

# City of Huntington Beach Quarterly Investment Report

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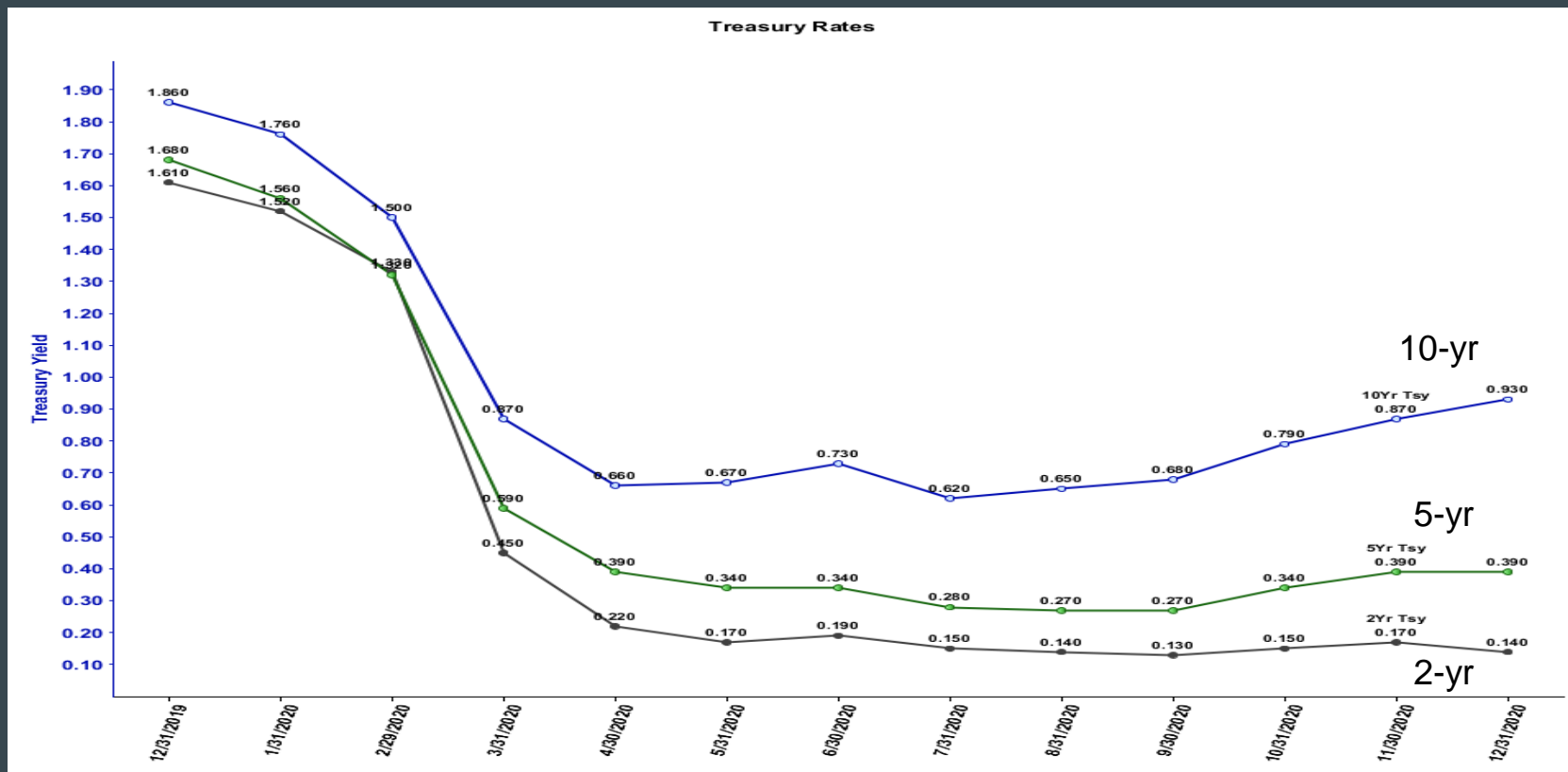
Quarter Ending: December 2020  
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City Treasurer

# Economic and Market Overview

- ❖ Ongoing public health crisis continues to negatively affect economic activity and employment
- ❖ Unemployment rate for December remained unchanged at 6.7%
- ❖ Federal Reserve maintained Fed Funds rate at 0.00%-0.25%

❖ Historically low U.S. Treasury Rates:	<u>12/31/19</u>	<u>12/31/20</u>	<u>% Chg</u>
2-Year Treasury:	1.58%	0.13%	↓ 92%
10-Year Treasury:	1.92%	0.93%	↓ 52%

