



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-16

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November 14, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file Investment Report for Quarter Ending September 30, 2006.
(Citywide)

DISCUSSION

The Department of Financial Management, City Treasurer's Office, invests City funds in compliance with the California Government Code, Section 53600 et seq., and the City's Investment Policy. As of September 30, 2006, these funds had a market value of approximately \$1.45 billion, with approximately \$479 million, or 33 percent of funds, maturing within six months, ensuring that sufficient funds are available to meet the City's budgeted expenditure requirements during this time period.

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 an average weighted maturity of three years. In addition, the Investment Advisory Committee, composed of a representative from the City Manager's office, Assistant City Auditor, Chief Assistant City Attorney, Director of Financial Management, City Treasurer, City Controller, Budget Manager and the financial officers of the Harbor, Water and Community Development Departments, meets quarterly, or as needed, to review investment policies, strategies and performance.

Rating Section

As of the date of this report, the City's investment holdings carry the highest credit rating of AAA and the lowest volatility rating of S1 by Standard & Poor's.

Investment Performance

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 2006 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 of these indices are market indices that change daily.

At September 30, 2006, the City's investment pool market yield was 4.15 percent compared to 4.03 percent at June 30, 2006. The following table summarizes Investment Pool market yield performance for the quarter ending September 30, 2006:

Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return	Weighted Avg Maturity	Month end Yield
Short-Term Investment Pool	\$ 387,950,000	4.88 percent	285 days	4.93 percent
Long-Term Investment Pool	\$ 1,039,883,000	4.83 percent	1.55 years	3.85 percent
Total Investment Pool	\$ 1,427,833,000	4.84 percent	1.34 years	4.15 percent
State of California L.A.I.F.*	For comparative purposes only	N/A	152 days	5.02 percent

* Local Agency Investment Fund effective average for the period.

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 September 30, 2006:

SHORT-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark
July 2006	\$ 35,198,000	5.06 percent	5.66	0.60 percent
August 2006	\$ 64,667,000	5.08 percent	5.53	0.45 percent
September 2006	\$ 19,924,000	4.93 percent	5.26	0.33 percent
Total Invested Funds *	\$ 119,789,000	5.05 percent	5.52 percent	0.47 percent

* 91-Day T-Bill and other returns listed are weighted averages for the period. Excludes overnight and short-term investments under 10 days. **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 City's new investments vs. the weighted average Benchmark Yield in the long-term portfolio by month for the quarter ending September 30, 2006:

LONG-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs Purchase Yield Analysis		
		Benchmark Return	Purchase Yield**	Over/(Under) Benchmark
July 2006	\$ 41,902,000	5.10 percent	5.74 percent	0.64 percent
August 2006	\$ 29,393,000	5.00 percent	5.56 percent	0.56 percent
September 2006	\$ 19,990,000	4.81 percent	5.34 percent	0.53 percent
Total Invested Funds *	\$ 91,285,000	5.00 percent	5.59 percent	0.59 percent

* Merrill Lynch One-to-Three Year Treasury/Agency Index and other returns listed are weighted averages for the period.

**Yields stated to maturity assume the securities are not called or sold prior to the maturity date.

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

The City's investment pool consists of all City funds except Subsidence, certain bond proceeds, 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 continue to satisfy the City's cash needs.

Long-Term Investment Strategy

The City will continue to weigh new instruments at the 18-month to 30-month part of the yield curve in order to meet or exceed the benchmark yield and duration.

Treasury Bureau staff continues to monitor market conditions and market spreads daily in order to take advantage of opportunities to enhance earnings, while at the same time maintaining safety of principal and adequate liquidity.

Cash Management Goals

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

This report was reviewed by Assistant City Attorney Heather A. Mahood, Budget Management Officer David Wodynski and the City's Investment Advisory Committee on October 30, 2006.

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,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

ATTACHMENT

APPROVED:



GERALD R. MILLER
CITY MANAGER

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 9/30/06

Security Name	Quality Rating	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration	WAM ¹ (In Years)
CASH & EQUIVALENTS									
Bank Deposits	NA	23,003,250	23,003,250	23,003,250	31,962	1.0	4.82%	0.00	
Money Market Funds	NA	34,687	34,687	34,687	15	1.0	1.50%	0.00	
L.A.I.F.	NA	2,909,377	2,909,377	2,909,377	4,201	1.0	5.01%	0.00	
CASH & EQUIVALENTS		25,947,314	25,947,314	25,947,314	36,178	1.0	4.84%	0.00	
POOLED INVESTMENTS (SHORT)									
Bankers Acceptances - Discount									
		-	-	-	-	-	0.00%	-	
FNMA DISCOUNT 13OCT2006	GOVT	5,000,000.00	4,952,195.83	4,953,387.50	39,112.50	10/13/06	5.34%	0.04	
BEAR STEARNS COS INC 0.00 04OCT2006	A-1	17,000,000.00	16,972,635.56	16,964,786.13	19,941.07	10/4/06	5.32%	0.01	
BEAR STEARNS COS INC 0.00 05OCT2006	A-1	10,000,000.00	9,986,900.00	9,982,274.22	7,277.78	10/5/06	5.32%	0.02	
BEAR STEARNS COS INC 0.00 06OCT2006	A-1	20,000,000.00	19,963,586.11	19,954,331.56	21,844.44	10/6/06	5.33%	0.02	
BEAR STEARNS COS INC 0.00 11OCT2006	A-1	10,000,000.00	9,982,533.33	9,979,955.55	2,244.45	10/11/06	4.10%	0.03	
RABOBANK USA FINL COR 0.0 02OCT2006	A-1+	5,800,000.00	5,797,409.33	5,794,773.17	1,727.11	10/2/06	5.44%	0.01	
TOYOTA MTR CR CORP D 0.00 03OCT2006	A-1+	10,000,000.00	9,982,616.67	9,978,021.89	14,486.11	10/3/06	5.30%	0.01	
JBS FIN (DEL) DISC C/P 02OCT2006	A-1+	10,000,000.00	9,985,513.89	9,980,928.50	13,037.50	10/2/06	5.30%	0.01	
JBS FIN (DEL) DISC C/P 04OCT2006	A-1+	10,000,000.00	9,982,600.00	9,976,813.64	14,236.36	10/4/06	5.79%	0.01	
JBS FIN (DEL) DISC C/P 10OCT2006	A-1+	10,000,000.00	9,982,533.33	9,978,933.33	3,366.67	10/10/06	4.10%	0.02	
JBS AMERS INC DISC C/P 02OCT2006	A-1+	30,000,000.00	29,986,650.00	29,972,998.00	8,900.00	10/2/06	5.42%	0.01	
Commercial Paper - Discount		137,800,000	137,575,174	137,517,203	146,173.99	4.9	5.20%	0.02	
Certificates of Deposits									
		-	-	-	-	-	0.00%	-	
Reverse Repurchase Agreements									
		-	-	-	-	-	0.00%	-	
Repurchase Agreements									
		-	-	-	-	-	0.00%	-	
FEDERAL FARM CR BKS 3.75 05DEC2006	GOVT	4,000,000.00	3,965,720.00	3,988,750.00	48,333.32	12/5/06	3.76%	0.18	
FEDERAL FARM CR BKS 5.5 25OCT2007	GOVT	5,000,000.00	5,000,000.00	5,018,750.00	50,416.65	10/25/07	5.48%	1.02	
FEDERAL FARM CR BKS C 5.5 23FEB2009	GOVT	5,000,000.00	5,000,000.00	5,003,125.00	26,388.85	2/23/09	5.50%	0.81	
FEDERAL HOME LN MTG C 3.2 22DEC2006	GOVT	1,000,000.00	985,960.00	995,280.00	8,800.00	12/22/06	3.22%	0.22	
FEDERAL HOME LN MTG CORP M/T/N STEP CPN	GOVT	5,000,000.00	5,001,500.00	4,945,312.50	361.11	4/5/07	2.65%	0.50	
FEDERAL HOME LN MTG 3.75 15NOV2006	GOVT	12,000,000.00	11,911,080.00	11,976,840.00	169,999.92	11/15/06	3.76%	0.12	
FEDERAL HOME LN MTG 3.250 NOV 02 07	GOVT	1,000,000.00	971,779.00	980,570.00	13,451.38	11/2/07	3.31%	1.04	
FEDERAL HOME LN MTG CORP	GOVT	5,000,000.00	4,996,093.75	4,994,950.00	124,925.00	4/10/08	5.27%	0.74	
FEDERAL HOME LN MTG CORP DEB STEP	GOVT	1,475,000.00	1,452,830.75	1,461,828.25	7,170.14	2/9/07	3.15%	0.35	
FEDERAL HOME LN MTG CORP DEB	GOVT	5,000,000.00	5,000,000.00	5,000,781.25	100,781.25	6/12/07	5.37%	0.37	
FEDERAL HOME LN MTG 5.25 16MAY2007	GOVT	5,000,000.00	4,995,150.00	4,998,950.00	98,437.50	5/16/07	5.25%	0.60	

