



COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: FEBRUARY 25, 2014
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – JANUARY 2014

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

RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for January 2014.

DISCUSSION:

This is the investment report for the City's general pool for the month ending January 31, 2014. 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, 2014:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 140,354,792	\$ 290,840,980	\$ 431,195,772
Effective Yield	0.16 %	1.39 %	0.98 %
Avg. Weighted Maturity	24 Days	2.3 Years	1.6 Years
Net Earnings	\$ 19,310	\$ 342,705	\$ 362,015
Benchmark**	0.03 %	0.40 %	0.22 %

* Portfolio balance includes approximately \$20.9 million of the 2011A Electric Bond project funds (December 2013)

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

INVESTMENT ACTIVITIES

The City Treasurer's Investment Portfolio has a current 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 47% 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.

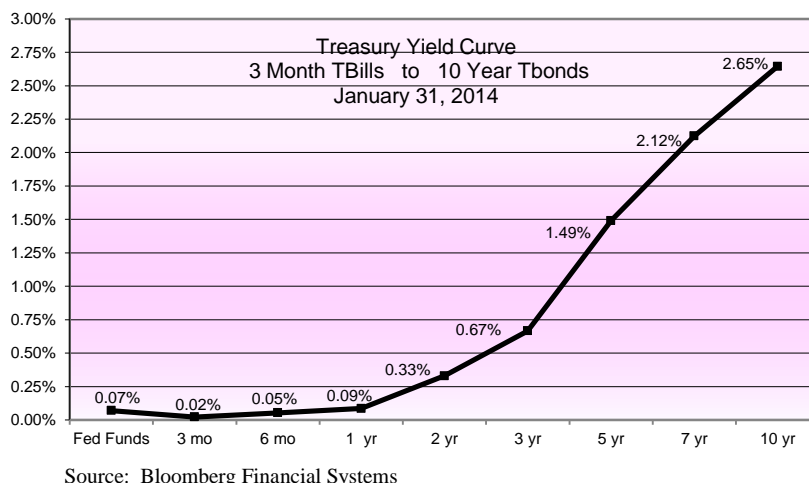
INVESTMENT ENVIRONMENT:

The month of January 2014 saw interest rates move significantly lower across the entire U.S. Treasury yield curve as investor concern for lower than expected non-farm employment numbers were reported. The financial markets are apprehensive that the U.S. economy may be slowing as the rate of new hires for some firms is declining while other companies continue to restructure their main business cores and reduce personnel. We are now five years into the recovery from the “Great Recession” of 2008, which historically is one of the longest recoveries for the national economy. The U.S. Treasury 3 month bill closed January at 0.02%, down from its December 2013 close of 0.07%; the U.S. Treasury 2 year Note closed January at 0.33%, down from the prior month level of 0.38% and the 5 year U.S. TNote finished January at 1.49%, down 0.25% from the December close of 1.74%. The longer maturities showed similar declines, with the benchmark 10 year U.S. Treasury Note closing at 2.65%, down 0.38% from the December 2013 level of 3.03%.

The decline in yields is surprising in lieu of the Federal Reserve action to begin “tapering” the purchases of long term securities from approximately \$85 billion per month to \$75 billion per month and a further action announced in January to again reduce projected monthly purchases by another \$10 billion.

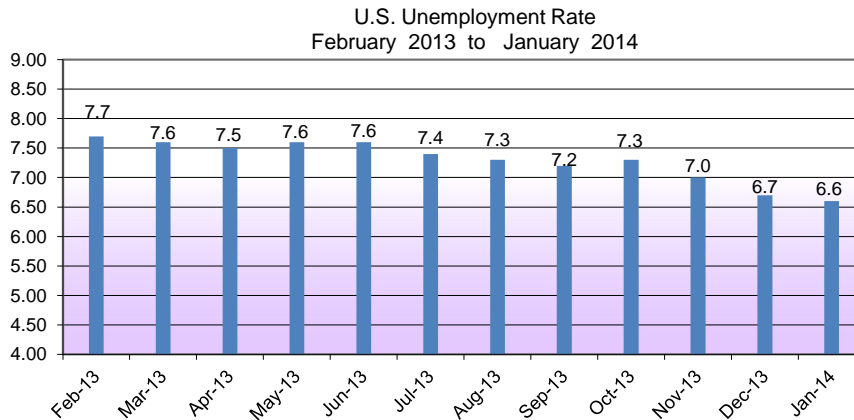
The Federal Reserve continues to monitor the economic data to maintain the modest growth and sustain the overall recovery from the “Great Recession” of 2008. The January 29, 2014 Federal Open Market Committee (FOMC) meeting continues to keep the benchmark Federal Funds rate at 0 to 0.25% with the language assessment changing to a ‘focus’ on “Growth”. The Federal Reserve lowered the Federal Funds rate to this historically low level at their December 2008 FOMC meeting. The Federal Funds rate is the interest rate that banks lend to each other to maintain their capital values and positions.

