

April 25, 2016

SUBJECT

Fiscal Year 2016 Third Quarter Investment Report

BACKGROUND

Under the provisions of Section 53600 et seq. of the California government code, Long Beach Public Transportation Company is required to submit a quarterly report of its investment holdings to all Board members.

Attached is the Quarterly Investment Report as of March 31, 2016. The Company's assets are held at the State's Local Agency Investment Fund (LAIF), City National Bank general and payroll accounts, Bank of America general and payroll accounts, Wells Fargo workers' compensation account and the Corporate Investment Account, which contains investment vehicles similarly structured to LAIF.

The cash and investment balance as of March 31, 2016, increased by \$101,955 when compared to the prior quarter. This increase is primarily attributed to the receipt of Measure R funds.

The objectives in this financial market continue to be to preserve principal and maintain liquidity. Meeting these objectives require assuming less portfolio risk resulting in lower investment returns.

The \$71.4 million total cash and investment balance includes \$45.2 million in restricted funds. The restricted funds are designated for various capital grants and self-insurance programs. These funds are held until related expenditures are incurred.

LONG BEACH PUBLIC TRANSPORTATION COMPANY

Quarterly Investment Report

As of March 31, 2016

| | June 30, 2015 | | | September 30, 2015 | | | December 31, 2015 | | | March 31, 2016 | | |
|--|---------------|---------------------|-------|--------------------|---------------------|-------|-------------------|---------------------|--------|----------------|-------|---------------------|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| Cash on Hand | | | | | | | | | | | | |
| Bank Accounts: | | | | | | | | | | | | |
| General | | \$636,066 | | | \$654,743 | | | \$2,177,608 | | | | \$3,549,058 |
| Workers Compensation | | \$366,379 | | | \$291,258 | | | \$289,377 | | | | \$249,198 |
| Payroll | | \$208,006 | | | \$289,340 | | | \$586,437 | | | | \$276,760 |
| Investments | | | | | | | | | | | | |
| Local Agency | | | | | | | | | | | | |
| Investment Fund (LAIF) | | \$43,173,995 | | | \$41,351,552 | | | \$42,185,445 | | | | \$41,037,520 |
| Money Market Funds: | | | | | | | | | | | | |
| Fidelity Municipal | | \$290,401 | | | \$1,444,564 | | | \$ 272,279 | | | | \$ 40,766 |
| Corporate Investment Account | | \$25,816,787 | | | \$24,758,319 | | | \$25,801,118 | | | | \$ 26,260,917 |
| Total Cash & Investments | | \$70,491,634 | | | \$68,789,776 | | | \$71,312,264 | | | | \$71,414,219 |
| Effective Yield | | | | | | | | | | | | |
| LAIF - Annual | 0.28% | 0.29% | 0.30% | 0.32% | 0.33% | 0.34% | 0.36% | 0.37% | 0.40% | 0.51% | 0.47% | 0.45% |
| 90 - Day Treasury Bill | 0.02% | 0.02% | 0.02% | 0.03% | 0.07% | 0.02% | 0.02% | 0.13% | 0.26% | 0.26% | 0.31% | 0.29% |
| Portfolio Return (Time weighted by Month) | | | | | | | | | | | | |
| Investments - Monthly | 0.01% | 0.02% | 0.01% | 0.05% | -0.03% | 0.35% | -0.22% | -0.11% | -0.24% | 0.49% | 0.10% | 0.28% |

* See attached listing for investment account details provided by Fidelity and investment manager Halbert Hargrove

The Company's investment portfolio does not impede the Company from meeting its expenditure requirements over the next six months. The Company's investment portfolio is in compliance with the Statement of Investment Policy.

