county of ventura

LAWRENCE L. MATHENEY
TREASURER
TAX COLLECTOR
PUBLIC ADMINISTRATOR

May 24, 2005

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 APRIL 30, 2005, 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 April amounted to $1.6 billion. The portfolio yield for the month of April was 2.77%. The weighted average days to maturity decreased 6 days to 240 days. The total net monthly earnings were $3.7 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.

The economy began to show signs of a slowing in the rate of growth during the month of April. Economic reports released during the month reflected modestly weaker data than had been reported during the first quarter of 2005. The markets have prepared themselves for an expected further increase in the Federal Funds rate in early May.

In preparation for the meeting of the Federal Open Market Committee (FOMC), the Feds policy-making body, the staff of the Fed prepared the review of overall economic conditions in the U.S. called the 'Beige Book'. In the report, the staff noted that the following conditions were observed:

- Business activity continued to expand.
- Half of the areas reflected that retail activity was up, from modestly to strongly, while the other half showed consumer spending to be subdued.
- Manufacturing activity was ahead of year-earlier levels.
- Residential real estate markets remained strong across the country, while commercial real estate conditions were varied.
- Price pressures have intensified with high or rising energy prices a concern.

The economic data that was released during the month showed a similar mixed pattern. The unemployment rate dropped back down to 5.2%, though non-farm payrolls increased by only

110,000 jobs. Housing starts dropped sharply, while home sales continued at a very brisk pace. Orders for durable goods were down, while construction spending and factory orders both rose. The consumer sentiment data showed a decline from the relatively strong reports earlier in the year. On the inflation front, we have finally begun to see energy prices showing up in the data as Producer Prices and Consumer Prices were up 0.7% and 0.6% respectively. Finally, the Gross Domestic Product, the widest measure of economic activity, came in at 3.1% for the first quarter, making it the slowest growth rate in a year, while the Price Deflator, the broadest measure of inflation was 3.2%, one of the highest rates reported in a year.

The capital markets have continued to mark time. Short-term interest rates have continued to drift higher in anticipation of the Feds rate increase. Long-term rates, on the other hand, have headed lower, largely due to an expectation that the Federal Reserves rate increases will keep inflation concerns in check and also due to the signs of weakening in the rate of economic activity. Since the beginning of the year the spread between the Treasury two-year note and the Treasury thirty-year bond has fallen from about 170 basis points to under 90 basis points.

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 April 30, 2005. 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

WELLS FARGO
Investments by ICC Code

COUNTY OF VENTURA

ACCOUNT: All Accounts Selected

General Reporting - Maturity Date
From Month End 04/30/2005
05/03/2005 02:06:23 PM EDT

