

Robert J. Franz Chief Financial Officer May 14, 2010

TO: Board of Supervisors

Thomas G. Mauk, County Executive Officer

Treasury Oversight Committee Treasurer's Advisory Committee

Participants

FROM: Robert Franz

Chief Financial Officed

SUBJECT: Treasurer's Management Report for Month ended April 30, 2010

Attached please find the Treasurer's Management Report for the County of Orange for the month ended April 30, 2010. 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.

CHIEF FINANCIAL OFFICER'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 April 30, 2010. Each money market fund has an average maturity of less than sixty days, with a net asset value (NAV) falling within the range of \$0.9950 and \$1.0050. The Extended Fund shall have a duration not to exceed a leading 1-3 Year index +25%. 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 March 2010 and April 2010 interest apportionments. We anticipate posting the March 2010 and April 2010 interest apportionments to participants' cash accounts in the County general ledger by approximately May 17 and June 14, 2010 respectively.

County Executive Office 333 W. Santa Ana Blvd Third Floor Santa Ana, California 92701-4062

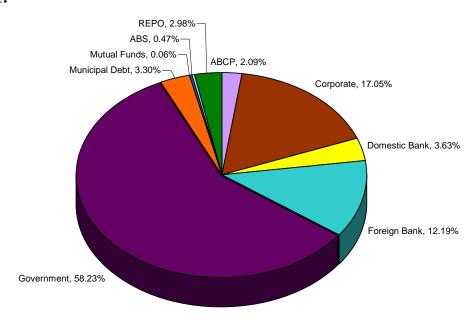
Tel: (714) 834 -4304 Fax: (714) 834 -3555 Web: www.ocgov.com

PORTFOLIO COMPOSITION

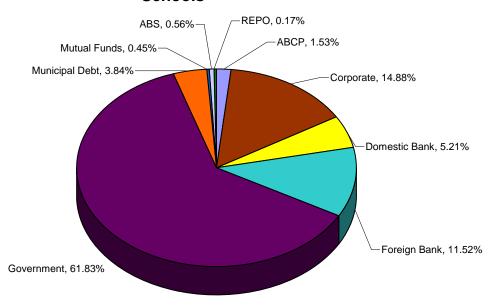
The following graphs represent the County, School and John Wayne Airport investment pools' composition by issuer type. The County and School pools include their portion of the Extended Fund (Exhibit 1).

County

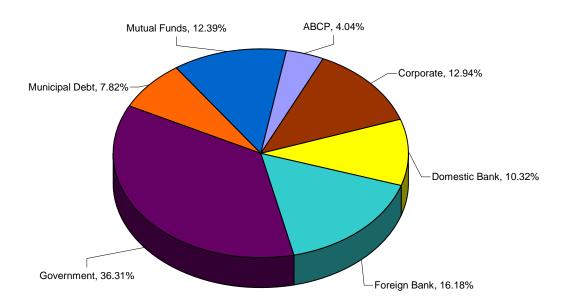
Exhibit 1:







John Wayne Airport



MARKET OBSERVATIONS

Last month we commented on the move up in interest rates. This month uncertainty surrounding Greece has driven rates back down to some of the lowest levels since the financial crisis started in 2008. Two-year US Treasuries started the month yielding 1.17% and finished the month at 0.96%. Current levels as of May 14th are 0.77% and volatility over the past two weeks has increased exponentially.

Although most of the economic numbers reflecting growth in the US economy show continued slow but steady growth, the real story in rates is a desire to sell risk and purchase only the most secure assets. This "flight to security" is similar but not as severe as what occurred in September of 2007 after the failure of Lehman Brothers. The most preferred securities are US Treasuries and Agencies. With the increase in volatility our office has been selectively selling into this demand with the intention of purchasing Treasury and Agency debt when rates increase.

Our forecast for the remainder of 2010 is for continued sluggish growth in the economy. Unemployment will remain elevated at current levels and diminishing government intervention in the economy should keep a lid on inflation. Because of this we anticipate longer term rates to remain within a range of +/- .50% of current levels. Although we believe short term rates will remain low, we believe there will continue to be upward pressure on rates and are leery of locking in longer maturities (any changes resulting in higher rates will be postponed until

Treasurer's Monthly Management Report Page 4

more clarity is forth coming in regards to Greece and the rest of the European Union's sovereign debt concerns).

Based on the above observations, our office will continue to take advantage of moves in the marketplace to selectively extend our duration, while investing in securities that will protect us from higher short-term interest rates.

Interest Rate Forecast

The Treasurer's Investment Committee is currently estimating an average interest yield of 1.35% for 2009-2010.

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.

