



+COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: FEBRUARY 28, 2012
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – JANUARY 2012

ATTACHMENT (Y/N): YES ITEM #

RECOMMENDATION:

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

DISCUSSION:

This is the investment report for the City's general pool for the month ending January 31, 2012. The report is provided to ensure that the City Council is informed as to the investment activities and fulfills the reporting requirements of the City's adopted investment policy.

COMPLIANCE:

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

INVESTMENT SUMMARY:

The following table shows summary investment information for the month ending January 31, 2012:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 108,441,692	\$ 304,366,034	\$ 412,807,726
Effective Yield	0.20 %	1.97 %	1.50 %
Avg. Weighted Maturity	33Days	2.5 Years	1.9 Years
Net Earnings	\$ 29,160	\$ 463,290	\$ 492,450
Benchmark**	0.05%	0.25%	0.21 %

* Portfolio balance includes approximately \$75.9 million of the 2011A Electric Bond project funds

** 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 58% 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.

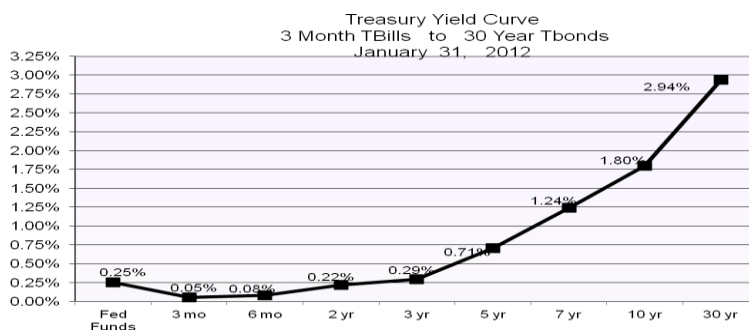
INVESTMENT ENVIRONMENT

The month of January 2012 started the New Year off where 2011 left off. Interest rates remained at historic low levels as continued concern over the fragile economic recovery was tempered with the continuing financial issues in the European economic bloc. Greece has been the target country, with proposed austere issues from the European Monetary Fund (EMF) bordering on the “draconian” and the resistance of the general Greek population to accept a future of downsizing, from incomes to pensions to economic growth. Greece is the poster child of reform, however, the other countries in Europe; Portugal, Spain, Italy and even France facing an economic downturn. The national credit rating agencies of Standard and Poor’s Corporation and Moody’s Investor Services continued to add salt to the economic wounds by downgrading the sovereign debt of many of the countries to AA+ (from AAA) or even lower. The credit downgrade will make the issuance of bonds more expensive for these countries at a time when a stimulus of funds is necessary to manage through the financial crisis. As we move into 2012, the European financial issue will continue to take center stage in the international markets.

The ongoing financial issues in the international markets have many international investors seeking a “safe haven” for their funds. Even with the S&P downgrade of U.S Treasury debt issues to ‘AA+’ (note that Moody’s and Fitch still list U.S. Treasury debt as ‘AAA’) investors have been heavily purchasing U.S. issued debt in a “flight to quality.” There is no other market in the world that provides the efficiencies and volume of funds than the United States financial markets and U.S. Treasury issues. This “flight to quality” in investment securities has lowered yields on all U.S. Treasury debt to historic low levels.

The United States financial markets continued to make slow, incremental progress toward recovery. The Federal Reserve 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.

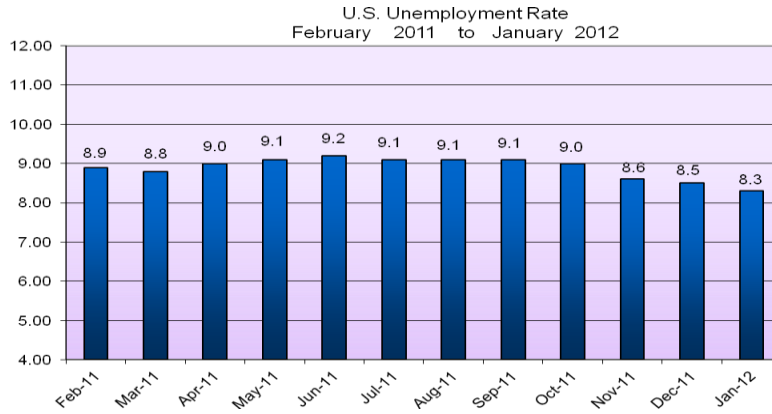
Federal Reserve Chairman Bernanke has announced he intends to keep rates at these levels through the end of calendar year 2014. The chart below shows the interest rates for U. S. Treasury issues for the month ending January 2012:



Source: Bloomberg Financial Systems

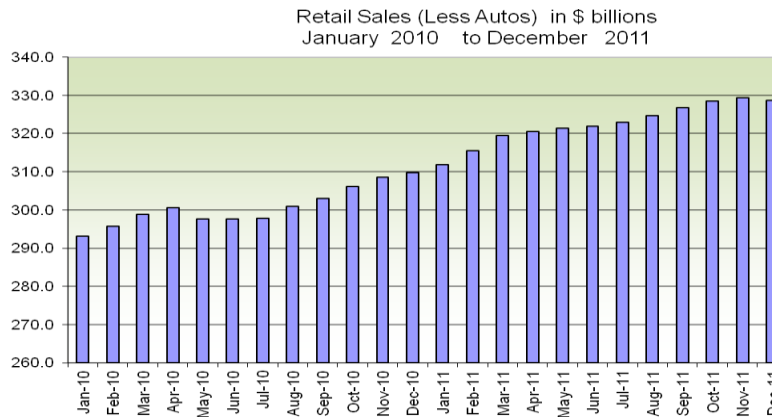
The U.S. economy continues to show signs of a slow incremental recovery from the financial crisis of 2008. A key economic indicator we monitor is the national unemployment rate, which tends to show the overall health of the national economy. For the month of January 2012, the national unemployment rate was reported at 8.3%, which is a decrease from the rate of 8.5% of December 2011 and significantly lower than 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 January 2012 retail sales data had not been released, however, the December 2011 data indicates consumer spending is slowing, with the December 2011 national sales value showing a slight decline from November 2011. 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

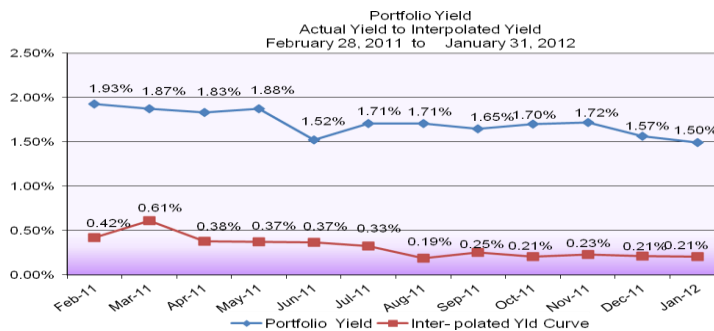
For January 31, 2012, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 108,441,692	33 days	0.20 %	0.05 %	0.018	0.329
Long-Term Portfolio	\$ 304,366,034	2.5 years	1.97 %	0.25 %	0.583	3.203
Total Portfolio	\$ 412,807,726	1.9 years	1.50 %	0.21 %	0.358	2.509

The portfolio balance includes a deposit 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 January 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

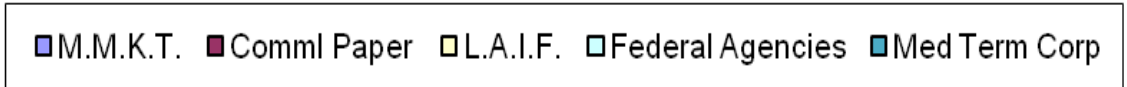
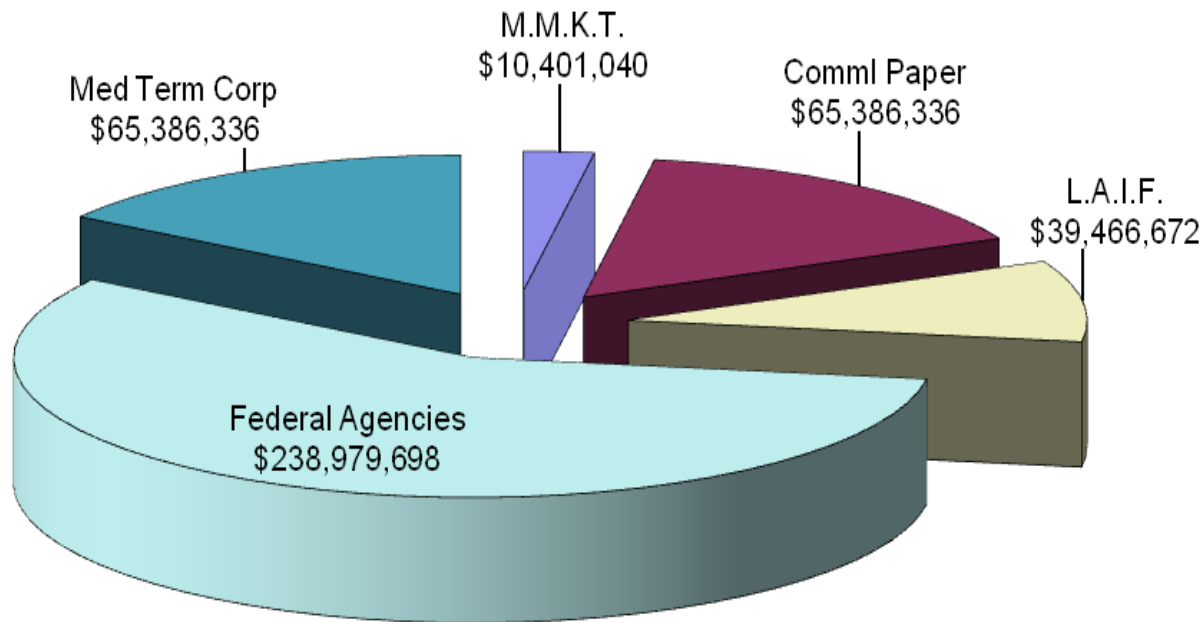
Attachment

