

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-21

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

August 24, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and File Investment Report for Quarter Ending June 30, 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 June 30, 2010, these funds had a market value of approximately \$1.7 billion, with approximately \$532 million, or approximately 32 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 Manager, and designated representatives from the Harbor, Water and Development Services departments, meets monthly, or as needed, to review investment policies, strategies and performance.

Investment Pool Rating

As of March 31, 2010, Standard and Poor's reaffirmed the City's investment portfolio rating of AAf and one of the lowest volatility ratings of S1 (Attachment A). 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 0.57 percent. Book yield represents the return received on the total investment portfolio.

On June 30, 2010, the City's investment pool market yield was 0.52 percent. During the quarter the average short-term benchmark increased two (2) basis points, while the intermediate-term benchmark declined eight (8) basis points. The long-term benchmark fell over thirty seven (37) basis points. The following table summarizes the investment pool market yield performance for the quarter ending June 30, 2010:

Investment Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return**	Weighted Avg Maturity*	Yield**
Short-Term Pool	\$ 518,199,024	0.17 percent	0.31 years	0.48 percent
Intermediate-Term Pool	\$ 778,306,333	0.32 percent	0.72 years	0.65 percent
Long-Term Pool	\$ 409,579,389	0.67 percent	1.83 years	1.25 percent
Total Pool	\$ 1,706,084,746	0.36 percent	0.86 years	0.74 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 June 30, 2010:

SHORT-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
April, 2010	\$ 231,300,000	0.16 percent	0.17 percent	0.01 percentage points
May, 2010	\$ 40,000,000	0.16 percent	0.63 percent	0.47 percentage points
June, 2010	\$ 101,444,000	0.12 percent	0.44 percent	0.32 percentage points
Total Funds	\$ 372,744,000	0.15 percent	0.29 percent	0.14 percentage points

* 91-Day T-Bill and other returns listed are weighted averages for the period.

** Purchase Yields stated to maturity assume the securities are not called or sold prior to the maturity date.

The following table summarizes the purchase yield of the new investments versus the average benchmark yield in the intermediate-term portfolio by month for the quarter ending June 30, 2010:

INTERMEDIATE -TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
April, 2010	\$ 139,738,000	0.44 percent	0.66 percent	0.22 percentage points
May, 2010	\$ 153,935,000	0.37 percent	0.60 percent	0.23 percentage points
June, 2010	\$ 44,000,000	0.32 percent	0.63 percent	0.31 percentage points
Total Funds	\$ 337,673,000	0.39 percent	0.63 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 June 30, 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*
April, 2010	\$ 81,560,000	1.04 percent	1.15 percent	0.11 percentage points
May, 2010	\$ 15,400,000	0.87 percent	0.39 percent	(0.48) Percentage points
June, 2010	No Activity	N/A	N/A	No Activity
Total Funds	\$ 96,960,000	1.01 percent	1.03 percent	0.02 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 June 30, 2010, the City had \$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 B.

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 and City's Investment Advisory Committee on July 27, 2010, and Budget Management Officer Victoria Bell on July 29, 2010.

TIMING CONSIDERATIONS

This item is not time critical.

FISCAL IMPACT

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

HONORABLE MAYOR AND CITY COUNCIL

August 24, 2010

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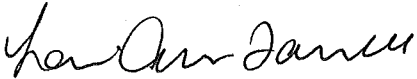
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



DAVID S. NAKAMOTO
CITY TREASURER



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

DSN:LAF:DT
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ATTACHMENT A – STANDARD AND POOR’S FUND PROFILE – MARCH 31, 2010
ATTACHMENT B – INVESTMENT PORTFOLIO AS OF JUNE 30, 2010

APPROVED:



PATRICK H. WEST
CITY MANAGER

FUND PROFILE
City of Long Beach California Investment PoolCredit Quality
Ratings Definitions

AAAf The fund's portfolio holdings provide extremely strong protection against losses from credit defaults.

AAf The fund's portfolio holdings provide very strong protection against losses from credit defaults.

Af The fund's portfolio holdings provide strong protection against losses from credit defaults.

BBBf The fund's portfolio holdings provide adequate protection against losses from credit defaults.

BBf The fund's portfolio holdings provide uncertain protection against losses from credit defaults.

Bf The fund's portfolio holdings exhibit vulnerability to losses from credit defaults.

CCCf The fund's portfolio holdings make it extremely vulnerable to losses from credit defaults.

