



+COUNCIL AGENDA REPORT

**City of Anaheim
OFFICE OF THE CITY TREASURER**

DATE: AUGUST 31, 2010
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – JULY 2010

ATTACHMENT (Y/N): YES ITEM #

RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for July 2010.

DISCUSSION:

This is the investment report for the City’s general pool for the month ending July 31, 2010. 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 July 31, 2010:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value)	\$ 123,081,456	\$ 242,447,381	\$ 365,528,837
Effective Yield	0.33 %	2.61 %	1.83 %
Avg. Weighted Maturity	15 Days	2.2 Years	1.5 Years
Net Earnings	\$ 36,200	\$ 543,062	\$ 579,262
Benchmark*	0.11 %	0.57 %	0.41 %

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

INVESTMENT ACTIVITIES

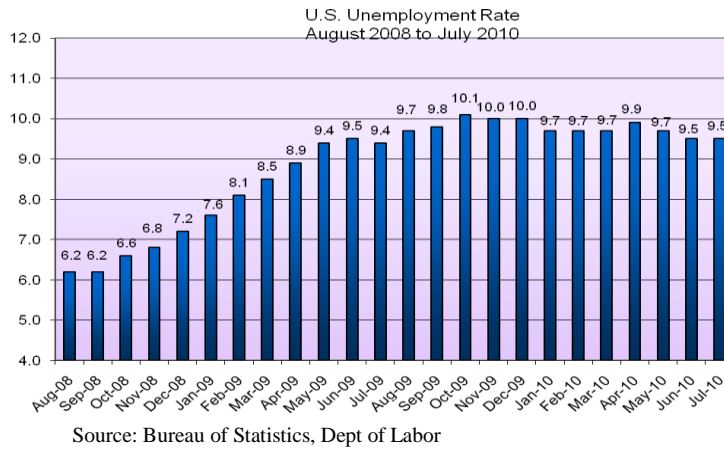
The City Treasurer’s Investment Portfolio received a credit rating of AAf and a volatility rating of S1 from Standard and Poor’s in July 2008. The portfolio is reviewed monthly by Standard and Poor’s for portfolio holdings, liquidity values and the overall management of the investment staff. Standard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

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

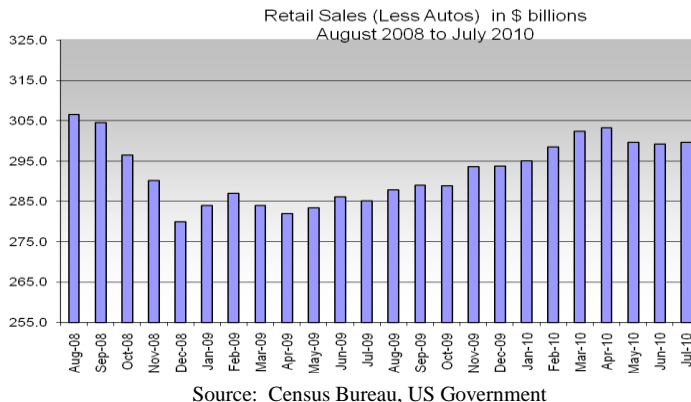
On August 11, 2008, the City of Anaheim’s Investment Policy was recognized and certified by the Association of Professional Treasurers of the United States and Canada (APT US&C) as meeting all standards and criteria established by the APT US&C.

INVESTMENT ENVIRONMENT

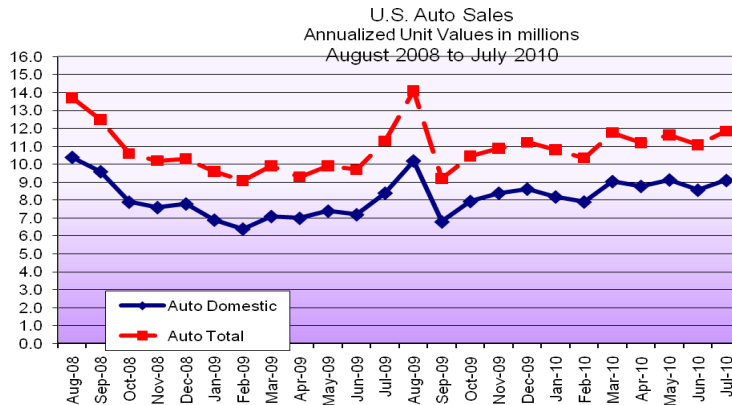
Economic data continues to indicate a slow and uneven recovery. One key indicator as to the national health and state of the nation’s workforce is the national unemployment rate. Since May 2009, the national unemployment rate has remained above 9.4 percent, reaching a high of 10.1 % in October 2009 and registering 9.5 % for July 2010. This indicator is considered a “lagging” economic indicator and does not immediately reflect any improvement in economic conditions. It appears unemployment will continue to stay at current levels through the remainder of calendar year 2010 as other economic sectors of the economy continue to show mixed results. The chart below shows the national unemployment rate for the past twenty four months:



Another economic factor that measures the vitality of the overall national economy is the economic strength of the consumer as measured in the monthly Retail Sales (Less Autos) figures. The chart below shows that from August 2008 through July 2010, the level of consumer spending increased, showing signs of recovery. However, the past three months have shown a slight pull back in consumer expenditures and some economists are calling for a continued softening of retail sales, which is slowing the economic recovery. This increase reflects the daily buying habits of consumers and does not indicate the level of “large” or “major” purchases, such as autos, houses, etc. The chart below shows Retail Sales (less Autos) for the past twenty four months:



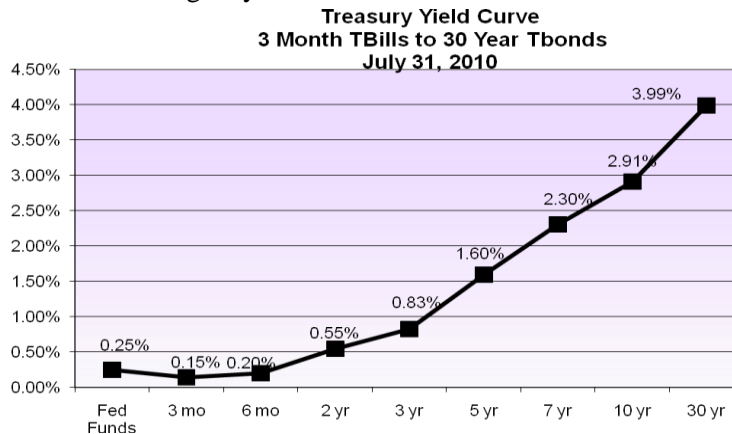
Along with Retail Sales, we look at Auto Sales as an indicator of consumer buying sentiment. There was a rapid decrease in auto sales in the summer of 2008. Since that time, auto sales have remained somewhat steady at 9 million units for domestic sales and 11 to 12 million annualized units for total auto sales. The spike in auto sales in July and August 2009 was the result of the “cash for clunkers” stimulus program. The chart below shows the monthly annualized auto sales for the past twenty four months:



Source: Bloomberg Financial System

Interest rates for the month ending July 2010 continued to move lower due to concern for the economic recovery, uncertainty in international markets and the absence of inflation. Investors still are purchasing U.S. Treasury debt issues as a safe harbor until the issues listed above show evidence of improvement. This action is called a “flight to quality” as investors wish to insure their funds with low risk investments. The Federal Reserve’s ‘Federal Open Market Committee’ (FOMC) meeting on August 10, 2010 continued to reaffirm the benchmark Federal Funds rate at the range of 0.0% to 0.25%. This key market interest rate has remained at this level since the FOMC meeting on December 16, 2008. The statement issued by the FOMC to justify the continued low interest rates is a “risk to growth” in the overall economy. The Federal Funds interest rate is the interest rate that banks charge other banks to borrow money. The Federal Reserve has continued to indicate that with the slow economic recovery and absence of evidence of sustainability, their posture is to hold short term interest rates at current levels for the foreseeable future. A majority of economists and market participants do not anticipate an increase in interest rates until early in 2011.

The City’s short-term portfolio ended July earning 0.33%, as compared to the three month U.S. Treasury bill yield of 0.15%. The longer term portfolio’s yield was 2.61%, which exceeded the interpolated yield of 0.57% for the month of July 2010. Interest rates remain at historic low levels as the concern for economic recovery weighs heavy on the financial markets. 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 month ending July 2010:



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.

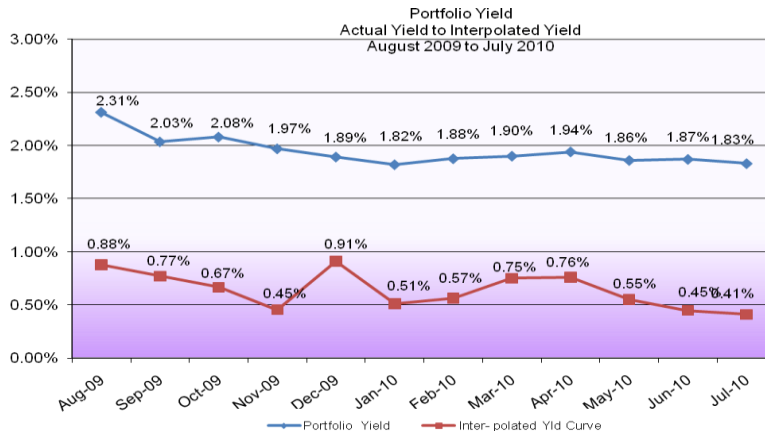
INVESTMENT PERFORMANCE

For July 2010, 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	\$ 123,081,456	15 days	0.33 %	0.11 %	0.029	0.276
Long-Term Portfolio	\$ 242,447,381	2.2 years	2.61 %	0.57 %	0.490	4.168
Total Portfolio	\$ 365,528,837	1.5 years	1.83 %	0.41 %	0.332	2.889

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 a 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 July 2010 is on the following pages.

IMPACT ON BUDGET:

None.