1. City Treasurer’s Investment Report

Balances, Yields and Average Maturities
January 31, 2012

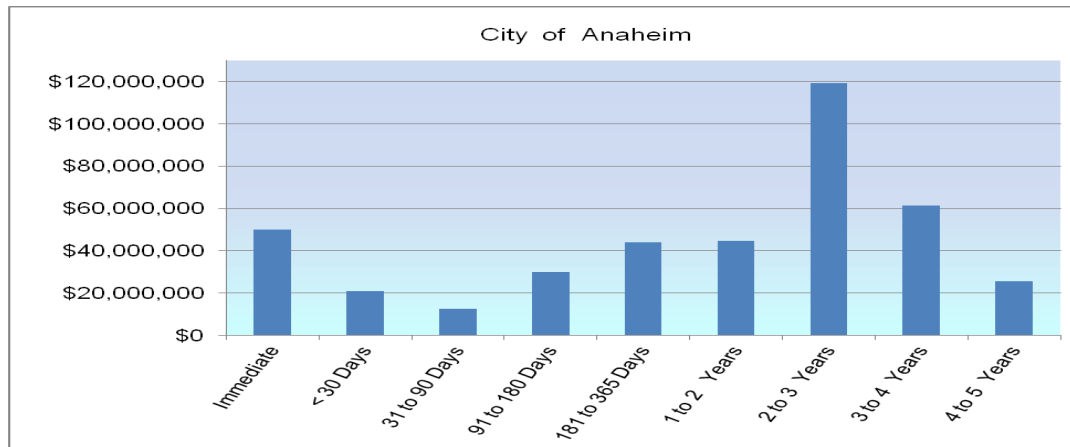
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Percent of Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$10,401,040	\$10,401,040	\$10,401,040	0.01%	2.52%	1	0.00
L.A.I.F. (State of California	\$39,466,672	\$39,466,672	\$39,466,672	0.38%	9.56%	1	0.00
subtotal: Cash and Overnight Investments	\$49,867,712	\$49,867,712	\$49,867,712		12.08%	1	0.00
Commercial Paper	\$58,585,000	\$58,573,980	\$58,573,980	0.10%	14.19%	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	\$58,585,000	\$58,573,980	\$58,573,980	0.10%	14.19%	59	0.16
Total Short-Term Portfolio:	\$108,452,712	\$108,441,692	\$108,441,692	0.20%	26.27%	33	0.09
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$63,386,000	\$63,756,804	\$65,386,336	3.02%	15.84%	863	2.36
U.S. Federal Agencies	\$234,725,000	\$234,490,037	\$238,979,698	1.68%	57.89%	938	2.57
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$298,111,000	\$298,246,841	\$304,366,034	1.97%	73.73%	922	2.53
Total Cash and Pooled Investments	\$406,563,712	\$406,688,533	\$412,807,726	1.50%	100.00%	685	1.88

City of Anaheim
Investment Portfolio Asset Allocation
January 31, 2012
\$ 412,807,726



