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**SUBJECT*****Fiscal Year 2017 First Quarter Investment Report*****BACKGROUND**

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

Attached is the Quarterly Investment Report as of September 30, 2016. The Company's assets are held at the State's Local Agency Investment Fund (LAIF), City National Bank general account, Wells Fargo worker's compensation account and the Corporate Investment Account which contains investment vehicles similarly structured to LAIF.

The cash and investment balance as of September 30, 2016 decreased by \$455,338 when compared to the prior quarter. This decrease is primarily attributed to expenditures of MOSIP and 1B Bond.

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 \$71.6 million total cash and investment balance includes \$46.4 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.

**As of September 30, 2016**

\* 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. This report was prepared by Ashley Liang, CPA.

# LONG BEACH PUBLIC TRANSPORTATION COMPANY

## Corporate Investment Account

As of September 30, 2016

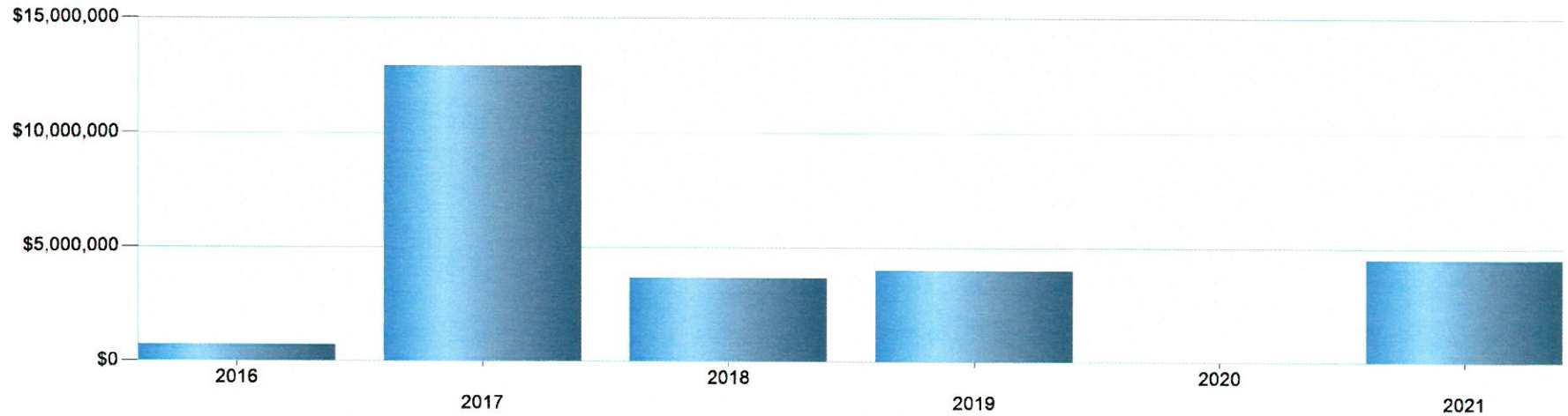
Corporate Bonds	Due	Market Value	Cost Basis	Duration	Rating
AMGEN INC BOND	5/15/2017	\$ 704,060	\$ 703,796	0.62	A
APPLE INC	5/12/2017	\$ 699,986	\$ 700,010	0.61	AA+
BERKSHIRE HATHAWAY	5/15/2017	\$ 602,046	\$ 602,153	0.62	AA
BLACKROCK INC SER 2 NOTE	12/10/2019	\$ 665,658	\$ 652,679	2.94	AA-
BOTTLING GROUP LLC	1/15/2019	\$ 759,227	\$ 758,023	2.16	A
E M C CORP MASS SR GLBL NT	6/1/2018	\$ 688,919	\$ 695,880	1.62	BB-
GENERAL ELEC CAP CORP MTN BE	5/1/2018	\$ 748,937	\$ 742,476	1.50	AA+
NYSE EURONEXT SR NT	10/5/2017	\$ 705,261	\$ 703,063	0.99	A
PFIZER INC	3/30/2017	\$ 717,549	\$ 716,999	0.50	AA
TORONTO DOMINION BANK MTN	7/2/2019	\$ 711,067	\$ 712,892	2.66	AA-
WELLS FARGO CO MTN BE	12/15/2016	\$ 702,226	\$ 702,423	0.21	A
Corporate Bonds Total		\$ 7,704,936	\$ 7,690,394		

