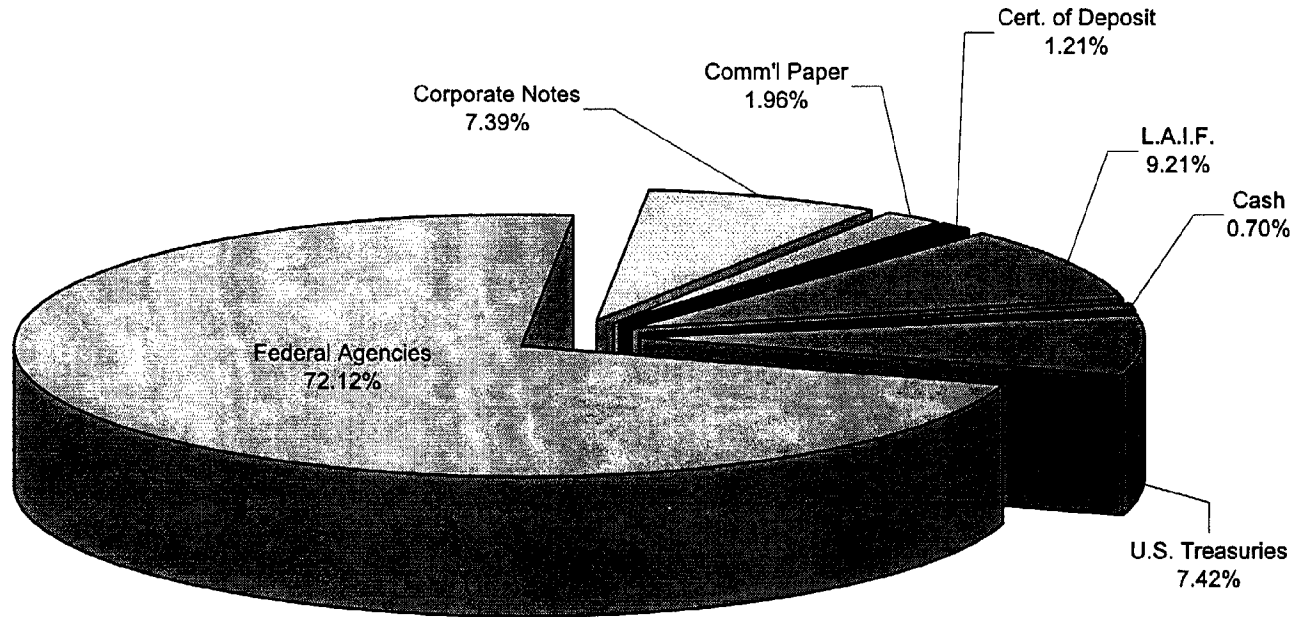


BALANCES, YIELDS AND AVERAGE MATURITIES  
March 31, 2004

<u>Description</u>	<u>Market Balance</u>	<u>Percent of Funds</u>	<u>Market Yield</u>	<u>Average Weighted Maturity</u>	
				<u>Days</u>	<u>Years</u>
Bank Deposits	\$8,595,466	0.69%	0.43%	1.0	0.00
Money Market Funds	\$33,426	0.00%	0.59%	1.0	0.00
L.A.I.F.	\$114,197,362	9.21%	1.47%	1.0	0.00
<b>Subtotal: Cash and Overnight Investments</b>	<b>\$122,826,255</b>	<b>9.91%</b>	<b>1.40%</b>	<b>1.0</b>	<b>0.00</b>
Bankers Acceptances - Discount	\$0	0.00%	0.00%	0.0	0.00
Commercial Paper - Discount	\$24,281,232	1.96%	1.05%	6.4	0.02
Certificates of Deposit	\$14,972,023	1.21%	1.40%	533.0	1.46
Corporate Notes	\$11,144,470	0.90%	5.38%	557.7	1.53
U.S. Federal Agencies	\$176,552,257	14.24%	1.58%	506.5	1.39
U.S. Treasuries	\$0	0.00%	0.00%	0.0	0.00
Reverse Repurchase Agreements	\$0	0.00%	0.00%	0.0	0.00
Repurchase Agreements	\$0	0.00%	0.00%	0.0	0.00
Pooled Investments (Short-Term):	\$226,949,981	18.30%	1.70%	457.0	1.25
<b>Total Short-Term Portfolio:</b>	<b>\$349,776,236</b>	<b>28.21%</b>	<b>1.59%</b>	<b>297.0</b>	<b>0.81</b>
Bankers Acceptances - Discount	\$0	0.00%	0.00%	0.0	0.00
Commercial Paper - Discount	\$0	0.00%	0.00%	0.0	0.00
Certificates of Deposit	\$0	0.00%	0.00%	0.0	0.00
Corporate Bonds	\$80,480,374	6.49%	3.66%	567.0	1.55
U.S. Federal Agencies	\$661,092,244	56.08%	3.31%	737.1	2.02
U.S. Treasuries	\$91,984,848	7.42%	2.45%	484.6	1.33
Asset Backed Securities	\$0	0.00%	0.00%	0.0	0.00
Collateral	\$5,104,314	0.41%	4.75%	23.0	0.06
Securities Lending	\$0	0.00%	0.00%	0.0	0.00
<b>Total Long-Term Portfolio:</b>	<b>\$890,143,070</b>	<b>71.79%</b>	<b>3.17%</b>	<b>636.5</b>	<b>1.74</b>
<b>Total Cash and Pooled Investments:</b>	<b>\$1,239,919,306</b>	<b>100.00%</b>	<b>2.72%</b>	<b>540.4</b>	<b>1.48</b>