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 9/30/06

Security Name	Quality Rating	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration	WAM ¹ (In Years)
FEDERAL HOME LN BKS DEB	GOVT	3,500,000.00	3,500,000.00	3,439,843.75	27,270.81	6/19/07	2.80%	0.70	
FEDERAL HOME LN BKS 2.6 30MAR2007	GOVT	1,000,000.00	1,000,000.00	986,875.00	13,072.22	3/30/07	2.63%	0.48	
FEDERAL HOME LN BKS 5.250 OCT 03 07	GOVT	5,000,000.00	4,997,500.00	5,004,687.50	129,791.65	10/3/07	5.25%	0.01	
FEDERAL HOME LN BKS 2.53 30MAR2007	GOVT	1,370,000.00	1,370,000.00	1,351,590.63	17,426.77	3/30/07	2.56%	0.48	
FEDERAL HOME LN BK	GOVT	5,000,000.00	4,942,700.00	4,964,062.50	86,666.65	4/25/07	4.03%	0.55	
FEDERAL HOME LN BKS 5.35 20JUN2007	GOVT	5,000,000.00	5,000,000.00	4,996,875.00	75,048.60	6/20/07	5.35%	0.47	
FEDERAL HOME LN BKS 4.9 21NOV2007	GOVT	5,000,000.00	4,960,300.00	4,989,062.50	88,472.20	11/21/07	4.91%	0.66	
FEDERAL HOME LN BKS 5.125 15MAY2007	GOVT	5,000,000.00	4,983,700.00	4,995,312.50	96,805.55	5/15/07	5.13%	0.60	
FEDERAL HOME LN BKS 3.5 15NOV2007	GOVT	2,500,000.00	2,435,950.00	2,457,031.25	33,055.55	11/15/07	3.56%	1.07	
FEDERAL HOME LN BKS 4.5 12OCT2007	GOVT	3,665,000.00	3,632,601.40	3,642,093.75	77,423.13	10/12/07	4.53%	0.81	
FEDERAL HOME LN BKS 4.625 24OCT2007	GOVT	5,000,000.00	4,962,250.00	4,973,437.50	100,850.65	10/24/07	4.65%	0.79	
FEDERAL HOME LN BKS 6.05 02AUG2010	GOVT	10,000,000.00	10,000,000.00	10,015,625.00	99,152.70	8/2/10	6.04%	0.25	
FEDERAL HOME LN BKS 6.01 02AUG2010	GOVT	5,000,000.00	5,000,000.00	5,001,562.50	49,248.60	8/2/10	6.01%	0.67	
FEDERAL HOME LN BKS 6.0 15FEB2011	GOVT	5,000,000.00	5,000,000.00	5,004,687.50	38,333.30	2/15/11	5.99%	0.67	
FEDERAL HOME LN BKS 5.4 22AUG2007	GOVT	2,630,000.00	2,628,685.00	2,629,178.13	15,385.50	8/22/07	5.40%	0.46	
FEDERAL HOME LN BKS 3.0 19OCT2007	GOVT	3,725,000.00	3,628,895.00	3,644,679.69	50,287.50	10/19/07	3.07%	1.00	
FEDERAL HOME LN BKS 3.125 15NOV2006	GOVT	10,000,000.00	9,938,000.00	9,975,000.00	118,055.50	11/15/06	3.13%	0.12	
FEDERAL HOME LN BKS 6.0 29JUN2011	GOVT	5,000,000.00	5,028,500.00	5,021,875.00	75,833.30	6/29/11	5.97%	1.11	
FEDERAL NATL MTG ASS 5.16 24FEB2011	GOVT	5,000,000.00	4,939,800.00	4,998,437.50	26,516.65	2/24/11	5.16%	2.85	
FEDERAL NATL MTG ASSN 5.1 22FEB2008	GOVT	5,000,000.00	4,984,375.00	4,993,750.00	27,625.00	2/22/08	5.11%	0.76	
FEDERAL NATL MTG ASSN 6.0 28APR2011	GOVT	15,889,000.00	15,873,104.06	15,889,000.00	405,169.50	4/28/11	6.00%	0.59	
FEDERAL NATL MTG ASSN 5.550 NOV 10 08	GOVT	5,000,000.00	5,000,000.00	5,000,000.00	107,916.65	11/10/08	5.55%	0.56	
FEDERAL NATL MTG ASSN 6.0 25MAY2011	GOVT	5,000,000.00	5,000,000.00	5,014,062.50	105,000.00	5/25/11	5.98%	1.13	
FEDERAL NATL MTG ASSN 5.3 22FEB2011	GOVT	5,000,000.00	4,932,500.00	4,982,812.50	28,708.30	2/22/11	5.32%	2.17	
FEDERAL NATL MTG AS 2.375 15FEB2007	GOVT	3,500,000.00	3,428,621.00	3,462,812.50	10,621.52	2/15/07	2.40%	0.37	
FEDERAL NATL MTG AS 3.375 15MAY2007	GOVT	7,950,000.00	7,817,712.00	7,858,078.13	101,362.50	5/15/07	3.41%	0.60	
FEDERAL NATL MTG ASSN 6.0 05JAN2010	GOVT	10,000,000.00	10,000,000.00	10,000,000.00	143,333.30	1/5/10	6.00%	0.77	
FEDERAL NATL MTG AS 4.375 15OCT2006	GOVT	5,000,000.00	4,990,000.00	4,998,437.50	100,868.05	10/15/06	4.38%	0.04	
FEDERAL NATL MTG AS 3.875 15MAY2007	GOVT	10,000,000.00	9,891,150.00	9,915,625.00	146,388.80	5/15/07	3.91%	0.60	
FEDERAL NATL MTG ASS 0.00 30NOV2007	GOVT	5,000,000.00	5,000,000.00	5,000,000.00	90,750.00	11/30/07	5.40%	0.54	

