CITY OF LONG BEACH

R-10

DEPARTMENT OF FINANCIAL MANAGEMENT

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

August 21, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive and file the Investment Report for Quarter Ending June 30, 2012. (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, 2012, these funds had a market and book value of approximately $1.787 billion and $1.783 billion, respectively, with an unrealized gain of approximately $3.8 million. Unrealized gains or losses result from changing investment values during the period they are held in the portfolio and are only recognized when the investment is sold prior to the maturity date.

Approximately $828 million of the total investment pool, or approximately 46 percent of funds, will mature within six months, ensuring that sufficient funds are available to meet the City's liquidity needs.

Statutory Compliance

All investment transactions have been executed in conformance with the City's Investment Policy and the California Government Code. According to the California Government Code, the maturity term of all investments is limited to a maximum of five years, unless the local agency legislative body gives prior approval to exceed this limitation. The City's Investment Policy currently requires that all funds invested in the City's investment pool not exceed a weighted average maturity of three years. In addition, the Investment Advisory Committee, composed of the Assistant City Manager, the Deputy City Auditor, Assistant City Attorney, Director of Financial Management, City Treasurer, City Controller, Budget and Performance Management Bureau staff, and designated representatives from the Harbor, Water and Development Services departments, meets monthly, or as needed, to review investment policies, strategies and performance.

Investment Pool Rating

As of March 31, 2012, Standard and Poor's reaffirmed the City's investment portfolio rating of AAAf and one of the lowest volatility ratings of S1. This rating confirms the safety of the City's invested funds and qualifies the investment pool as an alternative investment for proceeds from bonds issued by the City.

Investment Performance

The City Treasurer's Office invests in a variety of fixed-income securities that vary in maturity from one day to five years (excluding the Health Select Auction Variable Rate Securities loan) as authorized by the City's Investment Policy and the California Government Code. The City's adopted 2012 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 0.36 percent (annualized). Book yield represents the return received on the total investment portfolio on an annualized basis.

On June 30, 2012, the City's investment pool market yield was 0.34 percent (annualized). During the quarter, the average short-term benchmark increased two basis points, while the intermediate-term benchmark increased by three basis points. The long-term benchmark was unchanged. The following table summarizes the City's investment pool market yield and performance for the quarter ending June 30, 2012:

Investment Portfolio Funds	Amount of Funds	Quarter End Values		
		Benchmark Return**	Weighted Avg Maturity*	Yield**
Short-Term Pool	$ 661,989,692	0.08 percent	0.35 years	0.35 percent
Intermediate-Term Pool	$ 704,853,125	0.21 percent	0.86 years	0.30 percent
Long-Term Pool	$ 420,043,852	0.34 percent	1.73 years	0.37 percent
Total Pool	$ 1,786,886,669	0.19 percent	0.87 years	0.34 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, 2012:

SHORT-TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
April, 2012	$ 109,800,000	0.08 percent	0.13 percent	0.05 percentage points
May, 2012	$ 51,000,000	0.08 percent	0.19 percent	0.11 percentage points
June, 2012	$ 36,000,000	0.08 percent	0.14 percent	0.06 percentage points
Total Funds	$ 196,800,000	0.08 percent	0.15 percent	0.07 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 2012:

INTERMEDIATE -TERM PORTFOLIO

Month	Amount of Funds Invested	Benchmark vs. Purchase Yield Analysis		
		Benchmark Return*	Purchase Yield**	Over/(Under) Benchmark*
April, 2012	$ 78,000,000	0.18 percent	0.42 percent	0.24 percentage points
May, 2012	$ 59,000,000	0.19 percent	0.33 percent	0.14 percentage points
June, 2012	$ 68,650,000	0.19 percent	0.35 percent	0.16 percentage points
Total Funds	$ 205,650,000	0.19 percent	0.37 percent	0.18 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, 2012. 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, 2012	$ 10,900,000	0.33 percent	0.61 percent	0.28 percentage points
May, 2012	$ 9,875,000	0.31 percent	0.54 percent	0.23 percentage points
June, 2012	$ No activity	N/A	N/A	N/A
Total Funds	$ 20,775,000	0.32 percent	0.58 percent	0.26 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, 2012, the City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) pool was approximately $57.1 million.

The City's investment pool consists of all City funds except certain bond and special assessment district proceeds. The non-pooled investments are invested separately in accordance with bond indenture provisions or other legal requirements. A complete listing of investment balances, portfolio distribution and performance values can be found in Attachment A.

