



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-13

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6169 • Fax (562) 570-5836

May 19, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file Investment Report for Quarter Ending March 31, 2009. (Citywide)

DISCUSSION

The Department of Financial Management, City Treasurer's Office, invests the City's funds in compliance with the California Government Code; Section 53600 et seq., and the City's Investment Policy. As of March 31, 2009, these funds had a market value of approximately \$1.76 billion, with approximately \$850 million, or approximately 48 percent of funds, maturing within six months, ensuring that sufficient funds are available to meet the City's cash and liquidity needs.

Statutory Compliance

All investment transactions have been executed in conformance with the City's Investment Policy and the California Government Code. According to the California Government Code, the maturity term of all investments is limited to a maximum of five years unless the local agency legislative body gives prior approval to exceed this limitation. The City's Investment Policy currently requires that all funds invested in the City's investment pool not exceed a weighted average maturity of three years. In addition, the Investment Advisory Committee, composed of the Assistant City Manager, Assistant City Auditor, Assistant City Attorney, Director of Financial Management/CFO, City Treasurer, City Controller, Budget and Performance Management Bureau Manager and designated representatives from the Harbor, Water and Community Development departments, meets monthly, or as needed, to review investment policies, strategies and performance.

Investment Pool Rating

As of September 30, 2008, the City's investment portfolio carries the highest credit rating of AAA and the lowest volatility rating of S1 by the Standard & Poor's rating agency. This rating confirms the safety of the City's invested funds and qualifies the Investment Pool as an alternative investment for proceeds from bonds issued by the City.

Financial Markets Performance

The Federal Reserve is providing a massive amount of liquidity to the markets since the collapse and bankruptcy of Lehman Holdings, Inc., in September 2008. There are now 20

active programs totaling over \$9.6 trillion such as the Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) Conservatorship and multiple direct securities purchase programs, coupled with various guarantee programs. The Troubled Asset Relief Program ("TARP") totaling \$700 billion has expended or made commitments to spend approximately \$573 billion to date, including investments of over \$346 billion in the form of Preferred Stock and loan guarantees with 562 qualified corporations and financial institutions.

The City, along with a working group of at least 23 other cities, counties and other public entities located in California, whose exposure has grown to approximately \$789 million, continues to seek assistance from the TARP legislation enacted by Congress. The working group has reached out to other public entities throughout the United States and has identified to date 20 states, including California, Florida, Texas, New York, Oregon, New Jersey, Arizona and Delaware, to name a few that have public entities with exposure to Lehman exceeding \$1.7 billion (see Attachment A). We are proud to announce that the combined efforts of the working group, the California delegation of the United States House of Representatives, Senator Diane Feinstein, and Congresswoman Anna Eshoo have led Congressman Barney Frank, Chairman of the House Financial Services Committee, to conduct a hearing on May 5, 2009 on the Lehman Holdings, Inc., bankruptcy and the impact on local governments. Staff will be providing Council with the details of this hearing with a separate memo.

Investment Performance – Overall Portfolio

The City Treasurer's Office invests in a variety of fixed-income securities that vary in maturity from one day to five years (excluding the Health SAVRS loan) as authorized by the City's Investment Policy and the California Government Code. The City's adopted 2009 Investment Policy divides the City's investment portfolio into a short-term and a long-term portfolio whose benchmarks are the 3-Month Treasury Bill and the Merrill Lynch One-to-Three Year Treasury/Agency Index, respectively. Both are market indices that change daily, therefore, actual returns can vary depending on book yields and security calls before the final maturity date. The weighted average book yield for the period was 1.84 percent. Book yield represents the actual earnings received on the total Investment Portfolio.

At March 31, 2009, the City's investment pool market yield was 2.22 percent compared to 2.73 percent at December 31, 2008. During the quarter, the short-term benchmark increased 13 basis points, while the long-term benchmark index increased 20 basis points, respectively. The following table summarizes the Investment Pool market yield performance for the quarter ending March 31, 2009:

Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return	Weighted Avg Maturity*	Yield**
Short-Term Investment Pool	\$ 738,956,733	0.21 percent	0.45 years	1.27 percent
Long-Term Investment Pool	\$ 1,019,033,096	1.01 percent	1.02 years	2.90 percent
Total Investment Pool	\$ 1,757,989,829	0.67 percent	0.78 years	2.22 percent

* Weighted Average Maturity assumes securities are not called or sold prior to the actual maturity date. ** Market Yield of Portfolio at quarter end.