Plus (+) or Minus (-)
The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

Credit quality ratings, identified by the 'f' subscript, are assigned to bond funds and other actively managed funds that exhibit variable net asset values. These ratings are current assessments of the overall credit quality of a fund's portfolio. The ratings reflect the level of protection against losses from credit defaults and are based on an analysis of the credit quality of the portfolio investments and the likelihood of counterparty defaults.

About the Fund

Fund Rating	AAAf / S1
Fund Type	Variable NAV Government Investment Pool
Investment Adviser	Long Beach
Portfolio Manager	Daniel Thurber
Fund Rated Since	November 2000
Custodian	Bank of New York Mellon Corp.

Fund Highlights

- The City of Long Beach Investment Pool was the first city managed investment pool to receive ratings from Standard & Poor's Fund Services
- The pool's objective is to maximize safety, ensure liquidity and provide an adequate return.

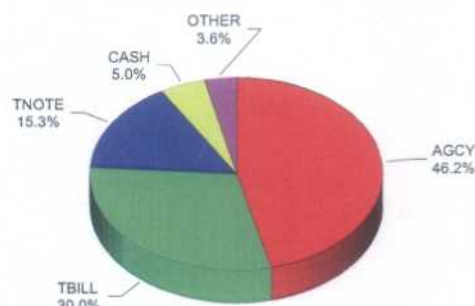
Management

The City of Long Beach Pooled Investment Fund is managed by the City Treasurer on behalf of the City and its various municipal constituents. The Treasurer manages over \$1 billion derived from the City's constituents and various municipal entities from tax payments, fees and revenues derived from the Harbor, Water, and Gas Departments, airport, property and sales taxes, bond proceeds, and various other sources. Oversight of the pool is provided by the City Council and Bank of New York provides custodial services and monthly pricing for the investment pool's assets. An outside Investment Advisor has been engaged by the City to provide additional oversight.

Credit Quality

The 'AAAf' rating indicates the extremely strong protection the pool's portfolio investments provide against losses from credit defaults. The S1 volatility rating signifies that the pool possesses low sensitivity to changing market conditions given its low risk profile and conservative investment policies. The investment portfolio is normally heavily invested in U.S. government/agency paper, high-grade corporate notes and the remaining assets held in high quality short-term paper. The maximum weighted average maturity (WAM) for the pool is limited to three years, while individual securities can mature out to five years. Investments must comply with both the City's investment policy guidelines and the California Government Code. The City's Investment Advisory Committee and City Auditor's

Portfolio Composition as of March 31, 2010



AGCY - Agency Fixed Rate; TBILL - US Treasury Bill; TNOTE - US Treasury Note; CASH - Cash; OTHER - Other Securities; MMF - Money Market Fund

*As assessed by Standard & Poor's

Office conducts comprehensive reviews of the investment portfolio on a monthly and quarterly basis, respectively.

Portfolio Assets

The pool's primary objectives are to safeguard investment principal, maintain sufficient liquidity to meet daily and projected cash flow requirements, while maximizing return consistent with safety and liquidity. The investment portfolio is divided and managed as three segments - a short-term portfolio, intermediate and a long-term portfolio. This allows the managers to more effectively handle the pool's liquidity needs and maximize yields for moneys, which can be invested longer. The short-term portfolio, which typically comprises approximately 30% of the investment portfolio, invests in high quality ('A-1' and 'A-1+' rated) money market type instruments including commercial paper, bankers acceptances, bank deposits, U.S. agencies and Treasuries, and in California's Local Agency Investment Fund. The short-term portfolio is benchmarked to the 91-day U.S. T-bill rate. The Intermediate-term portfolio also invests in the same instruments as the short-term pool, however the duration of those instruments are approximately one (1) year. The Intermediate-term pool's benchmark is the One-Year Constant Maturity Treasury Index. An outside Investment Advisor with non-discretionary authority actively manages the long-term portfolio. This portfolio typically comprises of U.S. Agencies, Treasuries and corporate bonds or notes and is currently benchmarked to the 1-3 Treasury/Agency Index.

Standard & Poor's Analyst: Guyna Johnson - (1) 312-233-7008

www.standardandpoors.com

Investors should consider the investment objectives, risks and charges and expenses of the fund before investing. The prospectus which can be obtained from your broker-dealer, contains this and other information about the fund and should be read carefully before investing.

Volatility Ratings Definitions

S1 Low sensitivity to changing market conditions. Within this category of (S-1) certain funds may be designated with a plus sign (+). This indicates the fund's extremely low sensitivity to changing market conditions.