Respectfully submitted,

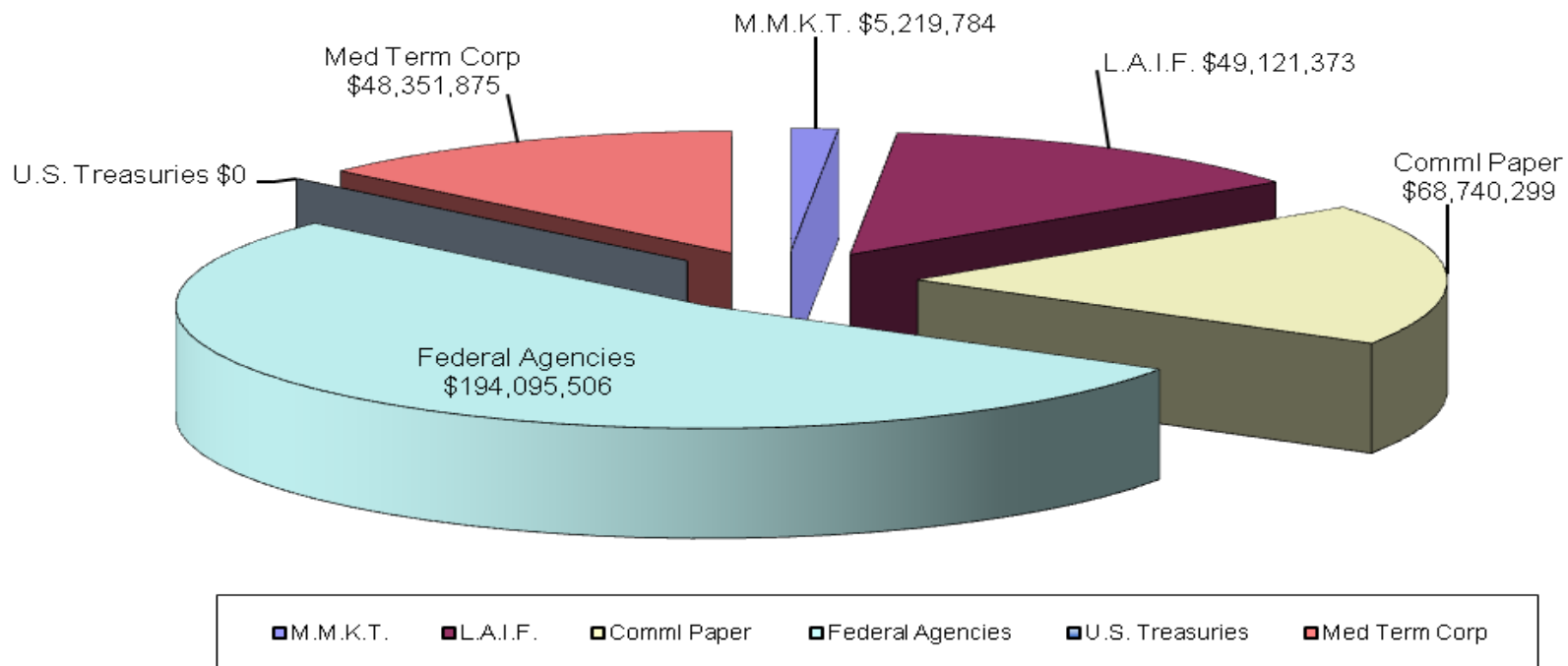
Henry W. Stern, CTP
City Treasurer

Attachment:

1. Investment Portfolio Report

Balances, Yields and Average Maturities							
July 31, 2010							
<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	\$5,219,784	\$5,219,784	\$5,219,784	0.63%	1.43%	1	0.00
L.A.I.F. (State of California	\$49,121,373	\$49,121,373	\$49,121,373	0.53%	13.44%	1	0.00
subtotal: Cash and Overnight Investments	\$54,341,157	\$54,341,157	\$54,341,157		14.87%	1	0.00
Commercial Paper	\$68,750,000	\$68,740,299	\$68,740,299	0.20%	18.81%	26	0.07
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	\$68,750,000	\$68,740,299	\$68,740,299	0.20%	18.81%	26	0.07
Total Short-Term Portfolio:	\$123,091,157	\$123,081,456	\$123,081,456	0.33%	33.67%	15	0.04
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$45,799,000	\$46,954,883	\$48,351,875	3.64%	13.23%	661	1.81
U.S. Federal Agencies	\$188,788,000	\$188,899,643	\$194,095,506	2.36%	53.10%	833	2.28
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$234,587,000	\$235,854,526	\$242,447,381	2.63%	66.33%	804	2.20
Total Cash and Pooled Investments	\$357,678,157	\$358,935,982	\$365,528,837	1.83%	100.00%	530	1.45

