



OFFICE OF THE TREASURER-TAX COLLECTOR

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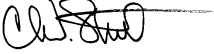
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ADMINISTRATION

April 15, 2010

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

Robert Franz 
Chief Financial Officer

SUBJECT: Treasurer's Management Report for Month ended March 31, 2010

Attached please find the Treasurer's Management Report for the County of Orange for the month ended March 31, 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.

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 March 31, 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 interest apportionment. We anticipate posting the March 2010 interest apportionment to participants' cash accounts in the County general ledger by approximately May 17, 2010.

DELEGATION OF AUTHORITY

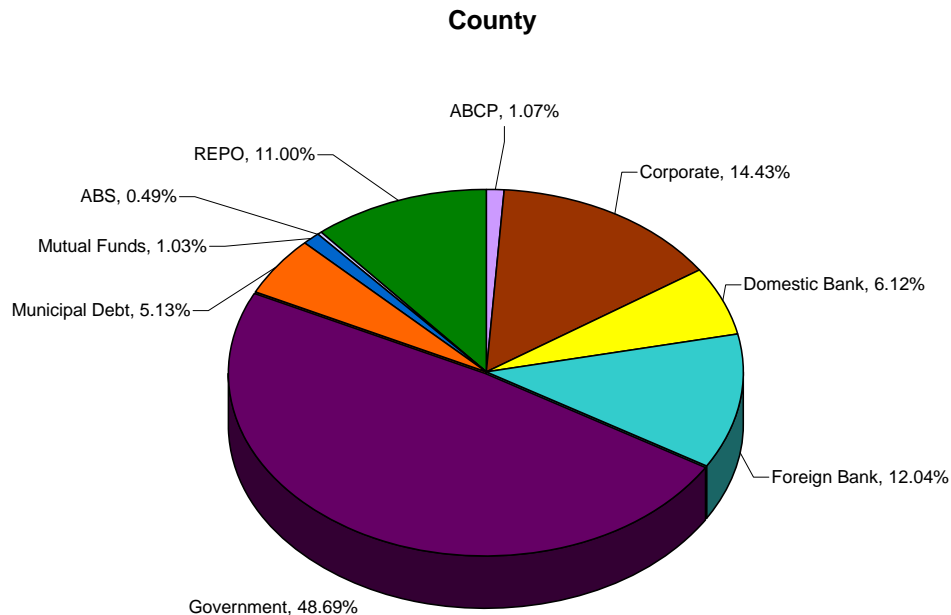
On Tuesday March 16, 2010 the Orange County Board of Supervisors approved an Urgency Ordinance (10-007) repealing Section 1-2-320 of the Codified Ordinances of the County of Orange, thereby revoking all investment authority delegated to the Treasurer - Tax Collector.

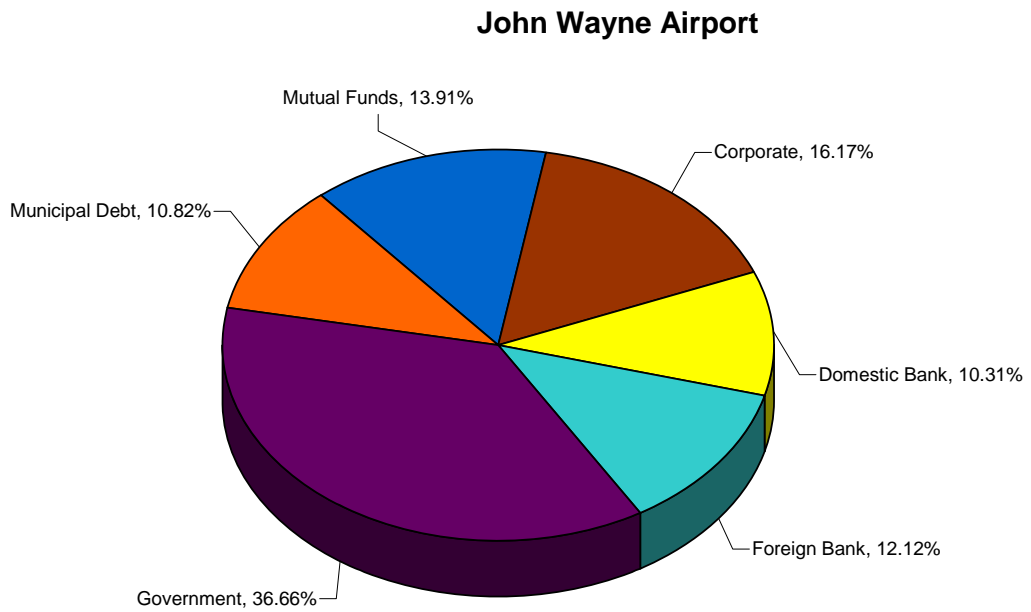
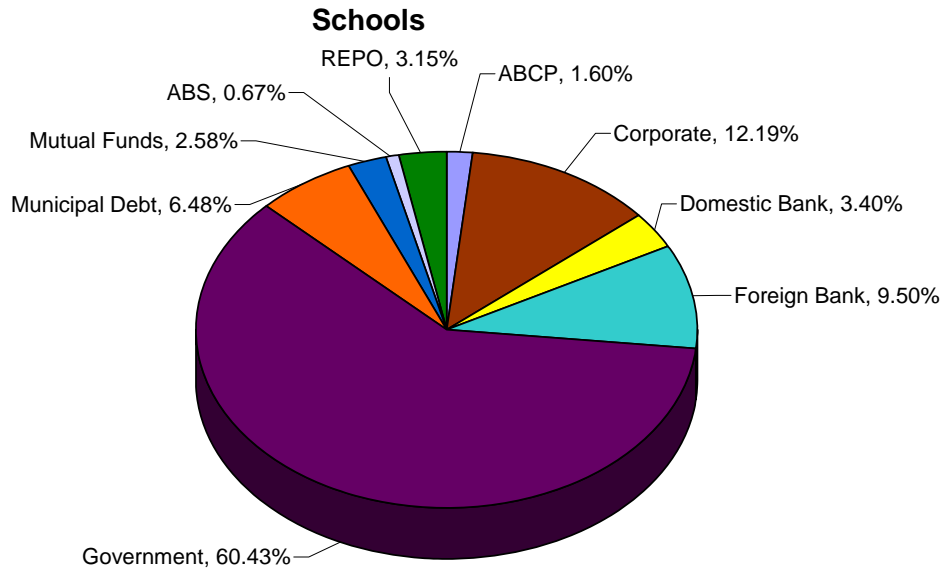
Upon revocation, the Chief Financial Officer has been requested to exercise the Board's investment authority. The County's current Chief Financial Officer meets the statutory qualifications for the Treasurer-Tax Collector as set forth in California Government Code Section 27000.7