The following table summarizes the purchase yield of the new investments vs. the average Benchmark Yield in the short-term portfolio by month for the quarter ending March 31, 2009. The purchase yield of new investments generally outperformed the Benchmark yields:

SHORT-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark
January 2009	\$ 118,500,000	0.11 percent	0.62 percent	0.51 percentage points
February 2009	\$ 175,025,000	0.29 percent	0.59 percent	0.30 percentage points
March 2009	\$ 145,035,000	0.20 percent	0.36 percent	0.16 percentage points
Total Invested Funds *	\$ 438,560,000	0.21 percent	0.52 percent	0.31 percentage points

* 91-Day T-Bill and other returns listed are weighted averages for the period. **Purchase Yields stated to maturity assume the securities are not called or sold prior to the maturity date.

The following table summarizes the purchase yield of the new investments vs. the average Benchmark Yield in the short-term portfolio by month for the quarter ending March 31, 2009. Due to unprecedented market volatility, the maturities of the long-term portfolio were systematically shortened (e.g. from average 18 – 24 month maturities to 6 to 12 month maturities) resulting in lower yields when compared to the benchmark, which has longer durations of 12-36 months on average.

LONG-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark
January 2009	\$ 232,229,000	0.92 percent	0.72 percent	(0.20) percentage points
February 2009	\$ 124,300,000	1.11 percent	0.91 percent	(0.20) percentage points
March 2009	\$ 25,000,000	0.98 percent	0.72 percent	(0.41) percentage points
Total Invested Funds *	\$ 331,529,000	0.99 percent	0.78 percent	(0.19) percentage points

* Merrill Lynch One-to-Three Year Treasury/Agency Index and other returns listed are weighted averages for the period. Excludes overnight and short-term investments under 30 days. **Yields are stated to maturity and assume the securities are not called or sold prior to the maturity date.

LAIF's weighted average quarterly yield is approximately 1.91 percent, which is down from 2.54 percent at December 31, 2008. As of March 31, 2009, the City had approximately \$80 million invested in the State Treasurer's Local Agency Investment Fund (LAIF) pool.

A complete listing of investment balances, portfolio distribution and performance values can be found in Attachment B.

The City's investment pool consists of all City funds except certain bond and special assessment district proceeds. The non-pooled investments are invested separately in accordance with bond indenture provisions or other legal requirements.

Short-Term Investment Strategy

The City has adopted an investment strategy for the short-term portfolio that maintains sufficient liquidity within a rolling 12-month period to satisfy the City's cash needs.

Long-Term Investment Strategy

Due to the uncertainty and the unprecedented volatility in the capital markets, shorter investment maturities are currently more favorable.

Cash Management Goals

The City's cash management goals are to maintain and preserve the safety of funds in custody and provide adequate liquidity for anticipated expenditure needs.

This matter was reviewed by Assistant City Attorney Heather A. Mahood, Budget and Performance Management Bureau Manager David Wodynski and the City's Investment Advisory Committee on April 28, 2009.

TIMING CONSIDERATIONS

This item is not time critical.

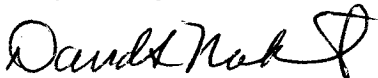
FISCAL IMPACT

There is no fiscal impact associated with this action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



DAVID S. NAKAMOTO
CITY TREASURER



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:


PATRICK H. WEST
CITY MANAGER

**ATTACHMENT A
LEHMAN TOTAL EXPOSURE NATIONWIDE**

CITY/DISTRICT/SCHOOLS/COUNTY/STATE	LEHMAN AMOUNT
CITIES	
City of Auburn, CA	\$ 125,000
City of Bullhead City, AZ	\$ 236,609
City of Burbank, CA	\$ 10,000,000
City of Cerritos, CA	\$ 4,000,000
City of Chicago Municipal Employees Annuity Benefits Fund, Ill	\$ 4,000,000
City of Costa Mesa, CA	\$ 5,000,000
Cit of Culver City, CA	\$ 1,000,000
City of El Segundo, CA	\$ 3,000,000
City of Fremont, CA	\$ 4,000,000
City of Folsom, CA	\$ 700,000
City of Fontana, CA	\$ 10,000,000
City Employees Welfare Fund, Lynbrook, NY	\$ 500,000
City of Kingman, AZ	\$ 275,576
City of Las Vegas Darling Foundation, NV	\$ 254,500
City of Long Beach, CA	\$ 20,000,000
Town of Loomis, CA	\$ 500,000
City of Maricopa	\$ 1,400,000
City of Moreno Valley, CA	\$ 3,000,000
City of New York City, NY Municipal Steamfitters Retirees Welfare Fund	\$ 230,000
City of New York City, NY Municipal Steamfitters Welfare Fund	\$ 480,000
City of Santa Clarita, CA	\$ 2,000,000
City of Shafter, CA	\$ 300,000
City of Vacaville, CA	\$ 2,000,000
City of Ventura, CA	\$ 5,000,000
SPECIAL DISTRICTS	
Beach Cities Health District, CA	\$ 500,000
Calaveras County Water District, CA	\$ 1,400,000
Chelan Public Utility District, WA	\$ 444,000
Los Angeles Deptof Water and Power, Los Angeles, CA	\$ 1,800,000
Marin Municipal Water District	\$ 1,000,000
Metropolitan Water District of Southern California	\$ 5,400,000
Modesto Irrigation District, CA	\$ 5,000,000
Orange County Transportation Authority, CA	\$ 3,000,000
Vallejo Sanitation and Flood Control District, Vallejo, CA	\$ 4,500,000
SCHOOLS	
The University of Chicago	\$ 600,000
Michigan State University Board of Trustees	\$ 10,000,000
COUNTIES	
Alameda County, CA	\$ 5,000,000
County of Douglas, OR	\$ 3,000,000
Mohave County, AZ	\$ 5,000,000
County of Montgomery, PA	\$ 200,000
County of Monterey, CA	\$ 10,000,000
Santa Clara County, CA	\$ 1,000,000
San Mateo County, CA	\$ 155,000,000
Sarasota County, FL	\$ 40,000,000
Tehama County, CA	\$ 1,000,000
County Tuolumne, CA	\$ 2,000,000
San Bernardino County Employee Retirement Fund, San Bernardino, CA	\$ 8,000,000
Walton County, Florida Board of County Commissioners	\$ 225,000
STATES	
State of Arizona Local Government Investment Pool (LGIP)	\$ 40,000,000
State of California, California Public Employees' Retirement System	\$ 385,475,432
California Excess Insurance Authority (CSAC)	\$ 10,000,000
Delaware State Housing Authority	\$ 529,000
Florida Hurricane Catastrophe Fund	\$ 7,000,000
State of Florida, State Board of Administration	\$ 400,000,000
State of Minnesota Board of Investment	\$ 55,821,767
State of Missouri Employees' Retirement System	\$ 50,000,000
State of New Jersey	\$ 115,000,000
State of Oregon Investment Pool	\$ 170,000,000
State of New Mexico	\$ 5,700,000
Washington State Investment Board	\$ 130,000,000
TOTAL	\$ 1,711,596,884

