

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-23

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

September 1, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file Investment Report for Quarter Ending June 30, 2009. (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, 2009, these funds had a market value of approximately \$1.8 billion, with approximately \$1.0 billion, or approximately 60 percent of funds, maturing within six months, ensuring that sufficient funds are available to meet the City's cash and 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 Community Development departments, meets monthly, or as needed, to review investment policies, strategies and performance.

Investment Pool Rating

As of March 31, 2009, the City's investment portfolio carries the highest credit rating of AA Af and the lowest volatility rating of S1 by the Standard & Poor's rating agency (see 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.

Financial Markets Performance

The City, along with a working group other cities, counties and states having exposure to Lehman exceeding \$1.7 billion, persuaded the House Financial Services Committee to

conduct a hearing on May 5, 2009 on the Lehman Holdings, Inc., bankruptcy and the impact on local governments. There were two panels at the Committee meeting. The first panel was Congressmembers Eshoo and Speier, and the second panel included officials from California, Florida and Colorado, along with an economist from Beacon Economics to explain the dollar impact of the losses from Lehman on the various public entities. The panel also included Mr. Chris Street from the Orange County Treasurer's office. In summary, the panelists urged the Chairman of the Committee to pursue an official response from the Treasury Department regarding Section 103 of the Emergency Economic Stabilization Act, which instructs the Treasury to consider the need to ensure stability of public instrumentalities that have suffered losses in the current market turmoil. Additionally, the panel underscored the importance of passing H.R. 467 to require the Secretary to purchase defaulted bonds issued by Lehman and restore funds lost by local governments that invested in highly rated Lehman securities. From the Congressional hearing held on May 5, 2009, the Treasury Secretary responded to Representatives Eshoo and Speier on June 17, 2009 that the Treasury would not purchase Lehman securities from public instrumentalities, however, the Chairman of the Financial Services Committee (Barney Frank), Representatives Eshoo and Speier are scheduling a meeting with the Treasury Secretary to discuss this issue. City staff is still actively working to restore lost funds through bankruptcy proceedings, the filing of the fraud lawsuit and support of H.R. 467.

Investment Performance – Overall Portfolio

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 SAVRS loan) as authorized by the City's Investment Policy and the California Government Code. The City's adopted 2009 Investment Policy divides the City's investment portfolio into a short-term and a long-term portfolio whose benchmarks are the 3-Month Treasury Bill and the Merrill Lynch One-to-Three Year Treasury/ Agency Index, respectively. Both 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 1.02 percent. Book yield represents the actual earnings received on the total Investment Portfolio.

At June 30, 2009, the City's investment pool market yield was 1.64 percent compared to 2.22 percent at March 31, 2009. During the quarter, the short-term benchmark decreased 2 basis points, while the long-term benchmark index increased 13 basis points, respectively. The following table summarizes the Investment Pool market yield performance for the quarter ending June 30, 2009:

Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return	Weighted Avg Maturity*	Yield**
Short-Term Investment Pool	\$ 726,675,356	0.19 percent	0.38 years	1.11 percent
Long-Term Investment Pool	\$ 1,066,569,895	1.15 percent	0.71 years	2.00 percent
Total Investment Pool	\$ 1,793,569,895	0.78 percent	0.57 years	1.64 percent

* Weighted Average Maturity assumes securities are not called or sold prior to the actual maturity date. ** Market Yield of Portfolio at quarter end.

The following table summarizes the purchase yield of the new investments vs. the average Benchmark Yield in the short-term portfolio by month for the quarter ending June 30, 2009. The purchase yield of new investments generally outperformed the Benchmark yields:

SHORT-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
April 2009	\$ 240,000,000	0.16 percent	0.17 percent	0.01 percentage points
May 2009	\$ 120,000,000	0.17 percent	0.39 percent	0.22 percentage points
June 2009	\$ 130,000,000	0.17 percent	0.31 percent	0.14 percentage points
Total Invested Funds *	\$ 490,000,000	0.17 percent	0.26 percent	0.09 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 vs. the average Benchmark Yield in the long-term portfolio by month for the quarter ending June 30, 2009. Due to unprecedented market volatility, the maturities of the long-term portfolio were systematically shortened (e.g. from average 18 – 24 month maturities to 6 to 12 month maturities) resulting in lower yields when compared to the benchmark, which has longer durations of 12-36 months on average.

