

## **2. Investment Report for August 2020**

**MONTHLY SUMMARY COMPLIANCE CERTIFICATE**  
**August 2020**

**Note:** All concentration restrictions were obtained from Sections 53601 and 53635 of the Government Code or the City's Investment Policy as of June 9, 2020, whichever was the more stringent.

**1. U.S. Agencies**

(A) Total amount (book value) of U.S. Agency securities owned by the City = **\$16,999,890.**

(B) Total amount allowed (75% of portfolio book value) of all City investments = **\$82,519,232.**

Is (A) less than (B) at time of purchase? Yes X No \_\_\_\_\_

**2. Money Market Mutual Funds**

(A) Total amount (book value) invested in money market mutual funds by the City = **\$2,360,380.**

(B) Total amount allowed (\$15 million or 20% of portfolio book value, whichever is less) of all City investments = **\$22,005,129.**

Is (A) less than (B)? Yes X No \_\_\_\_\_

**3. Medium-Term Notes**

(A) Total amount (book value) invested in medium-term notes by the City = **\$11,265,372.**

(B) Total amount allowed (20% of portfolio book value) of all City investments = **\$22,005,129.**

Is (A) less than (B) at time of purchase? Yes X No \_\_\_\_\_

**4. Excluded Investment Vehicles**

(A) Are any securities excluded by the Statement of Investment Policy currently included in the City's portfolio?

Yes \_\_\_\_\_ No X

**5. Investment Management Agreements**

(A) Does the City have any investment manager or advisor agreements?

Yes \_\_\_\_\_ No X (if no, skip to number 7)

(B) If so, was the agreement approved in advance by the City Council?

Yes \_\_\_\_\_ No \_\_\_\_\_

(C) Has the City examined the methods and past performance of the investment manager?

Yes \_\_\_\_\_ No \_\_\_\_\_

(D) Pursuant to the agreement, does the City retain authority to make investment decisions?

Yes \_\_\_\_\_ No \_\_\_\_\_

(E) Pursuant to the agreement, are the investments deposited with the City's custodian?

Yes \_\_\_\_\_ No \_\_\_\_\_

## **6. Maturity Limits**

(A) Does the City currently own any security with a maturity date in excess of five years?

Yes \_\_\_\_\_ No X \_\_\_\_\_

(B) Does the City currently hold no more than 50% of its portfolio in securities at time of purchase with maturities between 366 days and 730 days?

Yes X \_\_\_\_\_ No \_\_\_\_\_

(C) Does the City currently hold no more than 35% of its portfolio in securities at time of purchase with maturities between 731 days and 1095 days?

Yes X \_\_\_\_\_ No \_\_\_\_\_

(D) Does the City currently hold no more than 30% of its portfolio in securities at time of purchase with maturities between 1096 days and 1460 days?

Yes X \_\_\_\_\_ No \_\_\_\_\_

(E) Does the City currently hold no more than 30% of its portfolio in securities at time of purchase with maturities between 1461 days and 1825 days?

Yes X \_\_\_\_\_ No \_\_\_\_\_

## **7. Issuer Limits**

Does each issuer of Money Market Mutual Funds continue to meet the following requirements?

(i) Is each issuer registered with the Securities and Exchange Commission under the Investment Company Act of 1940?

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A X \_\_\_\_\_

(ii) Does the fund of each issuer carry the highest rating of at least two of the three largest national rating agencies?

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A X \_\_\_\_\_

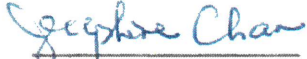
(iii) Has each issuer retained an investment adviser registered with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million?