### Allocation of Pooled Securities

March 31, 2004

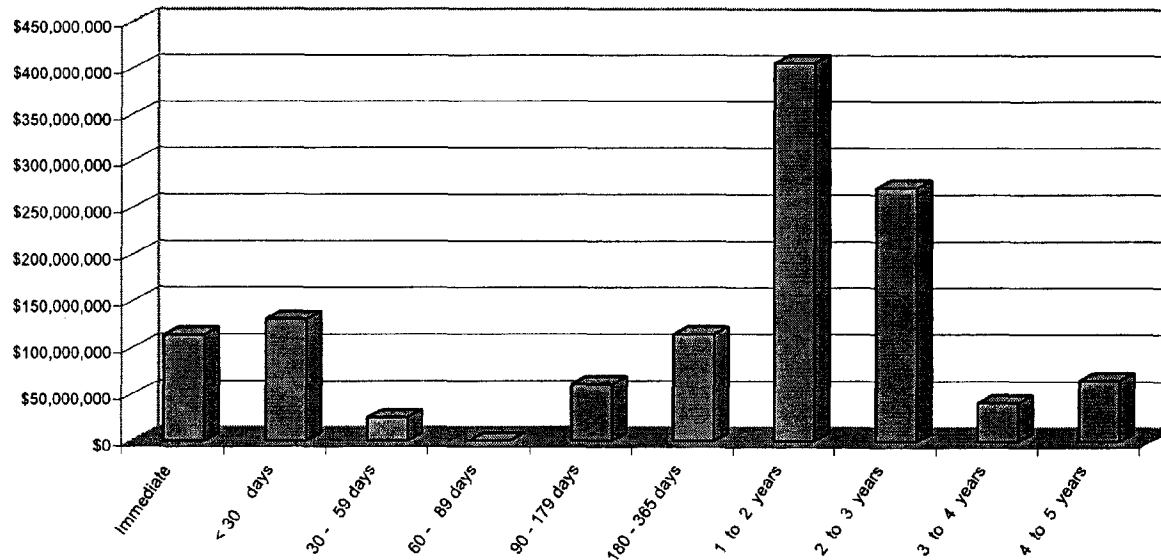


■ U.S. Treasuries   ■ Federal Agencies   ■ Corporate Notes   ■ Comm'l Paper   ■ Cert. of Deposit   ■ L.A.I.F.   ■ Cash

LIQUIDITY SCHEDULE  
March 31, 2004

<u>Description</u>	<u>Availability</u>	<u>Market Value</u>		<u>% of Total Assets</u>
		<u>Balance</u>	<u>Cumulative</u>	
Bank Deposits	Immediate	\$8,595,466	\$8,595,466	0.69%
Money Market Funds	Immediate	\$33,426	\$8,628,893	0.70%
L.A.I.F.	Immediate	\$114,197,362	\$122,826,255	9.91%
Pooled Investments Maturing:				
	< 30 days	\$131,099,990	\$253,926,245	20.48%
	30 - 59 days	\$25,205,796	\$279,132,041	22.51%
	60 - 89 days	\$0	\$279,132,041	22.51%
	90 - 179 days	\$60,889,969	\$340,022,010	27.42%
	180 - 365 days	\$114,755,899	\$454,777,909	36.68%
	1 to 2 years	\$406,417,590	\$861,195,499	69.46%
	2 to 3 years	\$271,556,668	\$1,132,752,167	91.36%
	3 to 4 years	\$41,579,604	\$1,174,331,771	94.71%
	4 to 5 years	\$65,587,535	\$1,239,919,306	100.00%
Total Cash and Pooled Investments:		\$1,239,919,306		100.00%

Maturity Schedule



SUMMARY and COMPARISON OF YIELDS AND BALANCES  
March 31, 2004

<u>Description</u>	<u>Current Month March-04</u>	<u>Prior Month February-04</u>
Yield to Maturity (at market):		
Bank Deposits	0.43%	0.60%
Money Market Funds	0.59%	0.59%
L.A.I.F.	1.47%	1.47%
Pooled Investments (Short-Term)	1.70%	1.62%
Pooled Investments (Long-Term)	3.17%	3.60%
Total Weighted Average YTM:	2.72%	2.66%
Weighted Average Maturity (Days)	540.0	517.0
Weighted Average Maturity (Years)	1.5	1.4
Balances (at market):		
Bank Deposits	\$8,595,466	\$13,483,774
Money Market Funds	\$33,426	\$33,410
L.A.I.F.	\$114,197,362	\$158,025,268
Pooled Investments (Short-Term)	\$226,949,981	\$221,011,940
Pooled Investments (Long-Term)	\$890,143,070	\$850,833,344
Total Value - Market:	\$1,239,919,306	\$1,243,387,736
Total Value - Book:	\$1,219,848,396	\$1,224,546,374
Total Value - Par Value:	\$1,213,517,677	\$1,219,916,694
Interest Earned	\$3,014,558	\$2,448,539
Interest Paid	\$2,376,016	\$1,751,472

