

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-15

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February 20, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file Investment Report for Quarter Ending December 31, 2006.
(Citywide)

DISCUSSION

The Department of Financial Management, City Treasurer's Office, invests City funds in compliance with the California Government Code, Section 53600 et seq., and the City's Investment Policy. As of December 31, 2006, these funds had a market value of approximately \$1.5 billion, with approximately \$497 million, or 33 percent of funds, maturing within six months, ensuring that sufficient funds are available to meet the City's budgeted expenditure requirements during this time period.

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 an average weighted maturity of three years. In addition, the Investment Advisory Committee, composed of a representative from the City Manager's office, Assistant City Auditor, Chief Assistant City Attorney, Director of Financial Management, City Treasurer, City Controller, Budget Manager and the financial officers of the Harbor, Water and Community Development Departments, meets quarterly, or as needed, to review investment policies, strategies and performance.

Rating Section

As of the date of this report, the City's investment holdings carry the highest credit rating of AAA and the lowest volatility rating of S1 by Standard & Poor's.

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 SAVRS loan) as authorized by the City's Investment Policy and the California Government Code. The City's adopted 2007 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 of these indices are market indices that change daily. Actual returns can vary depending on book yields and security sales or calls before the final maturity date.

At December 31, 2006, the City's investment pool market yield was 4.26 percent compared to 4.15 percent at September 30, 2006. The following table summarizes Investment Pool market yield performance for the quarter ending December 31, 2006:

Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return	Weighted Avg Maturity	Month end Yield
Short-Term Investment Pool	\$ 463,825,000	5.02 percent	334 days	4.84 percent
Long-Term Investment Pool	\$ 1,037,036,000	4.83 percent	1.82 years	4.00 percent
Total Investment Pool	\$ 1,500,861,000	4.84 percent	1.56 years	4.26 percent
State of California L.A.I.F.*	For comparative purposes only	N/A	183 days	5.13 percent

* Local Agency Investment Fund effective average for the period.

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 December 31, 2006:

SHORT-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark
October 2006	\$ 24,981,000	5.03 percent	5.56	0.53 percent
November 2006	\$ 69,369,000	5.07 percent	5.24	0.17 percent
December 2006	\$ 24,972,000	4.97 percent	5.32	0.35 percent
Total Invested Funds *	\$ 119,322,000	5.04 percent	5.32 percent	0.28 percent

* 91-Day T-Bill and other returns listed are weighted averages for the period. Excludes overnight and short-term investments under 30 days. **Book 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 City's new investments vs. the weighted average Benchmark Yield in the long-term portfolio by month for the quarter ending December 31, 2006:

LONG-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark
July 2006	\$ 32,545,000	4.90 percent	5.31 percent	0.41 percent
August 2006	\$ 14,992,000	4.83 percent	5.31 percent	0.48 percent
September 2006	\$ 71,820,000	4.76 percent	5.22 percent	0.46 percent
Total Invested Funds *	\$ 119,357,000	4.81 percent	5.26 percent	0.45 percent

* Merrill Lynch One-to-Three Year Treasury/Agency Index and other returns listed are weighted averages for the period.

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

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

The City's investment pool consists of all City funds except subsidence, certain bond proceeds, 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 continue to satisfy the City's cash needs.

Long-Term Investment Strategy

The City will continue to weigh new instruments at the 18-month to 30-month part of the yield curve in order to meet or exceed the benchmark yield and duration.

Treasury Bureau staff continues to monitor market conditions and market spreads daily in order to take advantage of opportunities to enhance earnings, while at the same time maintaining safety of principal and adequate liquidity.

Cash Management Goals

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

This report was reviewed by Assistant City Attorney Heather A. Mahood, on February 7, 2007 and Budget and Performance Management Bureau Manager David Wodynski on February 12, 2007 and the City's Investment Advisory Committee on February 15, 2007.

TIMING CONSIDERATIONS

This item is not time critical.

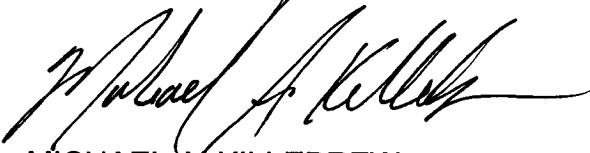
FISCAL IMPACT

There is no fiscal impact associated with this action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

ATTACHMENT
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APPROVED:



GERALD R. MILLER
CITY MANAGER

THE ECONOMY

- **Unemployment rate(2/2):** Payroll growth in January was 111,000, less than the expected 150,000 and the Unemployment rate increased to 4.6 percent from 4.5 percent. December's forecasts of 167,000 was also revised to 206,000.
- **GDP (1/31):** growth in the 4th quarter, 2006 was 3.5 percent driven by an increase in consumer spending of 4.4 percent. For all of 2006 growth was 3.4 percent after 3.2 percent the previous year.
- **Leading Indicators (1/23):** Rose 0.3 percent in December following no change in November. The increase was the first since 9/06 and was due to wage gains and a drop in energy prices. The report signals a faster economic expansion in coming quarters..
- **Industrial Production/Capacity Utilization (1/17):** Industrial production rose 0.4 percent in November, more than forecasted, while the utilization rate rose to 81.8 percent from 81.6 percent the previous month.
- **Purchasing Managers Index (1/3):** Growth in manufacturing unexpectedly expanded and construction spending fell more than forecasted in December. This may signal that the worst of the economic slowdown is over.
- **Durable Goods (1/26):** Increased 3.1 percent in December followed by a 2.2 percent revision to November. The figures point to a rebound in manufacturing. Without autos and aircraft, goods were up 2.3 percent.
- **Retail Sales (1/12):** Sales at retailers increased a greater-than-forecast 0.9 percent in December, after a 0.6 percent in November. Without autos, retail sales increased one (1) percent.
- **Producer Price Index (1/17):** The Producer Price Index rose more than forecast, reflecting higher costs for crude oil and gasoline that have since declined. Core PPI rose 0.2 percent again more than forecasted.
- **Consumer Price Index (1/18):** Consumer prices rose 0.5 percent in December, the first increase in 4 months. The Core CPI (CPI less food and energy) rose 0.2 percent. Both numbers were above expectations..
- **Consumer Confidence (1/30):** Rose to 110.3 (1985=100), slightly higher than last month. Expectations index, however, softened due to future labor market issues.
- **Personal Income (2/1):** Rose 0.5 percent in December for a second month in a row, however (see Consumer spending below) rose 0.7 percent in the same period. Savings rate fell to a minus 1.2 percent – a new record.
- **Housing activity (1/25):** Sales of previously owned homes fell 0.8 percent in December. Sales for all of 2006 fell by the most in 24 years. New home sales rose 4.8 percent driven by lower prices and sweetened incentives.
- **Consumer Spending (1/31):** Spending rose 0.7 percent (4.4 percent annual increase) in December. Consumers apparently used Credit Cards instead of mortgage borrowings. (see Personal Income)

