



## +COUNCIL AGENDA REPORT

# City of Anaheim OFFICE OF THE CITY TREASURER

**DATE:** JULY 27, 2010  
**FROM:** OFFICE OF THE CITY TREASURER  
**SUBJECT:** INVESTMENT PORTFOLIO REPORT – JUNE 2010

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

### **RECOMMENDATION:**

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

### **DISCUSSION:**

This is the investment report for the City's general pool for the month ending June 30, 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 June 30, 2010:

	<b>Short-term Portfolio</b>	<b>Long-term Portfolio</b>	<b>Total Portfolio Values</b>
Portfolio Balance (Market Value)	\$ 127,268,510	\$ 256,712,953	\$ 383,981,463
Effective Yield	0.36 %	2.63 %	1.87 %
Avg. Weighted Maturity	9 Days	2.2 Years	1.5 Years
Net Earnings	\$ 37,154	\$ 559,591	\$ 596,745
Benchmark*	0.10 %	0.61 %	0.45 %

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

### **INVESTMENT ACTIVITIES**

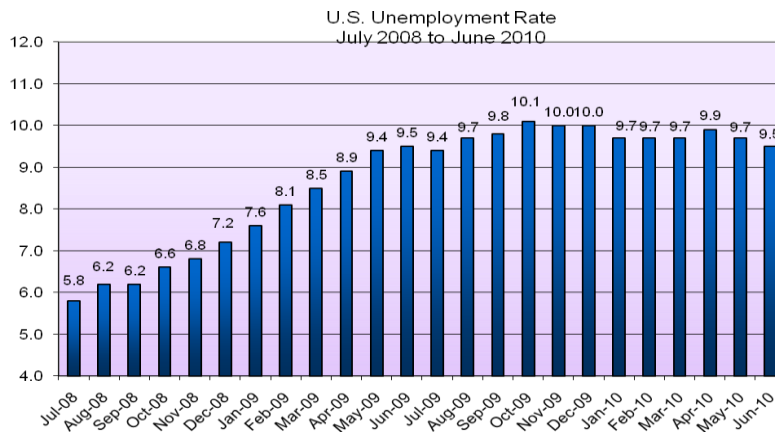
The City Treasurer's Investment Portfolio received a credit rating of AAf and a volatility rating of S1 from Standard and Poor's in July 2008. The portfolio is reviewed monthly by Standard and Poor's for portfolio holdings, liquidity values and the overall management of the investment staff. Standard 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.

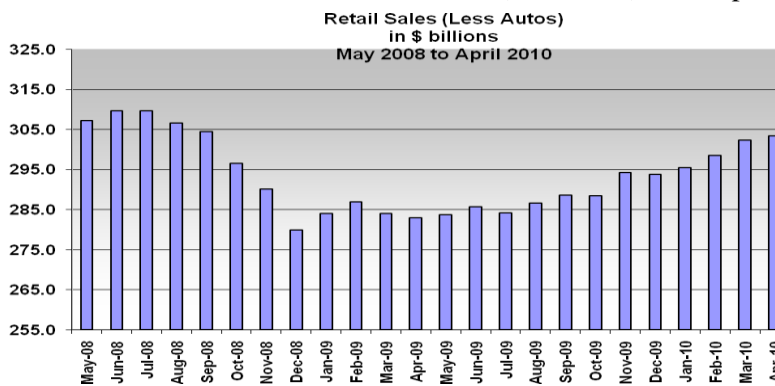
**INVESTMENT ENVIRONMENT**

The national economy continues to plod along showing signs of slow growth. Uncertainty is still the key description in the slow recovery we are seeing. One economic indicator looked at closely every month is the national unemployment rate. From a low of just over 5.8% in July 2008, the unemployment rate rose to a high of 10.1% in October 2009 and moved lower to 9.5% for June 2010. This indicator is considered a “lagging” economic indicator and does not reflect current economic conditions. It appears unemployment will continue to stay at current levels for the next several months 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:



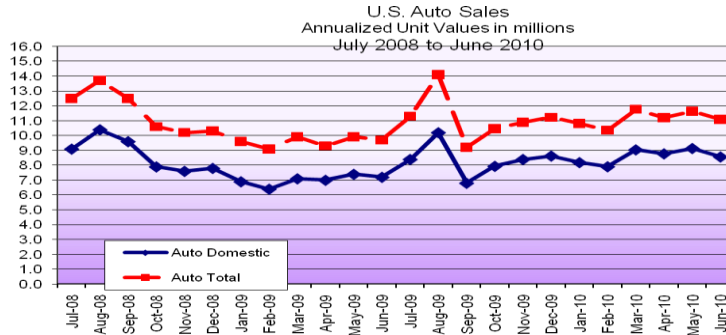
Source: Bureau of Statistics, Dept of Labor

Another key economic factor we watch is the economic strength of the consumer as measured in the monthly Retail Sales (Less Autos) figures. The chart below shows the significant drop in consumer spending during the financial crises in late 2008, however, overall consumer spending has slowly risen back to levels seen in early 2008. This increase reflects the daily buying 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:



Source: Census Bureau, US Government

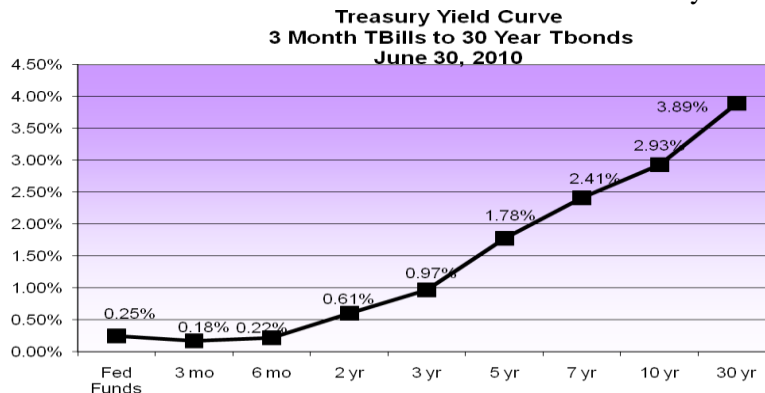
Along with Retail Sales, we look at Auto Sales as an indicator of consumer buying sentiment. With the rapid increase in unemployment and uncertainty in the financial markets, Auto Sales in the United States have decreased significantly in the past two years. The chart below shows the monthly annualized auto sales for the past twenty four months:



Source: Bloomberg Financial System

Interest rates for the month ending June 2010 moved lower as concern for the economic recovery and uncertainty in international markets caused investors to place funds in U.S. Treasury issues. 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 June 23, 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 June earning 0.36%, as compared to the three month U.S. Treasury bill yield of 0.18%. The longer term portfolio’s yield was 2.63%, which exceeded the interpolated yield of 0.57% for the month of June 2010. Interest rates have traded in a range for the past twelve months and we do not anticipate any further 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 June 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.

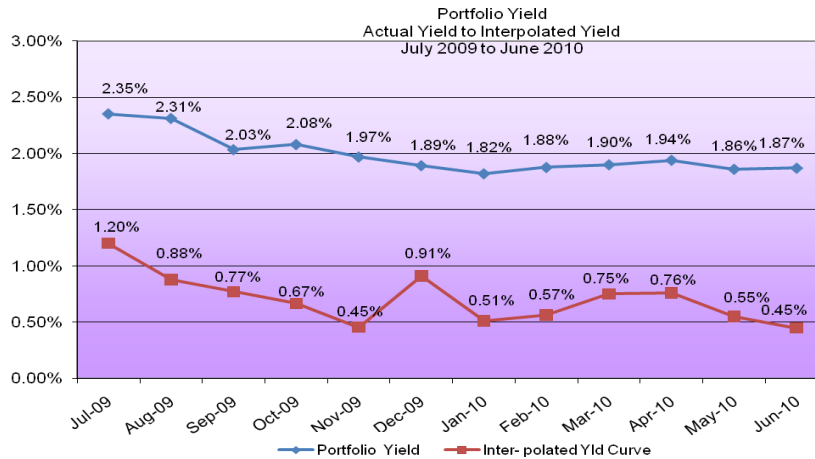
**INVESTMENT PERFORMANCE**

For June 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	\$ 127,268,510	9 days	0.36 %	0.10 %	0.028	0.269
Long-Term Portfolio	\$ 256,712,953	2.2 years	2.62 %	0.61 %	0.577	3.914
Total Portfolio	\$ 383,981,463	1.5 years	1.87 %	0.45 %	0.375	2.756

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 June 2010 is on the following pages.

**IMPACT ON BUDGET:**

None.

Respectfully submitted,

Henry W. Stern, CTP  
 City Treasurer

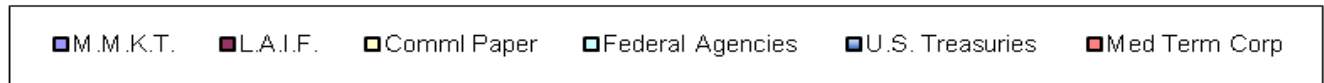
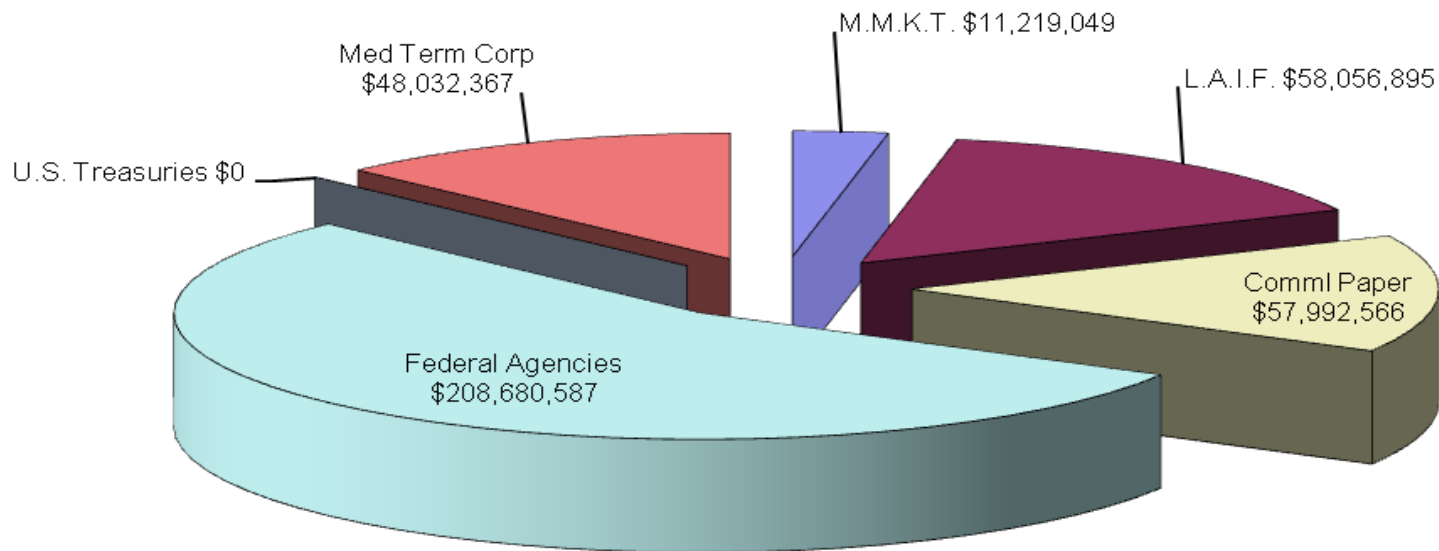
**Attachment:**

