



+COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: AUGUST 20, 2013
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – JULY 2013

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

RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for July 2013.

DISCUSSION:

This is the investment report for the City's general pool for the month ending July 31, 2013. 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, 2013:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 124,516,874	\$ 299,599,908	\$ 424,116,782
Effective Yield	0.18 %	1.41 %	1.05 %
Avg. Weighted Maturity	16 Days	2.6 Years	1.8 Years
Net Earnings	\$ 18,595	\$ 354,695	\$ 373,290
Benchmark**	0.01 %	0.44 %	0.29 %

* Portfolio balance includes approximately \$36.9 million of the 2011A Electric Bond project funds (June 2013)

** 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 51% 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.

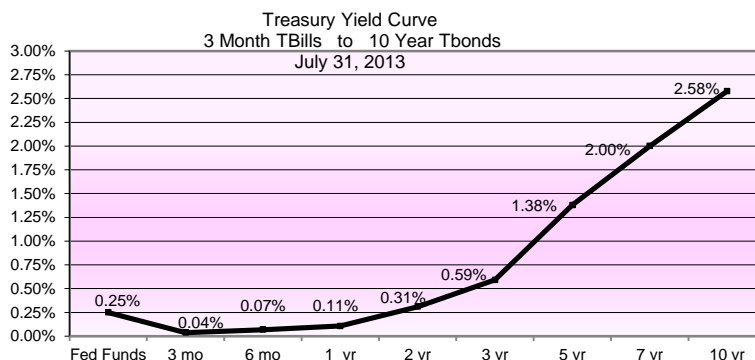
On August 11, 2008, the City of Anaheim’s Investment Policy was recognized and certified by the Association of Professional Treasurers of the United States and Canada (APT US&C) as meeting all standards and criteria established by the APT US&C.

INVESTMENT ENVIRONMENT:

The month of July 2013 showed a “steepening of the yield curve”, with short term interest rates remaining the same from June 2013 while longer term interest rates, from seven years to ten years continued to rise. The rise in intermediate and long term interest rates reflects the financial markets concern from recent Federal Reserve comments that the Fed’s may be nearing the end of their program of purchasing \$80 billion a month of mortgage assets. Called “QE” one, two or three (take your pick) the Federal Reserve purchase actions to stabilize a fragile economy has been a constant factor for the past two years, however, the recent Federal Reserve statements have hinted the future may see a reduction (not a termination) in the monthly level of purchases. Unfortunately, the investment markets have overreacted to the Fed comments resulting in an increased level of anxiety among investors which has produced a high level of volatility. Keeping interest rates low has brought about a short-term recovery in the housing markets, but we have not seen significant borrowing and capital investment in the business community. On the contrary, major businesses continue to ‘downsize’ and press for increase productivity gains by using technology at the expense of hiring new employees to meet their revenue and profits. The secondary effect caused by lower interest rates is the lower returns that traditional fixed income investors rely on, from retired individuals to pension funds.

As the chart below indicates, the three month Treasury Bill closed July 2013 at 0.04%, up one basis point from the June close of 0.03%. The two year Treasury Note closed July at 0.31%, down five basis points from the June level of 0.36%. This rise in interest rates is more pronounced in the longer maturities, with the benchmark ten year Treasury Note closing July 2013 at 2.58%, up nine basis points from the prior month close of 2.49%, and significantly above the April 2013 rate of 1.67. It is with apprehension for the investment community that the ‘artificial’ manipulation of interest rates by the Federal Reserve may be coming to an end that is causing the rise in longer term interest rates. The U.S. Treasury debt issues have historically been used as the default yield curve that all other interest rates are compared to.

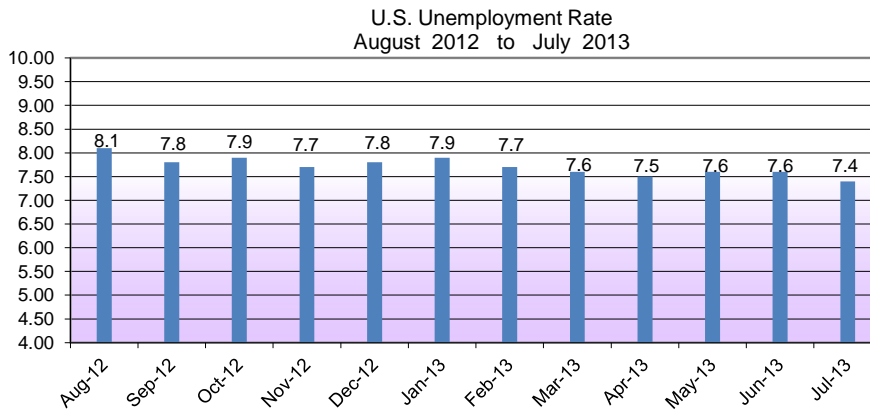
The chart below shows the interest rates for U.S. Treasury issues for the month ending July 2013:



Source: Bloomberg Financial Systems

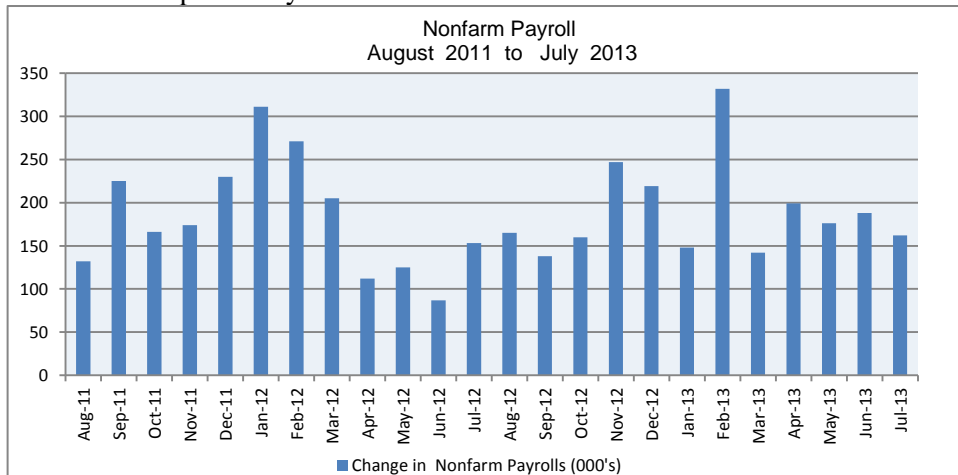
A key economic indicator watched by investors is the national unemployment rate, which tends to show the overall health of the national economy. For the month of July 2013, the national unemployment rate was reported at 7.4%, down 0.2% from June 2013. The twelve month average is at 7.7%, which is significantly lower from the December 2011 level of 8.5%, however, economists are still forecasting a rate of 7.0% or higher for calendar year 2013.

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

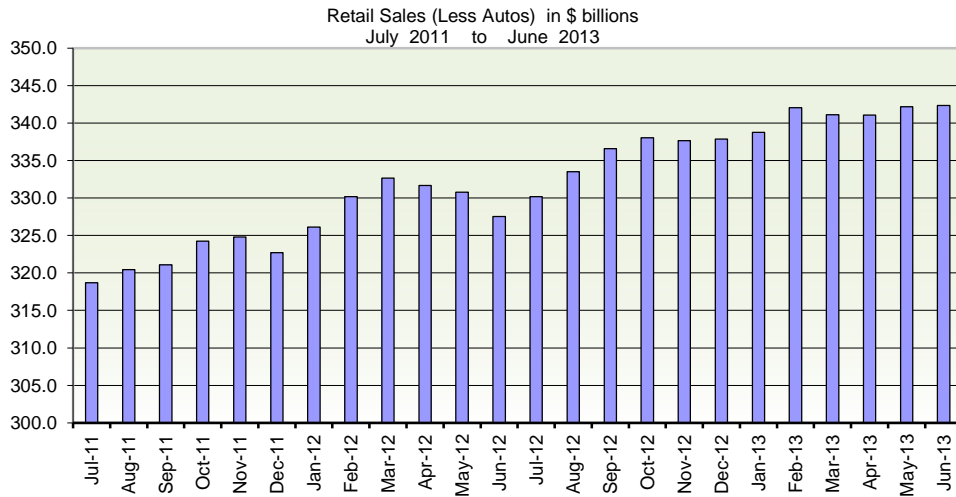
A more accurate gauge of the employment sector and the improving economy is the amount of jobs being created. The Bureau of Labor Statistics publishes monthly the value of US Employees on nonfarm payrolls, which is an indication of how the corporate or business sector is hiring. For the month of July 2013, the nonfarm payroll number was reported to be 162,000 new jobs created. The June 2013 value was revised down from 195,000 to 188,000. The annual (twelve month average) value with the revised values shows approximately 189,000 monthly new jobs are being created, which is above the minimum value of 165,000 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 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 July 2013 data were not available. The month of June 2013 value showed an annualized retail sales value of \$342.3 billion, up slightly from the May 2013 value reported of \$342.2 billion, for an overall percentage increase of 0.01%. The small increase in month over month shows evidence that the economy is still in a

