R-14

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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

February 15, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and File Investment Report for Quarter Ending December 31, 2010. (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, 2010, these funds had a market value of approximately $1.725 billion, with approximately $803 million, or approximately 47 percent of funds, maturing 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, Assistant City Attorney, Director of Financial Management/CFO, City Treasurer, City Controller, Budget and Performance Management Bureau staff, 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, 2010, Standard and Poor's assigned the City's investment portfolio a rating of 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.

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 Select Auction Variable Rate Securities 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 0.52 percent. Book yield represents the return received on the total investment portfolio on an annualized basis.

On December 31, 2010, the City's investment pool market yield was 0.46 percent (annualized). During the quarter, the average short-term benchmark decreased by three basis points, while the intermediate-term benchmark decreased by two basis points. The long-term benchmark increased by eighteen basis points. The following table summarizes the City's investment pool market yield and performance for the quarter ending December 31, 2010:

Investment Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return**	Weighted Avg Maturity*	Yield**
Short-Term Pool	$ 523,867,695	0.13 percent	0.29 years	0.35 percent
Intermediate-Term Pool	$ 789,708,501	0.29 percent	0.75 years	0.47 percent
Long-Term Pool	$ 412,204,235	0.63 percent	1.60 years	0.59 percent
Total Pool	$ 1,725,565,170	0.32 percent	0.82 years	0.46 percent

** Weighted Average Maturity assumes securities are not called or sold prior to the actual maturity date. ** Benchmark Return and Market Yield of Portfolio are 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, 2010:

SHORT-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
October, 2010	$ 29,922,000	0.13 percent	0.21 percent	0.08 percentage points
November, 2010	$ 44,496,000	0.13 percent	0.26 percent	0.13 percentage points
December, 2010	$ 129,929,000	0.13 percent	0.17 percent	0.04 percentage points
Total Funds	$ 204,347,000	0.13 percent	0.20 percent	0.07 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, 2010:

INTERMEDIATE -TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
October, 2010	$ 22,000,000	0.23 percent	0.49 percent	0.26 percentage points
November, 2010	$ 42,620,000	0.25 percent	0.42 percent	0.17 percentage points
December, 2010	$ 90,000,000	0.29 percent	0.55 percent	0.26 percentage points
Total Funds	$ 154,620,000	0.27 percent	0.51 percent	0.24 percentage points

** One Year CMT 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, 2010. 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, 2010	$ 10,000,000	0.40 percent	0.92 percent	0.52 percentage points
November, 2010	$ 0	N/A	N/A	N/A
December, 2010	$ 2,450,000	0.63 percent	0.09 percent	(0.54) percentage points
Total Funds	$ 12,450,000	0.45 percent	0.77 percent	0.32 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, 2010, the City has approximately $50,000,000 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.

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 staff and the City's Investment Advisory Committee on January 25, 2011.

TIMING CONSIDERATIONS

This item is not time critical.

FISCAL IMPACT

There is no fiscal impact or local job impact associated with this action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

David S. Nakamoto

DAVID S. NAKAMOTO
CITY TREASURER

Will Yeomans

WILLIAM YEOMANS
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER

DSN:WY:DT
T:\COUNCIL LETTERS\02-15-11 CCL - QUARTERLY INVESTMENT REPORT.DOC

ATTACHMENT A – INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2010

Attachment A
City of Long Beach, CA
Investment Portfolio
As of December 31, 2010

SECURITY DESCRIPTION	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
UNION BANK OF CALIFORNIA		100,777,821	100,777,821	100,777,821	0	01/01/11	0.40
BANK OF AMERICA		8,848,735	8,848,735	8,848,735	0	01/01/11	0.13
LOCAL AGENCY INVESTMENT FUND (L.A.I.F.)		50,113,341	50,113,341	50,113,341	58,543	01/01/11	0.45
TOTAL CASH AND EQUIVALENTS		159,739,897	159,739,897	159,739,897	58,543	1	0.40