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
AMERICAN EXP CRT CPDN DTD 03/02/05 05/04/2005	02581RS46	05/04/2005	7,500,000.0000	$7,472,500.00	$7,498,800.00	99.984000	26,300.0000
CITICORP CPDN DTD 03/04/05 05/04/2005	1730E0S48	05/04/2005	106,500,000.0000	$106,184,720.00	$106,482,960.00	99.984000	298,240.0000
FED HOME LN BK DISC NOTE DTD 05/10/04 05/04/2005	313385FD3	05/04/2005	50,000,000.0000	$49,877,625.00	$49,990,000.00	99.980000	112,375.0000
GENERAL ELECTRIC CO CPDN DTD 04/01/05 05/04/2005	36960LS48	05/04/2005	50,000,000.0000	$49,873,500.00	$49,992,000.00	99.984000	118,500.0000
GENERAL ELEC CAP CORP CPDN DTD 09/03/04 05/05/2005	36959HS57	05/05/2005	36,000,000.0000	$35,906,160.00	$35,991,360.00	99.976000	85,200.0000
GENERAL ELEC CAP CORP CPDN DTD 08/10/04 05/06/2005	36959HS65	05/06/2005	10,500,000.0000	$10,493,977.08	$10,496,535.00	99.967000	2,557.9200
AIG FDG INC CPDN DTD 02/07/05 05/09/2005	00137ES97	05/09/2005	50,000,000.0000	$49,817,875.00	$49,971,500.00	99.943000	153,625.0000
AMERICAN EXP CRT CPDN DTD 01/28/05 05/09/2005	02581RS95	05/09/2005	92,000,000.0000	$91,694,376.67	$91,947,560.00	99.943000	253,183.3300
FED NATL MTG ASSN DISC NOTE DTD 05/14/04 05/09/2005	313589FJ7	05/09/2005	40,000,000.0000	$39,895,000.00	$39,980,000.00	99.950000	85,000.0000
AIG FDG INC CPDN DTD 02/09/05 05/10/2005	00137ESA4	05/10/2005	50,000,000.0000	$49,821,111.11	$49,967,000.00	99.934000	145,888.8900
GENERAL ELEC CAP CORP CPDN DTD 08/16/04 05/10/2005	36959HSA6	05/10/2005	3,000,000.0000	$2,985,740.00	$2,998,020.00	99.934000	12,280.0000
FED HOME LN BK DISC NOTE DTD 05/17/04 05/11/2005	313385FL5	05/11/2005	22,500,000.0000	$22,453,100.00	$22,484,250.00	99.930000	31,150.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 12/21/04 05/11/2005	89233GSB3	05/11/2005	71,000,000.0000	$70,778,752.78	$70,947,460.00	99.926000	168,707.2200
CITICORP CPDN DTD 02/14/05 05/12/2005	1730E0SC0	05/12/2005	24,000,000.0000	$23,943,000.00	$23,980,320.00	99.918000	37,320.0000
GENERAL ELEC CAP CORP CPDN DTD 11/15/04 05/12/2005	36959HSC2	05/12/2005	7,000,000.0000	$6,966,485.56	$6,994,260.00	99.918000	27,774.4400
TOYOTA MOTOR CREDIT CORP CPDN DTD 02/11/05 05/12/2005	89233GSC1	05/12/2005	50,000,000.0000	$49,824,375.00	$49,959,000.00	99.918000	134,625.0000
AIG FDG INC CPDN DTD 11/16/04 05/13/2005	00137ESD8	05/13/2005	30,000,000.0000	$29,960,533.33	$29,973,000.00	99.910000	12,466.6700
FED HOME LN MTG CORP DISC NOTE DTD 05/18/04 05/18/2005	313397FT3	05/18/2005	50,000,000.0000	$49,785,347.22	$49,940,000.00	99.880000	154,652.7800
GENERAL ELEC CAPT CORP CPDN DTD 11/22/04 05/23/2005	36959HSP3	05/23/2005	2,000,000.0000	$1,990,080.00	$1,996,540.00	99.827000	6,460.0000
SANTA BARBARA BANK	MS1291157	05/28/2005	100,000.0000	$100,000.00	$100,000.00	1.000000	.0000
GENERAL ELEC CAPT CORP CPDN DTD 09/03/04 05/31/2005	36959HSX6	05/31/2005	12,000,000.0000	$11,934,040.00	$11,971,080.00	99.759000	37,040.0000
GENERAL ELEC CAPT CORP DISC PROM NOTE DTD 09/17/04 06/14/2005	36959HTE7	06/14/2005	2,000,000.0000	$1,990,066.67	$1,992,840.00	99.642000	2,773.3300
GENERAL ELEC CAPT CORP CPDN DTD 10/04/04 06/30/2005	36959HTW7	06/30/2005	9,000,000.0000	$8,947,675.00	$8,955,270.00	99.503000	7,595.0000
GENERAL ELEC CAP CORP CPDN DTD 10/04/04 07/01/2005	36959HU13	07/01/2005	6,000,000.0000	$5,963,246.67	$5,969,700.00	99.495000	6,453.3300
GENERAL ELECTRIC CO CPDN DTD 04/06/05 07/01/2005	36960LU11	07/01/2005	7,000,000.0000	$6,954,651.67	$6,964,650.00	99.495000	9,998.3300