**ATTACHMENT B
CITY OF LONG BEACH
INVESTMENT PORTFOLIO
AS OF MARCH 31, 2009**

DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
CASH AND CASH EQUIVALENTS								
CASH IN BANKS - UNION BANK OF CA.			126,789,405	126,789,405	126,789,405	81,632	04/01/09	0.77
MONEY MARKET ACCOUNT (BANK OF AMERICA)			6,063,051	6,063,051	6,063,051	1,011	04/01/09	0.20
STATE TREASURER LOCAL AGENCY INVESTMENT FUND			80,000,000	80,000,000	80,000,000	110,000	04/01/09	1.65
GUARANTEED MANAGED RATE ACCOUNT			105,530,720	105,530,720	105,530,720	29,900	04/01/09	0.34
			-----	-----	-----	-----	-----	-----
TOTAL CASH AND EQUIVALENTS			318,383,176	318,383,176	318,383,176	222,542	1.00	0.84
SHORT - TERM PORTFOLIO								
FED HOME LOAN BANK	3133XPK52	Aaa	20,000,000	20,138,828	20,137,500	81,067	08/04/09	2.54
FED HOME LOAN BANK	3133XNTD1	Aaa	11,170,000	11,416,605	11,410,853	96,574	01/08/10	3.67
FED HOME LOAN BANK	3133XPY57	Aaa	15,000,000	15,252,442	15,253,125	21,771	03/12/10	2.70
FED NAT MORTG ASSOC	313589FV0	Aaa	10,655,000	10,652,970	10,651,670	0	05/20/09	0.14
FED NAT MORTG ASSOC	31359MEY5	Aaa	6,229,000	6,398,440	6,390,565	18,341	09/15/09	6.46
FED NAT MORTG ASSOC	313589MD2	Aaa	10,000,000	9,970,992	9,984,375	0	09/25/09	0.59
FED NAT MORTG ASSOC	313589MJ9	Aaa	15,000,000	14,953,742	14,976,563	0	09/30/09	0.61
FED NAT MORTG ASSOC	313589ML4	Aaa	12,000,000	11,961,360	11,977,500	0	10/02/09	0.63
FED NAT MORTG ASSOC	313589NA7	Aaa	15,000,000	14,944,725	14,971,875	0	10/16/09	0.67
FED NAT MORTG ASSOC	313589NL3	Aaa	12,000,000	11,964,640	11,977,500	0	10/26/09	0.51
FED NAT MORTG ASSOC	31398ATE2	Aaa	8,000,000	8,135,447	8,142,500	39,267	02/04/10	3.05
FED NAT MORTG ASSOC	3136F9LP6	Aaa	1,200,000	1,205,658	1,201,875	15,400	04/28/10	3.00
FED NAT MORTG ASSOC	3136F93B7	Aaa	20,000,000	20,000,000	20,131,250	70,833	07/06/10	1.49
FED NAT MORTG ASSOC	31398AQS4	Aaa	14,180,000	14,242,188	14,202,156	210,928	04/28/11	3.49
FED NAT MORTG ASSOC	31398ATD4	Aaa	7,025,000	7,133,580	7,104,031	33,564	08/18/11	3.96
FED NAT MORTG ASSOC	31398ATD4	Aaa	10,000,000	10,146,058	10,112,500	47,778	08/18/11	3.96
FED NAT MORTG ASSOC	31398AST0	Aaa	15,000,000	15,406,121	15,356,250	134,875	01/13/12	4.05
FED NAT MORTG ASSOC	3136F95C3	Aaa	10,000,000	10,000,000	10,006,250	20,000	02/13/12	1.50
FEDERAL HOME LOAN MORTGAGE CORP	313397FQ9	Aaa	15,000,000	14,996,150	14,995,313	0	05/15/09	0.21
FEDERAL HOME LOAN MORTGAGE CORP	313397FU0	Aaa	5,800,000	5,798,917	5,798,188	0	05/19/09	0.14
FEDERAL HOME LOAN MORTGAGE CORP	3128X3VA8	Aaa	5,300,000	5,376,933	5,374,531	18,219	09/01/09	4.07
FEDERAL HOME LOAN MORTGAGE CORP	3128X3WY5	Aaa	10,000,000	10,158,101	10,146,875	10,000	09/22/09	3.94
FEDERAL HOME LOAN MORTGAGE CORP	3128X8JF0	Aaa	10,000,000	10,000,000	10,009,375	19,410	08/18/10	1.62
FEDERAL HOME LOAN MORTGAGE CORP	3128X8PU0	Aaa	10,000,000	10,000,000	10,015,625	10,083	09/09/10	1.65
FEDERAL HOME LOAN MORTGAGE CORP	3128X8HC9	Aaa	15,000,000	15,000,000	15,009,375	26,875	02/18/11	1.50
U.S. TREASURY NOTES	912828HD5	Aaa	15,000,000	15,269,996	15,267,188	1,639	09/30/09	3.93

**ATTACHMENT B
CITY OF LONG BEACH
INVESTMENT PORTFOLIO
AS OF MARCH 31, 2009**

SHORT - TERM PORTFOLIO								
DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
U.S.TREASURY BILLS	912795L33	Aaa	10,000,000	9,999,511	10,000,000	0	04/09/09	0.22
U.S.TREASURY BILLS	912795L41	Aaa	25,000,000	24,997,604	25,000,000	0	04/16/09	0.23
U.S.TREASURY BILLS	912795L41	Aaa	35,000,000	34,998,104	35,000,000	0	04/16/09	0.13
U.S.TREASURY BILLS	912795L82	Aaa	25,000,000	24,998,208	24,992,188	0	05/14/09	0.06
U.S.TREASURY BILLS	912795M57	Aaa	15,000,000	14,992,688	14,995,313	0	06/18/09	0.23
U.S.TREASURY BILLS	912795P39	Aaa	10,000,000	9,979,814	9,981,250	0	09/17/09	0.43
TOTAL SHORT-TERM PORTFOLIO			418,559,000	420,489,821	420,573,557	876,623	288	1.60
TOTAL CASH AND SHORT - TERM PORTFOLIO			736,942,176	738,872,997	738,956,733	1,099,165	164	1.27

