

# City of Huntington Beach Quarterly Treasurer's Report



Quarter Ending: December 31, 2018

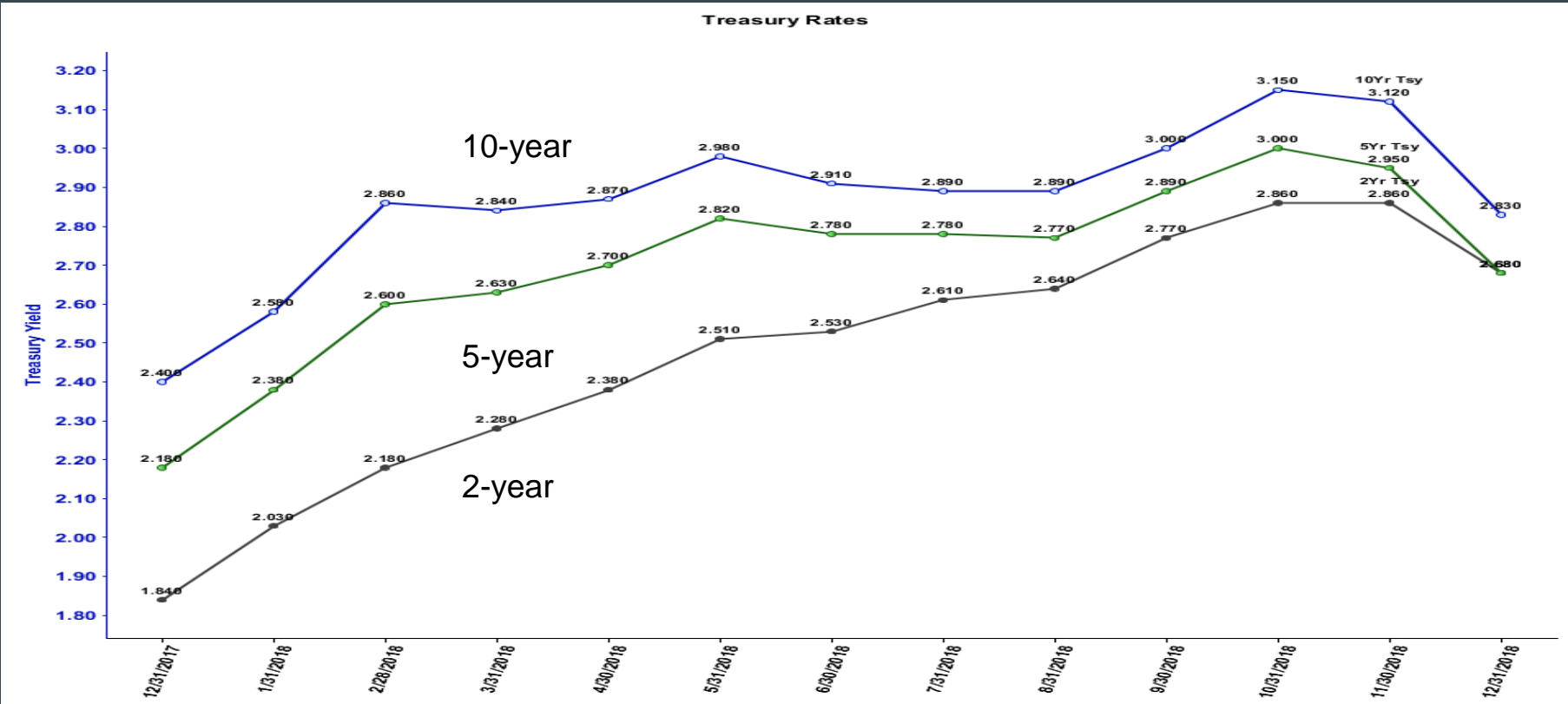
Prepared by: Alisa Backstrom, CCMT, CPFIM, City Treasurer

# Economic and Market Overview - At 12/31/18

- ❖ 12-month Inflation Rate: 2.2%
- ❖ Unemployment stable at 3.9%
- ❖ Federal Reserve raised interest rates: Fed Funds 2.25%-2.50%
- ❖ Equity Market Volatility