FED HOME LN BK TRANCHE # TR 00463	3133X7VG6	07/12/2005	15,000,000.0000	$15,000,000.00	$14,967,150.00	99.781000	(32,850.0000)
FED HOME LN MTG CORP DISC NOTE DTD 07/19/04 07/19/2005	313397JH5	07/19/2005	17,000,000.0000	$16,876,384.44	$16,892,900.00	99.370000	16,515.5600
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	$26,392,410.00	99.594000	25,255.0000
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	$19,918,800.00	99.594000	(81,200.0000)
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	$19,900,000.00	99.500000	18,600.0000
FIRST BANK CD DTD 09/13/03 2.010 09/21/2005	MS1315899	09/21/2005	100,000.0000	$100,000.00	$100,000.00	1.000000	.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	$11,940,000.00	99.500000	(60,000.0000)
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	$9,953,100.00	99.531000	(110,300.0000)
FED HOME LN BK SER 4S05 DTD 06/05/03 1.960 12/05/2005	31339X4T8	12/05/2005	10,000,000.0000	$9,944,400.00	$9,915,600.00	99.156000	(28,800.0000)
FED FARM CREDIT BK DTD 12/01/03 2.150 01/03/2006	31331TLS8	01/03/2006	25,000,000.0000	$25,000,000.00	$24,781,250.00	99.125000	(218,750.0000)
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	$9,903,100.00	99.031000	(96,900.0000)
FED NATL MTG ASSN DTD 02/23/01 5.500 02/15/2006	31359MHB2	02/15/2006	25,000,000.0000	$25,397,500.00	$25,359,500.00	101.438000	(38,000.0000)
FED HOME LN BK DTD 01/21/03 2.500 03/15/2006	3133MVHK2	03/15/2006	10,000,000.0000	$10,090,200.00	$9,906,300.00	99.063000	(183,900.0000)
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	$13,868,820.00	99.063000	(130,900.0000)
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	$19,775,000.00	98.875000	(237,500.0000)
FED HOME LN BK DTD 04/15/03 2.250 05/15/2006	3133MYCH8	05/15/2006	25,000,000.0000	$24,920,500.00	$24,640,750.00	98.563000	(279,750.0000)
FED HOME LN BK SER 4906 DTD 05/05/03 2.125 05/15/2006	3133MYRT6	05/15/2006	19,000,000.0000	$18,911,418.29	$18,703,220.00	98.438000	(208,198.2900)
FED HOME LN BK DTD 05/05/04 2.500	3133X73E2	05/15/2006	5,000,000.0000	$4,982,800.00	$4,940,650.00	98.813000	(42,150.0000)
FED HOME LN BK SER 1706 DTD 05/19/2003 2.550	3133MYLS4	05/19/2006	4,000,000.0000	$3,986,920.00	$3,953,760.00	98.844000	(33,160.0000)
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	$19,756,200.00	98.781000	(243,800.0000)
FED HOME LN BK DTD 05/22/03 1.875 06/15/2006	31339XAZ7	06/15/2006	15,000,000.0000	$14,879,926.22	$14,704,650.00	98.031000	(175,276.2200)
FED NATL MTG ASSN DTD 04/23/04 2.500 06/15/2006	31359MVA8	06/15/2006	50,000,000.0000	$49,682,600.00	$49,344,000.00	98.688000	(338,600.0000)
FED NATL MTG ASSN DTD 06/27/03 2.100 06/26/2006	3136F3VT0	06/26/2006	18,000,000.0000	$17,814,600.00	$17,679,420.00	98.219000	(135,180.0000)
FED NATL MTG ASSN DTD 06/18/04 3.125 07/15/2006	31359MVP5	07/15/2006	20,000,000.0000	$20,018,200.00	$19,868,800.00	99.344000	(149,400.0000)
FED FARM CREDIT BK DTD 02/09/04 2.125 07/17/2006	31331TTV3	07/17/2006	40,000,000.0000	$39,883,851.07	$39,250,000.00	98.125000	(633,851.0700)
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	$19,606,200.00	98.031000	(393,800.0000)
FED HOME LN BK DTD 07/24/03 2.375 08/15/2006	3133X06K0	08/15/2006	20,000,000.0000	$19,967,969.58	$19,662,600.00	98.313000	(305,369.5800)
FED HOME LN BK DTD 09/08/03 2.875 09/15/2006	3133X14N4	09/15/2006	20,000,000.0000	$20,407,600.00	$19,775,000.00	98.875000	(632,600.0000)
FED FARM CREDIT BK DTD 10/01/03 2.375 10/02/2006	31331TGN5	10/02/2006	14,000,000.0000	$14,032,410.00	$13,733,160.00	98.094000	(299,250.0000)