# Interest Rates – U.S. Treasury Rates (12 mo. Moving Average)



# Portfolio Summary

As of 12/31/20

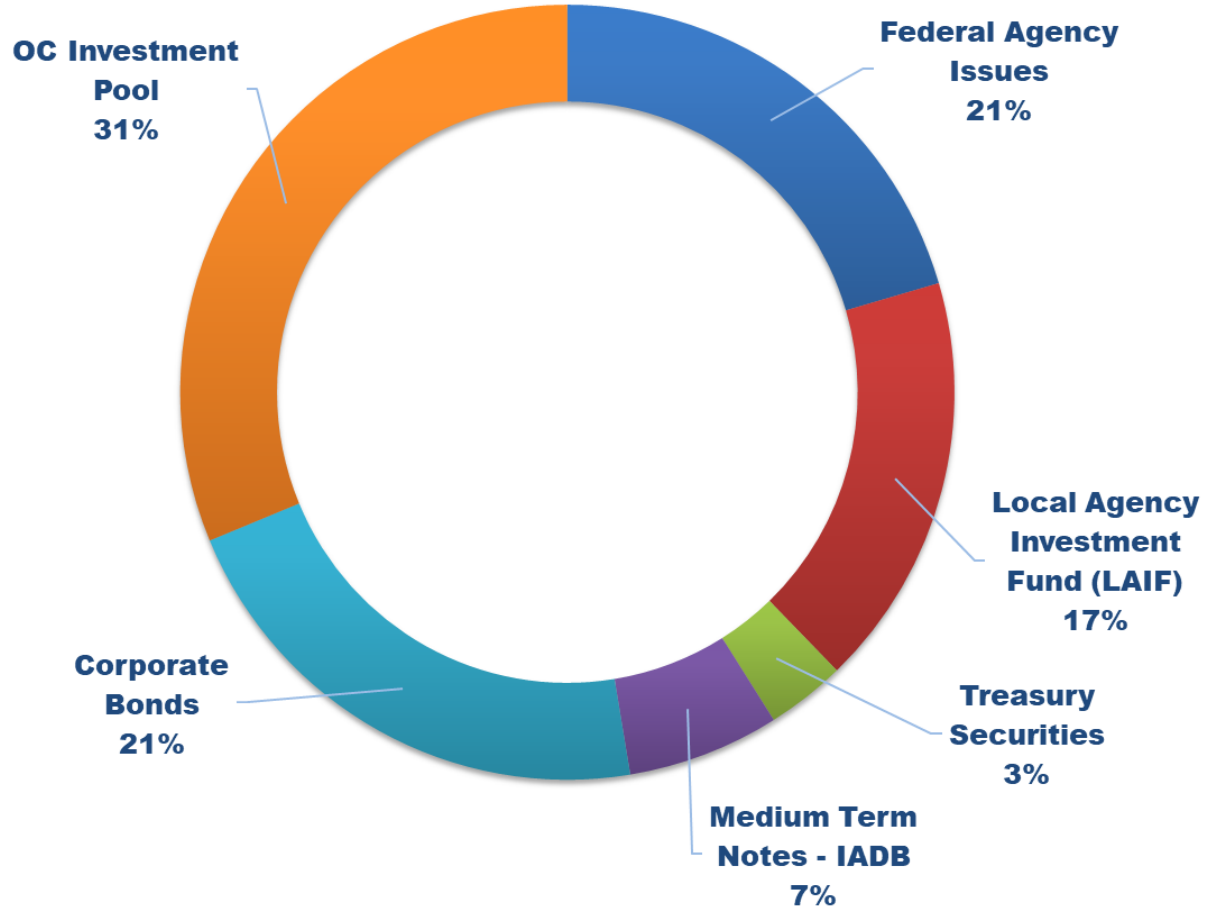
## Investment Type / Market Value:

- Federal Agencies - \$51.0MM
- LAIF - \$41.6MM
- Treasury Securities - \$8.3MM
- MTN (IADB) - \$15.7MM
- Corporate Bonds - \$52.6MM
- OCIP - \$75MM

**TOTAL PORTFOLIO: \$244.3MM**

# Investments by Type

As of December  
31, 2020



# Monthly Activity:

## **Purchases/Deposits:**

- \$34 million LAIF deposits

**Total: \$34 million**

## **Calls/Maturities:**

- \$19 million LAIF withdrawals

**Total: \$19 million**

# Quarterly Activity:

## **Purchases/Deposits:**

- \$67.1 million LAIF deposits
- \$35.1 million OCIP deposits

**Total: \$102.2 million**

## **Calls/Maturities:**

- \$27.1 million Federal Agencies
- \$53 million LAIF withdrawals
- \$2.5 million Corporate Bonds

**Total: \$82.6 million**

# Portfolio Earnings - As of December 31, 2020

## Current Year - Month

❑ December 2020:	\$272,920
❑ vs. budget:	\$150,000

## Current Fiscal Year 2020/21

❑ Through 12/31:	\$1,836,598
❑ vs. budget:	\$1,300,000

## Effective Rate of Return

❑ December 2020:	1.45%
❑ YTD Fiscal Year:	1.59%

## Benchmark

❑ December 2020:	0.42%
❑ 12-month moving average 1.5-year Treasury	

# Selected Investment Policy Compliance Requirements

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO/ MAXIMUM PER ISSUER	MINIMUM QUALITY REQUIREMENTS	IN COMPLIANCE?
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
Maximum Maturities	No more than 50% of portfolio maturing over 4 years.			YES

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

# Summary

Safety – No principal losses ✓

Liquidity – Sufficient funds for operating needs ✓

Effective Rate of Return - December 1.45% ✓

Prudently managed – No compliance issues ✓

Positive contributor to City – Payment of operational expenses ✓