CITY OF LONG BEACH

R-16

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6169 • Fax (562) 570 -5836

February 18, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Investment Report for Quarter Ending December 31, 2013. (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, 2013, these funds had a book value of approximately $1.345 billion.

Approximately $716 million of the total investment pool, or approximately 53 percent of funds, will mature within six months, ensuring that sufficient funds are available to meet the City's 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, Deputy City Attorney, Director of Financial Management, City Treasurer, City Controller, Budget and Performance Management Bureau staff, and designated representatives from the Harbor and Water departments, meets monthly, or as needed, to review investment policies, strategies and performance.

Investment Pool Rating

Standard and Poor's rates the City's investment portfolio at AAAf 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.

Overall Investment Pool 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 Select Auction Variable Rate Securities loan) as authorized by the City's Investment Policy and the California Government Code. The City's adopted 2013 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 0.32 percent (annualized). Book yield represents the return received on the total investment portfolio on an annualized basis.

On December 31, 2013, the City's investment pool market yield was 0.38 percent (annualized) with a weighted average maturity of less than one year. During the quarter, all benchmark indices were higher than the previous quarter. The following table summarizes the City's investment pool market yield and performance for the quarter ending December 31, 2013:

Investment Pool Performance – Quarter Ending December 31, 2013

Investment Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return*	Market Yield*	Over/(Under) Benchmark
Short-Term Pool	$ 689,504,852	0.07 percent	0.26 percent	0.19 percent
Intermediate-Term Pool	$ 232,893,369	0.13 percent	0.45 percent	0.32 percent
Long-Term Pool	$ 422,567,037	0.41 percent	0.51 percent	0.10 percent
Total Pool	$ 1,344,965,258	0.16 percent	0.38 percent	0.22 percent

** Benchmark Return and Market Yield of Portfolio are at quarter end.*

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

Unrealized Gains and Losses

Unrealized gains or losses are the difference between market value and book value, and result from changing investment values during the period they are held in the portfolio. Unrealized gains or losses are only recognized when the investment(s) are sold prior to the maturity date. Since the City generally holds securities to maturity, unrealized gains or losses are rarely realized. As of December 31, 2013, market and book value of the total investment portfolio was approximately $1.345 billion, with a difference of approximately $261 thousand (unrealized gain) that represents above market interest earnings. The difference is not expected to have a significant impact in the current interest rate environment.

Quarterly Investment Activity

Over $440 million in new short-term investment transactions (excluding LAIF transactions) were executed. The weighted average book yield of the total transactions was 0.15 percent (annualized). There were no sales of securities in the short-term portfolio during the quarter.

Over $99 million in new intermediate-term investment transactions were executed. The weighted average book yield of the total transactions was 0.22 percent (annualized). There were no sales of securities in the intermediate-term portfolio during the quarter.

Over $32 million in new long-term investment transactions were approved and executed. The weighted average book yield of the total transactions was 1.04 percent (annualized). There were no sales in the long-term portfolio during the quarter. The City's Investment Advisor, Chandler Asset Management, manages the long-term portfolio through activity pre-approved by the City Treasurer or a designated representative before executing trades.

As of December 31, 2013, the City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) pool was approximately $120.4 million.

Investment Strategies

The City has adopted investment strategies for the various portfolios. The short-term portfolio maintains sufficient liquidity within a rolling 12-month period to satisfy the City's cash needs. The intermediate-term portfolio maintains a weighted maturity of one year and provides cash needs for maturities greater than six months. Given the historically low interest rates, the Investment Advisory Committee recommended a temporary strategy to benchmark the long-term portfolio to the One-Three Year Treasury/Agency Index. This new benchmark is reflected in the Investment Pool Performance table on page two.

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 Deputy City Attorney Linda Vu on January 22, 2014 and by Budget Management Officer Victoria Bell on January 30, 2014.

TIMING CONSIDERATIONS

This item is not time critical.