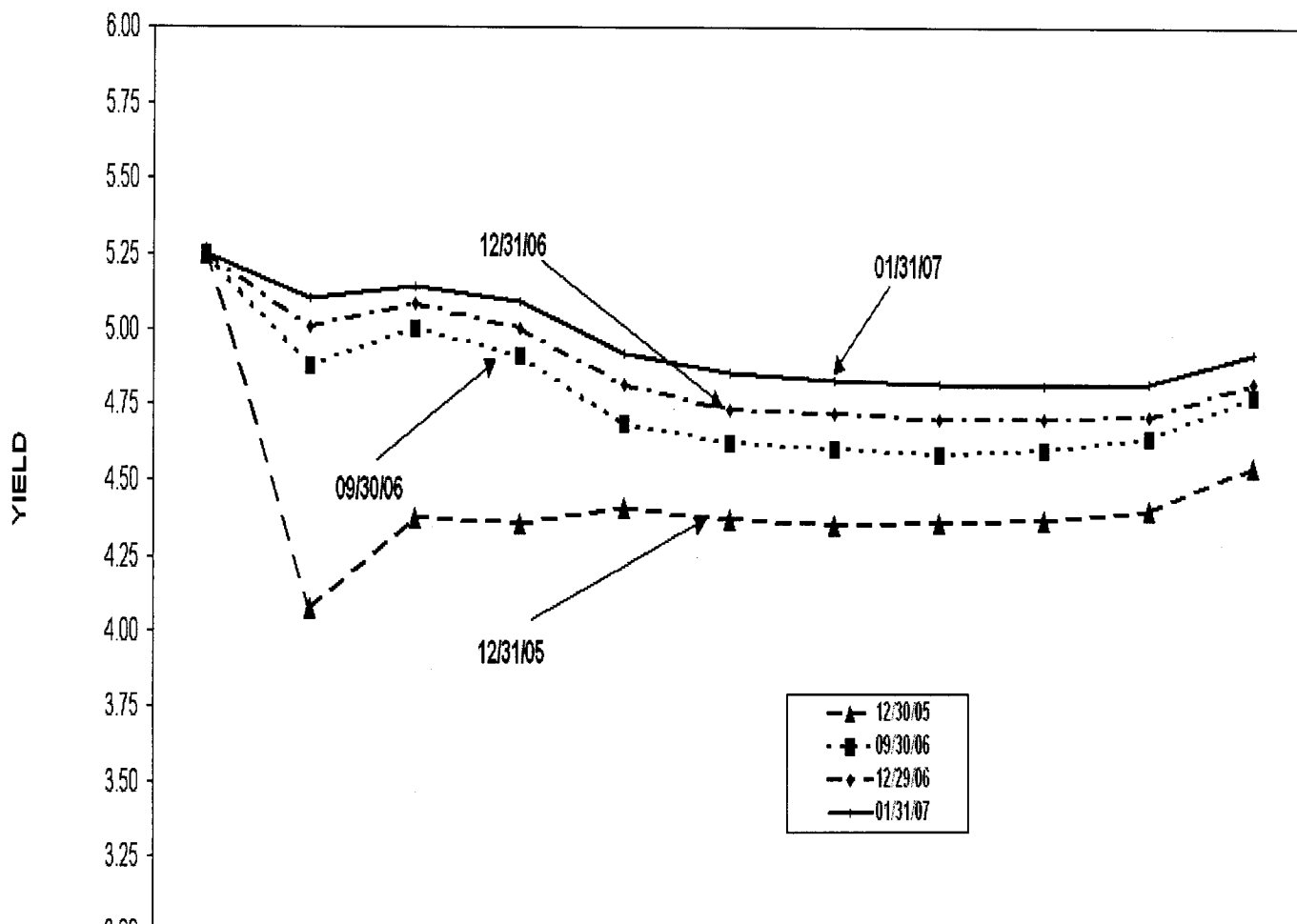
THE FED AND CREDIT MARKETS

- After 17 consecutive rates increases dating back to July 2004, the Federal Open Market Committee (“FOMC”) switched to a “neutral” mode beginning in August of 2006. The current Federal Funds Target Rate stands at 5.25% after bottoming out at 1.00% in June, 2004.
- In the meantime, many Federal Reserve Governors are saying “strong” economic growth means there is a risk that inflation may not slow as central bankers are forecasting. The PCE price Index rose 2.2 percent on an annual basis, which is above the FED’s target range. Many policy makers are suggesting the FED isn’t ready to consider reducing interest rates as some investors and economists have predicted will happen by the end of the year. Wall Street is still divided on the FOMC’s next move with many dealers still predicting a 4.25% Federal Funds Rate by year end while others saying no change from the current target.

THE CREDIT MARKETS (see Yield Curves)

- At the beginning of the quarter (4th quarter, 2006) there was a consensus among market participants, and reflected in the Federal Funds Futures contracts, that there was a 70 percent probability the FOMC would lower rates by 25 basis points in the 1st quarter, 2007. Since the end of the 4th quarter and through today the odds are less than 10 percent the FOMC will lower rates by the end of the 2ND QUARTER, 2007. Excluding housing, the economic picture, although almost bright, it is somewhat countered by the impact on inflation, which is above the FOMC target range of 2.2 percent. Without some signs of economic weakness, its not likely the FOMC will lower rates in the near future, thus maintaining the Inverted Yield Curve for a longer period.

YIELD CURVES



	FED FDS	3 Mo.	6 Mo.	1 Yr	2 Yr.	3 Yr.	4 Yr.	5 Yr.	7 Yr.	10 Yr.	30 Yr.
—▲— 12/30/05	5.25	4.07	4.37	4.35	4.40	4.36	4.34	4.35	4.36	4.39	4.54
-■- 09/30/06	5.25	4.87	5.00	4.91	4.68	4.61	4.60	4.58	4.59	4.63	4.76
-◆- 12/29/06	5.25	5.01	5.08	5.00	4.81	4.73	4.71	4.69	4.69	4.70	4.81
—●— 01/31/07	5.25	5.10	5.14	5.09	4.92	4.85	4.82	4.81	4.80	4.81	4.91

THE INVESTMENT PORTFOLIO

- Total Investment Portfolio yield increased 11 basis points to 4.26% from 4.15% last quarter.
 - Short Term Portfolio Yield declined 10 basis points to 4.83%.
 - Long Term Portfolio Yield increased 11 basis points to 4.00 %.
 - This includes the External Portfolio of \$85.8 million at a 2.72% Yield.
- Current portfolio yields are below the benchmark yields, however new purchases executed during the quarter of \$238.7 million exceeded the short-term and long-term benchmarks by 28 and 45 basis points respectively.
- Approximately \$497 million of investments mature within 6 months (33% of total portfolio).
- Weighted average maturity at December 31, 2006 is 1.50 years vs. 1.42 years at September 30, 2006
- General Fund (direct accounts) represents approximately 1.5% of the total portfolio.

BOND TRADE

- Sometimes the stars align themselves in such a way to produce higher yields, maturity extension and improved the cash flow above the original investment. Such is the case with the Bond Trade on page 6. Here are the key results of this trade:
 - Sold \$15.0 million US Treasury Notes due 6/30/07 yielding 4.06% and purchased \$15.0 million FHLB bonds yielding 5.24%.
 - Extended a 6 month duration security for a 1.3 year duration security. (locking in higher yields for a longer period).
 - Over the next six (6) months of the remaining life of the original security, we improved the cash flow return by \$23,000. (\$446,333 - \$422,969)

BOND TRADE

December 8, 2006

SECURITY DESCRIPTION	
ISSUER	T-Note
COUPON	3.625%
MATURITY DATE:	06/30/07
CURRENT BOOK YIELD	4.06%
TRADE DATE	12/08/06
MATURITY DATE ("Original Security")	06/30/07
# OF DAYS:	204
TRADE ANALYSIS	
INPUTS	
1. COUPON	3.625%
YIELD:	4.062%
MATURITY DATE	06/30/07
2. PAR VALUE	\$15,000,000
3. BOOK VALUE	\$14,973,660
4. MARKET VALUE	\$14,885,156
SALES PRICE	99.2422%
5. GAIN/(LOSS)	(88,504)
6. PROCEEDS FROM SALE	\$15,141,542
EARNINGS REQUIREMENT	
1. INTEREST EARNINGS	\$308,125
2. DISC/PREMIUM ADJ.	\$26,340
2. GAIN/LOSS COMPONENT	(88,504)
TOTAL REQ. EARNINGS FOR PERIOD:	\$422,969
BREAKEVEN YIELD:	5.014%
ACTUAL REPLACEMENT YIELD:	5.240%
CASHFLOW ANALYSIS	
I. CURRENT SECURITY ("sold")	
Interest Earnings for remaining term:	\$308,125
Discount/Premium:	\$26,340
Gain or loss from sale:	(88,504)