ORANGE COUNTY TREASURER-TAX COLLECTOR EXECUTIVE SUMMARY

May 1, 2009 - April 30, 2010

		MONTH END	EARNINGS		AVERAGE	MONTH
PERIOD ENDING - MONTH / YEAR		MARKET		OR MONTH	YIELD FOR	END WAM
Current Month - April 2010						
County Pool - Money Market Fund	\$	2,259,602,732	\$	592,006	0.24%	57
Educational Pool - Money Market Fund	\$	1,835,314,711	\$	348,913	0.31%	57
Extended Fund	\$	2,734,552,743	\$	4,265,867	1.88%	622
OC Extended Fund B	\$	35,324,110	\$	=	N/A	36
March 2010	r.	0.404.004.040	φ.	E44.040	0.240/	F0
County Pool - Money Market Fund	\$ \$	2,181,831,316 1,378,158,717	\$	541,843 401,715	0.31% 0.33%	53 58
Educational Pool - Money Market Fund Extended Fund	\$	2,728,999,199	\$	3,579,192	1.55%	631
OC Extended Fund B	\$	36,096,323	\$	3,379,192	N/A	66
February 2010	Ψ	30,030,323	Ψ		14/74	00
County Pool - Money Market Fund	\$	2,091,943,820	\$	421,985	0.26%	57
Educational Pool - Money Market Fund	\$	1,443,531,370	\$	365,965	0.31%	51
Extended Fund	\$	2,618,244,956	\$	3,680,403	1.82%	511
OC Extended Fund B	\$	36,578,163	\$	-,,	N/A	97
January 2010			_		7 41	
County Pool - Money Market Fund	\$	2,108,614,594	\$	508,703	0.27%	55
Educational Pool - Money Market Fund	\$	1,759,715,627	\$	369,528	0.26%	57
Extended Fund	\$	2,599,819,873	\$	3,353,439	1.49%	489
OC Extended Fund B	\$	37,098,503	\$	-	N/A	125
December 2009						
County Pool - Money Market Fund	\$	2,463,159,678	\$	615,490	0.24%	57
Educational Pool - Money Market Fund	\$	2,071,614,454	\$	380,114	0.37%	43
Extended Fund	\$	2,592,000,368	\$	3,029,087	1.35%	408
OC Extended Fund B	\$	37,405,659	\$	=	N/A	156
November 2009						
County Pool - Money Market Fund	\$	2,213,498,431	\$	507,764	0.29%	52
Educational Pool - Money Market Fund	\$	1,157,124,969	\$	375,995	0.41%	60
Extended Fund	\$	2,595,489,296	\$	6,021,428	2.78%	340
OC Extended Fund B	\$	37,545,360	\$	-	N/A	187
October 2009	r.	0.400.040.400	ው	ECO E44	0.220/	F0
County Pool - Money Market Fund	\$	2,129,243,138	\$	560,511	0.33%	53
Educational Pool - Money Market Fund Extended Fund	\$ \$	1,322,589,455 2,566,724,258	\$	407,887 3,600,287	0.44% 1.62%	59 498
OC Extended Fund B	\$	38,277,435	\$	3,000,207	N/A	217
September 2009	Ψ	30,277,433	Ψ		IN/A	211
County Pool - Money Market Fund	\$	1,970,027,204	\$	583,000	0.35%	54
Educational Pool - Money Market Fund	\$	1,368,057,984	\$	517,448	0.56%	57
Extended Fund	\$	2,531,354,790	\$	3,569,904	1.71%	486
OC Extended Fund B	\$	38,725,414	\$	-	N/A	248
August 2009			_		7 41	
County Pool - Money Market Fund	\$	2,106,086,758	\$	915,879	0.50%	57
Educational Pool - Money Market Fund		1,419,464,342		769,121	0.58%	60
Extended Fund	\$	2,443,068,280	\$	8,317,118	4.02%	476
OC Extended Fund B	\$	38,891,543	\$	-	N/A	278
July 2009						
County Pool - Money Market Fund	\$	2,426,411,208	\$	951,216	0.51%	53
Educational Pool - Money Market Fund	\$	1,664,060,971	\$	763,406	0.62%	59
Extended Fund	\$	2,202,254,242	\$	8,680,964	3.98%	578
OC Extended Fund B	\$	39,228,860	\$	-	N/A	309
June 2009					/ / /	
County Pool - Money Market Fund	\$	1,715,299,012	\$	953,720	0.64%	48
Educational Pool - Money Market Fund	\$	1,403,295,309	\$	870,875	0.65%	52
Extended Fund B	\$	2,717,967,912	\$	5,043,252	2.32%	491
OC Extended Fund B	\$	39,948,442	\$	-	N/A	340
May 2009 County Pool - Money Market Fund	Ф	1,930,854,836	œ.	1,331,283	0.84%	49
•	\$		Φ Φ			52 52
Educational Pool - Money Market Fund Extended Fund	\$ \$	1,557,527,352 2,570,383,695	\$	969,271 5,244,514	0.68% 2.27%	423
OC Extended Fund B	\$	49,011,934	\$	5,244,514	2.27% N/A	369
						Annual
May 1, 2009 - April 30, 2010		nnual Average		Total for Year	Annual Average	Average
County Pool - Money Market Fund	\$	2,133,047,727	\$	8,483,400	0.40%	54
Educational Pool - Money Market Fund	\$	1,531,704,605	\$	6,540,238	0.46%	55
Extended Fund	\$	2,613,749,280	\$	58,385,455	2.23%	496