county of ventura

LAWRENCE L. MATHENEY
TREASURER
TAX COLLECTOR
PUBLIC ADMINISTRATOR

December 16, 2003

Don R. Hansen
Assistant Treasurer-Tax Collector

G. Paul Biolley
Assistant Public Administrator

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: REPORT OF INVESTMENTS FOR THE MONTH ENDING NOVEMBER 30, 2003, INCLUDING MARKET VALUES FOR ALL INVESTMENTS FOR THE MONTH

RECOMMENDATION: Discuss and File

FISCAL/MANDATES IMPACT: None

DISCUSSION:

The average daily portfolio balance for the month of November amounted to $1.1 billion. The portfolio yield for the month of November was 1.84%. The weighted average days to maturity decreased 4 days to 261 days. The total net monthly earnings were $1.7 million. The portfolio has been structured to satisfy the anticipated cash flow needs of the participants. The investment practices and portfolio holdings are in compliance with the investment policy.

November proved to be a very quiet month for the capital markets. Improving economic statistical data was offset by a persistent low interest rate message from the Federal Reserve. Various members of the Federal Open Market Committee (FOMC), the Federal Reserve's policy-making body, were out carrying the message that the FOMC is prepared to keep short-term interest rates low, for as long as necessary, to promote economic growth. As a consequence, many economist and market participants have concluded that the Fed is likely to keep the current low-rate environment well into 2004. Some more extreme forecasters have even suggested that the Fed may keep their current stance until 2005.

There are signs in the current releases of economic reports that suggest that the low-rate environment coupled with continued deficit financing are starting to have a positive impact on the overall economic condition.

The most obvious sign of this economic improvement came in the report on Gross Domestic product (GDP), the broadest measure of economic activity for the country. GDP for the third quarter of 2003 was reported up a robust 8.2% while the GDP price index, the broadest measure of overall inflation came in at a modest 1.7%. While it is not anticipated that this rate of growth is sustainable it suggests that strong forces are at work in the economy.

In other reports, the unemployment rate remained at 6.1%, while the number of jobs created was up sharply. Non-farm payrolls have grown by over 125,000 in each of the last two months. Consumer confidence has also risen sharply in the last two months. This has led to continued strong performance in the housing sector, steady increases in orders for durable goods and a rise in consumer credit.

As a consequence of this Fed policy of low short-term interest rates and an improving economy with low inflation, interest rates remained very stable during the month of November. Interest rates in all sectors of the Treasury market were virtually unchanged. At this point the market appears to be taking a wait-and-see approach to coming economic reports and any changes in Fed policy.

Given the current interest rate environment, we anticipate the County's yield to increase modestly. Further, we continue to seek investment opportunities in order to optimize earnings (U.S. Treasury Market graph attached).

Attached is a listing of market values provided by our custodian, Wells Fargo Bank, for all investments for the month ending November 30, 2003. GASB Statement No. 31 states that variances between the cost of investments and the fair value of investments shall not be considered budgetary resources or uses of resources unless the value of investments is permanently impaired because of decreased issuer creditworthiness or it is determined that the Treasurer is unable to hold investments to maturity.

The following is a list of attached graphs:

- Portfolio Average Monthly Balance
- Average Portfolio Maturity
- Balance Yield Comparison by Month
- Portfolio Holdings by Instrument Type
- Yield Curve, U.S. Treasury Market
- Maturity Distribution

This letter has been reviewed by the CEO, the Auditor-Controller, and County Counsel.

If you have any questions regarding this item, please call Chief Investment Officer Robert A. Hansen at 654-3733.

