



+COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY TREASURER

DATE: APRIL 26, 2011
FROM: OFFICE OF THE CITY TREASURER
SUBJECT: INVESTMENT PORTFOLIO REPORT – MARCH 2011

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

RECOMMENDATION:

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

DISCUSSION:

This is the investment report for the City's general pool for the month ending March 31, 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 March 31, 2011:

	Short-term Portfolio	Long-term Portfolio	Total Portfolio Values
Portfolio Balance (Market Value)	\$ 111,156,980	\$ 235,802,908	\$ 346,959,888
Effective Yield	0.32 %	2.62 %	1.87 %
Avg. Weighted Maturity	6 Days	2.3 Years	1.6 Years
Net Earnings	\$ 30,303	\$ 484,062	\$ 514,365
Benchmark*	0.09%	0.94 %	0.61 %

* 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.

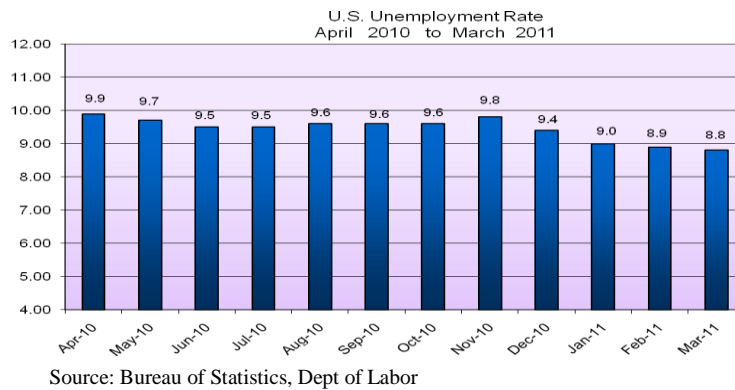
In addition to independent verification of the high standard for the City’s investment program, the AAf credit rating is recognized by leading bond insurer's as a highly safe investment option for future City bond issues and to include the City’s portfolio as a ‘permitted investment’ in the bond covenants.

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.

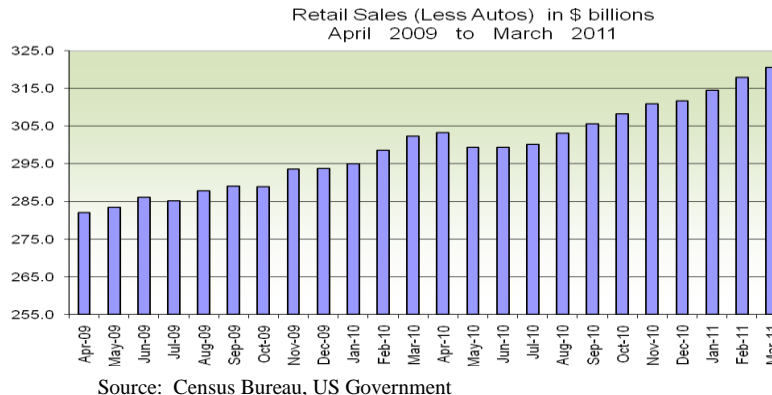
INVESTMENT ENVIRONMENT

The economy continues to show signs of a slow but steady recovery. A primary economic indicator as to the overall health of the national economy is the level of the national unemployment rate. For the month of March 2011, the national unemployment rate was reported at 8.8%, down slightly from the February 2011 value of 8.9%. Economists are projecting a continued slow decrease in the national unemployment rate to the low 9s by calendar year end. The unemployment rate is considered a “lagging” indicator for immediate financial and economic events are delayed in being reflected in the unemployment rate.

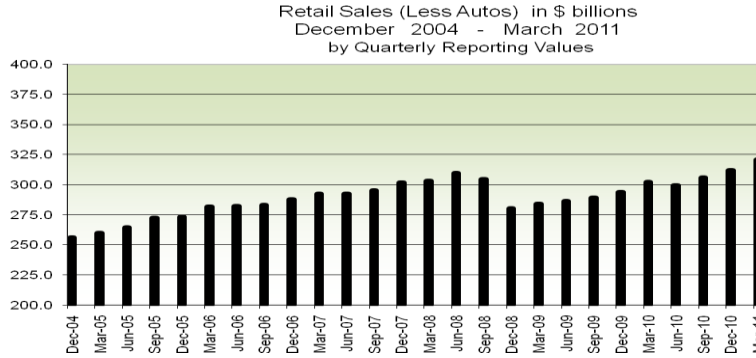
The chart below shows the national unemployment rate for the past twelve months:



Another key economic factor we review is the monthly Retail Sales (less Autos), which measures the spending of consumers and indicates the underlying vitality of the overall national economy. This economic indicator tends to be cyclic in nature, and provides a close approximation of “real time” economic activity. For the past thirty years, consumer spending has been the economic engine in driving our economy. The economic crisis in the fall of 2008 caused the consumer to drastically cut back on purchases. For the past two years, the individual consumer has been faced with the challenges of unemployment or possible unemployment (layoffs or furloughs) which has prevented the economic recovery from being robust. The chart below shows that from a low in April 2009 (approximately \$280 billion in annualized sales) through March 2011 (approximately \$316 billion in annualized sales) consumer spending has shown a steady increase to support the economic recovery:

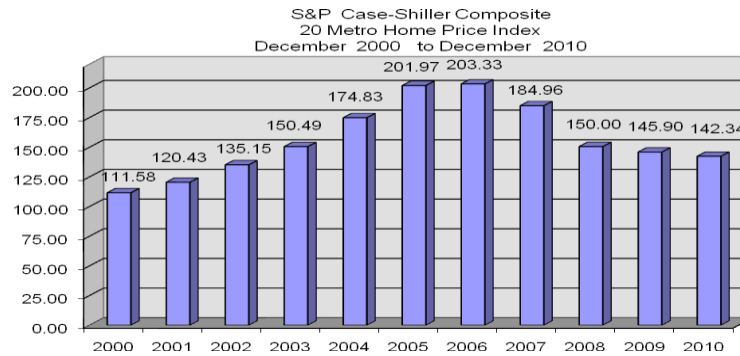


If we take a broader view of consumer spending by looking at the Retail Sales (less Autos) on a quarterly basis, we see from the following graph that retail sales from December 2004 through June 2008 showed a steady increase in consumer spending, however, retail sales began to decline by the quarter ending September 2008 and the large decrease in the quarter ending December 2008 was the result of the financial crisis. The quarter ending March 2011 shows we are almost back to the pre-recession levels of June 2008. Please note the values are for overall national retail sales and do not indicate the effect the recession had on specific regions of the United States economy:



Source: Census Bureau, US Government

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. As those variable rates were adjusted or balloon balances due, the home owner found that they owed more than the house was worth. 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.



Source: Bloomberg Financial Systems

Interest rates for March 2011 moved higher from their February 2011 levels. Short-term interest rates, less than six months to maturity, were unchanged, while maturities from two years to thirty years moved upward approximately 0.25% or twenty five basis points (a basis point is 1/100 of a percent). The three month Treasury bill closed February 2011 at 0.09%, the two year Treasury Note closed at 0.83% and the five year Treasury Note closed the month at 2.28%.

The Federal Reserve announced at the March 15, 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 March 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.

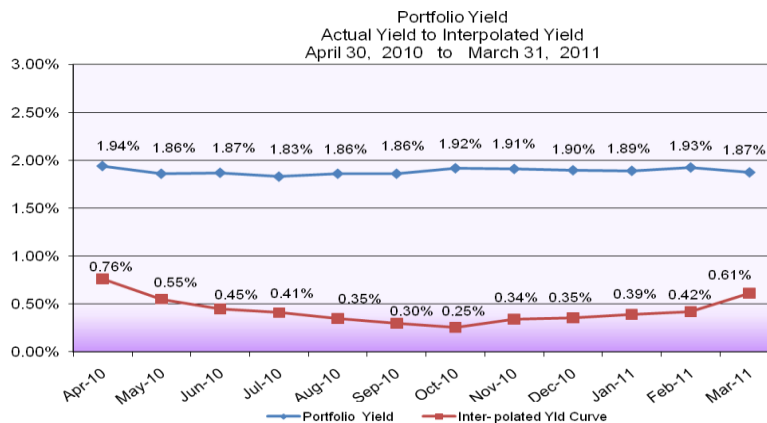
INVESTMENT PERFORMANCE

For March 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	\$ 111,156,980	6 days	0.32 %	0.09 %	0.028	0.391
Long-Term Portfolio	\$ 235,802,908	2.3 years	2.62 %	0.94 %	0.052	2.832
Total Portfolio	\$ 346,959,888	1.6 years	1.87 %	0.61 %	0.044	2.107

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 March 2011 is on the following pages.

IMPACT ON BUDGET:

There is no impact to the General Fund.

Respectfully submitted,

Henry W. Stern, CTP
City Treasurer

Attachments:

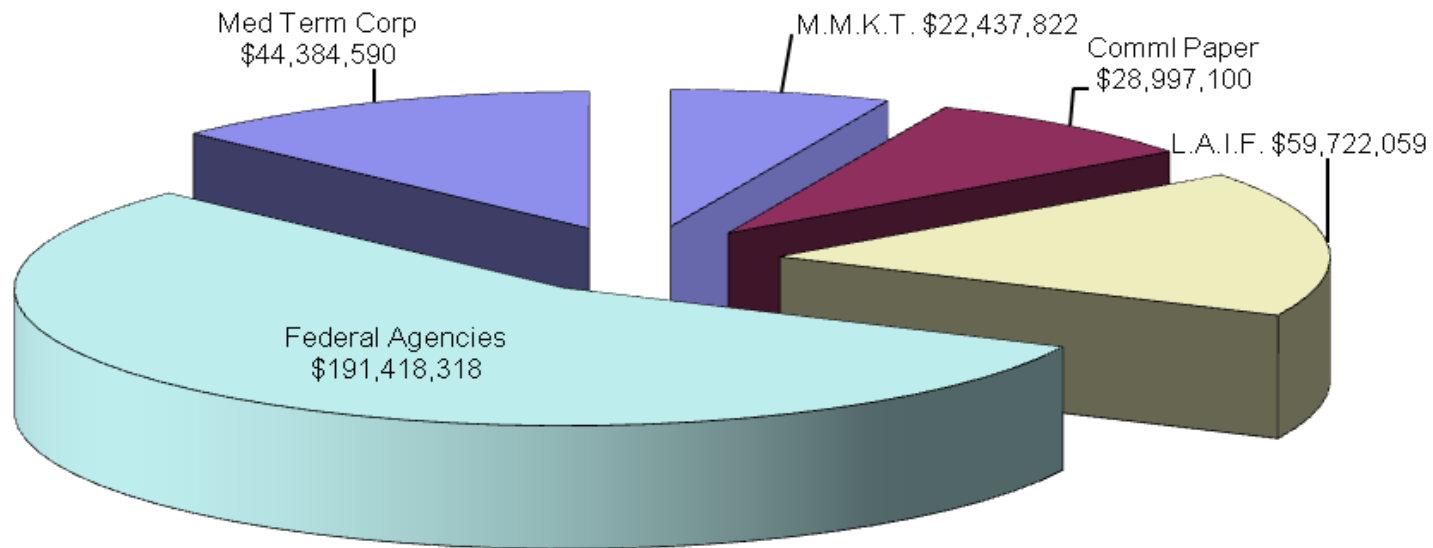
1. Investment Portfolio Report

Balances, Yields and Average Maturities

March 31, 2011

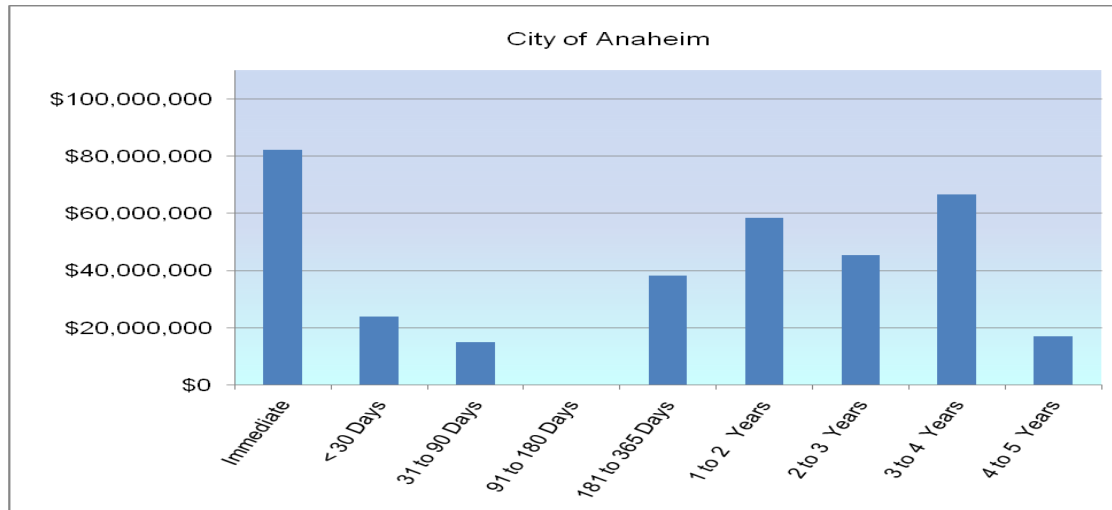
<u>Description</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Percent of Total Funds</u>	<u>Average Weighted Maturity</u>	
						<u>Days</u>	<u>Years</u>
Short-Term Portfolio							
Money Market Funds	\$22,437,822	\$22,437,822	\$22,437,822	0.02%	6.47%	1	0.00
L.A.I.F. (State of California)	\$59,722,059	\$59,722,059	\$59,722,059	0.50%	17.21%	1	0.00
subtotal: Cash and Overnight Investments	\$82,159,881	\$82,159,881	\$82,159,881		23.68%	1	0.00
Commercial Paper	\$29,000,000	\$28,997,100	\$28,997,100	0.16%	8.36%	21	0.06
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	\$29,000,000	\$28,997,100	\$28,997,100	0.16%	8.36%	21	0.06
Total Short-Term Portfolio:	\$111,159,881	\$111,156,980	\$111,156,980	0.32%	32.04%	6	0.02
Long -Term Portfolio							
Commercial Paper	\$0	\$0	\$0		0.00%	0	0.00
Medium Term Corporate Notes	\$42,435,000	\$43,139,891	\$44,384,590	3.60%	12.79%	686	1.88
U.S. Federal Agencies	\$188,818,000	\$188,443,174	\$191,418,318	2.40%	55.17%	880	2.41
U.S. Treasury	\$0	\$0	\$0	0.00%	0.00%	0	0.00
Total Long-Term Portfolio:	\$231,253,000	\$231,583,064	\$235,802,908	2.62%	67.96%	844	2.31
Total Cash and Pooled Investments	\$342,412,881	\$342,740,045	\$346,959,888	1.87%	100.00%	572	1.57

City of Anaheim
Investment Portfolio Asset Allocation
March 31, 2011
\$ 346,959,888