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A X \_\_\_\_\_

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Prepared By:

Audited By:



Josephine Chan  
Investment/Revenue Officer



Rosario Guzman  
Accountant

**We hereby certify that for the month of August 2020, the investment actions of the City of Orange comply in all respects with the requirements of the California Government Code and the City's current Investment Policy. Additionally, we certify that there is sufficient cash flow to cover the next six months' expenditures barring any catastrophic natural disasters. Market values are obtained through ICE Data Pricing and Reference Data, the State Treasurer's Office, U.S. Trust and U.S. Bank.**

Certified By:

Verified By:



Richard A. Rohm  
City Treasurer



William M. Kolbow  
Assistant City Manager  
Administrative Services Director

DATED: October 22, 2020

**City of Orange Investment Portfolio**  
**August 31, 2020**  
**(Sorted by TYPE)**

BANK / BROKER	PURCHASE DATE	DESCRIPTION	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
<b>(I) LOCAL AGENCY INVESTMENT FUND (LAIF)</b>								
		City	-	0.784	0.784	35,200,000.00	35,200,000.00	35,200,000.00
		OSA	-	0.784	0.784	44,200,000.00	44,200,000.00	44,200,000.00
						<b>79,400,000.00</b>	<b>79,400,000.00</b>	<b>79,400,000.00</b>
<b>(II) FEDERAL NATIONAL MORTGAGE ASSOCIATION</b>								
Stifel Nicolaus & Co Inc.	5/27/2016	FNMA	11/30/2020	1.500	1.707	4,000,000.00	3,999,890.33	4,013,303.32
						<b>4,000,000.00</b>	<b>3,999,890.33</b>	<b>4,013,303.32</b>
<b>(III) FEDERAL FARM CREDIT BANK</b>								
UBS Financial Services	9/3/2019	FFCB	9/3/2024	2.000	2.000	13,000,000.00	13,000,000.00	13,001,626.56
						<b>13,000,000.00</b>	<b>13,000,000.00</b>	<b>13,001,626.56</b>
<b>(IV) MEDIUM TERM NOTE</b>								
UBS Financial Services	10/5/2016	Apple	8/4/2021	1.550	1.550	2,000,000.00	2,000,000.00	2,023,127.64
UBS Financial Services	9/20/2019	Coca Cola	9/6/2024	1.750	2.000	3,000,000.00	2,971,480.26	3,149,228.55
UBS Financial Services	12/10/2019	HSBC	6/23/2024	3.500	2.142	6,000,000.00	6,293,891.98	6,602,098.20
						<b>11,000,000.00</b>	<b>11,265,372.24</b>	<b>11,774,454.39</b>
<b>(V) MONEY MARKET MUTUAL FUNDS (TREASURY)</b>								
Wells Fargo Bank		U.S. T-Note	-	0.010	0.010	2,360,380.36	2,360,380.36	2,360,380.36
						<b>2,360,380.36</b>	<b>2,360,380.36</b>	<b>2,360,380.36</b>
<b>Portfolio total 8-31-2020</b>						<b>109,760,380.36</b>	<b>110,025,642.93</b>	<b>110,549,764.63</b>
<b>Portfolio total 7-31-2020</b>						<b>120,975,850.30</b>	<b>121,251,374.45</b>	<b>121,805,280.92</b>

## Investment Transactions

### August 2020

[illegible]

## Investment Transactions

### August 2020

[illegible]

City of Orange Investment Portfolio  
August 31, 2020

**Portfolio Performance Measures**

Portfolio	Indexes		
<i>Rate of Return:</i>			
Portfolio Effective Rate of Return - for August	1.13%	0.10%	3 month Treasury -- August Average
Portfolio Effective Rate of Return - for Fiscal Year-to-date	1.21%	0.11%	6 month Treasury -- August Average
Portfolio Yield to Maturity at 8/31/2020	1.07%	0.13%	1 year Treasury -- August Average
<i>Total Rate of Return:</i>			
Total Rate of Return - for August (not annualized)	0.00%	0.01%	1-3 Year Treasury Index--Total Rate of Return for August (not annualized)
Total Rate of Return - for 2020 Y-T-D - (not annualized)	0.51%	3.02%	1-3 Year Treasury Index--Total Rate of Return for 2020 Y-T-D (not annualized)
<i>Other:</i>			
Portfolio Weighted-Average Time to Maturity	0.83	Years	
Market Value as percent of Portfolio, 8/31/2020	100.48%		
Market Value as percent of Portfolio, 7/31/2020	100.46%		
Federal Agency Securities as percent of Portfolio, 8/31/2020	15.45%		

