Council Meeting of
July 12, 2011

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

Members of Council:

SUBJECT: Accept and file May 2011 monthly investment report.

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the monthly investment report for May 2011.

FUNDING

Not applicable

BACKGROUND

On January 4, 2011, Your Honorable Body, through passage of Resolution 2011-04, 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 May 2011.

Investment Committee Note

The Investment Committee, made up of the Finance Director, City Manager, 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,

Dana Cortez
City Treasurer

Noted:

LeRoy J. Jackson
Investment Committee Member

CC: City Manager
City Clerk

CITY of TORRANCE
Monthly Investment Portfolio Report
May 31, 2011

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Investment Report
May 2011

Investment Portfolio Highlights

RETURN	Current Month	Previous Month
Average City Portfolio YTM	1.465%	1.560%
Average U.S. Treasury Constant	0.450%	0.610%
LAIF Average Monthly Return	0.413%	0.588%
Average City Portfolio YTM - 1 year	1.948%	2.150%

INTEREST INCOME	Current Period	Prior Year
Fiscal year to date	$2,600,401	$4,074,783
Current month	$239,720	$298,142

MATURITY	Current Month	Prior Month
Average Maturity (days)	786	830
Average Maturity 1 Year Prior	794	809
Weighted Average Maturity (years)	2.15	2.27

VOLUMES	Total $ Volume	# of Transactions
Purchases	$56,430,531	6
Maturities	$48,500,011	5

Portfolio Activity Summary

Month End	Year	Number of Securities	Average Balance	Yield to Maturity 360	Yield to Maturity 365	Managed Pool Rate	Inv Purchased	Inv Redeemed	Average Term	Average Days to Mat
May	2010	99	169,888,452.49	1.922	1.948	0.560%	11	14	987	794
June	2010	97	172,280,902.64	2.105	2.134	0.528%	9	11	1,162	943
July	2010	95	159,759,174.07	1.963	1.990	0.531%	3	4	1,084	872
August	2010	90	156,005,742.59	1.804	1.829	0.513%	3	9	1,014	803
September	2010	93	152,517,311.30	1.834	1.859	0.500%	6	3	1,073	843
October	2010	97	149,927,484.87	1.745	1.769	0.480%	10	6	1,073	837
November	2010	103	148,449,326.74	1.742	1.766	0.454%	10	4	1,141	883
December	2010	105	147,425,111.17	1.722	1.745	0.462%	6	4	1,159	909
Janaury	2011	104	153,975,753.83	1.612	1.634	0.538%	4	5	1,070	834
February	2011	110	165,317,959.66	1.708	1.731	0.512%	11	6	1,172	934
March	2011	107	165,669,229.23	1.662	1.685	0.500%	7	10	1,157	914
April	2011	105	167,983,955.20	1.539	1.56	0.588%	2	4	1,055	830
May	2011	106	177,136,223.90	1.445	1.465	0.413%	6	5	1,013	786
		101	**160,457,881.00**	**1.754%**	**1.778%**	**0.507%**	**7**	**7**	**1,089**	**860**

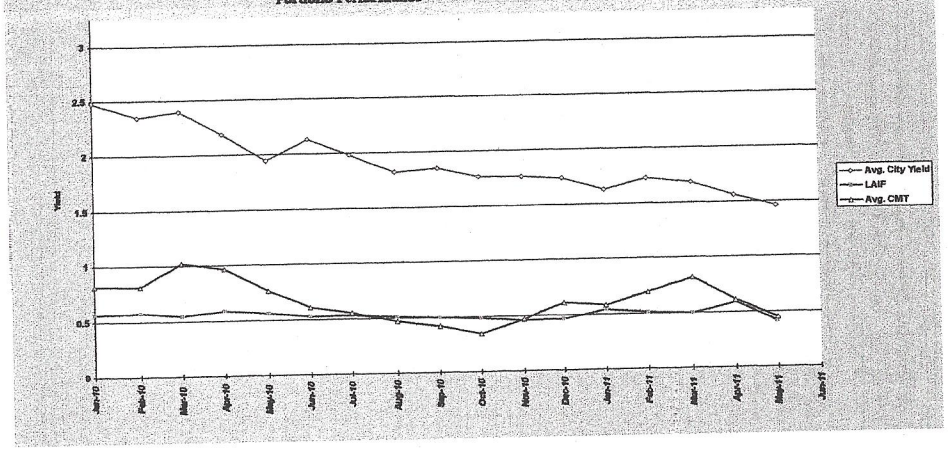
Portfolio Activity Detail

Investment Number	Broker	Purchase Date	Description	Quality Rating	Maturity Date	Days Held/ Days to Maturity	Rate	Yield	Par Value	Cost	Market Value
PURCHASES											
10956	Wedbush	5/16/2011	FHLB	AAA/Aaa	7/30/2014	1155	1.250%	1.164%	1,000,000	1,002,665	1,007,480
10957	Citigroup	5/23/2011	FHLMC	AAA/Aaa	5/23/2014	1087	1.250%	1.253%	2,000,000	1,999,809	2,006,100
10958	Citigroup	5/25/2011	FHLMC	AAA/Aaa	11/25/2014	1273	1.500%	1.500%	2,000,000	2,000,000	2,007,220
10960	Citigroup	5/26/2011	FNMA	AAA/Aaa	12/30/2015	1673	1.175%	2.382%	2,000,000	2,000,000	2,002,600
10961	Higgins Capital	5/27/2011	FNMA	AAA/Aaa	10/27/2015	1609	1.550%	1.600%	2,000,000	1,995,854	1,994,740
10962	Stone & Youngberg	5/27/2011	FFCB	AAA/Aaa	11/17/2014	1265	1.250%	1.287%	1,024,000	1,022,750	1,025,178
								1.531%	**10,024,000**	**10,021,078**	**10,043,318**
MATURITIES/CALLS											
10934	Higgins Capital	1/18/2011	FHLB	AAA/Aaa	4/18/2013	107/821	1.000%	1.014%	2,000,000	2,000,000	2,000,000
10939	Great Pacific Sec	2/11/2011	FFCB	AAA/Aaa	2/11/2016	89/1826	2.600%	4.531%	4,000,000	3,982,000	4,000,000
10883	Great Pacific Sec	5/18/2010	FFCB	AAA/Aaa	5/18/2015	365/1826	2.970%	2.970%	1,000,000	1,000,000	1,000,000
10801	Citigroup	5/9/2009	FHLMC	AAA/Aaa	11/19/2012	730/1280	2.170%	2.170%	1,000,000	1,000,000	1,000,000
10898	Citigroup	8/24/2010	FHLMC	AAA/Aaa	2/24/2014	273/1280	1.450%	1.454%	1,000,000	1,000,000	1,000,000
								2.969%	**9,000,000**	**8,982,000**	**9,000,000**

te of California	Beginning Balance	Rate	Yield	Deposits	Withdrawals	Interest	Ending Balance
al Agency Pool							
City	14,300,000	0.413%	0.413%	20,200,000	25,100,000	-	9,400,000
Redevelopment Agency	7,000,000	0.413%	0.413%	-		-	7,000,000
TRANS Repayment	17,000,000	0.413%	0.413%	17,000,000			34,000,000
	$ 38,300,000						$ 50,400,000

