Council Meeting of
November 5, 2013

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

Members of Council:

SUBJECT: City Treasurer - Accept and file Investment Report for September 2013

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of September 2013.

FUNDING

Not applicable

BACKGROUND

On December 18, 2012, Your Honorable Body, through passage of Resolution 2012-94, 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 is provided in the attached report.

Investment Committee Note

The Investment Committee, made up of the Finance Director, City Manager, City Attorney, City Treasurer and Deputy City Treasurer, as created by your Honorable Body, has reviewed the attached report.

Respectfully submitted,

Dana Cortez
City Treasurer

Noted:

LeRoy J. Jackson
City Manager

CC: City Manager
City Clerk

8G

Investment Report Summary Notes for September 2013

Investment Activity during the Period

The investment activity for September included no purchases and 4 redemptions.

Redemptions

Issuer	PAR VALUE	TERM	RATE	YIELD	STATUS
Federal Farm Credit Bank	1,000,000	2.5 years	5.00%	1.16%	Matured
Beal Bank SSB	245,000	1 year	.40%	.40%	Matured
Beal Bank USA	245,000	1 year	.40%	.40%	Matured
Bank Hapoalim	245,000	1 year	.40%	.40%	Matured

The LAIF balance increased by $3 million and the average monthly yield was .257%. During the month of September we had 3 LAIF deposits and 5 withdrawals. The total portfolio increased by $1.2 million. This was primarily due to the increase FTA receipts received.

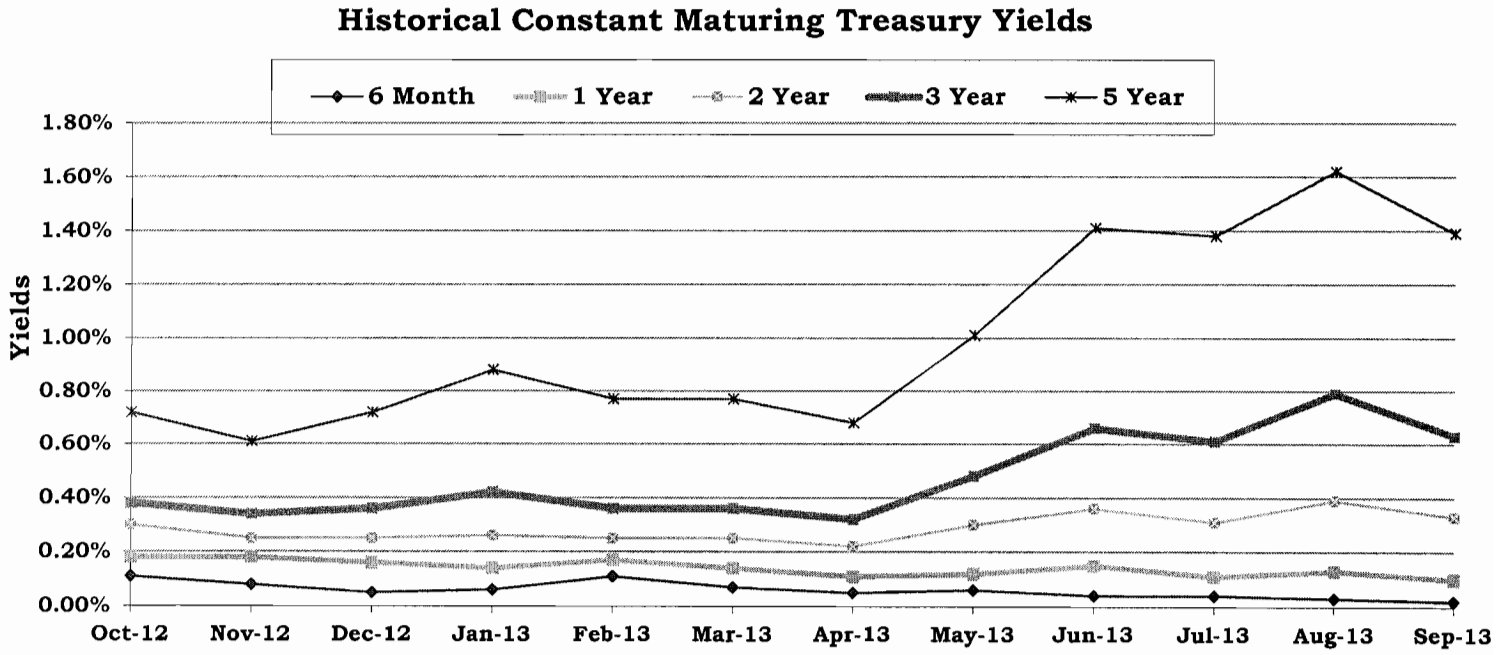
Liquidity of the Portfolio

- The current goal is to keep the portfolio at an average maturity between 2 to 3 years based on current economic trends. The goal was set between 2 to 3 years as a gauge to meet liquidity needs and in order to take advantage of rising interest rates. Average maturity is a moving target which is contingent upon the current state or conditions of the economy. The portfolio's current average maturity is 930 days or 2.6 years.
- The City is in compliance with California Government Code Section 53646 which requires local agency to report its ability to meet pooled expenditure requirements for the next six (6) months. Currently, our projected cash flows for the next six months show that anticipated revenues exceed expenditures in the amount of $25.3 million inclusive of maturities and LAIF.