**ATTACHMENT B
CITY OF LONG BEACH
INVESTMENT PORTFOLIO
AS OF MARCH 31, 2009**

LONG - TERM PORTFOLIO								
DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FED FARM CREDIT BANK	31331SQ89	Aaa	5,000,000	4,999,491	5,053,125	41,823	07/17/09	4.08
FED FARM CREDIT BANK	31331XWL2	Aaa	9,973,000	10,346,938	10,371,920	188,171	05/07/10	4.57
FED FARM CREDIT BANK	31331YYU8	Aaa	10,200,000	10,314,371	10,340,250	56,738	07/01/10	2.22
FED HOME LOAN BANK	3133XQMJ8	Aaa	6,000,000	6,000,023	6,000,000	68,233	04/03/09	2.30
FED HOME LOAN BANK	3133X4ZC8	Aaa	10,000,000	10,002,191	10,009,375	138,333	04/15/09	3.00
FED HOME LOAN BANK	3133XQTN2	Aaa	10,000,000	9,998,902	10,012,500	98,600	04/28/09	2.32
FED HOME LOAN BANK	3133M8JJ4	Aaa	6,950,000	6,973,543	6,986,922	163,004	05/06/09	5.79
FED HOME LOAN BANK	313385JY3	Aaa	10,000,000	9,900,111	9,930,422	0	08/03/09	2.92
FED HOME LOAN BANK	3133XLUM3	Aaa	5,000,000	5,009,396	5,079,688	39,861	08/05/09	5.04
FED HOME LOAN BANK	3133XGEQ3	Aaa	7,000,000	7,060,203	7,113,750	57,167	08/05/09	5.17
FED HOME LOAN BANK	3133XMSQ5	Aaa	7,000,000	6,999,632	7,144,375	108,257	11/20/09	4.16
FED HOME LOAN BANK	3133X8RL8	Aaa	7,000,000	7,036,966	7,135,625	70,696	12/23/09	3.64
FED HOME LOAN BANK	313385RN8	Aaa	12,000,000	11,924,800	11,951,250	0	01/08/10	0.80
FED HOME LOAN BANK	3133XR2Y5	Aaa	8,000,000	7,980,976	8,177,500	73,333	06/11/10	2.93
FED HOME LOAN BANK	3133XR2Y5	Aaa	6,000,000	5,999,235	6,133,125	55,000	06/11/10	2.93
FED HOME LOAN BANK	3133XBTH8	Aaa	10,000,000	10,377,510	10,378,125	129,861	06/11/10	4.10
FED HOME LOAN BANK	3133XRN22	Aaa	5,400,000	5,548,239	5,529,938	39,375	07/16/10	3.42
FED HOME LOAN BANK (Pledged to Great West)	3133XMES6	Aaa	7,000,000	6,988,018	7,328,125	135,260	10/22/10	4.18
FED HOME LOAN BANK	3133XMKS9	Aaa	5,000,000	5,000,000	5,109,375	110,858	10/22/12	4.91
FED HOME LOAN BANK	3133XMMN8	Aaa	5,000,000	5,000,000	5,012,500	115,208	10/23/12	5.24
FED HOME LOAN BANK	3133XMR52	Aaa	8,000,000	8,043,459	8,027,500	168,333	11/01/12	5.03
FED HOME LOAN BANK	3133XNCG2	Aaa	7,000,000	7,000,000	7,041,563	114,528	11/27/12	4.72
FED HOME LOAN BANK	3133XNBB4	Aaa	7,000,000	7,000,000	7,172,813	117,542	11/27/12	4.76
FED NAT MORTG ASSOC	31359MUW1	Aaa	2,925,000	2,923,906	2,928,656	52,240	04/14/09	3.85
FED NAT MORTG ASSOC	31359MVE0	Aaa	8,035,000	8,054,541	8,070,153	129,006	05/15/09	4.23
FED NAT MORTG ASSOC	31359MVE0	Aaa	8,000,000	8,015,121	8,035,000	128,444	05/15/09	4.23
FED NAT MORTG ASSOC	31359MZE6	Aaa	12,000,000	12,046,132	12,093,750	161,473	06/15/09	4.53
FED NAT MORTG ASSOC	313589HY2	Aaa	10,000,000	9,921,389	9,993,750	0	07/10/09	2.83
FED NAT MORTG ASSOC	31359MEY5	Aaa	12,000,000	12,327,731	12,311,250	35,333	09/15/09	6.46
FED NAT MORTG ASSOC	313589ML4	Aaa	12,000,000	11,957,067	11,977,500	0	10/02/09	0.70
FED NAT MORTG ASSOC	313589PE7	Aaa	15,000,000	14,936,908	14,962,500	0	11/13/09	0.67
FED NAT MORTG ASSOC	313589QJ5	Aaa	15,000,000	14,924,858	14,953,125	0	12/11/09	0.71
FED NAT MORTG ASSOC	313589QU0	Aaa	15,000,000	14,912,000	14,953,125	0	12/21/09	0.80
FED NAT MORTG ASSOC	31398AKX9	Aaa	14,479,000	14,789,734	14,764,055	66,664	02/10/10	3.19
FED NAT MORTG ASSOC	31359MXH1	Aaa	4,471,000	4,585,525	4,584,172	22,138	02/15/10	3.78
FED NAT MORTG ASSOC	3136F6ZZ5	Aaa	7,660,000	7,884,810	7,870,650	35,102	02/22/10	4.12
FED NAT MORTG ASSOC	31398APJ5	Aaa	10,000,000	9,995,954	10,175,000	17,500	03/10/10	2.95