SHORT-TERM PORTFOLIO

SECURITY DESCRIPTION	RATING	PAR VALUE	BOOK VLAUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
U.S. TREASURY BILL	AAA	20,000,000	19,997,783	20,000,000	0.00	01/13/11	0.11
U.S. TREASURY BILL	AAA	25,000,000	24,999,281	25,000,000	0.00	01/20/11	0.05
U.S. TREASURY BILL	AAA	25,000,000	24,998,445	25,000,000	0.00	01/27/11	0.08
U.S. TREASURY BILL	AAA	30,000,000	29,990,533	30,000,000	0.00	02/10/11	0.16
FEDERAL HOME LN MTG CORP	AAA	10,000,000	9,995,000	10,000,000	0.00	02/11/11	0.25
U.S. TREASURY BILL	AAA	25,000,000	24,996,281	25,000,000	0.00	02/17/11	0.11
FEDERAL HOME LN MTG CORP	AAA	13,895,000	14,105,254	14,046,977	230,135.94	03/15/11	0.30
FEDERAL HOME LN MTG CORP	AAA	10,000,000	10,050,633	10,043,750	29,340.28	04/26/11	0.25
U.S. TREASURY NOTE	AAA	25,000,000	25,049,272	25,054,688	37,465.47	04/30/11	0.21
FED NAT MORTG ASSOC	AAA	20,000,000	19,981,889	19,987,500	0.00	05/13/11	0.17
FED NAT MORTG ASSOC	AAA	10,000,000	10,248,293	10,212,500	76,666.67	05/15/11	0.28
FED FARM CREDIT BANK	AAA	10,000,000	10,001,674	10,012,500	4,027.78	06/01/11	0.20
FEDERAL HOME LN MTG CORP	AAA	10,000,000	9,976,125	9,993,750	0.00	06/10/11	0.14
FED NAT MORTG ASSOC	AAA	6,549,000	6,692,457	6,679,980	89,684.92	08/15/11	0.40
FED FARM CREDIT BANK	AAA	10,000,000	10,011,355	10,021,875	22,477.78	09/01/11	0.35
FEDERAL HOME LN MTG CORP	AAA	8,000,000	7,999,030	7,997,500	8,800.00	09/22/11	0.44
U.S. TREASURY NOTE	AAA	10,000,000	10,062,415	10,053,125	25,549.45	09/30/11	0.29
U.S. TREASURY NOTE	AAA	8,000,000	8,049,482	8,042,500	20,439.56	09/30/11	0.29
U.S. TREASURY NOTE	AAA	10,000,000	10,062,616	10,053,125	25,549.45	09/30/11	0.29
FED FARM CREDIT BANK	AAA	11,025,000	11,022,795	11,007,773	9,003.75	10/06/11	0.56
FED NAT MORTG ASSOC	AAA	8,996,000	9,431,797	9,383,953	61,785.03	11/15/11	0.42
U.S. TREASURY NOTE	AAA	5,000,000	5,042,188	5,037,500	2,627.06	12/15/11	0.34
FEDERAL HOME LN MTG CORP	AAA	4,185,000	4,190,513	4,186,308	22,523.44	01/26/12	1.22
FED HOME LOAN BANK	AAA	10,000,000	10,235,500	10,225,000	48,750.00	04/13/12	0.49
FED FARM CREDIT BANK	AAA	4,224,000	4,327,995	4,319,040	17,424.00	04/24/12	0.53
FED HOME LOAN BANK	AAA	4,680,000	5,022,997	5,014,913	34,385.00	05/15/12	0.51
FED HOME LOAN BANK	AAA	10,000,000	10,006,224	10,003,125	24,479.17	08/10/12	0.61
FED NAT MORTG ASSOC	AAA	7,500,000	7,528,148	7,507,031	65,343.75	01/28/13	2.00
FED NAT MORTG ASSOC	AAA	10,000,000	10,051,825	10,028,125	49,333.33	03/25/13	1.72
SHORT-TERM PORTFOLIO		362,054,000	364,127,798	363,912,537	905,792	150	0.33
SUB TOTAL CASH AND SHORT - TERM PORTFOLIO		521,793,897	523,867,695	523,652,433	964,335	105	0.35