LONG BEACH PUBLIC TRANSPORTATION COMPANY

Corporate Investment Account

As of March 31, 2016

| Corporate Bonds | Due | Market Value | Cost Basis | Duration | Rating |
|------------------------------|------------|---------------------|---------------------|----------|--------|
| AMGEN INC BOND | 5/15/2017 | \$ 707,966 | \$ 706,849 | 1.12 | AA |
| APPLE INC | 5/12/2017 | \$ 701,085 | \$ 700,010 | 1.12 | AA |
| BERKSHIRE HATHAWAY | 5/15/2017 | \$ 605,022 | \$ 603,887 | 1.12 | A+ |
| BLACKROCK INC SER 2 NOTE | 12/10/2019 | \$ 671,280 | \$ 660,633 | 3.70 | AA |
| BOTTLING GROUP LLC | 1/15/2019 | \$ 773,906 | \$ 770,473 | 2.79 | AA- |
| E M C CORP MASS SR GLBL NT | 6/1/2018 | \$ 684,593 | \$ 695,880 | 2.17 | A |
| GENERAL ELEC CAP CORP MTN | 5/1/2018 | \$ 767,137 | \$ 755,710 | 2.08 | AA+ |
| NYSE EURONEXT SR NT | 10/5/2017 | \$ 705,418 | \$ 704,565 | 1.52 | A- |
| PFIZER INC | 3/30/2017 | \$ 735,812 | \$ 734,188 | 1.00 | A |
| TARGET CORP NOTES | 7/15/2016 | \$ 709,870 | \$ 709,450 | 0.29 | A |
| WELLS FARGO CO MTN BE | 12/15/2016 | \$ 708,400 | \$ 708,316 | 0.71 | A |
| Corporate Bonds Total | | \$ 7,770,489 | \$ 7,749,961 | | |

| Government Agency Bonds | Due | Market Value | Cost Basis | Duration | Rating |
|---|------------|----------------------|----------------------|----------|--------|
| FEDERAL NATL MTG ASSN | 6/8/2016 | \$ 1,500,495 | \$ 1,500,010 | 0.19 | AA+ |
| FEDERAL FARM CR BKS | 9/14/2017 | \$ 1,252,013 | \$ 1,248,473 | 1.46 | AA+ |
| FEDERAL FARM CR BKS CONS B | 6/3/2019 | \$ 1,501,005 | \$ 1,500,010 | 3.18 | AA+ |
| UNITED STATES TREAS NTS | 10/31/2017 | \$ 850,298 | \$ 848,915 | 1.59 | AA+ |
| FEDERAL FARM CR BKS CONS B | 11/17/2017 | \$ 2,136,920 | \$ 2,274,820 | 1.63 | AA+ |
| FEDERAL NATL MTG ASSN | 2/19/2019 | \$ 2,054,160 | \$ 2,010,890 | 2.89 | AA+ |
| FEDERAL NATL MTG ASSN | 11/14/2017 | \$ 999,420 | \$ 998,510 | 1.62 | AA+ |
| UNITED STATES TREAS NTS | 5/31/2016 | \$ 2,004,740 | \$ 2,046,426 | 0.17 | AA+ |
| UNITED STATES TREAS NTS | 2/28/2017 | \$ 2,004,300 | \$ 2,009,286 | 0.92 | AA+ |
| UNITED STATES TREAS NTS | 11/30/2018 | \$ 2,029,060 | \$ 2,017,520 | 2.67 | AA+ |
| UNITED STATES TREAS NTS | 3/31/2017 | \$ 2,007,340 | \$ 2,012,765 | 1.00 | AA+ |
| Government & Government Agency Bonds | | \$ 18,339,750 | \$ 18,467,624 | | |