LONG-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
April 2009	\$ 180,000,000	1.07 percent	0.45 percent	(0.62) percentage points
May 2009	\$ 305,000,000	1.01 percent	0.26 percent	(0.75) percentage points
June 2009	\$ 79,800,000	1.20 percent	0.31 percent	(0.89) percentage points
Total Invested Funds *	\$ 564,800,000	1.05 percent	0.33 percent	(0.72) percentage points

* Merrill Lynch One-to-Three Year Treasury/Agency Index and other returns listed are weighted averages for the period. Excludes overnight and short-term investments under 30 days. **Yields are stated to maturity and assume the securities are not called or sold prior to the maturity date.

As of June 30, 2009, the City had no investments in the State Treasurer's Local Agency Investment Fund (LAIF) pool. As previously reported, LAIF has been increasing its AB55 and General Fund Loans to up to 28 percent of the total value of its portfolio.

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 Investment 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.

Long-Term Investment Strategy

Due to the uncertainty and the unprecedented volatility in the capital markets, shorter investment maturities are currently more favorable.

Cash Management Goals

The City's cash management goals are to maintain and preserve the safety of funds in custody and provide adequate liquidity for anticipated expenditure needs.

This matter was reviewed by Assistant City Attorney Heather A. Mahood, Budget and Performance Management Bureau Manager David Wodynski and the City's Investment Advisory Committee on July 28, 2009.

TIMING CONSIDERATIONS

This item is not time critical.


FISCAL IMPACT

There is no fiscal impact associated with this action.

SUGGESTED ACTION:


Approve recommendation.

Respectfully submitted,


DAVID S. NAKAMOTO
CITY TREASURER


LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:


PATRICK H. WEST
CITY MANAGER

City of Long Beach California Investment Pool



Credit 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.

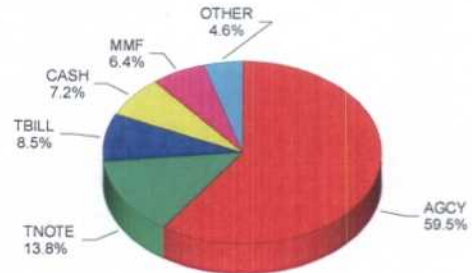
Plus (+) or Minus (-)
The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

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
Date Rating Assigned	November 2000
Custodian	Bank of New York Mellon Corp.

Portfolio Composition as of March 31, 2009



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

*As assessed by Standard & Poor's

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.

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 defaulted Lehman Brothers Holding Inc.'s (LBHI) commercial paper investment, which represented approximately 1% of assets, has been removed from the investment pool. 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 Auditor's Office and City Investment Committee conduct comprehensive reviews of the investment portfolio on a quarterly basis.

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 two segments - a short-term portfolio 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 long-term portfolio is typically comprised of U.S. Agencies and Treasuries, corporate bonds and medium term notes, longer dated certificates of deposits and is benchmarked to a 1-3 Year 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, 2009

