R-13

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 21, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and File the Investment Report for Quarter Ending December 31, 2011. (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, 2011, these funds had a market value of approximately $1.79 billion, with approximately $757 million, or approximately 42 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, 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, 2011, Standard and Poor's reaffirmed the City's investment portfolio 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 2011 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 0.46 percent (annualized). Book yield represents the return received on the total investment portfolio on an annualized basis.

On December 31, 2011, the City's investment pool market yield was 0.31 percent (annualized). During the quarter, the average short-term benchmark was almost unchanged, while the intermediate-term benchmark increased by two basis points. The long-term benchmark increased by two basis points. The following table summarizes the City's investment pool market yield and performance for the quarter ending December 31, 2011:

Investment Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return**	Weighted Avg Maturity*	Yield**
Short-Term Pool	$ 662,393,380	0.01 percent	0.30 years	0.26 percent
Intermediate-Term Pool	$ 711,154,235	0.12 percent	0.89 years	0.29 percent
Long-Term Pool	$ 418,135,320	0.30 percent	1.79 years	0.41 percent
Total Pool	$ 1,791,682,935	0.12 percent	0.89 years	0.31 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, 2011:

SHORT-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
October, 2011	$ 104,750,000	0.00 percent	0.03 percent	0.03 percentage points
November, 2011	$ 52,220,000	0.01 percent	0.12 percent	0.11 percentage points
December, 2011	$ 33,000,000	0.00 percent	0.19 percent	0.19 percentage points
Total Funds	$ 189,970,000	0.02 percent	0.08 percent	0.08 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, 2011:

INTERMEDIATE -TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
October, 2011	$ 46,000,000	0.11 percent	0.12 percent	0.01 percentage points
November, 2011	$ 122,757,000	0.11 percent	0.27 percent	0.16 percentage points
December, 2011	$ 38,950,000	0.12 percent	0.46 percent	0.34 percentage points
Total Funds	$ 207,707,000	0.11 percent	0.27 percent	0.16 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, 2011. 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, 2011	$ 19,250,000	0.34 percent	0.75 percent	0.41 percentage points
November, 2011	$ 1,000,000	0.30 percent	0.82 percent	0.52 percentage points
December, 2011	$ 18,900,000	0.31 percent	0.68 percent	0.37 percentage points
Total Funds	$ 39,850,000	0.32 percent	0.72 percent	0.39 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, 2011, the City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) pool was under $100,000.

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 investment balances, portfolio distribution and performance values can be found in Attachment A.

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 manages the long-term portfolio and 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 Principal Deputy City Attorney Charles Parkin on January 26, 2012 and Budget Management Officer Victoria Bell on January 18, 2012.

TIMING CONSIDERATIONS

This item is not time critical.

FISCAL IMPACT

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

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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ATTACHMENT A – INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2011

APPROVED:

PATRICK H. WEST
CITY MANAGER

Attachment A
City of Long Beach, CA
Investment Portfolio
As of December 31, 2011

SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCURED INTEREST	MATURITY DATE	MARKET YIELD
UNION BANK N.A.		263,865,617	263,865,617	263,865,617	0	01/02/12	0.60
BANK OF AMERICA		13,121,765	13,121,765	13,121,765	0	01/02/12	0.00
LOCAL AGENCY INVESTMENT FUND		57,266	57,266	57,266	72,070	01/02/12	0.35
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TOTAL CASH AND EQUIVALENTS		277,044,648	277,044,648	277,044,648	72,070	2.00	0.35
FED. HOME LOAN MTG CORP.	AA+	15,000,000	14,999,550	15,000,000	0	01/10/12	0.12
FED. NATIONAL MTG. ASSOC.	AA+	7,000,000	7,001,131	7,002,188	28,753	01/12/12	0.34
FEDERAL FARM CREDIT BANK	AA+	5,000,000	4,999,710	4,999,947	0	01/20/12	0.02
FED. HOME LOAN MTG CORP.	AA+	10,000,000	9,999,133	10,000,000	0	01/27/12	0.12
U.S. TREASURY NOTES	AA+	10,000,000	10,036,325	10,036,000	198,777	01/31/12	0.47
FED. HOME LOAN MTG CORP.	AA+	10,000,000	9,998,556	10,000,000	0	02/10/12	0.13
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,060,654	10,059,375	187,500	02/16/12	0.24
FEDERAL FARM CREDIT BANK	AA+	10,000,000	10,002,020	10,003,125	8,089	03/16/12	0.13
FEDERAL HOME LOAN BANK	AA+	10,000,000	9,996,533	9,999,567	0	03/19/12	0.02
FED. HOME LOAN MTG CORP.	AA+	6,000,000	6,024,562	6,026,250	34,708	03/23/12	0.20
FEDERAL FARM CREDIT BANK	AA+	10,000,000	10,001,301	10,003,125	6,197	03/23/12	0.09
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,050,892	10,059,375	48,750	04/13/12	0.15
FEDERAL FARM CREDIT BANK	AA+	4,224,000	4,247,692	4,251,720	17,424	04/24/12	0.16
FED. HOME LOAN MTG CORP.	AA+	7,000,000	7,017,032	7,021,875	14,438	04/25/12	0.14
U.S. TREASURY NOTES	AA+	10,000,000	10,027,641	10,031,000	17,033	04/30/12	0.07
U.S. TREASURY BILLS	AA+	20,000,000	19,997,111	19,998,015	0	05/10/12	0.03
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,000	10,003,125	7,722	05/11/12	0.11
FED. NATIONAL MTG. ASSOC.	AA+	25,000,000	24,982,319	25,000,000	0	05/14/12	0.19
FED. NATIONAL MTG. ASSOC.	AA+	20,000,000	19,985,856	20,000,000	0	05/14/12	0.19
FEDERAL HOME LOAN BANK	AA+	4,680,000	4,771,194	4,776,525	34,385	05/15/12	0.20
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,000	10,000,000	4,911	05/15/12	0.13
FEDERAL HOME LOAN BANK	AA+	10,000,000	9,999,553	10,000,000	4,911	05/15/12	0.13
FEDERAL HOME LOAN BANK	AA+	15,000,000	14,998,506	15,000,000	8,400	06/07/12	0.16
FED. HOME LOAN MTG CORP.	AA+	9,220,000	9,287,436	9,289,150	7,171	06/15/12	0.10
FEDERAL HOME LOAN BANK	AA+	5,000,000	5,000,000	5,000,000	92	07/16/12	0.33
FEDERAL HOME LOAN BANK	AA+	3,080,000	3,119,261	3,117,538	18,309	09/14/12	0.26

Attachment A
City of Long Beach, CA
Investment Portfolio
As of December 31, 2011

SHORT - TERM PORTFOLIO

SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCURED INTEREST	MATURITY DATE	MARKET YIELD
U.S. TREASURY NOTES	AA+	10,000,000	10,088,703	10,088,000	40,797	09/15/12	0.13
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,034,487	10,034,375	16,840	09/24/12	0.15
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,000	10,003,125	8,008	09/28/12	0.27
FEDERAL FARM CREDIT BANK	AA+	8,000,000	7,991,476	7,995,000	0	10/01/12	0.08
FED. HOME LOAN MTG CORP.	AA+	9,755,000	10,108,859	10,105,570	82,714	10/25/12	0.22
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,001,394	9,996,875	3,000	11/07/12	0.24
U.S. TREASURY NOTES	AA+	8,000,000	8,026,170	8,025,600	3,497	11/30/12	0.15
FEDERAL FARM CREDIT BANK	AA+	4,465,000	4,534,147	4,531,975	5,349	12/07/12	0.26
FEDERAL HOME LOAN BANK	AA+	10,250,000	10,250,000	10,250,000	7,545	03/15/13	0.25
FEDERAL HOME LOAN BANK	AA+	7,500,000	7,500,000	7,495,313	7,344	03/27/13	0.43
FEDERAL FARM CREDIT BANK	AA+	10,000,000	10,000,000	10,000,000	9,600	04/18/13	0.48
FEDERAL FARM CREDIT BANK	AA+	7,000,000	7,000,000	7,006,563	1,983	06/13/13	0.53
FED. HOME LOAN MTG CORP.	AA+	8,000,000	8,000,000	7,990,000	13,689	09/09/13	0.62
FEDERAL FARM CREDIT BANK	AA+	5,000,000	5,000,000	5,148,438	718	12/19/13	0.47
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SHORT-TERM PORTFOLIO		384,174,000	385,139,203	385,348,732	848,655	189	0.20
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SUB TOTAL CASH AND SHORT - TERM PORTFOLIO		661,218,648	662,183,850	662,393,380	920,726	111	0.26