fragile condition with marginal buying by consumers. It is estimated that consumer spending accounts for nearly seventy percent of economic activity, so a ‘flat’ value indicates slow or incremental recovery. Several factors may be contributing to the absence of strong consumer spending: the ‘sequestered’ action of Congress, since the Government is a large factor in retail sales, the additional social security withholding tax that was increased with January 2013 payrolls, and increasing consumer debt levels. For the past year (July 2012 thru June 2013) retail sales have increased at an annualized rate of 4.5%. The chart below shows the monthly increase in consumer spending for the past thirty six 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.

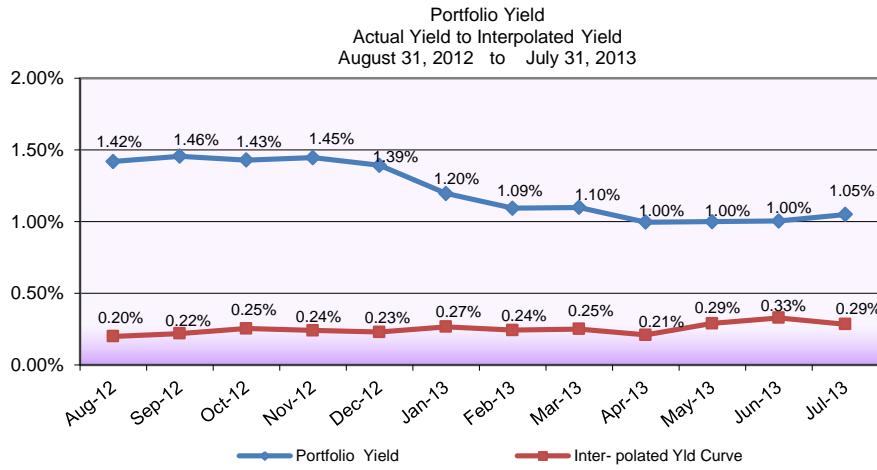
For July 31, 2013, the City Treasurer’s Investment Portfolio performance was:

	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 124,516,874	16 days	0.18 %	0.01 %	0.014	0.169
Long-Term Portfolio	\$ 299,599,908	2.6 years	1.41 %	0.44 %	0.273	0.285
Total Portfolio	\$ 424,116,782	1.8 years	1.05 %	0.29 %	0.190	0.248

The portfolio balance includes a deposit for the acquisition funds of the 2011A Electric Bonds of \$36,945,530.00 as of the June 30, 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:



A complete listing of the portfolio holdings and investment activity for the City of Anaheim’s Investment Portfolio for the month of July 2013 is on the following pages.

IMPACT ON BUDGET:

There is no impact on the General Fund.