FISCAL IMPACT

There is no fiscal impact or local job impact associated with the submission of this report.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DSN:DT
T:\Investment Portfolio Reports\2013 Reports\12-2013\Quarterly Investment Report -12-31-2013 - FINAL.doc

ATTACHMENT A – INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2013

APPROVED:

PATRICK H. WEST
CITY MANAGER

EXHBIT A
CITY OF LONG BEACH
INVESTMENT PORTFOLIO
As of December 31, 2013

FUND NO.	INVEST. NO.	SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
		UNION BANK N.A.		142,244,453	142,244,453	142,244,453	0	01/01/14	0.600
		BANK OF AMERICA		31,646,509	31,646,509	31,646,509	0	01/01/14	0.350
		LOCAL AGENCY INVESTMENT FUND		120,415,618	120,415,618	120,415,618	100,571	01/01/14	0.260
				----------	----------	----------	----------	----------	----------
		TOTAL CASH AND EQUIVALENTS		294,306,579	294,306,579	294,306,579	100,571	1	0.43
97	14783	U.S. TREASURY BILLS	AA+	20,000,000	19,999,986	20,000,000	0	01/02/14	0.025
97	14757	FED HOME LOAN BANK	AA+	12,000,000	11,999,970	11,999,987	0	01/03/14	0.013
97	14694	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,000,000	9,999,750	10,000,000	0	01/10/14	0.100
97	14698	FED. HOME LOAN MTG. ASSOC.	AA+	11,100,000	11,118,884	11,117,427	230,325	01/15/14	0.453
97	14696	FED. HOME LOAN MTG. ASSOC.	AA+	10,000,000	9,999,389	9,999,900	0	01/21/14	0.017
97	14778	U.S. TREASURY BILLS	AA+	12,000,000	11,999,798	11,999,880	0	01/23/14	0.016
97	14795	FED HOME LOAN BANK	AA+	18,000,000	17,999,770	17,999,770	0	01/24/14	0.019
97	14693	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,000,000	9,999,361	9,999,900	0	01/24/14	0.015
97	14716	U.S. TREASURY BILLS	AA+	10,000,000	9,999,350	9,999,800	0	02/06/14	0.019
97	14705	U.S. TREASURY BILLS	AA+	10,000,000	9,999,200	9,999,800	0	02/06/14	0.019
97	14777	U.S. TREASURY BILLS	AA+	13,000,000	12,999,350	12,999,740	0	02/06/14	0.019
97	14792	FED HOME LOAN BANK	AA+	15,000,000	14,998,831	14,999,575	0	02/21/14	0.020
97	14717	FED. HOME LOAN MTG. ASSOC.	AA+	10,000,000	9,997,833	9,999,100	0	03/20/14	0.041
97	14766	FED HOME LOAN BANK	AA+	10,000,000	9,998,244	9,999,122	0	03/21/14	0.040
97	14786	FED HOME LOAN BANK	AA+	10,000,000	10,000,591	9,999,900	3,264	03/27/14	0.129
97	14707	FED. HOME LOAN MTG. ASSOC.	AA+	10,000,000	9,996,894	9,999,100	0	03/28/14	0.037
97	14754	FED HOME LOAN BANK	AA+	20,000,000	19,995,000	19,997,222	0	04/11/14	0.050
97	14704	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	6,997,597	6,998,810	0	04/14/14	0.059
97	14768	FED HOME LOAN BANK	AA+	8,000,000	7,999,830	8,000,240	1,333	05/01/14	0.091
97	14726	U.S. TREASURY BILLS	AA+	10,000,000	9,997,333	9,998,300	0	05/01/14	0.051
97	14755	FED. HOME LOAN MTG. ASSOC.	AA+	20,000,000	19,993,350	19,994,800	0	05/14/14	0.070
97	14725	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,000,000	9,995,567	9,997,400	0	05/14/14	0.070
97	14730	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,000,000	10,089,240	10,087,500	31,944	05/15/14	0.147
97	14728	FED. HOME LOAN MTG. ASSOC.	AA+	6,000,000	5,997,683	5,998,380	0	05/20/14	0.069
97	14797	FED HOME LOAN BANK	AA+	6,000,000	6,000,000	5,999,760	680	05/27/14	0.130
97	14756	U.S. TREASURY NOTES	AA+	10,000,000	10,006,080	10,005,900	2,198	05/31/14	0.108
97	14697	FED HOME LOAN BANK	AA+	10,000,000	9,997,634	9,999,300	451	06/18/14	0.140
97	14763	FEDERAL NATIONAL MTG. ASSOC.	AA+	5,000,000	5,024,381	5,024,250	625	06/27/14	0.132
97	14767	FED HOME LOAN BANK	AA+	8,000,000	7,998,732	7,997,520	1,660	07/08/14	0.150
97	14759	U.S. TREASURY NOTES	AA+	10,000,000	10,023,478	10,023,400	18,886	08/15/14	0.125