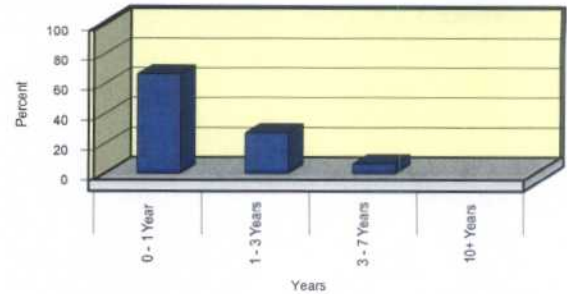
Ticker Symbol..... N/A
NAV..... \$1.00

Net Assets (millions)..... \$1,755.22
Inception Date..... N/A

Portfolio Credit Quality as of March 31, 2009 *



Portfolio Maturity Distribution as of March 31, 2009



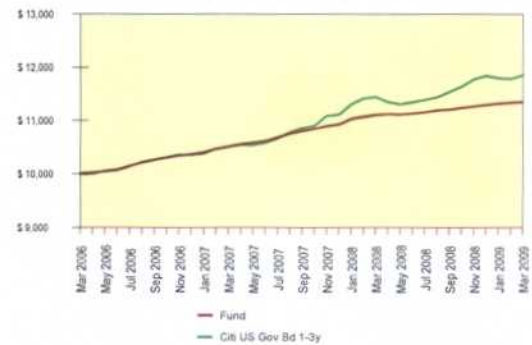
Total Returns as of March 31, 2009, (%)

	Annualized		Cumulative
	Fund	Index *	Fund
Year to Date	NA	NA	0.48
1 Year	2.19	3.53	2.19
3 Years	4.31	5.81	13.49
5 Years	3.35	3.84	17.93

* 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, 2009

Security	%	Security	%
FNMA NOTES/BONDS	26.03	CASH IN BANKS -UNION BANK OF CA.	7.22
FHLMC NOTES/BONDS	20.75	UBOC GMRA account	6.01
U.S.T. NOTES	13.79	L.A.I.F.	4.56
FHLB NOTES/BONDS	11.28	FFCB NOTES/BONDS	1.47
U.S.TREASURY BILLS	8.54	CASH IN BANKS BANK OF AMERICA	0.35

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

Analytic services provided by Standard & Poor's Ratings Services ("Ratings Services") are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services.

Standard & Poor's is neither associated nor affiliated with the fund. The information in this report has been obtained by Standard & Poor's from sources believed by it to be reliable at the time the report is published. The information in this report, however, may be inaccurate or incomplete due to the possibility of human, mechanical, or other error by Standard & Poor's, its sources or others, or the information in this report may become inaccurate or incomplete due to the passage of time. Standard & Poor's has no obligation to keep or to make the information in this report current, and it does not guarantee the accuracy, adequacy, or completeness of any information in this report. STANDARD & POOR'S MAKES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE. In no event shall Standard & Poor's, its affiliates or its third party licensors be liable for any direct, indirect, special or consequential damages in connection with the use of any data or information contained herein.