Respectfully submitted,

Henry W. Stern, CTP
 City Treasurer

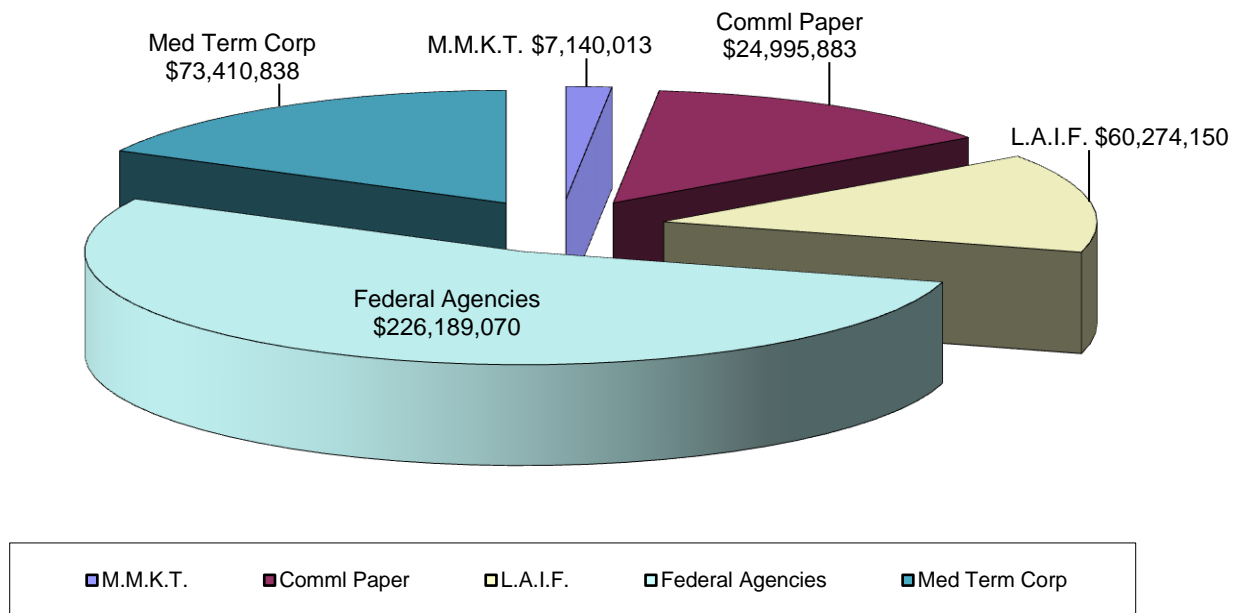
Attachment

1. City Treasurer’s Investment Report

Balances, Yields and Average Maturities**July 31, 2013**

<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	Percent of <u>Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$7,140,013	\$7,140,013	\$7,140,013	0.01%	1.68%	1	0.00
L.A.I.F. (State of California	\$60,274,150	\$60,274,150	\$60,274,150	0.25%	14.21%	1	0.00
subtotal: Cash and Overnight Investments	\$67,414,163	\$67,414,163	\$67,414,163		15.90%	1	0.00
Commercial Paper	\$57,109,000	\$57,102,711	\$57,102,711	0.12%	13.46%	34	0.09
Medium Term Corporate Notes	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Federal Agencies	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
subtotal: Pooled Investments	\$57,109,000	\$57,102,711	\$57,102,711	0.12%	13.46%	32	0.09
Total Short-Term Portfolio:	\$124,523,163	\$124,516,874	\$124,516,874	0.18%	29.36%	16	0.04
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$71,956,000	\$72,470,112	\$73,410,838	1.74%	17.31%	954	2.61
U.S. Federal Agencies	\$226,175,000	\$225,950,925	\$226,189,070	1.30%	53.33%	948	2.60
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$298,131,000	\$298,421,037	\$299,599,908	1.41%	70.64%	949	2.60
Total Cash and Pooled Investments	\$422,654,163	\$422,937,912	\$424,116,783	1.05%	100.00%	675	1.85

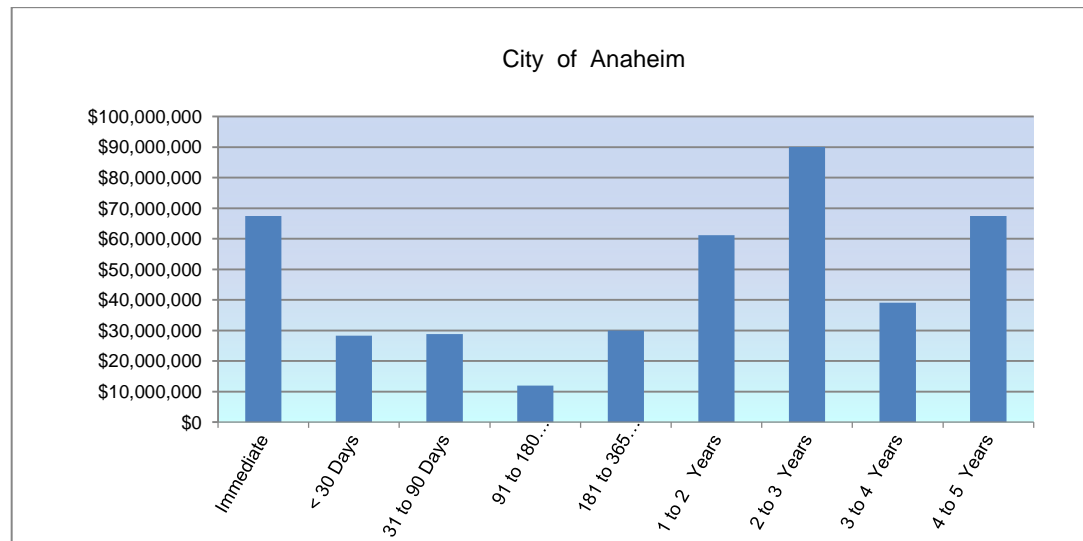
City of Anaheim
Investment Portfolio Asset Allocation
July 31, 2013
\$ 424,116,783