Short-Term Strategy

The City has adopted an investment strategy for the short-term portfolio that maintains sufficient liquidity within a rolling 12-month period to satisfy the City's cash needs.

Intermediate-Term Strategy

The City has adopted an investment strategy for the intermediate-term portfolio that maintains a weighted maturity of one year and provides cash needs for maturities greater than six months.

Long-Term Investment Strategy

Chandler Asset Management manages the long-term portfolio and, given historically low interest rates, the Investment Advisory Committee has recommended a temporary strategy to benchmark the long-term portfolio to the One-Three Year Treasury/Agency Index.

Cash Management Goals

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

This matter was reviewed by Assistant City Attorney Charles Parkin on July 23, 2012 and Budget Management Officer Victoria Bell on July 19, 2012.

TIMING CONSIDERATIONS

This item is not time critical.

FISCAL IMPACT

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

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER

DSN:DT
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ATTACHMENT A – INVESTMENT PORTFOLIO AS OF JUNE 30, 2012

Attachment A
City of Long Beach, CA
Investment Portfolio
As of June 30, 2012

INVEST. #	SECURITY DESCRIPTION	S&P Rating	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MKT YIELD
	UNION BANK N.A.		209,234,449	209,234,449	209,234,449	0	07/01/12	0.60
	BANK OF AMERICA		16,771,511	16,771,511	16,771,511	0	07/01/12	0.35
	LOCAL AGENCY INVESTMENT FUND		57,099,035	57,099,035	57,099,035	30,694	07/01/12	0.36
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	TOTAL CASH AND EQUIVALENTS		283,104,995	283,104,995	283,104,995	30,694	01/01/00	0.54

SHORT - TERM PORTFOLIO

INVEST. NO.	SECURITY DESCRIPTION	S&P RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MKT YIELD
14449	U.S. TREASURY BILL	AA+	10,000,000	9,999,922	10,000,000	0	07/05/12	0.07
14450	U.S. TREASURY BILL	AA+	7,000,000	6,999,829	7,000,000	0	07/12/12	0.08
14393	FED. HOME LOAN MTG ASSOC.	AA+	7,000,000	7,005,148	7,004,375	33,688	07/27/12	0.29
14381	U.S. TREASURY NOTE	AA+	10,000,000	10,066,954	10,065,000	137,874	08/31/12	0.26
14392	U.S. TREASURY NOTE	AA+	10,000,000	10,004,874	10,004,000	12,534	08/31/12	0.14
14323	FEDERAL HOME LOAN BANK	AA+	3,080,000	3,091,328	3,091,550	18,309	09/14/12	0.17
14474	FEDERAL NATIONAL MTG. ASSOC.	AA+	20,000,000	20,174,386	20,175,000	257,639	09/15/12	0.17
14369	U.S. TREASURY NOTE	AA+	10,000,000	10,026,227	10,025,000	40,353	09/15/12	0.18
14363	U.S. TREASURY NOTE	AA+	10,000,000	10,026,129	10,025,000	40,353	09/15/12	0.18
14346	FED NAT MORTG ASSOC	AA+	10,000,000	10,010,884	10,012,500	16,840	09/24/12	0.09
14480	FEDERAL NATIONAL MTG. ASSOC.	AA+	9,000,000	9,010,222	9,011,250	15,156	09/24/12	0.09
14429	U.S. TREASURY BILL	AA+	20,000,000	19,993,767	19,996,045	0	09/27/12	0.08
14390	U.S. TREASURY NOTE	AA+	10,000,000	10,007,040	10,006,000	9,426	09/30/12	0.14
14333	FEDERAL FARM CREDIT BANK	AA+	8,000,000	7,997,138	7,998,160	0	10/01/12	0.09
14375	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,000,000	9,997,333	9,996,875	0	10/05/12	0.12
14376	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,000,000	9,997,139	9,996,875	0	10/12/12	0.11
14343	FED. HOME LOAN MTG ASSOC.	AA+	9,755,000	9,892,211	9,892,180	82,714	10/25/12	0.22
14395	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,000,000	10,011,415	10,012,500	8,472	10/30/12	0.12
14364	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,574	10,003,125	13,000	11/07/12	0.11
14368	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,644	10,000,000	2,350	11/14/12	0.18
14374	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,001,223	10,003,125	2,333	11/19/12	0.12
14362	U.S. TREASURY NOTE	AA+	8,000,000	8,011,910	8,010,400	3,388	11/30/12	0.19
14341	FED FARM CREDIT BANK	AA+	4,465,000	4,497,104	4,497,092	5,349	12/07/12	0.23
14367	FEDERAL HOME LOAN BANK	AA+	10,000,000	9,992,792	9,994,714	0	12/21/12	0.11
14404	U.S. TREASURY NOTE	AA+	12,000,000	12,031,487	12,030,000	31,319	01/31/13	0.20

