



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-22

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February 16, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and File Investment Report for Quarter Ending December 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 December 31, 2009, these funds had a market value of approximately \$1.7 billion, with approximately \$1.0 billion, or approximately 62 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, the Deputy 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 Development Services departments, meets monthly, or as needed, to review investment policies, strategies and performance.

Investment Pool Rating

As of September 30, 2009, Standard and Poor's reaffirmed the City's investment portfolio rating of AAf and one of the lowest volatility ratings of S1. 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.

Investment Performance

The City, along with a working group of other cities, counties and states having exposure to Lehman Brothers exceeding \$1.7 billion, have worked with representatives in Congress to encourage the Treasury Department to allocate funds under the Troubled Asset Relief Program (TARP) or the Emergency Economic Stabilization Act (HR 1424), which instructs the Secretary of the Treasury to take into consideration "the need to ensure stability for United States public instrumentalities." To date, the Treasury Department has not provided such relief, stating that only "financial institutions" are eligible to receive TARP relief, although non-financial entities, such as U.S. automakers have received TARP assistance. Additionally, the group is working with elected representatives to draft new language that will provide additional Federal stimulus or other Federal grant dollars to municipalities impacted by the Lehman bankruptcy. The City is still actively pursuing reimbursement to restore lost funds through bankruptcy court proceedings and the fraud lawsuit against Lehman's officers and Ernst & Young, the accounting corporation that audited Lehman's annual financial statements.

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 2010 Investment Policy divides the City's investment portfolio into a short-term, intermediate-term and a long-term portfolio whose benchmarks are the Three-Month Treasury Bill, One-Year Constant Maturity Treasury (CMT) and the Merrill Lynch One-to-Five Year Treasury/Agency Index, respectively. All 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 0.60 percent. Book yield represents the actual earnings received on the total investment portfolio.

On December 31, 2009, the City's investment pool market yield was 0.70 percent compared to 1.23 percent on September 30, 2009. During the quarter, the short-term and intermediate-term benchmarks decreased six and three basis points, respectively, while the long-term benchmark increased by twenty basis points. The following table summarizes the investment pool market yield performance for the quarter ending December 31, 2009:

Investment Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return	Weighted Avg Maturity*	Yield**
Short-Term Pool	\$ 605,595,971	0.05 percent	0.26 years	0.42 percent
Intermediate-Term Pool	\$ 686,795,558	0.47 percent	0.72 years	0.62 percent
Long-Term Pool	\$ 404,107,340	1.13 percent	0.98 years	1.24 percent
Total Pool	\$ 1,696,498,873	0.48 percent	0.62 years	0.70 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 versus the average benchmark yield in the short-term portfolio by month for the quarter ending December 31, 2009:

SHORT-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
October 2009	\$ 35,000,000	0.07 percent	0.16 percent	0.09 percentage points
November 2009	\$ 140,000,000	0.04 percent	0.22 percent	0.18 percentage points
December 2009	\$ 175,925,000	0.04 percent	0.15 percent	0.11 percentage points
Total Invested Funds *	\$ 350,925,000	0.04 percent	0.18 percent	0.14 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 versus the average benchmark yield in the intermediate-term portfolio by month for the quarter ending December 31, 2009:

INTERMEDIATE -TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
October 2009	\$ 67,000,000	0.37 percent	0.42 percent	0.05 percentage points
November 2009	\$ 95,684,000	0.31 percent	0.55 percent	0.24 percentage points
December 2009	\$ 138,280,000	0.37 percent	0.59 percent	0.22 percentage points
Total Invested Funds *	\$ 320,964,000	0.35 percent	0.53 percent	0.18 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 versus the average benchmark yield in the long-term portfolio by month for the quarter ending December 31, 2009. Our Investment Advisor, Chandler Asset Management, manages the long-term portfolio through activity pre-approved by the City Treasurer or a designated representative before execution.