The chart below shows the interest rates for U.S. Treasury issues for the month ending January 2014:



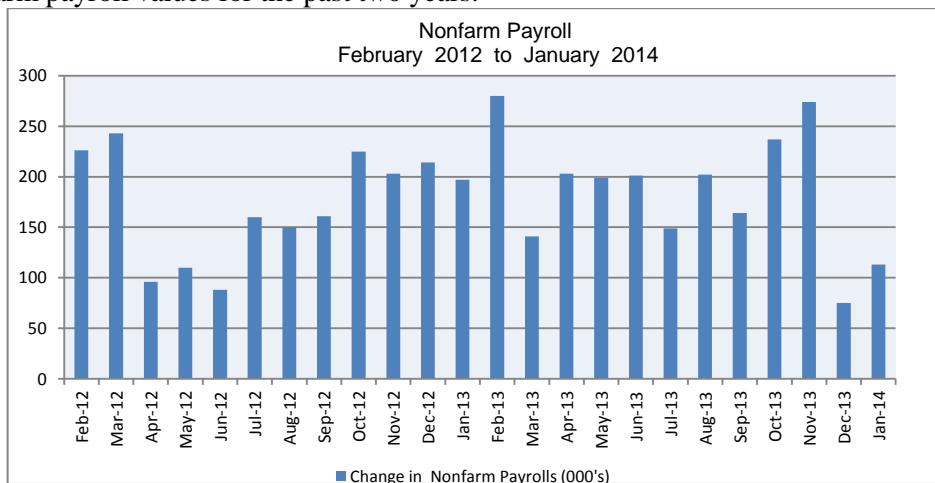
A key economic indicator watched by investors is the national unemployment rate, which tends to show the overall health of the national economy. For the month of January 2014, the national unemployment rate was reported at 6.6%, down 0.1% from the December 2013 value of 6.7%. The twelve month average is at 7.3%, which is significantly lower from the December 2011 level of 8.5%, however, economists are divided as to whether the reduction in unemployment is the result of people being employed or are simply not looking any longer, which removes them from the unemployed survey.

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: U.S. Bureau of Labor Statistics

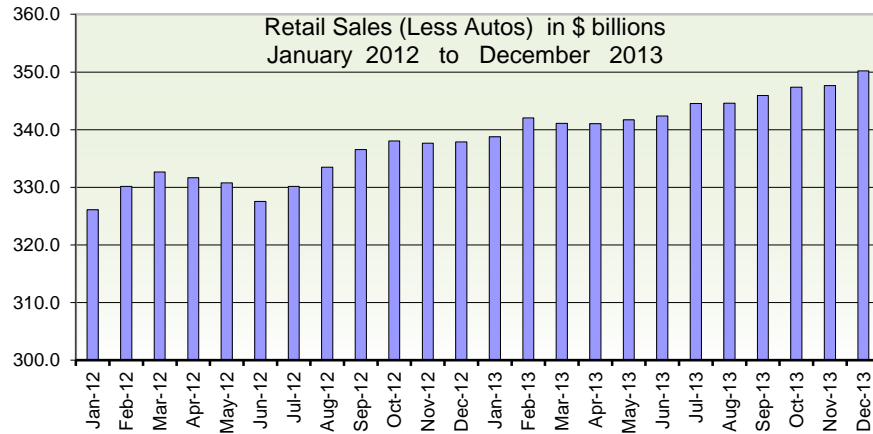
A more accurate gauge of the employment sector and the improving economy is the amount of jobs being created. The Bureau of Labor Statistics publishes monthly the value of US Employees on nonfarm payrolls, which is an indication of how the corporate or business sector is hiring. For the month of January 2014, the nonfarm payroll number was reported to be 113,000 new jobs created, significantly lower than expectations. For comparison, the December 2013 value was revised slightly upward to 75,000 new jobs from the previous value of 74,000. The annual (twelve month average) value with the revised values shows approximately 186,000 monthly new jobs are being created, which is above the minimum value of 180,000 new monthly jobs that economists have said are needed to show sustained economic growth. It should be noted the nonfarm payroll values are subject to seasonal variations and revisions, making an analysis of a distinct trend in this indicator difficult at times. The chart below shows the nonfarm payroll values for the past two years:



Source: U.S. Bureau of Labor Statistics

Another economic factor we watch is the monthly Retail Sales (less Autos), which measures the level of consumer spending and provides an indication of the underlying vitality of the overall national economy. At the time this

report was prepared, the January 2014 data were not available. The month of December 2013 value showed an annualized retail sales value of \$350.2 billion, up from the November 2013 value of \$347.7 billion, for a month over month percentage increase of 0.7%. The annualized increase, year to year, showed a percentage increase of 3.7%. The increase in month over month retail sales showed a healthy increase in consumer spending for the holiday season. It is estimated that consumer spending accounts for over sixty five percent of economic activity, so an increase in retail sales can indicate expanding economic activity. The chart below shows the monthly increase in consumer spending for the past twenty four months:



Source: Census Bureau, US Government

INVESTMENT PERFORMANCE:

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

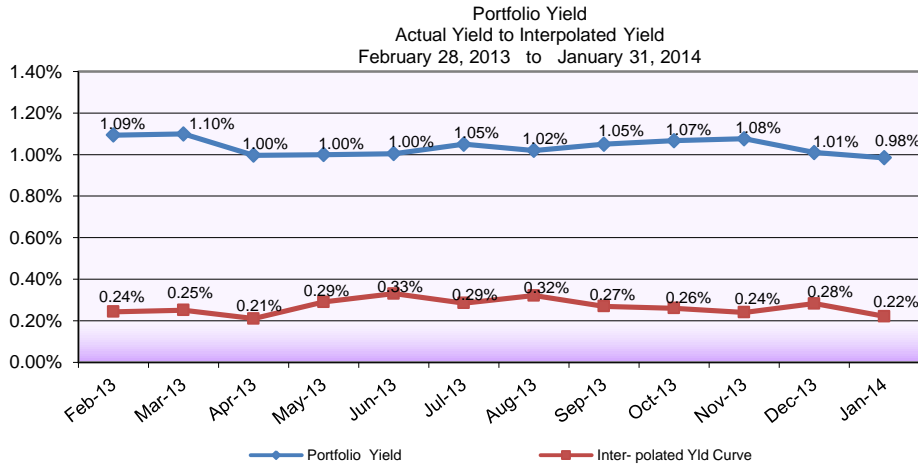
For January 31, 2014, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 140,354,792	24 days	0.16 %	0.03 %	0.014	0.158
Long-Term Portfolio	\$ 290,840,980	2.3 years	1.39 %	0.40 %	0.322	0.567
Total Portfolio	\$ 431,195,772	1.6 years	0.98 %	0.22 %	0.221	0.477

The portfolio balance includes a deposit for the acquisition funds of the 2011A Electric Bonds of \$20,910,801.00 as of the December 31, 2013 bond fund report balance. As a credit rated portfolio of “AA”, 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

The interpolated yield curve value of 0.22% reflects the current market interest rates comparable to the City's Investment Portfolio average weighted maturity of 1.6 years as of January 31, 2014. As shown, the City's Investment Portfolio interest earnings were 0.98% for January, a monthly approximate dollar earnings of \$269,907 over market interest rates. Cumulative earnings for the City portfolio earnings over market interest rates for the past twelve months are approximately \$3,249,356.

