

Honorable Mayor and Members
Of City Council
City Hall
Torrance, California

Members of Council:

SUBJECT: Accept and file Investment Reports for February 2009

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of February 2009.

FUNDING

Not applicable

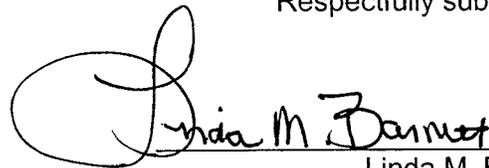
BACKGROUND

On December 09, 2008, Your Honorable Body, through passage of Resolution 2008-123, adopted an official "Statement of Investment Policy" as recommended by the City Treasurer. The City's Statement of Investment Policy requires the City Treasurer to report a monthly statement of investment activity. This requirement was providing the attached report, which demonstrates the City of Torrance investment activity during the month of February 2009.

Investment Committee Note

The Investment Committee, made up of the Finance Director, City Manager, Assistant City Attorney, and City Treasurer, as created by your Honorable Body, has reviewed the attached report and find that it is in concurrence with the City of Torrance Investment Policy.

Respectfully submitted,



Linda M. Barnett
City Treasurer

Noted:



LeRoy J. Jackson
Investment Committee Member

for

CC: City Manager
City Clerk

CITY OF TORRANCE

MONTHLY INVESTMENT PORTFOLIO REPORT
For the Month of February 2009Table of Contents

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City of Torrance
Investment Portfolio Highlights
For February 2009

RETURN

	<u>Current Month</u>	<u>Previous Month</u>
Average City Portfolio YTM	3.482	3.727
Average U.S. Treasury Constant Maturity	1.000	1.320
LAIF Average Monthly Return	1.869	2.046
Average City Portfolio YTM - 1 year prior	4.627	4.656

INTEREST INCOME

	<u>Current Period</u>	<u>Prior Year</u>
Fiscal year to date	4,969,724	5,425,418
Current month	571,467	733,642

MATURITY

	<u>Current Month</u>	<u>Prior Month</u>
Average Maturity (days)	800	876
Average Maturity 1 Year Prior (days)	805	665
Weighted Average Maturity (years)	2.19	2.40

VOLUMES

	<u>Total \$ Volume</u>	<u># of Transactions</u>
Purchases	24,850,000	15
Maturities	23,317,289	16

Transactions include 8 deposits to and 5 withdrawals from LAIF, 0 purchases and 0 maturities of the Union of Bank Money Market Sweep Account.

VALUE OF PORTFOLIO PER GASB STATEMENT NO. 31

<u>GASB required securities</u>	<u>Beginning Investment Value as of July 1, 2008</u>	<u>Purchase/Redempt. Of Principal</u>	<u>Change in Market Value</u>	<u>Ending Investment Value as of February 28, 2009</u>
Federal Agency (coup)	117,807,309	-9,605,499	1,738,308	109,940,118
Treasury Securities	9,181,240	-3,000,000	-15,100	6,166,140
Medium Term Notes	25,558,720	-6,453,080	-417,390	18,688,250
Municipal Bonds	1,309,154	-252,360	0	1,056,794
SUB-TOTAL PER GASB 31	153,856,423	-19,310,939	1,305,818	135,851,302
<u>Non-GASB securities</u>				
LAIF	48,200,000	6,200,000	0	54,400,000
Money Market	6,000,000	-6,000,000	0	0
Federal Agency – Disc.	0	-18,704	18,704	0
Treasury Security – Disc.	0	0	0	0
Certificate of Deposits -Disc.	0	200,000	0	200,000
Commercial paper	0	983,890	16,050	999,940
TOTAL PORTFOLIO	208,056,423	-17,945,753	1,340,572	191,451,242

The market values contained on this report are received from Union Bank of California and are believed to be reliable.