LONG-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
October 2009	\$ 5,000,000	0.95 percent	0.10 percent	(0.85) percentage points
November 2009	\$ 53,200,000	0.84 percent	1.18 percent	0.34 percentage points
December 2009	\$ 70,915,000	0.90 percent	1.23 percent	0.33 percentage points
Total Invested Funds *	\$ 129,115,000	0.88 percent	1.17 percent	0.29 percentage points

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

As of December 31, 2009, the City had approximately \$22.0 million 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 A.

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 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.

Intermediate-Term Strategy

The City has adopted an investment strategy for the intermediate-term portfolio that maintains a weighted maturity of one year and provides cash needs for maturities greater than six months.

Long-Term Investment Strategy

Chandler Asset Management began reviewing and recommending a strategy for the long-term investment portfolio with the Investment Advisory Committee in October 2009. Given historically low interest rates, the Investment Advisory Committee has recommended a temporary strategy to benchmark the long-term portfolio to the one-three Year Treasury/Agency Index over the next six months. Please also note that given the stabilization in the financial services industry, Chandler Asset Management has started to reinvest in AAA-rated, FDIC-insured corporate fixed income securities to further diversify the portfolio.

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 January 26, 2010.

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

DSN:LAF:DT
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ATTACHMENT A – INVESTMENT PORTFOLIO AS OF DECEMBER 1, 2009

APPROVED:



PATRICK H. WEST
CITY MANAGER

Attachment A
City of Long Beach
Investment Portfolio
As of December 31, 2009

DESCRIPTION	RATING	CUSIP	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTERST	MATURITY DATE	YIELD
UNION BANK OF CALIFORNIA			80,572,533	80,572,533	80,572,533	69	01/01/10	0.66
MONEY MARKET ACCOUNT (BANK OF AMERICA)			3,773,857	3,773,857	3,773,857	0	01/01/10	0.00
STATE TREASURER LOCAL AGENCY INVESTMENT FUND			22,000,120	22,000,120	22,000,120	38,633	01/01/10	0.57
GUARANTEED MANAGED RATE ACCOUNT			65,201,160	65,201,160	65,201,160	4,347	01/01/10	0.08
TOTAL CASH AND EQUIVALENTS			171,547,670	171,547,670	171,547,670	43,048	5	0.42

SHORT-TERM PORTFOLIO

DESCRIPTION	RATING	CUSIP	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTERST	MATURITY DATE	YIELD
FED NAT MORTG ASSOC	AAA	31398ATE2	8,000,000	8,014,752	8,020,000	101,267	02/04/10	1.07
U.S. TREASURY BILLS	AAA	912795T27	15,000,000	14,992,483	15,000,000	0	02/11/10	0.44
U.S. TREASURY BILLS	AAA	912795T35	20,000,000	19,993,467	20,000,000	0	02/18/10	0.25
FED NAT MORTG ASSOC	AAA	313589TU7	15,000,000	14,998,221	15,000,000	0	03/03/10	0.07
FEDERAL HOME LOAN MTG. CORP.	AAA	313397TW1	8,700,000	8,699,163	8,700,000	0	03/05/10	0.06
U.S. TREASURY BILLS	AAA	912795T68	15,000,000	14,987,350	15,000,000	0	03/11/10	0.44
U.S. TREASURY BILLS	AAA	912795UL3	15,000,000	14,997,938	15,000,000	0	04/01/10	0.06
U.S. TREASURY BILLS	AAA	912795UL3	20,000,000	19,995,000	20,000,000	0	04/01/10	0.10
FED NAT MORTG ASSOC	AAA	313589UZ4	15,000,000	14,995,500	14,995,313	0	04/01/10	0.12
U.S. TREASURY BILLS	AAA	912795UM1	15,000,000	14,996,967	14,995,313	0	04/15/10	0.07
U.S. TREASURY BILLS	AAA	912795U41	30,000,000	29,950,000	29,990,626	0	05/06/10	0.48
U.S. TREASURY BILLS	AAA	912795U41	25,000,000	24,979,167	24,992,188	0	05/06/10	0.24
U.S. TREASURY BILLS	AAA	912795U41	10,000,000	9,992,014	9,996,875	0	05/06/10	0.23
U.S. TREASURY BILLS	AAA	912795U41	20,000,000	19,986,806	19,993,750	0	05/06/10	0.19
U.S. TREASURY BILLS	AAA	912795UR0	10,000,000	9,994,981	9,993,750	0	05/20/10	0.13
U.S. TREASURY BILLS	AAA	912795UU3	20,000,000	19,963,353	19,981,250	0	06/17/10	0.40
U.S. TREASURY BILLS	AAA	912795UU3	25,000,000	24,983,184	24,976,562	0	06/17/10	0.15
U.S. TREASURY BILLS	AAA	912795UU3	20,000,000	19,985,156	19,981,250	0	06/17/10	0.16