Liquidity Schedule

July 31, 2013

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$7,140,013	\$7,140,013	1.68%
L.A.I.F. (State of California)	Immediate	\$60,274,150	\$67,414,163	15.90%
Pooled Investment Maturities:	< 30 Days	\$28,277,372	\$95,691,535	22.56%
	31 to 90 Days	\$28,825,340	\$124,516,874	29.36%
	91 to 180 Days	\$11,934,067	\$136,450,941	32.17%
	181 to 365 Days	\$29,940,723	\$166,391,664	39.23%
	1 to 2 years	\$61,149,226	\$227,540,890	53.65%
	2 to 3 years	\$90,109,533	\$317,650,424	74.90%
	3 to 4 years	\$39,039,180	\$356,689,604	84.10%
	4 to 5 years	\$67,427,179	\$424,116,783	100.00%
Total Cash and Pooled Investments:		\$424,116,783		



Summary and Comparison of Yields and Balances

July 31, 2013

<u>Description</u>	Current Month <u>July 31, 2013</u>	Prior Month <u>June 30, 2013</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.01%
L.A.I.F. (State of California)	0.25%	0.24%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	1.30%	1.30%
Commercial Paper	0.12%	0.11%
Medium Term Corporate Notes	1.74%	1.74%
	1.05%	1.00%
Weighted Average Maturity (Days)	675	670
Weighted Average Maturity (Years)	1.85	1.84
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$7,140,013	\$24,698,650
L.A.I.F. (State of California)	\$60,274,150	\$60,239,700
U.S. Treasuries	\$0	\$0
Federal Agencies	\$226,189,070	\$225,890,834
Commercial Paper	\$57,102,711	\$56,717,444
Medium Term Corporate Notes	\$73,410,838	\$73,248,150
Total Portfolio:	\$424,116,783	\$440,794,778
	Current Month	Fiscal Year to
Earnings:	<u>July 31, 2013</u>	<u>Date Earnings</u>
Total Interest Earnings for Month:	\$372,925.60	\$372,925.60
Total Adjustments from Premiums and Discounts	\$364.44	\$364.44
Total Capital Gains or Losses	\$0.00	\$0.00
Total Earnings for Month	<u>\$373,290.04</u>	<u>\$373,290.04</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%

Note: July 2013 balance reflects acquisition funds from 2011A Electric Bonds, approx. \$36.9 million (June 2013)

Portfolio balances from June 2011 through July 2013 reflect additional funds from 2011A Electric Bonds

CITY OF ANAHEIM**Short-Term Portfolio Listing****July 31, 2013**

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
SYS17430	17430	LAIF	MMKT	AA+	30,083,208.12	30,083,208.12	30,083,208.12		8/1/2013	0.25%
SYS17432	17432	LAIF	MMKT	AA+	30,190,941.95	30,190,941.95	30,190,941.95		8/1/2013	0.25%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	244,014.04	244,014.04	244,014.04		8/1/2013	0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	6,895,999.11	6,895,999.11	6,895,999.11		8/1/2013	0.01%
90526MV95	1758	UNION BANK OF CALIFORNIA	CP	A1/P1	5,000,000.00	4,999,845.33	4,999,845.33	06/25/2013	08/09/2013	0.14%
59157TVC4	1755	METROPOLITAN LIFE	CP	A1/P1	5,000,000.00	4,999,787.33	4,999,787.33	06/17/2013	08/12/2013	0.14%
59157TVL4	1762	METROPOLITAN LIFE	CP	A1/P1	7,000,000.00	6,999,559.21	6,999,559.21	07/19/2013	08/20/2013	0.12%
89233GVP8	1753	TOYOTA MOTOR CREDIT	CP	A1/P1	7,000,000.00	6,999,574.61	6,999,574.61	05/31/2013	08/23/2013	0.10%
59157TVV2	1761	METROPOLITAN LIFE	CP	A1/P1	4,279,000.00	4,278,605.10	4,278,605.10	07/19/2013	08/29/2013	0.12%
64105GW67	1752	NESTLE CAPITAL	CP	A1/P1	5,000,000.00	4,999,657.61	4,999,657.61	05/31/2013	09/06/2013	0.07%
02665JWK2	1754	AMERICAN HONDA	CP	A1/P1	7,830,000.00	7,828,748.99	7,828,748.99	06/17/2013	09/19/2013	0.12%
90526MWS2	1763	UNION BANK OF CALIFORNIA	CP	A1/P1	8,000,000.00	7,998,295.97	7,998,295.97	07/19/2013	09/26/2013	0.14%
71838LWT5	1760	PHILLIP MORRIS	CP	A1/P1	8,000,000.00	7,998,637.12	7,998,637.12	07/11/2013	09/27/2013	0.11%
Total Short-Term Portfolio:					<u>124,523,163.22</u>	<u>124,516,874.49</u>	<u>124,516,874.49</u>			<u>0.18%</u>