Attachment A
City of Long Beach, CA
Investment Portfolio
As of June 30, 2012

SHORT - TERM PORTFOLIO

INVEST. NO.	SECURITY DESCRIPTION	S&P RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MKT YIELD
14468	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	7,024,191	7,021,875	18,229	02/26/13	0.27
14431	FEDERAL HOME LOAN BANK	AA+	7,000,000	7,000,000	7,000,000	3,646	04/16/13	0.25
14385	U.S. TREASURY NOTE	AA+	10,000,000	10,038,090	10,032,000	10,530	04/30/13	0.24
14465	U.S. TREASURY BILL	AA+	25,000,000	24,960,816	24,960,131	0	05/02/13	0.19
14466	U.S. TREASURY BILL	AA+	12,000,000	11,981,192	11,980,863	0	05/02/13	0.19
14461	FEDERAL HOME LOAN BANK	AA+	7,000,000	6,998,756	6,997,813	778	05/21/13	0.14
14384	U.S. TREASURY NOTE	AA+	10,000,000	10,019,447	10,012,500	15,659	07/30/13	0.26
14427	FEDERAL FARM CREDIT BANK	AA+	6,000,000	6,000,248	6,000,000	9,173	08/22/13	0.43
14432	FED. HOME LOAN MTG ASSOC.	AA+	5,000,000	5,007,417	5,001,563	2,083	12/06/13	0.58
14353	FED FARM CREDIT BANK	AA+	5,000,000	5,000,000	5,001,563	718	12/19/13	0.45
14430	FED. HOME LOAN MTG ASSOC.	AA+	10,000,000	10,010,969	10,009,375	21,806	01/24/14	0.44
14487	FEDERAL NATIONAL MTG. ASSOC.	AA+	7,000,000	7,001,400	7,000,000	15,167	07/25/14	0.50
14417	FEDERAL FARM CREDIT BANK	AA+	7,000,000	7,004,854	7,004,375	18,741	08/28/14	0.76
14428	FEDERAL FARM CREDIT BANK	AA+	5,000,000	5,004,651	5,003,125	13,386	08/28/14	0.76
14410	FEDERAL FARM CREDIT BANK	AA+	7,000,000	7,011,374	7,008,750	5,536	11/21/14	0.68
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	SHORT-TERM PORTFOLIO		378,300,000	378,911,083	378,884,697	866,549	220	0.22
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	SUB TOTAL CASH AND SHORT - TERM PORTFOLIO		661,404,995	662,016,078	661,989,692	897,243	127	0.35

INTERMEDIATE - TERM PORTFOLIO

INVEST. NO.	SECURITY DESCRIPTION	S&P RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MKT YIELD
14116	FED. HOME LOAN MTG ASSOC.	AA+	6,000,000	6,010,763	6,011,250	141,792	07/15/12	0.61
14076	FED. HOME LOAN MTG ASSOC.	AA+	7,000,000	7,003,217	7,004,375	33,688	07/27/12	0.29
14163	FED. HOME LOAN MTG ASSOC.	AA+	6,500,000	6,503,391	6,504,063	31,281	07/27/12	0.29
14141	FED NAT MORTG ASSOC	AA+	7,000,000	7,004,032	7,006,563	33,031	07/30/12	0.41
14159	FED NAT MORTG ASSOC	AA+	10,000,000	10,005,672	10,009,375	47,188	07/30/12	0.42
14162	FED NAT MORTG ASSOC	AA+	10,000,000	10,005,875	10,009,375	47,188	07/30/12	0.39
14241	FED NAT MORTG ASSOC	AA+	10,000,000	10,015,610	10,015,625	68,542	08/10/12	0.34
14222	FEDERAL HOME LOAN BANK	AA+	15,175,000	15,255,309	15,255,617	265,141	08/15/12	0.37
14278	FEDERAL HOME LOAN BANK	AA+	10,000,000	9,997,875	9,999,500	0	08/15/12	0.04
14099	FEDERAL HOME LOAN BANK	AA+	12,000,000	12,020,058	12,026,250	75,250	08/22/12	0.23
14285	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,000	10,000,000	7,822	08/23/12	0.22
14158	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,027,740	10,037,500	59,444	09/14/12	0.17
14160	FED NAT MORTG ASSOC	AA+	10,000,000	10,077,778	10,087,500	128,819	09/15/12	0.17
14186	U.S. TREASURY NOTE	AA+	20,000,000	20,042,750	20,050,000	80,707	09/15/12	0.18