Attachment A
City of Long Beach
Investment Portfolio
As of December 31, 2009

SHORT-TERM PORTFOLIO										
DESCRIPTION	RATING	CUSIP	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTERST	MATURITY DATE	YIELD		
FEDERAL HOME LOAN MTG. CORP.	AAA	313397YS4	10,000,000	9,989,558	9,993,750	0	06/29/10	0.21		
FED NAT MORTG ASSOC	AAA	313589ZC0	15,000,000	14,984,250	14,985,938	0	07/09/10	0.20		
FED NAT MORTG ASSOC	AAA	31398ASC7	15,000,000	15,224,013	15,225,000	211,250	07/12/10	0.18		
U.S. TREASURY BILLS	AAA	912795U82	25,000,000	24,938,281	24,953,124	0	08/26/10	0.38		
FED HOME LOAN BANK	AAA	3133XVEJ6	20,000,000	20,016,783	19,987,500	18,889	11/23/10	0.41		
FED HOME LOAN BANK	AAA	3133XVG54	5,000,000	5,000,000	4,998,438	4,375	04/28/11	0.50		
FED NAT MORTG ASSOC	AAA	31398AST0	15,000,000	15,015,044	15,014,063	290,500	01/13/12	3.12		
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X8JB9	15,000,000	15,041,975	15,032,813	136,792	02/17/12	2.21		
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X8JB9	7,225,000	7,246,154	7,240,805	65,888	02/17/12	2.23		
TOTAL SHORT-TERM PORTFOLIO			433,925,000	433,961,556	434,048,305	828,960	131	0.43		
TOTAL CASH AND SHORT - TERM PORTFOLIO			605,472,670	605,509,226	605,595,974	872,008	95	0.42		