WELLS FARGO
Investments by ICC Code

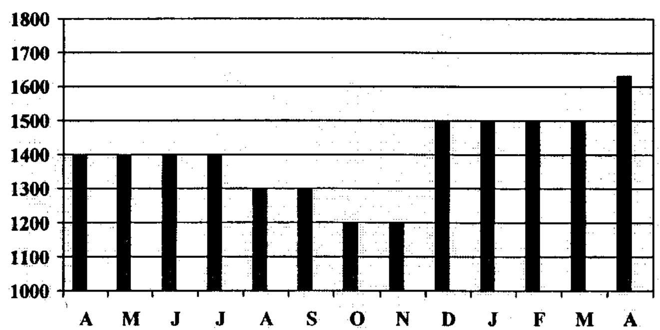
COUNTY OF VENTURA

ACCOUNT: All Accounts Selected

General Reporting - Maturity Date
From Month End 04/30/2005
05/03/2005 02:06:23 PM EDT

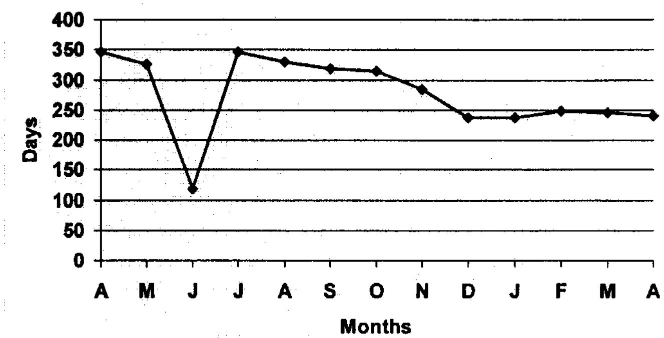
Asset Description 1 & 2	Asset ID	Maturity Date	Units	Fed Tax Cost	Market Value	Market Price	Unrealized Gain Unrealized Loss
FED FARM CREDIT BK DTD 10/30/03 2.650 10/30/2006	31331TJH5	10/30/2006	20,000,000.0000	$20,000,000.00	$19,668,800.00	98.344000	(331,200.0000)
FED HOME LN BK DTD 11/05/03 2.750 11/15/2006	3133X2B46	11/15/2006	20,000,000.0000	$20,185,000.00	$19,687,600.00	98.438000	(497,400.0000)
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	$9,825,000.00	98.250000	(162,000.0000)
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	$14,765,700.00	98.438000	(281,591.2700)
FED HOME LN MTG CORP MED TERM NOTE DTD 06/18/03 2.250 12/18/2006	3128X1KH9	12/18/2006	3,500,000.0000	$3,422,344.38	$3,413,165.00	97.519000	(9,179.3800)
FED FARM CREDIT BK DTD 12/18/03 2.750 12/18/2006	31331TNG2	12/18/2006	15,000,000.0000	$15,056,850.00	$14,732,850.00	98.219000	(324,000.0000)
FED NATL MTG ASSN DTD 06/26/03 2.100 12/26/2006	3136F3YX8	12/26/2006	17,000,000.0000	$16,831,710.66	$16,532,500.00	97.250000	(299,210.6600)
FED HOME LN MTG CORP MED TERM NOTE DTD 07/02/03 2.100 01/02/2007	3128X1QJ9	01/02/2007	14,000,000.0000	$13,639,360.00	$13,608,560.00	97.204000	(30,800.0000)
FED FARM CREDIT BK DTD 01/05/05 3.375 01/05/2007	31331SLD3	01/05/2007	10,000,000.0000	$10,005,600.00	$9,925,000.00	99.250000	(80,600.0000)
FED HOME LN MTG CORP TRANCHE # TR 00257 DTD 01/20/04 3.050 01/19/2007	3128X2LS2	01/19/2007	15,000,000.0000	$14,865,038.70	$14,798,400.00	98.656000	(66,638.7000)
FED HOME LN BK SER T307 DTD 02/06/03 2.875 02/15/2007	3133MW2K6	02/15/2007	50,000,000.0000	$50,506,148.14	$49,140,500.00	98.281000	(1,365,648.1400)
FED HOME LN BK DTD 02/03/05 3.375 02/15/2007	3133XAN60	02/15/2007	25,000,000.0000	$24,810,000.00	$24,797,000.00	99.188000	(13,000.0000)
FED NATL MTG ASSN DTD 02/26/04 3.000 02/26/2007	3136F46R0	02/26/2007	17,000,000.0000	$16,667,310.00	$16,745,000.00	98.500000	77,690.0000
FED FARM CREDIT BK DTD 04/16/04 2.550 04/16/2007	31331TD24	04/16/2007	8,300,000.0000	$8,249,908.93	$8,087,354.00	97.438000	(162,554.9300)
FED HOME LN BK DTD 03/01/05 3.750 05/15/2007	3133XAYJ0	05/15/2007	50,000,000.0000	$49,743,250.00	$49,844,000.00	99.688000	100,750.0000
FED HOME LN BK DTD 06/19/03 2.400 06/19/2007	31339XKZ6	06/19/2007	4,000,000.0000	$3,863,080.00	$3,877,520.00	96.938000	14,440.0000
FED NATL MTG ASSN DTD 08/20/04 3.000 08/15/2007	31359MWB5	08/15/2007	25,000,000.0000	$24,643,750.00	$24,484,500.00	97.938000	(159,250.0000)
GRAND TOTAL			**1,631,500,000.0000**	**$1,627,359,035.44**	**$1,620,669,894.00**		**(6,689,141.4400)**