1. Investment Report

**Balances, Yields and Average Maturities****June 30, 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>
<b>Short-Term Portfolio</b>							
Money Market Funds	\$11,219,049	\$11,219,049	\$11,219,049	0.05%	2.92%	1	0.00
L.A.I.F. (State of California)	\$58,056,895	\$58,056,895	\$58,056,895	0.53%	15.12%	1	0.00
subtotal: Cash and Overnight Investments	\$69,275,943	\$69,275,943	\$69,275,943		18.04%	1	0.00
Commercial Paper	\$58,000,000	\$57,992,566	\$57,992,566	0.25%	15.10%	19	0.05
Medium Term Corporate Notes	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Federal Agencies	\$0	\$0	\$0	0.00%	0.00%	0	0.00
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
subtotal: Pooled Investments	\$58,000,000	\$57,992,566	\$57,992,566	0.25%	15.10%	28	0.08
<b>Total Short-Term Portfolio:</b>	<b>\$127,275,943</b>	<b>\$127,268,510</b>	<b>\$127,268,510</b>	<b>0.36%</b>	<b>33.14%</b>	<b>9</b>	<b>0.02</b>
<b>Long -Term Portfolio</b>							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$45,799,000	\$47,010,296	\$48,032,367	3.64%	12.51%	692	1.90
U.S. Federal Agencies	\$203,788,000	\$203,903,647	\$208,680,587	2.40%	54.35%	829	2.27
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
<b>Total Long-Term Portfolio:</b>	<b>\$249,587,000</b>	<b>\$250,913,943</b>	<b>\$256,712,953</b>	<b>2.63%</b>	<b>66.86%</b>	<b>804</b>	<b>2.20</b>
<b>Total Cash and Pooled Investments</b>	<b>\$376,862,943</b>	<b>\$378,182,452</b>	<b>\$383,981,463</b>	<b>1.87%</b>	<b>100.00%</b>	<b>536</b>	<b>1.47</b>

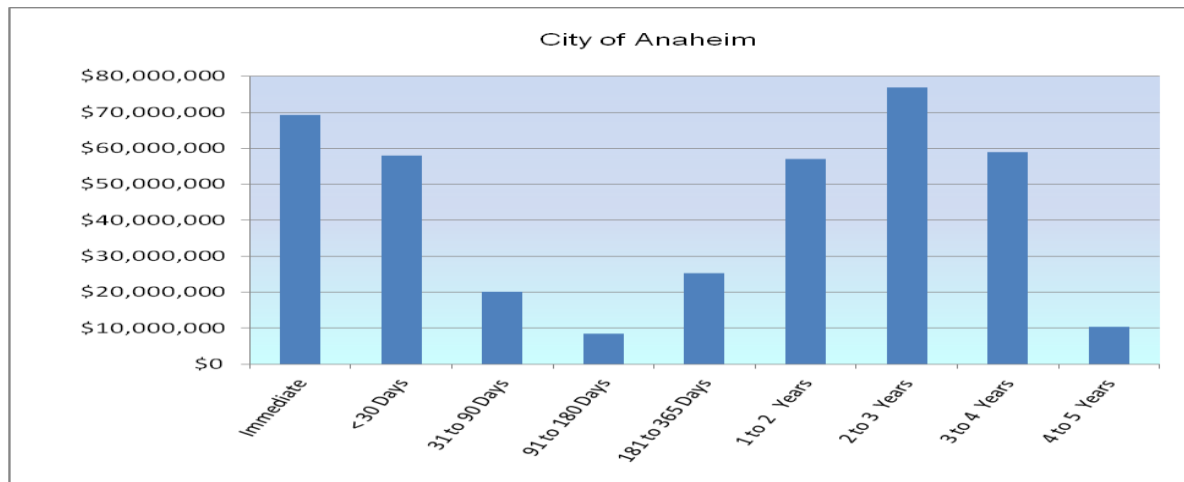
City of Anaheim  
Investment Portfolio Asset Allocation  
June 30, 2010  
\$ 383,981,463