Liquidity Schedule
 January 31, 2012

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$10,401,040	\$10,401,040	2.55%
L.A.I.F. (State of California)	Immediate	\$39,466,672	\$49,867,712	12.23%
Pooled Investment Maturities:	< 30 Days	\$21,008,819	\$70,876,530	17.38%
	31 to 90 Days	\$12,584,043	\$83,460,573	20.47%
	91 to 180 Days	\$30,008,973	\$113,469,546	27.82%
	181 to 365 Days	\$43,960,272	\$157,429,818	38.60%
	1 to 2 years	\$44,517,551	\$201,947,369	49.52%
	2 to 3 years	\$119,125,122	\$321,072,491	78.73%
	3 to 4 years	\$61,242,778	\$382,315,269	93.75%
	4 to 5 years	\$25,492,457	\$407,807,726	100.00%
Total Cash and Pooled Investments:		\$407,807,726		



Summary and Comparison of Yields and Balances
January 31, 2012

<u>Description</u>	Current Month <u>January 31, 2012</u>	Prior Month <u>December 31, 2011</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.38%	0.40%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.68%	1.91%
Commercial Paper	0.10%	0.08%
Medium Term Corporate Notes	3.02%	3.17%
	1.50%	1.72%
Weighted Average Maturity (Days)	685	573
Weighted Average Maturity (Years)	1.88	1.57
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$10,401,040	\$25,386,081
L.A.I.F. (State of California)	\$39,466,672	\$78,596,983
U.S. Treasuries	\$0	\$0
Federal Agencies	\$238,979,698	\$209,785,086
Commercial Paper	\$58,573,980	\$25,708,453
Medium Term Corporate Notes	\$65,386,336	\$62,385,204
Total Portfolio:	\$412,807,726	\$401,861,807
Earnings:	Current Month <u>January 31, 2012</u>	Fiscal Year to <u>Date Earnings</u>
Total Interest Earnings for Month:	\$525,886.50	\$4,138,491.05
Total Adjustments from Premiums and Discounts	-\$33,436.81	-\$280,179.23
Total Capital Gains or Losses	\$0.00	\$3,920.00
Total Earnings for Month	<u>\$492,449.69</u>	<u>\$3,862,231.82</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%

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

City Treasurer's Investment Report – January 2012

Attachment 1

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CITY OF ANAHEIM
Short-Term Portfolio Listing

January 31, 2012

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
SYS17430	17430	LAIF	MMKT	AA	39,466,671.99	39,466,671.99	39,466,671.99			0.38%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	185,996.58	185,996.58	185,996.58			0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	10,225,154.04	10,225,154.04	10,225,154.04			0.01%
14177TB11	1633	CARGILL	CP	A-1+	5,000,000.00	5,000,000.00	5,000,000.00	01/12/2012	02/01/2012	0.07%
64105GB37	1640	Nestle Capital	CP	A-1+	6,000,000.00	5,999,983.70	5,999,983.70	01/23/2012	02/03/2012	0.05%
14177TBD5	1629	CARGILL	CP	A-1+	5,000,000.00	4,999,902.18	4,999,902.18	01/09/2012	02/13/2012	0.06%
90526MBQ9	1632	Union Bank of California	CP	A-1+	5,000,000.00	4,999,437.66	4,999,437.66	01/12/2012	02/24/2012	0.18%
64105GC77	1621	Nestle Capital	CP	A-1+	5,000,000.00	4,999,759.62	4,999,759.62	12/08/2011	03/07/2012	0.05%
47816FCP4	1622	Johnson & Johnson	CP	A-1+	3,585,000.00	3,584,698.63	3,584,698.63	12/08/2011	03/23/2012	0.06%
19121ACS8	1641	COCA COLA	CP	A-1+	4,000,000.00	3,999,584.66	3,999,584.66	01/23/2012	03/26/2012	0.07%
19121AE72	1639	COCA COLA	CP	A-1+	5,000,000.00	4,998,681.42	4,998,681.42	01/17/2012	05/07/2012	0.10%
89233GEB8	1627	TOYOTA MOTOR CREDIT	CP	A-1+	5,000,000.00	4,996,703.59	4,996,703.59	01/06/2012	05/11/2012	0.24%
2546R2ER3	1628	Disney	CP	A-1+	5,000,000.00	4,998,434.09	4,998,434.09	01/06/2012	05/25/2012	0.10%
2546R2ER3	1630	Disney	CP	A-1+	5,000,000.00	4,998,434.11	4,998,434.11	01/10/2012	05/25/2012	0.10%
2546R2EX0	1631	Disney	CP	A-1+	5,000,000.00	4,998,360.69	4,998,360.69	01/10/2012	05/31/2012	0.10%
Total Short-Term Portfolio:					<u>108,462,822.61</u>	<u>108,451,802.96</u>	<u>108,451,802.96</u>			<u>0.20%</u>