Attachment A
City of Long Beach, CA
Investment Portfolio
As of December 31, 2010

INTERMEDIATE - PORTFOLIO

SECURITY DESCRIPTION	RATING	PAR VALUE	BOOK VLAUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FEDERAL HOME LN MTG CORP	AAA	10,000,000	10,011,567	10,000,000	72,500.00	01/07/11	1.49
FEDERAL HOME LN MTG CORP	AAA	20,780,000	20,801,613	20,780,000	150,655.00	01/07/11	1.49
FEDERAL HOME LN MTG CORP	AAA	15,000,000	15,085,212	15,028,125	322,604.17	01/18/11	0.76
FED NAT MORTG ASSOC	AAA	10,000,000	9,994,900	10,000,000	0.00	01/21/11	0.36
U.S. TREASURY NOTE	AAA	10,000,000	10,008,628	10,006,250	36,616.85	01/31/11	0.36
FED NAT MORTG ASSOC	AAA	6,000,000	5,994,267	6,000,000	0.00	02/25/11	0.40
U.S. TREASURY NOTE	AAA	10,000,000	10,009,662	10,012,500	29,730.66	02/28/11	0.11
U.S. TREASURY NOTE	AAA	10,000,000	10,008,087	10,012,500	29,730.66	02/28/11	0.11
FED HOME LOAN BANK	AAA	10,000,000	10,061,458	10,050,000	87,847.22	03/11/11	0.30
FEDERAL HOME LN MTG CORP	AAA	20,000,000	20,296,545	20,218,750	331,250.00	03/15/11	0.30
FED NAT MORTG ASSOC	AAA	8,000,000	8,028,485	8,027,500	38,111.11	03/23/11	0.24
FED NAT MORTG ASSOC	AAA	20,000,000	20,080,304	20,068,750	95,277.78	03/23/11	0.24
U.S. TREASURY NOTE	AAA	10,000,000	10,009,208	10,015,625	22,355.77	03/31/11	0.24
FEDERAL HOME LN MTG CORP	AAA	11,000,000	11,052,488	11,048,125	32,274.31	04/26/11	0.25
FED NAT MORTG ASSOC	AAA	8,000,000	8,025,326	8,030,000	19,250.00	04/28/11	0.22
FED NAT MORTG ASSOC	AAA	4,738,000	4,753,765	4,755,768	11,400.81	04/28/11	0.22
U.S. TREASURY NOTE	AAA	10,000,000	10,020,398	10,021,875	14,986.19	04/30/11	0.21
U.S. TREASURY NOTE	AAA	15,000,000	15,025,044	15,032,813	22,479.28	04/30/11	0.21
FED HOME LOAN BANK	AAA	10,000,000	10,009,512	10,021,875	13,458.33	05/04/11	0.21
FED HOME LOAN BANK	AAA	25,000,000	25,042,793	25,054,688	33,645.83	05/04/11	0.21
FED HOME LOAN BANK	AAA	10,000,000	10,010,419	10,025,000	12,222.22	05/06/11	0.08
FED NAT MORTG ASSOC	AAA	15,000,000	14,976,742	14,990,625	23,516.67	05/13/11	0.51
FED NAT MORTG ASSOC	AAA	10,000,000	10,248,161	10,212,500	76,666.67	05/15/11	0.28
FED NAT MORTG ASSOC	AAA	15,000,000	15,369,550	15,318,750	115,000.00	05/15/11	0.28
FED NAT MORTG ASSOC	AAA	10,000,000	10,131,438	10,121,875	39,375.00	05/19/11	0.19
FEDERAL HOME LN MTG CORP	AAA	20,000,000	20,583,920	20,525,000	53,333.33	06/15/11	0.23
FED FARM CREDIT BANK	AAA	12,500,000	12,715,329	12,710,938	13,541.67	06/20/11	0.30
FED HOME LOAN BANK	AAA	10,000,000	10,142,632	10,140,625	6,562.50	06/24/11	0.44
FEDERAL HOME LN MTG CORP	AAA	10,000,000	10,189,032	10,175,000	2,152.78	06/29/11	0.33
U.S. TREASURY NOTES (Pledged to Union Bank - Consent Agreement)	***AAA***	***2,700,000***	***2,699,359***	***2,712,656***	***84***	***06/30/11***	***0.187***
U.S. TREASURY NOTE	AAA	12,300,000	12,297,078	12,357,657	382.25	06/30/11	0.19
FED HOME LOAN BANK	AAA	20,000,000	20,031,781	20,050,000	72,083.33	07/08/11	0.27
FEDERAL HOME LN MTG CORP	AAA	3,325,000	3,422,278	3,414,359	79,038.02	07/18/11	0.33
FEDERAL HOME LN MTG CORP	AAA	10,000,000	10,292,571	10,268,750	237,708.33	07/18/11	0.33
FED HOME LOAN BANK	AAA	15,000,000	15,084,838	15,107,813	104,270.83	07/27/11	0.37
U.S. TREASURY NOTE	AAA	7,000,000	7,022,916	7,030,625	29,293.48	07/31/11	0.25
FED NAT MORTG ASSOC	AAA	10,000,000	10,207,295	10,200,000	136,944.44	08/15/11	0.40
U.S. TREASURY NOTE	AAA	10,000,000	10,032,873	10,050,000	33,977.90	08/31/11	0.24
FED HOME LOAN BANK	AAA	15,000,000	15,339,065	15,346,875	175,000.00	09/09/11	0.38
FED HOME LOAN BANK	AAA	7,910,000	8,116,104	8,095,391	83,631.77	09/16/11	0.31
FED HOME LOAN BANK	AAA	10,000,000	10,000,900	9,996,875	7,666.66	09/29/11	0.34