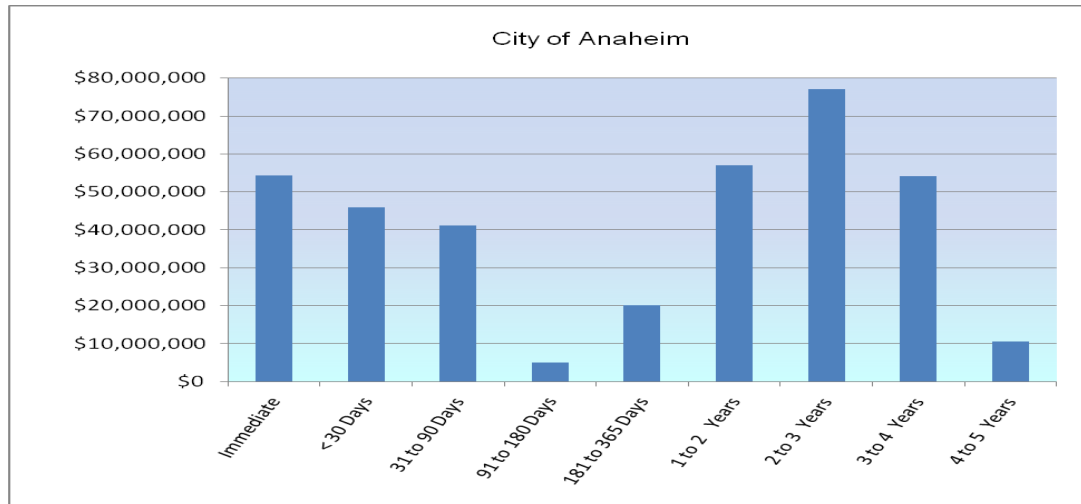
City of Anaheim
Investment Portfolio Asset Allocation
July 31, 2010
\$ 365,528,837



Liquidity Schedule

July 31, 2010

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$5,219,784	\$5,219,784	1.43%
L.A.I.F. (State of California)	Immediate	\$49,121,373	\$54,341,157	14.87%
Pooled Investment Maturities:	< 30 Days	\$45,996,688	\$100,337,846	27.45%
	31 to 90 Days	\$41,178,948	\$141,516,794	38.72%
	91 to 180 Days	\$5,031,250	\$146,548,044	40.09%
	181 to 365 Days	\$20,168,750	\$166,716,794	45.61%
	1 to 2 years	\$57,048,045	\$223,764,839	61.22%
	2 to 3 years	\$77,066,840	\$300,831,678	82.30%
	3 to 4 years	\$54,209,659	\$355,041,337	97.13%
	4 to 5 years	\$10,487,500	\$365,528,837	100.00%
Total Cash and Pooled Investments:		\$365,528,837		



Summary and Comparison of Yields and Balances

July 31, 2010

<u>Description</u>	Current Month <u>July 31, 2010</u>	Prior Month <u>June 30, 2010</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.06%	0.05%
L.A.I.F. (State of California)	0.53%	0.59%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	2.36%	2.40%
Commercial Paper	0.20%	0.25%
Medium Term Corporate Notes	3.65%	3.64%
	1.83%	1.88%
Weighted Average Maturity (Days)	530	536
Weighted Average Maturity (Years)	1.45	1.47
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$5,219,784	\$11,219,049
L.A.I.F. (State of California)	\$49,121,373	\$58,056,895
U.S. Treasuries	\$0	\$0
Federal Agencies	\$194,095,506	\$208,680,587
Commercial Paper	\$68,740,299	\$57,992,566
Medium Term Corporate Notes	\$48,351,875	\$48,032,367
Total Portfolio:	\$365,528,837	\$383,981,463
Earnings:	Current Month <u>July 31, 2010</u>	Fiscal Year to <u>Date Earnings</u>
Total Interest Earnings for Month:	\$629,878.84	\$629,878.84
Total Adjustments from Premiums and Discounts	-\$53,689.06	-\$53,689.06
Total Capital Gains or Losses	\$3,072.12	\$3,072.12
Total Earnings for Month	\$579,261.90	\$579,261.90