Investment Report
May 2011

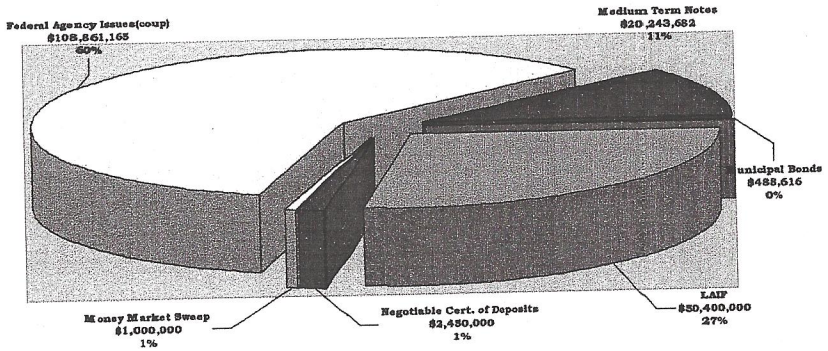
Portfolio Performance

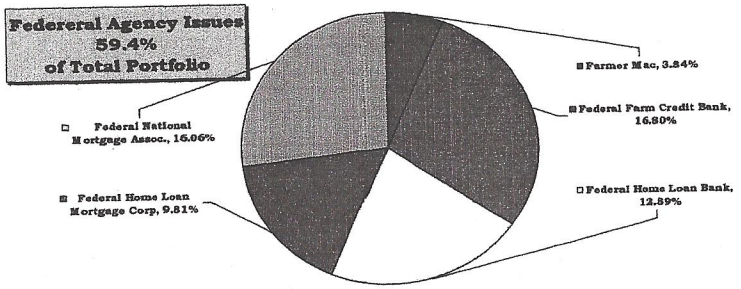


Interest Earnings Summary

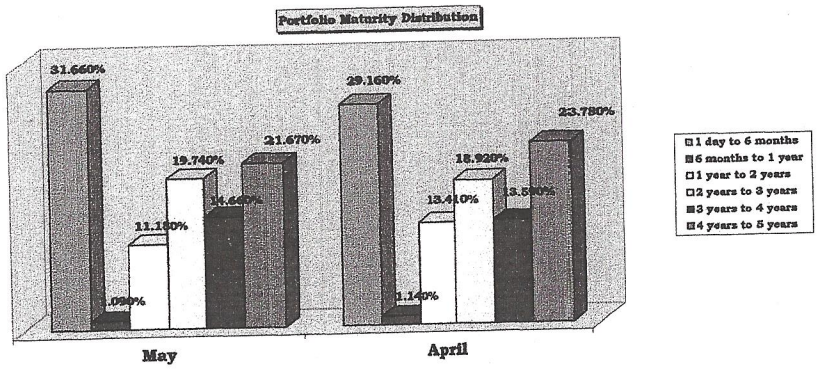
CD/Coupon/Discount Investments:	Month Ending	May 30	Fiscal Year End
Interest Collected		206,963	2,643,784
Plus Accrued Interest at		690,379	690,379
Less Accrued Interest at		-679,235	-834,109
Interest Earned	**$**	**218,107**	**$ 2,500,053**
Adjusted by Premium		-16,260	-97,736
Adjusted by Capital		17,100	19,300
Earnings during	**$**	**218,947**	**$ 2,421,617**
Cash/Checking Accounts:			
Interest Collected		36	187,557
Plus Accrued Interest at		44,454	44,454
Less Accrued Interest at		-23,717	-53,225
Interest Earned	**$**	**20,773**	**$ 178,785**
Total Interest Earned		**238,880**	**2,678,838**
Total Adjustments from Premiums and Discounts		**-16,260**	**-97,736**
Total Capital Gains or Total Earnings this Period		**17,100**	**19,300**
		$239,720	**$2,600,402**

Portfolio Diversification

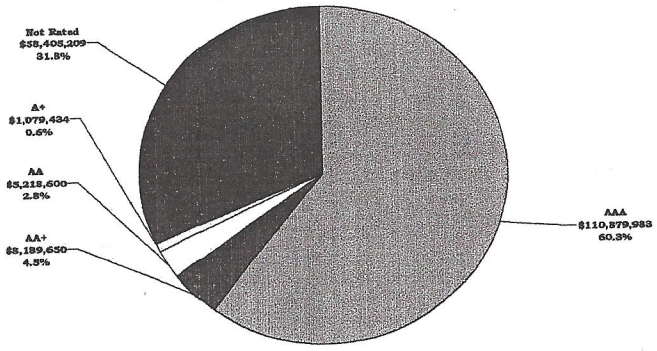




Portfolio Maturity Distribution



Market Value and Credit Rating Report



Investment Report
May 2011

Portfolio Summary

	Book Value	% of Portfolio	% per Policy	Duration	Days to Maturity		Current Yield
Local Agency Investment Fund	50,400,000	27.47%	**	1	1	N/A	0.413%
Certificates of Deposit – Collateralized	0	0		180	0	5 years	0.000%
Negotiable CDs	2,450,000	1.34%		1,023	448	5 years	2.145%
Money Market Sweep Account	1,000,000	0.55%		1	1		0.100%
Federal Agency Issues – Coupons	108,861,165	59.33%	75%	1,439	1,157	5 years	1.844%
Farmer Mac	7,000,000	3.84%	30%	1,135	1187	5 years	1.400%
Federal Farm Credit Bank	30,659,854	16.80%	30%	1,113	1,216	5 years	1.511%
Federal Home Loan Bank	23,525,974	12.89%	30%	821	852	5 years	0.911%
Federal Home Loan Mortgage Corp.	18,084,491	9.81%	30%	1,300	1,400	5 years	1.556%
Federal National Mortgage Assoc.	29,590,845	16.06%	30%	1,058	1,184	5 years	1.644%
Treasury Securities – Coupons	0	0.00%	100%	0	0	5 years	0.000%
Medium Term Notes	20,243,682	11.04%	20%	1,219	837	5 years	1.878%
Municipal Bond Issues – Coupon	488,616	0.27%		3,848	396		7.999%
Total Investments & Averages	**183,443,463**	**100.00%**		**1,013**	**786**		**1.465%**

