



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'l 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

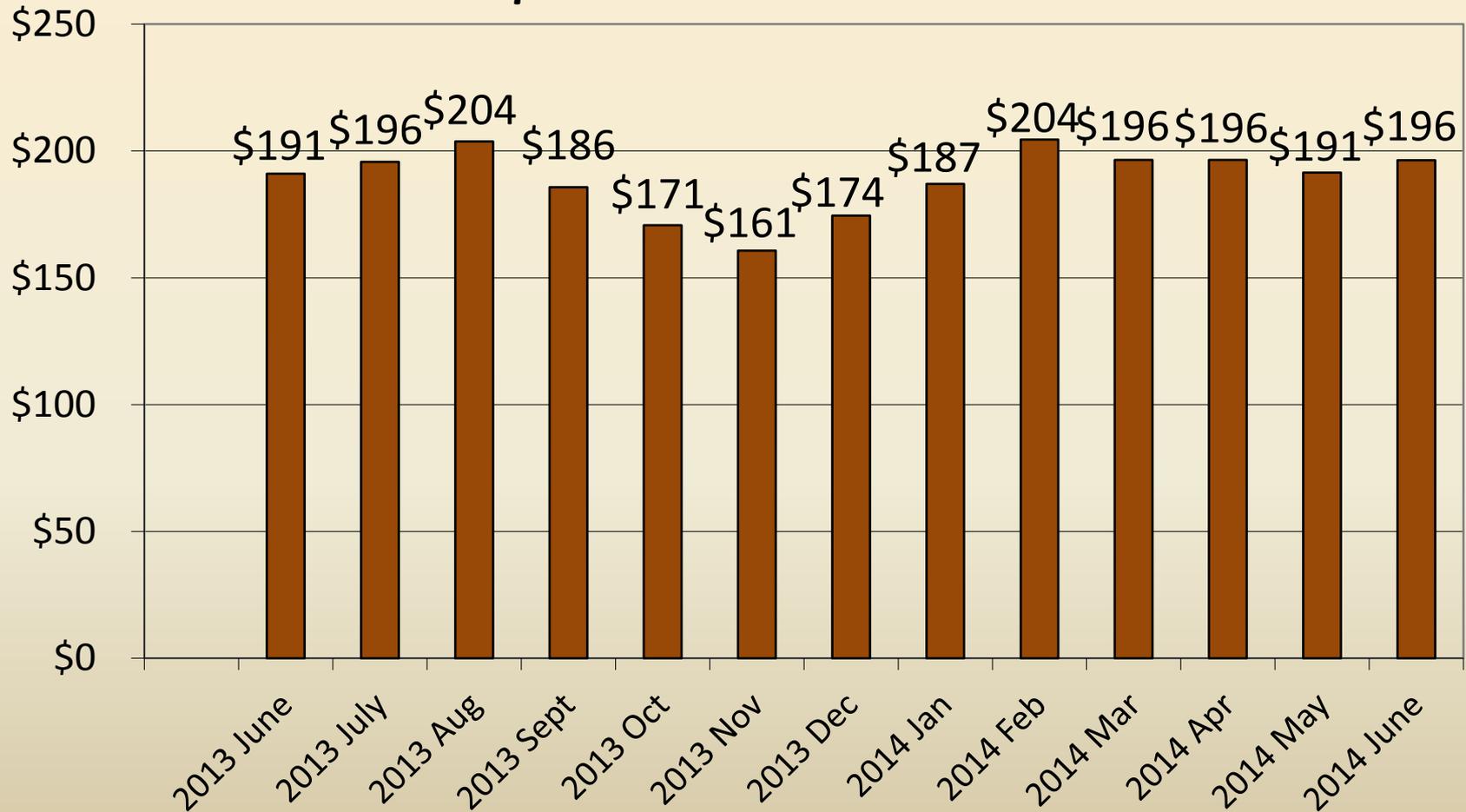
As of June 30, 2014

| \$ in Millions | | | |
|------------------------|---------------------|-------------------|-----------------------|
| <u>Investment Type</u> | <u>Market Value</u> | <u>Book Value</u> | <u>% of Portfolio</u> |
| Federal Agency Issue: | \$136.5 | \$136.9 | 70% |
| LAIF | 25.2 | 25.2 | 13% |
| Corporate Notes | <u>34.3</u> | <u>34.3</u> | <u>17%</u> |
| Totals | \$196.0 | \$196.4 | 100% |