Liquidity Schedule
 March 31, 2011

	<u>Availability</u>	<u>Market Value</u>	<u>Cumulative Balances</u>	<u>% of Total Assets</u>
Money Market Funds	Immediate	\$22,437,822	\$22,437,822	6.47%
L.A.I.F. (State of California)	Immediate	\$59,722,059	\$82,159,881	23.68%
Pooled Investment Maturities:	< 30 Days	\$23,998,734	\$106,158,615	30.60%
	31 to 90 Days	\$15,014,296	\$121,172,910	34.92%
	91 to 180 Days	\$0	\$121,172,910	34.92%
	181 to 365 Days	\$38,224,994	\$159,397,904	45.94%
	1 to 2 years	\$58,337,150	\$217,735,054	62.76%
	2 to 3 years	\$45,401,277	\$263,136,331	75.84%
	3 to 4 years	\$66,762,479	\$329,898,810	95.08%
	4 to 5 years	\$17,061,078	\$346,959,888	100.00%
Total Cash and Pooled Investments:		\$346,959,888		



Summary and Comparison of Yields and Balances

March 31, 2011

<u>Description</u>	<u>Current Month</u> <u>March 31, 2011</u>	<u>Prior Month</u> <u>February 28, 2011</u>
Yield to Maturity (at market):		
Money Market Funds (US Treasuries)	0.02%	0.01%
L.A.I.F. (State of California)	0.50%	0.51%
U.S. Treasuries	0.00%	0.00%
Federal Agency Bonds	2.40%	2.41%
Commercial Paper	0.16%	0.18%
Medium Term Corporate Notes	3.60%	3.60%
	1.87%	1.93%
Weighted Average Maturity (Days)	572	546
Weighted Average Maturity (Years)	1.57	1.50
Balances (at Market Value)		
Money Market Funds (US Gov Sec)	\$22,437,822	\$9,461,917
L.A.I.F. (State of California)	\$59,722,059	\$59,722,059
U.S. Treasuries	\$0	\$0
Federal Agencies	\$191,418,318	\$191,833,442
Commercial Paper	\$28,997,100	\$44,585,931
Medium Term Corporate Notes	\$44,384,590	\$35,545,272
Total Portfolio:	\$346,959,888	\$341,148,622
Earnings:	<u>Current Month</u> <u>March 31, 2011</u>	<u>Fiscal Year to</u> <u>Date Earnings</u>
Total Interest Earnings for Month:	\$582,648.05	\$5,255,840.05
Total Adjustments from Premiums and Discounts	-\$45,447.82	-\$483,706.66
Total Capital Gains or Losses	-\$22,835.82	-\$6,916.56
Total Earnings for Month	<u>\$514,364.41</u>	<u>\$4,765,216.83</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%

City Treasurer's Investment Report – March 2011

Attachment 1

Page 6 of 14

CITY OF ANAHEIM
Short-Term Portfolio Listing

March 31, 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	30,820,099.92	30,820,099.92	30,820,099.92			0.50%
SYS17431	17431	LAIF	MMKT	AA	28,901,958.90	28,901,958.90	28,901,958.90			0.50%
SYS987	987	FIDELITY GOVERNMENT MMKT	MMKT	AAA	3,443,304.29	3,443,304.29	3,443,304.29			0.02%
SYS500	500	GOLDMAN SACHS PRIME OBLIGATION	MMKT	AAA	18,994,517.77	18,994,517.77	18,994,517.77			0.02%
19416FR48	1565	Colgate Palmolive	CP	A1/P1	5,000,000.00	4,999,942.32	4,999,942.32	03/22/2011	04/04/2011	0.14%
89233HR71	1563	TOYOTA MOTOR CREDIT	CP	A1/P1	5,000,000.00	4,999,876.40	4,999,876.40	02/28/2011	04/07/2011	0.15%
45920GR81	1564	International Business Machine	CP	A1/P1	5,000,000.00	4,999,903.87	4,999,903.87	03/21/2011	04/08/2011	0.10%
0660P1RM5	1566	BANK OF AMERICA	CP	A1/P1	4,000,000.00	3,999,560.61	3,999,560.61	03/22/2011	04/21/2011	0.20%
2546R3RM8	1552	Disney	CP	A1/P1	5,000,000.00	4,999,450.55	4,999,450.55	01/11/2011	04/21/2011	0.20%
71344UTA7	1571	Pepsico	CP	A1/P1	5,000,000.00	4,998,365.79	4,998,365.79	03/30/2011	06/10/2011	0.17%
Total Short-Term Portfolio:					<u>111,159,880.88</u>	<u>111,156,980.42</u>	<u>111,156,980.42</u>			<u>0.32%</u>