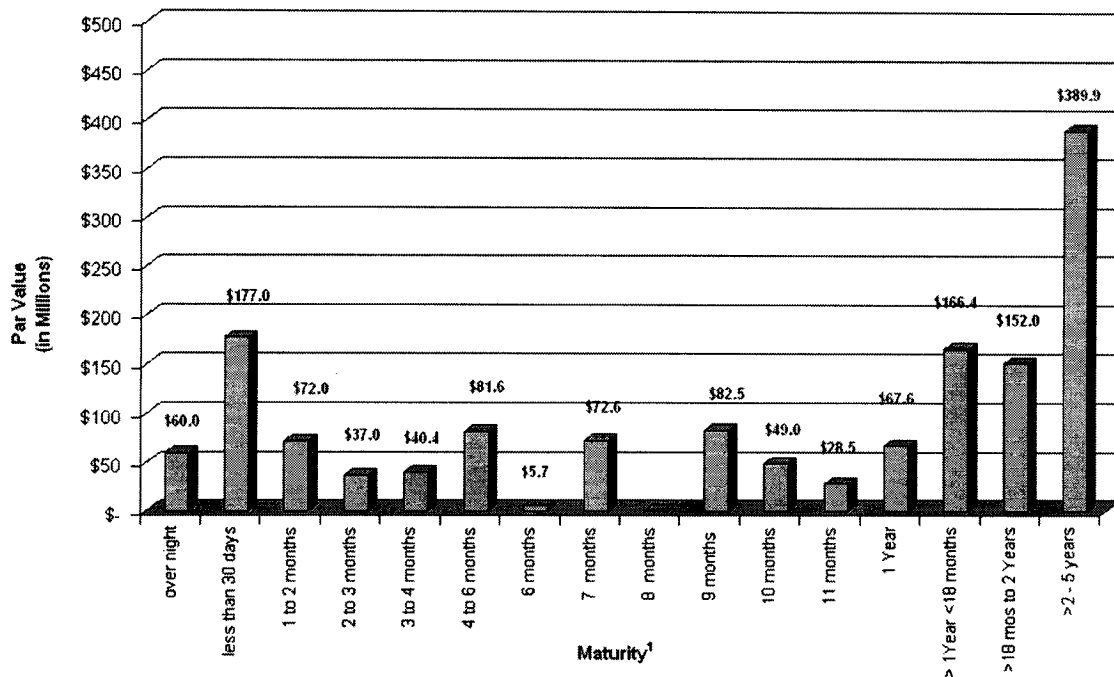
Total Earnings	\$422,969
II. NEW SECURITY ("Buy")	
Interest Earnings for same term:	\$463,250
Discount/Premium:	-\$16,917

	\$446,333

Net cashflow Gain/ (Loss) 1	\$23,364
1 To original maturity date of sold security	=====

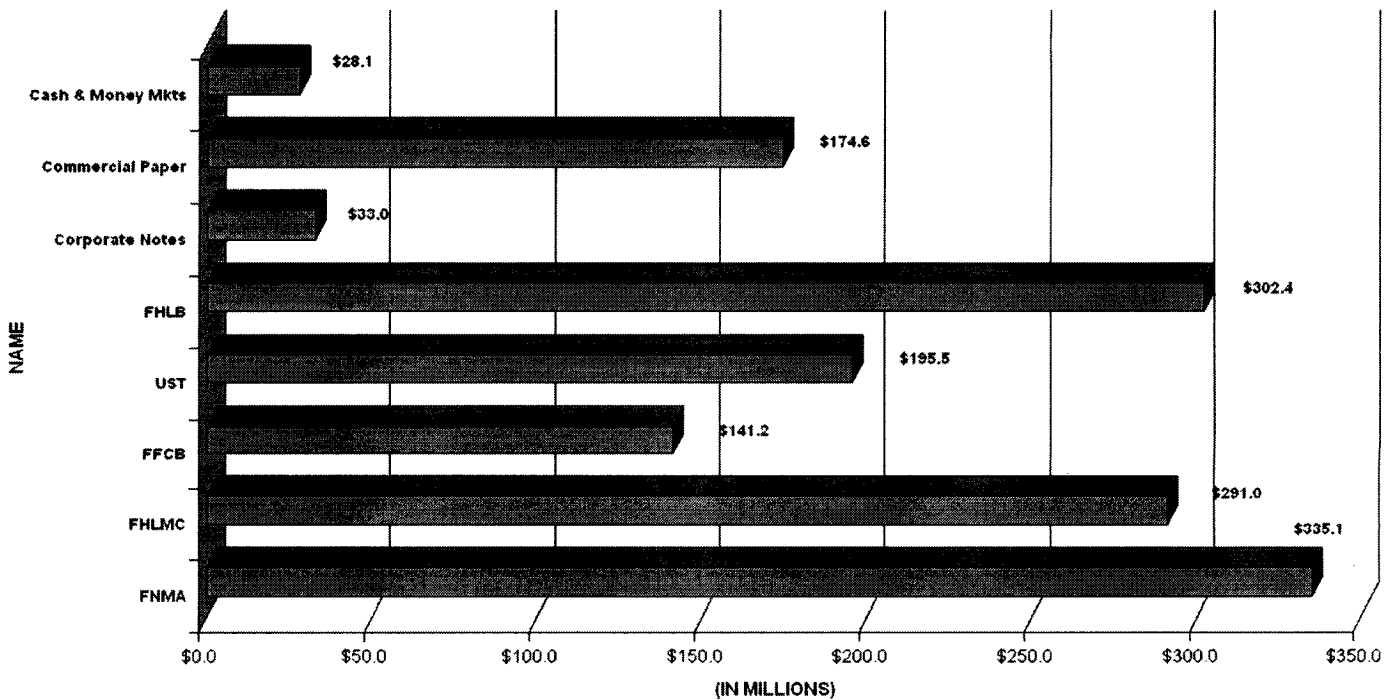
THE INVESTMENT PORTFOLIO

City of Long Beach - Total Portfolio Maturity Schedule



¹ Assumes all securities are held to final maturity

PORTFOLIO SECTOR DISTRIBUTION



QUARTERLY INVESTMENT REPORT

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 12/31/06

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
CASH & EQUIVALENTS									
Bank Deposits	NA	Total	25,484,585	25,484,585	25,484,585	337,517	1.0	4.75%	0.00
Money Market Funds	NA	Total	60,000	60,000	60,000	248	1.0	1.49%	0.00
L.A.I.F.	NA	Total	2,537,483	2,537,483	2,537,483	35,842	1.0	5.13%	0.00
CASH & EQUIVALENTS		TOTAL	28,082,068	28,082,068	28,082,068	373,607	1.0	4.77%	0.00

POOLED INVESTMENTS (SHORT)