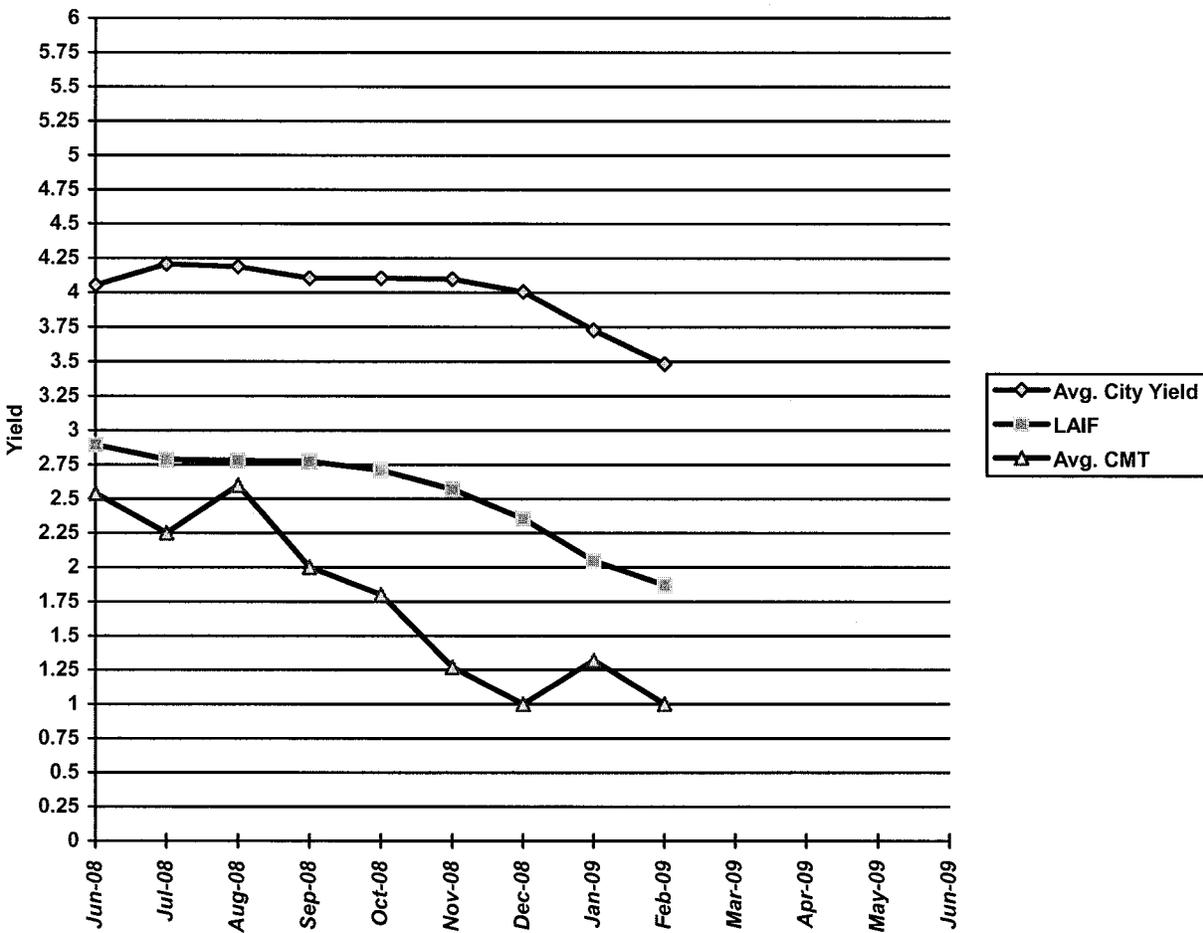
CITY OF TORRANCE

City Treasurer's Office

Monthly Investment Report Summary
For the month of February 2009

I. Return

33.25% of the portfolio is invested at one-year maturity or less as of February 28, 2009. The City Average yield on the portfolio was 3.482% compared to 1.00% for the U.S. Treasury at Constant Maturity (CMT) of 24 months. The portfolio performed above the benchmark as of February 28, 2009 by 248 basis points.



II. Volumes

The investment activity for August included 0 deposits and 0 redemption in the Union Bank of California money market account.

III. Diversification of Investments

In the month of February there were seven purchases for a total of \$11 million with an average yield of 2.56%. There were 10 calls and one redemption for a total of \$19 million with an average yield of 4.18%. The activity in the LAIF Account consisted of 8 deposits for a total of \$13.8 million and 3 withdrawals for a total of \$4.2 million. The portfolio increased by \$1.6 million.

<u>Asset Category</u>	<u>February</u>	<u>January</u>
1. LAIF	28.59	23.77
2. Certificate of Deposits	.11	.11
3. Money Market Sweep	0.00	0.00
4. Federal Agency Issues(coup)	56.95	61.13
5. Federal Agency Issues(disc)	0.00	0.00
6. Treasury Securities	3.14	3.17
7. Treasury Securities(disc)	0.00	0.00
8. Medium Term Notes	10.12	10.73
9. Municipal Bonds	.56	.56
10. Commercial Paper(disc)	<u>0.53</u>	<u>0.53</u>
	100.00%	100.00%

IV. Maturity

As of February 28, 2009, the current maturity allocation is 23.50% of the portfolio invested between the 6 month to 3-year maturity levels. 31.16% of our portfolio is under the 0-6 month maturity level, we are adequately meeting the 6-month liquidity requirement of SB 564* with approximately \$59.6 million available for expenditures.

<u>As of Maturity</u>	<u>February</u>	<u>January</u>
0 to 6 months	31.18%	27.06%
6 months to 1 year	2.09%	1.59%
1 to 2 years	10.04%	10.18%
2 to 3 years	11.37%	10.99%
3 to 4 years	22.45%	20.90%
4 to 5 years	22.35%	28.22%
5 years and after	<u>0.52%</u>	<u>1.06%</u>
	100.00%	100.00%

V. Value

The Governmental Accounting Standards Board (GASB) has established Statement No. 31 for setting investment valuation standards. We will note the unrealized gain/(loss) monthly although we will not physically apply it to earnings until year-end, as GASB 31 requires. The portfolio paper gain or loss is the difference between the book and market value of securities with a maturity term of one year or greater at purchase. The disclosure of paper losses reveals the worse case scenario of liquidity in our portfolio. The philosophy of the city is to buy and hold to maturity.

NOTE: *SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and moneys of the local agency. It also requires a statement of compliance of the portfolio with the statement of investment policy and a statement of the local agency's ability to meet the expenditure requirements of the pool for the next six months.