CITY OF ANAHEIM
Long-Term Portfolio Listing

January 31, 2012

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
36962GXS8	1510	GENERAL ELEC CAP CORP			5,000,000.00	5,007,010.21	5,009,495.00	05/28/2010	02/15/2012	5.88%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS			5,000,000.00	4,997,771.28	5,018,359.38	12/28/2009	05/25/2012	1.25%
31359MPF4	1286	FED NATL MORTGAGE ASSN			10,000,000.00	10,011,612.63	10,262,340.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS			9,850,000.00	9,860,446.45	9,979,960.90	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP			5,000,000.00	4,987,739.53	5,056,355.00	01/29/2010	01/09/2013	1.38%
31398AME9	1206	FED NATL MORTGAGE ASSN			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			8,000,000.00	7,977,444.01	8,298,496.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA			8,206,000.00	8,351,988.05	8,444,917.69	06/23/2010	02/05/2013	5.45%
38141GDB7	1517	Goldman Sachs Group			2,224,000.00	2,270,937.99	2,306,252.42	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda			5,000,000.00	4,999,274.94	5,209,805.00	04/02/2008	04/02/2013	4.63%
31331J2Z5	1547	FEDERAL FARM CREDIT BANK			5,000,000.00	4,973,428.06	5,050,795.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS			6,845,000.00	6,859,710.28	7,194,923.25	12/15/2008	12/13/2013	3.13%
3134G3DT4	1642	FED HOME LOAN MORT CORP			6,310,000.00	6,325,443.39	6,315,287.78	01/24/2012	12/27/2013	0.55%
3133EAAG3	1643	FEDERAL FARM CREDIT BANK			10,000,000.00	9,987,517.36	9,995,570.00	01/30/2012	01/30/2014	0.33%
31398A3K6	1567	FED NATL MORTGAGE ASSN			5,000,000.00	4,994,799.35	5,086,375.00	03/23/2011	03/14/2014	1.25%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK			8,000,000.00	8,002,122.67	8,396,696.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK			4,500,000.00	4,490,272.84	4,723,141.50	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK			4,000,000.00	4,029,134.23	4,198,348.00	01/29/2010	04/17/2014	2.63%