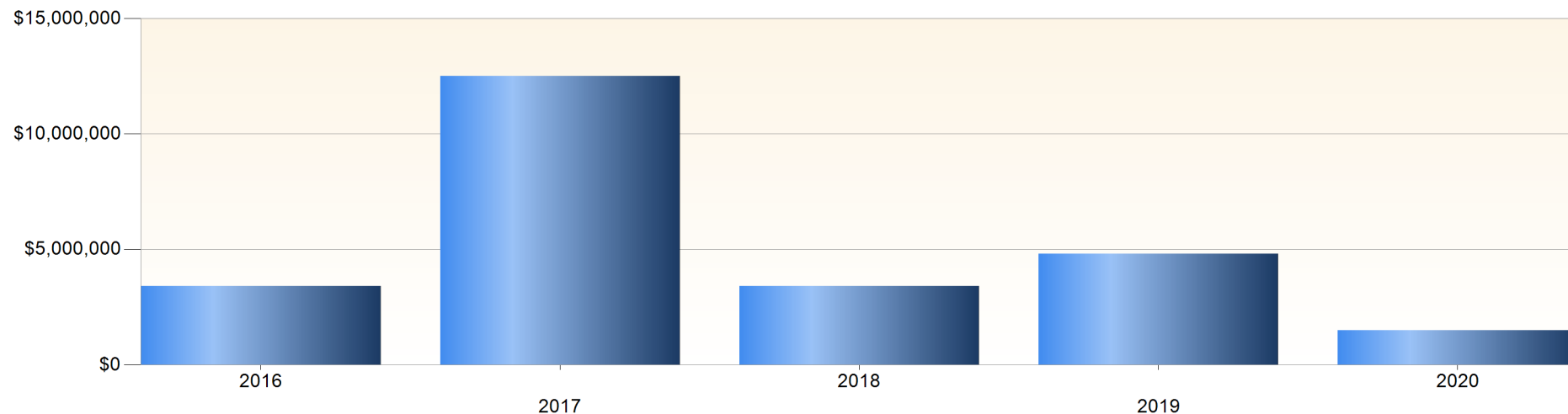
Total Market Value \$ 26,110,239

Accrued Interest-Fidelity \$ 150,678

Total Investment Value \$ 26,260,917



BOND AND NOTE ANALYSIS



Maturity by Year

| Description | Principal | Value | Annual Income | Yield to Maturity (Cost) |
|---|----------------------|----------------------|-------------------|--------------------------|
| Redeems in 2016 | 3,400,000.00 | 3,448,876.37 | 94,500.00 | 0.6% |
| United States Treas Nts 05/31/2016 1.750% | 2,000,000.00 | 2,004,740.00 | 35,000.00 | 0.3% |
| Accrued Income | | 11,762.30 | | |
| Target Corp Notes Make Whole 07/15/2016 5.875% | 700,000.00 | 709,870.00 | 41,125.00 | 1.1% |
| Accrued Income | | 8,681.94 | | |
| Wells Fargo Co Mtn Be 12/15/2016 2.625% | 700,000.00 | 708,400.00 | 18,375.00 | 0.9% |
| Accrued Income | | 5,422.13 | | |
| Redeems in 2017 | 12,500,000.00 | 12,769,617.26 | 249,750.00 | 0.9% |
| United States Treas Nts 02/28/2017 0.875% | 2,000,000.00 | 2,004,300.00 | 17,500.00 | 0.5% |
| Accrued Income | | 1,521.74 | | |



BOND AND NOTE ANALYSIS

| Description | Principal | Value | Annual Income | Yield to Maturity (Cost) |
|--|----------------------|----------------------|-------------------|--------------------------------|
| Redeems in 2017 | 12,500,000.00 | 12,769,617.26 | 249,750.00 | 0.9% |
| Pfizer Incorporated 03/30/2017 6.050% | 700,000.00 | 735,812.00 | 42,350.00 | 1.0% |
| Accrued Income | | 117.64 | | |
| United States Treas Nts 03/31/2017 1.000% | 2,000,000.00 | 2,007,340.00 | 20,000.00 | 0.6% |
| Accrued Income | | 54.64 | | |
| Apple Inc Note 05/12/2017 0.900% | 700,000.00 | 701,085.00 | 6,300.00 | 0.9% |
| Accrued Income | | 2,423.08 | | |
| Amgen Inc Bond 05/15/2017 2.125% | 700,000.00 | 707,966.00 | 14,875.00 | 1.2% |
| Accrued Income | | 5,619.44 | | |
| Berkshire Hathaway Fin Corp 1.60000% 05/ 05/15/2017 1.600% | 600,000.00 | 605,022.00 | 9,600.00 | 1.0% |
| Accrued Income | | 3,639.56 | | |
| Federal Farm Credit Bank Bonds 09/14/2017 0.780% | 1,250,000.00 | 1,252,012.50 | 9,750.00 | 0.8% |
| Accrued Income | | 476.90 | | |
| NYSE Euronext Nt 10/05/2017 2.000% | 700,000.00 | 705,418.00 | 14,000.00 | 1.6% |
| Accrued Income | | 6,844.44 | | |
| United States Treasury 10/31/2017 0.750% | 850,000.00 | 850,297.50 | 6,375.00 | 0.8% |
| Accrued Income | | 2,679.60 | | |
| Federal Natl Mtg Assn 11/14/2017 0.900% Call 05/14/2016 100.00 | 1,000,000.00 | 999,420.00 | 9,000.00 | 0.9% |
| Accrued Income | | 3,425.00 | | |
| Federal Home Ln Bks Cons Bd 11/17/2017 5.000% | 2,000,000.00 | 2,136,920.00 | 100,000.00 | 1.1% |
| Accrued Income | | 37,222.22 | | |