**City of Torrance
Portfolio Management
Activity Summary
February 2008 through February 2009**

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
February	2008	129	188,047,543.59	4.452	4.514	4.161	14	11	1,112	804
March	2008	125	187,972,492.91	4.331	4.391	3.777	4	8	1,125	837
April	2008	126	192,345,930.83	4.196	4.254	3.400	9	8	1,146	876
May	2008	133	203,045,113.25	4.037	4.093	3.072	12	5	1,151	889
June	2008	128	209,041,697.28	3.999	4.055	2.894	7	12	1,121	907
July	2008	131	191,237,074.56	4.150	4.208	2.787	7	5	1,299	1,043
August	2008	121	179,060,067.82	4.132	4.189	2.779	3	13	1,326	1,079
September	2008	116	174,777,539.06	4.048	4.104	2.774	3	8	1,295	1,051
October	2008	115	173,786,048.44	4.050	4.106	2.709	3	4	1,331	1,069
November	2008	113	170,422,160.66	4.043	4.100	2.568	0	2	1,349	1,059
December	2008	112	170,568,129.23	3.952	4.007	2.353	0	1	1,294	989
January	2009	108	178,904,878.54	3.677	3.728	2.046	1	6	1,160	876
February	2009	104	188,453,947.80	3.435	3.482	1.869	7	11	1,068	800
Average		120	185,151,007.83	4.039%	4.095%	2.861	5	7	1,214	945

invest no.	BROKER	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS TO MATURITY	RATE	YIELD	PAR VALUE	COST	MARKET VALUE
(I) PURCHASES*										
10782	Citigroup	02/06/2009 FFCB	AAA/Aaa	02/06/2012	1072	2.350%	2.350%	2,000,000	2,000,000	1,989,380
10783	Citigroup	02/11/2009 FFCB	AAA/Aaa	02/11/2013	1443	2.850%	2.850%	1,000,000	1,000,000	990,630
10784	Wedbush	02/18/2009 FHLLB	AAA/Aaa	02/18/2014	1815	3.250%	3.250%	1,000,000	1,000,000	991,560
10785	Higgins Capital	02/24/2009 FHLLB	AAA/Aaa	02/24/2012	1090	2.550%	2.550%	2,000,000	2,000,000	1,999,380
10786	Wedbush	02/27/2009 FNMA	AAA/Aaa	08/27/2012	1275	2.625%	2.625%	1,000,000	1,000,000	1,005,630
10788	Higgins Capital	02/26/2009 FHLLB	AAA/Aaa	02/26/2013	1458	2.625%	2.625%	2,000,000	2,000,000	2,011,260
10789	Wedbush	02/27/2009 FHLLB	AAA/Aaa	02/27/2012	1093	2.150%	2.150%	2,000,000	2,000,000	2,003,120

\$11,000,000 **\$11,000,000** **\$10,990,960**

Weighted Average Yield 2.552%

invest no.	BROKER	DESCRIPTION	QUALITY RATING	MATURITY DATE	RATE	YIELD	PAR VALUE	BOOK VALUE	MARKET VALUE
(II) MATURITIES**									
10596	Higgins Capital	04/13/2006 Bank of America	AAA/Aaa	02/17/2009	3.375%	5.066%	1,000,000	1,000,000	1,000,000
10718	Citigroup	02/04/2008 FFCB	AAA/Aaa	02/11/2011	3.200%	3.191%	1,000,000	1,000,000	1,000,000
10719	Citigroup	02/06/2008 FFCB	AAA/Aaa	02/06/2011	3.625%	3.615%	1,000,000	1,000,000	1,000,000
10722	Citigroup	02/05/2008 FHLMC	AAA/Aaa	02/05/2013	4.000%	3.989%	2,000,000	2,000,000	2,000,000
10724		02/13/2008 FHLLB	AAA/Aaa	02/13/2013	3.850%	4.566%	1,000,000	993,778	1,000,000
10731	Citigroup	02/27/2008 FHLLB	AAA/Aaa	02/27/2012	3.800%	3.790%	2,000,000	2,000,000	2,000,000
10732	Stone & Young	02/27/2008 FHLLB	AAA/Aaa	02/27/2013	4.250%	4.338%	2,000,000	2,000,000	2,000,000
10744	Citigroup	04/18/2008 FFCB	AAA/Aaa	02/25/2013	4.000%	4.211%	2,000,000	2,000,000	2,000,000
10750	Morgan Stanley	05/19/2008 FHLLB	AAA/Aaa	02/17/2012	3.720%	3.689%	1,000,000	1,000,000	1,000,000
10754	Citigroup	05/28/2008 FHLMC	AAA/Aaa	05/28/2013	4.400%	4.364%	1,000,000	1,000,000	1,000,000
10774	Stone & Young	08/20/2008 FFCB	AAA/Aaa	08/20/2012	4.500%	4.463%	5,000,000	5,000,000	5,000,000

\$19,000,000 **\$18,993,778** **\$19,000,000**

Weighted Average Yield 4.182%

* At purchase date these investments met or exceeded the quality rating requirements set forth by the Investment Policy.