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 9/30/06

Security Name	Quality Rating	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration	WAM ¹ (In Years)
FEDERAL NATL MTG ASS 0.00 04AUG2008	GOVT	5,000,000.00	4,907,350.00	4,921,875.00	32,656.25	8/4/08	4.19%	1.42	
U.S. Agencies		220,204,000	219,053,807	219,493,507	3,168,162	669.7	4.77%	0.66	
U.S. Treasuries		-	-	-	-	-	0.00%	-	
GENERAL ELEC CAP CORP 5.0 15JUN2007	AAA	5,000,000.00	4,987,950.00	4,992,187.50	73,611.10	6/15/07	5.01%	0.68	
Corporate Notes		5,000,000	4,987,950	4,992,188	73,611	258.0	5.01%	0.68	
POOLED INVESTMENTS (SHORT)		363,004,000	361,616,931	362,002,898	3,387,947	413.5	4.94%	0.42	
SHORT TERM FUNDS		388,951,314	387,564,245	387,950,213	3,424,125	386.2	4.93%	0.39	0.79
POOLED INVESTMENTS (LONG TERM)									
FED FARM CRD DISCOUNT NT	GOVT	12,500,000	11,941,635.41	11,919,972.22	393,777.78	1/16/07	4.69%	0.29	
FEDERAL FARM CR BKS 1.875 16JAN2007	GOVT	5,000,000	4,846,345.00	4,951,562.50	19,531.25	1/16/07	1.89%	0.29	
FEDERAL FARM CR BKS C 3.1 13NOV2006	GOVT	8,740,000	8,977,618.75	8,718,150.00	103,860.30	11/13/06	3.11%	0.12	
FEDERAL FARM CR BKS 3.65 03DEC2007	GOVT	10,000,000	10,000,000.00	9,837,500.00	119,638.80	12/3/07	3.71%	1.12	
FEDERAL FARM CR BKS C 4.3 11AUG2008	GOVT	5,000,000	5,000,000.00	4,937,500.00	29,861.10	8/11/08	4.35%	1.76	
FEDERAL FARM CR BKS C 4.2 28AUG2007	GOVT	5,000,000	4,990,286.10	4,957,812.50	19,250.00	8/28/07	4.24%	0.88	
FEDERAL FARM CR BKS C 3.7 27OCT2008	GOVT	5,000,000	4,959,375.00	4,871,875.00	79,138.85	10/27/08	3.80%	1.73	
FEDERAL FARM CR BKS C 3.3 05NOV2008	GOVT	10,000,000	9,790,000.00	9,668,750.00	133,833.30	11/5/08	3.41%	1.97	
FEDERAL FARM CR BKS C 3.0 17DEC2007	GOVT	10,000,000	9,778,338.10	9,771,875.00	86,666.60	12/17/07	3.07%	1.17	
FEDERAL FARM CR BKS C 3.7 29DEC2008	GOVT	5,000,000	4,905,350.00	4,865,625.00	47,277.75	12/29/08	3.80%	2.11	
FEDERAL FARM CR BKS 3.75 15JAN2009	GOVT	10,000,000	9,900,025.00	9,737,500.00	79,166.60	1/15/09	3.47%	2.15	
FEDERAL FARM CR BKS 4.04 25APR2007	GOVT	5,000,000	4,984,950.00	4,965,625.00	87,533.30	4/25/07	4.07%	0.55	
FEDERAL FARM CR BKS 4.125 17JUL2009	GOVT	5,000,000	4,993,100.00	4,892,187.50	42,395.80	7/19/09	4.22%	2.59	
FEDERAL FARM CR BKS 3.9 24FEB2009	GOVT	5,000,000	4,918,603.36	4,879,687.50	20,041.65	2/24/09	4.00%	2.25	
FEDERAL FARM CR BKS 3.93 02JUN2008	GOVT	1,015,000	1,006,321.75	997,554.69	13,185.69	6/2/08	4.00%	1.58	
FEDERAL FARM CR BKS 3.25 15JUN2007	GOVT	10,145,000	10,018,638.20	10,005,506.25	97,081.97	6/15/07	3.30%	0.69	
FEDERAL FARM CR BKS 2.375 02OCT2006	GOVT	9,000,000	8,871,300.00	9,000,000.00	106,281.18	10/2/06	2.38%	0.01	
FEDERAL FARM CR BKS C 2.7 04SEP2007	GOVT	10,000,000	9,789,800.00	9,781,250.00	20,250.00	9/4/07	2.76%	0.90	
FEDERAL FARM CR BKS 2.625 17SEP2007	GOVT	10,000,000	9,726,010.00	9,771,875.00	10,208.30	9/17/07	2.69%	0.94	
FEDERAL FARM CR BKS 4.5 28JAN2008	GOVT	5,000,000	4,978,650.00	4,964,062.50	39,375.00	1/28/08	4.53%	1.27	
FEDERAL FARM CR BKS 5.48 29JUN2009	GOVT	5,000,000	5,000,000.00	5,001,562.50	70,022.20	6/29/09	5.48%	1.11	
FEDERAL HOME LN BKS 4.125 15NOV2006	GOVT	2,695,000	2,587,792.90	2,690,789.06	41,997.07	11/15/06	4.13%	0.12	
FEDERAL HOME LN BKS 4.875 15NOV2006	GOVT	10,000,000	9,946,800.00	9,993,750.00	184,166.60	11/15/06	4.88%	0.12	
FEDERAL HOME LN BKS 5.375 15FEB2007	GOVT	4,000,000	4,169,200.00	4,000,000.00	27,472.20	2/15/07	5.38%	0.37	
FEDERAL HOME LN BKS 3.375 FEB 15 08	GOVT	5,000,000	4,886,650.00	4,889,062.50	21,562.50	2/15/08	3.45%	1.32	
FEDERAL HOME LN BKS 4.625 AUG 9 07	GOVT	13,715,000	13,638,196.00	13,646,425.00	91,623.74	8/9/07	4.65%	0.67	
FEDERAL HOME LN BKS	GOVT	8,000,000	7,837,707.50	7,922,500.00	25,666.64	2/16/07	2.65%	0.37	
FEDERAL HOME LN BKS 2.875 19APR2007	GOVT	5,000,000	4,889,600.00	4,935,937.50	64,687.50	4/19/07	2.91%	0.53	
FEDERAL HOME LN BKS 3.375 05OCT2007	GOVT	5,000,000	4,883,500.00	4,914,062.50	81,093.75	10/5/07	3.43%	0.97	
FEDERAL HOME LN BKS 3.250 DEC 17 07	GOVT	5,000,000	4,905,450.00	4,893,750.00	46,944.40	12/17/07	3.32%	1.16	
FEDERAL HOME LN BKS DEB	GOVT	5,000,000	5,000,000.00	4,967,187.50	7,777.75	3/17/10	4.03%	1.07	
FEDERAL HOME LN BKS 4.125 APR 18 08	GOVT	5,000,000	4,937,415.20	4,935,937.50	93,385.40	4/18/08	4.18%	1.46	
FEDERAL HOME LN BKS 3.875 08JUN2007	GOVT	5,000,000	4,960,250.00	4,954,687.50	60,815.95	6/8/07	3.91%	0.66	
FEDERAL HOME LN BKS 4.0 14DEC2007	GOVT	5,000,000	4,974,200.00	4,937,500.00	59,444.40	12/14/07	4.05%	1.15	
FEDERAL HOME LN BKS 4.375 14MAR2008	GOVT	5,000,000	4,999,350.00	4,954,687.50	10,329.85	3/14/08	4.42%	1.39	
FEDERAL HOME LN BKS 4.125 OCT 19 07	GOVT	5,000,000	4,949,950.00	4,950,000.00	92,812.50	10/19/07	4.17%	1.00	
FEDERAL HOME LN BKS 4.0 13JUL2007	GOVT	5,690,000	5,598,732.40	5,633,100.00	49,313.30	7/13/07	4.04%	0.76	