**ATTACHMENT B
CITY OF LONG BEACH
INVESTMENT PORTFOLIO
AS OF MARCH 31, 2009**

LONG - TERM PORTFOLIO								
DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FED NAT MORTG ASSOC	3136F9EJ8	Aaa	10,000,000	9,997,967	10,003,125	145,000	04/07/10	3.00
FED NAT MORTG ASSOC	31398AMV1	Aaa	12,000,000	12,195,639	12,157,500	143,333	04/09/10	2.47
FED NAT MORTG ASSOC	31359MB28	Aaa	2,745,000	2,737,517	2,845,364	58,674	04/19/10	4.58
FED NAT MORTG ASSOC	31359MB28	Aaa	6,870,000	6,852,480	7,121,184	146,846	04/19/10	4.58
FED NAT MORTG ASSOC	3136F93B7	Aaa	10,000,000	10,000,000	10,065,625	35,417	07/06/10	1.49
FED NAT MORTG ASSOC	3136F93C5	Aaa	10,000,000	10,000,000	10,000,000	27,083	07/13/10	1.25
FED NAT MORTG ASSOC	3136F94T7	Aaa	9,750,000	9,750,000	9,737,813	17,063	07/28/10	1.00
FED NAT MORTG ASSOC	31398AST0	Aaa	10,000,000	10,259,368	10,237,500	89,917	01/13/11	4.05
FED NAT MORTG ASSOC	31398APM8	Aaa	10,000,000	9,993,333	10,000,000	150,000	04/01/11	3.00
FED NAT MORTG ASSOC	31398APM8	Aaa	11,935,000	11,860,564	11,935,000	179,025	04/01/11	3.00
FED NAT MORTG ASSOC	3136F7B48	Aaa	3,000,000	3,001,556	3,014,063	61,875	05/19/11	5.60
FED NAT MORTG ASSOC	3136F7B48	Aaa	5,000,000	5,002,550	5,023,438	103,125	05/19/11	5.60
FED NAT MORTG ASSOC	31398ATA0	Aaa	8,000,000	8,129,446	8,082,500	60,620	07/28/11	4.29
FED NAT MORTG ASSOC	3136F9AK9	Aaa	8,440,000	8,440,000	8,521,763	29,294	08/26/11	3.54
FED NAT MORTG ASSOC	3136F8XV2	Aaa	5,000,000	5,000,000	5,221,875	70,472	12/03/12	4.12
FED NAT MORTG ASSOC	3136F8Z73	Aaa	8,000,000	7,985,427	8,032,500	36,444	02/20/13	3.98
FED NAT MORTG ASSOC	31398APT3	Aaa	10,000,000	10,034,782	10,012,500	182,222	04/17/13	4.00
FEDERAL HOME LOAN MORTGAGE CORP	313397FQ9	Aaa	10,000,000	9,995,356	9,996,875	0	05/15/09	0.38
FEDERAL HOME LOAN MORTGAGE CORP	3137EAAE9	Aaa	5,000,000	5,015,981	5,031,250	94,792	05/21/09	5.22
FEDERAL HOME LOAN MORTGAGE CORP	313397GE5	Aaa	20,000,000	19,988,722	19,993,750	0	05/29/09	0.35
FEDERAL HOME LOAN MORTGAGE CORP	313397GU9	Aaa	10,000,000	9,991,200	9,991,200	0	06/12/09	0.44