CITY OF ANAHEIM
Long-Term Portfolio Listing

March 31, 2011

CUSIP	Security#	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3133XTJ64	1380	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	10,000,000.00	10,000,463.26	10,015,930.00	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	5,127,495.00	09/29/2006	09/29/2011	5.34%
31331Y3P3	1296	FEDERAL FARM CREDIT BANK NOTES	Fed Agy	AAA	10,000,000.00	9,997,076.68	10,166,100.00	07/15/2008	10/03/2011	3.50%
3133XVQL8	1456	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	3,240,000.00	3,240,022.92	3,258,309.24	12/28/2009	12/09/2011	1.13%
3137EACF4	1454	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	5,001,544.84	5,028,865.00	12/28/2009	12/15/2011	1.13%
38141GBU7	1511	Goldman Sachs Group	MTN	A	9,005,000.00	9,257,561.56	9,412,854.46	05/28/2010	01/15/2012	6.60%
36962GXS8	1510	GENERAL ELEC CAP CORP	MTN	AA+	5,000,000.00	5,157,229.01	5,231,370.00	05/28/2010	02/15/2012	5.88%
3133XWDC0	1458	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,991,906.23	5,045,685.00	12/28/2009	05/25/2012	1.25%
31359MPF4	1286	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,027,165.26	10,543,310.00	06/25/2008	09/15/2012	4.38%
3133XVNT4	1470	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	9,850,000.00	9,870,459.02	10,010,978.55	02/04/2010	12/14/2012	1.75%
3137EACG2	1469	FED HOME LOAN MORT CORP	Fed Agy	AAA	5,000,000.00	4,976,857.45	5,055,125.00	01/29/2010	01/09/2013	1.38%
31398AME9	1206	FED NATL MORTGAGE ASSN	Fed Agy	AAA	10,000,000.00	10,000,000.00	10,556,800.00	01/28/2008	01/28/2013	4.00%
949746NY3	1333	WELLS FARGO CO	MTN	AA+	8,000,000.00	7,958,594.99	8,426,432.00	12/23/2008	01/31/2013	4.38%
59018YM40	1516	BANK OF AMERICA	MTN	A	8,206,000.00	8,472,307.87	8,698,819.54	06/23/2010	02/05/2013	5.45%
38141GDB7	1517	Goldman Sachs Group	MTN	A	2,224,000.00	2,304,465.12	2,372,278.53	06/23/2010	04/01/2013	5.25%
02666QB69	1237	American Honda	MTN	A	5,000,000.00	4,998,758.28	5,290,080.00	04/02/2008	04/02/2013	4.63%
3128X8TZ5	1368	FED HOME LOAN MORT CORP	Fed Agy	AAA	3,955,000.00	3,953,115.22	3,956,759.98	04/14/2009	04/08/2013	2.50%

City Treasurer's Investment Report – March 2011

Attachment 1

Page 7 of 14

CITY OF ANAHEIM
Long-Term Portfolio

March 31, 2011

CUSIP	Security#	Issuer	Security Type	S & P Rating	Par Value	Book Value	Market Value	Purchase Date	Maturity Date	Stated Rate
3133XTNY8	1390	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	1,685,000.00	1,683,856.19	1,690,388.63	06/03/2009	06/03/2013	2.38%
31331J2Z5	1547	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,961,257.70	4,952,055.00	01/07/2011	11/26/2013	0.92%
3133XSP93	1330	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	6,845,000.00	6,866,277.37	7,157,994.47	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	10,030,970.00	06/30/2010	12/30/2013	1.75%
3136FPZ26	1559	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,999,595.99	4,975,875.00	01/24/2011	01/13/2014	1.38%
31398A3K6	1567	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	4,992,754.53	4,974,875.00	03/23/2011	03/14/2014	1.25%
31398AWH1	1367	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,015,657.06	5,001,125.00	04/14/2009	04/07/2014	2.90%
31331GTJ8	1369	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	8,000,000.00	8,002,922.67	8,292,840.00	04/17/2009	04/17/2014	2.63%
31331GTJ8	1379	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,500,000.00	4,486,606.83	4,664,722.50	05/01/2009	04/17/2014	2.63%
31331GTJ8	1468	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	4,000,000.00	4,040,114.47	4,146,420.00	01/29/2010	04/17/2014	2.63%
3128X8YK2	1381	FED HOME LOAN MORT CORP	Fed Agy	AAA	4,038,000.00	4,025,558.11	4,045,769.11	05/01/2009	04/29/2014	2.75%
31331GVG1	1392	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,942,494.09	5,011,995.00	05/28/2009	05/06/2014	2.75%
31398AXJ6	1496	FED NATL MORTGAGE ASSN	Fed Agy	AAA	5,000,000.00	5,030,668.59	5,161,285.00	04/30/2010	05/15/2014	2.50%
3136FPV95	1548	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,350,000.00	2,348,204.49	2,347,800.40	01/07/2011	07/03/2014	1.70%
313370JS8	1568	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	8,000,000.00	7,947,856.14	7,918,832.00	03/23/2011	09/12/2014	1.38%
31398AZV7	1495	FED NATL MORTGAGE ASSN	Fed Agy	AAA	8,000,000.00	8,016,857.37	8,251,424.00	04/30/2010	11/20/2014	2.63%
313371W51	1557	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	5,000,000.00	4,916,598.28	4,915,275.00	01/24/2011	12/12/2014	1.25%
3133XWX95	1481	FEDERAL HOME LOAN BANKS	Fed Agy	AAA	2,000,000.00	2,001,253.18	2,060,196.00	03/19/2010	03/13/2015	2.75%
31331KFS4	1569	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,981,390.90	4,944,795.00	03/24/2011	03/24/2015	1.67%
31331J3T8	1549	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,881,000.00	4,879,205.00	01/07/2011	12/01/2015	1.75%
31331J3T8	1558	FEDERAL FARM CREDIT BANK	Fed Agy	AAA	5,000,000.00	4,892,199.20	4,879,205.00	01/24/2011	12/01/2015	1.75%
3136FPZ34	1556	FED NATL MORTGAGE ASSN	Fed Agy	AAA	2,355,000.00	2,351,439.57	2,349,913.20	01/24/2011	12/30/2015	2.50%
38143USC6	1560	Goldman Sachs Group	MTN	A	5,000,000.00	4,990,973.99	4,952,755.00	02/08/2011	02/07/2016	3.63%
Total Long-Term Portfolio:					<u>231,253,000.00</u>	<u>231,583,064.43</u>	<u>235,802,907.61</u>			<u>2.62%</u>
Total Portfolio Holdings:					<u>342,412,880.88</u>	<u>342,740,044.85</u>	<u>346,959,888.03</u>			<u>1.87%</u>