A complete listing of the portfolio holdings and investment activity for the City of Anaheim's Investment Portfolio for the month of January 2014 is on the following pages.

IMPACT ON BUDGET:

There is no budgetary impact. Interest income is allocated in various funds based on the performance of the Investment Portfolio.

Respectfully submitted,

Henry W. Stern, CTP
 City Treasurer

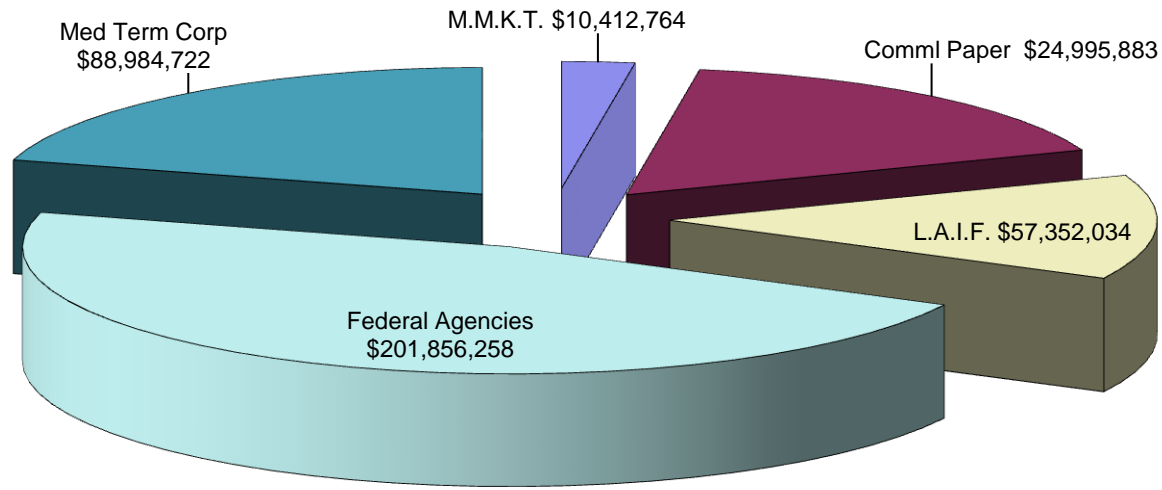
Attachment

1. City Treasurer's Investment Report

Balances, Yields and Average Maturities**January 31, 2014**

<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	\$10,412,764	\$10,412,764	\$10,412,764	0.01%	2.41%	1	0.00
L.A.I.F. (State of California	\$57,352,034	\$57,352,034	\$57,352,034	0.26%	13.30%	1	0.00
subtotal: Cash and Overnight Investments	\$67,764,798	\$67,764,798	\$67,764,798		15.72%	1	0.00
Commercial Paper	\$72,600,000	\$72,589,993	\$72,589,993	0.09%	16.83%	45	0.12
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	\$72,600,000	\$72,589,993	\$72,589,993	0.09%	16.83%	45	0.12
Total Short-Term Portfolio:	\$140,364,798	\$140,354,792	\$140,354,792	0.16%	32.55%	24	0.07
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$87,404,000	\$87,788,118	\$88,984,722	1.59%	20.64%	795	2.18
U.S. Federal Agencies	\$201,822,000	\$201,636,402	\$201,856,258	1.30%	46.81%	860	2.36
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$289,226,000	\$289,424,521	\$290,840,980	1.39%	67.45%	840	2.30
Total Cash and Pooled Investments	\$429,590,798	\$429,779,312	\$431,195,771	0.98%	100.00%	573	1.57

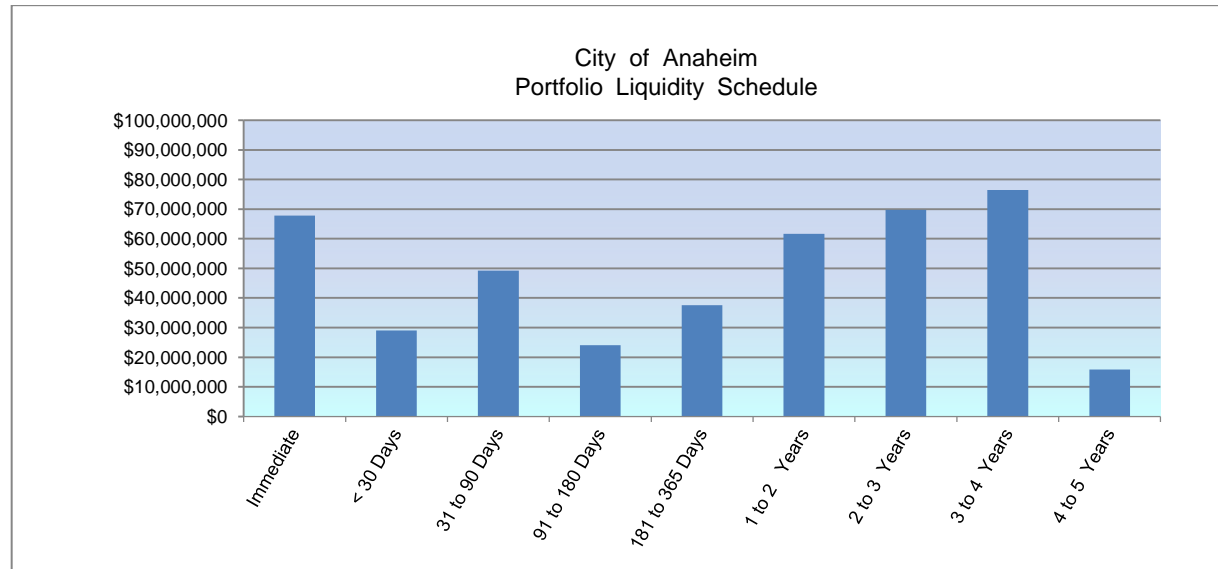
City of Anaheim
Investment Portfolio Asset Allocation
January 31, 2014
\$ 431,195,771