Attachment B
City of Long Beach, CA
Investment Portfolio
As of June 30, 2009

AS OF:		6/30/2009							
DESCRIPTION	CUSIP	RATING	PAR	BOOK	MARKET	ACCRUED INTEREST	MATURITY DATE	MKT. YIELD	
CASH AND CASH EQUIVALENTS									
UNION BANK OF CALIFORNIA			117,615,434	117,615,434	117,615,434	78,662	07/01/09	0.80%	
MONEY MARKET ACCOUNT (BANK OF AMERICA)			5,208,367	5,208,367	5,208,367	738	07/01/09	0.17%	
STATE TREASURER LOCAL AGENCY INVESTMENT FUND			0	0	0	0	N/A	N/A	
GUARANTEED MANAGED RATE ACCOUNT			70,610,589	70,610,589	70,610,589	15,299	07/01/09	0.26%	
			-----	-----	-----	-----	-----	-----	-----
TOTAL CASH AND EQUIVALENTS			193,434,391	193,434,391	193,434,391	94,699	1.000	0.59%	
SHORT-TERM PORTFOLIO									
DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD	
U.S. TREASURY BILLS	912795Q87	AAA	25,000,000	24,999,924	25,000,000	0	07/02/09	0.11%	
FEDERAL HOME LOAN MTG. CORP	313397HY0	AAA	12,000,000	11,999,640	12,000,000	0	07/10/09	0.12%	
U.S. TREASURY BILLS	912795N23	AAA	15,000,000	14,999,000	15,000,000	0	07/16/09	0.16%	
U.S. TREASURY BILLS	912795N31	AAA	15,000,000	14,998,350	15,000,000	0	07/23/09	0.18%	
U.S. TREASURY BILLS	912795N31	AAA	20,000,000	19,998,167	20,000,000	0	07/23/09	0.15%	
FEDERAL HOME LOAN MTG. CORP	313397JN2	AAA	28,000,000	27,996,959	28,000,000	0	07/24/09	0.17%	
FED HOME LOAN BANK	3133XPK52	AAA	20,000,000	20,037,247	20,043,750	209,067	08/04/09	2.55%	
U.S. TREASURY BILLS	912795N56	AAA	20,000,000	19,996,700	20,000,000	0	08/06/09	0.17%	
U.S. TREASURY BILLS	912795N72	AAA	30,000,000	29,993,333	29,990,626	0	08/20/09	0.16%	
FEDERAL HOME LOAN MTG. CORP	3128X3VA8	AAA	5,300,000	5,330,773	5,333,125	72,875	09/01/09	4.10%	
FED NAT MORTG ASSOC	31359MEY5	AAA	6,229,000	6,305,455	6,308,809	121,509	09/15/09	6.54%	
U.S. TREASURY BILLS	912795V81	AAA	10,000,000	9,994,722	9,996,875	0	09/15/09	0.25%	
U.S. TREASURY BILLS	912795P39	AAA	10,000,000	9,990,683	9,996,875	0	09/17/09	0.43%	
FEDERAL HOME LOAN MTG. CORP	3128X3WY5	AAA	10,000,000	10,074,890	10,081,250	110,000	09/22/09	3.97%	
FED NAT MORTG ASSOC	313589MD2	AAA	10,000,000	9,985,906	9,996,875	0	09/25/09	0.59%	
FEDERAL HOME LOAN MTG. CORP	313397MG3	AAA	15,000,000	14,992,583	14,995,313	0	09/28/09	0.20%	
FED NAT MORTG ASSOC	313589MJ9	AAA	15,000,000	14,976,871	14,995,313	0	09/30/09	0.61%	
U.S. TREASURY NOTES	912828HD5	AAA	15,000,000	15,134,998	15,140,626	150,820	09/30/09	3.96%	
FED NAT MORTG ASSOC	313589ML4	AAA	12,000,000	11,980,470	11,996,250	0	10/02/09	0.63%	
FED NAT MORTG ASSOC	313589NA7	AAA	15,000,000	14,970,129	14,990,625	0	10/16/09	0.67%	