INTERMEDIATE-TERM PORTFOLIO										
DESCRIPTION	RATING	CUSIP	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTERST	MATURITY DATE	YIELD		
U.S. TREASURY BILLS	AAA	912795R78	25,000,000	24,998,958	25,000,000	0	01/07/10	0.25		
U.S. TREASURY BILLS	AAA	912795R86	20,000,000	19,997,364	20,000,000	0	01/14/10	0.37		
U.S. TREASURY BILLS	AAA	912795R94	15,000,000	14,997,875	15,000,000	0	01/21/10	0.26		
U.S. TREASURY NOTES	AAA	912828HP8	15,000,000	15,020,808	15,023,437	133,390	01/31/10	0.43		
U.S. TREASURY BILLS	AAA	912795T43	20,000,000	19,995,569	20,000,000	0	02/25/10	0.15		
U.S. TREASURY NOTES	AAA	912828HS2	15,000,000	15,035,481	15,042,187	101,934	02/28/10	0.51		
U.S. TREASURY BILLS	AAA	912795T50	15,000,000	14,995,996	15,000,000	0	03/04/10	0.16		
U.S. TREASURY BILLS	AAA	912795T68	10,000,000	9,991,088	10,000,000	0	03/11/10	0.47		
U.S. TREASURY NOTES	AAA	912828HU7	15,000,000	15,045,134	15,056,250	67,067	03/31/10	0.51		
U.S. TREASURY BILLS	AAA	912795UL3	13,000,000	12,990,250	13,000,000	0	04/01/10	0.30		
U.S. TREASURY BILLS	AAA	912795U33	25,000,000	24,966,319	24,992,188	0	04/08/10	0.71		
FED NAT MORTG ASSOC	AAA	31359MB28	2,745,000	2,742,862	2,780,170	26,078	04/19/10	5.04		
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABG3	9,800,000	9,876,784	9,888,813	47,741	04/30/10	0.50		
U.S. TREASURY BILLS	AAA	912795U41	25,000,000	24,957,031	24,992,188	0	05/06/10	0.50		
U.S. TREASURY BILLS	AAA	912795U41	25,000,000	24,964,410	24,992,188	0	05/06/10	0.41		
U.S. TREASURY BILLS	AAA	912795U41	10,000,000	9,988,889	9,996,875	0	05/06/10	0.32		
U.S. TREASURY BILLS	AAA	912795U41	25,000,000	24,978,299	24,992,188	0	05/06/10	0.25		
U.S. TREASURY BILLS	AAA	912795U58	25,000,000	24,952,188	24,984,376	0	06/03/10	0.45		
U.S. TREASURY BILLS	AAA	912795UU3	20,000,000	19,962,425	19,981,250	0	06/17/10	0.41		
U.S. TREASURY BILLS	AAA	912795U66	25,000,000	24,953,493	24,976,562	0	07/01/10	0.37		
U.S. TREASURY NOTES	AAA	912828JF8	20,000,000	20,267,161	20,287,501	230,163	07/31/10	0.43		
U.S. TREASURY NOTES	AAA	912828JL5	15,000,000	15,158,603	15,178,126	76,648	09/30/10	0.57		
FED FARM CREDIT BANK	AAA	31331GV71	5,000,000	5,000,000	4,996,875	5,764	10/07/10	0.50		
FED HOME LOAN BANK	AAA	3133XV7F2	15,000,000	15,013,277	14,985,938	15,400	10/07/10	0.32		
FED NAT MORTG ASSOC	AAA	31398ATZ5	10,000,000	10,204,299	10,178,125	63,090	10/12/10	0.25		
FED HOME LOAN BANK (Pledged to Great West)	AAA	3133XMES6	7,000,000	6,993,784	7,207,813	58,698	10/22/10	4.50		
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABV0	10,000,000	10,230,365	10,212,500	30,347	11/23/10	0.29		
U.S. TREASURY NOTES	AAA	912828JS0	15,000,000	15,121,530	15,103,126	16,484	11/30/10	0.36		
FED FARM CREDIT BANK	AAA	31331YGP9	7,684,000	7,925,411	7,907,316	19,210	12/06/10	0.36		
FED HOME LOAN BANK	AAA	3133XV5G2	10,000,000	10,019,470	10,000,000	317	12/29/10	0.37		
FEDERAL HOME LOAN BANK	AAA	3133XV5G2	10,000,000	10,015,356	10,000,000	317	12/29/10	0.42		
U.S. TREASURY NOTES	AAA	912828JV3	10,000,000	10,036,629	10,037,500	242	12/31/10	0.51		
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABW8	10,000,000	10,117,596	10,090,625	72,500	01/07/11	0.34		
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABW8	20,780,000	20,999,736	20,968,319	150,655	01/07/11	0.46		