City Treasurer's Investment Report – January 2012

Attachment 1

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CITY OF
ANAHEIM

January 31, 2012

Long-Term Portfolio Listing

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			5,000,000.00	5,022,483.02	5,238,470.00	04/30/2010	05/15/2014	2.50%
478160AX2	1584	Johnson & Johnson			3,000,000.00	2,997,309.54	3,053,184.00	05/20/2011	05/15/2014	1.20%
3135G0BT9	1606	FED NATL MORTGAGE ASSN			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			8,000,000.00	7,960,461.43	8,190,968.00	03/23/2011	09/12/2014	1.38%
31331KHW3	1580	FEDERAL FARM CREDIT BANK			5,000,000.00	5,033,639.90	5,179,705.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN			8,000,000.00	8,012,993.95	8,466,448.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS			5,000,000.00	4,935,396.57	5,090,695.00	01/24/2011	12/12/2014	1.25%
3136FRXN8	1604	FED NATL MORTGAGE ASSN			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			5,000,000.00	5,049,837.63	5,110,575.00	01/18/2012	01/09/2015	2.15%
46625HHP8	1637	JP Morgan			6,000,000.00	6,220,518.30	6,319,026.00	01/18/2012	01/20/2015	3.70%
3134G3JX9	1647	FED HOME LOAN MORT CORP			10,000,000.00	9,998,502.08	10,023,370.00	01/30/2012	01/30/2015	0.65%
3135G0HC0	1648	FED NATL MORTGAGE ASSN			10,000,000.00	9,998,005.56	10,004,980.00	01/30/2012	01/30/2015	0.63%
3135G0HC0	1649	FED NATL MORTGAGE ASSN			10,000,000.00	9,997,706.39	10,004,980.00	01/30/2012	01/30/2015	0.63%
3133XWX95	1481	FEDERAL HOME LOAN BANKS			2,000,000.00	2,000,988.80	2,133,662.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK			5,000,000.00	4,985,286.74	5,168,340.00	03/24/2011	03/24/2015	1.67%
31331KKU3	1579	FEDERAL FARM CREDIT BANK			5,000,000.00	5,003,150.84	5,051,915.00	05/16/2011	05/13/2015	1.93%
3136FRSL8	1599	FED NATL MORTGAGE ASSN			5,000,000.00	4,996,916.67	5,019,830.00	06/29/2011	06/29/2015	1.50%
3134G3JY7	1636	FED HOME LOAN MORT CORP			10,000,000.00	10,000,000.00	10,014,340.00	01/30/2012	07/30/2015	0.84%
594918AG9	1591	Microsoft Corp			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			2,200,000.00	2,199,600.33	2,204,908.20	12/28/2011	09/28/2015	1.05%
31331K5U0	1634	FEDERAL FARM CREDIT BANK			5,000,000.00	4,999,200.00	5,005,420.00	01/13/2012	10/13/2015	0.95%
31398A4K5	1574	FED NATL MORTGAGE ASSN			3,000,000.00	2,999,347.23	3,112,329.00	05/11/2011	10/15/2015	1.88%
931142CX9	1581	Walmart			2,956,000.00	2,903,434.81	3,037,559.00	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK			5,000,000.00	4,902,250.00	5,147,030.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK			5,000,000.00	4,911,449.34	5,147,030.00	01/24/2011	12/01/2015	1.75%
3136FTXD6	1626	FED NATL MORTGAGE ASSN			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			5,000,000.00	4,992,524.85	4,980,405.00	02/08/2011	02/07/2016	3.63%
478160AY0	1583	Johnson & Johnson			3,000,000.00	2,992,129.47	3,155,781.00	05/20/2011	05/15/2016	2.15%
36962G5H3	1617	GENERAL ELEC CAP CORP			5,000,000.00	4,994,393.78	5,276,010.00	10/17/2011	10/17/2016	3.35%
3136FTLJ6	1619	FED NATL MORTGAGE ASSN			3,000,000.00	3,003,357.08	3,019,056.00	11/25/2011	11/14/2016	1.63%
313376RQ0	1635	FEDERAL HOME LOAN BANKS			4,020,000.00	4,018,248.40	4,044,694.86	01/24/2012	01/24/2017	1.15%
3136FTZB8	1644	FED NATL MORTGAGE ASSN			5,000,000.00	4,991,054.97	5,016,510.00	01/30/2012	01/30/2017	1.25%
Total Long-Term Portfolio:					<u>298,111,000.00</u>	<u>298,246,840.95</u>	<u>304,366,033.98</u>			<u>1.97%</u>
Total Portfolio:					<u>406,573,822.61</u>	<u>406,698,643.91</u>	<u>412,817,836.94</u>			<u>1.50%</u>