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 9/30/06

Security Name	Quality Rating	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration	WAM ¹ (In Years)
FEDERAL HOME LN BKS 5.5 24APR2009	GOVT	5,000,000	4,999,000.00	4,995,312.50	119,930.55	4/24/09	5.51%	0.68	
FEDERAL HOME LN BKS 5.5 20APR2009	GOVT	5,000,000	5,000,000.00	5,003,125.00	122,222.20	4/20/09	5.50%	0.91	
FEDERAL HOME LN BKS 5.78 20JUN2011	GOVT	5,000,000	5,000,000.00	5,015,625.00	85,094.40	6/20/11	5.76%	1.80	
FEDERAL HOME LN BKS 5.5 27JUN2008	GOVT	5,000,000	4,990,750.00	5,006,250.00	71,805.55	6/27/08	5.49%	0.93	
FEDERAL HOME LN BKS 4.375 03OCT2008	GOVT	7,000,000	6,892,830.00	6,910,312.50	151,423.58	10/3/08	4.43%	1.50	
FEDERAL HOME LN BKS 5.75 03AUG2009	GOVT	5,000,000	5,000,000.00	5,012,500.00	46,319.40	8/3/09	5.74%	1.14	
FEDERAL HOME LN BKS 5.4 12SEP2007	GOVT	5,000,000	5,000,000.00	5,001,562.50	14,250.00	9/12/07	5.40%	0.62	
FEDERAL HOME LN MTG 2.75 30JAN2007	GOVT	9,000,000	9,000,000.00	8,925,300.00	41,937.48	1/30/07	2.77%	0.33	
FEDERAL HOME LN MTG C 2.25 16MAR2007	GOVT	15,000,000	15,000,000.00	14,845,650.00	18,750.00	3/16/07	2.27%	0.45	
FEDERAL HOME LN MTG 3.755 18MAR2009	GOVT	5,000,000	4,940,274.00	4,857,812.50	6,779.85	3/18/09	3.86%	2.32	
FEDERAL HOME LN MTG 2.75 09FEB2007	GOVT	6,000,000	5,998,125.00	5,946,562.50	23,833.32	2/9/07	2.77%	0.35	
FEDERAL HOME LN MTG C 3.0 27APR2007	GOVT	10,000,000	10,000,000.00	9,865,625.00	128,333.30	4/27/07	3.04%	0.56	
FEDERAL HOME LN MTG 3.00 28MAR2007	GOVT	5,000,000	4,908,100.00	4,944,950.00	1,250.00	3/28/07	3.03%	0.48	
FEDERAL HOME LN MTG 3.75 15NOV2006	GOVT	10,000,000	9,992,500.00	9,980,700.00	141,666.60	11/15/06	3.76%	0.12	
FHLMC 3.8 27DEC2006	GOVT	10,000,000	9,998,400.00	9,963,800.00	99,222.20	12/27/06	3.81%	0.24	
FEDERAL HOME LN MTG 3.75 15MAR2007	GOVT	5,000,000	4,956,462.45	4,965,400.00	8,333.30	3/15/07	3.78%	0.45	
FEDERAL HOME LN MTG CORP MEDIU 0.00	GOVT	10,000,000	9,972,300.00	9,974,100.00	64,527.70	2/15/08	5.06%	0.78	
FEDERAL HOME LN MTG 4.25 28FEB2007	GOVT	10,000,000	10,012,200.00	9,957,000.00	38,958.30	2/28/07	4.27%	0.41	
FEDERAL HOME LN MTG 5.02 24AUG2007	GOVT	2,000,000	1,998,700.00	1,995,820.00	10,318.88	8/24/07	5.03%	0.57	
FEDERAL HOME LN MTG 4.41 09JAN2007	GOVT	14,500,000	13,861,226.67	13,840,121.11	458,328.89	1/9/07	4.62%	0.27	
FEDERAL HOME LN MTG CORP	GOVT	10,000,000	10,000,000.00	9,989,062.50	4,291.60	3/28/08	5.16%	0.82	
FEDERAL HOME LN MTG C 3.5 15SEP2007	GOVT	10,000,000	9,965,500.00	9,853,125.00	15,555.50	9/15/07	3.55%	0.93	
FEDERAL HOME LN MTG 5.25 24FEB2011	GOVT	5,000,000	4,938,900.00	5,011,450.00	26,979.15	2/24/11	5.24%	2.81	
FEDERAL HOME LN MTG C 6.0 27JUN2011	GOVT	10,000,000	9,990,185.00	10,044,900.00	156,666.60	6/27/11	5.97%	1.07	