S2 Low to moderate sensitivity to changing market conditions.

S3 Moderate sensitivity to changing market conditions.

S4 Moderate to high sensitivity to changing market conditions.

S5 High sensitivity to changing market conditions.

S6 Highest sensitivity to changing market conditions.

Volatility ratings evaluate the fund's sensitivity to interest rate movements, credit risk, investment diversification or concentration, liquidity, leverage, and other factors.

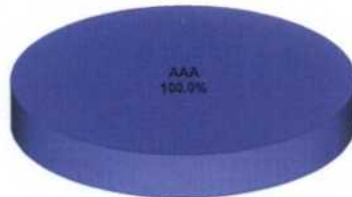
Not all bond funds have volatility ratings

Data Bank as of March 31, 2010

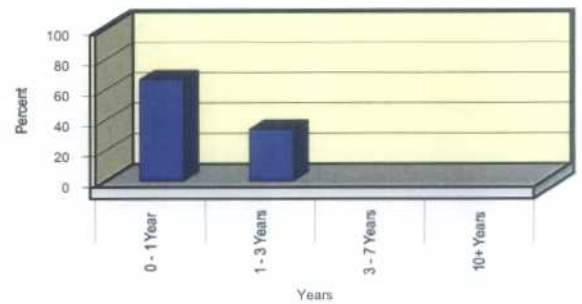
Ticker Symbol..... N/A
NAV..... \$1.00

Net Assets (millions)..... \$1,720.35
Inception Date..... N/A

Portfolio Credit Quality as of March 31, 2010 *



Portfolio Maturity Distribution as of March 31, 2010



Total Returns as of March 31, 2010, (%)

	Annualized		Cumulative
	Fund	Index *	Fund
Year to Date	NA	NA	0.17
1 Year	0.82	1.33	0.82
3 Years	2.88	4.57	8.91
5 Years	3.35	4.19	17.88

* Citi US Gov Bd 1-3y

The returns shown above do not reflect the deduction of sales loads or charges. Inclusion of the sales load would reduce the performance shown.

Portfolio Historical Performance Comparison (Growth of \$ 10,000)



The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, which when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data quoted. Performance data current to the most recent month-end may be available by calling the fund at the phone number listed in the 'About the Fund' section on page 1

Top Ten Holdings as of March 31, 2010

Security	%	Security	%
U.S. TREASURY BILLS	29.99	FFCB NOTES/BONDS	6.19
U.S. TREASURY NOTES	15.32	CASH IN BANKS - UNION BANK, N.A.	4.68
FHLB NOTES/BONDS	14.81	GMRA ACCOUNT-UNION BANK	3.56
FNMA NOTES/BONDS	13.91	CASH IN BANKS - BANK OF AMERICA, N.A.	0.28
FHLMC NOTES/BONDS	11.24	DRYFESS CASH MGT FUND	0.01

The volatility rating for this fund issued by Standard & Poor's can be found in the 'About the Fund' section on page 1. There is no standard method for determining volatility ratings. The rating is current as of the date of this profile report. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same rating or perform in the future as rated. Not all bond mutual funds have volatility ratings and those that do may have paid for them. The fact that a fund has a rating is not an indication that it is more or less risky or volatile than a fund that does not. The fund or a third party participating the marketing of fund shares paid Standard & Poor's for this rating. Standard & Poor's receives no payment for disseminating ratings, except for subscriptions to its publications

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ATTACHMENT B
 City of Long Beach, CA
 Investment Portfolio
 As of June 30, 2010

SECURITY DESCRIPTION	RATING	CUSIP	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	YIELD
UNION BANK N.A.			113,936,131	113,936,131	113,936,131	0	07/01/10	0.34
BANK OF AMERICA			5,478,992	5,478,992	5,478,992	0	07/01/10	0.12
STATE TREASURER LOCAL AGENCY INVESTMENT FUND			50,000,035	50,000,035	50,000,035	44,744	07/01/10	0.53
GUARANTEED MANAGED RATE ACCOUNT			219,518	219,518	219,518	39	07/01/10	0.21
TOTAL CASH AND EQUIVALENTS			169,634,675	169,634,675	169,634,675	44,783	6	0.39