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

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Prtnlpal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM %	Ending Book Value
SHORT- TERM PORTFOLIO												
2546R2ER3	1628	01	ACP DISNEY	5,000,000.00	01/06/2012	05/25 - At Maturity	4,998,055.56		0.100	05/25/2012	0.100	4,998,434.09
89233GEB8	1627	01	ACP TOYCC	5,000,000.00	01/06/2012	05/11 - At Maturity	4,995,800.00		0.240	05/11/2012	0.240	4,996,703.59
14177TBD5	1629	01	ACP CARGIL	5,000,000.00	01/09/2012	02/13 - At Maturity	4,999,708.33		0.060	02/13/2012	0.060	4,999,902.18
2546R2ER3	1630	01	ACP DISNEY	5,000,000.00	01/10/2012	05/25 - At Maturity	4,998,111.11		0.100	05/25/2012	0.100	4,998,434.11
2546R2EX0	1631	01	ACP DISNEY	5,000,000.00	01/10/2012	05/31 - At Maturity	4,998,027.78		0.100	05/31/2012	0.100	4,998,360.69
14177TB11	1633	01	ACP CARGIL	5,000,000.00	01/12/2012	02/01 - At Maturity	4,999,805.56		0.070	02/01/2012	0.070	5,000,000.00
90526MBQ9	1632	01	ACP UN BK	5,000,000.00	01/12/2012	02/24 - At Maturity	4,998,925.00		0.180	02/24/2012	0.180	4,999,437.66
19121AE72	1639	01	ACP COCA C	5,000,000.00	01/17/2012	05/07 - At Maturity	4,998,458.33		0.100	05/07/2012	0.100	4,998,681.42
19121ACS8	1641	01	ACP COCA C	4,000,000.00	01/23/2012	03/26 - At Maturity	3,999,510.00		0.070	03/26/2012	0.070	3,999,584.66
64105GB37	1640	01	ACP NESTLE	6,000,000.00	01/23/2012	02/03 - At Maturity	5,999,908.33		0.050	02/03/2012	0.050	5,999,983.70
			Subtotal	60,000,000.00			48,888,510.00	0.00				48,888,622.10
LONG-TERM PORTFOLIO												
31331KSU0	1634	02	FAC FFCB	5,000,000.00	01/13/2012	04/13 - 10/13	4,999,000.00		0.950	10/13/2015	0.942	4,999,200.00
46625HHP8	1637	02	MTN JPM	6,000,000.00	01/18/2012	01/20 - 07/20	6,223,200.00	Received	3.700	01/20/2015	2.376	6,220,518.30
36962GSM2	1638	02	MTN GECC	5,000,000.00	01/18/2012	07/09 - 01/09	5,050,450.00	2,687.50	2.150	01/09/2015	1.775	5,049,837.63
313376RQ0	1635	02	FAC FHLB	4,020,000.00	01/24/2012	07/24 - 01/24	4,018,231.20		1.150	01/24/2017	1.143	4,018,248.40
3134G3DT4	1642	02	FAC FHLMC	6,310,000.00	01/24/2012	06/27 - 12/27	6,325,775.00	2,602.88	0.550	12/27/2013	0.414	6,325,443.39
3133EAAAG3	1643	02	FAC FFCB	10,000,000.00	01/30/2012	07/30 - 01/30	9,987,500.00		0.330	01/30/2014	0.387	9,987,517.36
3134G3JY7	1636	02	FAC FHLMC	10,000,000.00	01/30/2012	07/30 - 01/30	10,000,000.00		0.840	07/30/2015	0.828	10,000,000.00
3134G3JX9	1647	02	FAC FHLMC	10,000,000.00	01/30/2012	07/30 - 01/30	9,998,500.00		0.650	01/30/2015	0.646	9,998,502.08
3136FTZB8	1644	02	FAC FNMA	5,000,000.00	01/30/2012	07/30 - 01/30	4,991,050.00		1.250	01/30/2017	1.269	4,991,054.97
3135G0HC0	1648	02	FAC FNMA	10,000,000.00	01/30/2012	07/30 - 01/30	9,998,000.00		0.625	01/30/2015	0.623	9,998,005.56
3135G0HC0	1649	02	FAC FNMA	10,000,000.00	01/30/2012	07/30 - 01/30	9,997,700.00		0.625	01/30/2015	0.624	9,997,706.39
			Subtotal	81,330,000.00			81,688,406.20	6,280.38				81,688,094.08
Managed Pool Deposits												
				Deposit Amount	Deposit Date		Deposit Amount		Rate			
SY9987	987	01	PA2 FIDELI	2,369,975.00	01/03/2012		2,369,975.00		0.010			
SY9987	987	01	PA2 FIDELI	10,141,144.44	01/06/2012		10,141,144.44		0.010			
SY9987	987	01	PA2 FIDELI	34,375.00	01/09/2012		34,375.00		0.010			
SY9987	987	01	PA2 FIDELI	56,250.00	01/11/2012		56,250.00		0.010			

Received = Accrued Interest at Purchase was received by report ending date.

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

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Prtnlpal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 380	Ending Book Value
Managed Pool Deposits													
					Deposit Amount	Deposit Date		Deposit Amount		Rate			
SYS987	987	01	PA2	FIDELI	10,111.11	01/12/2012		10,111.11		0.010			
SYS987	987	01	PA2	FIDELI	5,035,375.00	01/13/2012		5,035,375.00		0.010			
SYS987	987	01	PA2	FIDELI	4,303,706.67	01/17/2012		4,303,706.67		0.010			
SYS987	987	01	PA2	FIDELI	111,000.00	01/20/2012		111,000.00		0.010			
SYS987	987	01	PA2	FIDELI	2,125,000.00	01/23/2012		2,125,000.00		0.010			
SYS987	987	01	PA2	FIDELI	34,000,000.00	01/27/2012		34,000,000.00		0.010			
SYS987	987	01	PA2	FIDELI	175,000.00	01/31/2012		175,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	3,917,000.00	01/03/2012		3,917,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	1,754,000.00	01/04/2012		1,754,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	18,225,000.00	01/05/2012		18,225,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	1,161,000.00	01/06/2012		1,161,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	1,730,000.00	01/10/2012		1,730,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	3,873,000.00	01/11/2012		3,873,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	1,559,000.00	01/12/2012		1,559,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	935,000.00	01/18/2012		935,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	8,417,000.00	01/19/2012		8,417,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	2,266,000.00	01/20/2012		2,266,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	2,416,000.00	01/23/2012		2,416,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	1,874,000.00	01/24/2012		1,874,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	6,888,000.00	01/27/2012		6,888,000.00		0.010			
SYS500	500	01	PA2	GOLDSA	145.90	01/31/2012		145.90		0.010			
				Subtotal	113,377,083.12			113,377,083.12					
				Total Purchases and Deposits	244,707,083.12			244,862,799.32	5,290.38				131,676,668.18