EXHBIT A
CITY OF LONG BEACH
INVESTMENT PORTFOLIO
As of December 31, 2013

FUND NO.	INVEST. NO.	SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
97	14750	FED. HOME LOAN MTG. ASSOC.	AA+	8,000,000	8,045,236	8,046,480	27,556	08/27/14	0.113
97	14746	FED HOME LOAN BANK	AA+	10,000,000	9,998,982	9,997,600	4,097	09/03/14	0.161
97	14747	FED HOME LOAN BANK	AA+	10,000,000	10,001,555	10,000,300	4,864	09/18/14	0.166
97	14775	FEDERAL NATIONAL MTG. ASSOC.	AA+	5,000,000	5,003,087	5,002,950	9,472	02/17/15	0.497
97	14787	FEDERAL NATIONAL MTG. ASSOC.	AA+	6,000,000	6,000,582	5,993,820	13,833	01/15/16	0.551
97	14680	FEDERAL NATIONAL MTG. ASSOC.	AA+	3,000,000	3,000,347	2,998,890	6,333	01/29/16	0.518
97	14678	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	7,000,000	6,981,100	7,443	04/25/16	0.698
97	14687	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	7,000,000	6,981,590	1,750	12/19/16	0.840
97	14688	FEDERAL NATIONAL MTG. ASSOC.	AA+	8,000,000	8,003,824	7,959,760	30,139	07/26/17	1.019
				----------	----------	----------	----------	----------	----------
		SHORT-TERM TERM PORTFOLIO		395,100,000	395,276,720	395,198,273	396,855	168	0.137
				----------	----------	----------	----------	----------	----------
		TOTAL CASH AND SHORT - TERM PORTFOLIO		689,406,579	689,583,300	689,504,852	497,426	97	0.26

FUND NO.	INVEST. NO.	SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
99	14611	U.S. TREASURY NOTES	AA+	10,000,000	10,003,217	10,003,100	46,196	01/15/14	0.238
99	14589	U.S. TREASURY NOTES	AA+	7,000,000	7,000,207	7,001,120	7,323	01/31/14	0.060
99	14591	FEDERAL NATIONAL MTG. ASSOC.	AA+	6,930,000	6,940,970	6,941,850	29,838	02/27/14	0.150
99	14446	FED HOME LOAN BANK	AA+	6,000,000	6,024,835	6,026,940	42,354	03/14/14	0.159
99	14708	FED HOME LOAN BANK	AA+	7,000,000	6,999,286	7,001,540	5,763	07/25/14	0.151
99	14790	FED. HOME LOAN MTG. ASSOC.	AA+	4,825,000	4,904,140	4,902,200	61,519	07/28/14	0.214
99	14798	FED. HOME LOAN MTG. ASSOC.	AA+	4,890,000	4,917,335	4,918,411	16,843	08/27/14	0.113
99	14762	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,305,000	10,400,576	10,399,085	48,519	09/08/14	0.168
99	14751	FEDERAL NATIONAL MTG. ASSOC.	AA+	8,000,000	8,282,621	8,279,520	78,111	10/15/14	0.190
99	14761	FED HOME LOAN BANK	AA+	7,000,000	6,998,104	6,996,780	1,385	11/04/14	0.180
99	14752	FED HOME LOAN BANK	AA+	8,000,000	8,003,193	8,002,000	2,520	11/07/14	0.181
99	14785	U.S. TREASURY BILLS	AA+	10,000,000	9,989,686	9,991,200	0	11/13/14	0.100
99	14769	FED HOME LOAN BANK	AA+	7,000,000	6,997,165	6,999,720	1,045	11/18/14	0.130
99	14765	FED. HOME LOAN MTG. ASSOC.	AA+	8,000,000	8,042,283	8,042,320	6,000	11/25/14	0.162
99	14742	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,000,000	10,053,794	10,053,900	2,500	12/19/14	0.192
99	***14656***	***U.S. TREASURY NOTE(Pledged to Consent Agreement)***	***AA+***	***3,500,000***	***3,584,770***	***3,584,770***	***181***	***06/30/15***	***0.256***
99	14723	FED. HOME LOAN MTG. ASSOC.	AA+	5,000,000	5,003,135	5,004,600	9,167	08/19/15	0.443
99	14724	FED. HOME LOAN MTG. ASSOC.	AA+	6,000,000	6,000,000	6,004,440	9,750	08/21/15	0.405
99	14635	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	7,004,303	7,004,690	7,653	10/09/15	0.442
99	14661	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,000,000	10,000,000	9,991,400	6,458	10/29/15	0.422
99	14793	FED HOME LOAN BANK	AA+	6,000,000	6,000,000	5,989,920	63	12/30/15	0.460
99	14651	FED. HOME LOAN MTG. ASSOC.	AA+	4,500,000	4,505,062	4,504,500	15,875	02/24/16	0.953