**Portfolio Effective Rate of Return:** interest earnings (not receipts) for period divided by average daily balance for period, annualized (multiplied by quotient of 365 divided by days in period).

**Portfolio Yield to Maturity:** weighted-average yield to maturity (or call date, if applicable) for entire portfolio;

in the case of coupon investments, includes an adjustment to the face rate for any premium paid or discount received.

**Source of Market Value:** ICE Data Pricing and Reference Data provides market value on all instruments.

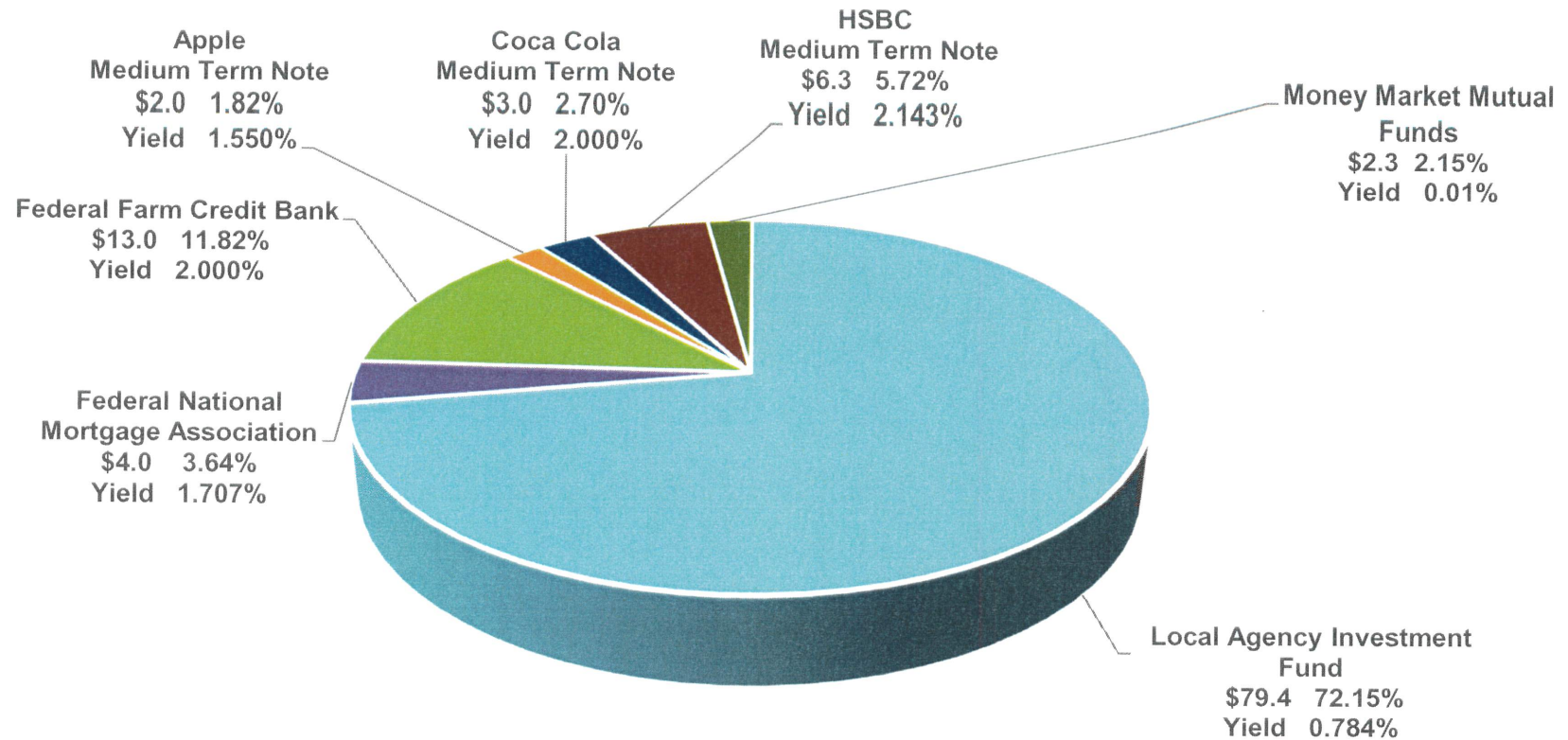
**Total Rate of Return:** growth or decline in the value of the portfolio, including both changes in the market value and income, as a proportion of the starting value, adjusted on a time-weighted basis (per Modified Dietz Method) for cash flows into or out of the portfolio during the period.