Attachment B
City of Long Beach, CA
Investment Portfolio
As of June 30, 2009

SHORT-TERM PORTFOLIO								
DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FED NAT MORTG ASSOC	313589NL3	AAA	12,000,000	11,980,110	11,992,500	0	10/26/09	0.51%
FEDERAL HOME LOAN MTG. CORP	3128X7SN5	AAA	30,000,000	30,271,738	30,262,500	110,000	11/13/09	2.73%
U.S. TREASURY BILLS	912795S69	AAA	25,000,000	24,959,510	24,960,938	0	12/17/09	0.35%
FED HOME LOAN BANK	3133XNTD1	AAA	11,170,000	11,336,481	11,365,475	201,293	01/08/10	3.69%
FED NAT MORTG ASSOC	31398ATE2	AAA	8,000,000	8,095,215	8,127,500	101,267	02/04/10	3.05%
U.S. TREASURY BILLS	912795T27	AAA	15,000,000	14,958,750	14,967,187	0	02/11/10	0.44%
FED HOME LOAN BANK	3133XPY57	AAA	15,000,000	15,185,815	15,239,063	124,896	03/12/10	2.71%
U.S. TREASURY BILLS	912795U41	AAA	30,000,000	29,876,400	29,887,500	0	05/06/10	0.48%
FED NAT MORTG ASSOC	3136F93B7	AAA	20,000,000	20,000,000	20,218,750	145,833	07/06/10	1.48%
U.S. TREASURY BILLS	912795T68	AAA	15,000,000	14,946,721	14,957,813	0	03/11/11	0.44%
FED NAT MORTG ASSOC	31398ATD4	AAA	7,025,000	7,122,177	7,057,930	103,814	08/18/11	3.98%
FED NAT MORTG ASSOC	31398ATD4	AAA	10,000,000	10,130,719	10,046,875	147,778	08/18/11	3.98%
FED NAT MORTG ASSOC	31398AST0	AAA	15,000,000	15,369,643	15,281,250	290,500	01/13/12	4.07%
FED NAT MORTG ASSOC	3136F95C3	AAA	10,000,000	10,000,000	10,009,375	57,500	02/13/12	1.50%
			-----	-----	-----	-----	-----	-----
TOTAL SHORT-TERM PORTFOLIO			531,724,000	532,990,079	533,240,966	1,947,150	187	1.29%
			-----	-----	-----	-----	-----	-----
TOTAL CASH AND SHORT - TERM PORTFOLIO			725,158,391	726,424,470	726,675,356	2,041,849	138	1.11%
			=====	=====	=====	=====	=====	=====