EXHBIT A
CITY OF LONG BEACH
INVESTMENT PORTFOLIO
As of December 31, 2013

FUND NO.	INVEST. NO.	SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
99	14679	FEDERAL NATIONAL MTG. ASSOC.	AA+	6,000,000	6,002,502	5,993,340	7,750	03/28/16	0.550
99	14675	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	7,000,000	6,957,020	3,792	08/22/16	0.735
99	14686	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	7,000,000	6,969,270	12,299	09/06/16	0.716
99	14690	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	6,982,679	6,969,270	12,299	09/06/16	0.716
99	14643	FED HOME LOAN BANK	AA+	10,000,000	10,000,000	9,974,300	15,644	10/03/16	0.734
99	14648	FED. HOME LOAN MTG. ASSOC.	AA+	9,640,000	9,649,838	9,651,954	34,008	11/24/16	0.957
99	14782	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	7,010,338	6,974,030	5,250	11/25/16	0.880
99	14676	FEDERAL NATIONAL MTG. ASSOC.	AA+	8,000,000	8,004,314	7,910,080	17,833	03/14/17	1.108
99	14689	FEDERAL NATIONAL MTG. ASSOC.	AA+	4,000,000	3,978,639	3,924,600	3,033	05/22/17	1.270
99	14681	FED. HOME LOAN MTG. ASSOC.	AA+	10,000,000	10,031,042	9,925,500	43,333	07/25/17	1.214
				----------	----------	----------	----------	----------	----------
		INTERMEDIATE TERM PORTFOLIO		232,590,000	233,314,034	232,893,369	554,305		0.453

FUND NO.	INVEST. NO.	SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
98	14250	WFC Advantage Govt Money Mkt	AA+	205,477	205,477	205,477	(3,347)	01/01/14	0.100
98	14127	FED. HOME LOAN MTG. ASSOC.	AA+	9,965,000	9,966,628	9,968,288	120,410	01/07/14	0.514
98	14128	FED NAT MORTG ASSOC	AA+	10,000,000	10,011,039	10,024,000	111,528	02/05/14	0.206
98	14613	U.S. TREASURY NOTES	AA+	10,500,000	10,522,250	10,524,570	39,157	03/15/14	0.105
98	14168	FED FARM CREDIT BANK	AA+	10,000,000	10,037,233	10,072,700	53,229	04/17/14	0.154
98	14056	FED. HOME LOAN MTG. ASSOC.	AA+	10,000,000	10,048,260	10,074,000	47,222	04/23/14	0.120
98	14235	U.S. TREASURY NOTES	AA+	10,500,000	10,513,745	10,534,860	13,633	05/15/14	0.109
98	14255	FED HOME LOAN BANK	AA+	9,900,000	9,924,649	9,949,995	12,478	05/28/14	0.137
98	14624	U.S. TREASURY NOTES	AA+	7,325,000	7,342,848	7,346,169	2,566	06/15/14	0.116
98	14173	FED. HOME LOAN MTG. ASSOC.	AA+	9,950,000	10,034,707	10,109,200	126,863	07/28/14	0.214
98	14311	FED. HOME LOAN MTG. ASSOC.	AA+	10,000,000	10,014,624	10,052,100	36,389	08/20/14	0.180
98	14254	FED NAT MORTG ASSOC	AA+	9,325,000	9,458,997	9,515,323	81,594	09/16/14	0.116
98	14355	U.S. TREASURY NOTES	AA+	10,200,000	10,211,721	10,228,662	10,929	10/15/14	0.143
98	14213	FED FARM CREDIT BANK	AA+	10,700,000	10,724,385	10,837,816	19,802	11/19/14	0.165
98	14622	U.S. TREASURY NOTES	AA+	4,500,000	4,499,825	4,503,690	525	12/15/14	0.164
98	14625	U.S. TREASURY NOTES	AA+	2,950,000	2,949,823	2,952,419	344	12/15/14	0.164
98	14283	U.S. TREASURY NOTES	AA+	11,000,000	11,208,068	11,244,970	103,573	01/31/15	0.193
98	14169	FED HOME LOAN BANK	AA+	5,000,000	5,053,514	5,149,400	41,250	03/13/15	0.254
98	14340	FED HOME LOAN BANK	AA+	1,000,000	1,022,850	1,029,880	8,250	03/13/15	0.254
98	14662	FED HOME LOAN BANK	AA+	1,150,000	1,184,372	1,184,362	9,488	03/13/15	0.254