SHORT-TERM PORTFOLIO

DESCRIPTION	RATING	CUSIP	PAR	BOOK	MARKET	ACCRUED INTEREST	MATURITY DATE	YIELD
U.S. TREASURY BILLS	AAA	912795UW9	10,000,000	9,999,728	10,000,000	0	07/08/10	0.14
FED NAT MORTG ASSOC	AAA	313589ZC0	15,000,000	14,999,333	15,000,000	0	07/09/10	0.20
FED NAT MORTG ASSOC	AAA	31398ASC7	15,000,000	15,012,901	15,014,063	211,250	07/12/10	0.18
FED NAT MORTG ASSOC	AAA	31359MYN7	15,338,000	15,413,587	15,414,690	246,260	08/15/10	0.24
U.S. TREASURY BILLS	AAA	912795V65	10,000,000	9,997,754	9,996,875	0	08/19/10	0.23
U.S. TREASURY BILLS	AAA	912795U82	25,000,000	24,985,417	24,992,188	0	08/26/10	0.20
FEDERAL HOME LOAN MTG. CORP.	AAA	313397E23	10,000,000	9,996,211	9,996,875	0	09/01/10	0.18
FED NAT MORTG ASSOC	AAA	313589G23	15,000,000	14,992,525	14,995,313	0	09/17/10	0.14
U.S. TREASURY NOTES	AAA	912828JL5	10,000,000	10,044,010	10,043,750	50,273	09/30/10	0.26
U.S. TREASURY NOTES	AAA	912828JL5	15,000,000	15,066,528	15,065,626	75,410	09/30/10	0.26
U.S. TREASURY BILLS	AAA	912795W31	10,000,000	9,993,875	9,996,875	0	10/14/10	0.11
FED HOME LOAN BANK	AAA	3133XVEJ6	20,000,000	20,007,401	20,025,000	18,889	11/23/10	0.19
FEDERAL HOME LOAN MTG. CORP.	AAA	313397T43	15,000,000	14,977,600	14,985,938	0	12/16/10	0.20
FEDERAL HOME LOAN MTG. CORP.	AAA	3134A4DY7	13,895,000	14,408,504	14,407,378	230,136	03/15/11	0.41
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABZ1	10,000,000	10,103,011	10,100,000	29,340	04/26/11	0.41
U.S. TREASURY NOTES	AAA	912828KL3	25,000,000	25,099,529	25,109,376	36,855	04/30/11	0.35

SHORT-TERM PORTFOLIO

DESCRIPTION	RATING	CUSIP	PAR	BOOK	MARKET	ACCRUED INTEREST	MATURITY DATE	YIELD
FED HOME LOAN BANK	AAA	3133XYBE4	10,000,000	10,000,000	10,000,000	1,750	05/10/11	0.30
FED NAT MORTG ASSOC	AAA	31359MJH7	10,000,000	10,475,391	10,490,625	76,667	05/15/11	0.38
FED FARM CREDIT BANK	AAA	31331JPX5	10,000,000	10,003,070	10,006,250	4,028	06/01/11	0.43
FEDERAL HOME LOAN MTG. CORP.	AAA	313396GS6	10,000,000	9,957,000	9,959,375	0	06/10/11	0.43
FED NAT MORTG ASSOC	AAA	31398ATL6	6,549,000	6,777,176	6,778,215	89,685	08/15/11	0.50
FED FARM CREDIT BANK	AAA	31331JFT5	10,000,000	10,017,664	10,021,875	22,478	09/01/11	0.49
FED NAT MORTG ASSOC	AAA	3136F9E74	15,000,000	15,098,486	15,084,375	176,867	09/09/11	3.30
FED HOME LOAN BANK	AAA	3133XXX69	10,000,000	10,000,000	10,000,000	9,028	10/26/11	0.50
FED NAT MORTG ASSOC	AAA	3136FH4A0	8,000,000	8,011,685	8,012,500	15,156	11/17/11	1.43
FED NAT MORTG ASSOC	AAA	3136FMFG1	10,000,000	10,003,624	10,028,125	18,417	05/10/12	1.15
FEDERAL HOME LOAN MTG. CORP.	AAA	3134G1CF9	5,000,000	5,000,000	5,001,563	3,733	05/18/12	0.61
FED HOME LOAN BANK	AAA	3133XW6C8	8,000,000	8,046,617	8,037,500	4,111	12/21/12	1.66
TOTAL SHORT-TERM PORTFOLIO			346,782,000	348,488,627	348,564,349	1,320,330	168	0.50
TOTAL CASH AND SHORT - TERM PORTFOLIO			516,416,675	518,123,303	518,199,024	1,365,113	115	0.46