Liquidity Schedule

January 31, 2014

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$10,412,764	\$10,412,764	2.41%
L.A.I.F. (State of California)	Immediate	\$57,352,034	\$67,764,798	15.72%
Pooled Investment Maturities:	< 30 Days	\$28,999,552	\$96,764,351	22.44%
	31 to 90 Days	\$49,189,349	\$145,953,699	33.85%
	91 to 180 Days	\$24,035,288	\$169,988,987	39.42%
	181 to 365 Days	\$37,579,541	\$207,568,528	48.14%
	1 to 2 years	\$61,705,528	\$269,274,056	62.45%
	2 to 3 years	\$69,715,418	\$338,989,474	78.62%
	3 to 4 years	\$76,407,444	\$415,396,917	96.34%
	4 to 5 years	\$15,798,854	\$431,195,771	100.00%
Total Cash and Pooled Investments:		\$431,195,771		



Summary and Comparison of Yields and Balances

January 31, 2014

<u>Description</u>	Current Month <u>January 31, 2014</u>	Prior Month <u>December 31, 2013</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.26%	0.26%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.30%	1.27%
Commercial Paper	0.09%	0.09%
Medium Term Corporate Notes	1.60%	1.60%
Total Portfolio Yield	0.98%	1.01%
Weighted Average Maturity (Days)	573	591
Weighted Average Maturity (Years)	1.57	1.62
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$10,412,764	\$6,040,988
L.A.I.F. (State of California)	\$57,352,034	\$65,313,138
U.S. Treasuries	\$0	\$0
Federal Agencies	\$201,856,258	\$208,915,411
Commercial Paper	\$72,589,993	\$52,793,602
Medium Term Corporate Notes	\$88,984,722	\$86,642,968
Total Portfolio:	\$431,195,771	\$419,706,107
Earnings:	Current Month <u>January 31, 2014</u>	Fiscal Year to <u>Date Earnings</u>
Total Interest Earnings for Month:	\$359,092.42	\$2,575,435.83
Total Adjustments from Premiums and Discounts	-\$2,447.97	-\$14,155.51
Total Capital Gains or Losses	\$5,370.00	\$5,370.00
Total Earnings for Month	<u>\$362,014.45</u>	<u>\$2,566,650.32</u>

City of Anaheim
Investment Portfolio Summary

<u>Month / Yr</u>	<u>Core Portfolio</u>	<u>Reserve Portfolio</u>	<u>Portfolio Balance (market value)</u>	<u>Portfolio Yield</u>	<u>Avg Wgt Mat. - Days</u>	<u>Avg Wgt Mat. - Yrs</u>	<u>Inter - polated Yld Curve</u>	<u>Difference: City Yield / Interpolated</u>
Jun-09	\$92,988,732	\$316,049,180	\$409,037,911	2.26%	752	2.06	1.12%	1.14%
Jun-10	\$127,268,510	\$256,712,953	\$383,981,463	1.87%	536	1.47	0.45%	1.42%
Jun-11	\$180,459,755	\$261,836,213	\$442,295,968	1.52%	554	1.52	0.35%	1.17%
Jun-12	\$161,711,522	\$259,031,847	\$420,743,369	1.38%	484	1.33	0.28%	1.11%
Jul-12	\$130,883,306	\$254,515,935	\$385,399,241	1.49%	503	1.38	0.19%	1.29%
Aug-12	\$128,310,646	\$269,502,499	\$397,813,145	1.47%	521	1.43	0.20%	1.27%
Sep-12	\$108,805,936	\$259,373,508	\$368,179,443	1.46%	542	1.48	0.22%	1.24%
Oct-12	\$107,137,761	\$270,989,809	\$378,127,570	1.43%	561	1.54	0.25%	1.18%
Nov-12	\$97,947,618	\$273,455,616	\$371,403,234	1.45%	575	1.58	0.24%	1.20%
Dec-12	\$97,621,426	\$285,055,252	\$382,676,678	1.39%	634	1.74	0.23%	1.16%
Jan-13	\$105,033,351	\$291,834,246	\$396,867,596	1.20%	751	2.06	0.27%	0.93%
Feb-13	\$128,239,171	\$286,885,162	\$415,124,333	1.09%	716	1.96	0.24%	0.85%
Mar-13	\$125,785,560	\$286,780,703	\$412,566,263	1.10%	695	1.90	0.25%	0.85%
Apr-13	\$145,789,032	\$279,600,648	\$425,389,680	1.00%	654	1.79	0.21%	0.79%
May-13	\$142,296,123	\$296,152,869	\$438,448,991	1.00%	680	1.86	0.29%	0.71%
Jun-13	\$141,655,794	\$299,138,984	\$440,794,778	1.00%	670	1.84	0.33%	0.67%
Jul-13	\$124,516,874	\$299,599,908	\$424,116,783	1.05%	675	1.85	0.29%	0.76%
Aug-13	\$139,344,652	\$293,752,142	\$433,096,794	1.02%	626	1.72	0.32%	0.70%
Sep-13	\$123,651,911	\$294,704,136	\$418,356,047	1.05%	628	1.72	0.27%	0.78%
Oct-13	\$117,872,756	\$295,174,674	\$413,047,430	1.07%	616	1.69	0.26%	0.81%
Nov-13	\$113,839,617	\$290,231,135	\$404,070,752	1.08%	608	1.67	0.24%	0.84%
Dec-13	\$124,147,728	\$295,558,379	\$419,706,107	1.01%	591	1.62	0.28%	0.73%
Jan-14	\$140,354,792	\$290,840,980	\$431,195,771	0.98%	573	1.57	0.22%	0.76%