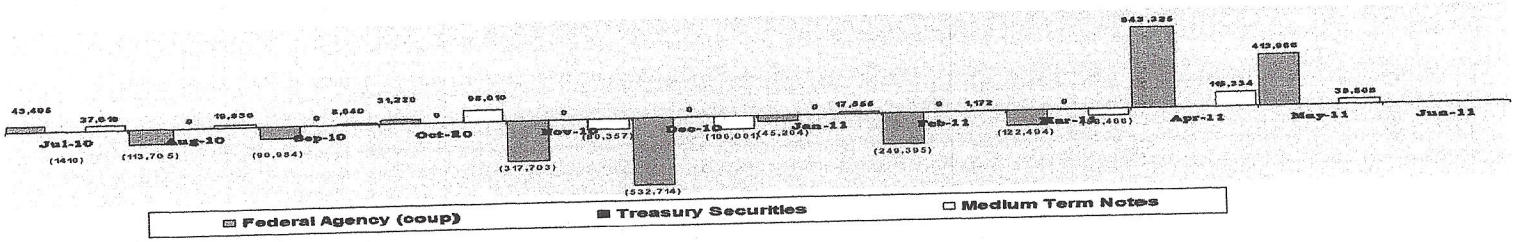
Effective Rate of Return	**Month Ending**	**Fiscal YTD**
	1.59%	1.79%
Pending Redemptions	0	
Accrued Interest at Purchase	28,333	
Total Accrued Interest	28,333	
TOTAL CASH & INVESTMENTS	**183,471,796**	

VALUE OF PORTFOLIO PER GASB NO.31

GASB required securities	Beginning Investment Value as July 1, 2010	Purchase/Redemption of Principal	Change in Market Value	Ending Investment Value as of May 31, 2011
Federal Agency (coup)	104,259,550	5,821,965	-363,935	109,717,580
Treasury Securities	1,001,410	-1,000,000	-1,410	0
Medium Term Notes	13,317,850	7,257,920	96,834	20,672,604
Municipal Bonds	783,841	-295,225	0	488,616
SUB-TOTAL PER GASB 31	**$119,362,651**	**$11,784,659**	**($268,511)**	**$130,878,800**
Non-GASB				
LAIF	28,775,000	21,625,000	0	50,400,000
Money Market	0	1,000,000	0	1,000,000
Federal Agency –	0	0	0	0
Treasury Security –	0	0	0	0
Certificate of Deposits -Disc.	0	0	0	0
Negotiable Certificate Deposits	2,450,000	0	0	2,450,000
Commercial paper	0	0	0	0
TOTAL PORTFOLIO	**$150,587,651**	**$34,409,659**	**($268,511)**	**$184,728,800**

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.



Portfolio Notes:
**Maximum allowed by Investment Policy is $50 million per agency. General LAIF account = $ 9,400,000 RDA LAIF account = $ 7,000,000 TRANS payment = $34,000,000
I certify that this report accurately reflects all pooled investments and is in conformity with the city of Torrance Investment Policy Statement adopted by resolution 2011-04 on January 4, 2011. A copy of this policy is available at the office of the City Clerk. The investment program herein shown provides sufficient cash flow liquidity to meet six months of estimated expenditures.
Reviewed by the Investment Advisory Committee