Attachment B
City of Long Beach, CA
Investment Portfolio
As of June 30, 2009

LONG-TERM PORTFOLIO								
DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FED NAT MORTG ASSOC	313589HY2	AAA	10,000,000	9,992,925	10,000,000	0	07/10/09	2.83%
FEDERAL HOME LOAN MTG. CORP	3134A4US1	AAA	6,128,000	6,130,957	6,137,575	120,092	07/15/09	4.24%
U.S. TREASURY NOTES	912828CN8	AAA	5,000,000	4,999,157	5,006,250	83,615	07/15/09	3.62%
U.S. TREASURY NOTES	912828CN8	AAA	10,000,000	10,007,636	10,012,500	167,231	07/15/09	3.62%
FED FARM CREDIT BANK	31331SQ89	AAA	5,000,000	4,999,923	5,009,375	93,385	07/17/09	4.12%
FED HOME LOAN BANK	313385JY3	AAA	10,000,000	9,973,417	9,999,083	0	08/03/09	2.90%
FED HOME LOAN BANK	3133XLUM3	AAA	5,000,000	5,002,576	5,023,438	103,924	08/05/09	5.10%
FED HOME LOAN BANK	3133XGEQ3	AAA	7,000,000	7,016,507	7,032,813	149,042	08/05/09	5.23%
U.S. TREASURY NOTES	912828CS7	AAA	10,000,000	10,025,128	10,040,625	131,492	08/15/09	3.49%
U.S. TREASURY NOTES	912828FP0	AAA	5,000,000	5,022,510	5,028,125	91,575	08/15/09	4.85%
U.S. TREASURY NOTES	912828CS7	AAA	10,000,000	10,031,221	10,040,625	131,492	08/15/09	3.49%
U.S. TREASURY BILLS	912795N72	AAA	20,000,000	19,996,111	19,993,750	0	08/20/09	0.14%
FEDERAL HOME LOAN MTG. CORP	313397KS9	AAA	10,000,000	9,998,017	9,996,875	0	08/21/09	0.14%
U.S. TREASURY NOTES	912828HB9	AAA	10,000,000	10,046,684	10,062,500	133,696	08/31/09	3.98%
FEDERAL HOME LOAN MTG. CORP	3128X3VA8	AAA	3,000,000	2,997,813	3,018,750	41,250	09/01/09	4.10%
FED NAT MORTG ASSOC	31359MEY5	AAA	12,000,000	12,147,879	12,153,750	234,083	09/15/09	6.54%
U.S. TREASURY NOTES	912828CV0	AAA	10,000,000	10,037,734	10,065,625	99,049	09/15/09	3.35%
FEDERAL HOME LOAN MTG. CORP	313397LW9	AAA	10,000,000	9,993,197	9,996,875	0	09/18/09	0.31%
U.S. TREASURY BILLS	912795S36	AAA	15,000,000	14,987,781	14,995,313	0	09/24/09	0.35%
FEDERAL HOME LOAN MTG. CORP	313397MJ7	AAA	20,000,000	19,972,700	19,993,750	0	09/30/09	0.54%
U.S. TREASURY NOTES	912828HD5	AAA	10,000,000	10,066,124	10,093,750	100,546	09/30/09	3.96%
U.S. TREASURY NOTES	912828HD5	AAA	10,000,000	10,071,542	10,093,750	100,546	09/30/09	3.96%
U.S. TREASURY BILLS	912795P54	AAA	10,000,000	9,992,078	9,993,750	0	10/01/09	0.31%
FED NAT MORTG ASSOC	313589ML4	AAA	12,000,000	11,978,300	11,996,250	0	10/02/09	0.70%
U.S. TREASURY BILLS	912795P70	AAA	20,000,000	19,987,044	19,987,501	0	10/15/09	0.22%
U.S. TREASURY NOTES	912828CX6	AAA	10,000,000	10,061,146	10,090,625	71,004	10/15/09	3.34%
U.S. TREASURY NOTES	912828CX6	AAA	7,000,000	7,050,812	7,063,437	49,703	10/15/09	3.34%
FEDERAL HOME LOAN MTG. CORP	313397ND9	AAA	20,000,000	19,984,722	19,987,500	0	10/19/09	0.25%
U.S. TREASURY BILLS	912795S44	AAA	10,000,000	9,988,072	9,993,750	0	10/22/09	0.38%
U.S. TREASURY NOTES	912828HF0	AAA	10,000,000	10,076,780	10,109,375	61,073	10/31/09	3.59%
U.S. TREASURY NOTES	912828HF0	AAA	7,000,000	7,063,579	7,076,563	42,751	10/31/09	3.59%
U.S. TREASURY BILLS	912795Q38	AAA	25,000,000	24,975,806	24,976,562	0	11/12/09	0.26%
FED NAT MORTG ASSOC	313589PE7	AAA	15,000,000	14,962,313	14,985,938	0	11/13/09	0.67%
U.S. TREASURY BILLS	912795S51	AAA	25,000,000	24,974,052	24,976,562	0	11/19/09	0.27%
FED HOME LOAN BANK	3133XMSQ5	AAA	7,000,000	6,999,777	7,107,188	33,882	11/20/09	4.19%
FEDERAL HOME LOAN MTG. CORP	313397PM7	AAA	20,000,000	19,947,933	19,981,250	0	11/20/09	0.67%

