

City of Huntington Beach Quarterly Treasurer's Report



Quarter Ending: June 30, 2018

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

Economic and Market Overview - At 6/30/18

- ❖ 12-month Inflation Rate (Core PCE Price Index): 2.0%
- ❖ Unemployment stable at 4.0%,
- ❖ Federal Reserve raised interest rates: Fed Funds 1.75%-2.00%
- ❖ Equity Market Volatility – U.S. China Trade Relations

	<u>03/31/18</u>	<u>06/30/18</u>	<u>% Chg</u>
DJIA:	24,103	24,271	↑ 0.7%
S&P:	2,641	2,718	↑ 2.9%

Interest Rates – Rising 2-year Treasury



Portfolio Summary

As of 6/30/18

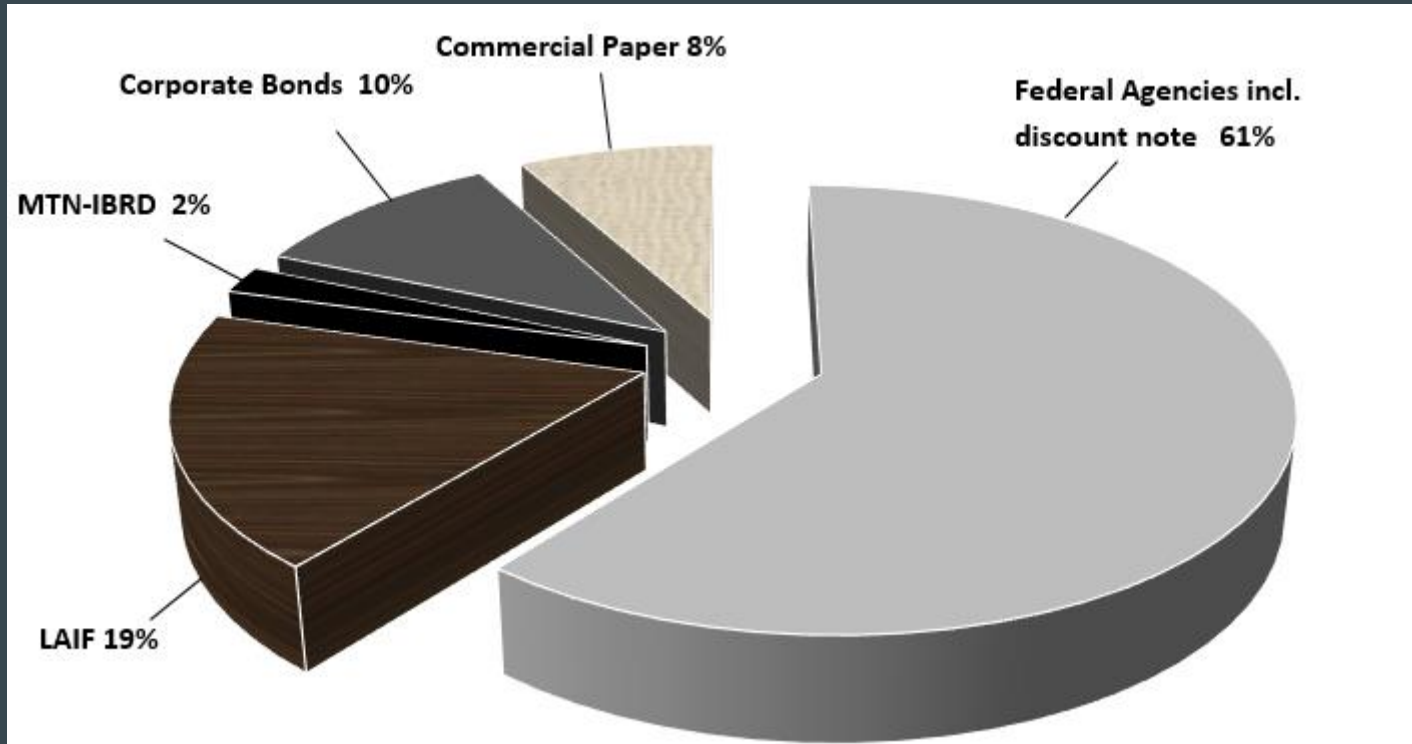
Investment Type / Market Value:

- Federal Agencies - \$147.6MM
- Corporate Bonds - \$25.8MM
- Commercial Paper - \$19.9MM
- LAIF - \$45.8MM
- IBRD - \$5.0MM