Bankers Acceptances - Discount		Total	-	-	-	-	-	0.00%	-
BEAR STEARNS COS INC 0.00 11JAN2007	A-1	07389BNB3	10,000,000.00	9,970,722.22	9,966,011.11	14,613.89	1/11/07	5.35%	0.04
CITIGROUP FDG INC DI 0.00 04JAN2007	A-1+	17307SN40	10,000,000.00	9,976,533.33	9,971,933.33	19,066.67	1/4/07	5.37%	0.02
TOYOTA MTR CR CORP D 0.00 03JAN2007	A-1+	89233HN34	25,000,000.00	24,968,565.27	24,957,044.16	24,120.84	1/3/07	5.35%	0.01
TOYOTA MTR CR CORP D 0.00 05JAN2007	A-1+	89233HN59	10,000,000.00	9,976,622.22	9,971,999.66	17,533.34	1/5/07	5.35%	0.02
TOYOTA MTR CR CORP D 0.00 08JAN2007	A-1+	89233HN83	10,000,000.00	9,973,650.00	9,969,030.22	16,102.78	1/8/07	5.36%	0.03
TOYOTA MTR CR CORP D 0.00 10JAN2007	A-1+	89233HNA8	10,000,000.00	9,970,722.22	9,966,097.22	16,102.78	1/10/07	5.36%	0.03
TOYOTA MTR CR CORP D 0.00 12JAN2007	A-1+	89233HNC4	20,000,000.00	19,953,327.78	19,943,943.11	14,588.89	1/12/07	5.34%	0.04
TOYOTA MTR CR CORP D 0.00 26JAN2007	A-1+	89233HNS9	10,000,000.00	9,956,166.67	9,951,427.44	7,305.56	1/26/07	5.36%	0.08
UBS FIN DEL LLC DISC 0.00 02JAN2007	A-1+	90262DN27	60,000,000.00	59,948,743.05	59,921,125.77	42,472.23	1/2/07	5.35%	0.01
UBS FIN DEL LLC DISC 0.00 16JAN2007	A-1+	90262DNG6	10,000,000.00	9,973,775.00	9,969,029.17	4,370.83	1/16/07	5.33%	0.05
Commercial Paper - Discount		Total	175,000,000	174,668,828	174,587,641	176,277.81	7.1	5.35%	0.02
Certificates of Deposits		Total	-	-	-	-	-	0.00%	-
Reverse Repurchase Agreements		Total	-	-	-	-	-	0.00%	-
Repurchase Agreements		Total	-	-	-	-	-	0.00%	-
FEDERAL FARM CR BKS 5.5 25OCT2007	GOVT	31331VS23	5,000,000.00	5,000,000.00	5,010,937.50	50,416.65	10/25/07	5.49%	0.79
FEDERAL FARM CR BKS C 5.5 23FEB2009	GOVT	31331VZ33	5,000,000.00	5,000,000.00	5,000,000.00	88,888.85	2/23/09	5.50%	0.80

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 12/31/06

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
FEDERAL HOME LN MTG CORP M/T/N STE	GOVT	3128X2Z40	5,000,000.00	5,001,500.00	4,973,437.50	39,062.50	4/5/07	2.64%	0.26
FEDERAL HOME LN MTG 3.250 NOV 02 07	GOVT	3128X3H55	1,000,000.00	971,779.00	983,930.00	5,326.38	11/2/07	3.30%	0.81
FEDERAL HOME LN MTG CORP	GOVT	3128X4Z20	5,000,000.00	4,996,093.75	4,990,950.00	59,175.00	4/10/08	5.27%	0.57
FEDERAL HOME LN MTG CORP DEB STEP	GOVT	3128X2QN8	1,475,000.00	1,452,830.75	1,471,312.50	18,693.58	2/9/07	3.13%	0.11
FEDERAL HOME LN MTG 5.25 16MAY2007	GOVT	3128X47K1	5,000,000.00	4,995,150.00	5,001,750.00	32,812.50	5/16/07	5.25%	0.37
FEDERAL HOME LN MTG 5.25 06OCT2011	GOVT	3128X5LP1	5,000,000.00	4,992,700.00	4,979,100.00	61,979.15	10/6/11	5.27%	2.59
FEDERAL HOME LN MTG 0.00 03APR2007	GOVT	313396DW0	8,000,000.00	7,856,920.00	7,897,600.00	38,608.89	4/3/07	0.00%	0.25
FEDERAL HOME LN MTG C 3.5 15SEP2007	GOVT	3134A4RH9	14,505,000.00	14,350,029.07	14,337,285.94	149,482.00	9/15/07	3.54%	0.68
FEDERAL HOME LN MTG C 4.0 17AUG2007	GOVT	3134A4VD3	8,000,000.00	7,932,504.00	7,937,500.00	119,111.04	8/17/07	4.03%	0.61
FEDERAL HOME LN MTG C 5.0 17SEP2007	GOVT	3128X4T43	15,000,000.00	14,973,300.00	14,973,150.00	216,666.60	9/17/07	5.01%	0.69
FEDERAL HOME LN BKS DEB	GOVT	31339XF41	3,500,000.00	3,500,000.00	3,460,625.00	3,208.31	6/19/07	2.78%	0.46
FEDERAL HOME LN BKS 2.6 30MAR2007	GOVT	3133X5GP7	1,000,000.00	1,000,000.00	993,750.00	6,572.22	3/30/07	2.62%	0.25
FEDERAL HOME LN BKS 5.250 OCT 03 07	GOVT	3133XF2C9	5,000,000.00	4,997,500.00	5,000,000.00	64,166.65	10/3/07	5.25%	0.73
FEDERAL HOME LN BKS 2.53 30MAR2007	GOVT	3133X5GS1	1,370,000.00	1,370,000.00	1,361,437.50	8,761.52	3/30/07	2.55%	0.25
FEDERAL HOME LN BK	GOVT	3133XBNF8	5,000,000.00	4,942,700.00	4,981,250.00	36,666.65	4/25/07	4.02%	0.31
FEDERAL HOME LN BKS 4.9 21NOV2007	GOVT	3133XDTW1	5,000,000.00	4,960,300.00	4,985,937.50	27,222.20	11/21/07	4.91%	0.86
FEDERAL HOME LN BKS 5.125 15MAY2007	GOVT	3133XFM94	5,000,000.00	4,983,700.00	5,000,000.00	32,743.05	5/15/07	5.13%	0.37
FEDERAL HOME LN BKS 3.5 15NOV2007	GOVT	3133MTQB7	2,500,000.00	2,435,950.00	2,463,281.25	11,180.55	11/15/07	3.55%	0.85
FEDERAL HOME LN BKS 4.5 12OCT2007	GOVT	3133XDGC9	3,665,000.00	3,632,601.40	3,644,384.38	36,191.88	10/12/07	4.53%	0.76
FEDERAL HOME LN BKS 4.625 24OCT2007	GOVT	3133XDL82	5,000,000.00	4,962,250.00	4,975,000.00	43,038.15	10/24/07	4.65%	0.79
FEDERAL HOME LN BKS 6.05 02AUG2010	GOVT	3133XGAF1	10,000,000.00	10,000,000.00	10,006,250.00	250,402.70	8/2/10	6.05%	0.48
FEDERAL HOME LN BKS 5.4 22AUG2007	GOVT	3133XGPZ1	2,630,000.00	2,628,685.00	2,629,178.13	50,890.50	8/22/07	5.40%	0.39
FEDERAL HOME LN BKS 3.0 19OCT2007	GOVT	3133X5JS8	3,725,000.00	3,628,895.00	3,660,976.56	22,350.00	10/19/07	3.05%	0.78
FEDERAL HOME LN BKS 6.0 29JUN2011	GOVT	3133XG4N1	5,000,000.00	5,028,500.00	5,014,062.50	1,666.65	6/29/11	5.98%	0.99
FEDERAL HOME LN BKS 5.7 OCT 04 10	GOVT	3133XH3Z3	5,000,000.00	5,003,500.00	4,993,750.00	68,875.00	10/4/10	5.71%	1.03
FEDERAL HOME LN BKS 5.25 16OCT2008	GOVT	3133XH6X5	5,000,000.00	4,994,140.63	4,985,937.50	54,687.50	10/16/08	5.26%	0.87
FEDERAL HOME LN BKS 3.375 05OCT2007	GOVT	3133X8X56	11,595,000.00	11,420,456.15	11,435,568.75	90,223.59	10/5/07	3.42%	0.74
FEDERAL HOME LN BKS 4.125 26OCT2007	GOVT	3133XCE25	5,000,000.00	4,957,075.00	4,956,250.00	88,802.05	10/26/07	4.16%	0.78
FEDERAL HOME LN BKS 5.5 30NOV2010	GOVT	3133XHUW0	5,000,000.00	5,000,000.00	4,982,812.50	23,680.55	11/30/10	5.52%	1.36
FEDERAL HOME LN BKS 5.35 11DEC2008	GOVT	3133XJ2J6	5,000,000.00	4,999,500.00	5,000,000.00	11,888.85	12/11/08	5.35%	0.67
FEDERAL NATL MTG ASS 5.16 24FEB2011	GOVT	3136F7UX3	5,000,000.00	4,939,800.00	4,987,500.00	91,016.65	2/24/11	5.17%	2.61
FEDERAL NATL MTG ASSN 5.1 22FEB2008	GOVT	31359MH71	5,000,000.00	4,984,375.00	4,995,312.50	91,375.00	2/22/08	5.10%	0.59
FEDERAL NTL MTG ASSN 5.550 NOV 10 08	GOVT	3136F7YW1	5,000,000.00	5,000,000.00	4,998,437.50	39,312.50	11/10/08	5.55%	0.60
FEDERAL NATL MTG ASSN 6.0 25MAY2011	GOVT	31359MN58	5,000,000.00	5,000,000.00	5,006,250.00	30,000.00	5/25/11	5.99%	1.02
FEDERAL NATL MTG ASSN 5.3 22FEB2011	GOVT	31359MH48	5,000,000.00	4,932,500.00	4,976,562.50	94,958.30	2/22/11	5.32%	1.93
FEDERAL NATL MTG AS 2.375 15FEB2007	GOVT	31359MUE1	3,500,000.00	3,428,621.00	3,487,968.75	31,402.77	2/15/07	2.38%	0.12
FEDERAL NATL MTG AS 3.375 15MAY2007	GOVT	31359MWT6	7,950,000.00	7,817,712.00	7,897,828.13	34,284.38	5/15/07	3.40%	0.37
FEDERAL NATL MTG AS 3.875 15MAY2007	GOVT	31359MB44	10,000,000.00	9,891,150.00	9,953,125.00	49,513.80	5/15/07	3.89%	0.37
FEDERAL NATL MTG ASS 4.125 04AUG2008	GOVT	3136F6WK1	5,000,000.00	4,907,350.00	4,926,562.50	84,218.75	8/4/08	4.19%	1.29

