



## OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS  
11 CIVIC CENTER PLAZA, SUITE G76  
POST OFFICE BOX 4515  
SANTA ANA, CA 92701  
[www.ttc.ocgov.com](http://www.ttc.ocgov.com)

**CHRISS W. STREET**  
TREASURER-TAX COLLECTOR

**PAUL C. GORMAN, C.P.A., CTP**  
CHIEF ASSISTANT TREASURER-TAX COLLECTOR

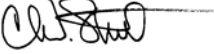
**JENNIFER BURKHART, CFA**  
ASSISTANT TREASURER-TAX COLLECTOR

**WALTER DANIELS**  
ASSISTANT TREASURER-TAX COLLECTOR  
TAX COLLECTION

**ROBIN RUSSELL**  
ASSISTANT TREASURER-TAX COLLECTOR  
ADMINISTRATION

December 12, 2008

TO: Board of Supervisors  
Thomas G. Mauk, County Executive Officer  
Treasury Oversight Committee  
Treasurer's Advisory Committee  
Participants

FROM: Chriss W. Street   
Treasurer-Tax Collector

SUBJECT: Treasurer's Management Report for November 30, 2008

Attached please find the Treasurer's Management Report for the County of Orange for the month ended November 30, 2008. The information provided herein, including all charts, tables, graphs and numerical representations, is provided to readers solely as a general overview of the economic and market conditions which the Treasurer utilizes in making investment decisions. In addition, a complete version of this report is also available for download at our website [www.ttc.ocgov.com](http://www.ttc.ocgov.com).

### TREASURER'S REPORT

In order to assist you in reading this report, please note that the current balances reflect the investments recorded in the portfolios for each particular fund for the period ending November 30th. Each money market fund has an average maturity of less than ninety days, with a net asset value (NAV) falling within the range of \$0.9950 and \$1.0050. The extended fund will have an average maturity of up to 549 days and a fluctuating NAV. All investments are marked to the market at the end of the reporting period due to the narrow valuation range prescribed by the Pools' Investment Policy Statement.

The reports reflect the par value (face value), the cost and market value (the price of each security at the close of the market on the last trading day of the month). Market values are derived from the Bloomberg Professional Service, a premier provider of instant access to real-time and historical financial data. The difference between the market value and book value is the unrealized gain or (loss). The Detail Transaction Report Section is provided in compliance with California Government Code Section 53607, which requires that the Treasurer file such a report with the Board of Supervisors, from whom his investment authority has been delegated.

## APPORTIONMENT OF COMMINGLED POOL INTEREST EARNINGS

We have prepared a forecast for the timing of the County Investment Pool's September 2008 and October 2008 interest apportionments. We anticipate posting the September 2008 and October 2008 interest apportionments to participants' cash accounts in the County general ledger by approximately December 4 and December 15, 2008 respectively.

## CREDIT OBSERVATIONS

### SIV Update

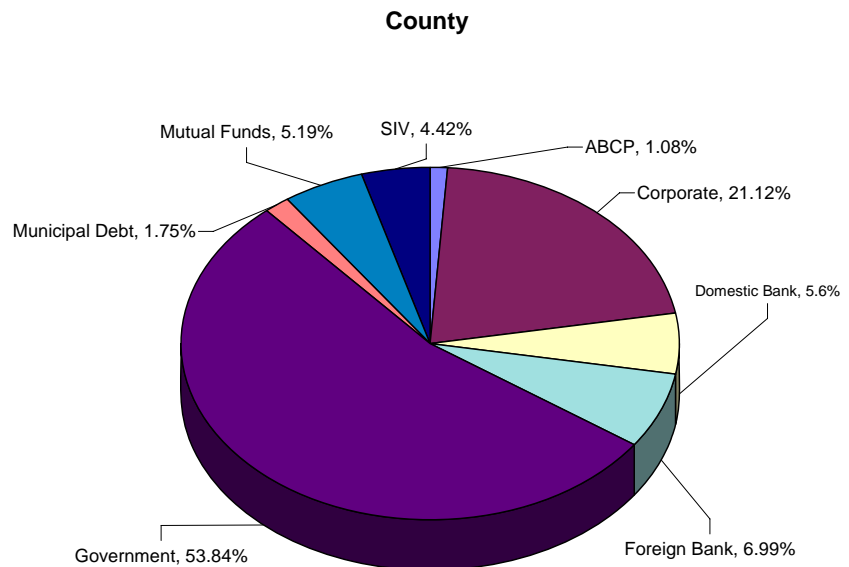
#### Whistlejacket Capital LLC

Deloitte is continuing to pursue a restructuring effort. Pool participants hold \$62,143,963 million scheduled to mature on January 25<sup>th</sup>, 2009 and January 26<sup>th</sup>, 2009.