FEDERAL HOME LN MTG C 6.0 18JUL2011	GOVT	10,000,000	10,000,000.00	10,135,800.00	121,666.60	7/18/11	5.92%	2.13	
FEDERAL HOME LN MTG 5.75 20JUL2011	GOVT	5,000,000	5,000,000.00	5,089,950.00	59,895.83	7/20/11	5.65%	2.95	
FEDERAL HOME LN MTG 3.875 03MAR2008	GOVT	4,040,000	3,933,626.80	3,977,218.40	12,176.08	3/3/08	3.94%	1.36	
FEDERAL HOME LN MTG 3.75 03AUG2007	GOVT	2,502,000	2,454,261.84	2,472,626.52	15,116.23	8/3/07	3.79%	0.81	
FEDERAL HOME LN MTG 5.75 23MAY2011	GOVT	5,000,000	4,986,500.00	5,040,625.00	102,222.20	5/23/11	5.70%	2.05	
FEDERAL HOME LN MTG 5.75 11AUG2011	GOVT	5,000,000	4,988,150.00	5,048,300.00	39,930.55	8/11/11	5.69%	2.30	
FEDERAL HOME LN MTG 5.41 28AUG2009	GOVT	5,000,000	5,000,000.00	5,023,500.00	24,795.80	8/28/09	5.38%	2.08	
FEDERAL NATL MTG AS 4.375 15OCT2006	GOVT	10,000,000	9,806,500.00	9,996,875.00	201,736.10	10/15/06	4.38%	0.04	
FEDERAL NTL MTG ASSN 5.000 JAN 15 07	GOVT	10,000,000	10,591,000.00	9,990,625.00	105,555.50	1/15/07	5.00%	0.29	
FEDERAL NATL MTG ASSN 3.25 15JAN 2008	GOVT	15,000,000	14,574,450.00	14,667,187.50	102,916.65	1/15/08	3.32%	1.24	
FEDERAL NATL MTG ASSN	GOVT	15,000,000	14,970,000.00	14,582,812.50	158,437.50	6/14/08	3.34%	1.59	
FEDERAL NATL MTG AS 2.625 19JAN2007	GOVT	10,000,000	9,976,100.00	9,921,875.00	52,500.00	1/19/07	2.65%	0.30	
FEDERAL NATL MTG AS 3.375 15MAY2007	GOVT	5,000,000	4,980,750.00	4,942,187.50	63,750.00	5/15/07	3.41%	0.60	
FEDERAL NATL MTG ASS 4.25 29DEC2006	GOVT	31,000,000	29,682,403.56	30,815,600.00	976,706.66	12/29/06	4.30%	0.24	
FEDERAL NATL MTG ASSN 5.0 13DEC2007	GOVT	30,000,000	30,000,000.00	29,925,000.00	450,000.00	12/13/07	5.01%	0.70	
FEDERAL NATL MTG ASSN M/T/N	GOVT	10,000,000	10,000,000.00	9,871,875.00	63,541.60	7/16/08	3.15%	1.71	
FEDERAL NATL MTG ASS 3.21 23JUL2008	GOVT	5,000,000	5,000,000.00	4,848,437.50	30,316.65	7/23/08	3.31%	1.64	
FEDERAL NATL MTG ASSN MEDIUM	GOVT	20,000,000	19,972,000.00	19,612,500.00	254,250.00	12/8/08	4.08%	1.67	
FEDERAL NATL MTG ASSN MEDIUM	GOVT	565,000	563,474.50	555,289.06	5,290.99	12/28/07	3.69%	1.19	
FEDERAL NATL MTG ASSN 5.3 22FEB2011	GOVT	7,000,000	6,941,200.00	6,975,937.50	40,191.62	2/22/11	5.32%	2.17	
FEDERAL NATL MTG ASS 5.3 20MAR2009	GOVT	5,000,000	4,982,700.00	4,995,312.50	8,097.20	3/20/09	5.30%	0.98	
FEDERAL NATL MTG ASS 5.25 17MAR2011	GOVT	7,000,000	6,989,062.50	6,997,812.50	14,972.16	3/17/11	5.25%	2.14	
FEDERAL NATL MTG ASS 5.67 26APR2011	GOVT	5,000,000	4,986,350.00	5,009,375.00	122,062.50	4/26/11	5.66%	1.08	
FEDERAL NATL MTG ASSN 5.7 12MAY2011	GOVT	20,000,000	19,996,237.50	20,137,500.00	440,166.60	5/12/11	5.66%	2.04	
FEDERAL NATL MTG AS 5.625 19MAY2011	GOVT	8,000,000	8,009,500.00	8,107,500.00	165,000.00	5/19/11	5.55%	2.81	
FEDERAL NATL MTG ASS 4.75 01FEB2008	GOVT	5,000,000	4,938,385.00	4,978,125.00	39,583.30	2/1/08	4.77%	0.91	

