City Treasurer’s Investment Report
City of Huntington Beach

For Quarter ending: June 30, 2014
By: Alisa Cutchen, CPFIM
City Treasurer
Treasurer’s Mission: Preservation and Return of Investment

• Objectives in Absolute Order of Priority:
  - Safety of Principal
  - Adequate Liquidity
  - Market Rate of Return
A Balance:
RISK versus REWARD
## Allowable Investments

### City of Huntington Beach

- Restricted by CA Government Code
- U.S. Gov’t & Agency Securities, \( \leq 5 \) year maturity
- “A” rated and above Corporate Bonds/Notes/Comm’dl Paper
- CDs/Time Deposits
- A few other “lower risk” investments

= GOAL OF NO LOSS OF PUBLIC FUNDS

### Individual Portfolio

- NO RESTRICTIONS
- Stocks, Preferred Stocks, Mutual Funds, ETFs, Any Bonds/Notes incl. “Junk Bonds”, Hedge Funds, Derivatives (Options/ Futures), International Securities, IPOs ...

= MORE RISK, POTENTIAL LOSS OF PRINCIPAL/NEGATIVE RETURN
# Portfolio Overview

As of June 30, 2014

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Market Value</th>
<th>Book Value</th>
<th>% of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Agency Issues</td>
<td>$136.5</td>
<td>$136.9</td>
<td>70%</td>
</tr>
<tr>
<td>LAIF</td>
<td>25.2</td>
<td>25.2</td>
<td>13%</td>
</tr>
<tr>
<td>Corporate Notes</td>
<td>34.3</td>
<td>34.3</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$196.0</strong></td>
<td><strong>$196.4</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Portfolio Earnings
As of June 30, 2014

• Monthly Earnings: $130,492

• Fiscal YTD Earnings: $1,068,967

• FYTD Effective Rate of Return: 0.78%
  versus benchmark: 0.30%

• In Compliance / NO LOSSES
Portfolio Yield – Upward Trend

Yield to Maturity - Past 13 Months

Percentage


.793%  .793%  .793%  .793%  .793%  .793%  .793%  .793%  .793%  .793%  .793%  .793%  .997%
QUESTIONS?

Thank you!