



+COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: JULY 19, 2011
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – JUNE 2011

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

RECOMMENDATION:

That the City Council, by Motion, approve the Investment Portfolio Report for June 2011.

DISCUSSION:

This is the investment report for the City's general pool for the month ending June 30, 2011. 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, 2011:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value) *	\$ 180,459,755	\$ 261,836,213	\$ 442,295,968
Effective Yield	0.23 %	2.44 %	1.53 %
Avg. Weighted Maturity	17 Days	2.5 Years	1.5 Years
Net Earnings	\$ 33,089	\$ 503,799	\$ 536,888
Benchmark**	0.01%	0.63 %	0.35 %

* Portfolio balance includes approximately \$81.2 million of the 2011A Electric Bond project funds

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

INVESTMENT ACTIVITIES

The City Treasurer's Investment Portfolio 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.

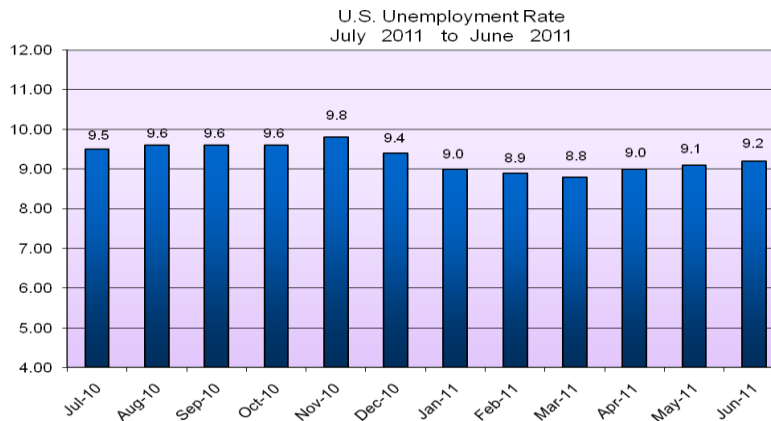
On August 11, 2008, the City of Anaheim’s Investment Policy was recognized and certified by the Association of Professional Treasurers of the United States and Canada (APT US&C) as meeting all standards and criteria established by the APT US&C.

INVESTMENT ENVIRONMENT

Economic data continue to show signs of a slowdown in the economy from the recovery that began in the spring of 2009. A key economic indicator is the national unemployment rate, which tends to show the overall health of the national economy. For the month of June 2011, the national unemployment rate was reported at 9.2%, up from the May 2011 value of 9.1% and the highest since December 2010.

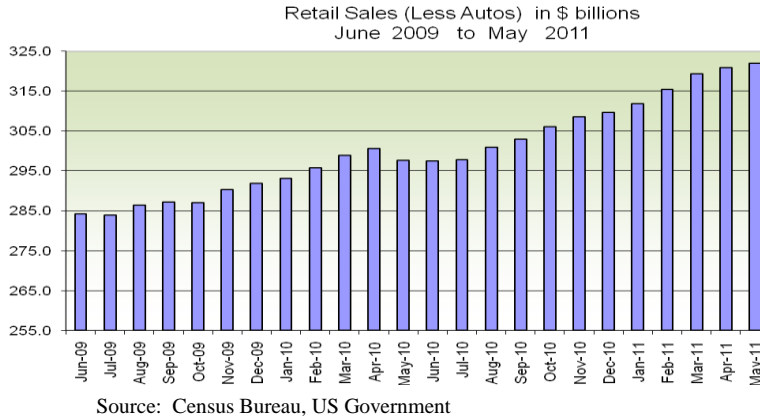
The Bureau of Labor Statistics July 8, 2011 news release reported that “. . . the number of unemployed persons (14.1 million) and the unemployment rate (9.2 percent) were essentially unchanged over the month. Since March, the number of unemployed persons has increased by 545,000, and the unemployment rate has risen by 0.4 percentage point. The labor force, at 153.4 million, changed little over the month”.

The news release added that “. . . total nonfarm payroll employment was essentially unchanged in June...” 2011 at approximately 18,000 new jobs. The recent employment data suggests that the economy is slowing from earlier employment gains in the first four months of the calendar year. With the increase in college and high school graduates in the month of June, the absence of an increase in hiring will provide downward pressure and keep unemployment values at the current levels for the remainder of the summer. As noted, the unemployment rate is considered a “lagging” indicator for immediate financial and economic events are delayed in being reflected in the unemployment rate. The chart below shows the national unemployment rate for the past twelve months:

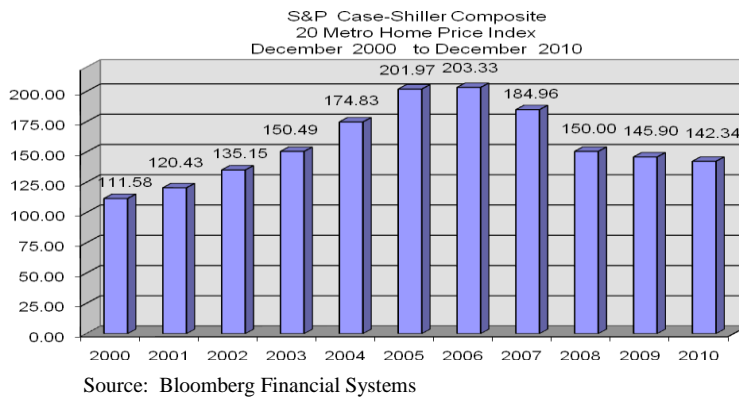


Source: Bureau of Statistics, Dept of Labor

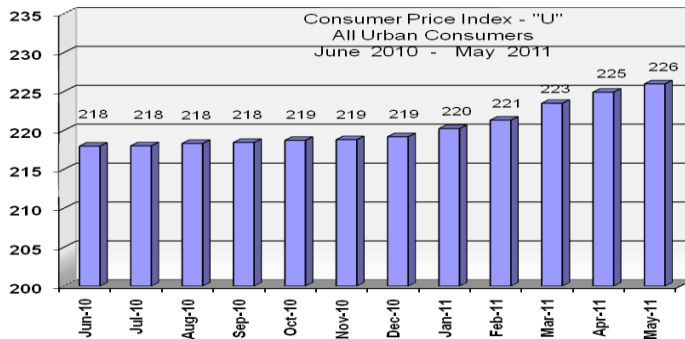
Another key economic factor we review is the monthly Retail Sales (less Autos), which measures the level of consumer spending and provides an indication of the underlying vitality of the overall national economy. The release of June 2011 data was not released until after this report was created, however, the chart below shows the monthly increase in consumer spending through May 2011 for the past twenty four months. As the graph indicates, there has been a steady increase in monthly gross consumer spending from the lows of the summer of 2009. However, recent months have shown some evidence that consumer spending is slowing.



A critical sector of the economy has been the decline in the housing sector. Many consumers have used the increased home equity value as a “bank” in financing everyday purchases, which provided funds for increased retail sales prior to September 2008. The economic crisis in the fourth quarter of 2008 showed a significant decline in housing values due to over-extended consumers using variable rate mortgages. The following chart shows the national housing price trend for 20 Metro Cities, with an ending value of 142.34 as of December 2010, which is similar to the values for the years 2002 and 2003. Economists do not expect this index to show any significant improvement for several years.



Interest rates closed the month of June 2011 unchanged from their prior May 2011 closing levels. The financial environment in Europe, with the International Monetary Fund (IMF) working on Greece’s economic crisis, plus additional pressure from Portugal and Ireland has remained a large factor in keeping interest rates low. Lower interest rates help countries restructure their outstanding debt. However, rising inflationary pressures may cause interest rates to move higher. The following chart shows the Consumer Price Index (CPI) for the United States for the past twelve months:



As the chart indicates, increases in consumer prices have been steadily increasing since January 2011, with the first five months of 2011 showing an increase of over 3.1 percent, higher than the Federal Reserve’s targeted acceptable range of 2.5%. Further increases in the CPI will put pressure on the Federal Reserve to raise interest rates to control the inflationary pressures of the economy. We may be seeing the beginning of “stagflation”, which was present in the early 1980’s.

The Federal Reserve announced at the June 22, 2011 ‘Federal Open Market Committee’ (FOMC) meeting that the ‘target’ Federal Funds rate would remain at the range of 0.0% to 0.25%, citing continued “risk to growth” to the economy. This key market interest rate has remained at this level since the FOMC meeting on December 16, 2008. The Federal Funds interest rate is the interest rate that banks charge other banks to borrow money.

The chart below shows the interest rates for U. S. Treasury issues for the month ending June 2011:



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 2011, the City Treasurer’s Investment Portfolio performance was:

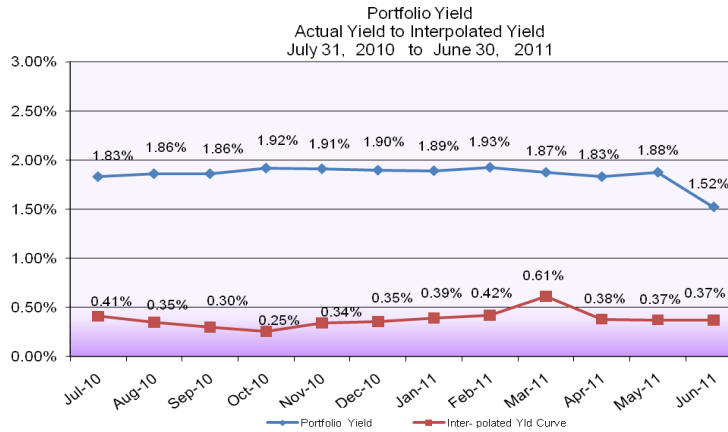
	Amount of Funds (Market Value)	Maturity	Effective Yield	Interpolated Yield	Total Return Monthly	Total Return Annual
Short-Term Portfolio	\$ 180,459,755	17 days	0.23 %	0.01 %	0.018	0.314
Long-Term Portfolio	\$ 261,836,213	2.5 years	2.44 %	0.63 %	0.005	2.555
Total Portfolio	\$ 442,295,968	1.5 years	1.53 %	0.35 %	0.011	1.778