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

CUSIP	Investment #	Fund	Sec. Type Issuer	Par Value	Maturity Date	Purchase Date at Maturity	Rate	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
19121AAC5	1618	01	ACP COCA C	5,000,000.00	01/12/2012	11/14/2011	0.090	5,000,000.00	0.00	5,000,000.00	0.00
90526MAD9	1624	01	ACP UN BK	5,000,000.00	01/13/2012	12/22/2011	0.150	5,000,000.00	0.00	5,000,000.00	0.00
38141GBU7	1511	02	MTN GOLDMA	9,005,000.00	01/15/2012	05/28/2010	6.600	9,005,000.00	297,165.00	9,302,165.00	297,165.00
45920FAP3	1623	01	ACP IBM	2,125,000.00	01/23/2012	12/22/2011	0.070	2,125,000.00	0.00	2,125,000.00	0.00
36959RAT2	1620	01	ACP GECP	5,000,000.00	01/27/2012	12/08/2011	0.040	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities:				28,130,000.00				28,130,000.00	287,165.00	28,427,165.00	287,165.00

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

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
07/18/2013												
3134G2QF2	1609	02	FHLMC FAC	07/18/2011	01/18/2012 07/18/2013	10,000,000.00	0.650	10,000,000.00	10,000,000.00	32,500.00	10,032,500.00	32,500.00
Subtotal						10,000,000.00		10,000,000.00	10,000,000.00	32,600.00	10,032,600.00	32,600.00
01/13/2014												
3136FPZ26	1559	02	FNMA FAC	01/04/2011	01/13/2012 01/13/2014	5,000,000.00	1.375	5,000,000.00	5,000,000.00	34,375.00	5,034,375.00	34,375.00
Subtotal						5,000,000.00		5,000,000.00	5,000,000.00	34,375.00	5,034,375.00	34,375.00
04/11/2014												
313374D56	1602	02	FHLB FAC	07/11/2011	01/12/2012 04/11/2014	4,000,000.00	1.000	4,000,000.00	4,000,000.00	10,111.11	4,010,111.11	10,111.11
Subtotal						4,000,000.00		4,000,000.00	4,000,000.00	10,111.11	4,010,111.11	10,111.11
07/03/2014												
3136FPV95	1548	02	FNMA FAC	01/07/2011	01/03/2012 07/03/2014	2,350,000.00	1.700	2,350,000.00	2,350,000.00	19,975.00	2,369,975.00	19,975.00
Subtotal						2,350,000.00		2,350,000.00	2,350,000.00	19,975.00	2,369,975.00	19,975.00
01/06/2015												
3134G2MX7	1601	02	FHLMC FAC	07/06/2011	01/06/2012 01/06/2015	5,000,000.00	1.350	5,000,000.00	5,000,000.00	33,750.00	5,033,750.00	33,750.00
3134G2MX7	1605	02	FHLMC FAC	07/06/2011	01/06/2012 01/06/2015	10,000,000.00	1.350	10,000,000.00	10,000,000.00	67,500.00	10,067,500.00	67,500.00
3134G2MX7	1608	02	FHLMC FAC	07/06/2011	01/06/2012 01/06/2015	5,000,000.00	1.350	5,000,000.00	5,000,000.00	33,750.00	5,033,750.00	33,750.00
Subtotal						20,000,000.00		20,000,000.00	20,000,000.00	135,000.00	20,135,000.00	135,000.00
Total Sales						41,360,000.00		41,360,000.00	41,360,000.00	231,961.11	41,591,961.11	231,961.11

Data Updated: SET_MCSP: 02/16/2012 10:16
 Run Date: 02/16/2012 - 10:17

Portfolio CITY
 AP
 SA (PRF_SA) 7.1.1
 Report Ver. 7.3.1



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.