Dana Cortez
City Treasurer

City Manager

Director of Finance

City Attorney

City Treasurer

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 31, 2011

USIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
ocal Agency Investment Funds												
YS10000	10000	Local Agency Invest Fund GEN'L			9,400,000.00	9,400,000.00	9,400,000.00	0.413		0.413	1	
YS10001	10001	Local Agency Invest. Fund RDA			7,000,000.00	7,000,000.00	7,000,000.00	0.413		0.413	1	
YS1000a	1000A	LAIF - TRANS FUNDS		07/01/2010	34,000,000.00	34,000,000.00	34,000,000.00	0.413		0.413	1	
		Subtotal and Average	**40,612,903.23**		**50,400,000.00**	**50,400,000.00**	**50,400,000.00**			**0.413**	**1**	
ert. of Deposit - Insured												
19180DA0	10839	First Bank Lexington Tennessee		12/16/2009	245,000.00	249,824.05	245,000.00	2.050		2.050	565	12/17/2012
2586TG32	10829	American Express Centurian		09/23/2009	245,000.00	246,533.70	245,000.00	1.800		1.800	114	09/23/2011
5568PSJ7	10832	BMW Bank of North America		09/23/2009	245,000.00	250,024.95	245,000.00	2.300		2.300	481	09/24/2012
9159GX7	10830	Cathay Bank		10/05/2009	245,000.00	246,592.50	245,000.00	1.750		1.750	126	10/05/2011
54670KW1	10831	Discover Bank		09/23/2009	245,000.00	249,312.00	245,000.00	2.050		2.050	481	09/24/2012
3159SJS1	10838	GE Money bank		12/11/2009	245,000.00	250,424.30	245,000.00	2.350		2.350	559	12/11/2012
3147ULM0	10824	Investors Community Bank		08/24/2009	245,000.00	249,753.00	245,000.00	2.250		2.250	450	08/24/2012
09685EA7	10823	Lake Forest B&T		08/26/2009	245,000.00	251,066.20	245,000.00	2.350		2.350	453	08/27/2012
9740JGR4	10833	MidFirst Bank		10/14/2009	245,000.00	250,277.30	245,000.00	2.350		2.350	502	10/15/2012
3789UBH1	10822	SunSouth Bank		08/18/2009	245,000.00	250,267.50	245,000.00	2.200		2.200	443	08/17/2012
		Subtotal and Average	**2,450,000.00**		**2,450,000.00**	**2,494,075.50**	**2,450,000.00**			**2.145**	**417**	
loney Market Sweep Account												
YS10131	10131	Bank of America			0.00	0.00	0.00	0.450		0.450	1	
YS1000	1000	Union Bank of California			1,000,000.00	1,000,000.00	1,000,000.00	0.010		0.010	1	
		Subtotal and Average	**8,655,720.26**		**1,000,000.00**	**1,000,000.00**	**1,000,000.00**			**0.010**	**1**	
ederal Agency Issues - Coupon												
1315PMT3	10930	Farmer Mac		12/30/2010	2,000,000.00	2,023,620.00	2,000,000.00	2.570	AAA	2.570	1,673	12/30/2015
1315PQN2	10936	Farmer Mac		02/03/2011	3,000,000.00	3,040,230.00	3,000,000.00	1.340	AAA	1.340	978	02/03/2014
1315PSU4	10951	Farmer Mac		03/14/2011	2,000,000.00	2,014,880.00	2,000,000.00	1.630	AAA	1.630	1,017	03/14/2014
1331XT36	10678	FEDERAL FARM CREDIT BANK		08/01/2007	1,000,000.00	1,057,470.00	1,000,000.00	5.250	AAA	5.250	427	08/01/2012
1331GCF4	10776	FEDERAL FARM CREDIT BANK		09/23/2008	1,000,000.00	1,009,380.00	1,000,036.46	3.125	AAA	3.113	114	09/23/2011
1331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	1,032,010.00	1,000,000.00	2.200	AAA	2.200	677	04/08/2013
1331G2J7	10835	FEDERAL FARM CREDIT BANK		10/27/2009	1,000,000.00	1,011,660.00	1,000,000.00	2.875	AAA	2.875	1,244	10/27/2014
1331JKA0	10870	FEDERAL FARM CREDIT BANK		04/09/2010	1,000,000.00	1,017,770.00	1,000,000.00	2.900	AAA	2.900	1,408	04/09/2015
1331XWW8	10879	FEDERAL FARM CREDIT BANK		05/05/2010	500,000.00	558,140.00	538,788.62	5.000	AAA	2.192	1,059	04/25/2014
1331JNN9	10886	FEDERAL FARM CREDIT BANK		06/03/2010	1,000,000.00	1,000,070.00	1,000,000.00	1.680	AAA	1.680	733	06/03/2013
1331JQD8	10893	FEDERAL FARM CREDIT BANK		06/08/2010	1,000,000.00	1,023,640.00	1,000,000.00	2.590	AAA	2.590	1,468	06/08/2015

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 31, 2011

JSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
ederal Agency Issues - Coupon												
331JC84	10904	FEDERAL FARM CREDIT BANK		09/09/2010	1,000,000.00	1,000,120.00	1,000,000.00	1.040	AAA	1.040	831	09/09/2013
331JQ55	10907	FEDERAL FARM CREDIT BANK		10/06/2010	1,000,000.00	1,002,050.00	1,000,000.00	1.150	AAA	1.150	1,223	10/06/2014