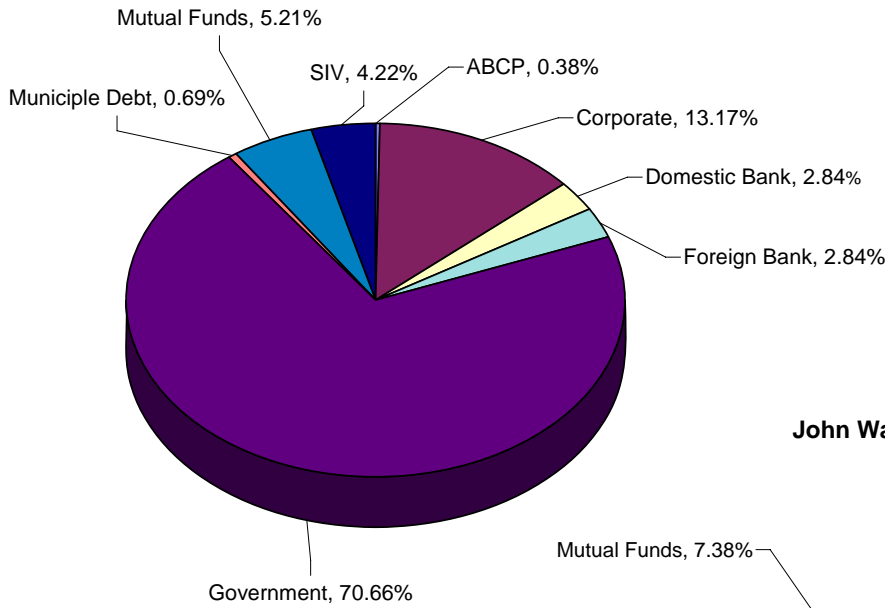
## PORTFOLIO COMPOSITION

The following graphs represent the County, School and John Wayne Airport investment pools' composition by issuer type. The County and School pools include their portion of the Extended Fund (Exhibit 1).

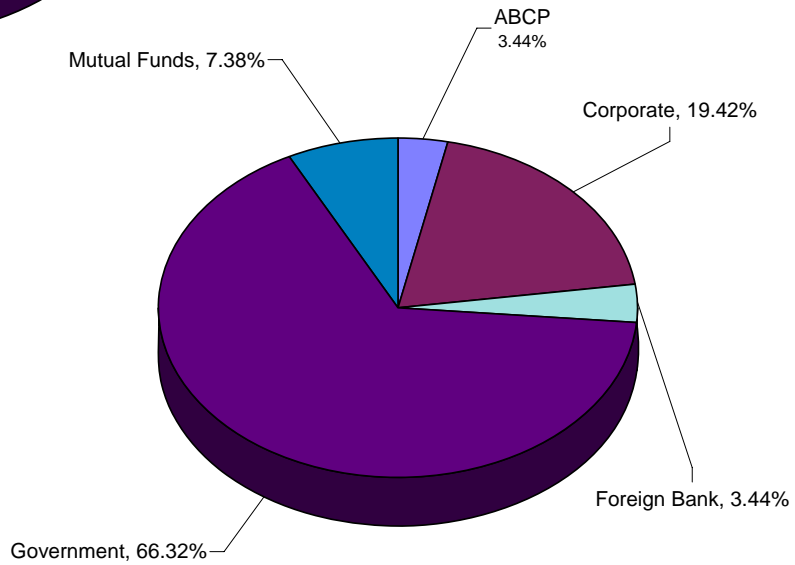
### Exhibit 1:



### Schools



### John Wayne Airport



## MARKET OBSERVATIONS

The Orange County Treasurer's two Money Market Funds on December 1, 2008 became the first and only county investment pools in the United States to receive the prestigious AAAM Rating from Standard & Poor's. The AAAM Rating reflects the money market fund's "extremely strong capacity to maintain principal losses due to credit, market and/or liquidity risk". The award reflects success of the conservative investment philosophy of the Treasurer's office that emphasized Safety in all financial activities.

The Orange County Money Market Funds continued to achieve strong performance versus the US Treasury Bill return of .18% for the month of November. The County

Treasurer's office produced returns of 2.18% and the County Fund and 2.01% County Fund. The returns are consistent with the defensive investment strategy that the Treasurer's staff is pursuing.

The Orange County Treasurer's office is vigilant in taking advantage of changing market events to enhance the total return from the portfolios we manage. We expect US economic activity to slow through the first six months of 2009 and stabilize later in the year. We remain vigilant for any surprises that can affect our returns.

### **Interest Rate Forecast**

Due to the deteriorating US economy and its effects on interest rates, the Treasurer's office has decided to reduce our annual interest rate forecast for the 2008-09 fiscal year. Although our intermediate investments in the Extended Fund have allowed us to maintain a highly stable rate of return through the first half of the fiscal year, the effect of plummeting short-term rates will diminish our rate of return in the second half. Therefore, as your Treasurer I am projecting that our rate of return for the 2008-09 fiscal year will approximate 2.0%. In the event new information becomes available, I will pass it along for your consideration.