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City of Long Beach Asset Holdings

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Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
FEDERAL NATL MTG ASSN 5.2 08NOV2010	GOVT	31359MZJ5	5,000,000.00	4,983,593.75	4,978,125.00	38,277.75	11/8/10	5.22%	1.72
FEDERAL NATL MTG ASS 5.625 20OCT2011	GOVT	3136F73W5	5,000,000.00	5,000,000.00	4,981,250.00	55,468.75	10/20/11	5.65%	1.40
FEDERAL NATL MTG ASS 4.25 15SEP2007	GOVT	31359MYZ0	13,000,000.00	12,992,192.78	12,910,625.00	162,680.44	9/15/07	4.28%	0.68
FEDERAL NATL MTG ASS 5.34 27NOV2009	GOVT	31359M2F9	5,000,000.00	5,000,000.00	4,992,187.50	25,216.65	11/27/09	5.35%	1.42
FEDERAL NATL MTG ASS 5.55 15NOV2011	GOVT	3136F75S2	5,000,000.00	5,000,000.00	4,982,812.50	35,458.30	11/15/11	5.57%	1.81
U.S. Agencies		Total	257,415,000	255,845,854	256,161,952	2,676,626	594.7	4.50%	0.82
U.S. Treasuries		Total	-	-	-	-	-	0.00%	-
GENERAL ELEC CAP CORP 5.0 15JUN2007	AAA	36962GYZ1	5,000,000.00	4,987,950.00	4,993,250.00	11,111.10	6/15/07	5.01%	0.45
Corporate Notes		Total	5,000,000	4,987,950	4,993,250	11,111	166.0	5.01%	0.45
POOLED INVESTMENTS (SHORT)		TOTAL	437,415,000	435,502,632	435,742,843	2,864,015	355.7	4.84%	0.50
SHORT TERM FUNDS		TOTAL	465,497,068	463,584,700	463,824,911	3,237,622	334.1	4.84%	0.47

