

# City of Long Beach California Investment Pool



**Credit Quality Ratings Definitions**

**AAAf** The fund's portfolio holdings provide extremely strong protection against losses from credit defaults.

**AAf** The fund's portfolio holdings provide very strong protection against losses from credit defaults.

**Af** The fund's portfolio holdings provide strong protection against losses from credit defaults.

**BBBf** The fund's portfolio holdings provide adequate protection against losses from credit defaults.

**Bbf** The fund's portfolio holdings provide uncertain protection against losses from credit defaults.

**Bf** The fund's portfolio holdings exhibit vulnerability to losses from credit defaults.

**CCCf** The fund's portfolio holdings make it extremely vulnerable to losses from credit defaults.

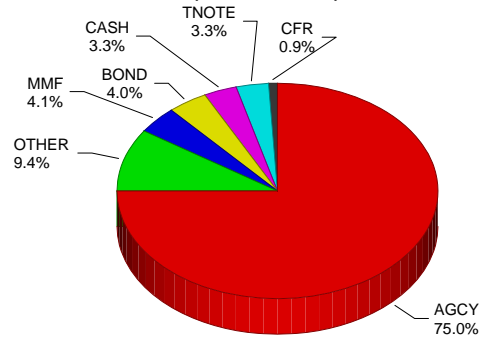
**Plus (+) or Minus (-)** The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

Credit quality ratings, identified by the 'f' subscript, are assigned to bond funds and other actively managed funds that exhibit variable net asset values. These ratings are current assessments of the overall credit quality of a fund's portfolio. The ratings reflect the level of protection against losses from credit defaults and are based on an analysis of the credit quality of the portfolio investments and the likelihood of counterparty defaults.

**About the Fund**

Fund Rating	<b>AAAf / S1</b>
Fund Type	Variable NAV Government Investment Pool
Investment Adviser	Long Beach
Portfolio Manager	Daniel Thurber
Date Rating Assigned	November 2000
Custodian	Bank of New York Mellon Corp.

Portfolio Composition as of September 30, 2008



AGCY - Agency Fixed Rate; OTHER - Other Securities; MMF - Money Market Fund; BOND - Corporate Fixed Rate; CASH - Cash; TNOTE - US Treasury Note; CFR - Corporate Floating Rate

\*As assessed by Standard & Poor's

**Fund Highlights**

- The City of Long Beach Investment Pool was the first city managed investment pool to receive ratings from Standard & Poor's Fund Services
- The pool's objective is to maximize safety, ensure liquidity and provide an adequate return,

**Management**

The City of Long Beach Pooled Investment Fund is managed by the City Treasurer on behalf of the City and its various municipal constituents. The Treasurer manages over \$1 billion derived from the City's constituents and various municipal entities from tax payments, fees and revenues derived from the Harbor, Water, and Gas Departments, airport, property and sales taxes, bond proceeds, and various other sources. Oversight of the pool is provided by the City Council and Bank of New York provides custodial services and monthly pricing for the investment pool's assets.

**Credit Quality**

The 'AAAf' rating indicates the extremely strong protection the pool's portfolio investments provide against losses from credit defaults. The S1 volatility rating signifies that the pool possesses low sensitivity to changing market conditions given its low risk profile and conservative investment policies. The investment portfolio is normally heavily invested in U.S. government/agency paper, high-grade corporate notes and the remaining assets held in high quality short-term paper. The defaulted Lehman Brothers Holding Inc,'s (LBHI) commercial paper investment, which represented approximately 1% of assets, has been removed from the investment pool. The maximum weighted average maturity (WAM) for the pool is limited to three years, while individual securities can mature out to five years. Investments must comply with both the City's investment policy

guidelines and the California Government Code. The City Auditor's Office and City Investment Committee conduct comprehensive reviews of the investment portfolio on a quarterly basis.

**Portfolio Assets**

The pool's primary objectives are to safeguard investment principal, maintain sufficient liquidity to meet daily and projected cash flow requirements, while maximizing return consistent with safety and liquidity. The investment portfolio, is divided and managed as two segments - a short-term portfolio and a long-term portfolio. This allows the managers to more effectively handle the pool's liquidity needs and maximize yields for moneys which can be invested longer. The short-term portfolio, which typically comprises approximately 30% of the investment portfolio, invests in high quality ('A-1' and 'A-1+' rated) money market type instruments including commercial paper, bankers acceptances, bank deposits, U.S. agencies and Treasuries, and in California's Local Agency Investment Fund. The short-term portfolio is benchmarked to the 91-day U.S. T-bill rate. The long-term portfolio is typically comprised of U.S. Agencies and Treasuries, corporate bonds and medium term notes, longer dated certificates of deposits and is benchmarked to a 1-3 Year Treasury/Agency Index

**Standard & Poor's Analyst:** Guyna Johnson - (1) 312-233-7008

[www.standardandpoors.com](http://www.standardandpoors.com)

*Investors should consider the investment objectives, risks and charges and expenses of the fund before investing. The prospectus which can be obtained from your broker-dealer, contains this and other information about the fund and should be read carefully before investing.*

**Volatility Ratings Definitions**

**S1** Low sensitivity to changing market conditions. Within this category of (S-1) certain funds may be designated with a plus sign (+). This indicates the fund's extremely low sensitivity to changing market conditions.