Attachment B
City of Long Beach, CA
Investment Portfolio
As of June 30, 2009

LONG-TERM PORTFOLIO								
DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FEDERAL HOME LOAN MTG. CORP	3137EABB4	AAA	8,000,000	8,033,689	8,127,500	28,417	11/30/09	4.06%
FEDERAL HOME LOAN MTG. CORP	3137EABB4	AAA	15,000,000	15,217,339	15,239,063	53,281	11/30/09	4.06%
FED NAT MORTG ASSOC	313589QJ5	AAA	15,000,000	14,951,779	14,981,250	0	12/11/09	0.71%
U.S. TREASURY BILLS	912795S69	AAA	10,000,000	9,973,007	9,984,375	0	12/17/09	0.58%
FED NAT MORTG ASSOC	313589QU0	AAA	15,000,000	14,942,333	14,981,250	0	12/21/09	0.80%
FED HOME LOAN BANK	3133X8RL8	AAA	7,000,000	7,024,268	7,109,375	5,771	12/23/09	3.65%
FEDERAL HOME LOAN MTG. CORP	313397QW4	AAA	15,000,000	14,943,125	14,981,250	0	12/23/09	0.78%
FED HOME LOAN BANK	313385RN8	AAA	12,000,000	11,949,067	11,983,447	0	01/08/10	0.80%
U.S. TREASURY BILLS	912795R86	AAA	20,000,000	19,960,053	19,962,499	0	01/14/10	0.37%
U.S. TREASURY BILLS	912795R86	AAA	15,000,000	14,976,196	14,971,874	0	01/14/10	0.29%
U.S. TREASURY NOTES	912828HP8	AAA	15,000,000	15,148,431	15,150,000	132,959	01/31/10	2.10%
FEDERAL HOME LOAN MTG. CORP	3128X8HP0	AAA	8,300,000	8,300,000	8,305,188	33,892	02/04/10	1.00%
FED NAT MORTG ASSOC	31398AKX9	AAA	14,479,000	14,699,229	14,727,858	184,306	02/10/10	3.20%
FED NAT MORTG ASSOC	31359MXH1	AAA	4,471,000	4,552,699	4,567,406	65,450	02/15/10	3.79%
U.S. TREASURY NOTES	912828GG9	AAA	10,000,000	10,268,359	10,268,750	178,453	02/15/10	4.63%
FED NAT MORTG ASSOC	3136F6ZZ5	AAA	7,660,000	7,821,779	7,839,531	116,106	02/22/10	4.13%
U.S. TREASURY NOTES	912828HS2	AAA	15,000,000	15,148,040	15,154,687	100,272	02/28/10	1.98%
FED NAT MORTG ASSOC	31398APJ5	AAA	10,000,000	9,997,028	10,165,625	92,500	03/10/10	2.95%
U.S. TREASURY BILLS	912795T68	AAA	10,000,000	9,967,321	9,971,875	0	03/11/10	0.47%
U.S. TREASURY NOTES	912828HU7	AAA	10,000,000	10,095,007	10,096,875	43,989	03/31/10	1.73%
U.S. TREASURY NOTES	912828HU7	AAA	10,000,000	10,090,446	10,096,875	43,989	03/31/10	1.73%
U.S. TREASURY NOTES	912828HU7	AAA	10,000,000	10,090,446	10,096,875	43,989	03/31/10	1.73%
U.S. TREASURY NOTES	912828HU7	AAA	15,000,000	15,138,446	15,145,313	65,984	03/31/10	1.73%
U.S. TREASURY BILLS	912795UL3	AAA	30,000,000	29,892,113	29,896,874	0	04/01/10	0.48%
FED NAT MORTG ASSOC	31398AMV1	AAA	12,000,000	12,147,793	12,187,500	68,333	04/09/10	2.46%
FED NAT MORTG ASSOC	31359MB28	AAA	2,745,000	2,739,299	2,833,355	26,078	04/19/10	4.60%
FED NAT MORTG ASSOC	31359MB28	AAA	6,870,000	6,856,651	7,091,128	65,265	04/19/10	4.60%
FEDERAL HOME LOAN MTG. CORP	3128X7LZ5	AAA	7,335,000	7,331,606	7,479,408	38,509	04/28/10	2.94%
FEDERAL HOME LOAN MTG. CORP	3137EABG3	AAA	9,800,000	9,992,928	9,983,750	47,741	04/30/10	2.82%
U.S. TREASURY NOTES	912828HX1	AAA	10,000,000	10,134,631	10,137,500	35,802	04/30/10	2.10%
U.S. TREASURY BILLS	912795U41	AAA	25,000,000	24,893,781	24,906,250	0	05/06/10	0.50%
U.S. TREASURY BILLS	912795U41	AAA	25,000,000	24,912,021	24,906,250	0	05/06/10	0.41%
FED FARM CREDIT BANK	31331XWL2	AAA	9,973,000	10,261,952	10,331,405	69,742	05/07/10	4.59%
U.S. TREASURY NOTES	912828DU1	AAA	25,000,000	25,731,655	25,734,376	123,726	05/15/10	3.76%
U.S. TREASURY NOTES	912828DU1	AAA	10,000,000	10,292,012	10,293,750	49,490	05/15/10	3.76%
U.S. TREASURY BILLS	912795U58	AAA	25,000,000	24,894,688	24,890,624	0	06/03/10	0.45%