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Investment Portfolio
As of December 31, 2011

INTERMEDIATE - TERM PORTFOLIO

SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCURED INTEREST	MATURITY DATE	MARKET YIELD
FED. NATIONAL MTG. ASSOC.	AA+	5,000,000	5,000,814	5,001,563	20,538	01/12/12	0.34
U.S. TREASURY NOTES	AA+	15,000,000	15,018,694	15,024,000	77,904	02/15/12	0.09
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,013,359	10,018,750	35,000	03/09/12	0.13
FEDERAL HOME LOAN BANK	AA+	9,000,000	9,012,548	9,016,875	31,500	03/09/12	0.13
FED. HOME LOAN MTG CORP.	AA+	15,000,000	15,033,659	15,065,625	86,771	03/23/12	0.20
FED. NATIONAL MTG. ASSOC.	AA+	15,000,000	15,031,280	15,079,688	55,469	04/20/12	0.12
FEDERAL FARM CREDIT BANK	AA+	10,000,000	10,057,848	10,065,625	41,250	04/24/12	0.16
FEDERAL FARM CREDIT BANK	AA+	8,000,000	8,000,000	8,005,000	3,900	04/25/12	0.07
FEDERAL FARM CREDIT BANK	AA+	8,000,000	8,000,000	8,005,000	3,900	04/25/12	0.07
U.S. TREASURY NOTES	AA+	20,000,000	20,038,343	20,062,000	34,066	04/30/12	0.07
FED. NATIONAL MTG. ASSOC.	AA+	8,000,000	7,995,533	8,000,000	0	05/14/12	0.15
U.S. TREASURY NOTES	AA+	8,000,000	8,029,330	8,039,200	14,203	05/15/12	0.06
FED. NATIONAL MTG. ASSOC.	AA+	8,000,000	8,135,075	8,147,500	46,583	05/18/12	0.03
FEDERAL HOME LOAN BANK	AA+	7,000,000	7,019,681	7,026,250	9,406	05/18/12	0.14
FEDERAL HOME LOAN BANK (Pledged to Cigna)	AA+	***7,000,000***	***7,027,784***	***7,037,188***	***6,149***	***06/08/12***	0.16
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,035,310	10,053,125	8,785	06/08/12	0.16
FED. HOME LOAN MTG CORP.	AA+	10,000,000	10,057,095	10,075,000	7,778	06/15/12	0.10
FEDERAL FARM CREDIT BANK	AA+	7,000,000	6,993,799	7,004,375	875	06/15/12	0.16
FED. NATIONAL MTG. ASSOC.	AA+	11,000,000	11,059,455	11,058,438	3,438	06/22/12	0.13
FED. HOME LOAN MTG CORP.	AA+	6,000,000	6,149,138	6,161,250	141,792	07/15/12	0.13
FED. HOME LOAN MTG CORP.	AA+	7,000,000	7,025,492	7,035,000	33,688	07/27/12	0.25
FED. HOME LOAN MTG CORP.	AA+	6,500,000	6,526,864	6,532,500	31,281	07/27/12	0.25
FED. NATIONAL MTG. ASSOC.	AA+	7,000,000	7,029,058	7,037,188	33,031	07/30/12	0.21
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,040,876	10,053,125	47,188	07/30/12	0.21
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,042,337	10,053,125	47,188	07/30/12	0.21
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,087,655	10,093,750	68,542	08/10/12	0.21
FEDERAL HOME LOAN BANK	AA+	15,175,000	15,583,848	15,582,828	265,141	08/15/12	0.30
FEDERAL HOME LOAN BANK	AA+	10,000,000	9,989,281	9,998,108	0	08/15/12	0.03
FEDERAL HOME LOAN BANK	AA+	12,000,000	12,090,852	12,116,250	75,250	08/22/12	0.24
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,000	10,000,000	7,822	08/23/12	0.22
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,000	10,003,125	2,819	09/10/12	0.30
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,096,140	10,121,875	59,444	09/14/12	0.26