LAWRENCE L. MATHENEY
Treasurer-Tax Collector

LLM:ec

Attachments

f:childse/invrpt2003/INV03NOVEMBER

Wells Fargo
Investments by ICC Code

COUNTY OF VENTURA

Account: All Accounts Selected

Financial Reporting - Maturity Date
From Month End 11/30/2003
12/01/2003 11:53:40 AM EST

Asset Description 1 & 2	Asset ID	Maturity Date	Units	Fed Tax Cost	Market Value	Market Price	Unrealized Gain Unrealized Loss
U.S. DOLLARS			.0000	$.00	$.00	.000000	.0000
GENERAL ELEC CAP CORP CPDN DTD 03/10/03 12/01/2003	36959JZ14	12/01/2003	10,000,000.0000	$9,999,141.67	$10,000,000.00	100.000000	858.3300
AMERICAN EXP CRT CPDN DTD 06/02/03 12/01/2003	02581SZ12	12/01/2003	9,000,000.0000	$8,987,640.00	$9,000,000.00	100.000000	12,360.0000
WELLS FARGO & CO CPDN DTD 10/17/03 12/02/2003	9497F1Z29	12/02/2003	10,000,000.0000	$9,992,144.44	$9,999,700.00	99.997000	7,555.5600
FED NATL MTG ASSN DISC NOTE DTD 12/09/02 12/03/2003	313588QA6	12/03/2003	10,000,000.0000	$9,956,811.11	$9,999,000.00	99.990000	42,188.8900
FED HOME LN BK DISC NOTE DTD 12/10/02 12/05/2003	313384QC6	12/05/2003	16,000,000.0000	$15,992,000.00	$15,998,400.00	99.990000	6,400.0000
FED HOME LN MTG CORP DTD 12/17/01 3.250 12/15/2003	3134A4JH8	12/15/2003	25,000,000.0000	$25,034,000.00	$25,023,500.00	100.094000	(10,500.0000)
AIG FUNDING CPDN DTD 09/23/03 12/16/2003	00137FZG0	12/16/2003	10,000,000.0000	$9,975,966.67	$9,995,600.00	99.956000	19,633.3300
FED NATL MTG ASSN DISC NOTE DTD 12/23/02 12/17/2003	313588QQ1	12/17/2003	10,300,000.0000	$10,275,365.83	$10,294,850.00	99.950000	19,484.1700
AMERICAN EXP CRT CPDN DTD 07/29/03 12/18/2003	02581SZJ3	12/18/2003	10,000,000.0000	$9,976,252.78	$9,995,000.00	99.950000	18,747.2200
GENERAL ELEC CAPT CORP CPDN DTD 03/24/03 12/19/2003	36959JZK2	12/19/2003	13,000,000.0000	$12,975,354.17	$12,993,110.00	99.947000	17,755.8300
AMERICAN EXP CRT CPDN DTD 07/01/03 12/22/2003	02581SZN4	12/22/2003	10,000,000.0000	$9,982,261.11	$9,993,800.00	99.938000	11,538.8900
WELLS FARGO & CO DTD 10/02/03 12/23/2003	9497F1ZP8	12/23/2003	10,000,000.0000	$9,982,716.67	$9,993,500.00	99.935000	10,783.3300
FED NATL MTG ASSN DISC NOTE DTD 12/30/02 12/24/2003	313588QX6	12/24/2003	75,000,000.0000	$74,803,416.67	$74,947,500.00	99.930000	144,083.3300
WELLS FARGO & CO CPDN DTD 10/08/03 12/26/2003	9497F1ZS2	12/26/2003	12,000,000.0000	$11,978,580.00	$11,991,120.00	99.926000	12,540.0000
WELLS FARGO CPDN DTD 10/01/03 12/30/2003	9497F1ZW3	12/30/2003	35,000,000.0000	$34,914,750.00	$34,969,900.00	99.914000	55,150.0000
GENERAL ELECTRIC CO CPDN DTD 05/15/03 12/31/2003	36960MZX4	12/31/2003	38,000,000.0000	$37,922,416.67	$37,966,180.00	99.911000	43,763.3300