Investment Comparison to Benchmark

For the month of September the City's yield to maturity on pooled investments was 1.005%. The yield decreased 2 basis points or .02% from the previous month. The Average Effective Rate of Return for Fiscal Year to date is 1.25%. The average yield on the 2 year and 3 year U.S. Constant Maturing Treasury (CMT) was .33% and .63% respectively. The portfolio performed above these benchmarks (CMT) by 68 basis points or .68% and 38 basis points or .38% respectively.

The graph below tracks the US Constant Maturing Treasury yields for the past twelve month period for a variety of terms.



CITY of TORRANCE
Monthly Investment Portfolio Report
September 30, 2013

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Investment Report
September 2013

Investment Portfolio Highlights

RETURN	Current Month	Previous Month
Average City Portfolio YTM	1.005%	1.024%
Average U.S. Treasury Constant Maturity - 3 year	0.630%	0.790%
LAIF Average Monthly Return	0.257%	0.271%
Average City Portfolio YTM - 1 year prior	1.334%	1.365%
INTEREST INCOME	Current Period	Prior Year
Fiscal year to date	$456,124	$508,290
Current month	$125,556	$162,212
MATURITY	Current Month	Prior Month
Average Maturity (days)	930	963
Average Maturity 1 Year Prior (days)	1084	1039
Weighted Average Maturity (years)	2.55	2.64
VOLUMES	Total $ Volume	# of Transactions
Purchases	$11,824,825	3
Maturities/Redemptions	$10,559,825	9

Portfolio Activity Summary

Month End	Year	Number of Securities	Average Balance	Yield to Maturity 360	Yield to Maturity 365	Managed Pool Rate	Investments Purchased	Investments Redeemed	Average Term	Average Days to Mat
September	2012	105	147,274,621.15	1.337	1.356	0.348%	14	7	1,418	1,084
October	2012	106	146,172,449.78	1.302	1.321	0.340%	4	5	1,393	1,040
November	2012	103	141,033,428.15	1.309	1.327	0.324%	5	6	1,455	1,084
December	2012	102	140,618,535.89	1.249	1.266	0.326%	5	6	1,392	1,034
January	2013	105	152,968,256.16	1.141	1.157	0.300%	6	3	1,272	946
February	2013	103	163,915,502.52	1.071	1.086	0.286%	2	4	1,199	897
March	2013	103	162,544,755.27	1.088	1.103	0.285%	3	3	1,228	895
April	2013	101	163,304,432.84	0.968	0.981	0.264%	6	8	1,120	822
May	2013	106	176,251,178.31	0.903	0.916	0.245%	9	4	1,081	800
June	2013	107	179,938,768.77	0.956	0.969	0.244%	2	0	1,199	885
July	2013	103	145,319,168.79	1.075	1.090	0.267%	0	4	1,441	1,059
August	2013	101	143,718,235.33	1.010	1.024	0.271%	0	2	1,333	963
September	2013	97	147,018,331.76	0.991	1.005	0.257%	0	4	1,314	930
	Average	**103**	**154,536,940.55**	**1.108%**	**1.123%**	**0.289%**	**4**	**4**	**1,296**	**957**

Investment Report
September 2013

Investment Portfolio Summary

	Book Value	% of Portfolio	% per Policy	Modified Duration	Days to Maturity	Maximum Term
Local Agency Investment Fund (State of California)	**$24,500,000**	**16.35%**	**$50Mil**	**0.00%**	**1**	**N/A**
Union Bank Custodial - Money Market Account (For Pending Purchases/Interest)	**$0**	**0.00%**	**100%**	**0.00%**	**1**	**N/A**
Negotiable Certificates of Deposit	**$6,125,000**	**4.09%**	**20%**	**2.40%**	**901**	**5 Years**
Federal Agency Issues	**$96,091,499**	**64.12%**	**75%**	**3.27%**	**1233**	**5 Year**
Farmer Mac	$10,999,403	7.34%	30%	3.89%	1459	5 Year
Federal Farm Credit Bank	$12,633,079	8.43%	30%	2.49%	937	5 Year
Federal Home Loan Bank	$19,039,000	12.70%	30%	3.57%	1347	5 Year
Federal Home Loan Mortgage Corporation	$43,401,432	28.97%	30%	3.06%	1154	5 Year
Federal National Mortgage Association	$10,018,584	6.68%	30%	3.96%	1479	5 Year
U.S. Treasury Securities	**$0**		**100%**			**5 Year**
Medium Term Notes	**$23,156,135**	**15.45%**	**20%**	**1.75%**	**662**	**5 Year**
3m	$1,085,375	0.73%	5%	3.64%	1364	5 Year
Barclay	$3,000,000	2.00%	5%	2.91%	1123	5 Year
Bank of Montreal	$1,001,026	0.67%	5%	3.81%	1441	5 Year
Berkshire Hathaway	$1,000,111	0.67%	5%	0.04%	14	5 Year
CocaCola	$1,084,674	0.72%	5%	0.12%	45	5 Year
General Electric	$990,993	0.66%	5%	2.04%	769	5 Year
General Electric Capital Corp	$7,991,305	5.33%	5%	1.63%	609	5 Year
MicroSoft Corp	$1,000,000	0.67%	5%	0.66%	243	5 Year
Toyota Motor Center Corp	$3,001,419	2.00%	5%	1.97%	736	5 Year
Wal-Mart Stores	$3,001,234	2.00%	5%	0.81%	298	5 Year
Total Investments	**$149,872,633**	**100.00%**		**2.46%**	**930**	
Cash In Bank - General	**$1,180,097**				**Earnings Credit**	
Cash In Bank - Housing	**$1,587,666**				**Earnings Credit**	
Total Funds	**$152,640,397**					