Attachment A
City of Long Beach, CA
Investment Portfolio
As of December 31, 2010

INTERMEDIATE - PORTFOLIO

SECURITY DESCRIPTION	RATING	PAR VALUE	BOOK VLAUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FED FARM CREDIT BANK	AAA	11,045,000	11,298,917	11,303,867	93,422.29	10/03/11	0.39
FED FARM CREDIT BANK	AAA	10,900,000	10,972,577	10,954,500	29,634.38	10/03/11	0.46
FED FARM CREDIT BANK	AAA	10,000,000	10,245,259	10,246,875	34,666.67	11/21/11	0.41
FED FARM CREDIT BANK	AAA	7,000,000	7,000,000	6,997,813	3,237.50	11/23/11	0.49
FED HOME LOAN BANK	AAA	10,815,000	10,818,054	10,855,556	8,489.78	11/25/11	0.37
FEDERAL HOME LN MTG CORP	AAA	10,000,000	10,074,480	10,068,750	5,000.00	12/15/11	0.40
FED HOME LOAN BANK	AAA	10,000,000	10,036,588	10,034,375	2,083.33	12/21/11	0.40
FED NAT MORTG ASSOC	AAA	5,000,000	5,029,676	5,021,875	20,538.19	01/12/12	0.45
FEDERAL HOME LN MTG CORP	AAA	5,000,000	5,000,000	5,003,125	29,791.67	01/25/12	1.32
FEDERAL HOME LN MTG CORP	AAA	5,000,000	5,000,000	5,003,125	28,166.67	01/25/12	1.24
U.S. TREASURY NOTE	AAA	15,000,000	15,183,197	15,168,750	77,904.21	02/15/12	0.37
FED HOME LOAN BANK	AAA	10,000,000	10,088,800	10,081,250	35,000.00	03/09/12	0.44
FEDERAL HOME LN MTG CORP	AAA	15,000,000	15,193,747	15,300,000	86,770.83	03/23/12	0.49
FED NAT MORTG ASSOC	AAA	15,000,000	15,143,200	15,267,188	55,468.75	04/20/12	0.50
FED FARM CREDIT BANK	AAA	10,000,000	10,257,500	10,225,000	41,250.00	04/24/12	0.53
FED NAT MORTG ASSOC	AAA	8,000,000	8,513,680	8,477,500	46,583.33	05/18/12	0.53
FEDERAL HOME LOAN BANK (Pledged to Cigna)	***AAA***	***7,000,000***	***7,096,803***	***7,087,500***	***6,149***	***06/08/12***	***0.500***
FED HOME LOAN BANK	AAA	10,000,000	10,118,300	10,125,000	8,784.72	06/08/12	0.50
FEDERAL HOME LN MTG CORP	AAA	5,000,000	5,000,000	4,990,625	2,333.33	06/19/12	0.53
FEDERAL HOME LN MTG CORP	AAA	7,000,000	7,073,010	7,063,438	46,593.75	07/27/12	0.55
FEDERAL HOME LN MTG CORP	AAA	10,000,000	10,000,000	10,000,000	21,388.88	07/27/12	0.50
FED HOME LOAN BANK	AAA	7,000,000	7,000,000	6,991,250	3,694.44	08/23/12	0.58
FED FARM CREDIT BANK	AAA	8,000,000	7,998,616	8,000,000	15,155.56	09/10/12	0.62
FED NAT MORTG ASSOC	AAA	10,000,000	9,998,050	10,000,000	20,666.67	09/28/12	0.80
FEDERAL HOME LN MTG CORP	AAA	5,000,000	5,000,000	5,003,125	10,333.33	09/28/12	0.76
FED NAT MORTG ASSOC	AAA	10,000,000	9,961,500	9,975,000	8,472.22	10/30/12	0.64
FEDERAL HOME LN MTG CORP	AAA	10,000,000	9,933,700	9,940,625	7,187.50	11/30/12	0.69
FED HOME LOAN BANK	AAA	15,000,000	14,928,750	14,967,188	6,416.66	12/03/12	0.66
FED FARM CREDIT BANK	AAA	7,000,000	6,996,064	6,997,813	2,022.22	12/17/12	0.82
FEDERAL HOME LN MTG CORP	AAA	7,000,000	7,038,963	7,026,250	56,486.11	01/15/13	1.56
FED NAT MORTG ASSOC	AAA	4,922,000	4,932,295	4,915,848	21,875.56	08/23/13	1.30
FED HOME LOAN BANK	AAA	5,000,000	5,000,000	4,993,750	11,111.11	08/23/13	0.67
FED NAT MORTG ASSOC	AAA	8,000,000	8,030,187	7,985,000	25,066.67	09/27/13	1.27
FED NAT MORTG ASSOC	AAA	10,620,000	10,679,499	10,600,088	33,276.00	09/27/13	1.27
		------------	------------	------------	------------	------------	--------
SUBTOTAL INTERMEDITE PORTFOLIO		783,555,000	789,874,955	789,708,501	3,571,647	274	0.47