### Liquidity Schedule

June 30, 2010

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$11,219,049	\$11,219,049	2.92%
L.A.I.F. (State of California)	Immediate	\$58,056,895	\$69,275,943	18.04%
Pooled Investment Maturities:	< 30 Days	\$58,011,457	\$127,287,400	33.15%
	31 to 90 Days	\$20,024,859	\$147,312,260	38.36%
	91 to 180 Days	\$8,432,543	\$155,744,803	40.56%
	181 to 365 Days	\$25,206,250	\$180,951,053	47.12%
	1 to 2 years	\$56,961,545	\$237,912,598	61.96%
	2 to 3 years	\$76,797,357	\$314,709,955	81.96%
	3 to 4 years	\$58,942,758	\$373,652,713	97.31%
	4 to 5 years	\$10,328,750	\$383,981,463	100.00%
Total Cash and Pooled Investments:		\$383,981,463		



Summary and Comparison of Yields and Balances  
June 30, 2010

<u>Description</u>	<u>Current Month</u> <u>June 30, 2010</u>	<u>Prior Month</u> <u>May 31, 2010</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.05%	0.02%
L.A.I.F. (State of California)	0.53%	0.59%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	2.40%	2.43%
Commercial Paper	0.25%	0.25%
Medium Term Corporate Notes	3.64%	3.66%
	1.87%	1.86%
Weighted Average Maturity (Days)	536	543
Weighted Average Maturity (Years)	1.47	1.49
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$11,219,049	\$6,597,616
L.A.I.F. (State of California)	\$58,056,895	\$32,414,895
U.S. Treasuries	\$0	\$0
Federal Agencies	\$208,680,587	\$211,601,411
Commercial Paper	\$57,992,566	\$83,980,622
Medium Term Corporate Notes	\$48,032,367	\$39,923,882
Total Portfolio:	\$383,981,463	\$374,518,425
	<u>Current Month</u>	<u>Fiscal Year to</u>
Earnings:	<u>June 30, 2010</u>	<u>Date Earnings</u>
Total Interest Earnings for Month:	\$589,699.04	\$7,312,187.36
Total Adjustments from Premiums and Discounts	-\$36,130.22	-\$81,507.52
Total Capital Gains or Losses	\$43,176.67	\$189,285.35
Total Earnings for Month	\$596,745.49	\$7,419,965.19



City Treasurer's Investment Report – June 2010

Attachment 1

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

**June 30, 2010**

<b>CUSIP</b>	<b>Security #</b>	<b>Issuer</b>	<b>Security Type</b>	<b>S&amp;P Rating</b>	<b>Par Value</b>	<b>Book Value</b>	<b>Market Value</b>	<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Stated Rate</b>
SYS17430	17430	LAIF	MMKT	AA	30,210,313.19	30,210,313.19	30,210,313.19		7/1/10	0.53%
SYS17431	17431	LAIF	MMKT	AA	27,846,581.70	27,846,581.70	27,846,581.70		7/1/10	0.53%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	0.00	0.00	0.00		7/1/10	0.05%
SYS500	500	GOLDMAN SACHS PRIME OBLIGATION	MMKT	AAA	11,219,048.50	11,219,048.50	11,219,048.50		7/1/10	0.05%
0660P1G21	1491	BANK OF AMERICA	CP	A-1	5,000,000.00	4,999,962.71	4,999,962.71	04/28/2010	07/02/2010	0.27%
36959SG23	1501	GE COMPANY COMMERCIAL PAPER	CP	A-1	5,000,000.00	4,999,962.72	4,999,962.72	05/13/2010	07/02/2010	0.27%
02665KG68	1498	American Honda	MTN	A	4,000,000.00	3,999,878.47	3,999,878.47	04/30/2010	07/06/2010	0.22%
89233HG99	1506	TOYOTA MOTOR CREDIT	CP	A-1	5,000,000.00	4,999,723.83	4,999,723.83	05/14/2010	07/09/2010	0.25%
4662J1GD6	1505	JP Morgan	CP	A-1	5,000,000.00	4,999,585.74	4,999,585.74	05/14/2010	07/13/2010	0.25%
02665KGG6	1503	American Honda	CP	A-1	5,000,000.00	4,999,440.75	4,999,440.75	05/14/2010	07/16/2010	0.27%
90526NGG4	1507	UNION BANK	CP	A-1	5,000,000.00	4,999,440.78	4,999,440.78	05/21/2010	07/16/2010	0.27%
71344UGP8	1502	Pepsico	CP	A-1	5,000,000.00	4,999,361.99	4,999,361.99	05/14/2010	07/23/2010	0.21%
02665KGV3	1512	American Honda	CP	A-1	4,000,000.00	3,999,195.86	3,999,195.86	06/04/2010	07/29/2010	0.26%
90526NGW9	1513	UNION BANK	CP	A-1	5,000,000.00	4,999,279.24	4,999,279.24	06/22/2010	07/30/2010	0.18%
19121BHD4	1509	COCA COLA	CP	A-1	5,000,000.00	4,998,515.48	4,998,515.48	05/21/2010	08/13/2010	0.25%
64105HHD7	1508	Nestle Capital	CP	A-1	5,000,000.00	4,998,218.64	4,998,218.64	05/21/2010	08/13/2010	0.30%
Total Short-Term Portfolio:					<u>127,275,943.39</u>	<u>127,268,509.60</u>	<u>127,268,509.60</u>			<u>0.36%</u>