The portfolio balance reflect a deposit of \$81,216,454 for acquisition funds from the 2011A Electric Bonds. As a “AAA” credit rated portfolio, we are recognized as a permitted investment by the bond indenture of the above bonds. Although the additional funds have caused a slight decrease in the overall yield of the portfolio, the bond project funds are earning over 1.00% from current market yields on alternative investments.

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 an above 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 2011 is on the following pages.

IMPACT ON BUDGET:

There is no impact on the General Fund.

Respectfully submitted,

Henry W. Stern, CTP
City Treasurer

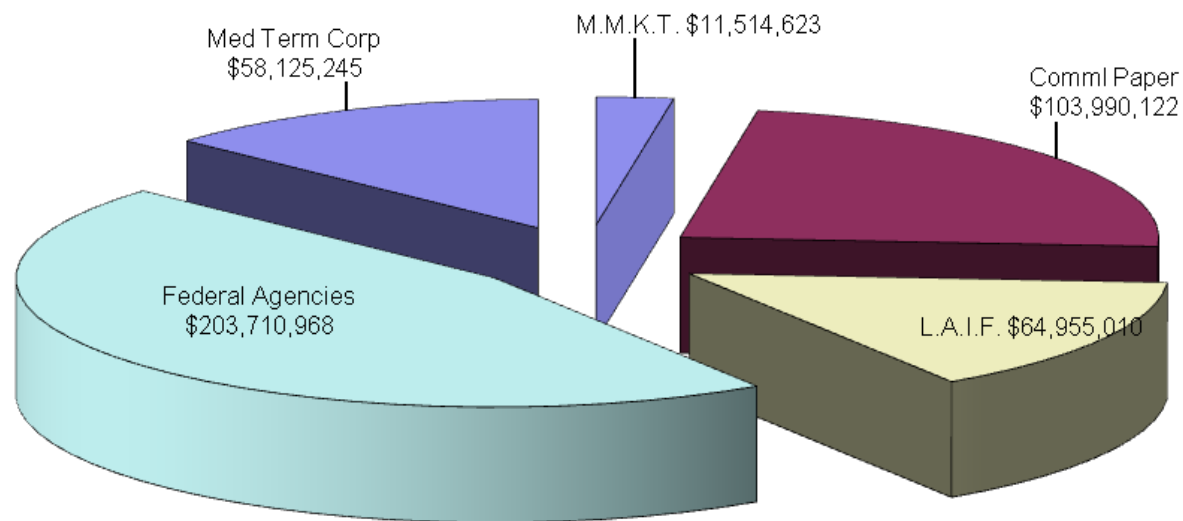
Attachment (s)

1. City Treasurer's Investment Report – June 2011

Balances, Yields and Average Maturities**June 30, 2011**

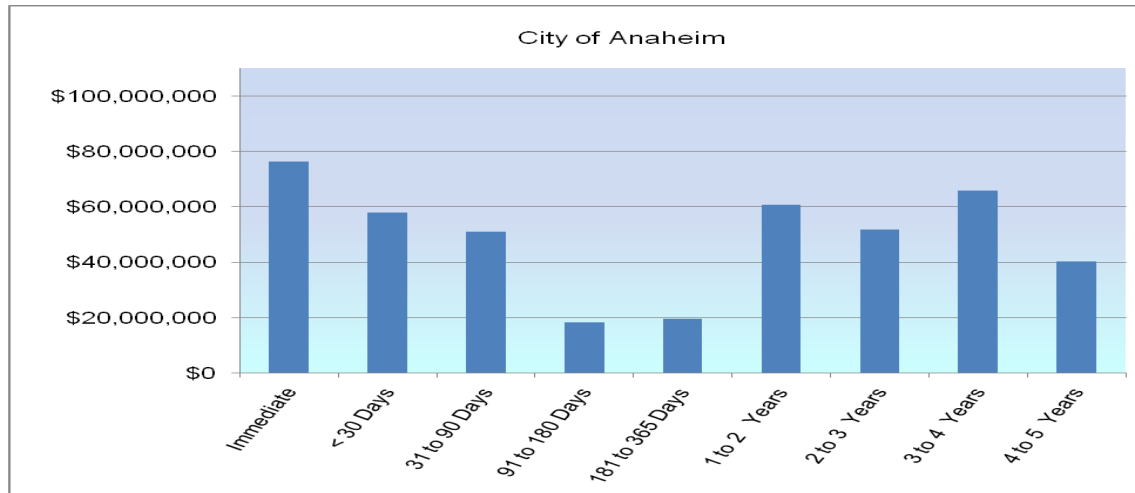
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Percent of Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$11,514,623	\$11,514,623	\$11,514,623	0.01%	2.60%	1	0.00
L.A.I.F. (State of California)	\$64,955,010	\$64,955,010	\$64,955,010	0.45%	14.69%	1	0.00
subtotal: Cash and Overnight Investments	\$76,469,633	\$76,469,633	\$76,469,633		17.29%	1	0.00
Commercial Paper	\$104,000,000	\$103,990,122	\$103,990,122	0.12%	23.51%	29	0.08
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	\$104,000,000	\$103,990,122	\$103,990,122	0.12%	23.51%	12	0.03
Total Short-Term Portfolio:	\$180,469,633	\$180,459,755	\$180,459,755	0.23%	40.80%	17	0.05
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$56,391,000	\$56,857,813	\$58,125,245	3.15%	13.14%	816	2.24
U.S. Federal Agencies	\$200,105,000	\$199,827,479	\$203,710,968	2.23%	46.06%	964	2.64
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$256,496,000	\$256,685,292	\$261,836,213	2.44%	59.20%	931	2.55
Total Cash and Pooled Investments	\$436,965,633	\$437,145,047	\$442,295,968	1.53%	100.00%	554	1.52