Note: January 2014 balance reflects acquisition funds from 2011A Electric Bonds, approximately \$20.9 million (December 2013)
Portfolio balances from June 2011 through January 2014 reflect additional funds from 2011A Electric Bonds

City Treasurer's Investment Report – January 2014

Attachment 1

CITY OF ANAHEIM
Short-Term Portfolio Listing

January 31, 2014

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+	27,122,098.27	27,122,098.27	27,122,098.27	07/01/2013	2/1/2014	0.26%
SYS17432	17432	LAIF	MMKT	AA+	30,229,936.21	30,229,936.21	30,229,936.21	07/01/2013	2/1/2014	0.26%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	0.00	0.00	0.00	07/01/2013	2/1/2014	0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	10,412,763.93	10,412,763.93	10,412,763.93	07/01/2013	2/1/2014	0.01%
71838MB33	1800	PHILLIP MORRIS	CP	A1 / P1	5,000,000.00	4,999,978.26	4,999,978.26	01/14/2014	02/03/2014	0.10%
89233HB52	1791	TOYOTA MOTOR CREDIT	CP	A1 / P1	5,000,000.00	4,999,945.66	4,999,945.66	12/20/2013	02/05/2014	0.10%
14177UB75	1801	CARGILL	CP	A1 / P1	5,000,000.00	4,999,951.09	4,999,951.09	01/14/2014	02/07/2014	0.10%
14177UBA8	1803	CARGILL	CP	A1 / P1	8,000,000.00	7,999,902.18	7,999,902.18	01/22/2014	02/10/2014	0.05%
90526NBQ7	1802	Union Bank of California	CP	A1 / P1	6,000,000.00	5,999,775.03	5,999,775.03	01/22/2014	02/24/2014	0.06%
71708FCA8	1790	PFIZER, INC	CP	A1 / P1	5,000,000.00	4,999,540.09	4,999,540.09	12/20/2013	03/10/2014	0.09%
30229BCH8	1797	Exxon Mobil	CP	A1 / P1	5,000,000.00	4,999,513.86	4,999,513.86	01/10/2014	03/17/2014	0.08%
90526NCM5	1799	Union Bank of California	CP	A1 / P1	5,000,000.00	4,999,337.10	4,999,337.10	01/10/2014	03/21/2014	0.10%
2546R3CR3	1784	Disney	CP	A1 / P1	5,000,000.00	4,999,281.76	4,999,281.76	11/26/2013	03/25/2014	0.10%
2546R3CR3	1793	Disney	CP	A1 / P1	1,600,000.00	1,599,770.18	1,599,770.18	12/24/2013	03/25/2014	0.10%
02665KD46	1798	American Honda	CP	A1 / P1	5,000,000.00	4,999,148.44	4,999,148.44	01/10/2014	04/04/2014	0.10%
2546R3D84	1794	Disney	CP	A1 / P1	1,000,000.00	999,818.69	999,818.69	12/31/2013	04/08/2014	0.10%
59157UE55	1795	METROPOLITAN LIFE	CP	A1 / P1	5,000,000.00	4,998,073.30	4,998,073.30	12/31/2013	05/05/2014	0.15%
19121BEG0	1807	COCA COLA	CP	A1 / P1	6,000,000.00	5,998,104.07	5,998,104.07	01/30/2014	05/16/2014	0.11%
19121BEP0	1796	COCA COLA	CP	A1 / P1	5,000,000.00	4,997,853.69	4,997,853.69	01/10/2014	05/23/2014	0.14%
Total Short-Term Portfolio:					<u>140,364,798.41</u>	<u>140,354,791.81</u>	<u>140,354,791.81</u>			<u>0.16%</u>

CITY OF ANAHEIM
Long-Term Portfolio Listing

January 31, 2014

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,706.91	5,006,660.00	03/23/2011	03/14/2014	1.25%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,000,000.00	8,000,202.67	8,041,832.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,500,000.00	4,499,071.28	4,523,530.50	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,000,000.00	4,002,781.66	4,020,916.00	01/29/2010	04/17/2014	2.63%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,002,837.66	5,034,270.00	04/30/2010	05/15/2014	2.50%
478160AX2	1584	Johnson & Johnson	MTN	AAA	3,000,000.00	2,999,660.43	3,006,987.00	05/20/2011	05/15/2014	1.20%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	8,000,000.00	7,990,714.11	8,060,856.00	03/23/2011	09/12/2014	1.38%
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,009,611.40	5,059,495.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,003,721.76	8,160,520.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,980,512.45	5,042,840.00	01/24/2011	12/12/2014	1.25%
36962G5M2	1638	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,015,921.66	5,086,270.00	01/18/2012	01/09/2015	2.15%
46625HHP8	1637	JP Morgan	MTN	A	6,000,000.00	6,071,993.35	6,169,560.00	01/18/2012	01/20/2015	3.70%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,000,354.28	2,056,772.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,994,636.74	5,083,955.00	03/24/2011	03/24/2015	1.67%
94974BFE5	1665	WELLS FARGO CO	MTN	A+	1,000,000.00	999,077.86	1,013,480.00	06/27/2012	07/01/2015	1.50%