The Modified Dietz Method assumes a constant rate of return on the portfolio during the period and is not based on daily valuations.



# City of Orange Investment Portfolio

## August 31, 2020



**Total Portfolio \$110,025,643**

Chart Dollar Values in Millions of Dollars

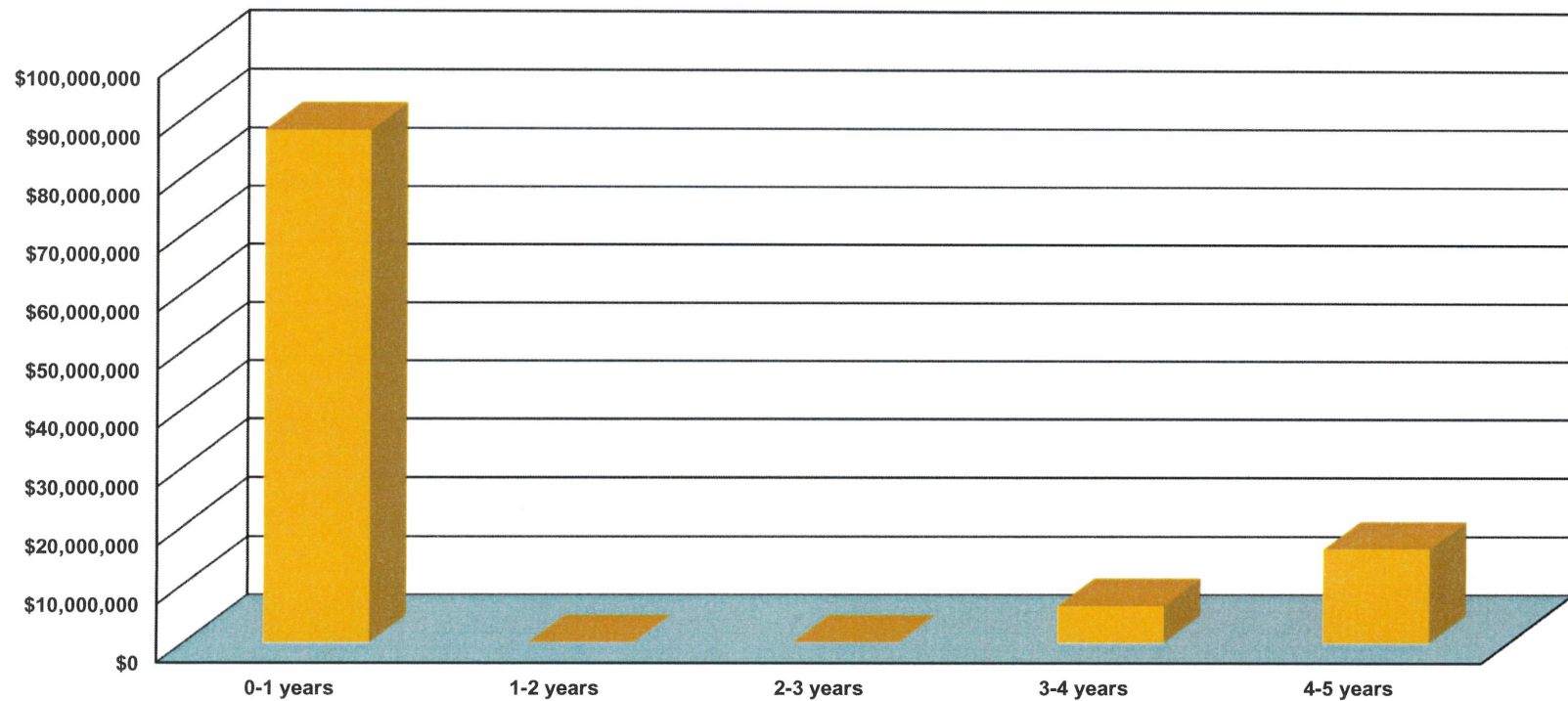
# City of Orange Investment Portfolio

August 31, 2020

## Maturity Aging Schedule

Maturing in	Book Value	
0-1 years	87,760,271	79%
1-2 years	0	0%
2-3 years	0	0%
3-4 years	6,293,892	6%
4-5 years	15,971,480	15%
	<u>\$110,025,643</u>	<u>100%</u>

Weighted-average years to maturity for portfolio = 0.83



**City of Orange**  
**Reconciliation of Total Cash and**  
**Investments to General Ledger**  
**As of August 31, 2020**

Treasurer's Operating Cash and Investments		
Checking, Payroll & PMA - Wells Fargo	225,715	
Treasurer's Investments	110,025,643	
Realized Gains and Losses	4,410	
Cash in transit	<u>7,315</u>	110,263,083
Imprest Cash		12,200
Fiscal Agent Cash and Investments		<u>41,921,272</u>
		<u>152,196,555</u>
Total Cash & Investments		
		<u>152,196,555</u>
Total Cash and Investments per General Ledger <sup>1</sup>		
		151,448,637
Plus Outstanding Checks		<u>747,918</u>
		<u>152,196,555</u>
Total Cash & Investments		
		<u>152,196,555</u>