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%

City Treasurer's Investment Report – July 2010

Attachment 1

City of Anaheim

July 31, 2010

Short-Term Portfolio Listing

CUSIP	Security #	Issuer	Security Type	S&P	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
SYS17430	17430	LAIF	MMKT	AA	21,241,715.80	21,241,715.80	21,241,715.80			0.53%
SYS17431	17431	LAIF	MMKT	AA	27,879,657.44	27,879,657.44	27,879,657.44			0.53%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	0.00	0.00	0.00			0.06%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	5,219,784.24	5,219,784.24	5,219,784.24			0.06%
14178MH50	1522	CARGILL	CP	A-1	6,000,000.00	5,999,880.71	5,999,880.71	07/29/2010	08/05/2010	0.18%
47816GH51	1518	Johnson & Johnson	CP	A-1	5,000,000.00	4,999,917.15	4,999,917.15	07/09/2010	08/05/2010	0.15%
45920GH66	1526	International Business Machine	CP	A-1	5,000,000.00	4,999,875.74	4,999,875.74	07/30/2010	08/06/2010	0.18%
19121BHD4	1509	COCA COLA	CP	A-1	5,000,000.00	4,999,585.67	4,999,585.67	05/21/2010	08/13/2010	0.25%
64105HHD7	1508	Nestle Capital	CP	A-1	5,000,000.00	4,999,502.81	4,999,502.81	05/21/2010	08/13/2010	0.30%
14178MHG6	1525	CARGILL	CP	A-1	5,000,000.00	4,999,585.82	4,999,585.82	07/30/2010	08/16/2010	0.20%
19416FHG2	1519	Colgate Palmolive	CP	A-1	5,000,000.00	4,999,668.60	4,999,668.60	07/09/2010	08/16/2010	0.16%
0660P1HT1	1523	BANK OF AMERICA	CP	A-1	5,000,000.00	4,999,317.94	4,999,317.94	07/29/2010	08/27/2010	0.19%
89233HHT4	1520	TOYOTA MOTOR CREDIT	CP	A-1	5,000,000.00	4,999,353.77	4,999,353.77	07/09/2010	08/27/2010	0.18%
49438UJ78	1527	Kimberly Clark	CP	A-1	4,000,000.00	3,999,316.53	3,999,316.53	07/30/2010	09/07/2010	0.17%
36960MJA2	1521	GE COMPANY	CP	A-1	5,000,000.00	4,998,913.44	4,998,913.44	07/29/2010	09/10/2010	0.20%
4662J1K17	1528	JP Morgan	CP	A-1	8,000,000.00	7,997,200.93	7,997,200.93	07/30/2010	10/01/2010	0.21%
47816GK16	1524	Johnson & Johnson	CP	A-1	5,750,000.00	5,748,179.70	5,748,179.70	07/29/2010	10/01/2010	0.19%
Total Short-Term Portfolio:					<u>123,091,157.48</u>	<u>123,081,456.29</u>	<u>123,081,456.29</u>			<u>0.33%</u>

City Treasurer's Investment Report – July 2010

Attachment 1

Page 7 of 14

City of Anaheim

July 31, 2010

Long-Term Portfolio Listing

CUSIP	Security #	Issuer	Security Type	S&P	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3136FHFE0	1363	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,003,231.43	10,015,625.00	04/01/2009	09/16/2010	1.50%
94974BAZ3	1334	WELLS FARGO CO	MTN	A-1	8,364,000.00	8,364,773.61	8,419,712.60	12/23/2008	10/29/2010	3.98%
31331GJY6	1338	FEDERAL FARM CREDIT	Fed Agy	AAA	5,000,000.00	5,001,706.56	5,031,250.00	01/15/2009	01/12/2011	1.60%
3133XT4D5	1365	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,012,063.83	10,084,375.00	04/01/2009	03/16/2011	1.63%
3133XTJ64	1380	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,002,933.95	10,084,375.00	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	5,285,937.50	09/29/2006	09/29/2011	5.34%
31331Y3P3	1296	FEDERAL FARM CREDIT	Fed Agy	AAA	10,000,000.00	9,993,221.76	10,356,250.00	07/15/2008	10/03/2011	3.50%
3133XVQL8	1456	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	3,240,000.00	3,240,045.11	3,269,362.50	12/28/2009	12/09/2011	1.13%
3137EACF4	1454	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	5,003,004.53	5,045,312.50	12/28/2009	12/15/2011	1.13%
3136FJF89	1459	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,988,688.89	5,018,750.00	12/30/2009	12/30/2011	1.13%
38141GBU7	1511	Goldman Sachs Group	MTN	A	9,005,000.00	9,470,993.87	9,612,342.23	05/28/2010	01/15/2012	6.60%
36962GXS8	1510	GENERAL ELEC CAP CORP	MTN	AA	5,000,000.00	5,277,404.05	5,321,340.00	05/28/2010	02/15/2012	5.88%
3136FHEV3	1362	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,037,552.24	8,082,500.00	04/01/2009	03/23/2012	2.38%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,987,214.19	5,056,250.00	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	2,521,093.75	02/03/2009	08/03/2012	2.00%
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,039,607.37	10,768,750.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	9,850,000.00	9,878,469.08	10,062,390.63	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	4,968,151.79	5,065,625.00	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	10,737,500.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	A-1	8,000,000.00	7,943,515.78	8,492,016.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A	8,206,000.00	8,568,563.73	8,752,445.75	06/23/2010	02/05/2013	5.45%
31331JSZ7	1514	FEDERAL FARM CREDIT	Fed Agy	AAA	5,000,000.00	5,000,000.00	5,007,812.50	06/28/2010	03/28/2013	1.47%
38141GDB7	1517	Goldman Sachs Group	MTN	A	2,224,000.00	2,331,286.83	2,382,213.14	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A	5,000,000.00	4,998,344.94	5,371,805.00	04/02/2008	04/02/2013	4.63%
3128X8TZ5	1368	FED HOME LOAN MORT CORP	Fed Agy	AAA	3,955,000.00	3,952,493.02	4,009,784.66	04/14/2009	04/08/2013	2.50%
3133XTNY8	1390	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	1,685,000.00	1,683,505.15	1,708,168.75	06/03/2009	06/03/2013	2.38%