**BOND AND NOTE ANALYSIS**

| Description | Principal | Value | Annual Income | Yield to Maturity (Cost) |
|---|----------------------|----------------------|-------------------|--------------------------|
| Redeems in 2018 | 3,400,000.00 | 3,510,813.05 | 80,000.00 | 1.5% |
| General Elec Cap Corp Mtn Be 05/01/2018 5.625% | 700,000.00 | 767,137.00 | 39,375.00 | 1.7% |
| Accrued Income | | 16,406.25 | | |
| E M C Corp Mass Sr Nt 06/01/2018 1.875% | 700,000.00 | 684,593.00 | 13,125.00 | 2.0% |
| Accrued Income | | 4,375.00 | | |
| United States Treas Nts 11/30/2018 1.375% | 2,000,000.00 | 2,029,060.00 | 27,500.00 | 1.1% |
| Accrued Income | | 9,241.80 | | |
| Redeems in 2019 | 4,800,000.00 | 5,029,529.12 | 127,675.00 | 1.7% |
| Bottling Group LLC Make Whole 01/15/2019 5.125% | 700,000.00 | 773,906.00 | 35,875.00 | 1.4% |
| Accrued Income | | 7,573.61 | | |
| Federal Natl Mtg Assn 02/19/2019 1.875% | 2,000,000.00 | 2,054,160.00 | 37,500.00 | 1.8% |
| Accrued Income | | 4,375.00 | | |
| Federal Farm Credit Bks 06/03/2019 1.620% Call 06/03/2016 100.00 | 1,500,000.00 | 1,501,005.00 | 24,300.00 | 1.6% |
| Accrued Income | | 7,967.21 | | |
| Blackrock Inc Ser 2 Note 12/10/2019 5.000% | 600,000.00 | 671,280.00 | 30,000.00 | 2.1% |
| Accrued Income | | 9,262.30 | | |
| Redeems in 2020 | 1,500,000.00 | 1,502,109.13 | 24,750.00 | 1.6% |
| Federal Farm Cr Bks Bond 1.65000% 09/08/ 09/08/2020 1.650% Call 06/08/2016 100.00 | 1,500,000.00 | 1,500,495.00 | 24,750.00 | 1.6% |
| Accrued Income | | 1,614.13 | | |
| Total | 25,600,000.00 | 26,260,944.93 | 576,675.00 | 1.1% |



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

| Date | Daily Yield* | Quarter to Date Yield | Average Maturity (in days) |
|----------|--------------|-----------------------|----------------------------|
| 04/01/16 | 0.52 | 0.52 | 153 |
| 04/02/16 | 0.52 | 0.52 | 153 |
| 04/03/16 | 0.52 | 0.52 | 153 |
| 04/04/16 | 0.52 | 0.52 | 153 |
| 04/05/16 | 0.52 | 0.52 | 153 |
| 04/06/16 | 0.52 | 0.52 | 154 |
| 04/07/16 | 0.52 | 0.52 | 153 |
| 04/08/16 | 0.52 | 0.52 | 153 |
| 04/09/16 | 0.52 | 0.52 | 153 |
| 04/10/16 | 0.52 | 0.52 | 153 |
| 04/11/16 | 0.52 | 0.52 | 151 |
| 04/12/16 | 0.52 | 0.52 | 151 |
| 04/13/16 | 0.52 | 0.52 | 150 |
| 04/14/16 | 0.52 | 0.52 | 149 |

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

Quarter Ending 03/31/16

Apportionment Rate: 0.46%
 Earnings Ratio: 0.00001268659292168
 Fair Value Factor: 1.00022106
 Daily: 0.51%
 Quarter to Date: 0.47%
 Average Life: 146

PMIA Average Monthly Effective Yields

MAR 2016 0.506%
 FEB 2016 0.467%
 JAN 2016 0.446%

**Pooled Money Investment Account
Portfolio Composition
3/31/16
\$67.7 billion**