City of Anaheim
Investment Portfolio Asset Allocation
June 30, 2011
\$ 442,295,968



Liquidity Schedule
 June 30, 2011

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$11,514,623	\$11,514,623	2.60%
L.A.I.F. (State of California)	Immediate	\$64,955,010	\$76,469,633	17.29%
Pooled Investment Maturities:	< 30 Days	\$57,997,100	\$134,466,733	30.40%
	31 to 90 Days	\$51,057,032	\$185,523,765	41.95%
	91 to 180 Days	\$18,363,081	\$203,886,846	46.10%
	181 to 365 Days	\$19,494,262	\$223,381,109	50.50%
	1 to 2 years	\$60,869,182	\$284,250,291	64.27%
	2 to 3 years	\$51,790,880	\$336,041,171	75.98%
	3 to 4 years	\$65,982,858	\$402,024,029	90.89%
	4 to 5 years	\$40,271,938	\$442,295,968	100.00%
Total Cash and Pooled Investments:		\$442,295,968		



Summary and Comparison of Yields and Balances
June 30, 2011

<u>Description</u>	<u>Current Month</u> <u>June 30, 2011</u>	<u>Prior Month</u> <u>May 31, 2011</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.01%	0.02%
L.A.I.F. (State of California)	0.45%	0.52%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	2.23%	2.32%
Commercial Paper	0.12%	0.12%
Medium Term Corporate Notes	3.15%	3.30%
	1.53%	1.88%
Weighted Average Maturity (Days)	554	613
Weighted Average Maturity (Years)	1.52	1.68
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$11,514,623	\$7,246,941
L.A.I.F. (State of California)	\$64,955,010	\$64,955,010
U.S. Treasuries	\$0	\$0
Federal Agencies	\$203,710,968	\$186,848,964
Commercial Paper	\$103,990,122	\$29,998,732
Medium Term Corporate Notes	\$58,125,245	\$53,312,144
Total Portfolio:	\$442,295,968	\$342,361,790
Earnings:	<u>Current Month</u> <u>June 30, 2011</u>	<u>Fiscal Year to</u> <u>Date Earnings</u>
Total Interest Earnings for Month:	\$573,494.74	\$6,956,901.74
Total Adjustments from Premiums and Discounts	-\$37,659.74	-\$609,860.93
Total Capital Gains or Losses	\$1,053.12	\$48,260.90
Total Earnings for Month	<u>\$536,888.12</u>	<u>\$6,395,301.71</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%
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%
Aug-10	\$117,235,549	\$242,490,054	\$359,725,603	1.86%	516	1.41	0.35%	1.51%
Sep-10	\$119,485,790	\$227,468,279	\$346,954,069	1.86%	500	1.37	0.30%	1.56%
Oct-10	\$100,978,349	\$219,241,780	\$320,220,129	1.92%	520	1.42	0.25%	1.66%
Nov-10	\$101,526,759	\$218,216,183	\$319,742,942	1.91%	499	1.37	0.34%	1.57%
Dec-10	\$105,898,549	\$210,264,073	\$316,162,622	1.90%	470	1.29	0.35%	1.54%
Jan-11	\$108,407,446	\$234,543,785	\$342,951,231	1.89%	542	1.48	0.39%	1.50%
Feb-11	\$104,729,248	\$236,419,373	\$341,148,622	1.93%	546	1.50	0.42%	1.50%
Mar-11	\$111,156,980	\$235,802,908	\$346,959,888	1.87%	572	1.57	0.61%	1.26%
Apr-11	\$116,033,678	\$227,553,117	\$343,586,795	1.83%	533	1.46	0.38%	1.45%
May-11	\$102,200,682	\$240,161,108	\$342,361,790	1.88%	613	1.68	0.37%	1.50%
Jun-11	\$180,459,755	\$261,836,213	\$442,295,968	1.53%	554	1.52	0.35%	1.18%