City Treasurer's Investment Report – July 2010

Attachment 1

**City of Anaheim
Long-Term Portfolio Listing**

July 31, 2010

CUSIP	Security #	Issuer	Security Type	S&P	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3136FJZZ7	1457	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,175,000.00	2,169,361.16	2,187,234.38	12/28/2009	06/28/2013	2.00%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	6,845,000.00	6,871,531.04	7,296,342.19	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	10,121,470.00	06/30/2010	12/30/2013	1.75%
31398AWH1	1367	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,019,117.18	5,082,812.50	04/14/2009	04/07/2014	2.90%
31331GTJ8	1369	FEDERAL FARM CREDIT	Fed Agy	AAA	8,000,000.00	8,003,562.67	8,382,500.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT	Fed Agy	AAA	4,500,000.00	4,483,674.02	4,715,156.25	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT	Fed Agy	AAA	4,000,000.00	4,048,898.66	4,191,250.00	01/29/2010	04/17/2014	2.63%
3128X8YK2	1381	FED HOME LOAN MORT CORP	Fed Agy	AAA	4,038,000.00	4,022,863.11	4,110,752.65	05/01/2009	04/29/2014	2.75%
31331GVG1	1392	FEDERAL FARM CREDIT	Fed Agy	AAA	5,000,000.00	4,930,116.14	5,101,562.50	05/28/2009	05/06/2014	2.75%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,037,217.04	5,207,812.50	04/30/2010	05/15/2014	2.50%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,019,948.10	8,395,000.00	04/30/2010	11/20/2014	2.63%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	2,000,000.00	2,001,464.69	2,092,500.00	03/19/2010	03/13/2015	2.75%
Total Long-Term Portfolio:					<u>234,587,000.00</u>	<u>235,854,525.52</u>	<u>242,447,380.48</u>			<u>2.62%</u>
Total Portfolio:					<u>357,678,157.48</u>	<u>358,935,981.81</u>	<u>365,528,836.77</u>			<u>1.83%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 July 1, 2010 - July 31, 2010**

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													
19416FHG2	1519	01	ACP	GOLG-C	5,000,000.00	07/09/2010	08/16 - At Maturity	4,999,155.56		0.160	08/16/2010	0.150	4,999,668.60
47816GHS1	1518	01	ACP	JNJ	5,000,000.00	07/09/2010	08/05 - At Maturity	4,999,437.50		0.150	08/05/2010	0.150	4,999,917.15
89233HHT4	1520	01	ACP	TOYCC	5,000,000.00	07/09/2010	08/27 - At Maturity	4,999,775.00		0.180	08/27/2010	0.180	4,999,353.77
0660P1HT1	1523	01	ACP	BAC	5,000,000.00	07/29/2010	08/27 - At Maturity	4,999,234.72		0.190	08/27/2010	0.190	4,999,317.94
14178MH50	1522	01	ACP	CARGIL	6,000,000.00	07/29/2010	08/05 - At Maturity	5,999,790.00		0.180	08/05/2010	0.180	5,999,880.71
36960MJA2	1521	01	ACP	GE COM	5,000,000.00	07/29/2010	09/10 - At Maturity	4,998,805.56		0.200	09/10/2010	0.200	4,998,913.44
47816GK16	1524	01	ACP	JNJ	5,750,000.00	07/29/2010	10/01 - At Maturity	5,748,057.78		0.190	10/01/2010	0.190	5,748,179.70
4662J1K17	1528	01	ACP	JPM	8,000,000.00	07/30/2010	10/01 - At Maturity	7,997,060.00		0.210	10/01/2010	0.210	7,997,200.93
14178MHG6	1525	01	ACP	CARGIL	5,000,000.00	07/30/2010	08/16 - At Maturity	4,999,527.78		0.200	08/16/2010	0.200	4,999,585.82
45920GH66	1526	01	ACP	IBM	5,000,000.00	07/30/2010	08/06 - At Maturity	4,999,825.00		0.180	08/06/2010	0.180	4,999,875.74
49438UJ78	1527	01	ACP	KMB	4,000,000.00	07/30/2010	09/07 - At Maturity	3,999,263.33		0.170	09/07/2010	0.170	3,999,316.53
Subtotal					68,760,000.00			68,758,802.28	0.00				68,741,210.38
Managed Pool Deposits													
					Deposit Amount	Deposit Date		Deposit Amount		Rate			
SYS987	987	01	PA2	FIDELI	7,205,000.00	07/06/2010		7,205,000.00		0.510			
SYS987	987	01	PA2	FIDELI	40,000.00	07/12/2010		40,000.00		0.510			
SYS987	987	01	PA2	FIDELI	5,936,000.00	07/13/2010		5,936,000.00		0.510			
SYS987	987	01	PA2	FIDELI	3,114,165.00	07/15/2010		3,114,165.00		0.510			
SYS987	987	01	PA2	FIDELI	3,885,000.00	07/16/2010		3,885,000.00		0.510			
SYS987	987	01	PA2	FIDELI	1,814,000.00	07/19/2010		1,814,000.00		0.510			
SYS987	987	01	PA2	FIDELI	10,165,000.00	07/21/2010		10,165,000.00		0.510			
SYS987	987	01	PA2	FIDELI	5,000,000.00	07/23/2010		5,000,000.00		0.510			
SYS500	500	01	PA2	GOLDSA	1,800,000.00	07/01/2010		1,800,000.00		0.288			
SYS500	500	01	PA2	GOLDSA	1,645,000.00	07/07/2010		1,645,000.00		0.288			
SYS500	500	01	PA2	GOLDSA	753,000.00	07/08/2010		753,000.00		0.288			
SYS500	500	01	PA2	GOLDSA	4,248,000.00	07/14/2010		4,248,000.00		0.288			
SYS500	500	01	PA2	GOLDSA	8,201,000.00	07/22/2010		8,201,000.00		0.288			
SYS500	500	01	PA2	GOLDSA	4,919,000.00	07/23/2010		4,919,000.00		0.288			
SYS500	500	01	PA2	GOLDSA	735.74	07/30/2010		735.74		0.288			
Subtotal					68,726,800.74			68,726,900.74					

