

City of Huntington Beach Quarterly Treasurer's Report



Quarter Ending: March 31, 2019

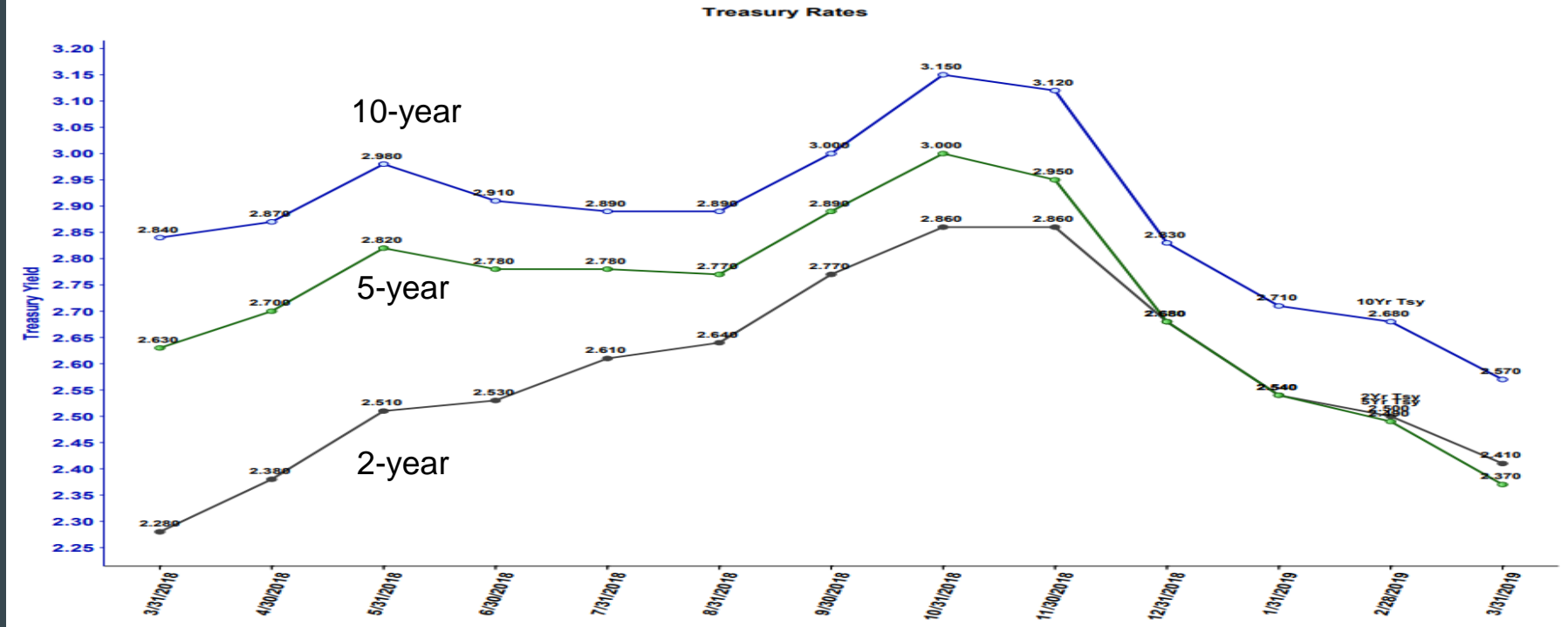
Prepared by: Alisa Backstrom, CCMT, CPFIM, City Treasurer

Economic and Market Overview - At 3/31/19

- ❖ 12-month Inflation Rate (PCE): 1.8%
- ❖ Unemployment stable at 3.8%
- ❖ Federal Reserve maintained interest rates: Fed Funds 2.25%-2.50%
- ❖ Equity Market Volatility

	<u>12/31/18</u>	<u>3/31/19</u>	<u>% Chg</u>
DJIA:	23,327	25,929	↑ 11.2%
S&P:	2,506	2,834	↑ 13.1%

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 3/31/19

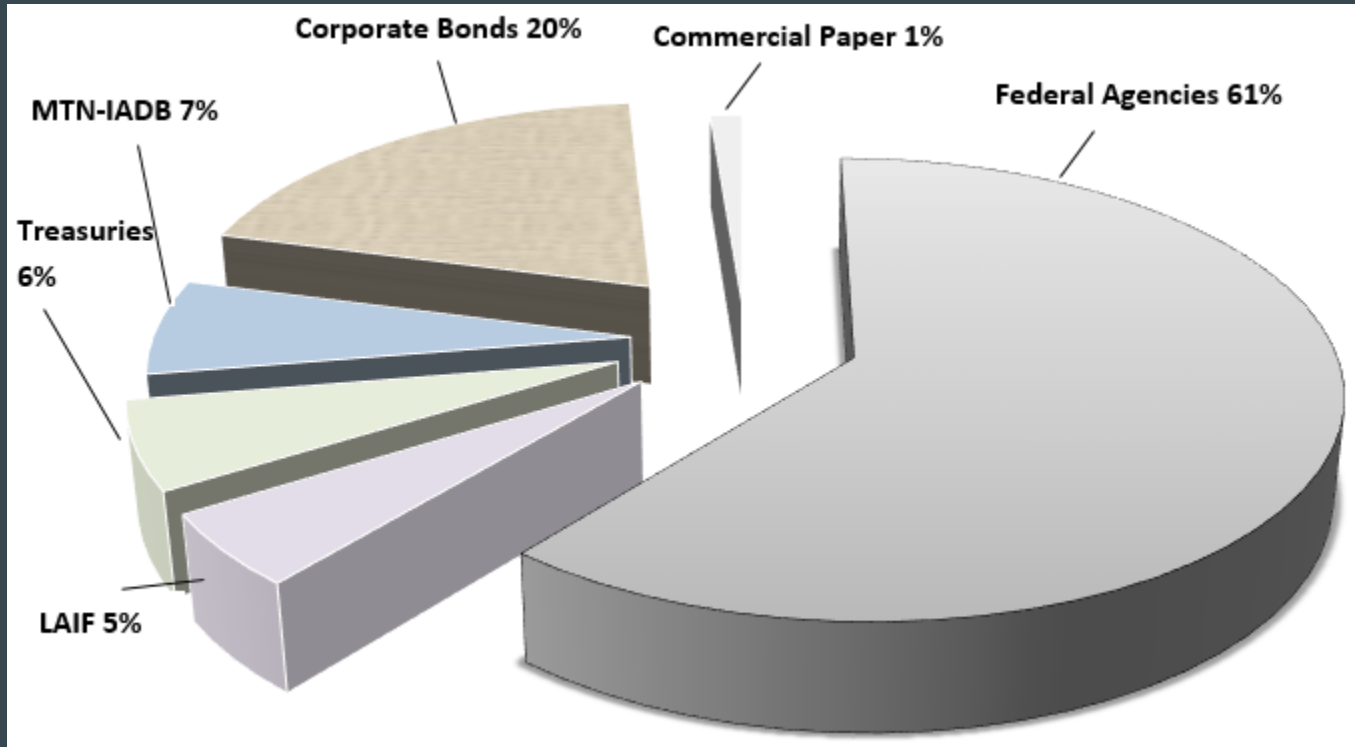
Investment Type / Market Value:

- Federal Agencies - \$145.3MM
- Corporate Bonds - \$47.3MM
- Treasury Securities - \$14.9MM
- Commercial Paper - \$3.0MM
- LAIF - \$12.3MM
- IADB - \$16.1MM

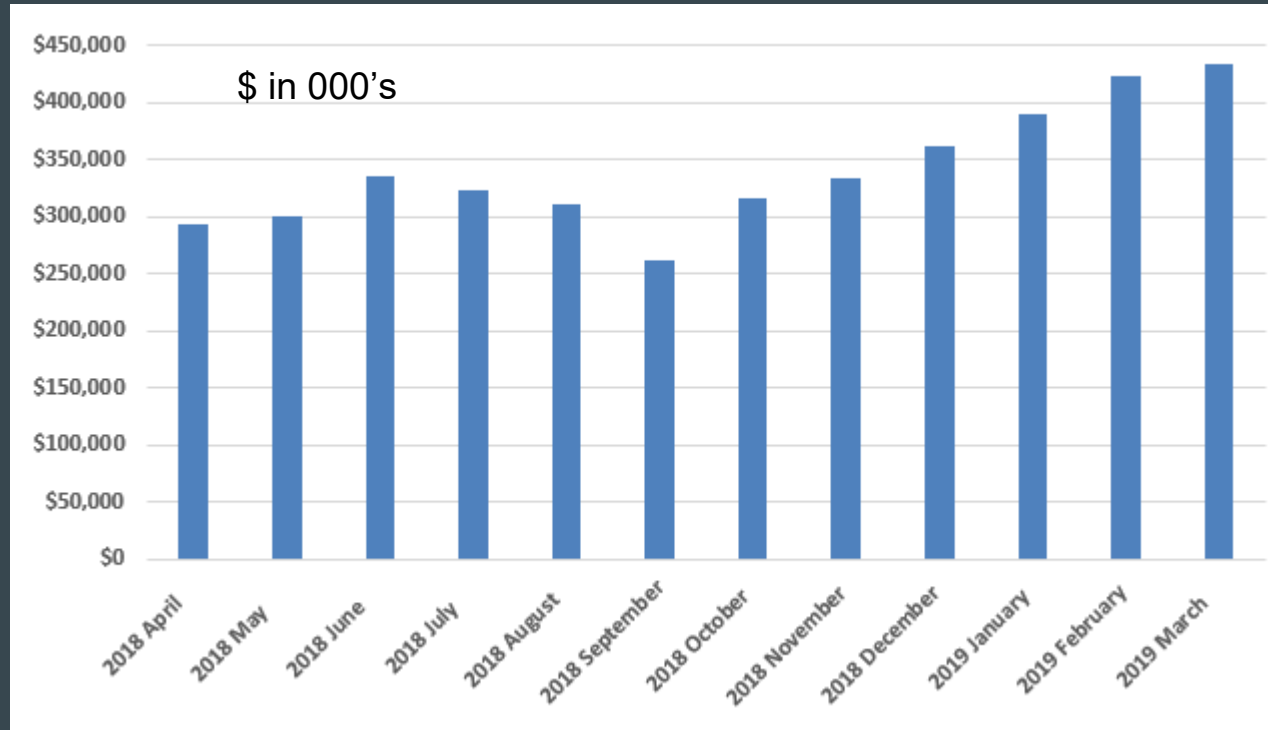
TOTAL PORTFOLIO: \$238.9MM

Investments by Type

As of March 31, 2019



Monthly Portfolio Earnings – April 2018 to March 2019



Portfolio Earnings - As of March 31, 2019

Current Year - Month

❑ March, 2019:	\$433,089	52% ↑
❑ vs. last year:	\$284,508	

Current Year - Fiscal YTD

❑ Through 3/31/19:	\$3,159,838	38% ↑
❑ vs. last year:	\$2,294,176	

Effective Rate of Return

❑ March, 2019:	2.13%	
❑ Benchmark*:	2.52%	*12mo. moving avg. interpolated 1.5YR CMT

Notes

- ❑ Flattening of yield curve
- ❑ As securities mature, reinvest at higher rates

Compliance

Selected Investment Policy Requirements:

Investment Type	Max. Maturity	Max. % of Portfolio	Ratings
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