City Treasurer's Investment Report – June 2011

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City of Anaheim
Short-Term Portfolio Listing

June 30, 2011

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	32,861,283.74	32,861,283.74	32,861,283.74			0.45%
SYS17431	17431	LAIF	MMKT	AA	32,093,725.76	32,093,725.76	32,093,725.76			0.45%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	989.54	989.54	989.54			0.01%
SYS500	500	GOLDMAN SACHS PRIME	MMKT	AAA	11,513,633.73	11,513,633.73	11,513,633.73			0.01%
36959JU19	1585	GENERAL ELECTRIC CP	CP	A1+	10,000,000.00	10,000,000.00	10,000,000.00	06/01/2011	07/01/2011	0.11%
14177UUF6	1611	CARGILL	CP	A1+	5,000,000.00	4,999,806.67	4,999,806.67	06/30/2011	07/15/2011	0.10%
89233HUF9	1586	TOYOTA MOTOR CREDIT	CP	A1+	10,000,000.00	9,999,535.99	9,999,535.99	06/01/2011	07/15/2011	0.12%
14177UUJ8	1610	CARGILL	CP	A1+	10,000,000.00	9,999,530.49	9,999,530.49	06/30/2011	07/18/2011	0.10%
4662J1UR9	1603	JP Morgan	CP	A1+	8,000,000.00	7,999,734.83	7,999,734.83	06/24/2011	07/25/2011	0.05%
89233HUU6	1587	TOYOTA MOTOR CREDIT	CP	A1+	10,000,000.00	9,998,955.99	9,998,955.99	06/01/2011	07/28/2011	0.14%
90526NUV5	1592	Union Bank of California	CP	A1+	5,000,000.00	4,999,535.99	4,999,535.99	06/08/2011	07/29/2011	0.12%
0660P1V57	1588	BANK OF AMERICA	CP	A1+	6,000,000.00	5,999,129.99	5,999,129.99	06/01/2011	08/05/2011	0.15%
90526NV51	1590	Union Bank of California	CP	A1+	10,000,000.00	9,998,549.98	9,998,549.98	06/01/2011	08/05/2011	0.15%
19121BVC0	1589	COCA COLA	CP	A1+	10,000,000.00	9,998,607.92	9,998,607.92	06/01/2011	08/12/2011	0.12%
71344UVC0	1594	Pepsico	CP	A1+	5,000,000.00	4,999,419.98	4,999,419.98	06/17/2011	08/12/2011	0.10%
2546R3VH4	1593	Disney	CP	A1+	5,000,000.00	4,999,350.91	4,999,350.91	06/08/2011	08/17/2011	0.10%
19121BVK2	1596	COCA COLA	CP	A1+	5,000,000.00	4,999,323.30	4,999,323.30	06/17/2011	08/19/2011	0.10%
19121BWG0	1595	COCA COLA	CP	A1+	5,000,000.00	4,998,640.13	4,998,640.13	06/17/2011	09/16/2011	0.13%
Total Short-Term Portfolio:					<u>180,469,632.77</u>	<u>180,459,754.94</u>	<u>180,459,754.94</u>			<u>0.23%</u>

City of Anaheim
Long-Term Portfolio Listing

June 30, 2011

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3133XH6G2	1039 C	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	5,000,000.00	5,064,010.00	09/29/2006	09/29/2011	5.34%
31331Y3P3	1296	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	10,000,000.00	9,998,522.28	10,086,330.00	07/15/2008	10/03/2011	3.50%
3133XVQL8	1456	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	3,240,000.00	3,240,014.61	3,254,246.28	12/28/2009	12/09/2011	1.13%
3137EACF4	1454	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	5,000,997.45	5,022,505.00	12/28/2009	12/15/2011	1.13%
38141GBU7	1511	Goldman Sachs Group	MTN	A	9,005,000.00	9,177,524.45	9,283,092.41	05/28/2010	01/15/2012	6.60%
36962GXS8	1510	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,112,163.37	5,169,345.00	05/28/2010	02/15/2012	5.88%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,993,665.74	5,041,825.00	12/28/2009	05/25/2012	1.25%
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,022,499.47	10,482,530.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	9,850,000.00	9,867,455.25	10,034,707.20	02/04/2010	12/14/2012	1.75%

City Treasurer's Investment Report – June 2011

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3137EACG2 1469 FED HOME LOAN MORT CORP Fed Agy AAA 5,000,000.00 4,980,122.08 5,073,395.00 01/29/2010 01/09/2013 1.38%