Attachment A
City of Long Beach, CA
Investment Portfolio
As of June 30, 2012

INTERMEDIATE - TERM PORTFOLIO

INVEST. NO.	SECURITY DESCRIPTION	S&P RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MKT YIELD
14183	U.S. TREASURY NOTE	AA+	10,000,000	9,999,727	10,006,000	9,426	09/30/12	0.14
14370	U.S. TREASURY NOTE	AA+	10,000,000	10,036,412	10,035,000	28,928	10/15/12	0.18
14087	FED NAT MORTG ASSOC	AA+	10,000,000	9,993,141	10,012,500	8,472	10/30/12	0.12
14139	FED NAT MORTG ASSOC	AA+	10,000,000	9,998,226	10,012,500	8,472	10/30/12	0.12
14182	FED NAT MORTG ASSOC	AA+	10,000,000	10,001,251	10,009,375	8,472	10/30/12	0.22
14328	FEDERAL HOME LOAN BANK	AA+	5,000,000	4,999,851	5,001,563	1,278	11/15/12	0.12
14322	U.S. TREASURY NOTE	AA+	10,000,000	10,045,037	10,045,000	17,561	11/15/12	0.17
14185	FED NAT MORTG ASSOC	AA+	10,000,000	10,164,433	10,175,000	55,417	11/19/12	0.21
14088	FED. HOME LOAN MTG ASSOC.	AA+	10,000,000	9,985,827	10,012,500	3,229	11/30/12	0.07
14332	U.S. TREASURY NOTE	AA+	10,000,000	10,044,574	10,043,000	4,918	12/15/12	0.19
14181	FED NAT MORTG ASSOC	AA+	7,000,000	6,994,466	7,008,750	219	12/28/12	0.12
14140	FED. HOME LOAN MTG ASSOC.	AA+	10,000,000	10,035,652	10,059,375	65,694	01/09/13	0.24
14331	U.S. TREASURY NOTE	AA+	10,000,000	10,065,169	10,064,000	63,462	01/15/13	0.19
14329	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,069,028	10,065,625	68,750	01/16/13	0.29
14188	FED NAT MORTG ASSOC	AA+	10,000,000	10,198,029	10,206,250	170,000	01/28/13	0.42
14339	U.S. TREASURY NOTE	AA+	12,000,000	12,275,555	12,273,600	175,014	02/15/13	0.23
14335	FED NAT MORTG ASSOC	AA+	7,750,000	7,823,661	7,822,656	48,599	02/22/13	0.29
14361	FEDERAL FARM CREDIT BANK	AA+	7,000,000	7,030,550	7,028,438	22,400	02/22/13	0.27
14344	FED NAT MORTG ASSOC	AA+	10,000,000	10,031,712	10,031,250	26,042	02/26/13	0.27
14205	FEDERAL HOME LOAN BANK	AA+	8,500,000	8,568,049	8,579,688	46,691	03/08/13	0.39
14337	FED. HOME LOAN MTG ASSOC.	AA+	7,007,000	7,031,054	7,033,276	13,576	03/28/13	0.25
14434	FEDERAL FARM CREDIT BANK	AA+	6,000,000	5,999,383	5,996,250	2,713	04/16/13	0.30
14109	FED. HOME LOAN MTG ASSOC.	AA+	5,000,000	4,997,772	5,018,750	8,000	04/19/13	0.33
14237	FEDERAL FARM CREDIT BANK	AA+	10,000,000	9,998,420	10,009,375	6,778	04/29/13	0.29
14378	U.S. TREASURY NOTE	AA+	15,000,000	15,056,813	15,048,000	15,795	04/30/13	0.24
14336	FEDERAL HOME LOAN BANK	AA+	7,000,000	7,002,698	7,006,563	4,173	05/03/13	0.26
14342	FEDERAL NATIONAL MTG. ASSOC.	AA+	6,000,000	6,073,615	6,073,125	15,750	05/07/13	0.32
14338	U.S. TREASURY NOTE	AA+	7,000,000	7,070,010	7,068,600	12,293	05/15/13	0.25
14388	U.S. TREASURY NOTE	AA+	10,000,000	10,299,586	10,293,000	46,298	05/15/13	0.27
14413	U.S. TREASURY NOTE	AA+	8,000,000	8,077,187	8,078,400	14,049	05/15/13	0.25
14414	U.S. TREASURY NOTE	AA+	7,000,000	7,067,538	7,068,600	12,293	05/15/13	0.25
14350	FEDERAL FARM CREDIT BANK	AA+	7,000,000	7,000,000	6,995,625	1,750	05/24/13	0.32
14464	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,000	9,996,875	3,000	06/10/13	0.33
14226	***FED HOME LOAN BANK (Pledged to Consent Agreement)***	***AA+***	***3,000,000***	***3,031,380***	***3,038,438***	***2,302***	***06/14/13***	***0.28***
14226	FEDERAL HOME LOAN BANK	AA+	5,000,000	5,052,300	5,064,063	3,837	06/14/13	0.28
14365	FED FARM CREDIT BANK	AA+	5,000,000	4,997,563	4,998,438	389	06/20/13	0.31
14382	U.S. TREASURY NOTE	AA+	15,000,000	15,028,899	15,018,000	153	06/30/13	0.25