Attachment A
City of Long Beach, CA
Investment Portfolio
As of December 31, 2010

LONG-TERM PORTFOLIO

SECURITY DESCRIPTION	RATING	PAR VALUE	BOOK VLAUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
Dreyfus Govt Cash Management		107,334	107,334	107,334	0.00	01/01/11	0.00
U.S. TREASURY BILL	AAA	2,450,000	2,449,726	2,450,000	0.00	02/10/11	0.09
FEDERAL HOME LN MTG CORP	AAA	2,360,000	2,359,844	2,367,375	29,827.78	02/11/11	0.43
FED FARM CREDIT BANK	AAA	9,500,000	9,706,582	9,713,750	127,821.18	08/25/11	0.40
FED FARM CREDIT BANK	AAA	9,600,000	9,806,713	9,825,000	81,200.00	10/03/11	0.39
FED HOME LOAN BANK	AAA	9,400,000	9,762,361	9,764,250	54,735.42	11/18/11	0.46
FED NAT MORTG ASSOC	AAA	10,000,000	10,015,005	10,056,250	10,555.56	11/23/11	0.37
U.S. TREASURY NOTE	AAA	9,425,000	9,794,749	9,781,383	37,285.71	11/30/11	0.36
FEDERAL HOME LN MTG CORP	AAA	10,100,000	10,106,233	10,169,438	5,050.00	12/15/11	0.40
FED NAT MORTG ASSOC	AAA	10,000,000	10,110,828	10,162,500	95,555.56	01/09/12	0.41
FED NAT MORTG ASSOC	AAA	10,000,000	9,985,290	10,043,750	41,076.39	01/12/12	0.45
FEDERAL HOME LN MTG CORP	AAA	9,000,000	9,471,609	9,486,563	238,625.00	01/15/12	0.52
FED FARM CREDIT BANK	AAA	9,840,000	9,943,265	9,999,900	89,106.67	01/17/12	0.44
U.S. TREASURY NOTE	AAA	10,250,000	10,299,184	10,365,313	53,234.54	02/15/12	0.37
U.S. TREASURY NOTE	AAA	10,000,000	10,040,618	10,125,000	41,022.10	03/15/12	0.33
FEDERAL HOME LN MTG CORP	AAA	9,860,000	9,988,205	10,057,200	57,037.36	03/23/12	0.49
FED HOME LOAN BANK	AAA	9,820,000	9,987,891	10,040,950	47,872.50	04/13/12	0.49
FED NAT MORTG ASSOC	AAA	10,000,000	10,092,522	10,178,125	36,979.17	04/20/12	0.50
FED FARM CREDIT BANK	AAA	9,840,000	10,014,834	10,061,400	40,590.00	04/24/12	0.53
FED HOME LOAN BANK	AAA	9,100,000	9,699,205	9,751,219	66,859.72	05/15/12	0.51
U.S. TREASURY NOTE	AAA	10,000,000	10,020,328	10,134,375	17,852.21	05/15/12	0.39
FED NAT MORTG ASSOC	AAA	9,245,000	9,756,216	9,796,811	53,832.86	05/18/12	0.53
FED HOME LOAN BANK	AAA	9,955,000	10,071,175	10,150,989	5,703.39	06/20/12	0.53
FEDERAL HOME LN MTG CORP	AAA	9,230,000	9,818,888	9,867,447	218,122.85	07/15/12	0.61
U.S. TREASURY NOTE	AAA	10,000,000	10,062,428	10,165,625	69,293.48	07/15/12	0.42
FED HOME LOAN BANK	AAA	10,000,000	10,049,980	10,190,625	62,708.33	08/22/12	0.58