City of Anaheim

June 30, 2011

Long-Term Portfolio Listing

CUSIP	Security #	Issuer	Security Type	S&P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
31398AME9	1206	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,000,000.00	10,540,550.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	AA-	8,000,000.00	7,964,249.70	8,396,184.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A	8,206,000.00	8,436,211.93	8,704,859.15	06/23/2010	02/05/2013	5.45%
38141GDB7	1517	Goldman Sachs Group	MTN	A	2,224,000.00	2,294,406.98	2,356,276.85	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A+	5,000,000.00	4,998,913.28	5,280,680.00	04/02/2008	04/02/2013	4.63%
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,964,908.81	5,023,545.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	6,845,000.00	6,864,307.24	7,245,528.33	12/15/2008	12/13/2013	3.13%
3134G2BK7	1570	FED HOME LOAN MORT CORP	Fed Agy	AAA	3,920,000.00	3,916,053.87	3,920,611.52	04/07/2011	01/07/2014	1.30%
3136FPZ26	1559	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,999,724.93	5,024,185.00	01/24/2011	01/13/2014	1.38%
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,993,367.97	5,054,320.00	03/23/2011	03/14/2014	1.25%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	8,000,000.00	8,002,682.67	8,385,112.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,500,000.00	4,487,706.63	4,716,625.50	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,000,000.00	4,036,820.40	4,192,556.00	01/29/2010	04/17/2014	2.63%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,028,212.92	5,219,430.00	04/30/2010	05/15/2014	2.50%
478160AX2	1584	Johnson & Johnson	MTN	AAA	3,000,000.00	2,996,623.87	3,008,967.00	05/20/2011	05/15/2014	1.20%
3136FPV95	1548	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,350,000.00	2,348,798.60	2,364,739.20	01/07/2011	07/03/2014	1.70%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	8,000,000.00	7,951,637.73	8,078,008.00	03/23/2011	09/12/2014	1.38%
3133745Q9	1597	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,997,795.00	4,989,635.00	06/22/2011	09/22/2014	1.25%
31331KHW3	1580	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	5,040,648.22	5,073,510.00	05/16/2011	11/19/2014	1.63%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,015,698.34	8,389,656.00	04/30/2010	11/20/2014	2.63%
3134G2HC9	1582	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	4,996,800.00	5,011,525.00	05/25/2011	11/25/2014	1.50%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,922,237.77	4,991,025.00	01/24/2011	12/12/2014	1.25%
3136FRXN8	1604	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,000,000.00	9,964,590.00	06/30/2011	12/30/2014	1.25%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	2,000,000.00	2,001,173.87	2,087,780.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,982,559.65	5,048,470.00	03/24/2011	03/24/2015	1.67%
31331KKU3	1579	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	5,005,497.21	5,033,775.00	05/16/2011	05/13/2015	1.93%
3136FRSL8	1599	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,992,541.67	4,950,145.00	06/29/2011	06/29/2015	1.50%
594918AG9	1591	Microsoft Corp	MTN	AAA	5,000,000.00	5,000,000.00	4,947,060.00	06/09/2011	09/25/2015	1.63%
31398A4K5	1574	FED NATL MORTGAGE ASSN	Fed Agy	AAA	3,000,000.00	2,999,244.47	3,007,245.00	05/11/2011	10/15/2015	1.88%
931142CX9	1581	Walmart	MTN	AA	2,956,000.00	2,895,221.49	2,917,362.12	05/18/2011	10/25/2015	1.50%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,887,375.00	4,994,575.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,897,974.24	4,994,575.00	01/24/2011	12/01/2015	1.75%
38143USC6	1560	Goldman Sachs Group	MTN	A	5,000,000.00	4,991,439.24	5,054,290.00	02/08/2011	02/07/2016	3.63%
478160AY0	1583	Johnson & Johnson	MTN	AAA	3,000,000.00	2,991,059.00	3,007,128.00	05/20/2011	05/15/2016	2.15%
3136FRTM5	1598	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,995,624.17	4,977,940.00	06/28/2011	06/28/2016	2.15%
3136FRTM5	1607	FED NATL MORTGAGE ASSN	Fed Agy	AAA	6,400,000.00	6,394,810.64	6,371,763.20	06/29/2011	06/28/2016	2.15%
Total Long-Term Portfolio:					<u>256,496,000.00</u>	<u>256,685,292.21</u>	<u>261,836,212.76</u>			<u>2.44%</u>
Total Portfolio:					<u>436,965,632.77</u>	<u>437,145,047.15</u>	<u>442,295,967.70</u>			<u>1.53%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 June 1, 2011 - June 30, 2011**