City Treasurer's Investment Report – June 2010

Attachment 1

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

**June 30, 2010**

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31331Y3U2	1298	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	10,000,000.00	9,999,980.56	10,015,625.00	07/21/2008	07/21/2010	3.30%
3136FHFE0	1363	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,005,385.71	10,028,125.00	04/01/2009	09/16/2010	1.50%
94974BAZ3	1334	WELLS FARGO CO	MTN	A-1	8,364,000.00	8,365,037.34	8,432,542.98	12/23/2008	10/29/2010	3.98%
31331GJY6	1338	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	5,002,024.55	5,034,375.00	01/15/2009	01/12/2011	1.60%
3133XT4D5	1365	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,013,672.34	10,090,625.00	04/01/2009	03/16/2011	1.63%
3133XTJ64	1380	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,003,242.79	10,081,250.00	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	5,298,437.50	09/29/2006	09/29/2011	5.34%
31331Y3P3	1296	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	10,000,000.00	9,992,739.90	10,368,750.00	07/15/2008	10/03/2011	3.50%
3133XVQL8	1456	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	3,240,000.00	3,240,047.88	3,265,312.50	12/28/2009	12/09/2011	1.13%
3137EACF4	1454	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	5,003,186.99	5,039,062.50	12/28/2009	12/15/2011	1.13%
3136FJF89	1459	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,988,022.22	5,018,750.00	12/30/2009	12/30/2011	1.13%
38141GBU7	1511	Goldman Sachs Group	MTN	A	9,005,000.00	9,497,672.91	9,524,075.22	05/28/2010	01/15/2012	6.60%
36962GXS8	1510	GENERAL ELEC CAP CORP	MTN	AA	5,000,000.00	5,292,425.93	5,313,720.00	05/28/2010	02/15/2012	5.88%
3136FHEV3	1362	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,039,455.22	8,085,000.00	04/01/2009	03/23/2012	2.38%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,986,627.68	5,048,437.50	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	2,523,437.50	02/03/2009	08/03/2012	2.00%
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,041,162.63	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	9,879,470.34	10,040,843.75	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	4,967,063.58	5,051,562.50	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	10,725,000.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	A-1	8,000,000.00	7,941,630.87	8,457,376.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A	8,206,000.00	8,580,595.71	8,608,405.83	06/23/2010	02/05/2013	5.45%
31331JSZ7	1514	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	5,000,000.00	5,010,937.50	06/28/2010	03/28/2013	1.47%
38141GDB7	1517	Goldman Sachs Group	MTN	A	2,224,000.00	2,334,639.54	2,340,706.62	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A	5,000,000.00	4,998,293.28	5,355,540.00	04/02/2008	04/02/2013	4.63%
3128X8T25	1368	FED HOME LOAN MORT CORP	Fed Agy	AAA	3,955,000.00	3,952,415.24	4,015,622.24	04/14/2009	04/08/2013	2.50%

City Treasurer's Investment Report – June 2010

Attachment 1

<u>CUSIP</u>	<u>Security #</u>	<u>Issuer</u>	<u>Security Type</u>	<u>S&amp;P Rating</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	
3133XTNY8	1390	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	1,685,000.00	1,683,461.27	1,709,221.88	06/03/2009	06/03/2013	2.38%
3136FJZZ7	1457	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,175,000.00	2,169,199.59	2,189,953.13	12/28/2009	06/28/2013	2.00%
3128X9VY3	1472	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	4,996,848.24	5,006,445.00	02/11/2010	07/29/2013	2.25%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	6,845,000.00	6,872,187.75	7,234,309.38	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	10,078,300.00	06/30/2010	12/30/2013	1.75%
31398AWH1	1367	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,019,549.69	5,089,062.50	04/14/2009	04/07/2014	2.90%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	8,000,000.00	8,003,642.67	8,315,000.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,500,000.00	4,483,307.42	4,677,187.50	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,000,000.00	4,049,996.68	4,157,500.00	01/29/2010	04/17/2014	2.63%
3128X8YK2	1381	FED HOME LOAN MORT CORP	Fed Agy	AAA	4,038,000.00	4,022,526.24	4,114,641.24	05/01/2009	04/29/2014	2.75%
31331GVG1	1392	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,928,568.90	5,109,375.00	05/28/2009	05/06/2014	2.75%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,038,035.60	5,160,937.50	04/30/2010	05/15/2014	2.50%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,020,334.44	8,267,500.00	04/30/2010	11/20/2014	2.63%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	2,000,000.00	2,001,491.13	2,061,250.00	03/19/2010	03/13/2015	2.75%
Total Long-Term Portfolio:					<u>249,587,000.00</u>	<u>250,913,942.83</u>	<u>256,712,953.27</u>			<u>2.63%</u>
Total Portfolio:					<u>376,862,943.39</u>	<u>378,182,452.43</u>	<u>383,981,462.87</u>			<u>1.87%</u>