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 9/30/06

Security Name	Quality Rating	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration	WAM ¹ (In Years)
FEDERAL NATL MTG ASS 5.25 29SEP2009	GOVT	5,000,000	5,000,000.00	5,009,375.00	1,458.34	9/29/09	5.24%	2.18	
FEDERAL NATL MTG ASS 5.34 22FEB2011	GOVT	10,000,000	9,989,843.75	9,971,875.00	57,850.00	2/22/11	5.36%	2.14	
U.S. Agencies		699,107,000	693,269,089	691,923,972	8,164,436	591.7	4.20%	1.05	
UNITED STATES TREAS 3.000 NOV 15 07	GOVT	20,000,000	19,680,740.63	19,593,750.00	226,630.40	11/15/07	3.06%	1.08	
UNITED STATES TREAS N 3.0 15FEB2008	GOVT	5,000,000	4,882,812.50	4,881,450.00	19,157.60	2/15/08	3.07%	1.32	
UNITED STATES TREAS 2.625 15MAY2008	GOVT	20,000,000	19,307,150.14	19,345,400.00	198,301.60	5/15/08	2.71%	1.55	
UNITED STATES TREAS 3.250 AUG 15 08	GOVT	5,000,000	4,868,750.00	4,871,093.75	20,754.05	8/15/08	3.34%	1.79	
UNITED STATES TREAS 3.125 SEP 15 08	GOVT	15,000,000	14,637,890.63	14,566,406.25	20,718.15	9/15/08	3.22%	1.87	
UNITED STATES TREAS 3.125 OCT 15 08	GOVT	10,000,000	9,742,578.13	9,700,000.00	144,296.40	10/15/08	3.22%	1.92	
UNITED STATES TREAS 3.375 NOV 15 08	GOVT	10,000,000	9,832,812.50	9,738,300.00	127,479.60	11/15/08	3.47%	2.00	
UNITED STATES TREAS 3.25 15JAN2009	GOVT	5,000,000	4,836,328.13	4,849,218.75	34,442.90	1/15/09	3.35%	2.16	
UNITED STATES TREAS 3.000 FEB 15 09	GOVT	5,000,000	4,866,015.00	4,817,600.00	19,166.65	2/15/09	3.11%	2.25	
UNITED STATES TREAS 2.625 15MAR2009	GOVT	15,000,000	14,307,031.26	14,309,700.00	17,403.30	3/15/09	2.75%	2.34	
UNITED STATES TREAS 3.125 15APR2009	GOVT	15,000,000	14,640,234.38	14,465,625.00	216,444.60	4/15/09	3.24%	2.37	
UNITED STATES TREAS 3.125 MAY 15 07	GOVT	10,000,000	9,901,562.51	9,885,937.50	118,036.60	5/15/07	3.16%	0.60	
UNITED STATES TREAS 3.625 15JUL2009	GOVT	5,000,000	4,904,687.50	4,870,900.00	38,417.10	7/15/09	3.72%	2.60	
UNITED STATES TREAS 2.75 15AUG2007	GOVT	15,000,000	14,701,562.50	14,718,750.00	52,683.30	8/15/07	2.80%	0.85	
UNITED STATES TREAS 3.375 15FEB2008	GOVT	15,000,000	14,892,968.76	14,716,950.00	64,656.90	2/15/08	3.44%	1.32	
UNITED STATES TREAS NTS	GOVT	5,000,000	5,000,000.00	4,960,550.00	75,849.15	4/30/07	3.65%	0.56	
UNITED STATES TREAS N 3.5 31MAY2007	GOVT	10,000,000	9,981,250.00	9,903,125.00	117,622.90	5/31/07	3.53%	0.64	