AMERICAN EXP CRT CPDN DTD 04/29/03 12/31/2003	02581SZX2	12/31/2003	10,000,000.0000	$9,981,402.78	$9,991,100.00	99.911000	9,697.2200
AMERICAN EXP CRT CPDN DTD 07/01/03 01/02/2004	02581RA29	01/02/2004	10,000,000.0000	$9,981,116.67	$9,990,300.00	99.903000	9,183.3300
GENERAL ELEC CAP CORP CPDN DTD 07/01/03 01/05/2004	36959HA56	01/05/2004	10,000,000.0000	$9,980,925.00	$9,989,400.00	99.894000	8,475.0000
GENERAL ELEC CAP CORP CPDN DTD 05/01/03 01/06/2004	36959HA64	01/06/2004	10,000,000.0000	$9,980,622.22	$9,989,100.00	99.891000	8,477.7800
AMERICAN EXP CRT CPDN DTD 10/29/03 01/07/2004	02581RA78	01/07/2004	15,000,000.0000	$14,972,875.00	$14,983,200.00	99.888000	10,325.0000
GENERAL ELEC CAP CORP CPDN DTD 07/17/03 01/08/2004	36959HA80	01/08/2004	25,000,000.0000	$24,947,013.89	$24,971,250.00	99.885000	24,236.1100
FED NATL MTG ASSN DISC NOTE DTD 01/14/03 01/09/2004	313588RP2	01/09/2004	15,000,000.0000	$14,970,850.00	$14,983,500.00	99.890000	12,650.0000
GENERAL ELEC CAPT CORP CPDN DTD 04/17/03 01/12/2004	36959HAC1	01/12/2004	4,000,000.0000	$3,992,612.22	$3,994,920.00	99.873000	2,307.7800
AMERICAN EXP CRT CPDN DTD 11/13/03 01/13/2004	02581RAD5	01/13/2004	7,500,000.0000	$7,486,656.25	$7,490,250.00	99.870000	3,593.7500
FED NATL MTG ASSN DISC NOTE DTD 01/21/03 01/14/2004	313588RU1	01/14/2004	10,000,000.0000	$9,977,327.78	$9,987,000.00	99.870000	9,672.2200
FED HOME LN MTG CORP MED TERM NOTE DTD 01/14/02 3.250 01/15/2004	3134A4JN5	01/15/2004	45,000,000.0000	$44,827,300.00	$45,126,450.00	100.281000	299,150.0000
AIG FDG INC CPDN DTD 07/21/03 01/16/2004	00137EAG0	01/16/2004	10,000,000.0000	$9,983,119.44	$9,986,100.00	99.861000	2,980.5600
AMERICAN EXP CRT CPDN DTD 07/24/03 01/20/2004	02581RAL7	01/20/2004	10,000,000.0000	$9,982,208.33	$9,984,900.00	99.849000	2,691.6700
FED NATL MTG ASSN DISC NOTE DTD 01/27/03 01/21/2004	313588SB2	01/21/2004	30,000,000.0000	$29,925,800.00	$29,955,000.00	99.850000	29,200.0000
AIG FDG INC CPDN DTD 09/23/03 01/22/2004	00137EAN5	01/22/2004	12,000,000.0000	$11,978,920.00	$11,981,160.00	99.843000	2,240.0000
CITICORP CPDN DTD 11/26/03 01/23/2004	1730E0AP0	01/23/2004	10,000,000.0000	$9,983,083.33	$9,984,000.00	99.840000	916.6700
CITICORP CPDN DTD 10/20/03 01/26/2004	1730E0AS4	01/26/2004	10,000,000.0000	$9,982,038.89	$9,983,000.00	99.830000	961.1100
AMERICAN EXP CRT CPDN DTD 05/07/03 01/30/2004	02581RAW3	01/30/2004	18,000,000.0000	$17,959,575.00	$17,967,240.00	99.818000	7,665.0000
CITICORP CPDN DTD 11/17/03 01/30/2004	1730E0AW5	01/30/2004	30,000,000.0000	$29,936,400.00	$29,945,400.00	99.818000	9,000.0000