INTERMEDIATE - TERM PORTFOLIO

DESCRIPTION	RATING	CUSIP	PAR	BOOK	MARKET	ACCRUED INTEREST	MATURITY DATE	YIELD
U.S. TREASURY BILLS	AAA	912795U66	25,000,000	25,000,000	25,000,000	0	07/01/10	0.37
U.S. TREASURY NOTES	AAA	912828JF8	20,000,000	20,037,985	20,043,750	229,420	07/31/10	0.19
U.S. TREASURY NOTES	AAA	912828JL5	10,000,000	10,044,511	10,043,750	50,273	09/30/10	0.26
U.S. TREASURY NOTES	AAA	912828JL5	15,000,000	15,053,062	15,065,626	75,410	09/30/10	0.26
FED HOME LOAN BANK	AAA	3133XV7F2	15,000,000	15,004,618	15,009,375	15,400	10/07/10	0.21
FED NAT MORTG ASSOC	AAA	31398ATZ5	10,000,000	10,073,431	10,075,000	63,090	10/12/10	0.22
FED HOME LOAN BANK	AAA	3133XTHN9	7,075,000	7,094,742	7,094,898	18,916	10/14/10	0.27
FED HOME LOAN BANK	AAA	3133XUX73	10,260,000	10,266,702	10,269,619	40,470	10/15/10	0.18
FEDERAL HOME LOAN BANK (Pledged to Cigna)	AAA	3133XMES6	7,000,000	6,997,629	7,087,500	58,698	10/22/10	0.35
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABV0	10,000,000	10,101,590	10,109,375	30,347	11/23/10	0.12
U.S. TREASURY NOTES	AAA	912828JS0	15,000,000	15,055,473	15,065,626	15,881	11/30/10	0.20
FED FARM CREDIT BANK	AAA	31331YGP9	7,684,000	7,795,698	7,799,260	19,210	12/06/10	0.28
U.S. TREASURY NOTES	AAA	912828JV3	10,000,000	10,018,415	10,031,250	238	12/31/10	0.25
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABW8	10,000,000	10,059,762	10,062,500	72,500	01/07/11	0.29
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABW8	20,780,000	20,891,669	20,909,875	150,655	01/07/11	0.29
FEDERAL HOME LOAN MTG. CORP.	AAA	31344AVJ0	15,000,000	15,357,165	15,360,938	322,604	01/18/11	0.37
FED NAT MORTG ASSOC	AAA	313588AW5	10,000,000	9,979,600	9,984,375	0	01/21/11	0.27
U.S. TREASURY NOTES	AAA	912828JY7	10,000,000	10,030,270	10,037,500	36,499	01/31/11	0.23
U.S. TREASURY NOTES	AAA	912828KE9	10,000,000	10,021,599	10,037,500	29,246	02/18/11	0.31
FED NAT MORTG ASSOC	AAA	313588CH6	6,000,000	5,984,067	5,988,750	0	02/25/11	0.28