331JQ89	10908	FEDERAL FARM CREDIT BANK		10/18/2010	1,000,000.00	1,002,020.00	1,000,000.00	1.000	AAA	1.000	870	10/18/2013
331JN41	10911	FEDERAL FARM CREDIT BANK		10/08/2010	1,000,000.00	1,000,160.00	1,000,000.00	1.350	AAA	1.351	1,132	07/07/2014
331JX99	10916	FEDERAL FARM CREDIT BANK		11/04/2010	1,000,000.00	999,440.00	1,000,000.00	1.230	AAA	1.230	1,252	11/04/2014
331JZ48	10918	FEDERAL FARM CREDIT BANK		11/04/2010	1,000,000.00	996,430.00	1,000,000.00	1.230	AAA	1.230	1,252	11/04/2014
331J2R3	10922	FEDERAL FARM CREDIT BANK		11/19/2010	1,000,000.00	997,640.00	995,955.88	1.620	AAA	1.804	1,629	11/16/2015
331J6P3	10931	FEDERAL FARM CREDIT BANK		12/28/2010	2,000,000.00	2,022,000.00	2,000,000.00	2.450	AAA	2.450	1,671	12/28/2015
331J7E7	10933	FEDERAL FARM CREDIT BANK		01/11/2011	1,000,000.00	1,002,720.00	1,000,000.00	0.750	AAA	0.750	590	01/11/2013
331KCF5	10941	FEDERAL FARM CREDIT BANK		02/16/2011	2,000,000.00	2,030,280.00	1,999,716.67	2.800	AAA	2.804	1,721	02/16/2016
331KCK4	10942	FEDERAL FARM CREDIT BANK		02/17/2011	1,000,000.00	1,027,860.00	1,000,000.00	2.030	AAA	2.030	1,357	02/17/2015
331KDA5	10943	FEDERAL FARM CREDIT BANK		02/24/2011	2,000,000.00	2,017,780.00	2,000,000.00	1.700	AAA	1.700	999	02/24/2014
331X2Q4	10947	FEDERAL FARM CREDIT BANK		03/01/2011	1,000,000.00	1,097,760.00	1,086,634.47	5.000	AAA	1.100	826	09/04/2013
331J6X6	10952	FEDERAL FARM CREDIT BANK		03/29/2011	775,000.00	781,990.50	775,000.00	2.100	AAA	2.100	1,314	01/05/2015
331KGH7	10953	FEDERAL FARM CREDIT BANK		03/30/2011	2,000,000.00	2,031,460.00	1,998,338.89	2.540	AAA	2.561	1,764	03/30/2016
331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,286,780.00	2,242,633.33	4.950	AAA	2.280	1,766	04/01/2016
331KGN4	10955	FEDERAL FARM CREDIT BANK		04/07/2011	1,000,000.00	1,014,320.00	1,000,000.00	1.400	AAA	1.400	1,041	04/07/2014
331J2P7	10962	FEDERAL FARM CREDIT BANK		05/27/2011	1,024,000.00	1,025,177.60	1,022,750.12	1.250	AAA	1.287	1,265	11/17/2014
33XT6J0	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	2,064,080.00	2,000,000.00	2.625	AAA	2.625	636	02/26/2013
33XT6W1	10789	FEDERAL HOME LOAN BANK		02/27/2009	2,000,000.00	2,028,180.00	2,000,000.00	2.150	AAA	2.150	271	02/27/2012
33XTA97	10790	FEDERAL HOME LOAN BANK		03/06/2009	1,000,000.00	1,005,300.00	1,000,000.00	2.100	AAA	2.100	97	09/06/2011
33XUBA0	10817	FEDERAL HOME LOAN BANK		07/30/2009	1,000,000.00	1,021,710.00	1,000,000.00	2.150	AAA	2.150	1,155	07/30/2014
33XUPB3	10827	FEDERAL HOME LOAN BANK		09/04/2009	1,000,000.00	1,022,680.00	1,000,000.00	2.125	AAA	2.125	1,191	09/04/2014
33XWHJ1	10846	FEDERAL HOME LOAN BANK		12/28/2009	1,500,000.00	1,515,450.00	1,500,000.00	2.050	AAA	2.050	758	06/28/2013
33XXPD3	10865	FEDERAL HOME LOAN BANK		03/26/2010	2,000,000.00	2,019,400.00	2,000,000.00	1.500	AAA	1.500	1,029	03/26/2014
33XYKF1	10884	FEDERAL HOME LOAN BANK		05/28/2010	1,000,000.00	1,026,810.00	1,000,000.00	2.000	AAA	2.000	1,457	05/28/2015
33XYPB5	10891	FEDERAL HOME LOAN BANK		06/03/2010	4,000,000.00	4,000,120.00	4,000,002.63	0.580	AAA	0.568	2	06/03/2011
33XY6S9	10899	FEDERAL HOME LOAN BANK		08/26/2010	1,000,000.00	1,030,440.00	1,023,617.50	2.000	AAA	1.002	881	10/29/2013
3370TX6	10901	FEDERAL HOME LOAN BANK		09/23/2010	1,000,000.00	1,004,160.00	999,688.89	1.000	AAA	1.649	1,575	09/23/2015
3370WA2	10902	FEDERAL HOME LOAN BANK		09/17/2010	1,000,000.00	1,008,130.00	1,000,000.00	1.375	AAA	1.375	1,204	09/17/2014
3371CQ7	10912	FEDERAL HOME LOAN BANK		10/28/2010	1,000,000.00	1,002,260.00	1,000,000.00	1.000	AAA	1.010	1,610	10/28/2015
3371R32	10921	FEDERAL HOME LOAN BANK		11/24/2010	1,000,000.00	996,284.00	1,000,000.00	1.050	AAA	1.757	1,637	11/24/2015
3372NX8	10944	FEDERAL HOME LOAN BANK		02/28/2011	1,000,000.00	1,012,930.00	1,000,000.00	2.000	AAA	2.000	1,276	11/28/2014
3372W26	10950	FEDERAL HOME LOAN BANK		03/15/2011	1,000,000.00	1,026,850.00	1,000,000.00	2.500	AAA	2.500	1,749	03/15/2016
3373RC8	10956	FEDERAL HOME LOAN BANK		05/16/2011	1,000,000.00	1,007,480.00	1,002,664.90	1.250	AAA	1.164	1,155	07/30/2014