Government Agency Bonds	Due	Market Value	Cost Basis	Duration	Rating
FEDERAL FARM CR BKS BOND	2/17/2021	\$ 999,510	\$ 1,000,010	0.13	AA+
FEDERAL FARM CR BKS BOND	9/14/2017	\$ 1,251,525	\$ 1,248,473	0.95	AA+
FEDERAL FARM CR BKS BOND	7/26/2021	\$ 1,500,000	\$ 1,500,010	0.07	AA+
FEDERAL FARM HOME LN BKS	11/17/2017	\$ 2,095,580	\$ 2,274,821	1.09	AA+
FEDERAL HOME LOAN BANK BOND	5/25/2021	\$ 2,000,040	\$ 2,000,010	0.65	AA+
FEDERAL NATL MTG ASSN	2/19/2019	\$ 2,044,680	\$ 2,010,890	2.33	AA+
UNITED STATES TREAS NTS	10/31/2017	\$ 2,251,575	\$ 2,248,708	1.08	AA+
UNITED STATES TREAS NTS	2/28/2017	\$ 2,004,200	\$ 2,009,286	0.42	AA+
UNITED STATES TREAS NTS	11/30/2018	\$ 2,276,978	\$ 2,271,290	2.12	AA+
UNITED STATES TREAS NTS	3/31/2017	\$ 2,005,000	\$ 2,012,765	0.50	AA+
Government & Government Agency Bonds		\$ 18,429,088	\$ 18,576,263		

Total Market Value \$ 26,134,024  
 Accrued Interest-Fidelity \$ 128,624  
 Total Investment Value \$ 26,262,648



## BOND AND NOTE ANALYSIS



**Maturity by Year**

Description	Principal	Value	Annual Income	Yield to Maturity (Cost)
<b>Redeems in 2016</b>	700,000.00	707,648.13	18,375.00	0.9%
Wells Fargo Co Mtn Be 12/15/2016 2.625%	700,000.00	702,226.00	18,375.00	0.9%
Accrued Income		5,422.13		
<b>Redeems in 2017</b>	12,900,000.00	13,101,699.31	251,250.00	0.9%
United States Treas Nts 02/28/2017 0.875%	2,000,000.00	2,004,200.00	17,500.00	0.5%
Accrued Income		1,498.62		
Pfizer Incorporated 03/30/2017 6.050%	700,000.00	717,549.00	42,350.00	1.0%
Accrued Income		117.64		
United States Treas Nts 03/31/2017 1.000%	2,000,000.00	2,005,000.00	20,000.00	0.6%
Accrued Income		54.95		

**BOND AND NOTE ANALYSIS**

Description	Principal	Value	Annual Income	Yield to Maturity (Cost)
<b>Redeems in 2017</b>	<b>12,900,000.00</b>	<b>13,101,699.31</b>	<b>251,250.00</b>	<b>0.9%</b>
Apple Inc Note 05/12/2017 0.900%	700,000.00	699,986.00	6,300.00	0.9%
Accrued Income		2,413.86		
Amgen Inc Bond 05/15/2017 2.125%	700,000.00	704,060.00	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	602,046.00	9,600.00	1.0%
Accrued Income		3,626.09		
Federal Farm Credit Bank Bonds 09/14/2017 0.780%	1,250,000.00	1,251,525.00	9,750.00	0.8%
Accrued Income		457.87		
NYSE Euronext Nt 10/05/2017 2.000%	700,000.00	705,261.36	14,000.00	1.6%
Accrued Income		6,844.44		
United States Treasury 10/31/2017 0.750%	2,250,000.00	2,251,575.00	16,875.00	0.8%
Accrued Income		7,061.82		
Federal Home Ln Bks Cons Bd 11/17/2017 5.000%	2,000,000.00	2,095,580.00	100,000.00	1.1%
Accrued Income		37,222.22		
<b>Redeems in 2018</b>	<b>3,650,000.00</b>	<b>3,746,011.78</b>	<b>83,437.50</b>	<b>1.4%</b>
General Elec Cap Corp Mtn Be 05/01/2018 5.625%	700,000.00	748,937.00	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	688,919.00	13,125.00	2.0%
Accrued Income		4,375.00		
United States Treas Nts 11/30/2018 1.375%	2,250,000.00	2,276,977.50	30,937.50	1.1%
Accrued Income		10,397.03		