** At maturity date these investments met or exceeded the quality rating requirements set forth by the Investment Policy

(III) LAIF TRANSACTIONS

DEALER	DESCRIPTION	BEGIN BAL.	RATE	YIELD	DEPOSITS	WITHDRAWALS	INTEREST	END BAL.
State of California	Local Agency Pool							
	City	22,733,408	1.869%	1.869%	7,050,000	2,783,408		27,000,000
	Tran Acct	12,800,000	1.869%	1.869%	6,800,000	1,540,103		12,800,000
	RDA	9,340,103	1.869%	1.869%	\$13,850,000	\$4,323,511	\$ -	14,600,000
		<u>\$44,873,511</u>						<u>\$54,400,000</u>

City of Torrance
Portfolio Management
Interest Earnings Summary
February 28, 2009

	February 28 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	780,700.00	4,734,060.12
Plus Accrued Interest at End of Period	1,259,690.89	1,259,690.89
Less Accrued Interest at Beginning of Period	(1,556,616.76)	(1,690,974.34)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	483,774.13	4,302,776.67
Adjusted by Premiums and Discounts	6,132.00	66,993.23
Adjusted by Capital Gains or Losses	6,222.22	61,501.50
Earnings during Periods	496,128.35	4,431,271.40
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	294.03	685,361.20
Plus Accrued Interest at End of Period	651,269.81	651,269.81
Less Accrued Interest at Beginning of Period	(576,225.55)	(798,178.01)
Interest Earned during Period	75,338.29	538,453.00
Total Interest Earned during Period	559,112.42	4,841,229.67
Total Adjustments from Premiums and Discounts	6,132.00	66,993.23
Total Capital Gains or Losses	6,222.22	61,501.50
Total Earnings during Period	571,466.64	4,969,724.40

City of Torrance
Portfolio Management
Portfolio Details - Investments
February 28, 2009

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Local Agency Investment Funds												
SYS10000	10000	Local Agency Invest Fund GEN'L			27,000,000.00	27,000,000.00	27,000,000.00	1.869		1.869	1	
SYS10001	10001	Local Agency Invest. Fund RDA			14,600,000.00	14,600,000.00	14,600,000.00	1.869		1.869	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			12,800,000.00	12,800,000.00	12,800,000.00	1.869		1.869	1	
		Subtotal and Average	48,168,484.13		54,400,000.00	54,400,000.00	54,400,000.00			1.869	1	
Cert. of Deposit - Collateralized												
SYS10780	10780	PREFERRED BANK		10/22/2008	200,000.00	200,000.00	200,000.00	3.300		3.300	22	03/23/2009
		Subtotal and Average	200,000.00		200,000.00	200,000.00	200,000.00			3.300	22	
Money Market Sweep Account												
SYS10131	10131	Bank of America			0.00	0.00	0.00	4.620	Aa2	4.620	1	
SYS1000	1000	Union Bank of California			0.00	0.00	0.00	0.600		0.600	1	
		Subtotal and Average	0.00		0.00	0.00	0.00			0.000	0	
Federal Agency Issues - Coupon												
31331VYF7	10600	FEDERAL FARM CREDIT BANK		05/04/2006	1,000,000.00	1,008,130.00	1,000,000.00	5.250	Aaa	5.250	64	05/04/2009
31331XMQ2	10640	FEDERAL FARM CREDIT BANK		01/26/2007	1,000,000.00	1,044,060.00	1,000,000.00	5.000	Aaa	5.002	451	05/26/2010
31331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,092,500.00	1,000,000.00	5.250	Aaa	5.250	1,249	08/01/2012
31331XZ24	10688	FEDERAL FARM CREDIT BANK		09/14/2007	1,000,000.00	1,023,130.00	1,000,000.00	5.250	Aaa	5.250	1,293	09/14/2012
31331YHR4	10706	FEDERAL FARM CREDIT BANK		12/14/2007	1,000,000.00	1,023,130.00	1,000,000.00	4.400	Aaa	4.400	1,384	12/14/2012
31331YKW9	10708	FEDERAL FARM CREDIT BANK		12/28/2007	1,000,000.00	1,023,750.00	1,000,000.00	4.250	Aaa	4.250	1,032	12/28/2011
31331YPL8	10710	FEDERAL FARM CREDIT BANK		01/24/2008	1,000,000.00	1,010,310.00	1,000,000.00	3.750	Aaa	3.750	694	01/24/2011
31331YQP8	10716	FEDERAL FARM CREDIT BANK		01/25/2008	2,500,000.00	2,539,850.00	2,516,250.00	3.800	Aaa	3.657	1,426	01/25/2013
31331YQP8	10721	FEDERAL FARM CREDIT BANK		02/04/2008	1,000,000.00	1,015,940.00	1,000,000.00	3.800	Aaa	3.800	1,426	01/25/2013
31331YSB7	10723	FEDERAL FARM CREDIT BANK		02/01/2008	1,000,000.00	1,013,440.00	1,000,000.00	3.790	Aaa	3.790	1,433	02/01/2013
31331YTS9	10726	FEDERAL FARM CREDIT BANK		02/11/2008	2,000,000.00	2,030,000.00	2,000,000.00	3.750	Aaa	3.750	1,443	02/11/2013
31331YXJ4	10734	FEDERAL FARM CREDIT BANK		03/11/2008	2,000,000.00	2,001,260.00	2,000,000.00	3.950	Aaa	3.950	1,471	03/11/2013
31331YA83	10739	FEDERAL FARM CREDIT BANK		04/03/2008	1,000,000.00	1,000,940.00	1,000,000.00	3.980	Aaa	3.980	1,494	04/03/2013
31331YA83	10741	FEDERAL FARM CREDIT BANK		04/03/2008	3,000,000.00	3,002,820.00	3,000,000.00	3.980	Aaa	3.980	1,494	04/03/2013
31331YN63	10756	FEDERAL FARM CREDIT BANK		05/15/2008	1,000,000.00	1,005,940.00	1,000,000.00	3.800	Aaa	3.800	1,171	05/15/2012
31331YT26	10757	FEDERAL FARM CREDIT BANK		06/02/2008	2,000,000.00	2,035,620.00	1,999,799.26	3.620	Aaa	3.627	823	06/02/2011
31331YT42	10758	FEDERAL FARM CREDIT BANK		06/03/2008	1,000,000.00	1,025,630.00	1,000,000.00	4.240	Aaa	4.240	1,555	06/03/2013
31331Y2G4	10768	FEDERAL FARM CREDIT BANK		07/01/2008	1,000,000.00	1,037,500.00	1,000,000.00	4.850	Aaa	4.850	1,583	07/01/2013
31331Y4A5	10771	FEDERAL FARM CREDIT BANK		07/28/2008	1,000,000.00	1,011,560.00	1,000,000.00	3.875	Aaa	3.875	879	07/28/2011
31331Y6E5	10772	FEDERAL FARM CREDIT BANK		08/13/2008	1,000,000.00	1,015,000.00	1,000,000.00	4.750	Aaa	4.750	1,626	08/13/2013
31331Y3F5	10773	FEDERAL FARM CREDIT BANK		08/14/2008	5,000,000.00	5,064,050.00	5,003,238.67	4.750	Aaa	4.712	1,597	07/15/2013