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 31, 2011

USIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
ederal Agency Issues - Coupon												
134G1VS0	10903	FEDERAL HOME LOAN MORTGAGE CO		10/21/2010	1,000,000.00	1,001,160.00	1,000,000.00	1.125	AAA	1.125	873	10/21/2013
134G1WH3	10909	FEDERAL HOME LOAN MORTGAGE CO		10/28/2010	1,000,000.00	1,000,450.00	1,000,000.00	1.200	AAA	1.200	1,062	04/28/2014
128X1CS4	10915	FEDERAL HOME LOAN MORTGAGE CO		10/27/2010	1,000,000.00	1,095,130.00	1,093,739.60	4.580	AAA	0.730	902	11/19/2013
134G1XV1	10917	FEDERAL HOME LOAN MORTGAGE CO		11/16/2010	1,000,000.00	1,000,140.00	1,000,000.00	1.700	AAA	1.710	1,629	11/16/2015
134G1XX7	10919	FEDERAL HOME LOAN MORTGAGE CO		11/09/2010	1,000,000.00	1,000,850.00	1,000,000.00	1.000	AAA	1.744	1,622	11/09/2015
134G1YF5	10920	FEDERAL HOME LOAN MORTGAGE CO		11/17/2010	1,000,000.00	996,690.00	1,000,000.00	1.750	AAA	1.834	1,630	11/17/2015
134G1ZU1	10923	FEDERAL HOME LOAN MORTGAGE CO		11/23/2010	2,000,000.00	1,995,100.00	1,996,177.78	1.750	AAA	1.834	1,636	11/23/2015
134G1ZU1	10926	FEDERAL HOME LOAN MORTGAGE CO		12/10/2010	2,000,000.00	1,995,100.00	1,996,239.07	1.750	AAA	1.829	1,636	11/23/2015
134G1B29	10927	FEDERAL HOME LOAN MORTGAGE CO		12/15/2010	1,000,000.00	1,000,850.00	1,000,000.00	2.100	AAA	2.227	1,658	12/15/2015
134G1X58	10937	FEDERAL HOME LOAN MORTGAGE CO		02/04/2011	2,000,000.00	2,007,220.00	1,998,525.86	2.500	AAA	2.548	1,702	01/28/2016
134G17A6	10949	FEDERAL HOME LOAN MORTGAGE CO		03/23/2011	1,000,000.00	1,010,590.00	1,000,000.00	1.750	AAA	1.750	1,210	09/23/2014
134G2HE5	10957	FEDERAL HOME LOAN MORTGAGE CO		05/23/2011	2,000,000.00	2,006,100.00	1,999,808.89	1.250	AAA	1.253	1,087	05/23/2014
134G2HC9	10958	FEDERAL HOME LOAN MORTGAGE CO		05/25/2011	2,000,000.00	2,007,220.00	2,000,000.00	1.500	AAA	1.500	1,273	11/25/2014
136FHPX7	10799	FEDERAL NATIONAL MORT ASSOC		05/14/2009	2,000,000.00	2,012,080.00	2,000,000.00	2.125	AAA	2.125	1,078	05/14/2014
1398AYN6	10815	FEDERAL NATIONAL MORT ASSOC		07/28/2009	2,000,000.00	2,007,100.00	2,000,000.00	3.000	AAA	3.000	1,153	07/28/2014
136FJ4C2	10856	FEDERAL NATIONAL MORT ASSOC		02/23/2010	1,000,000.00	1,010,730.00	1,000,000.00	2.000	AAA	2.000	814	08/23/2013
136FMUK8	10885	FEDERAL NATIONAL MORT ASSOC		06/02/2010	1,000,000.00	1,000,030.00	1,000,000.00	2.250	AAA	2.250	1,097	06/02/2014
136FMUK8	10888	FEDERAL NATIONAL MORT ASSOC		06/02/2010	2,000,000.00	2,000,060.00	2,000,000.00	2.250	AAA	2.250	1,097	06/02/2014
136FMWS9	10892	FEDERAL NATIONAL MORT ASSOC		06/15/2010	4,000,000.00	4,001,280.00	4,000,000.00	1.125	AAA	1.125	380	06/15/2012
136FMQ23	10894	FEDERAL NATIONAL MORT ASSOC		06/28/2010	2,000,000.00	2,002,080.00	2,000,000.00	2.000	AAA	1.992	1,216	09/29/2014
136FM3D4	10896	FEDERAL NATIONAL MORT ASSOC		07/28/2010	1,000,000.00	1,002,430.00	1,000,000.00	1.500	AAA	2.229	1,518	07/28/2015
136FPAM9	10897	FEDERAL NATIONAL MORT ASSOC		08/25/2010	1,000,000.00	1,000,870.00	1,000,000.00	1.000	AAA	1.743	1,181	08/25/2014
136FPEG8	10900	FEDERAL NATIONAL MORT ASSOC		09/15/2010	1,600,000.00	1,600,928.00	1,600,000.00	1.375	AAA	1.994	1,567	09/15/2015
136FPEE3	10905	FEDERAL NATIONAL MORT ASSOC		09/14/2010	2,000,000.00	2,013,920.00	1,998,713.89	1.725	AAA	1.746	1,566	09/14/2015
136FPGA9	10906	FEDERAL NATIONAL MORT ASSOC		09/20/2010	1,000,000.00	1,004,710.00	1,000,000.00	1.000	AAA	1.000	842	09/20/2013
136FPQG5	10910	FEDERAL NATIONAL MORT ASSOC		10/26/2010	1,000,000.00	1,002,040.00	1,000,000.00	0.850	AAA	0.850	786	07/26/2013
136FPRB5	10914	FEDERAL NATIONAL MORT ASSOC		10/20/2010	1,000,000.00	1,003,240.00	1,000,000.00	1.000	AAA	1.897	1,602	10/20/2015
135G0AS2	10946	FEDERAL NATIONAL MORT ASSOC		02/28/2011	1,000,000.00	1,002,580.00	1,000,000.00	1.500	AAA	1.500	1,000	02/25/2014
136FP4R5	10948	FEDERAL NATIONAL MORT ASSOC		03/10/2011	2,000,000.00	2,022,440.00	1,996,277.60	2.375	AAA	2.429	1,701	01/27/2016
136FPL21	10960	FEDERAL NATIONAL MORT ASSOC		05/26/2011	2,000,000.00	2,002,600.00	2,000,000.00	1.750	AAA	2.382	1,673	12/30/2015
1398A4Y5	10961	FEDERAL NATIONAL MORT ASSOC		05/27/2011	2,000,000.00	1,994,740.00	1,995,853.60	1.550	AAA	1.600	1,609	10/27/2015
		Subtotal and Average	**104,681,726.42**		**108,399,000.00**	**109,717,580.10**	**108,861,164.65**			**1.844**	**1,157**	

City of Torrance
Portfolio Management
Portfolio Details - Investments
May 31, 2011

USIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
ledium Term Notes												
3579EAE5	10895	3M Company		07/20/2010	1,000,000.00	1,083,020.00	1,068,544.83	4.375	AA	1.200	806	08/15/2013
34664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,082,960.00	1,006,742.76	4.625	AA+	4.300	867	10/15/2013
34670AU2	10938	Berkshire Hathaway		02/08/2011	3,000,000.00	3,070,680.00	3,058,721.99	2.125	AA+	0.956	621	02/11/2013
7314JAT0	10874	Citibank		04/15/2010	3,000,000.00	3,062,490.00	3,009,178.06	1.750	AAA	1.112	576	12/28/2012
91216AN0	10924	COCA-COLA		11/22/2010	1,085,000.00	1,079,433.95	1,078,447.81	0.750	A+	1.000	898	11/15/2013
3962G4H4	10913	General Electric		10/19/2010	1,000,000.00	1,026,150.00	1,026,430.79	2.800	AA+	1.125	587	01/08/2013
3962G4T8	10925	General Electric		11/19/2010	1,000,000.00	986,400.00	981,011.47	2.250	AA+	2.710	1,622	11/09/2015
3967HAY3	10812	General Electric Capital Corp		06/22/2009	2,000,000.00	2,069,640.00	2,009,169.64	2.625	AAA	2.320	576	12/28/2012
3962G4X9	10935	General Electric Capital Corp		01/10/2011	2,000,000.00	2,023,460.00	1,997,305.85	2.100	AA+	2.154	951	01/07/2014
94918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,052,790.00	1,000,000.00	2.950	AAA	2.949	1,096	06/01/2014
9233P4H6	10945	Toyota Motor Credit Corp		02/23/2011	1,000,000.00	1,006,580.00	1,001,832.91	1.375	AA	1.290	803	08/12/2013
31142CN1	10820	Wal-Mart Stores		08/14/2009	2,000,000.00	2,111,720.00	2,004,866.80	3.000	AA	2.902	978	02/03/2014
31142CT8	10928	Wal-Mart Stores		12/15/2010	1,000,000.00	1,017,280.00	1,001,429.35	2.250	AA	2.213	1,498	07/08/2015
		Subtotal and Average	**20,247,258.07**		**20,085,000.00**	**20,672,603.95**	**20,243,682.26**			**1.878**	**837**	
luncipal Bond Issues - Coupon												
YS10423	10423	Skpk-2001TxAllocRef Bd		12/18/2001	488,615.92	488,615.92	488,615.92	8.000		7.999	396	07/01/2012
		Subtotal and Average	**488,615.92**		**488,615.92**	**488,615.92**	**488,615.92**			**7.999**	**396**	
		Total and Average	**177,136,223.90**		**182,822,615.92**	**184,772,875.47**	**183,443,462.83**			**1.465**	**786**	