INTERMEDIATE - TERM PORTFOLIO

DESCRIPTION	RATING	CUSIP	PAR	BOOK	MARKET	ACCRUED INTEREST	MATURITY DATE	YIELD
U.S. TREASURY NOTES	AAA	912828KE9	10,000,000	10,026,271	10,037,500	29,246	02/28/11	0.31
FED HOME LOAN BANK	AAA	3133XPNY6	10,000,000	10,153,644	10,168,750	87,847	03/11/11	0.45
FEDERAL HOME LOAN MTG. CORP.	AAA	3134A4DY7	20,000,000	20,724,254	20,737,500	331,250	03/15/11	0.41
FED NAT MORTG ASSOC	AAA	31398AVQ2	8,000,000	8,066,634	8,077,500	38,111	03/23/11	0.42
FED NAT MORTG ASSOC	AAA	31398AVQ2	20,000,000	20,187,855	20,193,750	95,278	03/23/11	0.42
U.S. TREASURY NOTES	AAA	912828KH2	10,000,000	10,020,947	10,040,625	21,995	03/31/11	0.33
FED HOME LOAN BANK	AAA	3133XXKL0	4,500,000	4,500,000	4,501,406	6,125	04/06/11	0.46
FED HOME LOAN BANK	AAA	3133XXRE9	5,000,000	5,000,000	4,998,438	7,167	04/18/11	0.64
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABZ1	11,000,000	11,106,787	11,110,000	32,274	04/26/11	0.41
FED HOME LOAN BANK	AAA	3133XY3M5	1,000,000	999,866	1,000,000	978	04/27/11	0.55
FED NAT MORTG ASSOC	AAA	31398AWQ1	4,738,000	4,769,853	4,775,016	11,401	04/28/11	0.43
FED NAT MORTG ASSOC	AAA	31398AWQ1	8,000,000	8,051,168	8,062,500	19,250	04/28/11	0.43
U.S. TREASURY NOTES	AAA	912828KL3	10,000,000	10,041,205	10,043,750	14,742	04/30/11	0.35
FED HOME LOAN BANK	AAA	912828KL3	15,000,000	15,050,589	15,065,626	22,113	04/30/11	0.35
FED HOME LOAN BANK	AAA	3133XVLE9	10,000,000	10,018,837	10,037,500	13,458	05/04/11	0.40
FED HOME LOAN BANK	AAA	3133XVLE9	25,000,000	25,084,746	25,093,750	33,646	05/04/11	0.40
FED HOME LOAN BANK	AAA	3133XVDU2	10,000,000	10,020,503	10,040,625	12,222	05/06/11	0.32
FED NAT MORTG ASSOC	AAA	31359MJH7	10,000,000	10,475,137	10,490,625	76,667	05/15/11	0.38
FED NAT MORTG ASSOC	AAA	31359MJH7	15,000,000	15,707,553	15,735,938	115,000	05/15/11	0.38
FED HOME LOAN BANK	AAA	31398ARH7	10,000,000	10,248,793	10,265,625	39,375	05/19/11	0.37
FEDERAL HOME LOAN MTG. CORP.	AAA	3133XYCQ6	10,000,000	10,000,000	10,003,125	10,472	05/25/11	0.62
FED HOME LOAN BANK	AAA	3134A4FM1	20,000,000	21,035,404	21,068,750	53,333	06/15/11	0.41
FED HOME LOAN BANK	AAA	3133XYPF6	8,000,000	8,000,000	8,002,500	2,333	06/17/11	0.72
FED FARM CREDIT BANK	AAA	31331YY46	12,500,000	12,877,637	12,917,969	13,542	06/20/11	0.45
FED HOME LOAN BANK	AAA	3133XRCW8	10,000,000	10,248,025	10,268,750	6,563	06/24/11	0.63
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABN8	10,000,000	10,325,354	10,337,500	2,153	06/29/11	0.48
U.S. TREASURY NOTES (Pledged to Union Bank - Consent Agreement)	AAA	912828LF5	2,700,000	2,698,894	2,719,406	83	06/30/11	0.40
U.S. TREASURY NOTES	AAA	912828LF5	12,300,000	12,294,960	12,388,407	376	06/30/11	0.40
FED HOME LOAN BANK	AAA	3133XWEZ8	20,000,000	20,053,750	20,056,250	72,083	07/08/11	0.47
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EAAF6	3,325,000	3,486,559	3,492,289	79,038	07/18/11	0.44
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EAAF6	10,000,000	10,485,900	10,503,125	237,708	07/18/11	0.44
FED HOME LOAN BANK	AAA	3133XTXH4	15,000,000	15,138,760	15,178,125	104,271	07/27/11	0.52
U.S. TREASURY NOTES	AAA	912828LG3	7,000,000	7,037,403	7,043,750	29,199	07/31/11	0.42
FED HOME LOAN BANK	AAA	3133XMSW0	10,000,000	10,000,000	10,003,125	19,444	08/11/11	0.47
FED NAT MORTG ASSOC	AAA	31398ATL6	10,000,000	10,329,713	10,350,000	136,944	08/15/11	0.50
U.S. TREASURY NOTES	AAA	912828LV0	10,000,000	10,051,296	10,065,625	33,424	08/31/11	0.44
FED HOME LOAN BANK	AAA	3133XRY46	15,000,000	15,522,013	15,576,563	175,000	09/09/11	0.51
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X9N89	6,000,000	6,000,000	6,003,750	13,250	09/15/11	0.70
FED FARM CREDIT BANK	AAA	31331Y3P3	11,045,000	11,425,035	11,452,284	93,422	10/03/11	0.55
FED FARM CREDIT BANK	AAA	31331GFC8	10,000,000	10,350,370	10,365,625	34,667	11/21/11	0.56