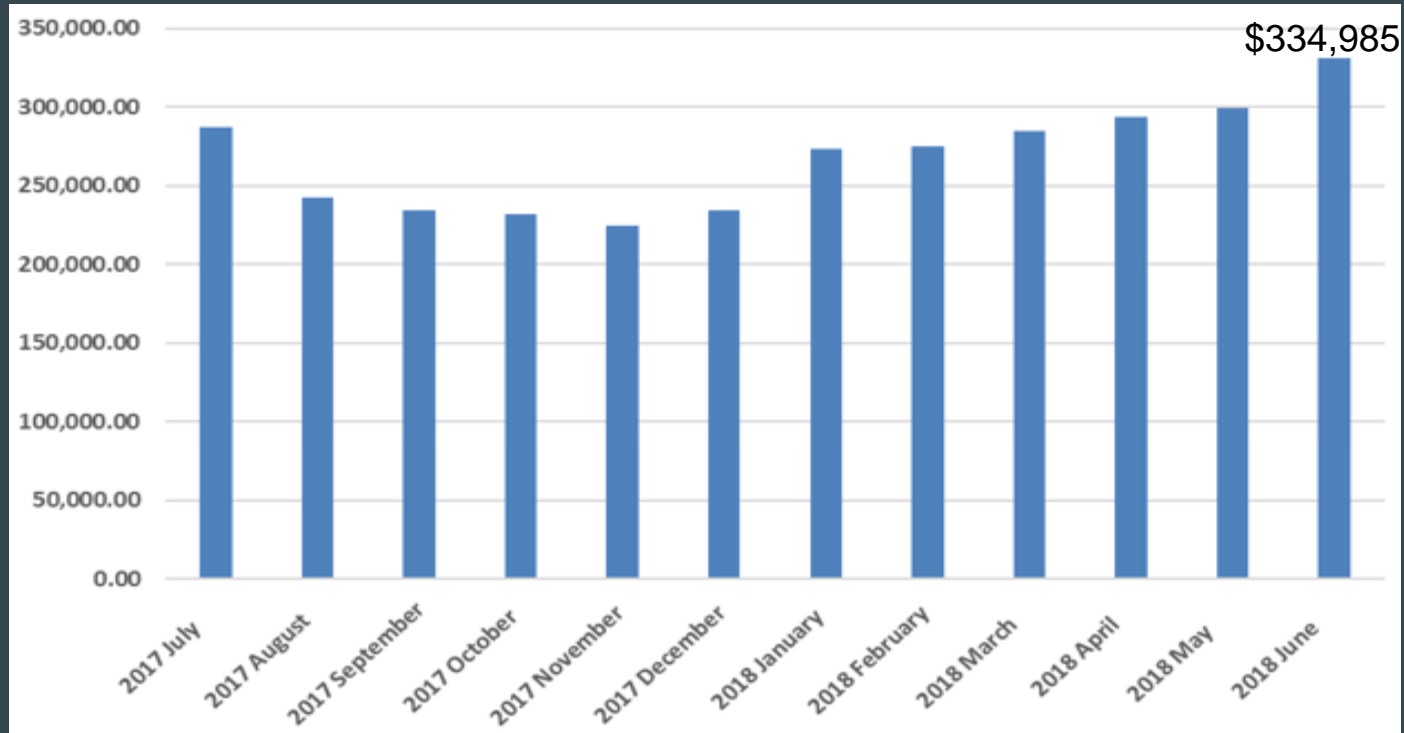
TOTAL PORTFOLIO: \$244.1MM

Investments by Type

As of June 30, 2018



Monthly Portfolio Earnings – July 2017 to June 2018



Recent Changes affecting Investment Portfolio

- ❖ Revised fiscal year ending June 30, 2018
- ❖ \$25 million invested for CalPERS UAL payment to mature in July
- ❖ Recent interest rate increases
- ❖ Limited additional liquidity available for investment

Portfolio Earnings - As of June 30, 2018

Current Year - Month

❑ June, 2018:	\$334,985	35%↑
❑ vs. last year:	\$249,026	

Current Year - Fiscal YTD

❑ Through 6/30/18:	\$2,458,650	24%↑
❑ vs. last year:	\$1,988,690	

Effective Rate of Return

❑ June, 2018:	1.63%
❑ Fiscal YTD:	1.49%

Solid Return & Liquidity:

- ❑ \$45.8 million in LAIF/Bank (Added liquidity)
- ❑ \$25 million for CalPERS UAL pmt in July

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
IBRD	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