Attachment A
City of Long Beach, CA
Investment Portfolio
As of December 31, 2010

LONG-TERM PORTFOLIO

SECURITY DESCRIPTION	RATING	PAR VALUE	BOOK VLAUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FED NAT MORTG ASSOC	AAA	9,250,000	9,716,296	9,836,797	119,157.99	09/15/12	0.63
FED HOME LOAN BANK	AAA	9,200,000	9,738,897	9,858,375	95,737.50	10/10/12	0.57
U.S. TREASURY NOTE	AAA	10,250,000	10,249,436	10,400,547	30,200.89	10/15/12	0.55
FED HOME LOAN BANK	AAA	9,265,000	9,804,130	9,925,131	53,273.75	11/15/12	0.66
FED NAT MORTG ASSOC	AAA	9,205,000	9,803,093	9,904,005	51,011.04	11/19/12	0.68
FED FARM CREDIT BANK	AAA	9,990,000	10,075,017	10,221,019	11,967.19	12/07/12	0.67
U.S. TREASURY NOTE	AAA	10,175,000	10,142,633	10,279,929	5,346.07	12/15/12	0.59
FEDERAL HOME LN MTG CORP	AAA	10,165,000	10,130,464	10,295,239	66,778.40	01/09/13	0.74
U.S. TREASURY NOTE	AAA	10,600,000	10,584,465	10,762,312	67,330.16	01/15/13	0.62
FED NAT MORTG ASSOC	AAA	9,700,000	10,109,223	10,285,031	135,766.32	02/12/13	0.74
U.S. TREASURY NOTE	AAA	11,000,000	10,964,380	11,165,000	57,129.76	02/15/13	0.66
FED FARM CREDIT BANK	AAA	9,920,000	9,945,073	10,106,000	62,206.67	02/21/13	0.86
FED FARM CREDIT BANK	AAA	10,000,000	9,984,267	10,131,250	1,909.72	06/25/13	0.84
FED FARM CREDIT BANK	AAA	9,350,000	10,123,931	10,077,547	83,533.16	10/07/13	1.02
FED HOME LOAN BANK	AAA	9,500,000	10,106,145	10,144,219	69,831.60	10/18/13	1.15
U.S. TREASURY NOTE	AAA	11,000,000	11,366,028	11,323,125	19,340.66	11/30/13	0.98
FEDERAL HOME LN MTG CORP	AAA	10,000,000	10,526,552	10,362,500	47,222.22	04/23/14	1.38
		------------	------------	------------	------------	------------	------
SUBTOTAL LONG TERM PORTFOLIO		397,652,334	406,891,041	409,890,597	2,559,691	588	0.59
		------------	------------	------------	------------	------------	------
SAVRS LO		2,313,638	2,313,638	2,313,638	1,153.41	04/22/19	0.58
		------------	------------	------------	------------	------------	------
TOTAL ALL PORTFOLIOS		1,705,314,869	1,722,947,329	1,725,565,170	7,096,826	301	0.46
		=======	=======	=======	=======	=======	=======