

City of Huntington Beach Quarterly Investment Report

Quarter Ending: September 2020



PREPARED BY:

ALISA BACKSTROM, MBA, CCMT, CPFIM
CITY TREASURER
COLIN STEVENS, MPP
TREASURY ASSOCIATE

E C O N O M Y

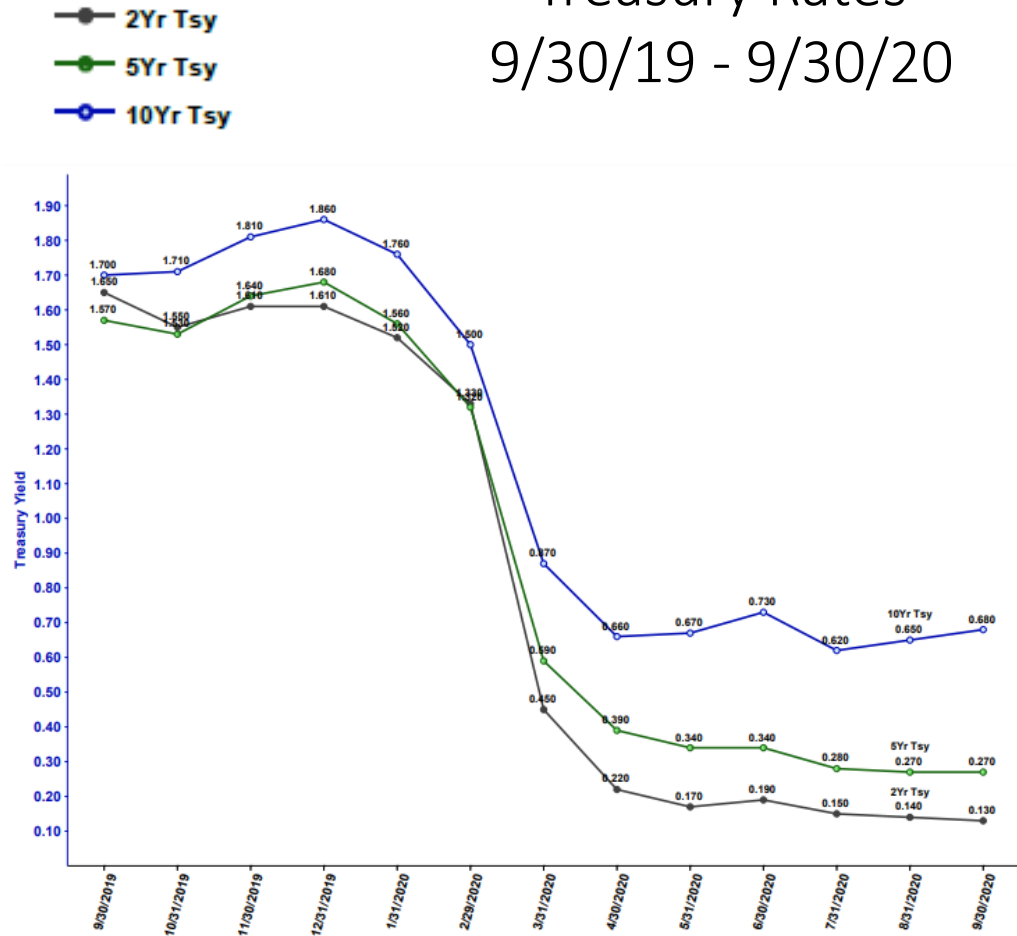
- ❑ Unemployment rate decreased to 7.9% for September (from high of 14.7% in April)
- ❑ Federal Reserve held rates stable at 0-0.25% since March
- ❑ Core PCE price index up 0.3% July to August
- ❑ September Consumer confidence increased to 101.8, up from 86.3 in August (still below pre-COVID levels)

M A R K E T S

- ❑ Equity Markets 9/30 YTD: S&P up 4.09%, DJIA down 2.65%
- ❑ Treasury yields at historic lows with target Fed Funds rate at 0-0.25% since March
- ❑ At 9/30: 2-year US Treasury yield 0.13%, 10-year US Treasury yield 0.69%
- ❑ = VERY LOW YIELD ON ALL ALLOWABLE INVESTMENTS FOR CITY PORTFOLIO