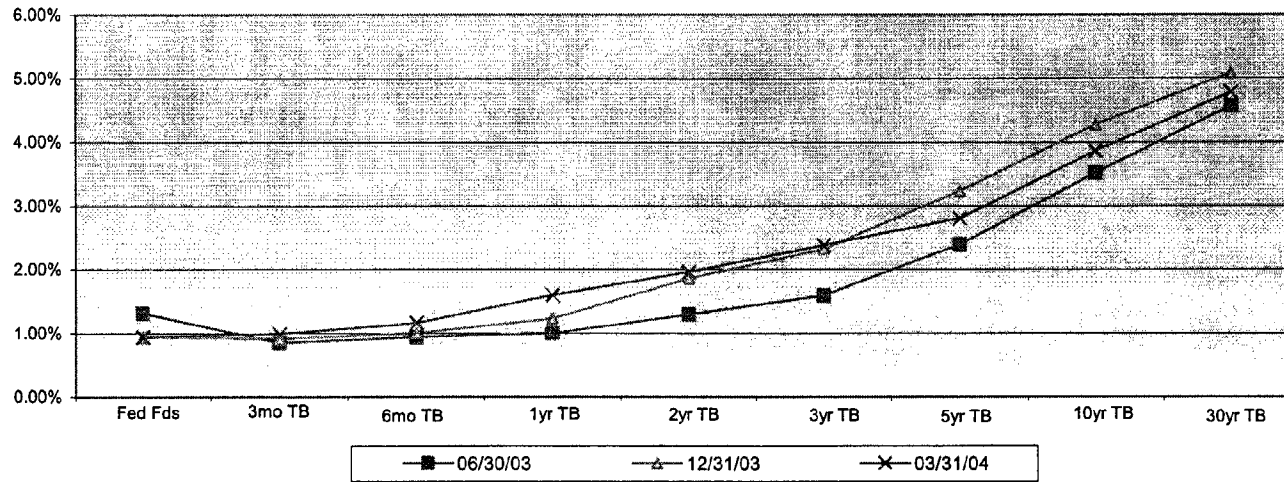
Attachment A  
June 15, 2004

INVESTMENT PERFORMANCE  
March 31, 2004

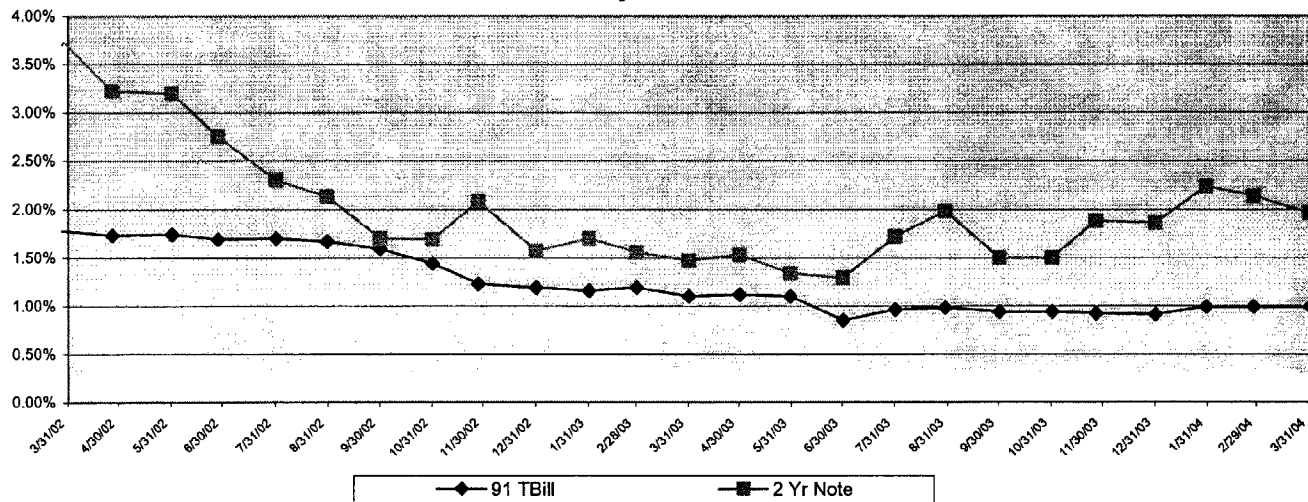
<u>Description</u>	<u>Market Value</u>	<u>Cost Value</u>	<u>Avg Maturity</u>		<u>Month Ended Mar-04</u>	<u>Quarter Ending</u>				<u>Year End Mar-04</u>
			<u>days</u>	<u>years</u>		<u>Mar-04</u>	<u>Dec-03</u>	<u>Sep-03</u>	<u>Jun-03</u>	
Short Term Funds	\$349,776,236	\$347,883,646	297	0.81	0.13	0.37	0.40	0.22	0.54	1.53
Long-Term Pooled Funds	\$890,143,070	\$871,964,751	636	1.74	0.35	1.04	0.20	0.31	0.95	2.52
Total Pooled Funds	\$1,239,919,306	\$1,219,848,396	540	1.48	0.29	0.84	0.27	0.24	0.85	2.22
Performance Benchmarks										
	91 Day T-Bill				0.08	0.24	0.26	0.25	0.33	1.08
	Merrill Lynch 1 to 3 Year Treasury/Agency Index				0.31	1.00	0.15	0.43	0.72	2.31

Performance information is based on total return of investment. The definition of total return of an investment is the increase/decrease in market price from one marking period to the next, plus any accrued interest.

U.S. Treasury Yield Curve



U.S. Treasury Interest Rates - Historical  
91 Day Tbill / 2 Year TNote



Attachment A  
June 15, 2004

City of Long Beach Asset Holdings

Month End: 3/31/04

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield
<b>CASH &amp; EQUIVALENTS</b>								
Bank Deposits	NA	Total	8,587,292	8,587,292	8,587,292	8,174	1.0	0.43%
Money Market Funds	NA	Total	33,426	33,426	33,426	-	1.0	0.59%
L.A.I.F.	NA	Total	113,672,958	113,672,958	113,672,958	524,404	1.0	1.47%
<b>CASH &amp; EQUIVALENTS</b>		<b>TOTAL</b>	<b>122,293,677</b>	<b>122,293,677</b>	<b>122,293,677</b>	<b>532,578</b>	<b>1.0</b>	<b>1.40%</b>
<b>POOLED INVESTMENTS (SHORT)</b>								
<b>Bankers Acceptances - Discount</b>		<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
AIR PRODS & CHEM INC 4/2 CPDS	P-1	00915SD17	500,000	499,985.69	499,975.65	-	4/1/04	1.03%
GENERAL ELEC CAP CORP DISC C/P	P-1	36959HD79	6,500,000	6,481,490.83	6,498,618.75	-	4/7/04	1.07%
GENERAL ELEC CAP CORP DISC C/P	P-1	36959HD95	6,000,000	5,978,926.67	5,998,395.00	-	4/9/04	1.10%
GENERAL ELEC CAP CORP DISC C/P	P-1	36959HDP9	2,000,000	1,990,318.33	1,998,695.00	-	4/23/04	1.11%
INTERNATIONAL BUS MACH CORP CP	P-1	45920DD18	9,286,000	9,284,575.35	9,285,547.77	-	4/1/04	0.98%
<b>Commercial Paper - Discount</b>		<b>Total</b>	<b>24,286,000</b>	<b>24,235,297</b>	<b>24,281,232</b>	<b>-</b>	<b>6.4</b>	<b>1.05%</b>
BANK OF AMER N A DISC C/D		06050GCB4	15,000,000	15,000,000.00	14,964,922.50	7,099.95	9/15/05	1.40%
THE BANK OF NEW YORK CASH RESERVE		S87599610	-	-	-	0.05	4/1/04	0.00%
<b>Certificates of Deposits</b>		<b>Total</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>14,964,923</b>	<b>7,100.00</b>	<b>533.0</b>	<b>1.40%</b>
<b>Reverse Repurchase Agreements</b>		<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Repurchase Agreements</b>		<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
FEDERAL HOME LN MTG CORP DEB	GOVT	3128X1Y35	2,810,000.00	2,819,863.10	2,822,504.50	24,977.75	10/21/05	1.99%
FEDERAL HOME LN MTG CORP DEB MT/N	GOVT	3128X2FX8	2,856,000.00	2,871,450.96	2,857,785.00	16,818.67	12/15/05	2.00%
FEDERAL HOME LN MTG CORP DISC NTS	GOVT	313396R70	8,000,000.00	7,920,677.78	7,940,800.00	-	12/2/04	1.22%