City Treasurer's Investment Report – January 2014

Attachment 1

CITY OF ANAHEIM
Long-Term Portfolio Listing

January 31, 2014

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
36962G5Z3	1668	GE CAPITAL SERVICES	MTN	AA+	5,000,000.00	4,997,989.12	5,076,025.00	07/02/2012	07/02/2015	1.63%
594918AG9	1591	Microsoft Corp	MTN	AAA	5,000,000.00	5,000,000.00	5,103,285.00	06/09/2011	09/25/2015	1.63%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,699.55	3,073,842.00	05/11/2011	10/15/2015	1.88%
46623EJR1	1705	JP Morgan	MTN	A	5,000,000.00	5,000,000.00	5,021,380.00	12/19/2012	10/15/2015	1.10%
931142CX9	1581	Walmart	MTN	AA	2,956,000.00	2,931,594.73	3,010,224.86	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,953,250.00	5,124,980.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,957,649.69	5,124,980.00	01/24/2011	12/01/2015	1.75%
00206RBL5	1786	ATT CORP	MTN	A-	7,000,000.00	7,000,000.00	7,005,089.00	12/16/2013	12/01/2015	0.80%
3136G17A1	1712	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	5,003,205.00	12/31/2012	12/30/2015	0.45%
3135G0TT0	1719	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	10,008,310.00	01/29/2013	01/29/2016	0.50%
38143USC6	1560	Goldman Sachs Group	MTN	A-	5,000,000.00	4,996,246.91	5,241,630.00	02/08/2011	02/07/2016	3.63%
3134G3LJ7	1646	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,997,848.44	5,000,820.00	02/10/2012	02/10/2016	0.95%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,995,799.67	3,111,987.00	05/20/2011	05/15/2016	2.15%
478160AY0	1704	Johnson & Johnson	MTN	AAA	10,000,000.00	10,352,951.14	10,373,290.00	12/17/2012	05/15/2016	2.15%
89236TAL9	1743	TOYOTA MOTOR CRE	MTN	AA-	3,000,000.00	2,999,059.28	3,009,522.00	05/17/2013	05/17/2016	0.80%
166764AC4	1757	CHEVRON	MTN	AA	2,000,000.00	2,000,000.00	2,009,416.00	06/24/2013	06/24/2016	0.89%
3130A0JL5	1806	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,500,000.00	4,499,011.14	4,495,342.50	01/30/2014	06/27/2016	0.53%
3135G0XP3	1747	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,989,532.24	4,976,235.00	05/22/2013	07/05/2016	0.38%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,996,773.78	5,316,370.00	10/17/2011	10/17/2016	3.35%
3133EA5V6	1690	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,994,880.21	4,987,685.00	10/24/2012	10/24/2016	0.62%
3135G0WY5	1750	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,268.47	4,978,615.00	05/22/2013	11/14/2016	0.55%
822582AZ5	1787	Royal Dutch Shell	MTN	AA	6,228,000.00	6,241,514.94	6,239,995.13	12/24/2013	11/15/2016	0.90%
3134G3Z37	1703	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	10,000,000.00	9,974,510.00	12/12/2012	12/05/2016	0.63%
3136G04R9	1702	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,987,605.00	12/13/2012	02/21/2017	0.75%
3137EADT3	1805	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,500.91	10,018,670.00	01/29/2014	02/22/2017	0.88%
3137EADL0	1808	FED HOME LOAN MORT CORP	Fed Agy	AA+	7,012,000.00	6,975,467.48	6,963,596.16	01/31/2014	09/29/2017	1.00%
3135G0PU1	1694	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,936,620.00	11/14/2012	10/11/2017	1.00%
3135G0QD8	1689	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,995,000.00	6,995,000.00	6,928,533.51	10/22/2012	10/16/2017	1.00%
3135G0QW6	1691	FED NATL MORTGAGE ASSN	Fed Agy	AA+	2,035,000.00	2,035,000.00	2,014,247.07	11/08/2012	11/08/2017	1.00%
3135G0QW6	1692	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,600,000.00	3,600,000.00	3,563,287.20	11/08/2012	11/08/2017	1.00%
594918AP9	1804	Microsoft Corp	MTN	AAA	2,220,000.00	2,188,080.01	2,190,966.84	01/28/2014	11/15/2017	0.88%
94974BFG0	1742	WELLS FARGO CO	MTN	A+	5,000,000.00	5,002,839.83	4,987,280.00	05/15/2013	01/16/2018	1.50%
3133ECE26	1721	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,930,000.00	8,930,000.00	8,847,102.81	01/30/2013	01/30/2018	0.94%
3135G0TM5	1722	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,000.00	4,937,740.00	01/30/2013	01/30/2018	1.02%
3135G0TV5	1723	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	10,000,000.00	9,865,720.00	01/30/2013	01/30/2018	1.03%
3135G0TV5	1724	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,250,000.00	6,250,000.00	6,166,075.00	01/30/2013	01/30/2018	1.03%
02666QM26	1730	American Honda	MTN	A+	3,000,000.00	2,998,615.44	2,996,889.00	02/19/2013	02/16/2018	1.60%
3134G42R8	1749	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,999,621.62	4,901,100.00	05/22/2013	04/25/2018	1.05%
3135G0WJ8	1748	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,976,521.68	4,885,790.00	05/22/2013	05/21/2018	0.88%
166764AE0	1756	CHEVRON	MTN	AA	3,000,000.00	3,000,000.00	3,015,075.00	06/24/2013	06/24/2018	1.72%
Total Long-Term Portfolio:					<u>289,226,000.00</u>	<u>289,424,520.50</u>	<u>290,840,979.58</u>			<u>1.39%</u>
Total Portfolio Holdings:					<u>429,590,798.41</u>	<u>429,779,312.31</u>	<u>431,195,771.39</u>			<u>0.98%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 January 1, 2014 - January 31, 2014**