INTEREST

Treasury Rates 9/30/19 - 9/30/20



Portfolio Summary

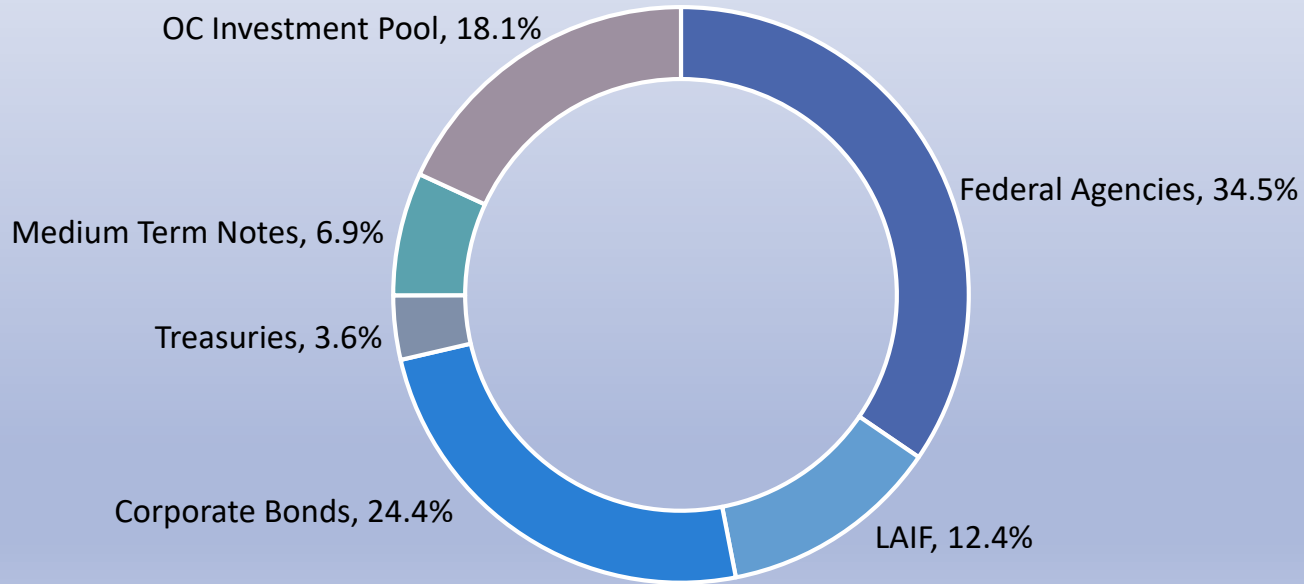
As of 9/30/20

AS OF: September 30, 2020

Investment Type	\$	Market Value	Book Value	% of Portfolio
in 000's				
Federal Agency Issues		\$ 78,277	\$ 76,244	34.5%
Local Agency Investment Fund (LAIF)		\$ 27,461	\$ 27,461	12.4%
Treasury Securities		\$ 8,355	\$ 7,977	3.7%
Medium Term Notes - IADB		\$ 15,798	\$ 15,303	6.9%
Corporate Bonds		\$ 55,453	\$ 53,876	24.4%
OC Investment Pool		\$ 39,996	\$ 39,996	18.1%
TOTAL		\$ 225,340	\$ 220,856	100%

Investments by Type

As of 9/30/20



Portfolio Earnings

As of 9/30/20

AS OF: September 30, 2020

Total Earnings	Month: September	Fiscal YTD
Current Year	\$ 296,310	\$ 963,526
Current Budget	\$ 200,000	\$ 800,000
Last Year Actual	\$ 397,968	\$ 1,270,724
Average Daily Balance	\$ 225,447,508	\$ 242,884,806
Effective Rate of Return	1.60%	1.57%
Benchmark *	0.77%	n/a

* 12-month moving average of interpolated 1.5-year treasury

Monthly Activity

September 2020

MONTHLY ACTIVITY: September 2020

Investment Type \$ in 000's	Purchases/ Deposits	Calls/Maturities /Withdrawals
Federal Agency Issues		
Local Agency Investment Fund (LAIF) *	\$ 4,000,000	\$ 13,000,000
Medium Term Notes - IADB/IBRD	\$ -	\$ 5,000,000
Corporate Bonds	\$ -	\$ -
Treasury Securities	\$ -	\$ -
OC Investment Pool *	\$ -	(a) \$ 2,007
TOTAL	\$ 4,000,000	\$ 18,002,007

*Includes Interest Income

(a) OCIP Investment Admin Fee

Quarterly Activity

July - September 2020

QUARTERLY ACTIVITY: July 1 to September 30, 2020

Investment Type \$ in 000's	Purchases/ Deposits	Calls/Maturities /Withdrawals
Federal Agency Issues	\$ -	\$ 5,000,000
Local Agency Investment Fund (LAIF) *	\$ 4,269,569	\$ 51,000,000
Medium Term Notes - IADB/IBRD	\$ -	\$ 5,000,000
Corporate Bonds	\$ -	\$ -
Treasury Securities	\$ -	\$ -
OC Investment Pool *	\$ - (a)	\$ 4,233
TOTAL	\$ 4,269,569	\$ 61,004,233

*Includes Interest Income

(a) OCIP Investment Admin Fee

Selected Compliance Requirements

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO/ MAXIMUM PER ISSUER	MINIMUM QUALITY REQUIREMENTS	IN COMPLIANCE?
Commercial Paper	270 days	25%/10%	A1, "A" Rating	YES
State Obligations-- CA And Others	5 years	None/10%	"A" Rating	YES
U.S. Treasury Obligations	5 years	None	None	YES
U.S. Government Agency Obligations	5 years	None	None	YES
IBRD, IFC, IADB	5 years	10%	"AA" Rating	YES
Corporate Notes	5 years	30%/10%	"A" Rating	YES
Local Agency Investment Fund (LAIF)	N/A	Up to \$75,000,000	None	YES
Orange County Investment Pool (OCIP)	N/A	N/A	None	YES
Maximum Maturities	No more than 50% of portfolio maturing over 4 years.			YES

No issues of non-compliance

S U M M A R Y

- ☐ Safety – No principal losses ✓
- ☐ Liquidity – Sufficient funds for operating needs ✓
- ☐ Effective Rate of Return - September 1.60% ✓
- ☐ Prudently managed – No compliance issues ✓
- ☐ Positive contributor to City – Earnings offset taxpayer funds ✓

QUESTIONS?