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Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield
FEDERAL HOME LN MTG CORP DISC NTS	GOVT	313396VJ9	2,000,000.00	1,993,728.61	1,999,600.00	-	4/9/04	1.06%
FEDERAL HOME LOAN BANK DISCOUNT	GOVT	313384VY2	6,000,000.00	5,971,841.67	5,996,400.00	-	4/23/04	1.09%
FEDERAL HOME LOAN BANK DISCOUNT	GOVT	313384WN5	8,000,000.00	7,958,104.44	7,992,000.00	-	5/7/04	1.11%
FEDERAL HOME LN BKS DEB	GOVT	31339XF41	3,500,000.00	3,500,000.00	3,509,843.75	27,270.81	6/19/07	2.74%
FEDERAL HOME LN BKS	GOVT	31339XGL2	5,000,000.00	4,994,400.00	5,000,000.00	31,791.65	6/12/06	2.10%
FEDERAL HOME LN BKS	GOVT	3133X3AL7	9,300,000.00	9,286,050.00	9,302,906.25	33,932.07	7/20/05	1.85%
FEDERAL HOME LN BKS DEB	GOVT	3133X3QY2	20,000,000.00	19,915,000.00	20,200,000.00	79,733.20	4/23/04	1.08%
FEDERAL HOME LN BKS DEB	GOVT	3133X4NL1	4,000,000.00	3,996,250.00	4,002,500.00	2,750.00	9/16/05	1.65%
FEDERAL HOME LN BKS	GOVT	3133X4TA9	10,000,000.00	10,000,000.00	10,003,125.00	8,944.40	4/1/05	1.40%
FEDERAL HOME LN BKS DEB	GOVT	3133X5GP7	1,000,000.00	1,000,000.00	1,002,500.00	-	3/30/07	2.59%
FEDERAL HOME LN BKS DEB	GOVT	3133X5GS1	1,370,000.00	1,370,000.00	1,374,281.25	-	3/30/07	2.52%
FEDERAL HOME LN BKS	GOVT	3133X5PL6	5,000,000.00	5,000,000.00	4,996,875.00	187.50	6/30/05	1.35%
FEDERAL HOME LN BKS	GOVT	3133X5QJ0	10,000,000.00	10,000,000.00	9,987,500.00	444.40	12/30/05	1.60%
FEDERAL NATL MTGE ASSN DISCOUNT NT	GOVT	313588P33	5,000,000.00	4,952,555.56	4,966,500.00	-	11/12/04	1.13%
FEDERAL NATL MTGE ASSN DISCOUNT NT	GOVT	313588VA0	10,000,000.00	9,963,197.23	10,000,000.00	-	4/1/04	1.10%
FEDERAL NATL MTGE ASSN DISCOUNT NT	GOVT	313588VA0	2,000,000.00	1,999,946.67	2,000,000.00	-	4/1/04	0.96%
FEDERAL NATL MTGE ASSN DISCOUNT NT	GOVT	313588XC4	8,000,000.00	7,963,253.33	7,988,800.00	-	5/21/04	1.06%
FEDERAL NTL MTG ASSN 2.375 APR 13 06	GOVT	31359MRJ4	6,000,000.00	6,007,968.75	6,001,875.00	66,639.96	4/13/06	2.37%
FEDERAL NATL MTG ASSN	GOVT	31359MSC8	15,000,000.00	14,970,000.00	15,028,125.00	97,500.00	6/14/08	2.00%
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F44N1	6,000,000.00	5,997,000.00	6,009,375.00	18,699.96	8/17/06	2.55%
FEDERAL NATL MTG ASSN M/T/N STEP CPN	GOVT	3136F44Z4	10,000,000.00	9,995,500.00	10,012,500.00	23,472.22	8/9/06	1.62%
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F4MG6	10,000,000.00	9,906,250.00	10,040,625.00	85,555.50	1/27/06	1.99%
FEDERAL NATL MTG ASSN MEDIUM	GOVT	3136F5LZ2	5,000,000.00	5,000,000.00	4,996,875.00	243.05	3/30/06	1.75%
<b>U.S. Agencies</b>		<b>Total</b>	<b>175,836,000</b>	<b>175,353,038</b>	<b>176,033,296</b>	<b>518,961</b>	<b>506.5</b>	<b>1.58%</b>
<b>U.S. Treasuries</b>		<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
MERRILL LYNCH & CO INC M/T/N		59018YMG3	4,800,000.00	4,966,704.00	4,940,352.00	13,922.64	3/8/05	4.41%
ROLLINS TRUCK LEASING CORP		775741AJ0	5,500,000.00	6,034,930.00	6,008,695.00	181,500.00	4/5/06	6.18%
<b>Corporate Notes</b>		<b>Total</b>	<b>10,300,000</b>	<b>11,001,634</b>	<b>10,949,047</b>	<b>195,423</b>	<b>557.7</b>	<b>5.38%</b>
<b>POOLED INVESTMENTS (SHORT)</b>		<b>TOTAL</b>	<b>225,422,000</b>	<b>225,589,969</b>	<b>226,228,497</b>	<b>721,484</b>	<b>457.0</b>	<b>1.70%</b>
<b>SHORT TERM FUNDS</b>		<b>TOTAL</b>	<b>347,715,677</b>	<b>347,883,646</b>	<b>348,522,174</b>	<b>1,254,062</b>	<b>297.0</b>	<b>1.59%</b>