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
SHORT- TERM PORTFOLIO												
19121BEP0	1796	01	ACP COCA C	5,000,000.00	01/10/2014	05/23 - At Maturity	4,997,413.89		0.140	05/23/2014	0.140	4,997,853.69
30229BCH8	1797	01	ACP EXXON	5,000,000.00	01/10/2014	03/17 - At Maturity	4,999,266.67		0.080	03/17/2014	0.080	4,999,513.86
02665KD46	1798	01	ACP HND A	5,000,000.00	01/10/2014	04/04 - At Maturity	4,998,833.33		0.100	04/04/2014	0.100	4,999,148.44
90526NCM5	1799	01	ACP UN BK	5,000,000.00	01/10/2014	03/21 - At Maturity	4,999,027.78		0.100	03/21/2014	0.100	4,999,337.10
14177UB75	1801	01	ACP CARGIL	5,000,000.00	01/14/2014	02/07 - At Maturity	4,999,800.00			02/07/2014	0.060	4,999,951.09
71838MB33	1800	01	ACP PH MCR	5,000,000.00	01/14/2014	02/03 - At Maturity	4,999,777.78			02/03/2014	0.080	4,999,978.26
14177UBA8	1803	01	ACP CARGIL	8,000,000.00	01/22/2014	02/10 - At Maturity	7,999,788.89		0.050	02/10/2014	0.050	7,999,902.18
90526NBQ7	1802	01	ACP UN BK	6,000,000.00	01/22/2014	02/24 - At Maturity	5,999,670.00		0.060	02/24/2014	0.060	5,999,775.03
19121BEG0	1807	01	ACP COCA C	6,000,000.00	01/30/2014	05/16 - At Maturity	5,998,056.67		0.110	05/16/2014	0.110	5,998,104.07
Subtotal				60,000,000.00			48,981,836.01	0.00				48,983,683.72
LONG-TERM PORTFOLIO												
594918AP9	1804	02	MTN MSFT	2,220,000.00	01/28/2014	05/15 - 11/15	2,188,009.80	3,938.96	0.875	11/15/2017	1.247	2,188,080.01
3137EADT3	1805	02	FAC FHLMC	10,000,000.00	01/29/2014	08/22 - 02/22	9,999,500.00	1,944.44	0.875	02/22/2017	0.865	9,999,500.91
3130ADJL5	1806	02	FAC FHLB	4,500,000.00	01/30/2014	06/27 - 12/27	4,499,010.00	2,186.25	0.530	06/27/2016	0.532	4,499,011.14
3137EADL0	1808	02	FAC FHLMC	7,012,000.00	01/31/2014	03/29 - 09/29	6,975,467.48	23,762.89	1.000	09/29/2017	1.130	6,975,467.48
Subtotal				23,732,000.00			23,661,867.28	31,832.64				23,662,068.64
Managed Pool Deposits												
				Deposit Amount	Deposit Date		Deposit Amount		Rate			
SY9987	987	01	PA2 FIDELI	48,125.00	01/02/2014		48,125.00		0.010			
SY9987	987	01	PA2 FIDELI	10,209,375.00	01/06/2014		10,209,375.00		0.010			
SY9987	987	01	PA2 FIDELI	20,053,750.00	01/09/2014		20,053,750.00		0.010			
SY9987	987	01	PA2 FIDELI	5,000,000.00	01/13/2014		5,000,000.00		0.010			
SY9987	987	01	PA2 FIDELI	5,000,000.00	01/15/2014		5,000,000.00		0.010			
SY9987	987	01	PA2 FIDELI	37,500.00	01/16/2014		37,500.00		0.010			
SY9987	987	01	PA2 FIDELI	111,000.00	01/21/2014		111,000.00		0.010			
SY9987	987	01	PA2 FIDELI	23,115.00	01/24/2014		23,115.00		0.010			
SY9987	987	01	PA2 FIDELI	4,020,000.00	01/24/2014		4,020,000.00		0.010			
SY9987	987	01	PA2 FIDELI	46,055.56	01/29/2014		46,055.56		0.010			
SY9987	987	01	PA2 FIDELI	4,715,655.58	01/30/2014		4,715,655.58		0.010			
SY9500	500	01	PA2 GOLDSA	5,070,000.00	01/02/2014		5,070,000.00		0.010			

**Mat Call Sale Purch
 Purchases Report
 January 1, 2014 - January 31, 2014**

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 360	Ending Book Value
Managed Pool Deposits													
					Deposit Amount	Deposit Date		Deposit Amount		Rate			
SY5500	500	01	PA2	GOLDSA	2,987,000.00	01/06/2014		2,987,000.00		0.010			
SY5500	500	01	PA2	GOLDSA	5,993,000.00	01/17/2014		5,993,000.00		0.010			
SY5500	500	01	PA2	GOLDSA	4,782,000.00	01/31/2014		4,782,000.00		0.010			
SY5500	500	01	PA2	GOLDSA	60.87	01/31/2014		60.87		0.010			
				Subtotal	68,086,637.01			68,086,637.01					
Total Purchases and Deposits					141,828,637.01			141,760,268.30	31,832.64				73,865,823.28