INTERMEDIATE - TERM PORTFOLIO

DESCRIPTION	RATING	CUSIP	PAR	BOOK	MARKET	ACCRUED INTEREST	MATURITY DATE	YIELD
FED HOME LOAN BANK	AAA	3133XYLD5	10,815,000	10,819,348	10,845,417	8,490	11/25/11	0.58
FED HOME LOAN BANK	AAA	3133XYSF3	6,000,000	6,000,000	5,998,125	104	12/30/11	0.65
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X9TM2	5,000,000	5,000,000	5,023,438	29,792	01/25/12	1.07
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X9TS9	5,000,000	5,000,000	5,021,875	28,167	01/25/12	1.02
FED NAT MORTG ASSOC	AAA	3136FJ3V1	10,000,000	10,000,000	10,006,250	44,375	02/09/12	1.09
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABY4	15,000,000	15,255,319	15,370,313	86,771	03/23/12	0.69
FED NAT MORTG ASSOC	AAA	31398AWK4	15,000,000	15,186,247	15,314,063	55,469	04/20/12	0.71
FED NAT MORTG ASSOC	AAA	3136FMRG1	4,100,000	4,101,486	4,111,531	7,551	05/10/12	1.15
FED FARM CREDIT BANK	AAA	31331JSG9	10,000,000	10,006,074	10,012,500	4,542	06/15/12	1.03
FED FARM CREDIT BANK	AAA	31331GR92	8,150,000	8,188,150	8,178,016	38,531	09/28/12	1.69
FED NAT MORTG ASSOC	AAA	3136F8XV2	5,000,000	5,000,000	5,075,000	16,722	12/03/12	3.65
SUBTOTAL INTERMEDIATE TERM PORTFOLIO			767,972,000	777,040,326	778,306,333	3,674,819	261	0.46

LONG - TERM PORTFOLIO

DESCRIPTION	RATING	CUSIP	PAR	BOOK	MARKET	ACCRUED INTEREST	MATURITY DATE	YIELD
Dreyfus Govt Cash Management	AAA	262006208	574,644	574,644	574,644	0	07/01/10	0.00
FEDERAL HOME LOAN MTG. CORP.	AAA	3134AAVB7	2,519,000	2,521,087	2,522,149	48,779	07/12/10	0.37
U.S. TREASURY NOTES	AAA	912828DZ0	1,375,000	1,376,982	1,376,719	24,580	07/15/10	0.84
U.S. TREASURY NOTES	AAA	912828DZ0	4,600,000	4,606,624	4,605,750	82,231	07/15/10	0.84
FED HOME LOAN BANK	AAA	3133XRN22	5,400,000	5,404,782	5,406,750	86,625	07/16/10	0.68
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X6Y59	10,000,000	9,999,196	10,031,250	117,764	08/12/10	0.37
FEDERAL HOME LOAN MTG. CORP.	AAA	3128X6Y26	7,260,000	7,258,489	7,380,244	91,758	02/11/11	0.54
FED FARM CREDIT BANK	AAA	31331YZ86	9,500,000	9,823,959	9,868,125	127,821	08/25/11	0.50
FEDERAL HOME LOAN MTG. CORP.	AAA	3134AAHF4	9,460,000	9,998,262	10,024,644	153,199	09/15/11	0.54
FED FARM CREDIT BANK	AAA	31331Y3P3	9,600,000	9,909,384	9,954,000	81,200	10/03/11	0.55
FED HOME LOAN BANK	AAA	3133XHPH9	9,400,000	9,919,002	9,952,250	54,735	11/18/11	0.60
FED NAT MORTG ASSOC	AAA	31398AZN5	10,000,000	10,021,400	10,062,500	10,556	11/23/11	0.55
U.S. TREASURY NOTES	AAA	912828GA2	9,425,000	9,950,166	9,963,992	35,923	11/30/11	0.45
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EACF4	10,100,000	10,108,734	10,178,906	5,050	12/15/11	0.59
FED NAT MORTG ASSOC	AAA	31398AUU4	10,000,000	10,152,598	10,203,125	95,556	01/09/12	0.66
FED NAT MORTG ASSOC	AAA	31398AB43	10,000,000	9,979,788	10,034,375	41,076	01/12/12	0.65
FEDERAL HOME LOAN MTG. CORP.	AAA	3134AAJT2	9,000,000	9,646,711	9,697,500	238,625	01/15/12	0.69
FED FARM CREDIT BANK	AAA	31331GKY4	9,840,000	9,981,418	10,049,100	89,107	01/17/12	0.62
U.S. TREASURY NOTES	AAA	912828KC3	10,250,000	10,316,248	10,390,938	52,949	02/15/12	0.53
U.S. TREASURY NOTES	AAA	912828KG4	10,000,000	10,053,841	10,143,750	40,353	03/15/12	0.53
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EABY4	9,860,000	10,028,948	10,103,419	57,037	03/23/12	0.69
FED HOME LOAN BANK	AAA	3133XTAW6	9,820,000	10,039,077	10,090,050	47,873	04/13/12	0.70