Attachment A  
June 15, 2004

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield
<b>POOLED INVESTMENTS (LONG TERM)</b>								
FED FARM CRED BANK 5.15 17APR2006	GOVT	31331LFM5	10,000,000	9,924,800.00	10,668,750.00	234,611.10	4/17/06	4.83%
FED FARM CRED BANK 5.1 26APR2004	GOVT	31331LFS2	5,000,000	5,013,650.00	5,014,062.50	109,791.65	4/26/04	5.09%
FEDERAL FARM CR BKS CONS	GOVT	31331LYJ1	5,000,000	4,995,784.71	5,104,687.50	35,081.90	1/24/05	3.69%
FEDERAL FARM CR BKS CONS	GOVT	31331QCK1	15,000,000	14,985,300.00	15,093,750.00	178,125.00	10/1/04	2.36%
FEDERAL FARM CR BKS CONS	GOVT	31331QJT5	10,000,000	9,986,700.00	10,109,375.00	80,500.00	5/25/05	2.28%
FEDERAL FARM CR BKS CONS	GOVT	31331QKC0	25,000,000	24,951,500.00	25,359,375.00	236,111.00	11/15/05	2.46%
FEDERAL FARM CR BKS CONS	GOVT	31331QKV8	10,000,000	10,000,000.00	10,359,375.00	119,638.80	12/3/07	3.52%
FEDERAL FARM CR BKS CONS	GOVT	31331QMJ3	10,000,000	9,964,400.00	10,162,500.00	77,291.60	12/15/05	2.58%
FEDERAL FARM CR BKS CONS	GOVT	31331TVP3	6,000,000	6,007,500.00	6,009,375.00	7,666.62	3/8/06	2.00%
FED HOME LOANS BK 5.375 15FEB2006	GOVT	3133MD6L2	2,080,000	2,061,009.60	2,219,100.00	14,285.54	2/15/06	5.04%
FED HOME LOANS BK 5.375 15MAY2006	GOVT	3133MEU66	10,000,000	10,004,687.50	10,725,000.00	203,055.50	5/15/06	5.01%
FED HOME LOANS BK 4.875 14MAY2004	GOVT	3133MEWX5	5,000,000	5,018,335.00	5,021,875.00	92,083.30	5/14/04	4.85%
FEDERAL HOME LN BKS	GOVT	3133MJSK7	10,000,000	9,992,500.00	10,153,125.00	121,527.70	11/26/04	3.45%
FED HOME LOANS BK 4.125 15NOV2006	GOVT	3133MJUR9	2,695,000	2,587,792.90	2,832,276.56	41,997.07	11/15/06	3.93%
FED HOME LOAN BK 4.875 15NOV2006	GOVT	3133MKED5	10,000,000	9,946,800.00	10,700,000.00	184,166.60	11/15/06	4.56%
FED HOME LOANS BK 3.875 15DEC2004	GOVT	3133MKGJ0	5,000,000	4,962,600.00	5,096,875.00	57,048.60	12/15/04	3.80%
FED HOME LOANS BK 4.0 15FEB2005	GOVT	3133MLRK3	10,000,000	9,987,400.00	10,240,625.00	51,111.10	2/15/05	3.91%
FED HOME LOANS BK 4.125 13MAY2005	GOVT	3133MNS69	10,000,000	9,990,200.00	10,309,375.00	155,833.30	5/13/05	4.00%
FEDERAL HOME LN MTG CORP	GOVT	3128X13L9	6,500,000	6,532,500.00	6,536,010.00	59,393.75	10/28/05	2.14%
FEDERAL HOME LN MTG CORP	GOVT	3128X1WM5	10,000,000	10,042,000.00	10,045,500.00	41,958.30	8/4/06	2.64%
FEDERAL HOME LN MTG CORP	GOVT	3128X2E43	5,000,000	5,000,000.00	5,023,437.50	9,444.40	2/28/06	1.99%
FEDERAL HOME LN MTG CORP M/T/N	GOVT	3128X2L52	15,000,000	15,000,000.00	15,054,150.00	14,062.50	3/16/07	2.24%
FEDERAL HOME LN MTG CORP	GOVT	312925A34	5,000,000	5,000,000.00	5,050,000.00	42,500.00	7/23/07	4.46%
FEDERAL HOME LN BKS	GOVT	3133MJ2A7	10,000,000	9,997,800.00	10,134,375.00	167,152.70	10/15/04	3.58%
FEDERAL HOME LN BKS DEB	GOVT	3133MQ3S1	15,000,000	14,959,650.00	15,365,625.00	62,291.55	8/15/05	3.17%
FEDERAL HOME LN MTG 5.250 JAN 15 06	GOVT	3134A4CX0	5,000,000	4,995,000.00	5,314,062.50	55,416.65	1/15/06	4.94%
FREDDIE MAC 3.25 15NOV2004	GOVT	3134A4LX0	10,000,000	10,255,700.00	10,131,250.00	122,777.70	11/15/04	3.21%
FEDERAL HOME LN MTG 3.500 SEP 15 07	GOVT	3134A4RH9	10,000,000	9,965,500.00	10,334,375.00	15,555.50	9/15/07	3.39%
FNMA 5.25 15JUN2006	GOVT	31359MJX2	10,000,000	9,978,440.00	10,728,125.00	154,583.30	6/15/06	4.89%

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Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield
FNMA 3.5 15SEP2004	GOVT	31359MKW2	5,000,000	4,991,505.00	5,054,687.50	7,777.75	9/15/04	3.46%
FNMA 4.375 15OCT2006	GOVT	31359MLH4	10,000,000	9,806,500.00	10,568,750.00	201,736.10	10/15/06	4.14%
FEDERAL NATL MTG ASSN	GOVT	31359MPT4	10,000,000	10,139,200.00	10,206,250.00	132,569.40	10/15/05	2.82%
FEDERAL NATL MTG ASSN	GOVT	31359MUA9	4,000,000	4,018,750.00	4,035,000.00	13,750.00	2/28/06	2.23%
FNMA 5.45 26APR2006	GOVT	3136F0GR7	10,000,000	10,000,000.00	10,031,250.00	234,652.70	4/26/06	5.43%
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F3Q58	10,000,000	10,000,000.00	10,046,875.00	63,541.80	7/16/08	3.04%
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F3V86	5,000,000	5,000,000.00	5,026,562.50	30,316.65	7/23/08	3.19%
FEDERAL NATL MTG ASSN M/T/N STEP CPN	GOVT	3136F4ZP2	2,952,000	2,975,320.80	2,977,830.00	18,860.00	12/29/06	2.48%
SALLIE MAE 5.25 15MAR2006	GOVT	86387UAV7	10,000,000	9,956,640.63	10,668,750.00	23,333.30	3/15/06	4.92%
STUDENT LN MARKETING ASSN M/T/N	GOVT	86387UAW5	5,000,000	4,993,100.00	5,012,500.00	104,236.10	4/23/04	4.74%
SALLIE MAE 3.375 15JUL2004	GOVT	86387UBF1	20,000,000	20,063,140.00	20,131,250.00	142,500.00	7/15/04	3.37%
<b>U.S. Agencies</b>		<b>Total</b>	<b>354,227,000</b>	<b>354,051,706</b>	<b>362,656,117</b>	<b>3,718,336</b>	<b>632.2</b>	<b>3.49%</b>
UNITED STATES TREAS	GOVT	912828AE0	15,000,000	14,976,750.00	15,070,312.50	108,997.20	6/30/04	2.86%
<b>U.S. Treasuries</b>		<b>Total</b>	<b>15,000,000</b>	<b>14,976,750</b>	<b>15,070,313</b>	<b>108,997</b>	<b>91.0</b>	<b>2.86%</b>
AMERICAN GENERAL FI 5.875 14JUL2006	A+	02635PRG0	5,000,000	4,997,700.00	5,414,450.00	135,451.35	7/14/06	5.43%
GENERAL ELEC CAP CORP MEDIUM	AAA	36962GA46	10,000,000	10,050,800.00	10,183,200.00	48,291.60	1/30/06	2.80%
GENERAL ELECTRIC CA 5.375 23APR2004	AAA	36962GWF7	9,000,000	9,070,380.00	9,019,260.00	212,312.43	4/23/04	5.36%
GENERAL ELECTRIC CA 5.375 15MAR2007	AAA	36962GXY5	2,000,000	1,998,300.00	2,169,460.00	4,777.76	3/15/07	4.96%
GENERAL ELEC CAP CORP M/T/N	AAA	36962GZM9	10,000,000	10,000,000.00	10,217,000.00	147,838.80	10/3/05	2.93%
INTERNATIONAL LEASE FIN CORP M/T/N	AA-	45974VXS2	4,000,000	3,983,360.00	4,012,360.00	98,677.76	5/3/04	5.33%
MERRILL LYNCH & CO INC M/T/N	AAA	59018YQY0	10,000,000	10,066,300.00	10,193,200.00	100,983.30	5/5/06	2.44%
PITNEY BOWES INC	AA-	724479AD2	6,800,000	6,799,796.00	6,808,092.00	172,455.55	4/15/04	4.99%
WAL-MART STORES INC 4.15 15JUN2005	AA	931142BQ5	2,800,000	2,796,136.00	2,884,280.00	34,214.43	6/15/05	4.03%
<b>Corporate Bonds</b>		<b>Total</b>	<b>59,600,000</b>	<b>59,762,772</b>	<b>60,901,302</b>	<b>955,003</b>	<b>473.3</b>	<b>3.92%</b>
<b>Asset Backed Securities</b>		<b>Total</b>	-	-	-	-	-	<b>0.00%</b>
<b>Bankers Acceptance</b>		<b>Total</b>	-	-	-	-	-	<b>0.00%</b>
<b>Commercial Paper - Discount</b>		<b>Total</b>	-	-	-	-	-	<b>0.00%</b>
<b>Certificates of Deposits</b>		<b>Total</b>	-	-	-	-	-	<b>0.00%</b>