The Treasurer's Office appreciates your continued confidence as well as the opportunity to provide you exemplary portfolio and cash management services in the future. Please call Orange County Treasurer, Chriss W. Street, at 714-834-7625 with any questions.

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
EXECUTIVE SUMMARY**

**December 1, 2007 - November 30, 2008**

PERIOD ENDING - MONTH / YEAR	MONTH END MARKET VALUE	EARNINGS FOR MONTH	AVERAGE YIELD FOR MONTH	MONTH END WAM
<i>Current Month - November 2008</i>				
County Pool - Money Market Fund	\$ 1,923,820,987	\$ 3,212,472	2.18%	30
Educational Pool - Money Market Fund	\$ 1,591,357,027	\$ 2,695,568	2.01%	48
Extended Fund	\$ 2,337,562,301	\$ 6,880,107	3.45%	349
OC Extended Fund B	\$ 53,690,396	\$ -	N/A	56
<i>October 2008</i>				
County Pool - Money Market Fund	\$ 1,693,321,937	\$ 3,606,898	2.55%	36
Educational Pool - Money Market Fund	\$ 1,716,217,568	\$ 3,457,222	2.36%	43
Extended Fund	\$ 2,491,877,137	\$ 6,881,334	3.30%	345
OC Extended Fund B	\$ 53,690,395	\$ -	N/A	86
<i>September 2008</i>				
County Pool - Money Market Fund	\$ 1,633,383,931	\$ 3,733,815	2.64%	51
Educational Pool - Money Market Fund	\$ 1,707,114,565	\$ 3,660,952	2.52%	52
Extended Fund	\$ 2,333,839,343	\$ 3,483,307	1.84%	393
OC Extended Fund B	\$ 69,117,440	\$ -	N/A	117
<i>August 2008</i>				
County Pool - Money Market Fund	\$ 1,735,397,363	\$ 3,733,249	2.51%	47
Educational Pool - Money Market Fund	\$ 1,839,799,053	\$ 3,658,783	2.42%	45
Extended Fund	\$ 2,182,413,404	\$ 6,883,249	3.74%	477
OC Extended Fund B	\$ 69,117,440	\$ -	N/A	147
<i>July 2008</i>				
County Pool - Money Market Fund	\$ 1,787,284,123	\$ 3,899,411	2.41%	50
Educational Pool - Money Market Fund	\$ 1,797,691,062	\$ 3,698,983	2.38%	50
Extended Fund	\$ 2,104,561,539	\$ 7,010,329	3.73%	481
OC Extended Fund B	\$ 69,117,440	\$ -	N/A	178
<i>June 2008</i>				
County Pool - Money Market Fund	\$ 1,922,691,656	\$ 4,090,847	2.44%	33
Educational Pool - Money Market Fund	\$ 1,707,534,727	\$ 4,119,816	2.46%	33
Extended Fund	\$ 2,194,238,720	\$ 7,014,532	3.92%	503
OC Extended Fund B	\$ 69,117,440	\$ -	N/A	209
<i>May 2008</i>				
County Pool - Money Market Fund	\$ 2,052,055,391	\$ 4,328,189	2.42%	29
Educational Pool - Money Market Fund	\$ 2,208,622,434	\$ 4,646,915	2.45%	35
Extended Fund	\$ 2,188,235,769	\$ 7,248,040	3.81%	456
<i>April 2008</i>				
County Pool - Money Market Fund	\$ 2,313,762,854	\$ 5,648,143	2.66%	33
Educational Pool - Money Market Fund	\$ 2,328,134,710	\$ 4,593,731	2.62%	42
Extended Fund	\$ 2,281,021,020	\$ 7,592,402	4.15%	466
<i>March 2008</i>				
County Pool - Money Market Fund	\$ 2,015,431,220	\$ 3,791,696	2.34%	23
Educational Pool - Money Market Fund	\$ 1,952,925,095	\$ 5,148,299	3.03%	42
Extended Fund	\$ 2,298,149,876	\$ 11,180,561	5.77%	465
<i>February 2008</i>				
County Pool - Money Market Fund	\$ 2,058,205,103	\$ 5,924,621	3.66%	34
Educational Pool - Money Market Fund	\$ 2,012,588,527	\$ 5,953,697	3.74%	34
Extended Fund	\$ 2,118,888,102	\$ 8,620,437	5.17%	443
<i>January 2008</i>				
County Pool - Money Market Fund	\$ 1,977,674,788	\$ 8,208,591	4.56%	29
Educational Pool - Money Market Fund	\$ 2,132,664,074	\$ 8,270,478	4.53%	33
Extended Fund	\$ 2,176,737,787	\$ 9,396,820	5.13%	466
<i>December 2007</i>				
County Pool - Money Market Fund	\$ 2,241,143,754	\$ 10,399,742	4.91%	21
Educational Pool - Money Market Fund	\$ 2,347,118,458	\$ 7,819,755	4.83%	27
Extended Fund	\$ 2,205,742,474	\$ 10,088,589	5.21%	457