Attachment B
City of Long Beach, CA
Investment Portfolio
As of June 30, 2009

LONG-TERM PORTFOLIO								
DESCRIPTION	CUSIP	RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MARKET YIELD
FED HOME LOAN BANK	3133XR2Y5	AAA	8,000,000	7,984,958	8,187,500	13,333	06/11/10	2.93%
FED HOME LOAN BANK	3133XR2Y5	AAA	6,000,000	5,999,395	6,140,625	10,000	06/11/10	2.93%
FED HOME LOAN BANK	3133XBTH8	AAA	10,000,000	10,298,496	10,353,125	23,611	06/11/10	4.11%
FED FARM CREDIT BANK	31331YYU8	AAA	10,200,000	10,291,497	10,372,125	114,113	07/01/10	2.21%
FED NAT MORTG ASSOC	3136F93B7	AAA	10,000,000	10,000,000	10,109,375	72,917	07/06/10	1.48%
FEDERAL HOME LOAN MTG. CORP	3134A4VB7	AAA	2,519,000	2,589,377	2,617,398	48,779	07/12/10	3.97%
FED HOME LOAN BANK	3133XRN22	AAA	5,400,000	5,519,547	5,536,688	86,625	07/16/10	3.41%
FED NAT MORTG ASSOC	3136F94T7	AAA	9,750,000	9,750,000	9,753,047	41,438	07/28/10	1.00%
FEDERAL HOME LOAN MTG. CORP	3128X6Y59	AAA	10,000,000	9,992,133	10,259,375	117,764	08/12/10	2.97%
U.S. TREASURY BILLS	912795N72	AAA	20,000,000	19,990,797	19,993,750	0	08/20/10	0.18%
FED HOME LOAN BANK (Pledged to Great West)	3133XMES6	AAA	7,000,000	6,989,940	7,321,563	58,698	10/22/10	4.18%
FED NAT MORTG ASSOC	31398AST0	AAA	10,000,000	10,223,008	10,187,500	193,667	01/13/11	4.07%
FEDERAL HOME LOAN MTG. CORP	3128X6Y26	AAA	7,260,000	7,256,016	7,505,025	91,758	02/11/11	3.14%
FED NAT MORTG ASSOC	31398ATA0	AAA	8,000,000	8,115,527	8,022,500	147,220	07/28/11	4.32%
FED NAT MORTG ASSOC	3136F9AK9	AAA	8,440,000	8,440,000	8,479,563	104,621	08/26/11	3.55%
U.S. TREASURY BILLS	912795U33	AAA	25,000,000	24,885,791	24,914,063	0	04/08/12	0.50%
FED HOME LOAN BANK	3133XMKS9	AAA	5,000,000	5,000,000	5,068,750	48,108	10/22/12	4.95%
FED HOME LOAN BANK	3133XNBB4	AAA	7,000,000	7,000,000	7,124,688	32,229	11/27/12	4.79%
FED NAT MORTG ASSOC	3136F8XV2	AAA	5,000,000	5,000,000	5,210,938	16,722	12/03/12	4.13%
SUB-TOTAL LONG - TERM PORTFOLIO			1,056,330,000	1,060,255,649	1,063,859,854	4,975,077	249	2.00%
SAVRS LOAN			2,710,041	2,710,041	2,710,041	5,466	04/22/19	2.20%
TOTAL LONG - TERM PORTFOLIO			1,059,040,041	1,062,965,690	1,066,569,895	4,980,544	258	2.00%
TOTAL SHORT TERM AND LONG TERM PORTFOLIO			1,784,198,432	1,789,390,159	1,793,245,252	7,022,393	209	1.64%
			=====	=====	=====	=====	=====	=====