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Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
POOLED INVESTMENTS (LONG TERM)									
FEDERAL FARM CR BKS 1.875 16JAN2007	GOVT	31331Q3M7	5,000,000	4,846,345.00	4,993,750.00	42,968.75	1/16/07	1.88%	0.05
FEDERAL FARM CR BKS 3.65 03DEC2007	GOVT	31331QKV8	10,000,000	10,000,000.00	9,859,375.00	28,388.80	12/3/07	3.70%	0.90
FEDERAL FARM CR BKS C 4.3 11AUG2008	GOVT	31331S2S1	5,000,000	5,000,000.00	4,940,625.00	83,611.10	8/11/08	4.35%	1.52
FEDERAL FARM CR BKS C 4.2 28AUG2007	GOVT	31331S4K6	5,000,000	4,990,286.10	4,965,625.00	71,750.00	8/28/07	4.23%	0.64
FEDERAL FARM CR BKS C 3.7 27OCT2008	GOVT	31331SDZ3	5,000,000	4,959,375.00	4,881,250.00	32,888.85	10/27/08	3.79%	1.59
FEDERAL FARM CR BKS C 3.3 05NOV2008	GOVT	31331SFP3	10,000,000	9,790,000.00	9,693,750.00	51,333.30	11/5/08	3.40%	1.76
FEDERAL FARM CR BKS C 3.0 17DEC2007	GOVT	31331SGQ0	10,000,000	9,778,338.10	9,803,125.00	11,666.60	12/17/07	3.06%	0.94
FEDERAL FARM CR BKS C 3.7 29DEC2008	GOVT	31331SKS1	5,000,000	4,905,350.00	4,875,000.00	1,027.75	12/29/08	3.79%	1.90
FEDERAL FARM CR BKS 3.75 15JAN2009	GOVT	31331SNF6	10,000,000	9,900,025.00	9,753,125.00	172,916.60	1/15/09	3.46%	1.90
FEDERAL FARM CR BKS 4.04 25APR2007	GOVT	31331SQ48	5,000,000	4,984,950.00	4,982,812.50	37,033.30	4/25/07	4.05%	0.31
FEDERAL FARM CR BKS 4.125 17JUL2009	GOVT	31331SQ89	5,000,000	4,993,100.00	4,896,875.00	93,958.30	7/19/09	4.21%	2.34
FEDERAL FARM CR BKS 3.9 24FEB2009	GOVT	31331SQN6	5,000,000	4,918,603.36	4,885,937.50	68,791.65	2/24/09	3.99%	2.01
FEDERAL FARM CR BKS 3.93 02JUN2008	GOVT	31331SYP2	1,015,000	1,006,321.75	998,823.44	3,213.32	6/2/08	3.99%	1.36
FEDERAL FARM CR BKS 3.25 15JUN2007	GOVT	31331T5Q0	10,145,000	10,018,638.20	10,056,231.25	14,653.84	6/15/07	3.28%	0.45
FEDERAL FARM CR BKS C 2.7 04SEP2007	GOVT	31331TVJ7	10,000,000	9,789,800.00	9,834,375.00	87,750.00	9/4/07	2.75%	0.66
FEDERAL FARM CR BKS 2.625 17SEP2007	GOVT	31331TYF2	10,000,000	9,726,010.00	9,821,875.00	75,833.30	9/17/07	2.67%	0.69
FEDERAL FARM CR BKS 4.5 28JAN2008	GOVT	31331VEC6	5,000,000	4,978,650.00	4,962,500.00	95,625.00	1/28/08	4.53%	1.02
FEDERAL FARM CR BKS 5.48 29JUN2009	GOVT	31331VG26	5,000,000	5,000,000.00	5,000,000.00	1,522.20	6/29/09	5.48%	0.96
FED FARM CRD DISCOUNT NT	GOVT	313312AR1	12,500,000	11,941,635.41	11,940,958.33	535,291.67	1/16/07	4.68%	0.05
FEDERAL HOME LN BKS 5.375 15FEB2007	GOVT	3133MMXX6	4,000,000	4,169,200.00	4,001,250.00	81,222.20	2/15/07	5.37%	0.12
FEDERAL HOME LN BKS 3.375 FEB 15 08	GOVT	3133MVZA4	5,000,000	4,886,650.00	4,900,000.00	63,750.00	2/15/08	3.44%	1.07
FEDERAL HOME LN BKS 4.625 AUG 9 07	GOVT	3133XDN98	13,715,000	13,638,196.00	13,663,568.75	250,203.43	8/9/07	4.64%	0.51
FEDERAL HOME LN BKS	GOVT	3133X4C66	8,000,000	7,837,707.50	7,975,000.00	78,166.64	2/16/07	2.63%	0.13
FEDERAL HOME LN BKS 2.875 19APR2007	GOVT	3133X67D2	5,000,000	4,889,600.00	4,967,187.50	28,750.00	4/19/07	2.89%	0.30
FEDERAL HOME LN BKS 3.375 05OCT2007	GOVT	3133X8X56	5,000,000	4,883,500.00	4,931,250.00	38,906.25	10/5/07	3.42%	0.74
FEDERAL HOME LN BKS 3.250 DEC 17 07	GOVT	3133X9M49	5,000,000	4,905,450.00	4,907,812.50	6,319.40	12/17/07	3.31%	0.93
FEDERAL HOME LN BKS DEB	GOVT	3133XAUN5	5,000,000	5,000,000.00	4,985,937.50	57,777.75	3/17/10	4.01%	1.10
FEDERAL HOME LN BKS 4.125 APR 18 08	GOVT	3133XBJQ9	5,000,000	4,937,415.20	4,935,937.50	41,822.90	4/18/08	4.18%	1.24
FEDERAL HOME LN BKS 3.875 08JUN2007	GOVT	3133XBSU0	5,000,000	4,960,250.00	4,971,875.00	12,378.45	6/8/07	3.90%	0.43
FEDERAL HOME LN BKS 4.0 14DEC2007	GOVT	3133XBUF0	5,000,000	4,974,200.00	4,943,750.00	9,444.40	12/14/07	4.05%	0.92
FEDERAL HOME LN BKS 4.375 14MAR2008	GOVT	3133XCUQ4	5,000,000	4,999,350.00	4,953,125.00	65,017.35	3/14/08	4.42%	1.15
FEDERAL HOME LN BKS 4.125 OCT 19 07	GOVT	3133XDCQ2	5,000,000	4,949,950.00	4,956,250.00	41,250.00	10/19/07	4.16%	0.78
FEDERAL HOME LN BKS 4.0 13JUL2007	GOVT	3133XCFD0	5,690,000	5,598,732.40	5,650,881.25	106,213.30	7/13/07	4.03%	0.52
FEDERAL HOME LN BKS 5.5 24APR2009	GOVT	3133XFBP0	5,000,000	4,999,000.00	4,992,187.50	51,180.55	4/24/09	5.51%	0.91
FEDERAL HOME LN BKS 5.5 20APR2009	GOVT	3133XFCW4	5,000,000	5,000,000.00	5,000,000.00	54,236.10	4/20/09	5.50%	0.81
FEDERAL HOME LN BKS 5.78 20JUN2011	GOVT	3133XFPF5	5,000,000	5,000,000.00	5,006,250.00	8,830.55	6/20/11	5.77%	1.62
FEDERAL HOME LN BKS 5.5 27JUN2008	GOVT	3133XFXD3	5,000,000	4,990,750.00	5,003,125.00	3,055.55	6/27/08	5.50%	0.77