Mat Call Sale Purch
 Purchases Report
 July 1, 2010 - July 31, 2010

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
Total Purchases and Deposits				117,476,800.74			117,464,832.87	0.00				68,741,210.33

Mat Call Sale Purch
Maturity Report
 Sorted by Maturity Date
 Receipts during July 1, 2010 - July 31, 2010

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
0660P1G21	1491	01	ACP	BAC	5,000,000.00	07/02/2010	04/28/2010	0.270	5,000,000.00	0.00	5,000,000.00	0.00
36959BG23	1501	01	ACP	GE COM	5,000,000.00	07/02/2010	05/13/2010	0.270	5,000,000.00	0.00	5,000,000.00	0.00
02665KG68	1498	01	ACP	HNDA	4,000,000.00	07/06/2010	04/30/2010	0.220	4,000,000.00	0.00	4,000,000.00	0.00
89233HG99	1506	01	ACP	TOYCC	5,000,000.00	07/09/2010	05/14/2010	0.250	5,000,000.00	0.00	5,000,000.00	0.00
4662J1GD6	1505	01	ACP	JPM	5,000,000.00	07/13/2010	05/14/2010	0.250	5,000,000.00	0.00	5,000,000.00	0.00
02665KGG6	1503	01	ACP	HNDA	5,000,000.00	07/16/2010	05/14/2010	0.270	5,000,000.00	0.00	5,000,000.00	0.00
90526NGG4	1507	01	ACP	UNION	5,000,000.00	07/16/2010	05/21/2010	0.270	5,000,000.00	0.00	5,000,000.00	0.00
31331Y3U2	1299	02	FAC	FFCB	10,000,000.00	07/21/2010	07/21/2008	3.300	10,000,000.00	165,000.00	10,165,000.00	165,000.00
71344UGP8	1502	01	ACP	PEPSIC	5,000,000.00	07/23/2010	05/14/2010	0.210	5,000,000.00	0.00	5,000,000.00	0.00
02665KGV3	1512	01	ACP	HNDA	4,000,000.00	07/29/2010	06/04/2010	0.260	4,000,000.00	0.00	4,000,000.00	0.00
90526NGW9	1513	01	ACP	UNION	5,000,000.00	07/30/2010	06/22/2010	0.180	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities					68,000,000.00				68,000,000.00	165,000.00	68,165,000.00	165,000.00

**Mat Call Sale Purch
 Sales/Call Report
 Sorted by Maturity Date - Fund
 July 1, 2010 - July 31, 2010**

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
07/29/2013												
3128XSVY3	1472	02	FHLMC FAC	02/11/2010	07/29/2010 07/29/2013	5,000,000.00	2.250	4,996,927.88	5,000,000.00	56,250.00	5,056,250.00 Call	59,322.12
Subtotal						5,000,000.00		4,996,927.88	5,000,000.00	66,250.00	5,066,250.00	69,322.12
Managed Pool Withdrawals												
					Withdrawal Date	Withdrawal Amount	Current Rate		Withdrawal Amount		Withdrawal Amount	
	500		GOLDSA		07/01/2010	953.73	0.063		953.73		953.73	
	987		FIDELI		07/09/2010	7,205,000.00	0.063		7,205,000.00		7,205,000.00	
	500		GOLDSA		07/09/2010	951,000.00	0.063		951,000.00		951,000.00	
	500		GOLDSA		07/12/2010	278,000.00	0.063		278,000.00		278,000.00	
	500		GOLDSA		07/20/2010	4,211,000.00	0.063		4,211,000.00		4,211,000.00	
	500		GOLDSA		07/26/2010	3,274,000.00	0.063		3,274,000.00		3,274,000.00	
	987		FIDELI		07/27/2010	6,122,000.00	0.063		6,122,000.00		6,122,000.00	
	987		FIDELI		07/28/2010	4,768,000.00	0.063		4,768,000.00		4,768,000.00	
	987		FIDELI		07/29/2010	12,689,638.06	0.063		12,689,638.06		12,689,638.06	
	500		GOLDSA		07/29/2010	776,000.00	0.063		776,000.00		776,000.00	
	987		FIDELI		07/30/2010	6,374,862.72	0.063		6,374,862.72		6,374,862.72	
	500		GOLDSA		07/30/2010	18,076,000.00	0.063		18,076,000.00		18,076,000.00	
	17430		LAIF		07/30/2010	9,000,000.00	0.531		9,000,000.00		9,000,000.00	
Subtotal						78,728,464.61			73,728,454.61		73,728,454.61	
Total Sales and Withdrawals						78,728,464.61		4,996,927.88	78,728,454.61	66,250.00	78,782,704.61	69,322.12



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.