INTERMEDIATE-TERM PORTFOLIO									
DESCRIPTION	RATING	CUSIP	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTERST	MATURITY DATE	YIELD	
U.S. TREASURY NOTES	AAA	912828JY7	10,000,000	10,055,872	10,031,250	36,617	01/31/11	0.36	
U.S. TREASURY NOTES	AAA	912828KE9	10,000,000	10,045,919	10,025,000	29,731	02/28/11	0.48	
FED NAT MORTG ASSOC	AAA	31398AVQ2	8,000,000	8,112,413	8,097,500	38,111	03/23/11	0.60	
FED NAT MORTG ASSOC	AAA	31398AWQ1	8,000,000	8,082,180	8,060,000	19,250	04/28/11	0.60	
FED HOME LOAN BANK	AAA	3133XVLE9	10,000,000	10,030,027	10,003,125	13,458	05/04/11	0.62	
FED HOME LOAN BANK	AAA	3133XVGY1	10,000,000	10,000,000	9,996,875	14,292	05/12/11	1.05	
FED FARM CREDIT BANK	AAA	31331YY46	12,500,000	13,072,406	13,031,250	13,542	06/20/11	0.76	
FED HOME LOAN BANK	AAA	3133XRCW8	10,000,000	10,374,497	10,331,250	6,563	06/24/11	0.82	
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X8S45	7,000,000	7,033,429	7,039,375	661	06/29/11	1.30	
U.S. TREASURY NOTES	AAA	912828LF5	15,000,000	14,990,797	15,060,937	466	06/30/11	1.17	
FED HOME LOAN BANK	AAA	3133XTXH4	15,000,000	15,203,467	15,145,313	104,271	07/27/11	0.76	
FED FARM CREDIT BANK	AAA	31331G3P2	5,000,000	4,999,533	4,989,063	5,483	08/18/11	0.95	
FED NAT MORTG ASSOC	AAA	3136FJNP2	5,000,000	5,000,000	4,989,063	9,208	11/10/11	1.30	
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X9GP9	12,000,000	12,000,000	11,996,250	4,167	12/21/11	1.25	
FED HOME LOAN BANK	AAA	3133XWAM1	10,000,000	9,998,022	9,984,375	139	12/30/11	0.51	
FED NAT MORTG ASSOC	AAA	31398AST0	10,000,000	10,009,981	10,009,375	193,667	01/13/12	3.14	
FED NAT MORTG ASSOC	AAA	3136F8XV2	5,000,000	5,000,000	5,153,125	16,722	12/03/12	4.30	
SUB TOTAL INTERMEDIATE TERM PORTFOLIO			683,509,000	686,522,985	686,795,558	1,622,391	263	0.62	

LONG-TERM PORTFOLIO									
DESCRIPTION	RATING	CUSIP	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTERST	MATURITY DATE	YIELD	
Dreyfus Govt Cash Management	AAA	262006208	464,694	464,694	464,694	0	01/01/10	0.00	
FED FARM CREDIT BANK	AAA	31331XWL2	9,973,000	10,091,980	10,128,828	69,742	05/07/10	1.30	
FED FARM CREDIT BANK	AAA	31331YYU8	10,200,000	10,245,748	10,298,813	114,113	07/01/10	1.34	
FED FARM CREDIT BANK	AAA	31331YZ86	9,500,000	9,964,810	9,930,469	127,821	08/25/11	0.88	
FED FARM CREDIT BANK	AAA	31331Y3P3	9,600,000	10,032,590	9,987,000	81,200	10/03/11	0.91	
FED FARM CREDIT BANK	AAA	31331GKY4	9,840,000	10,027,200	9,972,225	89,107	01/17/12	1.06	
FED HOME LOAN BANK	AAA	3133XNTD1	11,170,000	11,176,232	11,173,491	201,293	01/08/10	0.86	
FED HOME LOAN BANK	AAA	3133XPY57	15,000,000	15,052,561	15,075,000	124,896	03/12/10	0.96	
FED HOME LOAN BANK	AAA	3133XR2Y5	8,000,000	7,992,921	8,097,500	13,333	06/11/10	3.21	
FED HOME LOAN BANK	AAA	3133XR2Y5	6,000,000	5,999,715	6,073,125	10,000	06/11/10	3.01	
FED HOME LOAN BANK	AAA	3133XBTH8	10,000,000	10,140,469	10,178,125	23,611	06/11/10	1.06	