ATTACHMENT B
City of Long Beach, CA
Investment Portfolio
As of June 30, 2010

LONG - TERM PORTFOLIO

DESCRIPTION	RATING	CUSIP	PAR	BOOK	MARKET	ACCRUED INTEREST	MATURITY DATE	YIELD
FED NAT MORTG ASSOC	AAA	31398AWK4	10,000,000	10,120,334	10,209,375	36,979	04/20/12	0.71
FED FARM CREDIT BANK	AAA	31331GNC08	9,840,000	10,066,971	10,116,750	40,590	04/24/12	0.69
FED HOME LOAN BANK	AAA	31331MNVV0	9,100,000	9,870,733	9,950,281	66,860	05/15/12	0.72
U.S. TREASURY NOTES	AAA	912828KP4	10,000,000	10,026,185	10,146,875	17,561	05/15/12	0.59
FED NAT MORTG ASSOC	AAA	31398ABX9	9,245,000	9,901,724	9,958,598	53,833	05/18/12	0.74
FED HOME LOAN BANK	AAA	3133XTS49	9,955,000	10,102,348	10,172,766	5,703	06/20/12	0.76
FEDERAL HOME LOAN MTG. CORP.	AAA	313444QD9	9,230,000	9,970,143	10,063,584	218,123	07/15/12	0.66
U.S. TREASURY NOTES	AAA	912828LB4	10,000,000	10,078,563	10,181,250	69,199	07/15/12	0.61
FED HOME LOAN BANK	AAA	3133XUE41	10,000,000	10,062,053	10,193,750	62,708	08/22/12	0.84
FED NAT MORTG ASSOC	AAA	31359MPF4	9,250,000	9,824,906	9,961,094	119,158	09/15/12	0.85
FED HOME LOAN BANK	AAA	3133XML66	9,200,000	9,859,725	9,987,750	95,738	10/10/12	0.82
U.S. TREASURY NOTES	AAA	912828LR9	10,250,000	10,249,309	10,400,547	29,651	10/15/12	0.73
FED HOME LOAN BANK	AAA	3133MTZL5	9,265,000	9,919,001	10,040,944	53,274	11/15/12	0.93
FED NAT MORTG ASSOC	AAA	31398AHZ8	9,205,000	9,929,808	10,033,450	51,011	11/19/12	0.93
FED FARM CREDIT BANK	AAA	31331G2R9	9,990,000	10,092,583	10,205,409	11,967	12/07/12	0.98
U.S. TREASURY NOTES	AAA	912828MB3	10,175,000	10,135,986	10,257,671	5,004	12/15/12	0.79
FEDERAL HOME LOAN MTG. CORP.	AAA	3137EACG2	10,165,000	10,123,630	10,269,827	81,144	01/09/13	0.96
U.S. TREASURY NOTES	AAA	912828MG2	10,600,000	10,581,402	10,742,438	67,238	01/15/13	0.84
FED NAT MORTG ASSOC	AAA	31398AKY7	9,700,000	10,186,825	10,357,781	135,766	02/12/13	0.99
U.S. TREASURY NOTES	AAA	912828MN7	11,000,000	10,957,627	11,144,375	56,823	02/15/13	0.87
FED FARM CREDIT BANK	AAA	31331JBV4	9,920,000	9,949,775	10,065,700	62,207	02/21/13	1.18
FED FARM CREDIT BANK	AAA	31331JPK3	10,000,000	9,981,713	10,056,250	1,910	06/25/13	1.18
SUBTOTAL LONG TERM PORTFOLIO			394,073,644	403,662,679	407,130,645	2,925,245	664	0.72
SAVRS LOAN			2,448,744	2,448,744	2,448,744	1,623	04/22/19	0.85
TOTAL ALL PORTFOLIOS			1,680,911,064	1,701,275,052	1,706,084,746	7,966,801	317	0.52