Portfolio CITY
AP

City of Torrance
Portfolio Management
Portfolio Details - Investments
February 28, 2009

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
31331GCF4	10776	FEDERAL FARM CREDIT BANK		09/23/2008	1,000,000.00	1,035,310.00	1,000,300.13	3.125	Aaa	3.113	936	09/23/2011
31331GBS7	10777	FEDERAL FARM CREDIT BANK		09/30/2008	3,000,000.00	3,026,250.00	2,996,187.32	3.100	Aaa	3.219	565	09/17/2010
31331GBT5	10778	FEDERAL FARM CREDIT BANK		10/07/2008	2,000,000.00	2,031,260.00	1,999,423.53	3.990	Aaa	4.003	1,296	09/17/2012
31331GDF3	10779	FEDERAL FARM CREDIT BANK		10/15/2008	2,000,000.00	2,046,260.00	2,000,000.00	4.250	Aaa	4.250	1,689	10/15/2013
31331GLP2	10781	FEDERAL FARM CREDIT BANK		01/30/2009	2,000,000.00	1,980,620.00	2,000,000.00	3.100	Aaa	3.100	1,796	01/30/2014
31331GLR8	10782	FEDERAL FARM CREDIT BANK		02/06/2009	2,000,000.00	1,989,380.00	2,000,000.00	2.350	Aaa	2.350	1,072	02/06/2012
31331GLY3	10783	FEDERAL FARM CREDIT BANK		02/11/2009	1,000,000.00	990,630.00	1,000,000.00	2.850	Aaa	2.850	1,443	02/11/2013
3133XFFS8	10599	FEDERAL HOME LOAN BANK		05/19/2006	1,000,000.00	1,009,690.00	1,000,000.00	5.520	Aaa	5.520	809	05/19/2011
3133XJUD8	10646	FEDERAL HOME LOAN BANK		02/09/2007	1,000,000.00	1,000,940.00	1,000,000.00	5.500	Aaa	5.500	1,075	02/09/2012
3133XKF75	10651	FEDERAL HOME LOAN BANK		04/20/2007	1,000,000.00	1,005,310.00	1,000,000.00	5.050	Aaa	5.050	780	04/20/2011
3133XKQ65	10658	FEDERAL HOME LOAN BANK		05/15/2007	1,000,000.00	1,008,440.00	1,000,000.00	5.200	Aaa	5.200	1,171	05/15/2012
3133XKYE9	10662	FEDERAL HOME LOAN BANK		05/25/2007	1,000,000.00	1,045,940.00	1,000,000.00	5.200	Aaa	5.200	1,181	05/25/2012
3133XLVX8	10679	FEDERAL HOME LOAN BANK		08/06/2007	500,000.00	509,690.00	500,000.00	5.400	Aaa	5.400	1,254	08/06/2012
3133XLWB5	10680	FEDERAL HOME LOAN BANK		08/14/2007	500,000.00	510,315.00	500,000.00	5.460	Aaa	5.460	1,262	08/14/2012
3133XMS8	10684	FEDERAL HOME LOAN BANK		08/27/2007	1,000,000.00	1,054,690.00	1,000,000.00	5.125	Aaa	5.125	1,275	08/27/2012
3133XMG39	10691	FEDERAL HOME LOAN BANK		10/09/2007	2,000,000.00	2,050,000.00	2,000,000.00	5.100	Aaa	5.100	1,318	10/09/2012
3133XMPZ8	10696	FEDERAL HOME LOAN BANK		10/22/2007	2,000,000.00	2,053,120.00	2,000,000.00	5.150	Aaa	5.150	1,331	10/22/2012
3133XNJ48	10701	FEDERAL HOME LOAN BANK		12/17/2007	1,000,000.00	1,022,190.00	1,000,000.00	4.550	Aaa	4.550	1,387	12/17/2012
3133XNHS1	10702	FEDERAL HOME LOAN BANK		12/03/2007	895,000.00	902,553.80	895,000.00	4.520	Aaa	4.520	1,373	12/03/2012
3133XNV5	10712	FEDERAL HOME LOAN BANK		01/22/2008	1,000,000.00	1,021,560.00	1,000,000.00	4.050	Aaa	4.050	1,423	01/22/2013
3133XPF90	10725	FEDERAL HOME LOAN BANK		02/05/2008	1,000,000.00	1,017,810.00	1,000,000.00	3.660	Aaa	3.660	1,437	02/05/2013
3133XPM50	10727	FEDERAL HOME LOAN BANK		02/25/2008	1,000,000.00	1,010,000.00	1,000,000.00	3.750	Aaa	3.750	1,457	02/25/2013
3133XPMT8	10728	FEDERAL HOME LOAN BANK		02/27/2008	1,000,000.00	1,000,310.00	1,000,000.00	3.875	Aaa	3.875	1,459	02/27/2013
3133XPY24	10733	FEDERAL HOME LOAN BANK		03/13/2008	1,000,000.00	1,000,940.00	999,942.50	3.950	Aaa	3.997	1,108	03/13/2012
3133XQCL4	10735	FEDERAL HOME LOAN BANK		03/26/2008	2,750,000.00	2,803,295.00	2,750,000.00	3.720	Aaa	3.720	1,486	03/26/2013
3133XQE11	10736	FEDERAL HOME LOAN BANK		03/18/2008	1,000,000.00	1,013,440.00	999,908.80	4.000	Aaa	4.006	1,478	03/18/2013
3133XQZ6	10738	FEDERAL HOME LOAN BANK		04/16/2008	2,000,000.00	2,023,760.00	1,999,775.00	3.750	Aaa	3.754	1,507	04/16/2013
3133XQJA1	10742	FEDERAL HOME LOAN BANK		04/15/2008	2,000,000.00	2,056,880.00	2,000,000.00	3.700	Aaa	3.700	1,506	04/15/2013
3133XQVY5	10746	FEDERAL HOME LOAN BANK		05/13/2008	2,000,000.00	2,050,000.00	1,999,700.00	4.125	Aaa	4.131	1,534	05/13/2013
3133XQWDO	10747	FEDERAL HOME LOAN BANK		05/08/2008	1,500,000.00	1,507,500.00	1,499,623.13	3.700	Aaa	3.742	982	11/08/2011
3133XQWX6	10748	FEDERAL HOME LOAN BANK		05/07/2008	1,500,000.00	1,538,445.00	1,500,000.00	3.760	Aaa	3.760	1,163	05/07/2012
3133XQZ88	10751	FEDERAL HOME LOAN BANK		05/14/2008	1,000,000.00	1,023,750.00	1,000,000.00	3.625	Aaa	3.625	1,170	05/14/2012
3133XR6T2	10753	FEDERAL HOME LOAN BANK		05/27/2008	2,000,000.00	2,011,880.00	2,000,000.00	3.500	Aaa	3.500	817	05/27/2011
3133XRTE4	10755	FEDERAL HOME LOAN BANK		05/28/2008	1,000,000.00	1,005,940.00	1,000,000.00	3.560	Aaa	3.560	818	05/28/2011
3133XRCH1	10759	FEDERAL HOME LOAN BANK		06/12/2008	2,000,000.00	2,016,880.00	1,999,438.89	4.000	Aaa	4.027	1,199	06/12/2012
3133XRFD7	10761	FEDERAL HOME LOAN BANK		06/11/2008	1,000,000.00	1,009,060.00	1,000,000.00	4.250	Aaa	4.250	1,198	06/11/2012