**BOND AND NOTE ANALYSIS**

Description	Principal	Value	Annual Income	Yield to Maturity (Cost)
<b>Redeems in 2019</b>	<b>4,000,000.00</b>	<b>4,205,520.34</b>	<b>118,250.00</b>	<b>1.7%</b>
Bottling Group LLC Make Whole 01/15/2019 5.125%	700,000.00	759,227.00	35,875.00	1.4%
Accrued Income		7,573.61		
Federal Natl Mtg Assn 02/19/2019 1.875%	2,000,000.00	2,044,680.00	37,500.00	1.8%
Accrued Income		4,375.00		
Toronto-Dominion Bank 07/02/2019 2.125%	700,000.00	711,067.00	14,875.00	1.4%
Accrued Income		3,677.43		
Blackrock Inc Ser 2 Note 12/10/2019 5.000%	600,000.00	665,658.00	30,000.00	2.1%
Accrued Income		9,262.30		
<b>Redeems in 2021</b>	<b>4,500,000.00</b>	<b>4,514,371.47</b>	<b>63,100.00</b>	<b>1.4%</b>
Federal Farm Cr Bks Bond 1.47000% 02/17/ 02/17/2021 1.470%	1,000,000.00	999,510.00	14,700.00	1.5%
Call 11/17/2016 100.00				
Accrued Income		1,797.55		
Federal Home Loan Banks Bond 1.25000% 05 05/25/2021 1.250%	2,000,000.00	2,000,040.00	25,000.00	1.2%
Call 11/25/2016 100.00				
Accrued Income		8,763.59		
Federal Farm Cr Bks Bond 1.56000% 07/26/ 07/26/2021 1.560%	1,500,000.00	1,500,000.00	23,400.00	1.6%
Call 10/26/2016 100.00				
Accrued Income		4,260.33		
<b>Total</b>	<b>25,750,000.00</b>	<b>26,275,251.03</b>	<b>534,412.50</b>	<b>1.2%</b>



**JOHN CHIANG  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
08/30/16	0.62	0.60	160
08/31/16	0.62	0.60	162
09/01/16	0.63	0.60	169
09/02/16	0.63	0.60	169
09/03/16	0.63	0.60	169
09/04/16	0.63	0.60	169
09/05/16	0.63	0.60	169
09/06/16	0.63	0.60	167
09/07/16	0.63	0.60	166
09/08/16	0.63	0.60	165
09/09/16	0.63	0.60	166
09/10/16	0.63	0.60	166
09/11/16	0.63	0.60	166
09/12/16	0.63	0.61	163
09/13/16	0.63	0.61	163
09/14/16	0.63	0.61	161
09/15/16	0.64	0.61	163
09/16/16	0.63	0.61	161
09/17/16	0.63	0.61	161
09/18/16	0.63	0.61	161
09/19/16	0.63	0.61	158
09/20/16	0.63	0.61	156
09/21/16	0.63	0.61	156
09/22/16	0.64	0.61	155
09/23/16	0.64	0.61	160
09/24/16	0.64	0.61	160
09/25/16	0.64	0.61	160
09/26/16	0.64	0.61	157
09/27/16	0.64	0.61	157
09/28/16	0.64	0.61	160
09/29/16	0.64	0.61	162

\*Daily yield does not reflect capital gains or losses

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**LAIF Performance Report**

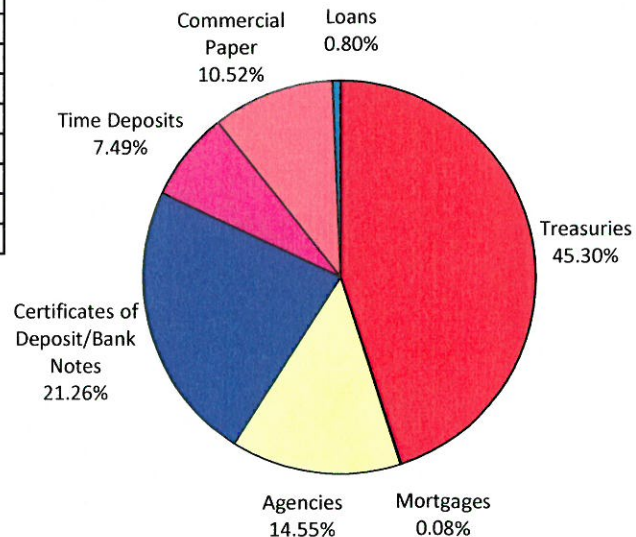
**Quarter Ending 06/30/16**

Apportionment Rate: 0.55%  
Earnings Ratio: 0.00001495296852820  
Fair Value Factor: 1.000621222  
Daily: 0.58%  
Quarter to Date: 0.55%  
Average Life: 167

**PMIA Average Monthly  
Effective Yields**

**Sep 2016 0.634%**  
**Aug 2016 0.614%**  
**Jul 2016 0.588%**

**Pooled Money Investment Account  
Portfolio Composition  
08/31/16  
\$69.7 billion**



Based on data available as of 10/10/16