<sup>1</sup> Includes adjustment for month-end timing differences.

**City of Orange**  
**Fiscal Agent Investments**  
**As of August 31, 2020**

	Carrying Value	Market or Contract Value
<b>Fiscal Agent Cash and Investments</b>		
Community Facilities District 91-2 2013 Special Tax Refunding Bonds - U.S. Bank First American Government Obligation Fund (0.05%) Federal National Mortgage Association (1.25%)	1,575,962	1,575,962
Lease Revenue Bonds Series 2020 A First American Government Obligation Fund (0.05%)	34,000,000	34,000,000
Successor Agency 2008A Merged & Amended Tax Allocation Bonds - U.S. Bank First American Government Obligation Fund (0.05%)	2,492	2,492
Successor Agency 2008B Merged & Amended Tax Allocation Bonds - U.S. Bank First American Government Obligation Fund (0.05%)	530,342	530,342
Community Facilities District 06-1 2015 Special Tax Refunding Bonds - U.S. Bank First American Government Obligation Fund (0.05%) US Treasury Bond (4.375%)	1,689,331	1,689,331
Successor Agency 2014A Merged & Amended Tax Allocation Refunding Bonds - U.S. Bank First American Government Obligation Fund (0.05%)	3,667,250	3,667,250
Successor Agency Refunding Bonds 2018A - U.S. Bank First American Government Obligation Fund (0.05%)	455,000	455,000
Total Fiscal Agent Cash and Investments	<u>41,920,377</u>	<u>41,920,377</u>