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Prtnclpal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM %	Ending Book Value
SHORT- TERM PORTFOLIO												
0660P1V57	1588	01	ACP BAC	6,000,000.00	06/01/2011	08/05 - At Maturity	5,998,375.00		0.150	08/05/2011	0.150	5,999,129.99
19121BVC0	1589	01	ACP COCA C	10,000,000.00	06/01/2011	08/12 - At Maturity	9,997,600.00		0.120	08/12/2011	0.120	9,998,607.92
3695BJU19	1585	01	ACP GECP	10,000,000.00	06/01/2011	07/01 - At Maturity	9,999,083.33		0.110	07/01/2011	0.110	10,000,000.00
89233HUF9	1586	01	ACP TOYCC	10,000,000.00	06/01/2011	07/15 - At Maturity	9,998,533.33		0.120	07/15/2011	0.120	9,999,535.99
89233HUU6	1587	01	ACP TOYCC	10,000,000.00	06/01/2011	07/28 - At Maturity	9,997,783.33		0.140	07/28/2011	0.140	9,998,955.99
90526NV51	1590	01	ACP UN BK	10,000,000.00	06/01/2011	08/05 - At Maturity	9,997,291.67		0.150	08/05/2011	0.150	9,998,549.98
2546R3VH4	1593	01	ACP DISNEY	5,000,000.00	06/08/2011	08/17 - At Maturity	4,999,027.78		0.100	08/17/2011	0.100	4,999,350.91
90526NUV5	1592	01	ACP UN BK	5,000,000.00	06/08/2011	07/29 - At Maturity	4,999,150.00		0.120	07/29/2011	0.120	4,999,535.99
19121BWG0	1595	01	ACP COCA C	5,000,000.00	06/17/2011	09/16 - At Maturity	4,998,356.94		0.130	09/16/2011	0.130	4,998,640.13
19121BVK2	1596	01	ACP COCA C	5,000,000.00	06/17/2011	08/19 - At Maturity	4,999,125.00		0.100	08/19/2011	0.100	4,999,323.30
71344UVCO	1594	01	ACP PEPSIC	5,000,000.00	06/17/2011	08/12 - At Maturity	4,999,222.22		0.100	08/12/2011	0.100	4,999,419.98
4662J1UR9	1603	01	ACP JPM	8,000,000.00	06/24/2011	07/25 - At Maturity	7,999,655.56		0.050	07/25/2011	0.050	7,999,734.83
14177UUJ8	1610	01	ACP CARGIL	10,000,000.00	06/30/2011	07/18 - At Maturity	9,999,500.00		0.100	07/18/2011	0.100	9,999,530.49
14177UUF6	1611	01	ACP CARGIL	5,000,000.00	06/30/2011	07/15 - At Maturity	4,999,791.67		0.100	07/15/2011	0.100	4,999,806.67
			Subtotal	104,000,000.00			103,862,486.83	0.00				103,860,122.17
LONG-TERM PORTFOLIO												
59491BAG9	1591	02	MTN MSFT	5,000,000.00	06/09/2011	09/25 - 03/25	5,000,000.00	16,701.39	1.625	09/25/2015	1.605	5,000,000.00
3133745Q9	1597	02	FAC FHLB	5,000,000.00	06/22/2011	09/22 - 03/22	4,997,550.00		1.250	09/22/2014	1.248	4,997,795.00
3136FRTM5	1598	02	FAC FNMA	5,000,000.00	06/28/2011	12/28 - 06/28	4,995,550.00		2.150	06/28/2016	2.139	4,995,624.17
3136FRSLB	1599	02	FAC FNMA	5,000,000.00	06/29/2011	12/29 - 06/29	4,992,500.00		1.500	06/29/2015	1.518	4,992,541.67
3136FRTM5	1607	02	FAC FNMA	6,400,000.00	06/29/2011	12/28 - 06/28	6,394,752.00	382.22	2.150	06/28/2016	2.138	6,394,810.64
3136FRXN8	1604	02	FAC FNMA	10,000,000.00	06/30/2011	12/30 - 06/30	10,000,000.00		1.250	12/30/2014	1.233	10,000,000.00
			Subtotal	36,400,000.00			36,380,362.00	17,083.61				36,380,771.48
Managed Pool Deposits				Deposit Amount	Deposit Date		Deposit Amount		Rate			
SYS987	987	01	PA2 FIDELI	20,000,000.00	06/01/2011		20,000,000.00		0.045			
SYS987	987	01	PA2 FIDELI	3,475,000.00	06/02/2011		3,475,000.00		0.045			
SYS987	987	01	PA2 FIDELI	6,705,009.38	06/03/2011		6,705,009.38		0.045			
SYS987	987	01	PA2 FIDELI	5,000,000.00	06/10/2011		5,000,000.00		0.045			
SYS987	987	01	PA2 FIDELI	34,722.22	06/13/2011		34,722.22		0.045			