CITY OF ANAHEIM**Long-Term Portfolio Listing****July 31, 2013**

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,995,334.70	5,012,930.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	6,845,000.00	6,847,889.52	6,921,136.94	12/15/2008	12/13/2013	3.13%
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,998,480.02	5,034,840.00	03/23/2011	03/14/2014	1.25%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	8,000,000.00	8,000,682.67	8,141,504.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,500,000.00	4,496,871.67	4,579,596.00	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	4,000,000.00	4,009,369.80	4,070,752.00	01/29/2010	04/17/2014	2.63%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,007,749.00	5,092,815.00	04/30/2010	05/15/2014	2.50%
478160AX2	1584	JOHNSON & JOHNSON	MTN	AAA	3,000,000.00	2,999,072.71	3,021,216.00	05/20/2011	05/15/2014	1.20%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	8,000,000.00	7,983,150.94	8,104,016.00	03/23/2011	09/12/2014	1.38%
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	5,015,618.53	5,092,155.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AA+	8,000,000.00	8,006,039.80	8,253,208.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	5,000,000.00	4,969,233.48	5,060,445.00	01/24/2011	12/12/2014	1.25%
36962G5M2	1638	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,024,400.65	5,104,325.00	01/18/2012	01/09/2015	2.15%
46625HHP8	1637	JP MORGAN	MTN	A	6,000,000.00	6,109,124.58	6,237,594.00	01/18/2012	01/20/2015	3.70%
3134G3JX9	1647	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,627.08	10,023,240.00	01/30/2012	01/30/2015	0.65%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	2,000,000.00	2,000,512.91	2,078,454.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,992,299.24	5,112,890.00	03/24/2011	03/24/2015	1.67%
94974BFE5	1665	WELLS FARGO CO	MTN	A+	1,000,000.00	998,752.40	1,012,469.00	06/27/2012	07/01/2015	1.50%
36962G5Z3	1668	GE CAPITAL SERVICES	MTN	AA+	5,000,000.00	4,997,280.79	5,070,430.00	07/02/2012	07/02/2015	1.63%
594918AG9	1591	MICROSOFT CORP	MTN	AAA	5,000,000.00	5,000,000.00	5,123,945.00	06/09/2011	09/25/2015	1.63%