FEDERAL HOME LOAN MORTGAGE CORP	3134A4US1	Aaa	6,128,000	6,149,967	6,195,025	54,982	07/15/09	4.20
FEDERAL HOME LOAN MORTGAGE CORP	3128X3VA8	Aaa	3,000,000	2,994,533	3,042,188	10,313	09/01/09	4.07
FEDERAL HOME LOAN MORTGAGE CORP	313397MJ7	Aaa	20,000,000	19,945,400	19,968,750	0	09/30/09	0.54
FEDERAL HOME LOAN MORTGAGE CORP	313397PM7	Aaa	20,000,000	19,914,567	19,950,000	0	11/20/09	0.67
FEDERAL HOME LOAN MORTGAGE CORP	3137EABB4	Aaa	8,000,000	8,054,038	8,167,500	110,917	11/30/09	4.04
FEDERAL HOME LOAN MORTGAGE CORP	3137EABB4	Aaa	15,000,000	15,348,618	15,314,063	207,969	11/30/09	4.04
FEDERAL HOME LOAN MORTGAGE CORP	313397QW4	Aaa	15,000,000	14,913,550	14,948,438	0	12/23/09	0.78
FEDERAL HOME LOAN MORTGAGE CORP	3128X8DH2	Aaa	10,000,000	10,000,000	10,003,125	25,278	12/30/09	1.00
FEDERAL HOME LOAN MORTGAGE CORP	3128X8EH1	Aaa	10,000,000	10,000,000	10,000,000	21,667	01/13/10	1.00
FEDERAL HOME LOAN MORTGAGE CORP	3128X8GF3	Aaa	15,000,000	15,000,000	14,995,313	24,938	02/04/10	1.05
FEDERAL HOME LOAN MORTGAGE CORP	3128X8HP0	Aaa	8,300,000	8,300,000	8,302,594	13,142	02/04/10	1.00
FEDERAL HOME LOAN MORTGAGE CORP	3128X7LZ5	Aaa	7,335,000	7,330,577	7,481,700	93,521	04/28/10	2.94
FEDERAL HOME LOAN MORTGAGE CORP	3128X8GU0	Aaa	10,000,000	10,000,000	10,000,000	19,444	05/05/10	1.25
FEDERAL HOME LOAN MORTGAGE CORP	3128X8GU0	Aaa	17,000,000	16,992,558	17,000,000	33,056	05/05/10	1.25
FEDERAL HOME LOAN MORTGAGE CORP	3128X56P8	Aaa	10,000,000	10,000,000	10,065,625	170,833	05/28/10	4.97
FEDERAL HOME LOAN MORTGAGE CORP	3134A4VB7	Aaa	2,519,000	2,606,449	2,622,122	22,802	07/12/10	3.96
FEDERAL HOME LOAN MORTGAGE CORP	3128X6Y59	Aaa	10,000,000	9,990,367	10,243,750	41,514	08/12/10	2.98
FEDERAL HOME LOAN MORTGAGE CORP	3128X6Y26	Aaa	7,260,000	7,255,398	7,491,413	32,771	02/11/11	3.15
FEDERAL HOME LOAN MORTGAGE CORP	3128X7TS3	Aaa	8,000,000	7,988,004	8,027,500	104,800	05/20/11	3.59
FEDERAL HOME LOAN MORTGAGE CORP	3128X8GX4	Aaa	7,000,000	7,000,000	6,995,625	14,000	02/13/12	1.50
FEDERAL HOME LOAN MORTGAGE CORP	3128X7DV3	Aaa	10,000,000	10,000,000	10,000,000	167,813	04/02/12	3.38