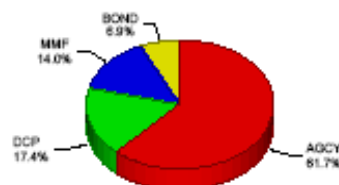
Plus (+) or Minus (-) The ratings from 'AAf' to 'CCCF' may be modified to show relative standing within the major rating categories.

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 1.8 years with a maximum duration of 3 years. Union Bank of CA is the custodian for the pool.

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

www.standardandpoors.com

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

CITY OF ANAHEIM
BOND FUND INVESTMENTS
July 31, 2010

<u>Debt Issue</u>	<u>Trustee</u>	<u>Book Value</u>	<u>Total Trustee Holdings</u>
Decommissioning Trust	Union Bank of Calif.	\$ 116,357,660	
APFA Revenue Bds, 1998 Series	Union Bank of Calif.	\$ 1	\$ 116,357,661
COP 1992 Convention Ctr.	US Bank	\$ 7,968,153	
1993 Land Acquisition Program Lease	US Bank	\$ 1,936,540	
Anaheim R/A Tax Allocation Bond - Escrow Fd	US Bank	\$ 28,683,590	
Anaheim CFD no. 1989-3	US Bank	\$ 1,522,381	
APFR Rev Bds. - Escrow Fd	US Bank	\$ 6,410,000	
Anaheim CFD 1989 - 1, Sycamore Canyon	US Bank	\$ 900,087	
Anaheim CFD 1989 - 2, Highlands Sp Tax Bds	US Bank	\$ 1,451,515	
CITY OF ANAHEIM CFD DIST 06-2 2007	US Bank	\$ 1,075,864	
Anaheim RDA 2007 Tax Allocation Refunding Bds	US Bank	\$ 19,928,037	
APFA Lease Revenue Refunding Bonds Ser 2008	US Bank	\$ 10,227,925	\$ 80,104,093
Anaheim Dist Sys 99	BNY Western Trust	\$ 1,464,555	
Anaheim Arena 03	BNY Western Trust	\$ -	
Anaheim 04 Electric Purchase	BNY Western Trust	\$ 10,240,055	
Anaheim Debt Service Payment Account	BNY Western Trust	\$ -	
Anaheim/Disney Lease Revenue 1997A	BNY Western Trust	\$ 40,025,368	
Anaheim Lenain Reserve	BNY Western Trust	\$ 1,157,791	
APFA 02 A	BNY Western Trust	\$ 8,168,889	
APFA 03 B	BNY Western Trust	\$ 7,003,857	
Anaheim 03 A	BNY Western Trust	\$ 3,668,757	
Anaheim 03 B	BNY Western Trust	\$ -	
Anaheim 93 A Reserve Fund	BNY Western Trust	\$ 2,205,046	
Anaheim 04 Water	BNY Western Trust	\$ 1,210,500	
APFA 2007A	BNY Western Trust	\$ 16,645,207	
APFA 2007A Farecal Escrow	BNY Western Trust	\$ 1,496,582	
Anaheim Sewer Rev Bds 2007	BNY Western Trust	\$ 31,677,153	
Anaheim (Dsn) 2007 Ref Ser A	BNY Western Trust	\$ 3,903,646	
Anaheim (Dsn) 2007 Ref Ser B	BNY Western Trust	\$ 1,333,223	
Anaheim/Disney 97 Series A-1/B Escrow	BNY Western Trust	\$ -	
Anaheim/Disney 97 Series A-2 Escrow	BNY Western Trust	\$ -	
Farecal Anaheim	BNY Western Trust	\$ -	
Anaheim 08 Water	BNY Western Trust	\$ 3,896,656	
Anaheim 09A Electric	BNY Western Trust	\$ 17,049,717	\$ 151,147,002
Total Bond Funds with external Trustees:			\$ 347,608,756
Anaheim RDA PFA 1992 Tax Alloc Rev	City Treasurer	\$ 46	
2000 RDA SubAccount	City Treasurer	\$ 23,967	
2007 RDA Bond - A	City Treasurer	\$ 0	
2007 RDA Bond - B	City Treasurer	\$ 371,983	
2007 RDA Bond - D	City Treasurer	\$ -	
Total Bond Funds with City Treasurer:			\$ 395,996
Total Bond Funds:			\$ 348,004,752