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:





MARKET OBSERVATIONS

Short term interest rates moved higher during the month of March. One and three month LIBOR jumped from the lowest levels ever by 3 and 5 basis points respectively. One month LIBOR currently stands at 0.25% and three month LIBOR at 0.30%. Intermediate rates increased as well with two year Treasury yields increasing from 0.80% to over 1.00%.

We have taken advantage of these higher levels by extending the duration of the Extended Fund to 1.25 years. The Merrill Lynch 1-3 index (our benchmark) duration is currently 1.818 years and our strategy is to continue to maintain duration shorter than the benchmark.

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 and are still leery of locking in longer maturities.

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

April 1, 2009 - March 31, 2010

PERIOD ENDING - MONTH / YEAR	MARKET VALUE	EARNINGS FOR MONTH	YIELD FOR MONTH	MONTH END WAM
<i>Current Month - March 2010</i>				
County Pool - Money Market Fund	\$ 2,181,831,316	\$ 541,843	0.31%	53
Educational Pool - Money Market Fund	\$ 1,378,158,717	\$ 401,715	0.33%	58
Extended Fund	\$ 2,728,999,199	\$ 3,579,192	1.55%	631
OC Extended Fund B	\$ 36,096,323	\$ -	N/A	66
<i>February 2010</i>				
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
<i>January 2010</i>				
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
<i>December 2009</i>				
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
<i>November 2009</i>				
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
<i>October 2009</i>				
County Pool - Money Market Fund	\$ 2,129,243,138	\$ 560,511	0.33%	53
Educational Pool - Money Market Fund	\$ 1,322,589,455	\$ 407,887	0.44%	59
Extended Fund	\$ 2,566,724,258	\$ 3,600,287	1.62%	498
OC Extended Fund B	\$ 38,277,435	\$ -	N/A	217
<i>September 2009</i>				
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
<i>August 2009</i>				
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
<i>July 2009</i>				
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
<i>June 2009</i>				
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	\$ 2,717,967,912	\$ 5,043,252	2.32%	491
OC Extended Fund B	\$ 39,948,442	\$ -	N/A	340
<i>May 2009</i>				
County Pool - Money Market Fund	\$ 1,930,854,836	\$ 1,331,283	0.84%	49
Educational Pool - Money Market Fund	\$ 1,557,527,352	\$ 969,271	0.68%	52
Extended Fund	\$ 2,570,383,695	\$ 5,244,514	2.27%	423
OC Extended Fund B	\$ 49,011,934	\$ -	N/A	369
<i>April 2009</i>				
County Pool - Money Market Fund	\$ 2,179,797,628	\$ 1,444,232	0.64%	51
Educational Pool - Money Market Fund	\$ 1,787,863,217	\$ 854,923	0.74%	50
Extended Fund	\$ 2,667,974,783	\$ 4,796,125	2.17%	417
OC Extended Fund B	\$ 52,200,929	\$ -	N/A	61
April 1, 2009 - March 31, 2010	Annual Average	Total for Year	Annual Average	Annual Average
County Pool - Money Market Fund	\$ 2,126,397,302	\$ 9,335,626	0.43%	53
Educational Pool - Money Market Fund	\$ 1,527,750,314	\$ 7,046,248	0.50%	55
Extended Fund	\$ 2,609,607,518	\$ 58,915,713	2.26%	479