**S2** Low to moderate sensitivity to changing market conditions.

**S3** Moderate sensitivity to changing market conditions.

**S4** Moderate to high sensitivity to changing market conditions.

**S5** High sensitivity to changing market conditions.

**S6** Highest sensitivity to changing market conditions.

Volatility ratings evaluate the fund's sensitivity to interest rate movements, credit risk, investment diversification or concentration, liquidity, leverage, and other factors.

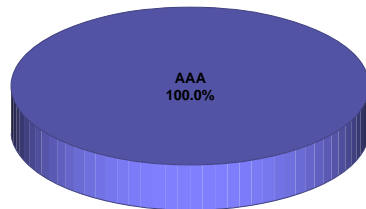
Not all bond funds have volatility ratings

**Data Bank as of September 30, 2008**

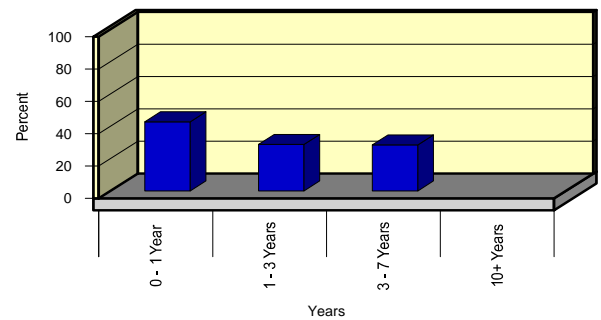
Ticker Symbol..... N/A  
 NAV..... \$1.00

Net Assets (millions)..... \$1,701.77  
 Inception Date..... N/A

Portfolio Credit Quality as of September 30, 2008 \*



Portfolio Maturity Distribution as of September 30, 2008



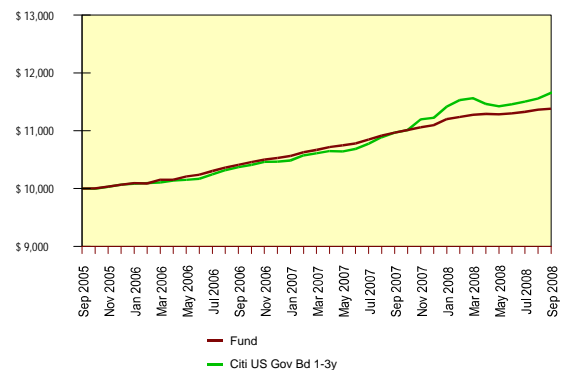
**Total Returns as of September 30, 2008, (%)**

	Annualized		Cumulative
	Fund	Index *	Fund
Year to Date	NA	NA	2.56
1 Year	3.78	6.28	3.78
3 Years	4.41	5.24	13.81
5 Years	3.32	3.52	17.77

\* Citi US Gov Bd 1-3y

The returns shown above do not reflect the deduction of sales loads or charges. Inclusion of the sales load would reduce the performance shown.

**Portfolio Historical Performance Comparison (Growth of \$10,000)**



The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, which when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data quoted. Performance data current to the most recent month-end may be available by calling the fund at the phone number listed in the 'About the Fund' section on page 1

**Top Ten Holdings as of September 30, 2008**

Security	%	Security	%
FHLB NOTES/BONDS	28.94	COLL. MONEY MKT ACCT - GMRA	4.10
FNMA NOTES/BONDS	20.93	CASH IN BANKS	3.34
FHLMC NOTES/BONDS	19.73	U.S.T. TREASURY NOTES	3.25
LAIF	9.40	TOYOTA FINANCE MTN	2.92
FFCB NOTES/BONDS	5.40	GE CAPITAL CORP MTN	1.98

The volatility rating for this fund issued by Standard & Poor's can be found in the 'About the Fund' section on page 1. There is no standard method for determining volatility ratings. The rating is current as of the date of this profile report. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same rating or perform in the future as rated. Not all bond mutual funds have volatility ratings and those that do may have paid for them. The fact that a fund has a rating is not an indication that it is more or less risky or volatile than a fund that does not. The fund or a third party participating the marketing of fund shares paid Standard & Poor's for this rating. Standard & Poor's receives no payment for disseminating ratings, except for subscriptions to its publications

Analytic services provided by Standard & Poor's Ratings Services ("Ratings Services") are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services.

Standard & Poor's is neither associated nor affiliated with the fund. The information in this report has been obtained by Standard & Poor's from sources believed by it to be reliable at the time the report is published. The information in this report, however, may be inaccurate or incomplete due to the possibility of human, mechanical, or other error by Standard & Poor's, its sources or others, or the information in this report may become inaccurate or incomplete due to the passage of time. Standard & Poor's has no obligation to keep or to make the information in this report current, and it does not guarantee the accuracy, adequacy, or completeness of any information in this report. STANDARD & POOR'S MAKES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE. In no event shall Standard & Poor's, its affiliates or its third party licensors be liable for any direct, indirect, special or consequential damages in connection with the use of any data or information contained herein.