Attachment A
City of Long Beach, CA
Investment Portfolio
As of June 30, 2012

INTERMEDIATE - TERM PORTFOLIO								
INVEST. NO.	SECURITY DESCRIPTION	S&P RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MKT YIELD
14377	U.S. TREASURY NOTE	AA+	10,000,000	10,081,681	10,076,000	46,154	07/15/13	0.27
14443	FEDERAL FARM CREDIT BANK	AA+	6,000,000	5,992,877	5,990,625	4,320	08/07/13	0.32
14482	U.S. TREASURY NOTE	AA+	10,000,000	10,057,199	10,054,000	28,228	08/15/13	0.27
14439	FEDERAL HOME LOAN BANK	AA+	8,000,000	7,994,218	7,992,500	6,253	08/20/13	0.29
14467	U.S. TREASURY NOTE	AA+	12,000,000	12,071,208	12,068,400	26,413	09/15/13	0.28
14483	U.S. TREASURY NOTE	AA+	10,000,000	10,059,586	10,057,000	22,011	09/15/13	0.28
14383	U.S. TREASURY NOTE	AA+	7,000,000	6,993,118	6,986,700	2,199	09/30/13	0.28
14433	FED. HOME LOAN MTG ASSOC.	AA+	7,000,000	7,006,041	7,006,563	5,542	10/15/13	0.30
14436	FED. HOME LOAN MTG ASSOC.	AA+	8,000,000	8,021,694	8,020,000	8,444	10/15/13	0.31
14371	FED. HOME LOAN MTG ASSOC.	AA+	10,000,000	10,003,391	10,006,250	10,139	10/18/13	0.45
14455	FEDERAL HOME LOAN BANK	AA+	8,000,000	8,347,178	8,340,000	58,806	10/18/13	0.35
14307	FED NAT MORTG ASSOC	AA+	5,000,000	5,000,000	5,003,125	5,500	10/25/13	0.55
14437	FED. HOME LOAN MTG ASSOC.	AA+	7,000,000	7,008,443	7,017,500	4,448	10/30/13	0.19
14477	U.S. TREASURY NOTE	AA+	22,000,000	22,077,095	22,063,800	14,049	11/15/13	0.29
14486	U.S. TREASURY NOTE	AA+	10,000,000	10,029,337	10,029,000	6,386	11/15/13	0.29
14458	FEDERAL FARM CREDIT BANK	AA+	8,000,000	7,994,495	7,992,500	0	11/21/13	0.07
14460	FEDERAL HOME LOAN BANK	AA+	6,000,000	6,000,000	5,996,250	2,275	11/23/13	0.39
14398	FED. HOME LOAN MTG ASSOC.	AA+	5,000,000	5,000,000	5,003,125	6,889	02/27/14	0.36
14409	FEDERAL HOME LOAN BANK	AA+	7,000,000	7,000,000	7,000,000	8,690	03/12/14	0.41
14446	FEDERAL HOME LOAN BANK	AA+	6,000,000	6,208,546	6,204,375	42,354	03/14/14	0.37
14420	FEDERAL HOME LOAN BANK	AA+	5,000,000	4,998,571	5,001,563	6,250	03/21/14	0.43
14402	FEDERAL FARM CREDIT BANK	AA+	5,000,000	4,992,662	5,000,000	3,114	05/01/14	0.38
14454	FEDERAL HOME LOAN BANK	AA+	5,000,000	5,000,000	4,996,875	2,875	05/15/14	0.48
14457	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,000,000	9,987,500	4,200	05/23/14	0.49
14425	FEDERAL NATIONAL MTG. ASSOC.	AA+	8,000,000	8,000,000	8,010,000	9,067	10/23/14	0.55
14444	FEDERAL NATIONAL MTG. ASSOC.	AA+	6,000,000	6,000,000	5,988,750	5,083	10/30/14	0.58
14447	FEDERAL NATIONAL MTG. ASSOC.	AA+	5,000,000	4,999,585	4,990,625	4,236	10/30/14	0.58
14488	FEDERAL NATIONAL MTG. ASSOC.	AA+	11,880,000	11,889,117	11,876,288	4,901	12/04/14	0.56
14426	FED. HOME LOAN MTG ASSOC.	AA+	5,000,000	5,007,452	5,009,375	20,306	01/09/15	0.77
14471	FEDERAL NATIONAL MTG. ASSOC.	AA+	4,770,000	4,770,000	4,770,000	1,487	12/20/16	1.02
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	INTERMEDIATE-TERM PORTFOLIO		701,582,000	704,718,133	704,853,125	2,386,700	314	0.30

