

CITY OF HUNTINGTON BEACH CITY TREASURER'S REPORT

PERIOD ENDING: MARCH 31, 2017



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City Treasurer**

CITY TREASURER'S MISSION: PRESERVATION AND RETURN OF INVESTMENTS

- Portfolio governed by:
 - California State Regulations
 - City's Investment Policy –
Certified by California Municipal
Treasurers Association



CITY TREASURER'S MISSION: PRESERVATION AND RETURN OF INVESTMENTS

- Goal: Own Legal AND Suitable Investments to meet the objectives:
 - Safety of Principal
 - Adequate Liquidity
 - Market Rate of Return

In this absolute order of priority



MARKET UPDATE:

1ST QUARTER 2017

- Unemployment rate ↓ to 4.5% from 4.7%
- March labor participation rate 63.0% ↑ slightly from 62.7%
- S&P 500 and DJIA ↑ 5.53% and 4.56%, respectively
- Federal Reserve raised interest rates to .75%-1.00% at the March 15 meeting



INTEREST RATE VOLATILITY: 2-YEAR TREASURY YIELD APRIL 2016 – APRIL 2017

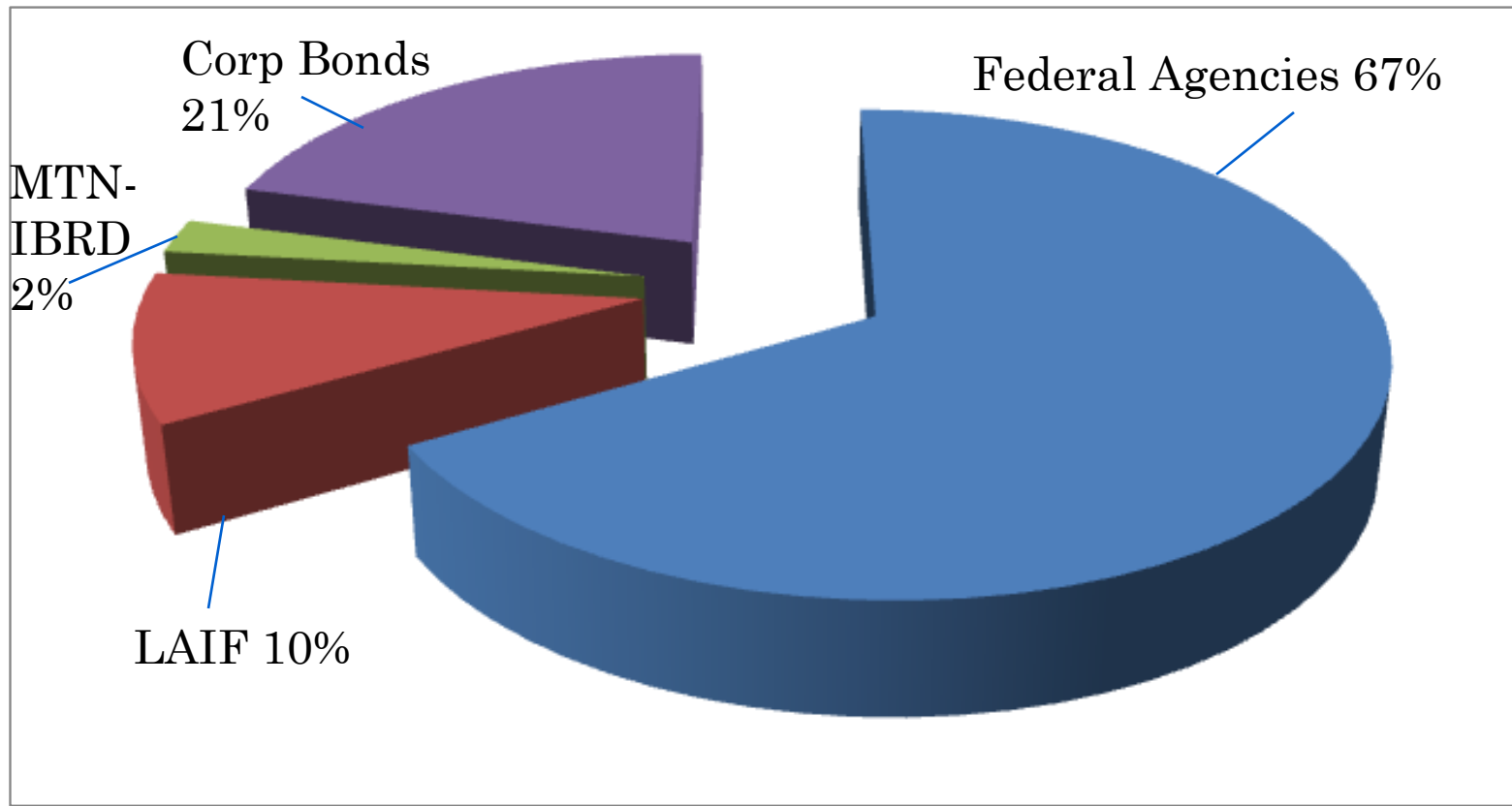


PORTFOLIO OVERVIEW: INVESTMENT SUMMARY

\$ in millions:

<u>Investment Type</u>	<u>Market Value</u>	<u>Book Value</u>	<u>% of Portfolio</u>	<u>Policy Limit</u>
Federal Agency Issues	\$ 141.1	\$ 142.5	67%	None
Local Agency Investment Fund (LAIF)	\$ 21.6	\$ 21.6	10%	\$65 million
Medium Term Notes - IBRD	\$ 5.0	\$ 5.0	2%	10%
Corporate Bonds	\$ 44.5	\$ 44.6	21%	30%
Total Portfolio	\$ 212.2	\$ 213.7	100%	

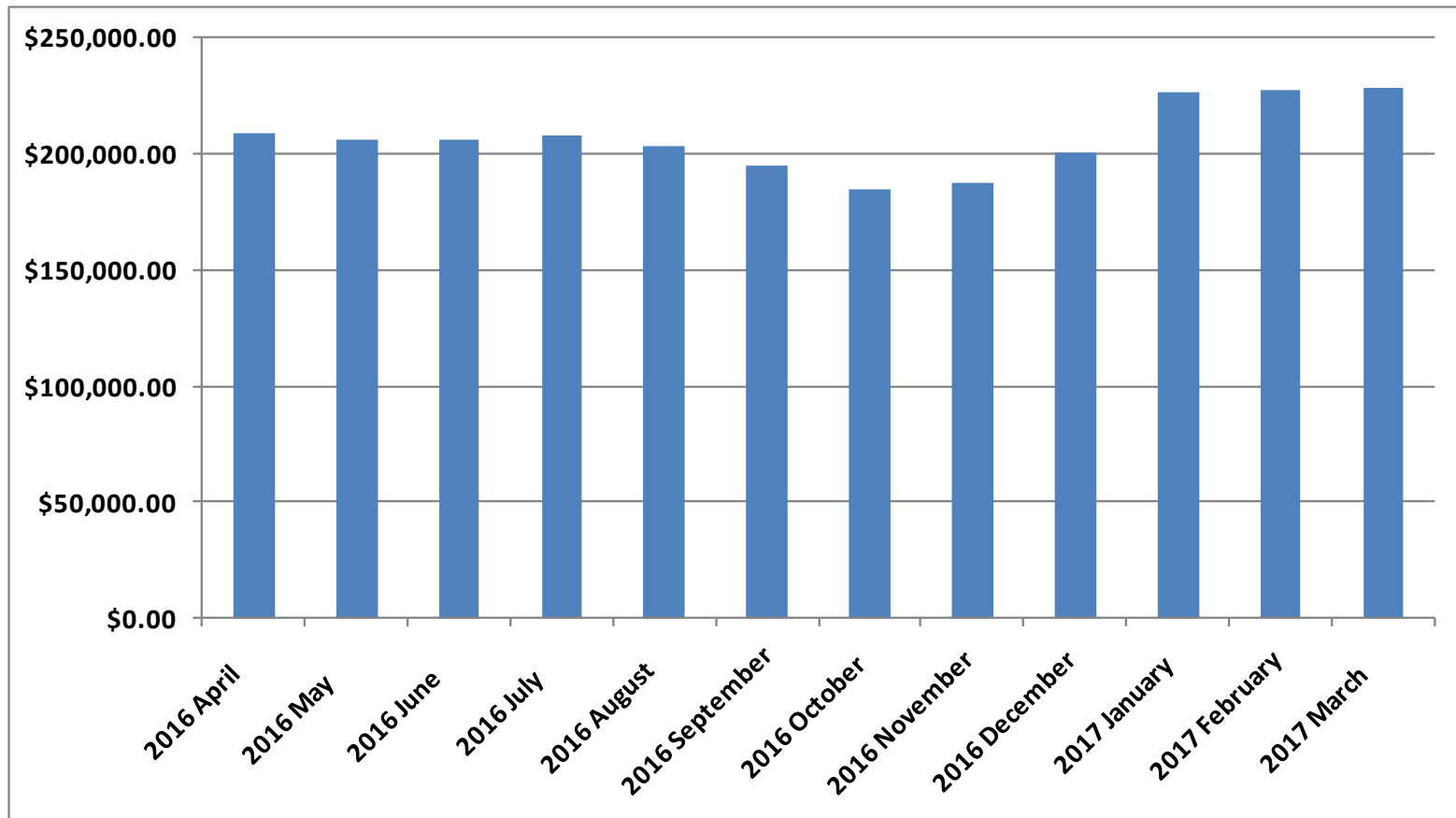
PORTFOLIO OVERVIEW: INVESTMENTS BY TYPE



PORTFOLIO OVERVIEW:

MONTHLY EARNINGS

APR 2016 – MAR 2017



PORTFOLIO PERFORMANCE:

AS OF MARCH 31, 2017

• Monthly Earnings for Mar 2017:	\$228,501
vs. budgeted:	\$140,000
• Fiscal YTD Earnings through Mar 2017:	\$1,255,090
vs. budgeted:	\$ 840,000
• Monthly Effective Rate of Return:	1.26%
vs. benchmark:	1.27%

• Benchmark per Investment Policy: 2-year Constant Maturity Treasury Rate





QUESTIONS?

Thank you