Book Value History

June 2013 – June 2014

\$ in millions

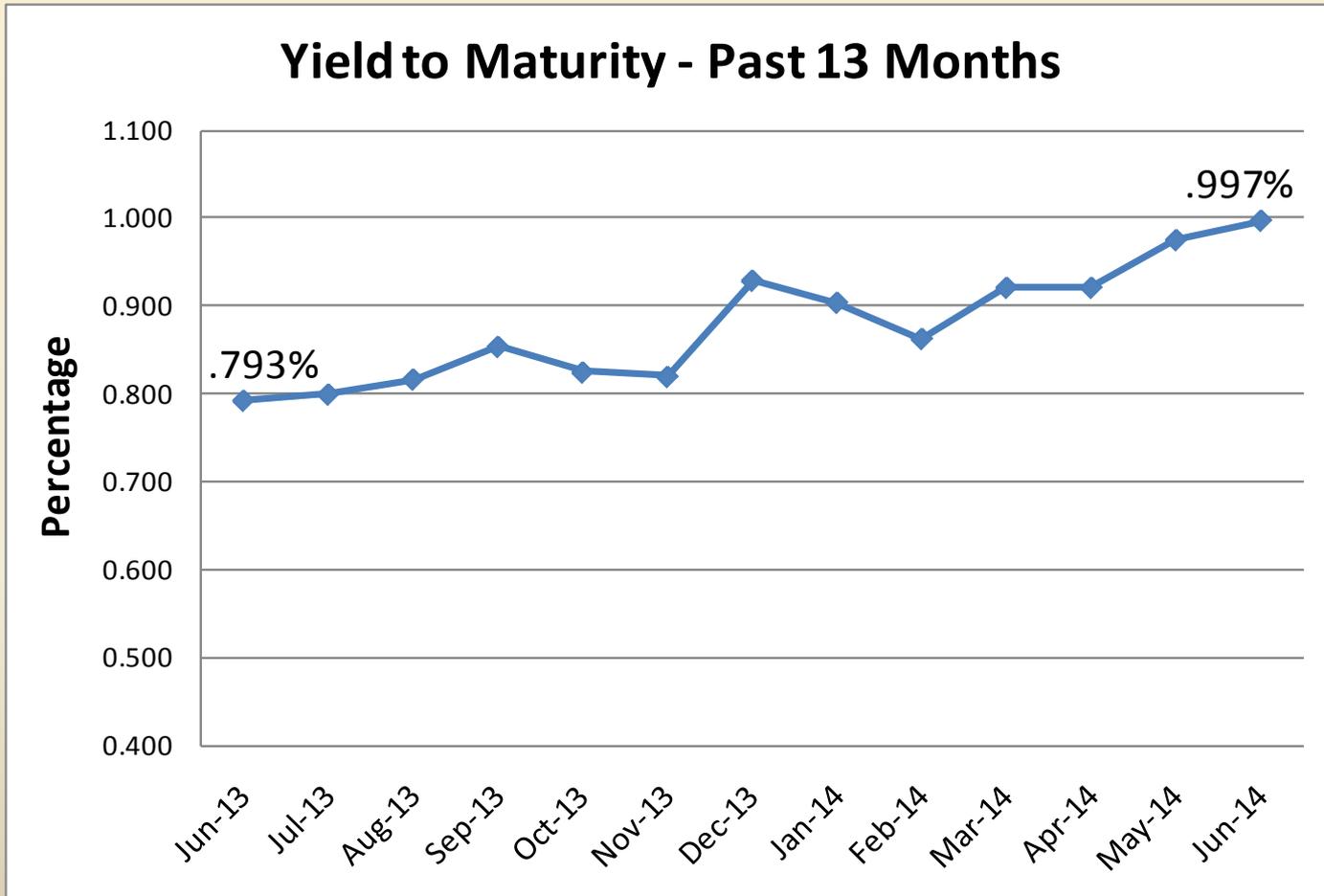


Portfolio Earnings

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



QUESTIONS?

Thank you!