City of Torrance
Portfolio Management
Portfolio Details - Cash
May 31, 2011

JSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		28,332.91	28,332.91				0
				Subtotal		28,332.91	28,332.91				
		Total Cash and Investments	**177,136,223.90**		**182,822,615.92**	**184,801,208.38**	**183,471,795.74**			**1.465**	**786**

II. RESTRICTED FUNDS

TORRANCE IMPROVEMENTS

Bank of New York Mellon	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
City of Torrance 2004A&B COP Refunding - #3060645 (Maturity - June 1, 2024 & June 1, 2034)						
Construction Fund Acct #360646	1,937,866.37			1,937,866.37	0.00	Dreyfus Inst'l Res Treasury #6541
					0.00	CUSIP#S99994190
Required Reserve Acct #360649	2,756,445.32	2,775,500.00	(4,352.50)	2,771,147.50	1.11	FHLB/cusip 3133XXPV3
Required Reserve Acct #360649	19,054.68			19,054.68	0.00	DREYFUS Inst'l Res Treasury #6541
Bank of New York Mellon						
Cost of Issuance Acct #360693	15,750.64			15,750.64	0.00	DREYFUS Inst'l Res Treasury #6541
Reserve Fund Acct #360695	1,252,929.69	1,250,000.00	9,612.50	1,259,612.50	1.11	FHLB CUSIP#3133XXPV3
	12,120.32			12,120.32		DREYFUS Inst'l Res Treasury #6541
Bank of New York Mellon	**Book Value**	**Reserve Requirement**	**Over/Under Funded Reserve(1)(2) (market value)**	**Market Value**	**Yield**	**Investment Description**
Torrance PFA 98COP						
Reserve Acct # 428590	553,085.00	553,000.00	85.00	553,085.00	5.61	AIG Investment Agrmt 5.61% due 11/28/28 **

WATER ENTERPRISE REVENUE BONDS

Bank of New York Mellon	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
2004 Torrance Water Refunding Bond #360700-(Maturity March 1, 2014)						
Reserve Acct. #360760	34,763.44			34,763.44	0.00	JP Morgan Prime MM Premier #350
						CUSIP#99995260
Required Rerserve Act # 360760	505,000.00	505,000.00		505,000.00	4.34	FSA Capital Management Invest Agmt.

REDEVELOPMENT AGENCY

Bank of New York Mellon	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)		Yield	Investment Description
Torrance RDA (Downtown) 98A (matures Sept. 1, 2028)						
Interest / Debt Service Acct # 428478	2,594.04			2,594.04		Fidelity Treasury MM #696
Reserve Acct # 428469	581,359.38	580,000.00	4,460.20	584,460.20	1.110	FHLB CUSIP#3133XXPV3
	2,516.80			2,516.80	0.00	INVESCO Prime Private

Bank of New York Mellon	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
Torrance RDA (Industrial) 98B (matures Sept. 1, 2028)						
Costs of Issuance / Interest Acct # 428529						
Reserve Acct # 428517	1,032,414.07	1,030,000.00	7,920.70	1,037,920.70	1.11	FHLB CUSIP#3133XXPV3
Reserve Acct # 428517	2,933.17			2,933.17	0.00	INVESCO Prime Private CUSIP#S99990340

Bank of New York Mellon	Book Value	Reserve Requirement	Over/Under Funded Reserve(1)(2) (market value)	Market Value	Yield	Investment Description
Torrance RDA (Industrial) 99C (matures Sept. 1, 2028)						
						CUSIP#S99992760
Reserve acct # 428882	1,293,024.44	1,290,000.00	9,920.10	1,299,920.10	1.110	FHLB CUSIP#3133XXPV3

TOTAL: ALL CASH & INVESTMENTS	**10,001,857.36**	**7,983,500.00**	**27,646.00**	**10,038,745.46**

**** Investment Agreements were authorized by Council through their approval of the bond documents**

(1) Reserve requirements may be overfunded due to an accumulation of funds which are adjusted at every scheduled payout. These funds will be transferred to the lease payment/principal/interest account when interest/principal payouts are made by the City.

(2) Over/under funded reserve requirements is for memorandum purposes only. Reserve requirements as outlined in the bond indenture require that at time (day of) of semi-annual payments to bondholders that the market value of the investments held in reserve is equal to the reserve requirement. Due to market fluctuations throughout the year it is normal to see both over and under funded situations.

457PLAN A

PERMANENT EMPLOYEES

Participant Account Summary

Beginning Balance	Contributions	Acct. Transfers In	Interest	Change in Value	Fees	Forefeiture	Payouts	Acct. Transfers Out	Outstanding Loans	Ending Balance
124,013,268.12	2,091,214.26	6,388,626.10	725,877.36	3,133,578.02	(3,614.00)	505,325.69	(1,826,344.89)	(6,388,626.10)	**3,267,208.63** (1)	131,906,513.19

Investment Type	Book Value	Market Value
Fixed Funds (GCF)	41,318.29	41,318.29
Variable Funds	92,207,339.57	92,207,339.57
Stable Value Fund	29,938,008.87	29,938,008.87
Self-Direct	2,680,103.51	2,680,103.51
1) Outstanding Loan	3,267,208.63	3,267,208.63
Totals	128,133,978.87	128,133,978.87

(1) Participant Loan Outstanding Balance included in Total Assets

457PLAN B (Not Available)

RECURRENT/PART-TIME/TEMPORARY EMPLOYEES

Beginning Balance	Contributions	Acct. Transfers In	Interest	Change in Value	Fees	Hardship	Payouts	Acct. Transfers Out	Ending Balance
2,347,034.73		0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,347,034.73

Investment Type	Book Value	Market Value
Variable Funds	2,212,721.50	2,212,721.50
Fixed Funds	0.00	0.00
GTD Fixed	0.00	0.00
Gov't Guaranteed	0.00	0.00
Totals	2,212,721.50	2,212,721.50

401(A)

MANAGEMENT, POLICE, FIRE, ENGINEERS

Beginning Balance	Contributions	Acct. Transfers In	Interest	Change in Value	Fees	Forefieture	Payouts	Acct. Transfers Out	Outstanding Loans		Ending Balance
6,865,027.54	220,728.36	448,191.76	32,921.34	219,515.41	(308.37)	4.36	(95,845.69)	(448,191.76)	**42,848.59**	(1)	7,284,891.54

Investment Type	Book Value	Market Value
Fixed Funds	139.60	139.60
Variable Funds	6,310,142.38	6,310,142.38
Stable Value Fund	817,996.95	817,996.95
Self-direct fund	113,764.02	113,764.02
Outstanding Loans	42,848.59	42,848.59
Totals	7,284,891.54	7,284,891.54

(1) Outstanding Loan Balance included in Total Assets

RETIREMENT HEALTH SAVINGS PLAN (RHSP)

MANAGEMENT, POLICE, FIRE, MISC.