Attachment A
City of Long Beach, CA
Investment Portfolio
As of June 30, 2012

LONG TERM - TERM PORTFOLIO								
INVEST. NO.	SECURITY DESCRIPTION	S&P RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MKT YIELD
14250	WFC Advantage Govt Money Mkt	AA+	500,076	500,076	500,076	0	07/01/12	0.00
13862	FED. HOME LOAN MTG ASSOC.	AA+	9,230,000	9,244,117	9,247,306	218,123	07/15/12	0.61
13824	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,004,105	10,021,875	62,708	08/22/12	0.23
13781	FED NAT MORTG ASSOC	AA+	9,250,000	9,303,581	9,330,938	119,158	09/15/12	0.17
13893	U.S. TREASURY NOTE	AA+	10,250,000	10,249,913	10,285,875	29,651	10/15/12	0.18
13775	FEDERAL HOME LOAN BANK	AA+	9,265,000	9,367,618	9,412,661	53,274	11/15/12	0.24
13864	FEDERAL FARM CREDIT BANK	AA+	9,990,000	10,008,268	10,061,803	11,967	12/07/12	0.23
13842	U.S. TREASURY NOTE	AA+	10,175,000	10,167,745	10,218,753	5,004	12/15/12	0.19
13841	FED. HOME LOAN MTG ASSOC.	AA+	10,165,000	10,156,434	10,225,355	66,778	01/09/13	0.24
13936	U.S. TREASURY NOTE	AA+	10,600,000	10,596,036	10,667,840	67,269	01/15/13	0.19
13847	FED NAT MORTG ASSOC	AA+	9,700,000	9,814,334	9,897,031	135,766	02/12/13	0.32
13911	U.S. TREASURY NOTE	AA+	11,000,000	10,989,892	11,080,300	56,927	02/15/13	0.21
13843	FED FARM CREDIT BANK	AA+	9,920,000	9,927,209	10,006,800	62,207	02/21/13	0.38
14129	FEDERAL HOME LOAN BANK	AA+	10,000,000	10,045,613	10,096,875	45,590	03/20/13	0.28
13965	FEDERAL FARM CREDIT BANK	AA+	10,000,000	9,993,972	10,112,500	1,910	06/25/13	0.23
14142	FED. HOME LOAN MTG ASSOC.	AA+	9,650,000	10,002,953	10,108,375	103,939	09/27/13	0.29
14037	FEDERAL FARM CREDIT BANK	AA+	9,350,000	9,693,969	9,767,828	83,533	10/07/13	0.34
13992	FEDERAL HOME LOAN BANK	AA+	9,500,000	9,772,970	9,903,750	69,832	10/18/13	0.35
14013	U.S. TREASURY NOTE	AA+	11,000,000	11,172,819	11,264,000	18,634	11/30/13	0.30
14143	FED NAT MORTG ASSOC	AA+	10,500,000	10,424,011	10,568,906	2,844	12/18/13	0.30
14127	FED. HOME LOAN MTG ASSOC.	AA+	9,965,000	10,113,126	10,298,205	120,410	01/07/14	0.29
14128	FED NAT MORTG ASSOC	AA+	10,000,000	10,186,358	10,393,750	111,528	02/05/14	0.28
14168	FEDERAL FARM CREDIT BANK	AA+	10,000,000	10,226,908	10,406,250	53,229	04/17/14	0.36
14056	FED. HOME LOAN MTG ASSOC.	AA+	10,000,000	10,280,942	10,390,625	47,222	04/23/14	0.34
14235	U.S. TREASURY NOTE	AA+	10,500,000	10,570,057	10,629,150	13,410	05/15/14	0.34
14255	FEDERAL HOME LOAN BANK	AA+	9,900,000	10,015,194	10,101,094	12,478	05/28/14	0.31
14173	FED. HOME LOAN MTG ASSOC.	AA+	9,950,000	10,255,683	10,472,375	126,863	07/28/14	0.46
14311	FED. HOME LOAN MTG ASSOC.	AA+	10,000,000	10,049,109	10,115,625	36,389	08/20/14	0.46