**ATTACHMENT B
CITY OF LONG BEACH
INVESTMENT PORTFOLIO
AS OF MARCH 31, 2009**

LONG - TERM PORTFOLIO								
DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FEDERAL HOME LOAN MORTGAGE CORP	3128X7DV3	Aaa	20,000,000	19,966,219	20,000,000	335,625	04/02/12	3.38
FEDERAL HOME LOAN MORTGAGE CORP	3128X52N7	Aaa	7,000,000	6,999,333	7,017,500	181,708	04/03/12	5.24
U.S. TREASURY NOTES	912828CE8	Aaa	5,000,000	4,998,814	5,006,250	72,115	04/15/09	3.12
U.S. TREASURY NOTES	912828CE8	Aaa	5,000,000	4,998,810	5,006,250	72,115	04/15/09	3.12
U.S. TREASURY NOTES	912828CE8	Aaa	5,000,000	4,998,782	5,006,250	72,115	04/15/09	3.12
U.S. TREASURY NOTES	912828CH1	Aaa	10,000,000	10,034,864	10,043,750	146,651	05/15/09	3.86
U.S. TREASURY NOTES	912828CH1	Aaa	10,000,000	10,032,621	10,043,750	146,651	05/15/09	3.86
U.S. TREASURY NOTES	912828CH1	Aaa	15,000,000	15,067,845	15,065,625	219,976	05/15/09	3.86
U.S. TREASURY NOTES	912828CL2	Aaa	15,000,000	15,088,985	15,117,188	176,374	06/15/09	3.97
U.S. TREASURY NOTES	912828CL2	Aaa	15,000,000	15,103,910	15,117,188	176,374	06/15/09	3.97
U.S. TREASURY NOTES	912828CN8	Aaa	5,000,000	4,993,678	5,048,438	38,052	07/15/09	3.59
U.S. TREASURY NOTES	912828CN8	Aaa	10,000,000	10,057,267	10,096,875	76,105	07/15/09	3.59
U.S. TREASURY NOTES	912828CS7	Aaa	10,000,000	10,075,944	10,118,750	43,508	08/15/09	3.46
U.S. TREASURY NOTES	912828FP0	Aaa	5,000,000	5,068,031	5,085,938	30,300	08/15/09	4.79
U.S. TREASURY NOTES	912828CS7	Aaa	10,000,000	10,094,356	10,118,750	43,508	08/15/09	3.46
U.S. TREASURY NOTES	912828HB9	Aaa	10,000,000	10,116,327	10,150,000	34,783	08/31/09	3.94
U.S. TREASURY NOTES	912828CV0	Aaa	10,000,000	10,082,915	10,137,500	15,591	09/15/09	3.33
U.S. TREASURY NOTES	912828HD5	Aaa	10,000,000	10,132,247	10,178,125	1,093	09/30/09	3.93
U.S. TREASURY NOTES	912828HD5	Aaa	10,000,000	10,143,085	10,178,125	1,093	09/30/09	3.93
U.S. TREASURY NOTES	912828CX6	Aaa	10,000,000	10,113,640	10,156,250	155,769	10/15/09	3.32
U.S. TREASURY NOTES	912828CX6	Aaa	7,000,000	7,094,434	7,109,375	109,038	10/15/09	3.32
U.S. TREASURY NOTES	912828HF0	Aaa	10,000,000	10,134,049	10,181,250	152,210	10/31/09	3.56
U.S. TREASURY NOTES	912828HF0	Aaa	7,000,000	7,111,003	7,126,875	106,547	10/31/09	3.56
U.S. TREASURY NOTES	912828GG9	Aaa	10,000,000	10,375,000	10,359,375	59,047	02/15/10	4.59
U.S. TREASURY NOTES	912828HU7	Aaa	10,000,000	10,126,676	10,112,500	478	03/31/10	1.73
U.S. TREASURY NOTES	912828HX1	Aaa	10,000,000	10,175,064	10,165,625	89,227	04/30/10	2.09
U.S. TREASURY BILLS	912795L25	Aaa	10,000,000	9,999,660	10,000,000	0	04/02/09	1.23
U.S. TREASURY BILLS	912795L41	Aaa	10,000,000	9,996,000	10,000,000	0	04/16/09	0.96
U.S. TREASURY BILLS	912795S69	Aaa	10,000,000	9,958,472	9,962,500	0	12/17/09	0.58
TOTAL LONG - TERM PORTFOLIO			1,007,375,000	1,011,933,625	1,016,262,002	8,095,096	363	2.90
HEALTH SAVRS LOAN			2,771,094	2,771,094	2,771,094	5,034	04/22/19	3.02
TOTAL SHORT TERM AND LONG TERM PORTFOLIO			1,747,088,270	1,753,577,716	1,757,989,829	9,199,295	285	2.22