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Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
FEDERAL HOME LN BKS 4.375 03OCT2008	GOVT	3133XDBY6	7,000,000	6,892,830.00	6,914,687.50	74,861.08	10/3/08	4.43%	1.38
FEDERAL HOME LN BKS 5.75 03AUG2009	GOVT	3133XGCA0	5,000,000	5,000,000.00	5,009,375.00	118,194.40	8/3/09	5.74%	0.91
FEDERAL HOME LN BKS 5.4 12SEP2007	GOVT	3133XGT79	5,000,000	5,000,000.00	4,998,437.50	81,750.00	9/12/07	5.40%	0.44
FEDERAL HOME LN BKS 5.65 12OCT2011	GOVT	3133XH6K3	5,000,000	5,000,000.00	4,982,812.50	61,993.05	10/12/11	5.67%	1.14
FEDERAL HOME LN BKS 5.33 03NOV2011	GOVT	3133XHPK2	12,000,000	12,024,850.00	11,977,500.00	103,046.64	11/3/11	5.34%	2.59
FEDERAL HOME LN BKS 5.45 17OCT2011	GOVT	3133XH4Q2	2,415,000	2,423,452.50	2,412,735.94	27,054.69	10/17/11	5.46%	2.48
FEDERAL HOME LN BKS 5.45 21NOV2011	GOVT	3133XHV66	16,350,000	16,398,539.06	16,293,796.88	99,008.24	11/21/11	5.47%	2.26
FEDERAL HOME LN BKS 5.5 21NOV2011	GOVT	3133XHP89	5,000,000	5,022,000.00	5,003,125.00	30,555.55	11/21/11	5.50%	2.54
FEDERAL HOME LN BKS 5.075 30DEC2009	GOVT	3133XJD47	5,000,000	5,000,000.00	4,976,562.50	2,114.55	12/30/09	5.10%	1.97
FEDERAL HOME LN MTG 2.75 30JAN2007	GOVT	3128X1VW4	9,000,000	9,000,000.00	8,983,125.00	103,812.48	1/30/07	2.76%	0.08
FEDERAL HOME LN MTG C 2.25 16MAR200	GOVT	3128X2L52	15,000,000	15,000,000.00	14,934,000.00	131,250.00	3/16/07	2.26%	0.21
FEDERAL HOME LN MTG 3.755 18MAR2009	GOVT	3128X2P90	5,000,000	4,940,274.00	4,865,625.00	53,717.35	3/18/09	3.86%	2.08
FEDERAL HOME LN MTG 2.75 09FEB2007	GOVT	3128X2RP2	6,000,000	5,998,125.00	5,985,120.00	65,083.32	2/9/07	2.76%	0.11
FEDERAL HOME LN MTG C 3.0 27APR2007	GOVT	3128X3BP7	10,000,000	10,000,000.00	9,928,125.00	53,333.30	4/27/07	3.02%	0.32
FEDERAL HOME LN MTG 3.00 28MAR2007	GOVT	3128X3XZ1	5,000,000	4,908,100.00	4,974,500.00	38,750.00	3/28/07	3.02%	0.24
FEDERAL HOME LN MTG 3.75 15MAR2007	GOVT	3128X4ED9	5,000,000	4,956,462.45	4,985,700.00	55,208.30	3/15/07	3.76%	0.21
FEDERAL HOME LN MTG CORP MEDIU 0.00	GOVT	3128X4F30	10,000,000	9,972,300.00	9,969,300.00	190,777.70	2/15/08	5.07%	0.68
FEDERAL HOME LN MTG 4.25 28FEB2007	GOVT	3128X4HQ7	10,000,000	10,012,200.00	9,985,300.00	145,208.30	2/28/07	4.26%	0.17
FEDERAL HOME LN MTG 5.02 24AUG2007	GOVT	3128X4J44	2,000,000	1,998,700.00	1,996,320.00	35,418.88	8/24/07	5.03%	0.47
FEDERAL HOME LN MTG CORP	GOVT	3128X4R52	10,000,000	10,000,000.00	9,989,800.00	133,041.60	3/28/08	5.16%	0.68
FEDERAL HOME LN MTG C 3.5 15SEP2007	GOVT	3134A4RH9	10,000,000	9,965,500.00	9,884,375.00	103,055.50	9/15/07	3.54%	0.68
FEDERAL HOME LN MTG 5.25 24FEB2011	GOVT	3128X4N56	5,000,000	4,938,900.00	4,997,700.00	92,604.15	2/24/11	5.25%	2.58
FEDERAL HOME LN MTG C 6.0 27JUN2011	GOVT	3128X5EH7	10,000,000	9,990,185.00	10,027,800.00	6,666.60	6/27/11	5.98%	0.95
FEDERAL HOME LN MTG C 6.0 18JUL2011	GOVT	3128X5ER5	10,000,000	10,000,000.00	10,093,750.00	271,666.60	7/18/11	5.94%	1.89
FEDERAL HOME LN MTG 5.75 20JUL2011	GOVT	3128X5EX2	5,000,000	5,000,000.00	5,070,100.00	131,770.83	7/20/11	5.67%	2.70
FEDERAL HOME LN MTG 3.75 03AUG2007	GOVT	3128X3SM6	2,502,000	2,454,261.84	2,480,407.74	38,572.48	8/3/07	3.78%	0.57
FEDERAL HOME LN MTG 5.75 23MAY2011	GOVT	3128X5AD0	5,000,000	4,986,500.00	5,023,050.00	30,347.20	5/23/11	5.72%	1.89
FEDERAL HOME LN MTG 5.75 11AUG2011	GOVT	3128X5FW3	10,000,000	10,021,745.00	10,060,800.00	223,611.10	8/11/11	5.72%	2.06
FEDERAL HOME LN MTG 5.41 28AUG2009	GOVT	3128X5HN1	5,000,000	5,000,000.00	5,015,100.00	92,420.80	8/28/09	5.39%	1.82
FEDERAL HOME LN MTG 5.45 02SEP2011	GOVT	3128X5JJ8	15,000,000	15,036,048.61	14,951,700.00	274,770.75	9/2/11	5.47%	2.43
FEDERAL HOME LN MTG 5.125 24NOV2010	GOVT	3128X5PV4	5,000,000	4,998,437.50	4,981,100.00	26,336.80	11/24/10	5.14%	2.43
FEDERAL HOME LN MTG 3.875 03MAR2008	GOVT	3128X34Z3	4,040,000	3,933,626.80	3,980,814.00	51,313.58	3/3/08	3.93%	1.12
FEDERAL HOME LN MTG 4.41 09JAN2007	GOVT	313396AJ2	14,500,000	13,861,226.67	13,862,612.23	624,337.77	1/9/07	4.61%	0.03
FEDERAL NTL MTG ASSN 5.000 JAN 15 07	GOVT	31359MLZ4	10,000,000	10,591,000.00	10,000,000.00	230,555.50	1/15/07	5.00%	0.04
FEDERAL NATL MTG ASSN 3.25 15JAN 200	GOVT	31359MQM8	36,333,000	35,505,749.61	35,629,048.13	544,490.33	1/15/08	3.31%	0.99
FEDERAL NATL MTG ASSN	GOVT	31359MSC8	15,000,000	14,970,000.00	14,620,312.50	36,562.50	6/14/08	3.33%	1.37
FEDERAL NATL MTG AS 2.625 19JAN2007	GOVT	31359MTX1	10,000,000	9,976,100.00	9,987,500.00	118,125.00	1/19/07	2.63%	0.05
FEDERAL NATL MTG AS 3.375 15MAY2007	GOVT	31359MWT6	5,000,000	4,980,750.00	4,967,187.50	21,562.50	5/15/07	3.40%	0.37
FEDERAL NATL MTG ASSN 5.0 13DEC2007	GOVT	31359MZN6	30,000,000	30,000,000.00	29,915,625.00	75,000.00	12/13/07	5.01%	0.66