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City of Long Beach, CA
Investment Portfolio
As of December 31, 2011

INTERMEDIATE - TERM PORTFOLIO

SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCURED INTEREST	MATURITY DATE	MARKET YIELD
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,266,969	10,290,625	128,819	09/15/12	0.25
U.S. TREASURY NOTES	AA+	20,000,000	20,145,125	20,176,000	81,593	09/15/12	0.13
U.S. TREASURY NOTES	AA+	10,000,000	9,999,181	10,019,000	9,529	09/30/12	0.12
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	9,982,767	10,025,000	8,472	10/30/12	0.20
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	9,995,543	10,025,000	8,472	10/30/12	0.20
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,003,144	10,015,625	8,472	10/30/12	0.31
FEDERAL HOME LOAN BANK	AA+	5,000,000	4,999,651	4,996,875	13	11/15/12	0.07
U.S. TREASURY NOTES	AA+	10,000,000	10,104,866	10,107,000	17,754	11/15/12	0.15
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,378,912	10,396,875	55,417	11/19/12	0.25
FED. HOME LOAN MTG CORP.	AA+	10,000,000	9,968,705	10,018,750	3,229	11/30/12	0.17
U.S. TREASURY NOTES	AA+	10,000,000	10,093,152	10,092,000	5,225	12/15/12	0.16
FED. NATIONAL MTG. ASSOC.	AA+	7,000,000	6,988,838	7,015,313	219	12/28/12	0.15
FED. HOME LOAN MTG CORP.	AA+	10,000,000	10,069,787	10,115,625	65,694	01/09/13	0.24
U.S. TREASURY NOTES	AA+	10,000,000	10,125,072	10,124,000	63,519	01/15/13	0.18
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,132,746	10,125,000	68,750	01/16/13	0.30
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,370,228	10,387,500	170,000	01/28/13	0.38
U.S. TREASURY NOTES	AA+	12,000,000	12,494,555	12,494,400	175,639	02/15/13	0.21
FED. NATIONAL MTG. ASSOC.	AA+	7,750,000	7,881,058	7,875,938	48,599	02/22/13	0.32
FEDERAL FARM CREDIT BANK	AA+	7,000,000	7,054,355	7,048,125	22,400	02/22/13	0.30
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,056,002	10,056,250	26,042	02/26/13	0.26
FEDERAL HOME LOAN BANK	AA+	8,500,000	8,617,640	8,635,469	46,691	03/08/13	0.40
FED. HOME LOAN MTG CORP.	AA+	7,007,000	7,047,270	7,046,414	13,576	03/28/13	0.30
FED. HOME LOAN MTG CORP.	AA+	5,000,000	4,996,380	5,025,000	8,000	04/19/13	0.41
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,250	10,000,000	12,500	04/19/13	0.62
FEDERAL FARM CREDIT BANK	AA+	10,000,000	9,997,465	10,009,375	6,778	04/29/13	0.33
FEDERAL HOME LOAN BANK	AA+	7,000,000	7,004,306	7,004,375	4,173	05/03/13	0.32
FED. NATIONAL MTG. ASSOC.	AA+	6,000,000	6,116,917	6,112,500	15,750	05/07/13	0.36
U.S. TREASURY NOTES	AA+	7,000,000	7,110,079	7,111,300	12,428	05/15/13	0.22
FEDERAL FARM CREDIT BANK	AA+	7,000,000	7,000,000	6,991,250	1,167	05/24/13	0.34
FED HOME LOAN BANK (Pledged to Union Bank - Consent Agreement)	***AA+***	***3,000,000***	***3,047,848***	***3,055,313***	***2,302***	***06/14/13***	***0.35***
FED HOME LOAN BANK	AA+	5,000,000	5,079,747	5,092,188	3,837	06/14/13	0.35
FEDERAL FARM CREDIT BANK	AA+	5,000,000	4,996,306	4,995,313	389	06/20/13	0.34