LONG - TERM PORTFOLIO

DESCRIPTION	RATING	CUSIP	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTERST	MATURITY DATE	YIELD
FED HOME LOAN BANK	AAA	3133XRN22	5,400,000	5,462,165	5,491,125	86,625	07/16/10	1.34
FED HOME LOAN BANK	AAA	3133MTZL5	9,265,000	10,056,847	9,939,608	53,274	11/15/12	1.45
FED HOME LOAN BANK	AAA	313385RN8	12,000,000	11,998,133	11,999,953	0	01/08/10	0.81
FED NAT MORTG ASSOC	AAA	31398AKX9	14,479,000	14,518,219	14,524,247	184,306	02/10/10	0.73
FED NAT MORTG ASSOC	AAA	3136F6ZZ5	7,660,000	7,695,717	7,700,694	116,106	02/22/10	0.91
FED NAT MORTG ASSOC	AAA	31398APJ5	10,000,000	9,999,176	10,053,125	92,500	03/10/10	3.04
FED NAT MORTG ASSOC	AAA	31398AMV1	12,000,000	12,052,100	12,075,000	68,333	04/09/10	0.89
FED NAT MORTG ASSOC	AAA	31359MB28	6,870,000	6,864,994	6,958,022	65,265	04/19/10	5.02
FED NAT MORTG ASSOC	AAA	31359MPF4	9,250,000	9,955,237	9,906,172	119,158	09/15/12	1.49
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X7LZ5	7,335,000	7,355,560	7,399,181	38,509	04/28/10	3.06
FEDERAL HOME LOAN MTG. CORP.	AAA	3134A4VB7	2,519,000	2,555,232	2,569,380	48,779	07/12/10	1.38
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X6Y59	10,000,000	9,995,664	10,143,750	117,764	08/12/10	3.12
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X6Y26	7,260,000	7,257,253	7,455,113	91,758	02/11/11	3.29
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EACF4	10,100,000	10,111,734	10,068,438	22,094	12/15/11	1.06
FEDERAL HOME LOAN MTG. CORP.	AAA	3134A4JT2	9,000,000	9,856,833	9,798,750	238,625	01/15/12	1.02
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABY4	9,860,000	10,077,839	10,010,981	57,037	03/23/12	1.12
FDIC Guaranteed Note - Goldman Sachs Grp. Inc.	AAA	38146FAK7	12,000,000	12,242,161	12,242,161	75,250	03/15/12	1.22
FDIC Guaranteed Note - PNC Funding Corp.	AAA	69351CAC7	11,700,000	11,988,724	11,988,724	5,980	06/22/12	1.28
FDIC Guaranteed Note - U.S. Bancorp.	AAA	91160HAC1	12,000,000	12,161,465	12,161,465	27,000	05/15/12	1.22
FDIC Guaranteed Note - GE Capital Corp.	AAA	36967HAV9	12,000,000	12,152,174	12,011,250	6,375	12/21/12	1.69
U.S. TREASURY BILLS	AAA	912795R86	15,000,000	14,998,429	15,000,000	0	01/14/10	0.29
U.S. TREASURY BILLS	AAA	912795R94	15,000,000	14,997,875	15,000,000	0	01/21/10	0.26
U.S. TREASURY NOTES	AAA	912828HU7	10,000,000	10,030,973	10,037,500	44,712	03/31/10	0.47
U.S. TREASURY NOTES	AAA	912828HU7	10,000,000	10,029,486	10,037,500	44,712	03/31/10	0.54
U.S. TREASURY NOTES	AAA	912828HU7	10,000,000	10,029,486	10,037,500	44,712	03/31/10	0.54
U.S. TREASURY NOTES	AAA	912828HX1	10,000,000	10,052,875	10,065,625	36,395	04/30/10	0.50
U.S. TREASURY NOTES	AAA	912828DU1	25,000,000	25,308,307	25,335,938	125,777	05/15/10	0.50
U.S. TREASURY NOTES	AAA	912828DU1	10,000,000	10,123,049	10,134,375	50,311	05/15/10	0.51
SUB TOTAL LONG TERM PORTFOLIO			395,445,694	401,116,629	401,524,845	2,716,471	339	1.25
SAVRS LOAN		N/A	2,582,495	2,582,495	2,582,495	5,996	04/22/19	0.66
TOTAL ALL PORTFOLIOS			1,687,009,859	1,695,731,336	1,696,498,873	5,216,866	226	0.70