**Mat Call Sale Purch
 Maturity Report
 Sorted by Maturity Date
 Receipts during January 1, 2014 - January 31, 2014**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
19121BA66	1781	01	ACP	COCA C	5,200,000.00	01/06/2014	10/31/2013	0.070	5,200,000.00	0.00	5,200,000.00	0.00
30229BA64	1782	01	ACP	EXXON	5,000,000.00	01/06/2014	11/19/2013	0.070	5,000,000.00	0.00	5,000,000.00	0.00
89233HAA2	1783	01	ACP	TOYCC	5,000,000.00	01/10/2014	11/26/2013	0.070	5,000,000.00	0.00	5,000,000.00	0.00
14177UAD3	1788	01	ACP	CARGIL	5,000,000.00	01/13/2014	12/20/2013	0.060	5,000,000.00	0.00	5,000,000.00	0.00
45920GAF3	1792	01	ACP	IBM	5,000,000.00	01/15/2014	12/24/2013	0.050	5,000,000.00	0.00	5,000,000.00	0.00
59157UAT7	1789	01	ACP	MET-LF	5,000,000.00	01/27/2014	12/20/2013	0.100	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities					30,200,000.00				30,200,000.00	0.00	30,200,000.00	0.00

Mat Call Sale Purch
Sales/Call Report
Sorted by Maturity Date - Fund
January 1, 2014 - January 31, 2014

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
01/30/2015												
3134G3JK9	1647	02	FHLMC FAC	01/30/2012	01/30/2014 01/30/2015	10,000,000.00	0.650	10,000,000.00	10,000,000.00	32,500.00	10,032,500.00 Call	32,500.00
Subtotal						10,000,000.00		10,000,000.00	10,000,000.00	32,500.00	10,032,500.00	32,500.00
01/29/2016												
3135G0TZ6	1720	02	FNMA FAC	01/29/2013	01/29/2014 01/29/2016	10,000,000.00	0.450	10,000,000.00	10,000,000.00	22,500.00	10,022,500.00 Call	22,500.00
Subtotal						10,000,000.00		10,000,000.00	10,000,000.00	22,500.00	10,022,500.00	22,500.00
01/24/2017												
313376RQ0	1635	02	FHLS FAC	01/24/2012	01/24/2014 01/24/2017	4,020,000.00	1.150	4,020,000.00	4,020,000.00	23,115.00	4,043,115.00 Call	23,115.00
Subtotal						4,020,000.00		4,020,000.00	4,020,000.00	23,115.00	4,043,115.00	23,115.00
01/30/2017												
3136FTZB8	1644	02	FNMA FAC	01/30/2012	01/30/2014 01/30/2017	5,000,000.00	1.250	4,994,630.00	5,000,000.00	31,250.00	5,031,250.00 Call	36,620.00
Subtotal						5,000,000.00		4,994,630.00	5,000,000.00	31,250.00	5,031,250.00	36,620.00
Total Sales						29,020,000.00		29,014,630.00	29,020,000.00	109,365.00	29,129,365.00	114,735.00

Data Updated: SET_MCSP: 02/06/2014 16:28
Run Date: 02/06/2014 - 16:28

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



POOL PROFILE

September 30, 2013

City of Anaheim Treasurer Investment Pool

Fund Credit Quality Ratings Definitions

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

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

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

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

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

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

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

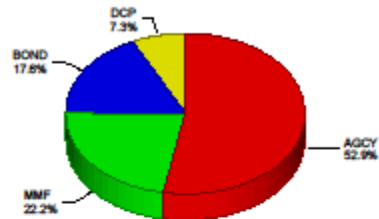
Plus (+) or Minus (-) The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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

About the Pool

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

Portfolio Composition as of September 30, 2013



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

*As assessed by Standard & Poor's

Pool Highlights

- The City of Anaheim Treasurer Investment Pool holds securities that have an average maturity of two years or less.
- The pool must purchase securities with a rating of 'A' or better.

Management

The treasurer for the city of Anaheim, California, is responsible for overall management of the portfolio. The treasurer has prior experience managing Standard & Poor's-rated government investment pools from his tenure at the cities of Los Angeles and Long Beach. The City of Anaheim's \$400 million-plus portfolio is divided into a short-term and a long-term portfolio; \$95 million to \$120 million comprises the short-term component. The investment policy is reviewed and submitted to the city council annually—with the current 2012 policy in effect—and applies to all cash and investments controlled by the Anaheim treasurer on behalf of the city.

Credit Quality

Standard & Poor's rates City of Anaheim Treasurer Investment Pool 'AAf/S1'. The 'AAf' fund credit quality rating is based on Standard & Poor's analysis of the credit quality of the portfolio's eligible investments, the counterparties, and the overall management by the portfolio's investment managers. The 'AAf' rating demonstrates that the fund's portfolio holdings provide very strong protection against losses from credit defaults. The 'S1' volatility rating indicates that the pool possesses low sensitivity to changing market conditions and an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years and denominated in the base currency of the pool. As part of Standard & Poor's volatility

analysis, it assessed the management, portfolio-level risk, target durations, and comparable return strategies of the portfolio.

Portfolio Assets

Eligible portfolio holdings are typically comprised of highly-rated securities, including money-market funds, investment-grade corporate debt, commercial paper, the Local Agency Investment Fund (LAIF), and U.S. Treasury and agency securities. The pool can only purchase securities with a rating of 'A' or better. The pool's primary objectives are to provide safety of principal, followed by maintenance of liquidity and return on investment. Various city departments are the pool's predominant investors. The short-term portfolio's benchmark is the 91-Day Treasury bill, which is managed with the view that cash is needed for operating purposes within a six-month period. The long-term portfolio's benchmark is the Merrill Lynch 1-3 Year U.S. Treasury Index. The pool's overall duration is currently 1.5 years, with a maximum duration of three years. Union Bank of California is the custodian for the pool.

Standard & Poor's Analyst: Joel Friedman - (1) 212-438-5043

www.standardandpoors.com

Participants should consider the investment objectives, risks, charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.