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Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield
<b>Corporate Notes</b>		<b>Total</b>	-	-	-	-	-	<b>0.00%</b>
<b>COLLATERAL ASSETS</b>		285642	5,000,000	4,993,100	5,000,000	104,314	4/23/04	4.75%
Collateral		<b>Total</b>	<b>5,000,000</b>	<b>4,993,100</b>	<b>5,000,000</b>	<b>104,314</b>	<b>23.0</b>	<b>4.75%</b>
<b>Securities Lending</b>		<b>Total</b>	-	-	-	-	-	<b>0.00%</b>
<b>POOLED INVESTMENTS (LONG TERM)</b>		<b>TOTAL</b>	<b>433,827,000</b>	<b>433,784,328</b>	<b>443,627,731</b>	<b>4,886,651</b>	<b>585.2</b>	<b>3.54%</b>
<b>POOLED INVESTMENTS (TOTAL)</b>		<b>TOTAL</b>	<b>659,249,000</b>	<b>659,374,297</b>	<b>669,856,228</b>	<b>5,608,135</b>	<b>294.8</b>	<b>2.92%</b>
<b>EXTERNAL INVESTMENTS (LONG TERM)</b>								
FEDERAL FARM CR BKS CONS	GOVT	31331QFH5	10,000,000	10,181,250	10,140,625	118,056	10/11/05	2.47%
FEDERAL FARM CR BKS CONS	GOVT	31331QJC2	8,740,000	8,977,619	8,953,038	103,860	11/13/06	3.03%
FED HOME LN BANK	GOVT	31339X2X1	15,000,000	15,051,135	15,056,250	103,600	3/3/06	2.62%
FEDERAL HOME LN BKS	GOVT	31339XA27	5,000,000	4,986,025	5,001,563	27,604	6/15/06	1.87%
FEDERAL HOME LN BKS	GOVT	31339XHJ6	5,000,000	4,990,625	5,021,875	2,139	3/26/08	3.07%
FEDERAL HOME LN BKS	GOVT	31339XTT1	10,000,000	9,978,125	9,996,875	51,250	1/9/07	2.25%
FEDERAL HOME LN BKS	GOVT	31339YVV1	10,000,000	10,065,625	10,140,625	65,625	7/21/08	3.33%
FEDERAL HOME LN BK	GOVT	3133MGU53	20,000,000	20,581,250	20,256,250	118,194	8/13/04	4.57%
FEDERAL HOME LN BKS	GOVT	3133MQST2	10,000,000	10,158,950	10,200,000	38,333	8/18/05	2.94%
FEDERAL HOME LN BKS DEB	GOVT	3133MTL71	10,000,000	10,076,125	10,053,125	75,556	11/15/04	1.99%
FEDERAL HOME LN BKS DEB	GOVT	3133MTL89	5,000,000	5,066,060	5,068,750	47,222	11/15/05	2.47%
FEDERAL HOME LN BKS	GOVT	3133MUMU6	10,000,000	10,104,200	10,153,125	73,611	12/15/05	1.97%
FEDERAL HOME LN MTG CORP	GOVT	3128X1DK0	7,000,000	7,013,720	7,022,890	74,142	11/28/07	3.09%
FEDERAL HOME LN MTG CORP	GOVT	3128X1HM2	10,000,000	9,815,700	9,945,700	87,389	5/30/08	2.66%
FEDERAL HOME LN MTG CORP M/T/N	GOVT	3128X1LD7	10,000,000	9,966,800	10,015,100	59,375	12/26/06	2.25%
FEDERAL HOME LN MTG CORP	GOVT	3128X1VW4	9,000,000	9,000,000	9,040,781	41,937	1/30/07	2.74%
FEDERAL HOME LN MTG CORP	GOVT	3128X2RP2	6,000,000	5,998,125	6,029,400	23,833	2/9/07	2.74%
FEDERAL HOME LN MTG CORP	GOVT	3128X2ZC2	3,500,000	3,499,453	3,516,406	7,389	2/23/06	1.99%
FEDERAL HOME LN MTG CORP REMIC TR	GOVT	313384VP1	10,000,000	9,982,500	9,996,000	-	4/14/04	1.00%
FHLMC 5.5 15JUL2006	GOVT	3134A4GK4	20,000,000	21,594,000	21,593,750	232,222	7/15/06	5.09%