City of Torrance
Portfolio Management
Portfolio Details - Investments
February 28, 2009

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3133XRUF09	10762	FEDERAL HOME LOAN BANK		06/17/2008	2,245,000.00	2,289,900.00	2,244,881.10	3.800	Aaa	3.804	838	06/17/2011
3133XRKU03	10764	FEDERAL HOME LOAN BANK		06/25/2008	1,000,000.00	1,037,500.00	1,000,000.00	4.350	Aaa	4.350	1,212	06/25/2012
3133XRNV06	10767	FEDERAL HOME LOAN BANK		07/14/2008	1,000,000.00	1,011,880.00	1,000,000.00	4.250	Aaa	4.250	865	07/14/2011
3133XRRS01	10770	FEDERAL HOME LOAN BANK		07/22/2008	2,000,000.00	2,023,120.00	2,000,000.00	4.020	Aaa	4.020	873	07/22/2011
3133XS0Y93	10784	FEDERAL HOME LOAN BANK		02/18/2009	1,000,000.00	991,560.00	1,000,000.00	3.250	Aaa	3.250	1,815	02/18/2014
3133XT2P00	10785	FEDERAL HOME LOAN BANK		02/24/2009	2,000,000.00	1,999,380.00	2,000,000.00	2.550	Aaa	2.550	1,090	02/24/2012
3133XT6J00	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	2,011,260.00	2,000,000.00	2.625	Aaa	2.625	1,458	02/26/2013
3133XT6W01	10789	FEDERAL HOME LOAN BANK		02/27/2009	2,000,000.00	2,003,120.00	2,000,000.00	2.150	Aaa	2.150	1,093	02/27/2012
3128X7FV01	10737	FEDERAL HOME LOAN MORTGAGE CO		04/01/2008	1,000,000.00	1,001,960.00	999,958.33	3.900	Aaa	3.911	1,492	04/01/2013
3128X7LX00	10745	FEDERAL HOME LOAN MORTGAGE CO		04/29/2008	2,000,000.00	2,040,120.00	1,996,516.67	3.920	Aaa	3.987	1,520	04/29/2013
3128X7G302	10763	FEDERAL HOME LOAN MORTGAGE CO		06/30/2008	1,000,000.00	1,009,520.00	1,000,000.00	4.050	Aaa	4.050	669	12/30/2010
3136F8N902	10720	FEDERAL NATIONAL MORT ASSOC		01/29/2008	2,000,000.00	2,035,000.00	2,000,000.00	3.625	Aaa	3.625	1,430	01/29/2013
3136F83X01	10730	FEDERAL NATIONAL MORT ASSOC		02/22/2008	2,000,000.00	2,014,380.00	2,000,000.00	4.125	Aaa	4.248	1,454	02/22/2013
3136F9MV02	10749	FEDERAL NATIONAL MORT ASSOC		05/05/2008	1,000,000.00	1,021,250.00	1,000,000.00	3.250	Aaa	3.250	795	05/05/2011
3136F9NE09	10752	FEDERAL NATIONAL MORT ASSOC		05/14/2008	1,000,000.00	1,016,560.00	1,000,000.00	4.000	Aaa	4.000	1,535	05/14/2013
3136F9WQ02	10765	FEDERAL NATIONAL MORT ASSOC		07/02/2008	1,000,000.00	1,009,690.00	1,000,000.00	4.000	Aaa	4.000	488	07/02/2010
3136F9WQ02	10766	FEDERAL NATIONAL MORT ASSOC		07/02/2008	1,000,000.00	1,009,690.00	1,000,000.00	4.000	Aaa	4.000	488	07/02/2010
3136FFHAK1	10786	FEDERAL NATIONAL MORT ASSOC		02/27/2009	1,000,000.00	1,005,630.00	1,000,000.00	2.625	Aaa	2.625	1,275	08/27/2012
Subtotal and Average			5,464,285.71		108,390,000.00	109,940,118.80	108,399,943.33			3.965	1,240	
Treasury Securities - Coupon												
912828DZ00	10579	U.S.TREASURY NOTE		07/25/2005	1,000,000.00	1,042,850.00	997,758.47	3.875	Aaa	4.057	501	07/15/2010
912828GP09	10664	U.S.TREASURY NOTE		05/23/2007	2,000,000.00	2,013,680.00	1,999,020.13	4.500	Aaa	4.814	60	04/30/2009
912828GR05	10669	U.S.TREASURY NOTE		06/08/2007	1,000,000.00	1,044,770.00	994,356.34	4.500	Aaa	5.008	440	05/15/2010
912828GG09	10671	U.S.TREASURY NOTE		06/15/2007	1,000,000.00	1,037,380.00	996,797.13	4.750	Aaa	5.109	351	02/15/2010