**Mat Call Sale Purch  
 Purchases Report  
 Sorted by Fund - Fund  
 June 1, 2010 - June 30, 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
<b>SHORT-TERM PORTFOLIO</b>													
02665KGV3	1512	01	ACP	HNDA	4,000,000.00	06/04/2010	07/29 - At Maturity	3,998,411.11		0.260	07/29/2010	0.260	3,999,195.86
90526NGW9	1513	01	ACP	UNION	5,000,000.00	06/22/2010	07/30 - At Maturity	4,999,050.00		0.180	07/30/2010	0.180	4,999,279.24
				<b>Subtotal</b>	<b>9,000,000.00</b>			<b>8,997,461.11</b>	<b>0.00</b>				<b>8,998,475.10</b>
<b>LONG-TERM PORTFOLIO</b>													
59018YM40	1516	02	MTN	BAC	8,206,000.00	06/23/2010	08/05 - 02/05	8,583,804.24	171,437.02	5.450	02/05/2013	3.540	8,590,595.71
38141GDB7	1517	02	MTN	GOLDMA	2,234,000.00	06/23/2010	09/30 - 03/30	2,335,533.60	26,595.33	5.250	04/01/2013	3.293	2,334,639.54
31331J6Z7	1514	02	FAC	FFCB	5,000,000.00	06/28/2010	09/28 - 03/28	5,000,000.00		1.470	03/28/2013	1.450	5,000,000.00
3134G1KD5	1515	02	FAC	FHLMC	10,000,000.00	06/30/2010	12/30 - 06/30	10,000,000.00		1.750	12/30/2013	1.726	10,000,000.00
				<b>Subtotal</b>	<b>25,430,000.00</b>			<b>26,919,337.84</b>	<b>198,032.35</b>				<b>26,915,235.26</b>
<b>Managed Pool Deposits</b>													
					<b>Deposit Amount</b>	<b>Deposit Date</b>		<b>Deposit Amount</b>		<b>Rate</b>			
SYSS87	987	01	PA2	FIDELI	3,000,000.00	06/01/2010		3,000,000.00		0.510			
SYSS87	987	01	PA2	FIDELI	66,625.00	06/01/2010		66,625.00		0.510			
SYSS87	987	01	PA2	FIDELI	112,500.00	06/02/2010		112,500.00		0.510			
SYSS87	987	01	PA2	FIDELI	20,009.38	06/03/2010		20,009.38		0.510			
SYSS87	987	01	PA2	FIDELI	5,043,750.00	06/08/2010		5,043,750.00		0.510			
SYSS87	987	01	PA2	FIDELI	5,021,161.25	06/09/2010		5,021,161.25		0.510			
SYSS87	987	01	PA2	FIDELI	4,586,562.50	06/15/2010		4,586,562.50		0.510			
SYSS87	987	01	PA2	FIDELI	1,838,000.00	06/16/2010		1,838,000.00		0.510			
SYSS87	987	01	PA2	FIDELI	1,247,000.00	06/18/2010		1,247,000.00		0.510			
SYSS87	987	01	PA2	FIDELI	11,400.00	06/28/2010		11,400.00		0.510			
SYSS87	987	01	PA2	FIDELI	21,750.00	06/28/2010		21,750.00		0.510			
SYSS87	987	01	PA2	FIDELI	5,000,000.00	06/28/2010		5,000,000.00		0.510			
SYSS87	987	01	PA2	FIDELI	1,200,000.00	06/28/2010		1,200,000.00		0.510			
SYSS00	500	01	PA2	GOLDBA	8,602,000.00	06/01/2010		8,602,000.00		0.288			
SYSS00	500	01	PA2	GOLDBA	2,710,000.00	06/02/2010		2,710,000.00		0.288			
SYSS00	500	01	PA2	GOLDBA	3,418,000.00	06/03/2010		3,418,000.00		0.288			
SYSS00	500	01	PA2	GOLDBA	562,000.00	06/08/2010		562,000.00		0.288			
SYSS00	500	01	PA2	GOLDBA	1,141,000.00	06/09/2010		1,141,000.00		0.288			
SYSS00	500	01	PA2	GOLDBA	469,000.00	06/10/2010		469,000.00		0.288			