Attachment A
City of Long Beach, CA
Investment Portfolio
As of June 30, 2012

LONG TERM - TERM PORTFOLIO								
INVEST. NO.	SECURITY DESCRIPTION	S&P RATING	PAR VALUE	BOOK VALUE	MARKET VALUE	ACCRUED INTEREST	MATURITY DATE	MKT YIELD
14254	FED NAT MORTG ASSOC	AA+	9,325,000	9,742,754	9,867,016	81,594	09/16/14	0.36
14355	U.S. TREASURY NOTE	AA+	10,200,000	10,234,142	10,235,700	10,730	10/15/14	0.35
14213	FEDERAL FARM CREDIT BANK	AA+	10,700,000	10,765,794	11,014,313	19,802	11/19/14	0.39
14283	U.S. TREASURY NOTE	AA+	11,000,000	11,497,256	11,525,800	103,352	01/31/15	0.39
14169	FEDERAL HOME LOAN BANK	AA+	5,000,000	5,120,407	5,300,000	41,250	03/13/15	0.51
14340	FEDERAL HOME LOAN BANK	AA+	1,000,000	1,051,413	1,060,000	8,250	03/13/15	0.51
14401	FEDERAL HOME LOAN BANK	AA+	10,500,000	10,434,244	10,460,625	16,188	03/13/15	0.51
14300	FED NAT MORTG ASSOC	AA+	9,600,000	10,057,634	10,131,000	96,900	07/28/15	0.56
14310	U.S. TREASURY NOTE	AA+	9,950,000	10,256,707	10,344,020	72,712	07/31/15	0.46
14445	FEDERAL FARM CREDIT BANK	AA+	10,900,000	10,881,070	10,920,438	22,148	08/17/15	0.49
14299	FED. HOME LOAN MTG ASSOC.	AA+	9,425,000	9,698,203	9,778,438	50,856	09/10/15	0.56
14387	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,225,000	10,492,351	10,592,461	30,000	10/26/15	0.53
14356	FEDERAL HOME LOAN BANK	AA+	8,700,000	10,049,470	10,140,938	142,885	03/11/16	0.82
14462	U.S. TREASURY NOTE	AA+	9,875,000	10,500,283	10,501,075	55,850	03/31/16	0.54
14416	FEDERAL NATIONAL MTG. ASSOC.	AA+	10,500,000	10,501,763	10,683,750	33,906	09/28/16	0.83
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	LONG-TERM PORTFOLIO		407,260,076	414,416,504	418,141,491	2,523,065	630	0.37
14352	Health Savors Loan	N/A	1,902,361	1,902,361	1,902,361	713	6704	0.45
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	TOTAL PORTFOLIO		1,772,149,432	1,783,053,076	1,786,886,669	5,807,722	318	0.34
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	Unrealized gain/(loss)				3,833,593			