FED NATL MTG ASSN DISC NOTE DTD 02/10/03 02/04/2004	313588SR7	02/04/2004	15,000,000.0000	$14,959,713.54	$14,971,500.00	99.810000	11,786.4600
FED NATL MTG ASSN DISC NOTE DTD 02/18/03 02/11/2004	313588SY2	02/11/2004	25,000,000.0000	$24,941,572.92	$24,947,500.00	99.790000	5,927.0800
FED HOME LN BK SER EW04 DTD 02/08/01 5.250 02/13/2004	3133MD7D9	02/13/2004	10,000,000.0000	$10,492,500.00	$10,081,300.00	100.813000	(411,200.0000)
FED HOME LN BK SER EW04 DTD 02/15/02 3.250 02/13/2004	3133MLPW9	02/13/2004	10,000,000.0000	$10,005,600.00	$10,043,800.00	100.438000	38,200.0000
FED HOME LN BK SER LY04 DTD 03/20/02 3.750 02/13/2004	3133MMR88	02/13/2004	15,000,000.0000	$15,094,300.00	$15,079,650.00	100.531000	(14,650.0000)
FED HOME LN BK DISC NOTE DTD 03/25/03 03/19/2004	313384UM9	03/19/2004	10,000,000.0000	$9,962,550.00	$9,969,000.00	99.690000	6,450.0000
FED HOME LN BK DISC NOTE DTD 03/31/03 03/24/2004	313384US6	03/24/2004	10,000,000.0000	$9,961,063.89	$9,968,000.00	99.680000	6,936.1100
FED HOME LN BK SER 303 DTD 03/15/02 3.750 04/15/2004	3133MML50	04/15/2004	25,000,000.0000	$24,998,750.00	$25,250,000.00	101.000000	251,250.0000
FED HOME LN BK DISC NOTE DTD 05/06/03 04/30/2004	313384WF2	04/30/2004	25,000,000.0000	$24,881,500.00	$24,892,500.00	99.570000	11,000.0000
SANTA BARBARA BANK 1.00% 05/24/04	MS1291157	05/24/2004	100,000.0000	$100,000.00	$100,000.00	1.000000	.0000
FED FARM CREDIT BK DTD 05/24/02 3.550 05/25/2004	31331LQ76	05/25/2004	20,000,000.0000	$19,990,000.00	$20,231,200.00	101.156000	241,200.0000
FED NATL MTG ASSN DTD 06/21/02 3.000 06/15/2004	31359MNG4	06/15/2004	20,000,000.0000	$20,263,000.00	$20,193,800.00	100.969000	(69,200.0000)
STUDENT LN MKTG ASSN DTD 06/14/02 3.375 07/15/2004	86387UBF1	07/15/2004	5,000,000.0000	$5,121,450.00	$5,065,650.00	101.313000	(55,800.0000)
FED HOME LN MTG CORP DTD 07/15/02 3.000 07/15/0004	3134A4PX6	07/15/2004	20,000,000.0000	$20,315,600.00	$20,212,600.00	101.063000	(103,000.0000)
FIRST BANK CD DTD 09/13/03 1.400 09/21/2004	MS1315899	09/21/2004	100,000.0000	$100,000.00	$100,000.00	1.000000	.0000
FED FARM CREDIT BANK DTD 12/02/02 2.070 11/29/2004	31331QJW8	11/29/2004	20,000,000.0000	$20,000,000.00	$20,112,600.00	100.563000	112,600.0000
FED HOME LN BK DTD 01/08/02 4.125 01/14/2005	3133MKYS0	01/14/2005	20,000,000.0000	$20,897,600.00	$20,562,600.00	102.813000	(335,000.0000)
FED HOME LN BK DTD 08/01/03 1.750 08/15/2005	3133X0E96	08/15/2005	26,500,000.0000	$26,367,155.00	$26,359,285.00	99.469000	(7,870.0000)
FED NATL MTG ASSN DTD 03/06/03 2.300 09/06/2005	3136F27E2	09/06/2005	20,000,000.0000	$20,000,000.00	$20,056,200.00	100.281000	56,200.0000