EXHBIT A
CITY OF LONG BEACH
INVESTMENT PORTFOLIO
As of December 31, 2013

FUND NO.	INVEST. NO.	SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
98	14401	FED HOME LOAN BANK	AA+	10,500,000	10,470,775	10,515,855	11,813	03/13/15	0.249
98	14596	U.S. TREASURY NOTES	AA+	10,550,000	10.562,541	10,574,265	8.478	04/15/15	0.196
98	14607	FED. HOME LOAN MTG. ASSOC.	AA+	10,400,000	10,423,550	10,434,008	10,689	04/17/15	0.247
98	14300	FED NAT MORTG ASSOC	AA+	9,600,000	9,834,398	9,903,456	96,900	07/28/15	0.360
98	14310	U.S. TREASURY NOTES	AA+	9,950,000	10,107,034	10,182,034	72,868	07/31/15	0.274
98	14445	FEDERAL FARM CREDIT BANK	AA+	10,900,000	10,890,149	10,913,189	22,148	08/17/15	0.475
98	14299	FED. HOME LOAN MTG. ASSOC.	AA+	9,425,000	9,569,805	9,644,791	50,856	09/10/15	0.366
98	14387	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,225,000	10,371,540	10,448,416	30,000	10/26/15	0.418
98	14586	FED HOME LOAN BANK	AA+	9,925,000	9,946,242	9,937,506	5,652	11/20/15	0.433
98	14594	FED. HOME LOAN MTG. ASSOC.	AA+	9,000,000	9,799,112	9,788,040	192,375	01/19/16	0.454
98	14356	FED HOME LOAN BANK	AA+	8,700,000	9,501,565	9,617,328	142,885	03/11/16	0.535
98	14462	U.S. TREASURY NOTES	AA+	9,875,000	10,249,530	10,269,210	56,768	03/31/16	0.462
98	14542	FEDERAL NATIONAL MTG. ASSOC.	AA+	9,300,000	9,684,747	9,687,438	49,083	04/11/16	0.532
98	14494	FED. HOME LOAN MTG. ASSOC.	AA+	9,490,000	9,915,215	9,932,139	22,407	05/27/16	0.548
98	14560	U.S. TREASURY NOTES	AA+	11,000,000	11,150,902	11,103,180	37,376	08/31/16	0.644
98	14416	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,500,000	10,501,139	10,649,940	33,906	09/28/16	0.723
98	14523	FED HOME LOAN BANK	AA+	9,250,000	10,328,820	10,331,048	18,307	12/16/16	0.748
98	14668	FEDERAL FARM CREDIT BANK	AA+	8,500,000	8,508,638	8,425,880	14,119	03/28/17	0.924
98	14780	U.S. TREASURY NOTES	AA+	11,800,000	11,739,725	11,646,010	6,484	05/31/17	1.015
98	14667	FEDERAL FARM CREDIT BANK	AA+	8,400,000	8,406,567	8,301,468	4,083	06/05/17	1.049
98	14644	FED HOME LOAN BANK	AA+	10,600,000	10,706,450	10,566,928	2,944	06/21/17	1.092
98	14711	FED HOME LOAN BANK	AA+	950,000	947,006	947,036	264	06/21/17	1.092
98	14732	FED. HOME LOAN MTG. ASSOC.	AA+	10,750,000	10,684,581	10,682,060	45,688	07/28/17	1.181
98	14735	FED HOME LOAN BANK	AA+	9,350,000	9,689,160	9,674,726	66,034	09/08/17	1.282
98	14791	FEDERAL NATIONAL MTG. ASSOC.	AA+	11,000,000	10,878,935	10,812,890	17,378	10/26/17	1.333
98	14701	FEDERAL NATIONAL MTG. ASSOC.	AA+	11,100,000	10,737,010	10,820,058	38,580	02/08/18	1.511
98	14721	FED HOME LOAN BANK	AA+	4,345,000	4,314,351	4,307,720	18,587	03/09/18	1.587
98	14722	FED HOME LOAN BANK	AA+	5,505,000	5,467,229	5,457,767	23,549	03/09/18	1.587
				----------	----------	----------	----------	----------	----------
		LONG TERM PORTFOLIO		415,060,477	420,321,730	421,082,267	1,936,105	663	0.519
				----------	----------	----------	----------	----------	----------
		Health Savors Loan		1,484,769	1,484,769	1,484,769	631	04/22/19	0.510
				----------	----------	----------	----------	----------	----------
		TOTAL PORTFOLIO		1,338,541,826	1,344,703,833	1,344,965,258	2,988,467	359	0.377
				=======	=======	=======	=======	=======	=======
		Unrelaized gain/(loss)				261,425			