	<u>9/30/18</u>	<u>12/31/18</u>	<u>% Chg</u>
DJIA:	26,458	23,327	↓ 11.8%
S&P:	2,913	2,506	↓ 13.9%

# Interest Rates – 2-year/5-year/10-year Treasury



# Treasurer's Mission:

Preservation and Return  
OF  
Investments

## Governed by:

- CA State Regulations
- City's Investment Policy -  
√ Certified by CMTA

## Goal: Legal/Suitable Investments

- Safety
  - Liquidity
  - Market rate of return through  
budgetary and economic cycles
-

# Portfolio Summary

As of 12/31/18

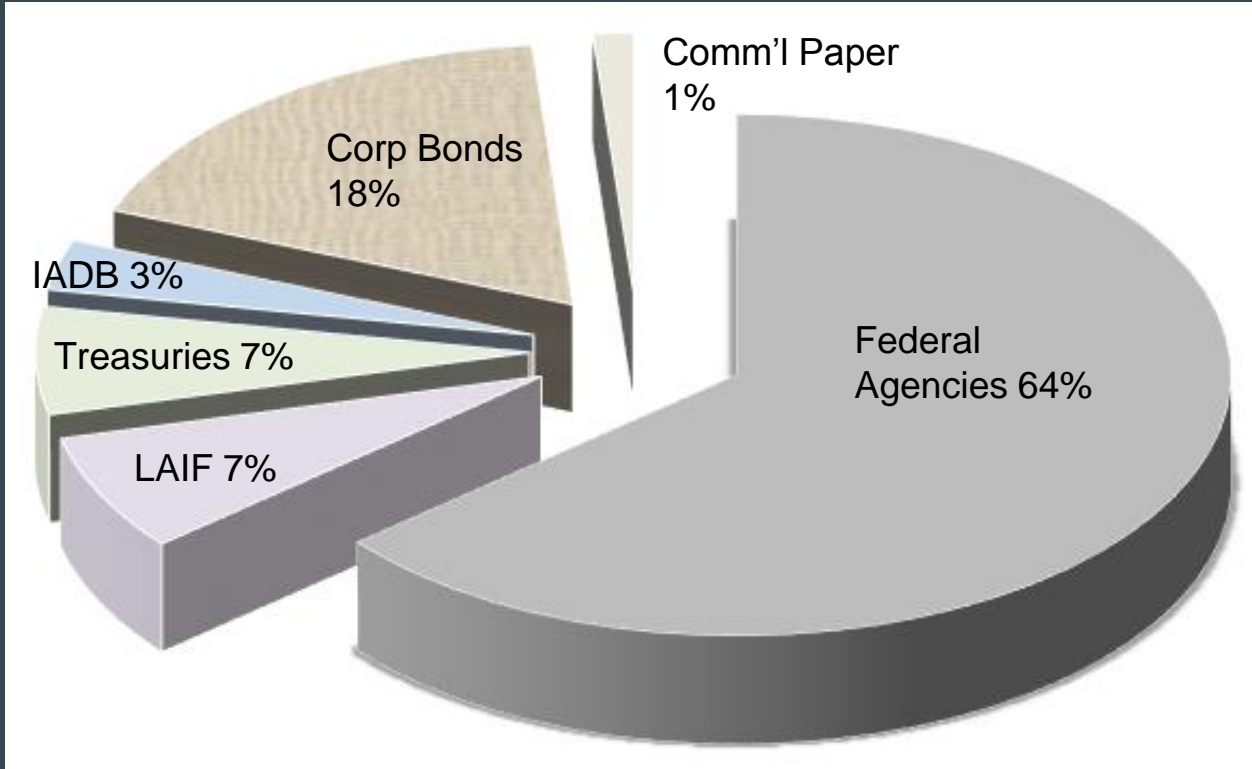
## Investment Type / Market Value:

- Federal Agencies - \$140.8MM
- Corporate Bonds - \$39.4MM
- Treasury Securities - \$14.8MM
- Commercial Paper - \$3.0MM
- LAIF - \$16.2MM
- IADB - \$6.9MM