**Mat Call Sale Purch
 Purchases Report
 Sorted by Fund - Fund
 March 1, 2011 - March 31, 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
SHORT- TERM PORTFOLIO													
45920GR81	1564	01	ACP	IBM	5,000,000.00	03/21/2011	04/08 - At Maturity	4,999,750.00		0.100	04/08/2011	0.100	4,999,903.87
0660P1RM5	1566	01	ACP	BAC	4,000,000.00	03/22/2011	04/21 - At Maturity	3,999,333.33		0.200	04/21/2011	0.200	3,999,560.61
19416FR48	1565	01	ACP	COLG-C	5,000,000.00	03/22/2011	04/04 - At Maturity	4,999,747.22		0.140	04/04/2011	0.140	4,999,942.32
71344UTA7	1571	01	ACP	PEPSIC	5,000,000.00	03/30/2011	06/10 - At Maturity	4,998,300.00		0.170	06/10/2011	0.170	4,998,365.79
				Subtotal	18,000,000.00			18,987,130.66	0.00				18,987,772.69
LONG-TERM PORTFOLIO													
31337DJ88	1568	02	FAC	FHLB	8,000,000.00	03/23/2011	09/12 - 03/12	7,947,520.00	3,361.11	1.375	09/12/2014	1.548	7,947,856.14
31398A3K6	1567	02	FAC	FNMA	5,000,000.00	03/23/2011	09/14 - 03/14	4,992,700.00	1,562.50	1.250	03/14/2014	1.282	4,992,754.53
31331KF84	1569	02	FAC	FFCB	5,000,000.00	03/24/2011	09/24 - 03/24	4,981,300.00		1.670	03/24/2015	1.743	4,981,390.90
				Subtotal	18,000,000.00			17,921,520.00	4,923.61				17,922,001.57
Managed Pool Deposits													
					Deposit Amount	Deposit Date		Deposit Amount		Rate			
SYS987	987	01	PA2	FIDELI	27,500.00	03/14/2011		27,500.00		0.045			
SYS987	987	01	PA2	FIDELI	218,750.00	03/15/2011		218,750.00		0.045			
SYS987	987	01	PA2	FIDELI	10,081,250.00	03/16/2011		10,081,250.00		0.045			
SYS987	987	01	PA2	FIDELI	5,410,000.00	03/18/2011		5,410,000.00		0.045			
SYS987	987	01	PA2	FIDELI	9,000,000.00	03/25/2011		9,000,000.00		0.045			
SYS987	987	01	PA2	FIDELI	133,500.00	03/29/2011		133,500.00		0.045			
SYS500	500	01	PA2	GOLDSA	2,639,000.00	03/01/2011		2,639,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	2,310,000.00	03/02/2011		2,310,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	2,718,000.00	03/03/2011		2,718,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	572,000.00	03/04/2011		572,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	2,096,000.00	03/08/2011		2,096,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	6,788,000.00	03/17/2011		6,788,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	551,000.00	03/21/2011		551,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	1,394,000.00	03/22/2011		1,394,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	380,000.00	03/25/2011		380,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	1,813,000.00	03/30/2011		1,813,000.00		0.045			
SYS500	500	01	PA2	GOLDSA	135.70	03/31/2011		135.70		0.045			

Mat Call Sale Purch
 Purchases Report
 March 1, 2011 - March 31, 2011

CUSIP	Investment #	Fund	Sec. Type Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate of Purchase	Maturity Date	YTM 380	Ending Book Value
Subtotal				48,132,136.70			48,132,136.70					
Total Purchases and Deposits				83,132,136.70			83,060,788.26	4,823.61				38,818,774.16

Mat Call Sale Purch
Maturity Report
Sorted by Maturity Date
Receipts during March 1, 2011 - March 31, 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
641058QB7	1551	01	ACP NESTLE	5,000,000.00	03/11/2011	01/11/2011	0.190	5,000,000.00	0.00	5,000,000.00	0.00
3133XT4D5	1365	02	FAC FHLB	10,000,000.00	03/16/2011	04/01/2009	1.625	10,000,000.00	81,250.00	10,081,250.00	81,250.00
2546R3QJ6	1545	01	ACP DISNEY	5,000,000.00	03/18/2011	01/07/2011	0.180	5,000,000.00	0.00	5,000,000.00	0.00
19121BQM4	1544	01	ACP COCA C	1,850,000.00	03/21/2011	01/07/2011	0.210	1,850,000.00	0.00	1,850,000.00	0.00
0660P1QR5	1561	01	ACP BAC	4,000,000.00	03/25/2011	02/28/2011	0.190	4,000,000.00	0.00	4,000,000.00	0.00
2546R3QR8	1553	01	ACP DISNEY	5,000,000.00	03/25/2011	01/12/2011	0.180	5,000,000.00	0.00	5,000,000.00	0.00
19416FQW7	1562	01	ACP COLG-C	4,700,000.00	03/30/2011	02/28/2011	0.150	4,700,000.00	0.00	4,700,000.00	0.00
Total Maturities				36,650,000.00				36,650,000.00	81,250.00	36,831,250.00	81,250.00