912828FX03	10672	U.S.TREASURY NOTE		06/15/2007	1,000,000.00	1,027,460.00	996,862.12	4.625	Aaa	5.100	259	11/15/2009
Subtotal and Average			1,993,372.50		6,000,000.00	6,166,140.00	5,984,794.19			4.817	278	
Medium Term Notes												
060505AR05	10699	Bank of America		11/02/2007	990,000.00	883,792.80	990,086.34	4.875	Aa2	4.871	1,294	09/15/2012
084664AF08	10709	Berkshire Hathaway		01/15/2008	1,000,000.00	1,020,950.00	1,009,267.47	4.200	Aaa	3.648	654	12/15/2010
084664AD03	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,009,230.00	1,013,138.11	4.625	Aaa	4.300	1,689	10/15/2013
36962GK78	10703	General Electric Capital Corp		12/03/2007	1,000,000.00	1,002,190.00	997,764.40	4.250	Aaa	4.404	561	09/13/2010
36966RV94	10729	General Electric Capital Corp		02/14/2008	2,000,000.00	1,881,820.00	2,000,000.00	4.000	Aaa	4.000	1,081	02/15/2012
36966RY59	10760	General Electric Capital Corp		05/30/2008	2,000,000.00	1,865,600.00	2,000,000.00	4.150	Aaa	4.150	1,171	05/15/2012
38143UBEO0	10660	Goldman Sachs		05/14/2007	1,210,000.00	1,197,077.20	1,202,126.70	4.500	Aa3	5.050	471	06/15/2010

Portfolio City
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PM (PRF_PM2) SymRept 6.41.202b

**City of Torrance
Portfolio Management
Portfolio Details - Investments
February 28, 2009**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Medium Term Notes												
38141GBU7	10743	Goldman Sachs		04/18/2008	1,000,000.00	1,002,940.00	1,045,658.74	6.600	Aa3	4.840	1,050	01/15/2012
40429CCX8	10632	Household Finance Co		11/20/2006	1,000,000.00	981,460.00	1,001,297.35	5.250	A3	5.170	684	01/14/2011
40429XB39	10694	Household Finance Co		10/12/2007	1,000,000.00	959,540.00	1,000,000.00	5.000	A3	5.000	593	10/15/2010
40429XC95	10700	Household Finance Co		11/29/2007	1,000,000.00	957,600.00	1,000,000.00	5.050	A3	5.050	624	11/15/2010
59018YYV0	10630	MERRILL LYNCH		11/17/2006	1,000,000.00	920,480.00	996,631.16	4.790	A2	5.050	521	08/04/2010
64952WAE3	10697	New York Life Global		11/02/2007	1,000,000.00	991,880.00	999,895.42	4.625	Aaa	4.630	533	08/16/2010
90327QCQ0	10670	USAA Capital Corp		06/12/2007	2,000,000.00	2,010,440.00	1,988,627.42	4.640	Aa1	5.420	289	12/15/2009
949746NB3	10715	Wells Fargo Co		01/23/2008	1,000,000.00	1,006,030.00	1,015,221.47	4.875	Aa1	4.000	682	01/12/2011
98153BAE4	10604	World Savings Bank		06/05/2006	1,000,000.00	997,220.00	997,524.99	4.500	Aa3	5.440	106	06/15/2009
		Subtotal and Average	2,000,000.00		19,200,000.00	18,688,250.00	19,257,239.57			4.666	764	
Municipal Bond Issues - Coupon												
SYS10423	10423	Skpk-2001TxAllocRefBd		12/18/2001	1,056,793.97	1,056,793.97	1,056,793.97	8.000		7.999	1,218	07/01/2012
		Subtotal and Average	1,056,793.97		1,056,793.97	1,056,793.97				7.999	1,218	
Commercial Paper Disc.-Amortizing												
61745AQ93	10775	Morgan Stanley & Co. Inc.		09/11/2008	1,000,000.00	999,940.00	999,280.00	3.240		3.293	8	03/09/2009
		Subtotal and Average	998,065.00		1,000,000.00	999,940.00	999,280.00			3.293	8	
		Total and Average	59,881,001.31		190,246,793.97	191,451,242.77	190,298,051.06			3.482	800	