**CITY OF
ANAHEIM
Long-Term Portfolio Listing**

July 31, 2013

CUSIP	Security #	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AA+	3,000,000.00	2,999,611.47	3,085,380.00	05/11/2011	10/15/2015	1.88%
46623EJR1	1705	JP MORGAN	MTN	A	5,000,000.00	5,000,000.00	4,997,940.00	12/19/2012	10/15/2015	1.10%
931142CX9	1581	WALMART	MTN	AA	2,956,000.00	2,924,554.75	3,019,326.39	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,940,500.00	5,146,290.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,946,099.60	5,146,290.00	01/24/2011	12/01/2015	1.75%
3136G17A1	1712	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,998,965.28	4,987,705.00	12/31/2012	12/30/2015	0.45%
3135G0TT0	1719	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,994,511.67	9,965,380.00	01/29/2013	01/29/2016	0.50%
3135G0TZ6	1720	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,992,583.33	9,967,880.00	01/29/2013	01/29/2016	0.45%
38143USC6	1560	GOLDMAN SACHS GROUP	MTN	A-	5,000,000.00	4,995,316.40	5,245,730.00	02/08/2011	02/07/2016	3.63%
3134G3LJ7	1646	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,997,317.19	5,018,415.00	02/10/2012	02/10/2016	0.95%
3135G0NM1	1678	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,999,978.51	4,995,500.00	08/27/2012	02/16/2016	0.56%
478160AY0	1583	JOHNSON & JOHNSON	MTN	AAA	3,000,000.00	2,994,882.12	3,107,193.00	05/20/2011	05/15/2016	2.15%
478160AY0	1704	JOHNSON & JOHNSON	MTN	AAA	10,000,000.00	10,430,052.12	10,357,310.00	12/17/2012	05/15/2016	2.15%
89236TAL9	1743	TOYOTA MOTOR CRE	MTN	AA-	3,000,000.00	2,998,854.28	2,992,128.00	05/17/2013	05/17/2016	0.80%
166764AC4	1757	CHEVRON	MTN	AA	2,000,000.00	2,000,000.00	2,005,316.00	06/24/2013	06/24/2016	0.89%
3135G0XP3	1747	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,987,376.40	4,947,805.00	05/22/2013	07/05/2016	0.38%
36962G5H3	1617	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	4,996,178.78	5,296,645.00	10/17/2011	10/17/2016	3.35%
3133EA5V6	1690	FEDERAL FARM CREDIT BANK	Fed Agy	AA+	5,000,000.00	4,993,942.71	4,976,995.00	10/24/2012	10/24/2016	0.62%
3135G0WY5	1750	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,997,990.06	4,945,965.00	05/22/2013	11/14/2016	0.55%
3134G3Z37	1703	FED HOME LOAN MORT CORP	Fed Agy	AA+	10,000,000.00	9,999,648.73	9,898,640.00	12/12/2012	12/05/2016	0.63%
313376RQ0	1635	FEDERAL HOME LOAN BANKS	Fed Agy	AA+	4,020,000.00	4,019,575.00	3,990,055.02	01/24/2012	01/24/2017	1.15%
3136FTZB8	1644	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,993,739.97	4,978,925.00	01/30/2012	01/30/2017	1.25%
3136G04R9	1702	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,001,525.52	4,951,955.00	12/13/2012	02/21/2017	0.75%
3135G0PU1	1694	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	5,000,856.27	4,910,200.00	11/14/2012	10/11/2017	1.00%
3135G0QD8	1689	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,995,000.00	6,996,437.53	6,870,419.05	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	1,998,117.66	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	3,534,753.60	11/08/2012	11/08/2017	1.00%
94974BFG0	1742	WELLS FARGO CO	MTN	A+	5,000,000.00	5,003,198.54	4,885,490.00	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	8,751,033.87	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	4,905,010.00	01/30/2013	01/30/2018	1.02%
3135G0TV5	1723	FED NATL MORTGAGE ASSN	Fed Agy	AA+	10,000,000.00	9,987,569.44	9,799,350.00	01/30/2013	01/30/2018	1.03%
3135G0TV5	1724	FED NATL MORTGAGE ASSN	Fed Agy	AA+	6,250,000.00	6,242,230.90	6,124,593.75	01/30/2013	01/30/2018	1.03%
02666QM26	1730	AMERICAN HONDA	MTN	A+	3,000,000.00	2,998,444.16	2,946,825.00	02/19/2013	02/16/2018	1.60%
3134G42R8	1749	FED HOME LOAN MORT CORP	Fed Agy	AA+	5,000,000.00	4,998,810.81	4,862,365.00	05/22/2013	04/25/2018	1.05%
3135G0WJ8	1748	FED NATL MORTGAGE ASSN	Fed Agy	AA+	5,000,000.00	4,973,795.16	4,852,065.00	05/22/2013	05/21/2018	0.88%
166764AE0	1756	CHEVRON	MTN	AA	3,000,000.00	3,000,000.00	2,986,956.00	06/24/2013	06/24/2018	1.72%
Total Long-Term Portfolio					<u>298,131,000.00</u>	<u>298,421,037.19</u>	<u>299,599,908.28</u>			<u>1.41%</u>
Total Portfolio:					<u>422,654,163.22</u>	<u>422,937,911.68</u>	<u>424,116,782.77</u>			<u>1.05%</u>

**Mat Call Sale Purch
Purchases Report
Sorted by Fund - Fund
July 1, 2013 - July 31, 2013**

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
SHORT- TERM PORTFOLIO												
71838LWTS	1760	01	ACP PH MOR	8,000,000.00	07/11/2013	09/27 - At Maturity	7,998,093.33		0.110	09/27/2013	0.110	7,998,637.12
59157TVV2	1761	01	ACP MET-LF	4,279,000.00	07/19/2013	08/29 - At Maturity	4,278,415.20		0.120	08/29/2013	0.120	4,278,605.10
59157TVL4	1762	01	ACP MET-LF	7,000,000.00	07/19/2013	08/20 - At Maturity	6,999,253.33		0.120	08/20/2013	0.120	6,999,559.21
90526MWS2	1763	01	ACP UN BK	8,000,000.00	07/19/2013	09/26 - At Maturity	7,997,853.33		0.140	09/26/2013	0.140	7,998,295.97
Subtotal				27,278,000.00			27,278,815.19	0.00				27,276,087.40