**Mat Call Sale Purch
 Sales/Call Report
 Sorted by Maturity Date - Fund
 March 1, 2011 - March 31, 2011**

<u>CUSIP</u>	<u>Investment #</u>	<u>Fund</u>	<u>ISSUER</u> <u>Sec. Type</u>	<u>Purchase Date</u>	<u>Redem. Date</u> <u>Matur. Date</u>	<u>Par Value</u>	<u>Rate at Redem.</u>	<u>Book Value at Redem.</u>	<u>Redemption Principal</u>	<u>Redemption Interest</u>	<u>Total Amount</u>	<u>Net Income</u>
03/23/2012												
3136FHEV3	1362	02	FNMA FAC	04/01/2009	03/23/2011 03/23/2012	8,000,000.00	2.375	8,022,835.82	8,000,000.00	95,000.00	8,095,000.00	72,154.18
					Subtotal	8,000,000.00		8,022,835.82	8,000,000.00	96,000.00	8,086,000.00	72,184.18
					Total Sales	8,000,000.00		8,022,835.82	8,000,000.00	96,000.00	8,086,000.00	72,184.18



FUND PROFILE

March 31, 2010

City of Anaheim Treasurer Investment Pool



Credit Quality Ratings Definitions

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

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

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

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

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

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

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

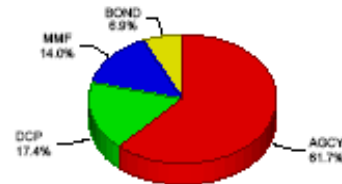
Plus (+) or Minus (-) The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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

About the Fund

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

Portfolio Composition as of March 31, 2010



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

*As assessed by Standard & Poor's

Fund Highlights

- Average maturity 2 years or less
- The portfolio must purchase securities with a rating of A or better

Management

The Treasurer for the city of Anaheim, CA is responsible for overall management of the portfolio. The Treasurer has prior experience managing S&P rated government investment pools during his tenure at the cities of Los Angeles and Long Beach. The city of Anaheim's \$400+ million portfolio is being divided into a shorter-term and a longer term portion, where \$100-\$125 million comprises the shorter-term component. The investment policy, which was last revised and approved in January 2009, apply to all cash and investments controlled by the Anaheim Treasurer on behalf of the City.

Credit Quality

The 'AAAf' fund credit quality rating is based on our analysis of the credit quality of the Portfolio's eligible investments, the counterparties, and overall management by the portfolio's investment managers. The 'AAAf' rating signifies that the portfolio holdings provide extremely strong protection against losses from credit defaults. The 'S1' volatility rating signifies that a fund possesses low sensitivity to changing market conditions and a level of risk that is less than or equal to that of a portfolio comprised of the highest quality fixed-income instruments with an average maturity of one to three years. As part of our volatility analysis, we assessed the management, portfolio-level risk, target durations, and comparable return strategies of the Portfolio.

Portfolio Assets

Eligible portfolio holdings are typically comprised of highly rated securities, including money-market

funds, investment-grade corporate debt, CP, the Local Agency Investment Fund (LAIF), U.S. Treasury and Agency securities. The portfolio has to purchase securities with a rating of A or better. The Anaheim Treasurer's Investment Pool's primary objective is to provide safety of principal followed by maintenance of liquidity and return on investment. The various city departments are the Investment Pool's predominant investors. The short-term portfolio's benchmark is the ninety-one day T-bill and it is managed with the view that cash is needed for operating purposes within a 6-month period. The long-term portfolio uses the ML 1-3 Year US Treasury benchmark. The Investment Pool's overall duration is currently 1.8 years with a maximum duration of 3 years. Union Bank of CA is the custodian for the pool.