Attachment A
City of Long Beach, CA
Investment Portfolio
As of December 31, 2011

INTERMEDIATE - TERM PORTFOLIO

SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCURED INTEREST	MATURITY DATE	MARKET YIELD
FED. HOME LOAN MTG CORP.	AA+	10,000,000	10,000,000	10,000,000	29,431	07/18/13	0.65
FED. HOME LOAN MTG CORP.	AA+	15,000,000	15,000,000	15,014,063	62,333	08/15/13	1.04
FED. HOME LOAN MTG CORP.	AA+	7,000,000	7,002,048	7,002,188	15,050	08/22/13	0.58
FED. HOME LOAN MTG CORP.	AA+	7,000,000	7,000,000	6,989,063	12,444	08/23/13	0.60
FED. HOME LOAN MTG CORP.	AA+	10,000,000	9,999,433	9,987,500	17,111	09/09/13	0.62
FED. NATIONAL MTG. ASSOC.	AA+	5,000,000	5,000,000	4,993,750	6,111	10/03/13	0.57
FED. NATIONAL MTG. ASSOC.	AA+	12,000,000	12,130,633	12,157,500	31,125	10/08/13	0.38
FED. HOME LOAN MTG CORP.	AA+	10,000,000	9,998,399	9,990,625	10,083	10/25/13	0.60
FED. NATIONAL MTG. ASSOC.	AA+	5,000,000	5,000,000	5,000,000	5,500	10/25/13	0.60
FEDERAL HOME LOAN BANK	AA+	8,000,000	8,000,000	7,995,000	5,744	11/14/13	0.58
FED. HOME LOAN MTG CORP.	AA+	10,000,000	10,000,000	9,996,875	611	12/27/13	0.57
FEDERAL FARM CREDIT BANK	AA+	8,000,000	7,995,940	8,022,500	28,111	03/28/14	1.25
FED. NATIONAL MTG. ASSOC.	AA+	4,950,000	4,948,722	4,948,453	3,575	12/05/14	1.01
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		705,882,000	710,421,190	711,154,235	2,623,379	328	0.29

Attachment A
City of Long Beach, CA
Investment Portfolio
As of December 31, 2011

LONG TERM - TERM PORTFOLIO							
SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCURED INTEREST	MATURITY DATE	MARKET YIELD
WFC Advantage Govt Money Mkt	AAA	174,150	174,150	174,150	0	01/01/12	0.00
FEDERAL FARM CREDIT BANK	AA+	9,840,000	9,844,070	9,846,150	89,107	01/17/12	0.59
FEDERAL FARM CREDIT BANK	AA+	9,840,000	9,879,277	9,904,575	40,590	04/24/12	0.16
U.S. TREASURY NOTES	AA+	10,000,000	10,005,168	10,049,000	17,754	05/15/12	0.06
FED. HOME LOAN MTG CORP.	AA+	9,230,000	9,425,624	9,478,056	218,123	07/15/12	0.13
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,018,592	10,096,875	62,708	08/22/12	0.24
FED. NATIONAL MTG. ASSOC.	AA+	9,250,000	9,433,912	9,518,828	119,158	09/15/12	0.25
FEDERAL HOME LOAN BANK	AA+	9,200,000	9,424,742	9,513,375	95,738	10/10/12	0.22
U.S. TREASURY NOTES	AA+	10,250,000	10,249,762	10,349,425	30,036	10/15/12	0.15
FEDERAL HOME LOAN BANK	AA+	9,265,000	9,505,464	9,597,961	53,274	11/15/12	0.37
FED. NATIONAL MTG. ASSOC.	AA+	9,205,000	9,473,635	9,570,323	51,011	11/19/12	0.25
FEDERAL FARM CREDIT BANK	AA+	9,990,000	10,029,347	10,139,850	11,967	12/07/12	0.26
U.S. TREASURY NOTES	AA+	10,175,000	10,159,838	10,268,610	5,317	12/15/12	0.16
FED. HOME LOAN MTG CORP.	AA+	10,165,000	10,148,233	10,282,533	66,778	01/09/13	0.24
U.S. TREASURY NOTES	AA+	10,600,000	10,592,393	10,731,440	67,330	01/15/13	0.18
FED. NATIONAL MTG. ASSOC.	AA+	9,700,000	9,907,457	10,060,719	135,766	02/12/13	0.28
U.S. TREASURY NOTES	AA+	11,000,000	10,981,859	11,146,300	57,130	02/15/13	0.19
FEDERAL FARM CREDIT BANK	AA+	9,920,000	9,932,850	10,071,900	62,207	02/21/13	0.40
FEDERAL HOME LOAN BANK	AA+	10,000,000	10,077,314	10,159,375	45,590	03/20/13	0.31
FEDERAL FARM CREDIT BANK	AA+	10,000,000	9,990,908	10,162,500	1,910	06/25/13	0.28
FED. HOME LOAN MTG CORP.	AA+	9,650,000	10,145,400	10,268,203	103,939	09/27/13	0.42
FEDERAL FARM CREDIT BANK	AA+	9,350,000	9,829,747	9,919,766	83,533	10/07/13	0.41
FEDERAL HOME LOAN BANK	AA+	9,500,000	9,878,183	10,040,313	69,832	10/18/13	0.44
U.S. TREASURY NOTES	AA+	11,000,000	11,233,656	11,363,000	19,235	11/30/13	0.27
FED. NATIONAL MTG. ASSOC.	AA+	10,500,000	10,398,057	10,539,375	2,844	12/18/13	0.56
FED. HOME LOAN MTG CORP.	AA+	9,965,000	10,161,959	10,376,056	120,410	01/07/14	0.44
FED. NATIONAL MTG. ASSOC.	AA+	10,000,000	10,244,797	10,456,250	111,528	02/05/14	0.56