Wells Fargo
Investments by ICC Code

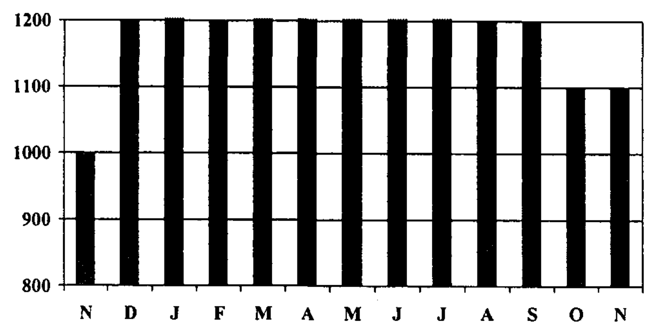
COUNTY OF VENTURA

Account: All Accounts Selected

Financial Reporting - Maturity Date
From Month End 11/30/2003
12/01/2003 11:53:40 AM EST

Asset Description 1 & 2	Asset ID	Maturity Date	Units	Fed Tax Cost	Market Value	Market Price	Unrealized Gain Unrealized Loss
FED FARM CREDIT BK DTD 09/12/03 2.000 09/12/2005	31331TED9	09/12/2005	20,000,000.0000	$20,000,000.00	$19,956,200.00	99.781000	(43,800.0000)
FED NATL MTG ASSN DTD 08/22/03 1.875 09/15/2005	31359MTB9	09/15/2005	20,000,000.0000	$19,881,400.00	$19,956,200.00	99.781000	74,800.0000
FED NATL MTG ASSN DTD 04/01/03 2.100 09/30/2005	31359MRY1	09/30/2005	20,000,000.0000	$20,000,000.00	$20,018,800.00	100.094000	18,800.0000
FED FARM CREDIT BK DTD 09/17/03 2.150 10/17/2005	31331TDZ1	10/17/2005	12,000,000.0000	$12,000,000.00	$11,985,000.00	99.875000	(15,000.0000)
FED NATL MTG ASSN MED TERM NOTE DTD 04/21/03 2.250 10/21/2005	3136F3MZ6	10/21/2005	20,000,000.0000	$20,000,000.00	$20,056,200.00	100.281000	56,200.0000
FED HOME LN BK SER 8105 DTD 11/05/02 2.500 11/15/2005	3133MTL89	11/15/2005	10,000,000.0000	$10,063,400.00	$10,043,800.00	100.438000	(19,600.0000)
FED NATL MTG ASSN DTD 07/30/03 2.180 01/30/2006	3136F34B9	01/30/2006	10,000,000.0000	$10,000,000.00	$9,984,400.00	99.844000	(15,600.0000)
FED HOME LN BK DTD 07/30/03 2.020 01/30/2006	31339YXJ6	01/30/2006	10,000,000.0000	$10,000,000.00	$9,918,800.00	99.188000	(81,200.0000)
FED FARM CREDIT BK DTD 01/15/03 2.500 03/15/2006	31331QRY5	03/15/2006	14,000,000.0000	$13,999,720.00	$14,008,820.00	100.063000	9,100.0000
FED NATL MTG ASSN DTD 09/29/03 2.340 03/29/2006	3136F4JE5	03/29/2006	20,000,000.0000	$20,012,500.00	$19,987,600.00	99.938000	(24,900.0000)
FED HOME LN BK DTD 08/19/03 2.260 05/19/2006	3133X0A90	05/19/2006	5,000,000.0000	$5,000,000.00	$4,960,950.00	99.219000	(39,050.0000)
FED HOME LN BK DTD 08/26/03 2.490 05/26/2006	3133X0GD5	05/26/2006	20,000,000.0000	$20,000,000.00	$19,943,800.00	99.719000	(56,200.0000)
FED HOME LN BK DTD 07/28/03 2.080 07/28/2006	31339YP48	07/28/2006	20,000,000.0000	$20,000,000.00	$19,681,200.00	98.406000	(318,800.0000)
FED FARM CREDIT BK DTD 10/30/03 2.650 10/30/2006	31331TJH5	10/30/2006	20,000,000.0000	$20,000,000.00	$19,875,000.00	99.375000	(125,000.0000)
FED NATL MTG ASSN DTD 10/24/03 2.625 11/15/2006	31359MTN3	11/15/2006	10,000,000.0000	$9,987,000.00	$9,943,800.00	99.438000	(43,200.0000)
FED NATL MTG ASSN DTD 05/21/03 2.750 11/21/2006	3136F3RB4	11/21/2006	15,000,000.0000	$15,047,291.27	$14,962,500.00	99.750000	(84,791.2700)
GRAND TOTAL			**1,137,500,000.0000**	**$1,138,022,331.21**	**$1,137,924,685.00**		**(97,646.2100)**