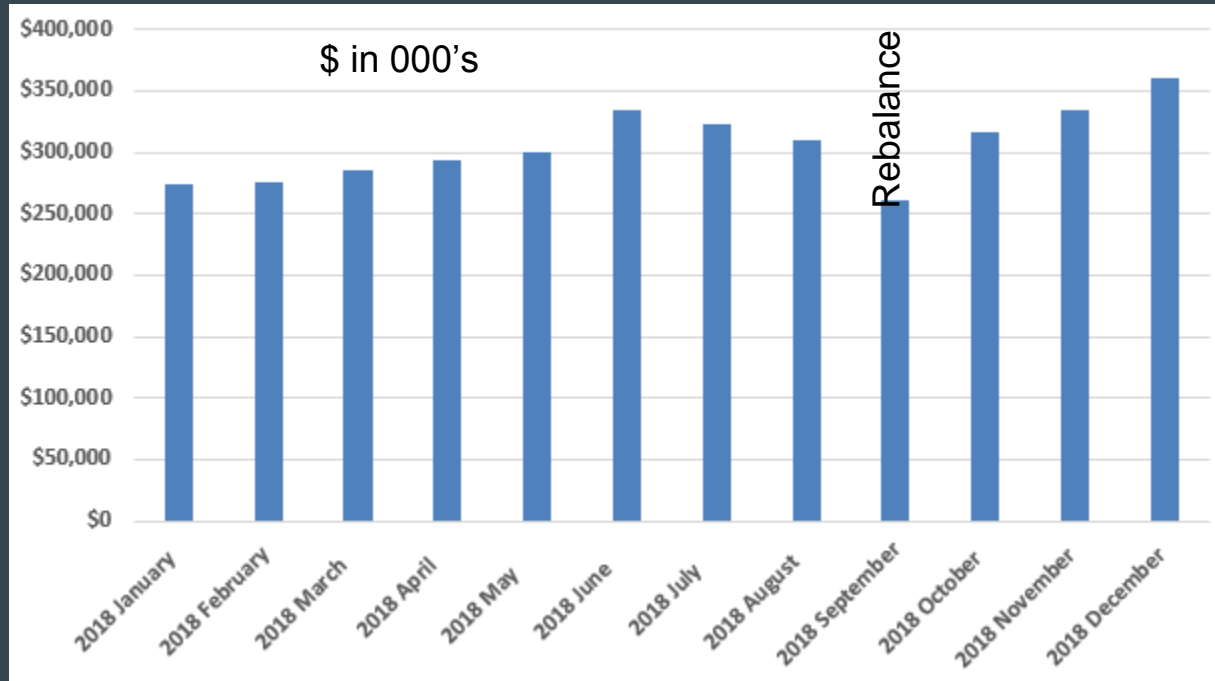
**TOTAL PORTFOLIO: \$221.1MM**

# Investments by Type

## As of December 31, 2018



# Monthly Portfolio Earnings – Jan 2018 to Dec 2018



# Portfolio Earnings - As of December 31, 2018

## Current Year - Month

- ❑ December, 2018: \$360,417 54% ↑
- ❑ vs. last year: \$233,822

## Current Year - Fiscal YTD

- ❑ Through 12/31/18: \$1,904,902 31% ↑
- ❑ vs. last year: \$1,454,698

## Purchase Yield

- ❑ December, 2018: 2.05%
- ❑ Benchmark\*: 2.42% \*12mo. moving avg. interpolated 15YR CMT

## Notes

- ❑ Rapidly rising interest rates
- ❑ As securities mature, reinvest at higher rates



# Compliance

## Selected Investment Policy Requirements:

<u>Investment Type</u>	<u>Max. Maturity</u>	<u>Max. % of Portfolio</u>	<u>Ratings</u>
Federal Agencies	5 yrs	none	AAA/Aa
IADB	5 yrs	10%	AAA/Aaa
Corporate Bonds	5 yrs	30%	A or above
Commercial Paper	270 days	25%	A-1/P-1
LAIF	n/a	\$65MM per account	n/a

The portfolio is in compliance with all relevant State regulations and the City's Investment Policy