City of Torrance
Portfolio Management
Portfolio Details - Cash
February 28, 2009

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase	7,791.66	7,791.66	7,791.66				0
				Subtotal	7,791.66	7,791.66	7,791.66				
		Total Cash and Investmentss	188,453,947.80		190,246,793.97	191,459,034.43	190,305,842.72			3.482	800

III. CASH & INVESTMENT PORTFOLIO SHARE

**CITY OF TORRANCE
CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF FEBRUARY 28, 2009**

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE	CASH PERCENT
N General	57,258,709.73	56,120,536.92	30.09
R Parks & Recr Facility & Open Space	3,655,387.40	3,582,726.62	1.92
R State Gas Tax	6,334,688.00	6,208,768.82	3.33
R Federal Housing, Community Dev	464,095.13	454,869.98	0.24
R Street Lighting	409,685.78	401,542.16	0.22
R Traffic Congestion Relief Act 2000 - AB2928	681,804.88	668,252.15	0.36
R Proposition 1B	2,526,697.95	2,476,472.95	1.33
R Police Asset Forfeiture	3,148,915.18	3,086,321.91	1.65
N Government Cable	2,627,751.87	2,575,518.14	1.38
R Local Return - Proposition C	6,395,524.47	6,268,396.00	3.36
R Grants/Donations	1,279,661.91	1,254,225.14	0.67
R Citizens Options for Public Safety (COPS) Grant Funds - AB3229	318,327.59	311,999.96	0.17
R Seismic Education Fund	52,098.26	51,062.67	0.03
R Rehabilitation Housing	612,381.48	600,208.73	0.32
R Police Inmate Welfare Fund	54,641.74	53,555.59	0.03
N Capital Improvements	25,488,857.64	24,982,197.17	13.39
R Vanpool/Rideshare Fund	336,053.93	329,373.94	0.18
R Torrance Improvement Fund	4,434,560.19	4,346,411.23	2.33
R Animal Control Fund	-	22,349.36	0.01
R Redevelopment-Capital Proj	9,899,624.94	9,702,842.93	5.20
R Redevelopment Debt Service	1,879,311.58	1,841,955.14	0.99
N DNA Sampling Fund	11,202.68	10,980.00	0.01
N Airport Fund	6,747,348.15	6,613,226.23	3.55
N Transit Operations	2,150,997.62	2,108,240.68	1.13
R Development Impact Fund	733,991.20	719,401.13	0.39
N Water Operations	5,346,680.24	5,240,400.41	2.81
N Emergency Medical Service Enterprise Fund	-	-	0.00
N Sanitation Operations	3,522,530.96	3,452,511.06	1.85
N Cultural Arts Enterprise	394,864.29	387,015.29	0.21
N Sewer Enterprise Fund	11,319,596.29	11,094,588.48	5.95
N Parks & Recr Enterprise Fund	169,433.03	166,065.09	0.09
N Self Insurance Fund	8,275,071.14	8,110,581.56	4.35
N Fleet Services	14,148,396.91	13,867,158.98	7.43
R Postemployment/Compensated Absences Fund	6,664,746.53	6,532,266.54	3.50
R Trust & Agency	2,931,609.74	2,873,336.01	1.54
TOTAL	190,298,051.06	186,515,358.97	100.00

R = Restricted Funds

N = Non-Restricted Funds

(A) The difference between the Share of Investments total of \$190,298,051.06 and the Pooled Cash and Investments total of \$186,515,358.97 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

**CITY OF TORRANCE
CASH AND INVESTMENT RECONCILIATION
AS OF FEBRUARY 28, 2009**

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		190,298,051.06
CASH AND INVESTMENTS PER BOOKS		186,515,358.97
CASH IN BANKS:		
Cash in B of A General Account		(\$462,943.02)
Cash in B of A Payroll Account		0.00
OUTSTANDING WARRANTS:		
General Account	827,540.86	
Payroll Account	109,111.53	
Workers Compensation Account	102,127.01	
Housing Account	7,144.00	1,045,923.40
Miscellaneous outstanding adjusting journal entries		317,832.93
Payroll for PE 2/28/09 posted on 2/28/09 and paid on 3/6/09		2,881,878.78
INVESTMENTS PER BOOKS		\$190,298,051.06