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Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield
FEDERAL HOME LN MTG CORP	GOVT	3134A4RA4	10,000,000	10,240,625	10,203,125	12,778	9/15/05	2.82%
FEDERAL HOME LN MTG CORP	GOVT	3134A4TR5	5,000,000	5,008,000	5,026,563	33,056	5/15/05	1.63%
FEDERAL HOME LN MTG CORP DEB	GOVT	3134A4UN2	10,000,000	9,987,300	10,046,875	49,479	2/15/07	2.38%
FEDERAL NATL MTGE ASSN DISCOUNT NT	GOVT	313588VP7	25,000,000	24,939,306	24,990,000	-	4/14/04	1.00%
FNMA 7.125 15FEB2005	GOVT	31359MFH1	9,420,000	10,076,291	9,911,606	85,761	2/15/05	6.77%
FEDERAL NATL MTG ASS 6.000 DEC 15 05	GOVT	31359MGM9	10,000,000	10,729,900	10,746,875	176,667	12/15/05	5.58%
FED NATL MORT ASSC 5 NT 15/01/2007	GOVT	31359MLZ4	10,000,000	10,591,000	10,765,625	105,556	1/15/07	4.64%
FEDERAL NATL MTG ASSN	GOVT	31359MQZ9	15,000,000	15,079,688	15,112,500	148,979	4/15/06	2.11%
FEDERAL NATL MTG ASSN	GOVT	31359MUA9	2,000,000	2,011,460	2,017,500	6,875	2/28/06	2.23%
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F3D29	10,000,000	9,818,750	9,928,125	68,986	6/30/08	2.67%
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F3P26	10,000,000	10,003,125	10,006,250	37,778	1/23/06	2.02%
FEDERAL NATL MTG ASSN MEDIUM	GOVT	3136F5HB0	18,000,000	18,007,031	18,073,125	14,770	3/17/06	2.10%
STUDENT LN MARKETING ASSN	GOVT	86387UBJ3	10,000,000	10,081,250	10,071,875	8,889	3/15/05	1.99%
<b>U.S. Agencies</b>		<b>Total</b>	<b>338,660,000</b>	<b>343,663,013</b>	<b>344,102,171</b>	<b>2,096,910</b>	<b>706.3</b>	<b>2.88%</b>
UNITED STATES TREAS 7.000 JUL 15 06	GOVT	912827Y55	10,000,000	11,170,313	11,187,500	148,077	7/15/06	6.26%
UNITED STATES TREAS 1.625 APR 30 05	GOVT	912828AX8	10,000,000	9,990,625	10,046,875	68,304	4/30/05	1.62%
UNITED STATES TREAS NTS	GOVT	912828BB5	10,000,000	9,948,438	10,006,250	42,008	5/31/05	1.25%
UNITED STATES TREAS 1.125 JUN 30 05	GOVT	912828BC3	10,000,000	9,933,594	9,990,625	28,434	6/30/05	2.50%
U S TREAS NTS	GOVT	912828BJ8	10,000,000	10,068,750	10,100,000	17,582	8/31/05	1.11%
UNITED STATES TREAS NOTES	GOVT	912828BL3	5,000,000	4,982,422	5,023,438	222	9/30/05	1.62%
UNITED STATES TREAS NTS	GOVT	912828BU3	10,000,000	10,007,031	10,068,750	47,131	12/31/05	1.86%
UNITED STATES TREAS 1.625 FEB 28 06	GOVT	912828CB4	10,000,000	9,974,219	10,015,625	14,718	12/31/05	1.87%
<b>U.S. Treasuries</b>		<b>Total</b>	<b>75,000,000</b>	<b>76,075,391</b>	<b>76,439,063</b>	<b>366,475</b>	<b>562.3</b>	<b>2.36%</b>
BANK OF AMERICA CORP 3.250 AUG 15 08	A+	060505BC7	5,000,000	4,985,100	5,039,400	20,764	8/15/08	3.22%
GENERAL ELEC CAP CORP MEDIUM	AAA	36962GE34	10,000,000	10,115,300	10,146,800	4,583	10/3/05	2.71%
MERRILL LYNCH & CO INC M/T/N	A+	59018YQY0	3,315,000	3,341,619	3,379,046	33,476	5/5/06	2.44%
<b>Corporate Bonds</b>		<b>Total</b>	<b>18,315,000</b>	<b>18,442,019</b>	<b>18,565,246</b>	<b>58,823</b>	<b>874.2</b>	<b>2.80%</b>
<b>Bankers Acceptances - Discount</b>		<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>EXTERNAL INVESTMENTS (LONG TERM)</b>		<b>TOTAL</b>	<b>431,975,000</b>	<b>438,180,423</b>	<b>439,106,480</b>	<b>2,522,208</b>	<b>688.3</b>	<b>2.79%</b>
<b>LONG TERM FUNDS</b>		<b>TOTAL</b>	<b>865,802,000</b>	<b>871,964,751</b>	<b>882,734,211</b>	<b>7,408,859</b>	<b>636.5</b>	<b>3.17%</b>
<b>TOTAL FUNDS</b>	<b>AAAf</b>	<b>TOTAL</b>	<b>1,213,517,677</b>	<b>1,219,848,396</b>	<b>1,231,256,385</b>	<b>8,662,921</b>	<b>540.4</b>	<b>2.72%</b>

### Glossary of Investment Terms

TERM	DEFINITION
American Depository Receipts (ADR)	Receipt for the shares of foreign-based companies that are held in U.S. banks and sold in the U.S. market. Also known as ADSs—American Depository Shares.
Asset Allocation	Investing in different classes of securities to mitigate risk from market fluctuations in interest rates. Identifies the risk characteristics of the portfolio.
Accrued Interest	The amount earned from the date of purchase to maturity or the coupon payment date.
Bankers Acceptances	A draft or bill of exchange accepted by a bank or trust company, used primarily to finance international trade. Bankers Acceptances (BA) are usually issued at a discount with payment of par value upon maturity. Maturity dates range from one day to 186 days.
Basis Point	The smallest measure used for quoting yields on bonds and notes. One basis point is equal to 1/100 percent or 0.01% of yield. For example, if the Federal Reserve increases rates 50 basis points, or a bond's yield changes 50 basis points, that equates to 0.5% or ½ of 1%.
Bear Market	Period of falling stock prices. A bear stock market usually indicates the anticipation of a declining economy. A bear bond market indicates rising interest rates.
Benchmark	A benchmark consists of a collection of securities that show return on investment over time. This is a passive measurement and does not evaluate active investment management. An example of a benchmark would be the Merrill Lynch 1-3 year Corporate/ Government Index that includes all Government Agency and Corporation debt issues over \$150 million that mature from one to three years. When a security's maturity becomes less than one year, the security is removed from the index; conversely, a security that's maturity date becomes less than four years is included in the index.
Bond	A debt security. It is usually issued by government agencies, municipalities, and corporations. The purchaser actually lends the entity money and so is considered the creditor. The entity is the seller and is considered the debtor or issuer. The issuer agrees to repay the principal amount of the loan at a specified time (maturity). Interest bearing bonds pay interest periodically at a predetermined time. A discounted bond such as a Zero Coupon bond pays no interest. It is sold at a discount from face value and the investor receives a rate of return through price appreciation and the bond is redeemed at face value.
Book Value	The cost value at which an asset is carried on a balance sheet. This value is the cost of principal, less accrued interest. Book value may be more or less than market value.

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TERM	DEFINITION
Broker-Dealer	A firm or individual acting as both a principal and an agent. A Broker acts on behalf of the client searching for the best deal in the market place. A Dealer acts on behalf of itself in making the market. A Dealer may hold a position and maintain inventories of securities. A Broker carries out the transaction but does not take possession of the security or maintain inventories.
Bull Market	A period of rising prices. The beginning of a bull stock market usually signals economic growth.
Callable Security	A debt security that may at the option of the original issuer be refunded or "called" prior to the stated maturity of the security. Callable investments may be structured to be callable one time, quarterly, semi-annually or continuously callable on published dates of the issue.
Certificate of Deposit (CD)	Debt instrument issued by a bank. Maturities can be from 7 days to 1 year or longer. A time Certificate of Deposit is registered in the name of the depositor. Interest rates for public funds must be paid on a 360-day year. All public funds deposits must be insured or collateralized.
Collected Funds	Funds that are immediately available to the depositor.
Commercial Paper	Short-term debt obligations with normal maturities ranging from several days to nine months. The debt is usually discounted, issued by banks and corporations, and normally unsecured although often backed by a bank line of credit.
Coupon Rate	The specified annual interest rate payable to the bond or note holder by the issuer. The rate may be fixed or float to an index, such as the three month LIBOR
Credit Rating	A declaration of the credit worthiness of an investment portfolio or debt issue, the major national rating agencies are Standard and Poor's, Moodys Investor Service and Fitch Investors Service
Current Yield	Annual dividend or interest rate divided by the current market price.
Custodian	Bank or financial institution that actually holds the securities and assets for a client or fund.
Derivative	A type of security whose value is derived from an underlying asset. Derivatives range from simple option contracts, to forward and future contracts, to extremely complex and volatile products such as interest rates or currency swaps. Except for the plain vanilla derivatives such as options, these products are better left to the sophisticated institutional traders.