Beginning Balance	Contributions	Distributions	Fees	Gain/Loss	Ending Balance
3,557,008.42	69,385.95	(99,880.93)	(4,263.27)	101,422.87	3,623,673.04

Investment Type	Book Value	Market Value
Variable Funds	3,517,243.37	3,517,243.37
Stable Value Funds	106,429.67	106,429.67
Totals	3,623,673.04	3,623,673.04

Public Agency Retirement Services (PARS)

Beginning Balance	Contributions	Transfer In	Distributions	Fees	Gain/Loss	Transfer Out	Ending Balance
5,502,771.35	302,156.37	412,753.90	(101,539.19)	(7,322.62)	181,500.52	(412,753.90)	5,877,566.43

III. CASH & INVESTMENT PORTFOLIO SHARE

City of Torrance
Investment Report
May 2011

CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF MAY 31, 2011

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE		CASH PERCENT
General	62,460,026.94	61,286,774.54		34.05
Parks & Recr Facility & Open Space	4,143,578.89	4,065,745.69		2.26
State Gas Tax	8,717,638.22	8,553,885.65		4.75
Federal Housing, Community Dev	313,841.83	307,946.61		0.17
Street Lighting	27,578.03	27,060.00		0.02
Traffic Congestion Relief Act 2000 - AB2928	934,057.85	916,512.46		0.51
Proposition 1B	811,689.95	796,443.12		0.44
Police Asset Forfeiture	4,119,104.95	4,041,731.47		2.25
Drainage Improvement	19,816.71	19,444.47		0.01
Measure R Local Return	2,030,299.64	1,992,162.39		1.11
Government Cable	3,466,385.94	3,401,273.17		1.89
Local Return - Proposition C	5,694,190.03	5,587,230.07		3.10
Grants/Donations	62,476.27	61,302.71	(B)	0.03
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	192,642.22	189,023.62		0.11
Seismic Education Fund	58,504.81	57,405.85		0.03
Rehabilitation Housing	696,389.96	683,308.93		0.38
Meadow Park Parking Lot	32,299.54	31,692.82		0.02
Police Inmate Welfare Fund	51,487.69	50,520.54		0.03
Capital Improvements	22,290,073.50	21,871,375.60		12.15
Geologic Hazard Abatement	14,590.71	14,316.64		0.01
El Camino Training Fund-Fire	672,957.03	660,316.17		0.37
El Camino Training Fund-Police	10,191.44	10,000.00		0.01
Vanpool/Rideshare Fund	73,037.12	71,665.19		0.04
Torrance Public Financing	3,366.67	3,303.43		0.00
Animal Control Fund	9,703.83	9,521.55		0.01
Redevelopment-Capital Proj	7,510,573.72	7,369,494.71		4.09
Redevelopment Debt Service	(596,477.79)	(585,273.52)	(C)	(0.33)
Underground Storage Tank Fund	3,057.43	3,000.00		0.00
DNA Sampling Fund	63,319.39	62,130.00		0.03
Airport Fund	5,131,610.33	5,035,217.89		2.80
Transit Operations	5,316,619.77	5,216,752.11		2.90
Development Impact Fund	936,598.57	919,005.45		0.51
Water Operations	4,625,453.54	4,538,568.78		2.52
Emergency Medical Service Enterprise Fund	24,892.56	24,424.98		0.01
Sanitation Operations	616,544.32	604,963.12		0.34
Cultural Arts Enterprise	271,908.90	266,801.35		0.15
Sewer Enterprise Fund	11,065,503.65	10,857,648.65		6.03
Parks & Recreation Enterprise Fund	(788,014.49)	(773,212.38)	(D)	(0.43)
Self Insurance Fund	8,729,983.25	8,565,998.79		4.76
Fleet Services	13,748,039.60	13,489,795.71		7.49
Postemployment/Compensated Absences Fund	6,371,866.22	6,252,176.75		3.47
Trust & Agency	3,501,781.26	3,436,003.62		1.91
TOTAL	**183,439,190.01**	**179,993,458.70**		**100.00**

(A) The difference between the Share of Investments total of $183,439,190.01 and the Pooled Cash and Investments total of $179,993,458.70 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) T-030 Del Amo Blvd. Extension ARRA Federal Grant has a negative cash balance of <$525,695.87>. Reimbursement request in the amount of $703,913.20 was received on 06/22/2011.

T 051Crenshaw Blvd. Rehabilitation has a negative cash balance of <199,128.70>, reimbursement request in the amount of $115,653.09 was received on 06/22/11.

ARRA 09 Southern Border has a negative cash balance of <$12,021.71>, drawndown request for quarter ending June 2011 will be submitted in July 2011.

Recovery Bryne 2009 has a negative cash balance of <$27,620.66>, a drawdown request for quarter ending June 2011 will be submitted in July 2011.

(C) The Industrial Debt Service fund's annual bond principal and interest totalling $2,391,381 has been paid to date. Additional

(D) Negative cash balance represents net losses from prior years and decrease in subsidy from the General Fund.

City of Torrance
Investment Report
May 2011

CASH AND INVESTMENT RECONCILIATION
AS OF MAY 31, 2011

INVESTMENTS PER PORTFOLIO SUMMARY		**183,439,190.01**
(City Pool)		
CASH AND INVESTMENTS PER BOOKS		**179,993,458.70**
CASH IN BANKS:		
Cash in B of A General Account		($511,407.28)
Cash in B of A Payroll Account		0.00
OUTSTANDING WARRANTS:		
General Account	1,087,919.10	
Payroll Account	111,785.22	
Workers Compensation Account	134,548.97	
		1,334,253.29
		760,916.79
Miscellaneous outstanding adjusting journal entries		(328,991.90)
Housing Fund restricted cash		2,190,960.41
Payroll for PE 5/31/11 posted on 5/31/11 and paid on 6/10/11		
INVESTMENTS PER BOOKS		**$183,439,190.01**