Mat Call Sale Purch  
 Purchase Report  
 June 1, 2010 - June 30, 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 880	Ending Book Value
<b>Managed Pool Deposits</b>					<b>Deposit Amount</b>	<b>Deposit Date</b>		<b>Deposit Amount</b>		<b>Rate</b>			
SYS500	500	01	PA2	GOLDBA	1,070,000.00	06/15/2010		1,070,000.00		0.288			
SYS500	500	01	PA2	GOLDBA	2,281,000.00	06/16/2010		2,281,000.00		0.288			
SYS500	500	01	PA2	GOLDBA	3,689,000.00	06/17/2010		3,689,000.00		0.288			
SYS500	500	01	PA2	GOLDBA	1,365,000.00	06/22/2010		1,365,000.00		0.288			
SYS500	500	01	PA2	GOLDBA	953.73	06/30/2010		953.73		0.288			
SYS17430	17430	01	PA1	LAIF	9,495,000.00	06/04/2010		9,495,000.00		1.370			
SYS17430	17430	01	PA1	LAIF	6,000,000.00	06/29/2010		6,000,000.00		1.370			
SYS17431	17431	01	PA1	LAIF	5,496,000.00	06/04/2010		5,496,000.00		1.370			
SYS17431	17431	01	PA1	LAIF	4,651,000.00	06/28/2010		4,651,000.00		1.370			
<b>Subtotal</b>					<b>78,117,711.88</b>			<b>78,117,711.88</b>					
<b>Total Purchases and Deposits</b>					<b>112,647,711.88</b>			<b>113,034,610.81</b>	<b>188,032.35</b>				<b>94,815,710.36</b>

**Mat Call Sale Purch  
 Sales/Call Report  
 Sorted by Maturity Date - Fund  
 June 1, 2010 - June 30, 2010**

CU3IP	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
<b>06/30/2011</b>												
3133XW4V8	1450	02	FHLB FAC	12/30/2009	06/30/2010 06/30/2011	5,000,000.00	0.800	4,994,333.33	5,000,000.00	20,000.00	5,020,000.00 Call	25,666.67
						<b>Subtotal</b>		<b>4,994,333.33</b>	<b>5,000,000.00</b>	<b>20,000.00</b>	<b>5,020,000.00</b>	<b>25,666.67</b>
<b>06/08/2012</b>												
3128X8H62	1391	02	FHLMC FAC	06/08/2009	06/08/2010 06/08/2012	5,000,000.00	1.750	5,000,000.00	5,000,000.00	43,750.00	5,043,750.00 Call	43,750.00
						<b>Subtotal</b>		<b>5,000,000.00</b>	<b>5,000,000.00</b>	<b>43,750.00</b>	<b>5,043,750.00</b>	<b>43,750.00</b>
<b>12/28/2012</b>												
3136FJ057	1455	02	FNMA FAC	12/28/2009	06/28/2010 12/28/2012	1,200,000.00	1.900	1,198,440.00	1,200,000.00	11,400.00	1,211,400.00 Call	12,960.00
						<b>Subtotal</b>		<b>1,198,440.00</b>	<b>1,200,000.00</b>	<b>11,400.00</b>	<b>1,211,400.00</b>	<b>12,960.00</b>
<b>06/02/2014</b>												
3133XTRN8	1393	02	FHLB FAC	06/02/2009	06/04/2010 06/02/2014	7,500,000.00	3.000	7,464,050.00	7,500,000.00	1,260.00	7,501,260.00 Call	37,200.00
						<b>Subtotal</b>		<b>7,464,050.00</b>	<b>7,500,000.00</b>	<b>1,260.00</b>	<b>7,501,260.00</b>	<b>37,200.00</b>
<b>Managed Pool Withdrawals</b>												
				<b>Withdrawal Date</b>	<b>Withdrawal Amount</b>	<b>Current Rate</b>		<b>Withdrawal Amount</b>		<b>Withdrawal Amount</b>		
	500		GOLDBA	06/01/2010	210.84	0.045		210.84		210.84		
	987		FIDELI	06/04/2010	8,600,000.00	0.045		8,600,000.00		8,600,000.00		
	500		GOLDBA	06/07/2010	606,000.00	0.045		606,000.00		606,000.00		
	500		GOLDBA	06/11/2010	1,368,000.00	0.045		1,368,000.00		1,368,000.00		
	987		FIDELI	06/14/2010	868,000.00	0.045		868,000.00		868,000.00		
	500		GOLDBA	06/21/2010	1,939,000.00	0.045		1,939,000.00		1,939,000.00		
	987		FIDELI	06/22/2010	4,999,050.00	0.045		4,999,050.00		4,999,050.00		
	987		FIDELI	06/23/2010	11,117,370.19	0.045		11,117,370.19		11,117,370.19		
	500		GOLDBA	06/23/2010	970,000.00	0.045		970,000.00		970,000.00		
	500		GOLDBA	06/25/2010	555,000.00	0.045		555,000.00		555,000.00		
	987		FIDELI	06/28/2010	1,233,150.00	0.045		1,233,150.00		1,233,150.00		

Mat Call Sale Purch  
 Sales/Call Report  
 June 1, 2010 - June 30, 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
<b>Managed Pool Withdrawals</b>					<b>Withdrawal Date</b>	<b>Withdrawal Amount</b>	<b>Current Rate</b>		<b>Withdrawal Amount</b>		<b>Withdrawal Amount</b>	
	987		FIDELI		06/28/2010	5,000,000.00	0.045		5,000,000.00		5,000,000.00	
	500		GOLDSA		06/29/2010	4,973,000.00	0.045		4,973,000.00		4,973,000.00	
	987		FIDELI		06/30/2010	769,972.56	0.045		769,972.56		769,972.56	
	500		GOLDSA		06/30/2010	4,856,000.00	0.045		4,856,000.00		4,856,000.00	
					Subtotal	47,864,763.69			47,864,763.69		47,864,763.69	
<b>Total Sales and Withdrawals</b>						<b>88,554,763.69</b>		<b>18,868,823.33</b>	<b>88,664,763.69</b>	<b>78,400.00</b>	<b>88,831,163.69</b>	<b>118,678.87</b>