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Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F3Q58	10,000,000	10,000,000.00	9,703,125.00	139,791.60	7/16/08	3.14%	1.46
FEDERAL NATL MTG ASS 3.21 23JUL2008	GOVT	3136F3V86	5,000,000	5,000,000.00	4,860,937.50	70,441.65	7/23/08	3.30%	1.44
FEDERAL NATL MTG ASSN MEDIUM	GOVT	3136F6N28	20,000,000	19,972,000.00	19,625,000.00	51,750.00	12/8/08	4.08%	1.56
FEDERAL NATL MTG ASSN MEDIUM	GOVT	3136F6TC3	565,000	563,474.50	556,348.44	170.68	12/28/07	3.68%	0.96
FEDERAL NATL MTG ASSN 5.3 22FEB2011	GOVT	31359MH48	7,000,000	6,941,200.00	6,967,187.50	132,941.62	2/22/11	5.32%	1.93
FEDERAL NATL MTG ASS 5.3 20MAR2009	GOVT	31359MJ79	5,000,000	4,982,700.00	4,996,875.00	74,347.20	3/20/09	5.30%	0.90
FEDERAL NATL MTG ASS 5.25 17MAR2011	GOVT	31359MK77	7,000,000	6,989,062.50	6,984,687.50	111,222.16	3/17/11	5.26%	1.91
FEDERAL NATL MTG ASS 5.67 26APR2011	GOVT	31359ML92	5,000,000	4,986,350.00	5,003,125.00	51,187.50	4/26/11	5.67%	1.12
FEDERAL NATL MTG ASSN 5.7 12MAY2011	GOVT	31359MN41	20,000,000	19,996,237.50	20,075,000.00	155,166.60	5/12/11	5.68%	1.88
FEDERAL NATL MTG AS 5.625 19MAY2011	GOVT	3136F7B48	8,000,000	8,009,500.00	8,080,000.00	52,500.00	5/19/11	5.57%	2.66
FEDERAL NATL MTG ASS 4.75 01FEB2008	GOVT	31359MF65	5,000,000	4,938,385.00	4,975,000.00	98,958.30	2/1/08	4.77%	0.80
FEDERAL NATL MTG ASS 5.25 29SEP2009	GOVT	3136F72R7	5,000,000	5,000,000.00	5,000,000.00	67,083.30	9/29/09	5.25%	1.95
FEDERAL NATL MTG ASS 5.34 22FEB2011	GOVT	3136F7VJ3	10,000,000	9,989,843.75	9,959,375.00	191,350.00	2/22/11	5.36%	1.91
FEDERAL NATL MTG ASS 5.625 19MAY2011	GOVT	3136F7ZL4	5,000,000	5,009,100.00	5,012,500.00	32,812.50	5/19/11	5.61%	1.95
FEDERAL NATL MTG ASS 4.75 19APR2010	GOVT	31359MB28	9,615,000	9,532,449.60	9,515,845.31	91,342.50	4/19/10	4.80%	1.92
FEDERAL NATL MTG ASS 5.21 16MAR2009	GOVT	31359MJ53	5,000,000	4,996,350.00	4,993,750.00	75,979.15	3/16/09	5.22%	2.03
FEDERAL NATL MTG ASS 5.55 15NOV2011	GOVT	3136F75S2	5,000,000	4,997,500.00	4,982,812.50	35,458.30	11/15/11	5.57%	1.81
FEDERAL NATL MTG ASS 5.55 28DEC2011	GOVT	3136F8CT0	5,000,000	5,000,000.00	4,984,375.00	2,312.50	12/28/11	5.57%	1.94
U.S. Agencies		Total	729,385,000	724,809,396	722,882,274	8,541,514	714.5	4.37%	1.15
UNITED STATES TREAS 3.000 NOV 15 07	GOVT	912828AN0	20,000,000	19,680,740.63	19,657,000.00	77,900.40	11/15/07	3.05%	0.85
UNITED STATES TREAS N 3.0 15FEB2008	GOVT	912828AT7	5,000,000	4,882,812.50	4,892,600.00	56,657.60	2/15/08	3.07%	1.08
UNITED STATES TREAS 2.625 15MAY2008	GOVT	912828AZ3	20,000,000	19,307,150.14	19,403,125.00	68,162.80	5/15/08	2.71%	1.33
UNITED STATES TREAS 3.250 AUG 15 08	GOVT	912828BG4	5,000,000	4,868,750.00	4,876,562.50	61,379.05	8/15/08	3.33%	1.54
UNITED STATES TREAS 3.125 SEP 15 08	GOVT	912828BK5	15,000,000	14,637,890.63	14,584,050.00	139,848.00	9/15/08	3.21%	1.62
UNITED STATES TREAS 3.125 OCT 15 08	GOVT	912828BM1	10,000,000	9,742,578.13	9,711,300.00	66,964.20	10/15/08	3.22%	1.71
UNITED STATES TREAS 3.375 NOV 15 08	GOVT	912828BQ2	10,000,000	9,832,812.50	9,743,750.00	43,819.00	11/15/08	3.46%	1.79
UNITED STATES TREAS 3.25 15JAN2009	GOVT	912828BV1	5,000,000	4,836,328.13	4,851,562.50	75,067.90	1/15/09	3.35%	1.92
UNITED STATES TREAS 3.000 FEB 15 09	GOVT	912828BZ2	5,000,000	4,866,015.00	4,820,312.50	56,666.65	2/15/09	3.11%	2.01
UNITED STATES TREAS 2.625 15MAR2009	GOVT	912828CC2	15,000,000	14,307,031.26	14,334,900.00	117,472.35	3/15/09	2.75%	2.09
UNITED STATES TREAS 3.125 15APR2009	GOVT	912828CE8	15,000,000	14,640,234.38	14,469,150.00	100,446.30	4/15/09	3.24%	2.16
UNITED STATES TREAS 3.125 MAY 15 07	GOVT	912828CG3	10,000,000	9,901,562.51	9,929,687.50	40,573.20	5/15/07	3.15%	0.37
UNITED STATES TREAS 3.625 15JUL2009	GOVT	912828CN8	5,000,000	4,904,687.50	4,868,150.00	83,729.60	7/15/09	3.72%	2.36
UNITED STATES TREAS 2.75 15AUG2007	GOVT	912828CR9	15,000,000	14,701,562.50	14,791,406.25	155,808.30	8/15/07	2.79%	0.61
UNITED STATES TREAS 3.375 15FEB2008	GOVT	912828DK3	15,000,000	14,892,968.76	14,738,100.00	191,219.40	2/15/08	3.43%	1.08
UNITED STATES TREAS NTS	GOVT	912828DS6	5,000,000	5,000,000.00	4,977,343.75	31,042.80	4/30/07	3.64%	0.33
UNITED STATES TREAS N 3.5 31MAY2007	GOVT	912828DW7	10,000,000	9,981,250.00	9,938,700.00	30,769.20	5/31/07	3.52%	0.41
UNITED STATES TREAS 3.875 31JUL2007	GOVT	912828EB2	15,000,000	14,972,656.26	14,900,400.00	243,240.45	7/31/07	3.90%	0.57
U.S. Treasuries		Total	200,000,000	195,957,031	195,488,100	1,640,767	483.8	3.20%	1.27

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 12/31/06

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
BANK OF AMERICA CORP 3.250 AUG 15 08	AA-	060505BC7	5,000,000	4,985,100.00	4,850,700.00	61,388.85	8/15/08	3.35%	1.54
GENERAL ELEC CAP CORP M/T/N	AAA	36962GD68	13,730,000	13,896,662.80	13,591,052.40	181,541.08	8/15/07	3.54%	0.60
GENERAL ELECTRIC CA 5.375 15MAR2007	AAA	36962GXY5	2,000,000	1,998,300.00	2,000,240.00	31,652.76	3/15/07	5.37%	0.21
GENERAL ELEC CAP CO 5.72 22AUG2011	AAA	36962GX82	7,500,000	7,500,000.00	7,543,800.00	153,724.95	8/22/11	5.69%	3.96
Corporate Bonds		Total	28,230,000	28,380,063	27,985,792	428,308	677.0	4.21%	1.64
Asset Backed Securities		Total	-	-	-	-	-	0.00%	-
Bankers Acceptance		Total	-	-	-	-	-	0.00%	-
Commercial Paper - Discount		Total	-	-	-	-	-	0.00%	-
Certificates of Deposits		Total	-	-	-	-	-	0.00%	-
Corporate Notes		Total	-	-	-	-	-	0.00%	-
COLLATERAL ASSETS		31339XHJ6	5,000,000	4,999,959	4,876,500	39,783	3/26/08	3.16%	1.59
Collateral		Total	5,000,000	4,999,959	4,876,500	39,783	451.0	3.16%	1.59
POOLED INVESTMENTS (LONG TERM)		TOTAL	962,615,000	954,146,449	951,232,667	10,650,372	664.7	4.12%	1.19
POOLED INVESTMENTS (TOTAL)		TOTAL	1,400,030,000	1,389,649,081	1,386,975,510	13,514,387	567.9	4.34%	0.98

ATTACHMENT A

City of Long Beach Asset Holdings

Month End: 12/31/06

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
EXTERNAL INVESTMENTS (LONG TERM)									
FEDERAL HOME LN BKS	GOVT	31339XTT1	10,000,000	9,978,125	9,993,750	107,500	1/9/07	2.25%	0.03
FEDERAL HOME LN BKS 3.375 21JUL2008	GOVT	31339YVV1	10,000,000	10,065,625	9,746,875	150,000	7/21/08	3.46%	1.47
FEDERAL HOME LN BKS DEB	GOVT	3133X3QY2	20,000,000	19,915,000	19,950,000	217,733	2/9/07	2.77%	0.11
FEDERAL HOME LN MTG C 3.1 28NOV2007	GOVT	3128X1DK0	7,000,000	7,013,720	6,868,680	19,892	11/28/07	3.16%	0.88
FEDERAL HOME LN MTG 2.65 30MAY2008	GOVT	3128X1HM2	10,000,000	9,815,700	9,669,600	22,819	5/30/08	2.74%	1.36
FEDERAL HOME LN MTG 2.375 FEB 15 07	GOVT	3134A4UN2	20,000,000	19,942,300	19,931,250	179,444	2/15/07	2.38%	0.12
FEDERAL NATL MTG ASS 2.65 30JUN2008	GOVT	3136F3D29	10,000,000	9,818,750	9,643,750	736	6/30/08	2.75%	1.43
U.S. Agencies		Total	87,000,000	86,549,220	85,803,905	698,125	231.3	2.72%	0.61
U.S. Treasuries		Total	-	-	-	-	-	0.00%	-
Corporate Bonds		Total	-	-	-	-	-	0.00%	-
Bankers Acceptances - Discount		Total	-	-	-	-	-	0.00%	-
EXTERNAL INVESTMENTS (LONG TERM)		TOTAL	87,000,000	86,549,220	85,803,905	698,125	231.3	2.72%	0.61
LONG TERM FUNDS		TOTAL	1,049,615,000	1,040,695,669	1,037,036,572	11,348,497	643.2	4.00%	1.18
TOTAL FUNDS	AAAf	TOTAL	1,515,112,068	1,504,280,369	1,500,861,483	14,586,119	547.9	4.26%	0.96