TERM	DEFINITION
Discount	<ol style="list-style-type: none"> <li>1. The difference between a bond's current price and its face value.</li> <li>2. Some debt instruments such as Treasury bills and Zero Coupon bonds are sold at prices far below the actual maturity value. These deep discount instruments do not pay interest. Instead, one interest payment is recorded when the security matures or sold. If held to maturity, investor receives the par value of the security. The yield is determined by the price appreciation.</li> </ol>
Discount Rate	The interest rate charged by the Federal Reserve for loans to member banks. The Fed changes rates in an attempt to control monetary policy. When the Fed increases rates, or tightens the money supply, entities borrow less, and consequently there is less money available for all uses. The effect is to slow down the economy. The alternative is that the Fed lowers rates, or eases the money supply. Money is more readily available, encouraging economic growth.
Discount Securities	Non-interest bearing investments that are issued at a discount and redeemed at maturity for the full face value or par value. Examples of discount securities are U.S. Treasury Bills, Commercial Paper, Bankers Acceptances and Federal Agency discount notes.
Diversification	A method of reducing risk through asset allocation. Diversification can be by type of security, issuer, maturity date and amount of funds invested. By investing in several different trading vehicles the risk associated with owning only one asset is spread out. Investing in a range of maturity dates protects the portfolio from unrealized losses due to market rate fluctuations.
Dividend	Earnings of a corporation or mutual fund passed on to shareholders.
Duration	Time weighted life of a bond with the weights being the cash flows. It denotes the years necessary to recover the investment. For example, if the duration is 7.2, that means it will take 7.2 years to recoup the investment.
Fixed Income Investment	Normally refers to debt issued by government, municipal and corporate issues. These securities usually pay a fixed rate of return.
Government National Mortgage Association (GNMA)	Also known as "Ginnie Mae." It is a government-owned agency of HUD which assists in housing financing. It guarantees the full and timely payment of monthly principal and interest on mortgage backed securities.
Guaranteed Income Contract (GIC)	A contract between an insurance company and a corporate profit-sharing or pension plan that guarantees a specific rate of return on the invested capital over the life of the contract.
Liquidity	The ability to convert assets into immediate cash. Short-term investments such as money markets and T Bills are considered liquid instruments whereas long term bonds and stocks are assumed to be less liquid.

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TERM	DEFINITION
Management Fee	The amount charged against investor assets for advisory service. The standard industry mutual fund management fee is approximately 0.5% of fund assets.
Market Value	The current market value of the security. The amount at which a financial instrument can be exchanged (current transaction) between willing parties.
Maturity	The date on which a bond's principal is due and repaid to the investor.
Medium Term Corporate Notes (MTNs)	Debt issues by major corporations organized and operating within the United States. These securities can be either unsecured or secured by collateral; payment is based on 30 days over 360 days. The City can only invest up to 30% of the portfolio in MTNs with a credit rating of AAA, AA or A from a nationally recognized rating service.
Municipal Bond	A debt instrument issued by a state or local government. The interest is exempt from federal income taxation, and also exempt from federal and local tax in the issuing state. There are generally two types: General Obligation (GO) and revenue bonds. GOs are backed by the full faith and credit of the taxing power of the issuer and revenue bonds are backed by the particular revenues or incomes from the project.
Negotiable Certificates of Deposit (NCDs)	Certificates of Deposit issued by banks that are in negotiable or bearer form. These certificates are not insured or collateralized. Interest is generally paid at maturity.
Par Value	The face value of a debt issue, the amount of principal the bondholder will receive at maturity.
Price Risk	The risk a debt security's price may change due to a rise or fall in current market interest rates.
Risk	The possibility that an investment will not perform as anticipated. An acceptable degree of risk must be determined by the individual with the understanding that the higher the expected return, the greater the risk factor. There are many different kinds of risk, such as exchange, inflation, interest rate, liquidity, political, et cetera. Most investors are considered to be risk adverse. That is, they seek security over risk.
Total Return	Total earnings which are comprised of dividends, accrued interest, capital gains distributions, and price appreciation.
12(b)-1 Fee	Named after the applicable SEC rule, these are promotional fees charged by mutual funds to pay for distribution costs and commissions. The NASD placed caps on the fees in 1993. The fees are explained in the prospectus.
Treasury Bills	Short-term debt issued by the U.S. government with maximum maturity of one year. Bills are sold at discount. The difference between purchase price and maturity value is considered as the interest.



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TERM	DEFINITION
Treasury Bond	Long-term debt issued by the U.S. government with maturity of over 10 years. U.S. bonds have the highest rating of fixed income securities, and so offer a lower yield than municipals and corporates. Bonds usually pay interest semi-annually and can be callable; however, usually only in the later years.
Treasury Note	Intermediate term interest bearing debt issued by the U.S. government with maturity of 1-10 years. Notes do pay interest and can be callable.
Yield	The return on an investor's capital investment. For a bond, the current yield is the coupon rate of interest divided by the purchase price. Yields on bonds are inversely related to bond prices. As the prices of bonds go up, the yield declines.
Yield Curve	Traces yields on securities with varying maturities. The normally upward sloping curve is called the positive yield curve. Interest rates for long-term rates are higher than short-term rates. An inverted yield curve occurs in a situation where short-term interest rates are higher than long-term rates. This occurs when the demand for short-term credit drives up the rates on instruments such as Treasury bills. It can be an indicator of an unhealthy economy with high inflation and little consumer confidence.
Yield to Call Date (YTC)	The calculated yield on a bond from the purchase date until the first call date. The call date is the date(s) that the issuer of the debt security may refund or "call" the security. Securities that are called are usually refunded at par value.
Yield to Maturity (YTM)	The calculated yield on a bond from the current date until maturity. It is expressed as the rate of return on a bond that includes the total annual interest payments, purchase price, redemption value and time to maturity. The YTM is only effective if the bond is held to maturity.