Managed Pool Deposits				Deposit Amount	Deposit Date	Deposit Amount	Rate
SYS987	987	01	PA2 FIDELI	18,750.00	07/01/2013	18,750.00	0.010
SYS987	987	01	PA2 FIDELI	4,040,625.00	07/02/2013	4,040,625.00	0.010
SYS987	987	01	PA2 FIDELI	2,500.00	07/05/2013	2,500.00	0.010
SYS987	987	01	PA2 FIDELI	53,750.00	07/09/2013	53,750.00	0.010
SYS987	987	01	PA2 FIDELI	7,000,000.00	07/12/2013	7,000,000.00	0.010
SYS987	987	01	PA2 FIDELI	41,666.67	07/16/2013	41,666.67	0.010
SYS987	987	01	PA2 FIDELI	8,000,000.00	07/19/2013	8,000,000.00	0.010
SYS987	987	01	PA2 FIDELI	1,682,521.86	07/19/2013	1,682,521.86	0.010
SYS987	987	01	PA2 FIDELI	111,000.00	07/22/2013	111,000.00	0.010
SYS987	987	01	PA2 FIDELI	2,894,000.00	07/22/2013	2,894,000.00	0.010
SYS987	987	01	PA2 FIDELI	23,115.00	07/24/2013	23,115.00	0.010
SYS987	987	01	PA2 FIDELI	5,000,000.00	07/26/2013	5,000,000.00	0.010
SYS987	987	01	PA2 FIDELI	25,000.00	07/29/2013	25,000.00	0.010
SYS987	987	01	PA2 FIDELI	22,500.00	07/29/2013	22,500.00	0.010
SYS987	987	01	PA2 FIDELI	214,908.50	07/30/2013	214,908.50	0.010
SYS500	500	01	PA2 GOLDSA	6,540,000.00	07/05/2013	6,540,000.00	0.010
SYS500	500	01	PA2 GOLDSA	2,267,000.00	07/17/2013	2,267,000.00	0.010
SYS500	500	01	PA2 GOLDSA	2,362,000.00	07/18/2013	2,362,000.00	0.010
SYS500	500	01	PA2 GOLDSA	3,877,000.00	07/22/2013	3,877,000.00	0.010
SYS500	500	01	PA2 GOLDSA	3,562,000.00	07/23/2013	3,562,000.00	0.010
SYS500	500	01	PA2 GOLDSA	3,366,000.00	07/24/2013	3,366,000.00	0.010
SYS500	500	01	PA2 GOLDSA	3,765,000.00	07/30/2013	3,765,000.00	0.010
SYS500	500	01	PA2 GOLDSA	91.83	07/31/2013	91.83	0.010

Mat Call Sale Purch
Purchases Report
July 1, 2013 - July 31, 2013

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
Subtotal				64,888,428.88			64,888,428.88					
Total Purchases and Deposits				82,148,428.88			82,143,044.06	0.00				27,276,087.40

**Mat Call Sale Purch
Maturity Report
Sorted by Maturity Date
Receipts during July 1, 2013 - July 31, 2013**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
90526MU21	1759	01	ACP	UN BK	4,000,000.00	07/02/2013	06/28/2013	0.080	4,000,000.00	0.00	4,000,000.00	0.00
90526MUC9	1744	01	ACP	UN BK	7,000,000.00	07/12/2013	05/21/2013	0.150	7,000,000.00	0.00	7,000,000.00	0.00
71344TUK6	1746	01	ACP	PEPSIC	8,000,000.00	07/19/2013	05/21/2013	0.060	8,000,000.00	0.00	8,000,000.00	0.00
19121AUN9	1740	01	ACP	C/OCA C	2,894,000.00	07/22/2013	04/30/2013	0.120	2,894,000.00	0.00	2,894,000.00	0.00
90526MUS4	1751	01	ACP	UN BK	5,000,000.00	07/26/2013	05/30/2013	0.150	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities					28,894,000.00				28,894,000.00	0.00	28,894,000.00	0.00

Data Updated: SET_MCSP: 08/01/2013 15:45
Run Date: 08/01/2013 - 15:45

Portfolio CITY
AP
MA (PRF_MA) 7.1.1
Report Ver. 7.3.1



POOL PROFILE

September 28, 2012

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.

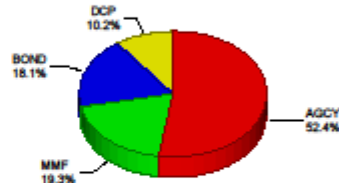
Plus (+) or Minus (-) The ratings from 'AAF' to 'CCCf' may be modified to show relative standing within the major rating categories.

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 28, 2012



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 \$300 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.