2011		957,000.00		0.045			
SY8500	500	01	PA2	GOLDSA	6,233,000.00	01/20/2011		6,233,000.00		0.045			
SY8500	500	01	PA2	GOLDSA	3,161,000.00	01/21/2011		3,161,000.00		0.045			
SY8500	500	01	PA2	GOLDSA	729,000.00	01/25/2011		729,000.00		0.045			
SY8500	500	01	PA2	GOLDSA	132.93	01/31/2011		132.93		0.045			
				<b>Subtotal</b>	<b>86,866,872.83</b>			<b>86,866,872.83</b>					
<b>Total Purchases and Deposits</b>					<b>140,410,872.83</b>			<b>140,021,338.06</b>	<b>44,104.30</b>				<b>74,376,228.46</b>

**Mat Call Sale Purch  
 Maturity Report  
 Sorted by Maturity Date  
 Receipts during January 1, 2011 - January 31, 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
0660P1N72	1540	01	ACP BAC	5,000,000.00	01/07/2011	12/17/2010	0.210	5,000,000.00	0.00	5,000,000.00	0.00
02665KNA1	1541	01	ACP HNDA	2,155,000.00	01/10/2011	12/17/2010		2,155,000.00	0.00	2,155,000.00	0.00
31331GJY6	1338	02	FAC FFCB	5,000,000.00	01/12/2011	01/15/2009	1.600	5,000,000.00	40,000.00	5,040,000.00	40,000.00
14177UND9	1542	01	ACP CARGIL	5,000,000.00	01/13/2011	12/17/2010	0.240	5,000,000.00	0.00	5,000,000.00	0.00
<b>Total Maturities</b>				<b>17,155,000.00</b>				<b>17,165,000.00</b>	<b>40,000.00</b>	<b>17,185,000.00</b>	<b>40,000.00</b>



**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.

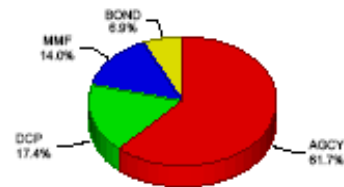
**Plus (+) or Minus (-)** The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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 2009, 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 1.6 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.