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 9/30/06

Security Name	Quality Rating	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration	WAM ¹ (In Years)
UNITED STATES TREAS 3.625 30JUN2007	GOVT	15,000,000	14,931,063.19	14,847,656.25	138,165.90	6/30/07	3.66%	0.73	
UNITED STATES TREAS 3.875 31JUL2007	GOVT	15,000,000	14,972,656.26	14,867,550.00	97,927.95	7/31/07	3.91%	0.81	
U.S. Treasuries		215,000,000	210,888,094	209,909,963	1,748,155	554.4	3.24%	1.44	
BANK OF AMERICA CORP 3.250 AUG 15 08	AA-	5,000,000	4,985,100.00	4,832,300.00	20,763.85	8/15/08	3.36%	1.78	
GENERAL ELEC CAP CORP M/T/N	AAA	13,730,000	13,896,662.80	13,535,308.60	61,403.58	8/15/07	3.55%	0.85	
GENERAL ELECTRIC CA 5.375 15MAR2007	AAA	2,000,000	1,998,300.00	2,000,840.00	4,777.76	3/15/07	5.37%	0.45	
GENERAL ELEC CAP CO 5.72 22AUG2011	AAA	7,500,000	7,500,000.00	7,565,475.00	46,474.95	8/22/11	5.67%	4.21	
Corporate Bonds		28,230,000	28,380,063	27,933,924	133,420	769.5	4.22%	1.89	
Asset Backed Securities		-	-	-	-	-	0.00%	-	
Bankers Acceptance		-	-	-	-	-	0.00%	-	
Commercial Paper - Discount		-	-	-	-	-	0.00%	-	
Certificates of Deposits		-	-	-	-	-	0.00%	-	
Corporate Notes		-	-	-	-	-	0.00%	-	
COLLATERAL ASSETS		5,000,000	4,999,761	4,882,813	1,711	3/26/08	3.15%	1.73	
Collateral		5,000,000	4,999,761	4,882,813	1,711	543.0	3.15%	1.73	
POOLED INVESTMENTS (LONG TERM)		947,337,000	937,537,007	934,650,671	10,047,722	588.4	3.98%	1.17	1.63
POOLED INVESTMENTS (TOTAL)		1,310,341,000	1,299,153,938	1,296,653,569	13,435,669	539.6	4.25%	0.96	

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 9/30/06

Security Name	Quality Rating	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration	WAM ¹ (In Years)
EXTERNAL INVESTMENTS (LONG TERM)									
FEDERAL HOME LN BKS	GOVT	10,000,000	9,978,125	9,918,750	51,250	1/9/07	2.27%	0.27	
FEDERAL HOME LN BKS 3.375 21JUL2008	GOVT	10,000,000	10,065,625	9,721,875	65,625	7/21/08	3.47%	1.72	
FEDERAL HOME LN BKS DEB	GOVT	20,000,000	19,915,000	19,825,000	79,733	2/9/07	2.78%	0.35	
FEDERAL HOME LN MTG C 3.1 28NOV2007	GOVT	7,000,000	7,013,720	6,845,090	74,142	11/28/07	3.17%	1.10	
FEDERAL HOME LN MTG 2.65 30MAY2008	GOVT	10,000,000	9,815,700	9,630,500	89,069	5/30/08	2.75%	1.59	
FEDERAL HOME LN MTG 2.25 26DEC2006	GOVT	10,000,000	9,966,800	9,929,000	59,375	12/26/06	2.27%	0.24	
FEDERAL HOME LN MTG 2.375 FEB 15 07	GOVT	20,000,000	19,942,300	19,787,500	60,694	2/15/07	2.40%	0.37	
FEDERAL NATL MTG ASS 2.65 30JUN2008	GOVT	10,000,000	9,818,750	9,603,125	66,986	6/30/08	2.76%	1.67	
FEDERAL NATL MTG ASSN M/T/N	GOVT	10,000,000	10,018,300	9,971,875	112,039	11/17/06	3.02%	0.13	
U.S. Agencies		107,000,000	106,534,320	105,232,715	658,914	275.8	2.72%	0.72	0.77
U.S. Treasuries		-	-	-	-	-	0.00%	-	
Corporate Bonds		-	-	-	-	-	0.00%	-	
Bankers Acceptances - Discount		-	-	-	-	-	0.00%	-	
EXTERNAL INVESTMENTS (LONG TERM)		107,000,000	106,534,320	105,232,715	658,914	275.8	2.72%	0.72	
LONG TERM FUNDS		1,054,337,000	1,044,071,327	1,039,883,386	10,706,636	571.6	3.85%	1.16	1.55
TOTAL FUNDS		1,443,288,314	1,431,635,572	1,427,833,599	14,130,761	521.2	4.15%	0.95	1.34
OTHER ASSETS									
Health SAVRS		3,297,208	3,297,208	3,297,208	68,231	4/22/19	4.43%	12.57	
Other		3,297,207.63	3,297,207.63	3,297,207.63	68,230.97	4,587.0	4.43%	12.57	

¹ WAM = Weighted Average Maturity