Mat Call Sale Purch
 Purchases Report
 June 1, 2011 - June 30, 2011

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 360	Ending Book Value
Managed Pool Deposits													
					Deposit Amount	Deposit Date		Deposit Amount		Rate			
SYS987	987	01	PA2	FIDELI	106,953.13	06/13/2011		106,953.13		0.045			
SYS987	987	01	PA2	FIDELI	86,187.50	06/14/2011		86,187.50		0.045			
SYS987	987	01	PA2	FIDELI	28,125.00	06/15/2011		28,125.00		0.045			
SYS987	987	01	PA2	FIDELI	5,900,000.00	06/23/2011		5,900,000.00		0.045			
SYS987	987	01	PA2	FIDELI	5,000,000.00	06/30/2011		5,000,000.00		0.045			
SYS987	987	01	PA2	FIDELI	10,000,000.00	06/30/2011		10,000,000.00		0.045			
SYS987	987	01	PA2	FIDELI	87,500.00	06/30/2011		87,500.00		0.045			
SYS987	987	01	PA2	FIDELI	2,355,000.00	06/30/2011		2,355,000.00		0.045			
SYS987	987	01	PA2	FIDELI	29,437.50	06/30/2011		29,437.50		0.045			
SYS987	987	01	PA2	FIDELI	2,903,354.17	06/30/2011		2,903,354.17		0.045			
SYS500	500	01	PA2	GOLDSA	22,933,000.00	06/01/2011		22,933,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	1,207,000.00	06/08/2011		1,207,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	3,459,000.00	06/09/2011		3,459,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	1,306,000.00	06/13/2011		1,306,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	1,331,000.00	06/14/2011		1,331,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	2,041,000.00	06/15/2011		2,041,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	8,660,000.00	06/21/2011		8,660,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	3,173,000.00	06/28/2011		3,173,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	1,965,264.00	06/29/2011		1,965,264.00		0.045			
SYS500	500	01	PA2	GOLDSA	99.96	06/30/2011		99.96		0.045			
				Subtotal	107,788,862.88			107,788,862.88					
				Total Purchases and Deposits	248,188,862.88			248,148,600.88	17,083.61				140,370,883.66

Mat Call Sale Purch
Maturity Report
Sorted by Maturity Date
Receipts during June 1, 2011 - June 30, 2011

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
14178MT16	1578	01	ACP	CARGIL	5,000,000.00	06/01/2011	05/13/2011	0.090	5,000,000.00	0.00	5,000,000.00	0.00
0660P1T35	1577	01	ACP	BAC	5,000,000.00	06/03/2011	05/13/2011	0.080	5,000,000.00	0.00	5,000,000.00	0.00
71344UTA7	1571	01	ACP	PEPSIC	5,000,000.00	06/10/2011	03/30/2011	0.170	5,000,000.00	0.00	5,000,000.00	0.00
36960MTH6	1576	01	ACP	GE COM	5,000,000.00	06/17/2011	05/13/2011	0.110	5,000,000.00	0.00	5,000,000.00	0.00
02665KTH0	1572	01	ACP	HNDA	5,000,000.00	06/17/2011	04/15/2011	0.180	5,000,000.00	0.00	5,000,000.00	0.00
00282DTW0	1575	01	ACP	ABT	5,000,000.00	06/30/2011	05/13/2011	0.100	5,000,000.00	0.00	5,000,000.00	0.00
Total Maturities					30,000,000.00				30,000,000.00	0.00	30,000,000.00	0.00

**Mat Call Sale Purch
 Sales/Call Report
 Sorted by Maturity Date - Fund
 June 1, 2011 - June 30, 2011**

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
06/03/2013												
3133XTNY8	1390	02	FHLB FAC	06/03/2009	06/03/2011 06/03/2013	1,685,000.00	2.375	1,683,946.88	1,685,000.00	20,009.38	1,705,009.38 Call	21,062.50
Subtotal						1,685,000.00		1,683,946.88	1,685,000.00	20,009.38	1,705,009.38	21,062.50
12/30/2013												
3134G1KDS	1515	02	FHLMC FAC	06/30/2010	06/30/2011 12/30/2013	10,000,000.00	1.750	10,000,000.00	10,000,000.00	87,500.00	10,087,500.00 Call	87,500.00
Subtotal						10,000,000.00		10,000,000.00	10,000,000.00	87,500.00	10,087,500.00	87,500.00
12/30/2015												
3136FPZ34	1556	02	FNMA FAC	01/24/2011	06/30/2011 12/30/2015	2,355,000.00	2.500	2,355,000.00	2,355,000.00	29,437.50	2,384,437.50 Call	29,437.50
Subtotal						2,355,000.00		2,355,000.00	2,355,000.00	29,437.50	2,384,437.50	29,437.50
Total Sales						14,040,000.00		14,038,946.88	14,040,000.00	138,946.88	14,178,946.88	138,000.00



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.

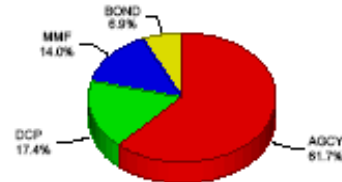
Plus (+) or Minus (-)
The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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, MMP - 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.