**Mat Call Sale Purch**  
**Maturity Report**  
**Sorted by Maturity Date**  
 Receipts during June 1, 2010 - June 30, 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
92976WAT3	1340	02	MTN	WFCNEW	3,000,000.00	06/01/2010	01/20/2009	4.375	3,000,000.00	65,625.00	3,065,625.00	65,625.00
4662J1F47	1493	01	ACP	JPM	5,000,000.00	06/04/2010	04/29/2010	0.230	5,000,000.00	0.00	5,000,000.00	0.00
0660P1F48	1490	01	ACP	BAC	5,000,000.00	06/04/2010	04/20/2010	0.230	5,000,000.00	0.00	5,000,000.00	0.00
1667X1F92	1499	01	ACP	CHEVRN	5,000,000.00	06/09/2010	05/11/2010	0.190	5,000,000.00	0.00	5,000,000.00	0.00
00282DFF2	1504	01	ACP	ABT	5,000,000.00	06/15/2010	05/14/2010	0.220	5,000,000.00	0.00	5,000,000.00	0.00
19121BFJ3	1489	01	ACP	COCA C	5,000,000.00	06/18/2010	04/20/2010	0.210	5,000,000.00	0.00	5,000,000.00	0.00
36959JFJ7	1497	01	ACP	GECC	5,000,000.00	06/18/2010	04/30/2010	0.220	5,000,000.00	0.00	5,000,000.00	0.00
0660P1FU0	1500	01	ACP	BAC	5,000,000.00	06/28/2010	05/13/2010	0.330	5,000,000.00	0.00	5,000,000.00	0.00
<b>Total Maturities</b>					<b>38,000,000.00</b>				<b>38,000,000.00</b>	<b>65,625.00</b>	<b>38,065,625.00</b>	<b>65,625.00</b>





**FUND PROFILE**

March 31, 2010



**City of Anaheim Treasurer Investment Pool**

**Credit Quality Ratings Definitions**

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

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

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

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

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

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

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

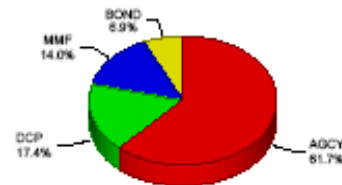
**Plus (+) or Minus (-)** The ratings from 'AAf' to 'CCCF' may be modified to show relative standing within the major rating categories.

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

**About the Fund**

Fund Rating	<b>AAAf / S1</b>
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  
June 30, 2010

<u>Debt Issue</u>	<u>Trustee</u>	<u>Book Value</u>	<u>Total Trustee Holdings</u>
Decommissioning Trust	Union Bank of Calif.	\$ 116,321,617	
APFA Revenue Bds, 1998 Series	Union Bank of Calif.	\$ 1	\$ 116,321,618
COP 1992 Convention Ctr.	US Bank	\$ 7,752,358	
1993 Land Acquisition Program Lease	US Bank	\$ 1,936,539	
Anaheim R/A Tax Allocation Bond - Escrow Fd	US Bank	\$ 28,683,590	
Anaheim CFD no. 1989-3	US Bank	\$ 1,508,482	
APFR Rev Bds. - Escrow Fd	US Bank	\$ 6,410,000	
Anaheim CFD 1989 - 1, Sycamore Canyon	US Bank	\$ 892,520	
Anaheim CFD 1989 - 2, Highlands Sp Tax Bds	US Bank	\$ 1,434,164	
CITY OF ANAHEIM CFD DIST 06-2 2007	US Bank	\$ 1,059,596	
Anaheim RDA 2007 Tax Allocation Refunding Bds	US Bank	\$ 19,928,037	
APFA Lease Revenue Refunding Bonds Ser 2008	US Bank	\$ 5,182,000	\$ 74,787,288
Anaheim Dist Sys 99	BNY Western Trust	\$ 1,098,413	
Anaheim Arena 03	BNY Western Trust	\$ -	
Anaheim 04 Electric Purchase	BNY Western Trust	\$ 10,240,052	
Anaheim Debt Service Payment Account	BNY Western Trust	\$ -	
Anaheim/Disney Lease Revenue 1997A	BNY Western Trust	\$ 39,211,263	
Anaheim Lenain Reserve	BNY Western Trust	\$ 1,098,542	
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	\$ 31,326,406	
Anaheim (Dsny) 2007 Ref Ser A	BNY Western Trust	\$ 3,122,917	
Anaheim (Dsny) 2007 Ref Ser B	BNY Western Trust	\$ 1,096,578	
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	\$ 17,601,331	\$ 149,090,996
Total Bond Funds with external Trustees:			\$ 340,199,902
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	\$ 371,980	
2007 RDA Bond - D	City Treasurer	\$ -	
Total Bond Funds with City Treasurer:			\$ 395,993
Total Bond Funds:			\$ 340,595,896