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City of Long Beach, CA
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LONG TERM - TERM PORTFOLIO

SECURITY DESCRIPTION	S&P	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCURED INTEREST	MATURITY DATE	MARKET YIELD
FEDERAL FARM CREDIT BANK	AA+	10,000,000	10,290,133	10,478,125	53,229	04/17/14	0.53
FED. HOME LOAN MTG CORP.	AA+	10,000,000	10,358,503	10,453,125	47,222	04/23/14	0.52
U.S. TREASURY NOTES	AA+	10,500,000	10,588,725	10,674,300	13,558	05/15/14	0.30
FEDERAL HOME LOAN BANK	AA+	9,900,000	10,045,376	10,094,906	12,478	05/28/14	0.55
FED. HOME LOAN MTG CORP.	AA+	9,950,000	10,329,342	10,559,438	126,863	07/28/14	0.60
FED. HOME LOAN MTG CORP.	AA+	10,000,000	10,060,604	10,062,500	43,056	08/20/14	0.76
FED. NATIONAL MTG. ASSOC.	AA+	9,325,000	9,837,340	9,939,867	81,594	09/16/14	0.54
U.S. TREASURY NOTES	AA+	10,200,000	10,241,574	10,241,820	10,590	10/15/14	0.35
FEDERAL FARM CREDIT BANK	AA+	10,700,000	10,779,597	11,037,719	19,802	11/19/14	0.52
U.S. TREASURY NOTES	AA+	11,000,000	11,593,125	11,619,300	103,573	01/31/15	0.41
FEDERAL HOME LOAN BANK	AA+	5,000,000	5,142,705	5,321,875	41,250	03/13/15	0.71
FEDERAL HOME LOAN BANK	AA+	1,000,000	1,060,934	1,064,375	8,250	03/13/15	0.71
FED. NATIONAL MTG. ASSOC.	AA+	9,600,000	10,132,046	10,128,000	96,900	07/28/15	0.81
U.S. TREASURY NOTES	AA+	9,950,000	10,306,325	10,385,810	72,868	07/31/15	0.52
FED. HOME LOAN MTG CORP.	AA+	9,425,000	9,741,002	9,722,477	50,856	09/10/15	0.88
FEDERAL HOME LOAN BANK	AA+	8,700,000	10,232,105	10,225,219	142,885	03/11/16	1.09
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LONG-TERM PORTFOLIO		403,019,150	411,885,828	416,093,763	2,667,787	657	0.41
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Health Savors Loan		2,041,558	2,041,558	2,041,558	800	04/22/19	0.47
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TOTAL ALL PORTFOLIOS		1,772,161,355	1,786,532,427	1,791,682,935	6,212,691	327	0.31
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