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

www.standardandpoors.com

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

BOND FUND INVESTMENTS

January 31, 2011

<u>Debt Issue</u>	<u>Trustee</u>	<u>Book Value</u>	<u>Total Trustee Holdings</u>
Decommissioning Trust	Union Bank of Calif.	\$ 118,165,126	
APFA Revenue Bds, 1998 Series	Union Bank of Calif.	\$ 1	\$ 118,165,127
COP 1992 Convention Ctr.	US Bank	\$ 8,005,723	
1993 Land Acquisition Program Lease	US Bank	\$ 1,936,540	
Anaheim R/A Tax Allocation Bond - Escrow Fd	US Bank	\$ 29,270,715	
Anaheim CFD no. 1989-3	US Bank	\$ 1,266,965	
APFR Rev Bds. - Escrow Fd	US Bank	\$ 5,260,000	
Anaheim CFD 1989 - 1, Sycamore Canyon	US Bank	\$ 703,528	
Anaheim CFD 1989 - 2, Highlands Sp Tax Bds	US Bank	\$ 1,298,999	
CITY OF ANAHEIM CFD DIST 06-2 2007	US Bank	\$ 1,009,656	
Anaheim CFD 08-1 2010 Platinum Triangle	US Bank	\$ 32,724,110	
Anaheim RDA 2007 Tax Allocation Refunding Bds	US Bank	\$ 19,928,137	
APFA Lease Revenue Refunding Bonds Ser 2008	US Bank	\$ 6,183,625	
APFA Water System Bonds 2010-A & 2010-B	US Bank	\$ 24,165,642	
Anaheim RDA 2010 Tax Allocation Bond	US Bank	\$ 670,325	\$ 132,423,965
Anaheim Dist Sys 99	BNY Western Trust	\$ 573,761	
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	\$ 65,156,431	
Anaheim Lenain Reserve	BNY Western Trust	\$ 1,217,092	
APFA 02 A	BNY Western Trust	\$ 8,168,409	
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	\$ 1,490,251	
Anaheim Sewer Rev Bds 2007	BNY Western Trust	\$ 30,308,001	
Anaheim (Dsnr) 2007 Ref Ser A	BNY Western Trust	\$ 3,903,646	
Anaheim (Dsnr) 2007 Ref Ser B	BNY Western Trust	\$ 1,183,223	
Anaheim/Disney 97 Series A-1/B Escrow	BNY Western Trust	\$ -	
Anaheim/Disney 97 Series A-2 Escrow	BNY Western Trust	\$ -	
Farecal Anaheim	BNY Western Trust	\$ -	
Anaheim 08 Water	BNY Western Trust	\$ 3,896,656	
Anaheim 09A Electric	BNY Western Trust	\$ 6,684,072	\$ 163,554,963
Total Bond Funds with external Trustees:			\$ 414,144,055
Anaheim RDA PFA 1992 Tax Alloc Rev	City Treasurer	\$ 46	
2000 RDA SubAccount	City Treasurer	\$ 23,968	
2007 RDA Bond - A	City Treasurer	\$ 0	
2007 RDA Bond - B	City Treasurer	\$ 371,997	
2007 RDA Bond - D	City Treasurer	\$ -	
Total Bond Funds with City Treasurer:			\$ 396,011
Total Bond Funds:			\$ 414,540,066

CITY OF ANAHEIM
BOND FUND INVESTMENTS

February 28, 2011

<u>Debt Issue</u>	<u>Trustee</u>	<u>Book Value</u>	<u>Total Trustee Holdings</u>
Decommissioning Trust	Union Bank of Calif.	\$ 118,349,190	
APFA Revenue Bds, 1998 Series	Union Bank of Calif.	\$ 1	\$ 118,349,191
COP 1992 Convention Ctr.	US Bank	\$ 8,005,746	
1993 Land Acquisition Program Lease	US Bank	\$ 1,936,541	
Anaheim R/A Tax Allocation Bond - Escrow Fd	US Bank	\$ 29,270,715	
Anaheim CFD no. 1989-3	US Bank	\$ 1,285,072	
APFR Rev Bds. - Escrow Fd	US Bank	\$ 5,260,000	
Anaheim CFD 1989 - 1, Sycamore Canyon	US Bank	\$ 704,282	
Anaheim CFD 1989 - 2, Highlands Sp Tax Bds	US Bank	\$ 1,300,981	
CITY OF ANAHEIM CFD DIST 06-2 2007	US Bank	\$ 1,009,675	
Anaheim CFD 08-1 2010 Platinum Triangle	US Bank	\$ 29,249,610	
Anaheim RDA 2007 Tax Allocation Refunding Bds	US Bank	\$ 19,928,037	
APFA Lease Revenue Refunding Bonds Ser 2008	US Bank	\$ 5,182,000	
APFA Water System Bonds 2010-A & 2010-B	US Bank	\$ 24,170,051	
Anaheim RDA 2010 Tax Allocation Bond	US Bank	\$ 670,325	\$ 127,973,035
Anaheim Dist Sys 99	BNY Western Trust	\$ 717,204	
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	\$ 68,943,342	
Anaheim Lenain Reserve	BNY Western Trust	\$ 1,217,094	
APFA 02 A	BNY Western Trust	\$ 8,168,409	
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	\$ 2,247,489	
Anaheim 04 Water	BNY Western Trust	\$ 1,210,500	
APFA 2007A	BNY Western Trust	\$ 16,645,207	
APFA 2007A Farecal Escrow	BNY Western Trust	\$ 1,490,251	
Anaheim Sewer Rev Bds 2007	BNY Western Trust	\$ 28,656,320	
Anaheim (Dsn) 2007 Ref Ser A	BNY Western Trust	\$ 4,684,376	
Anaheim (Dsn) 2007 Ref Ser B	BNY Western Trust	\$ 1,419,867	
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	\$ 5,938,272	\$ 166,147,655
Total Bond Funds with external Trustees:			\$ 412,469,881
Anaheim RDA PFA 1992 Tax Alloc Rev	City Treasurer	\$ 46	
2000 RDA SubAccount	City Treasurer	\$ 23,968	
2007 RDA Bond - A	City Treasurer	\$ 0	
2007 RDA Bond - B	City Treasurer	\$ 371,999	
2007 RDA Bond - D	City Treasurer	\$ -	
Total Bond Funds with City Treasurer:			\$ 396,013
Total Bond Funds:			\$ 412,865,894