PORTFOLIO AVERAGE MONTHLY BALANCE



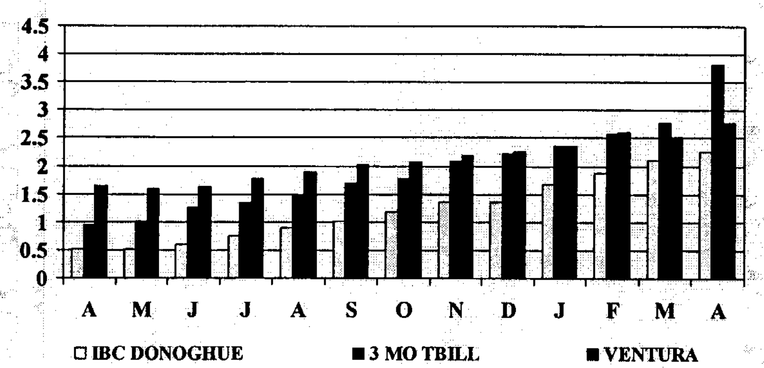
04-05 INV.PPT

AVERAGE MATURITY



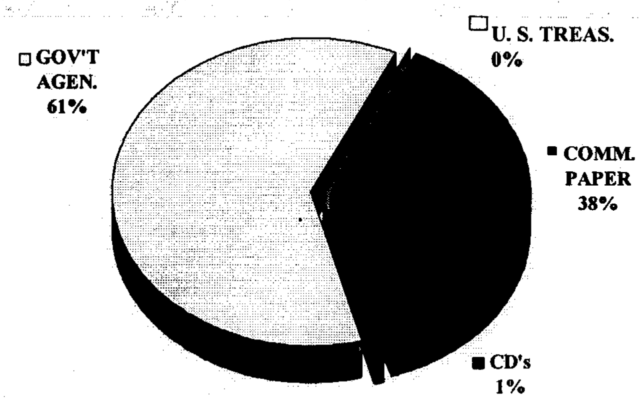
04-05 INV.PPT

YIELD COMPARISON



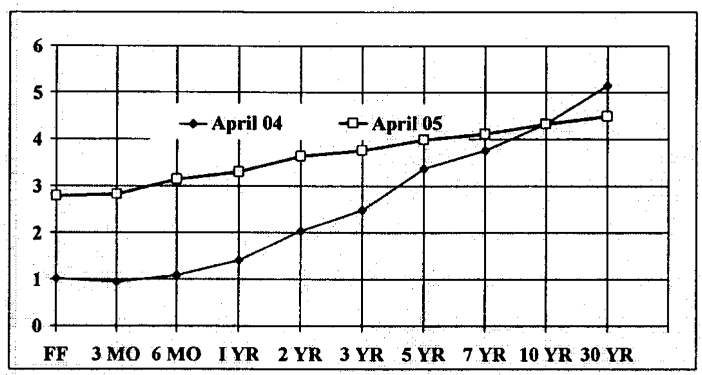
04-05 INV.PPT

PORTFOLIO HOLDINGS`



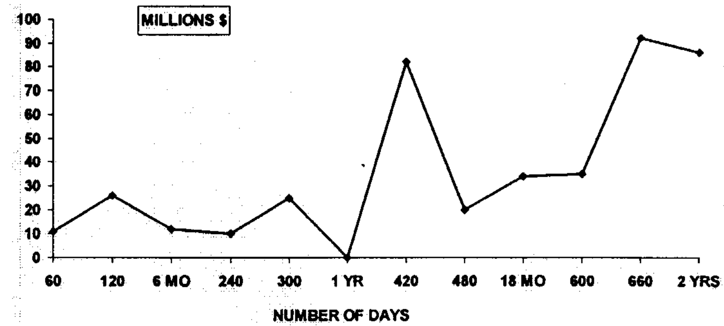
04-05 INV.PPT

YIELD CURVE



04-05 INV.PPT

MATURITY DISTRIBUTION



04-05 INV.PPT