PORTFOLIO AVERAGE MONTHLY BALANCE



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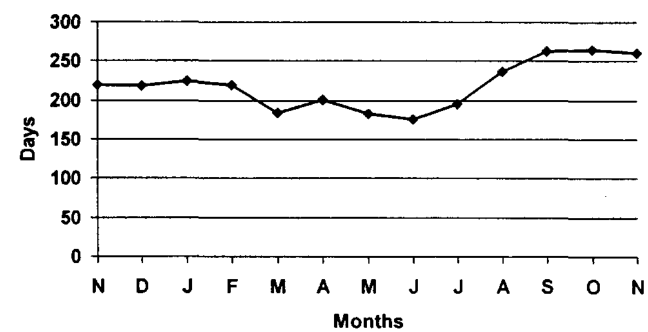
AVERAGE MATURITY



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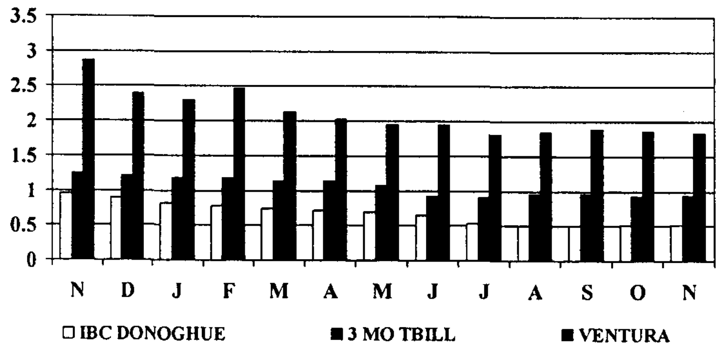
YIELD COMPARISON



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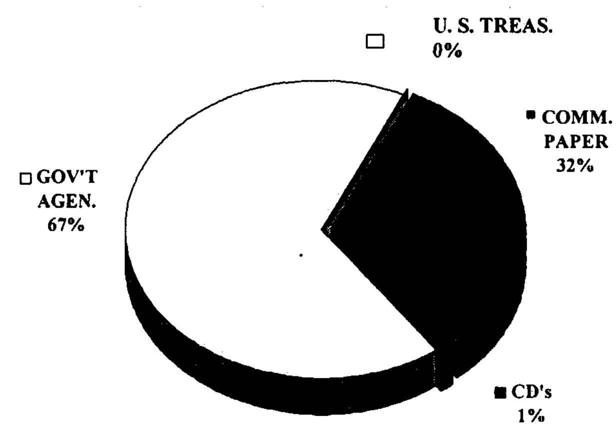
PORTFOLIO HOLDINGS`



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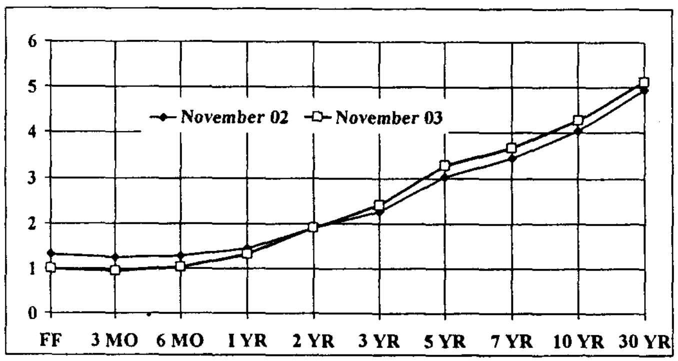
YIELD CURVE



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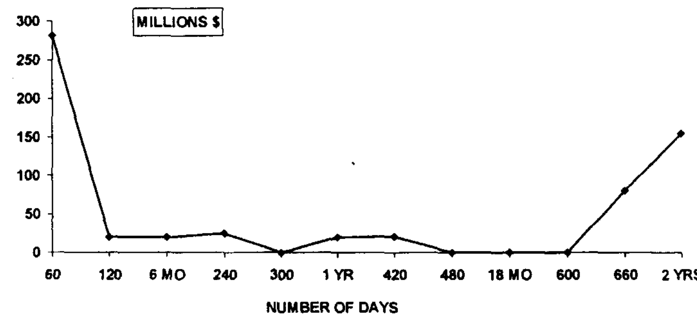
MATURITY DISTRIBUTION



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