Portfolio Notes:

Effective Rate of I
Month Ending F
1.04%

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 2012-94 on December 18, 2012, per Califor Government Code §53601. A copy of this policy is available at the office of the City Clerk.

for **Dana Cortez - City Treasurer**

Shiela Abalayan - Deputy City Treasurer

Investment Report
September 2013

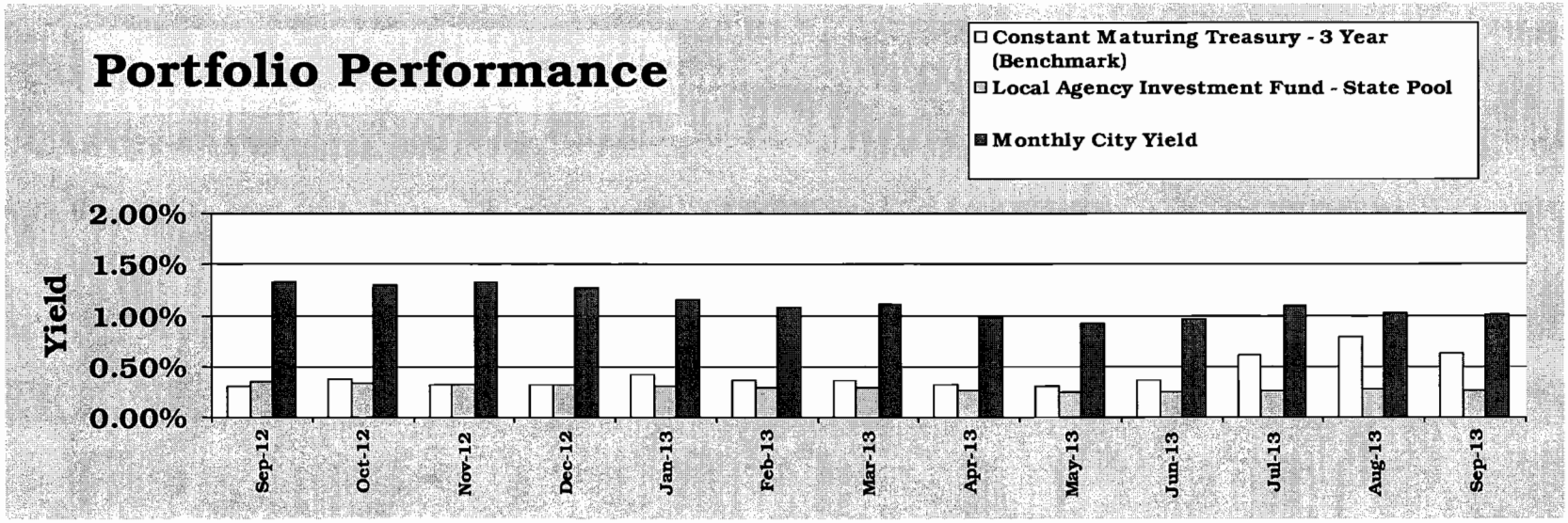
Portfolio Monthly Activity Detail

Investment Number.	BROKER	PURCHASE DATE	DESCRIPTION	QUALITY RATING	MATURITY DATE	DAYS HELD/ DAYS TO MATURITY	RATE	YIELD	PAR VALUE	Realized Gain (Loss)	Book Value
PURCHASES											
None											
MATURITIES/CALLS/SALES											
10947	Wedbush Securities	03/01/2011	Federal Farm Credit Bank	AA+/Aaa	09/04/2013	918/918	5.00%	1.16%	1,000,000.00		1,000,000
11063	Vining Sparks	09/26/2012	Beal Bank SSB	Not Rated	09/25/2013	364/364	0.40%	0.40%	245,000.00		245,000
11064	Vining Sparks	09/26/2012	Beal Bank USA	Not Rated	09/25/2013	364/364	0.40%	0.40%	245,000.00		245,000
11062	Vining Sparks	09/26/2012	Bank Hapoalim	Not Rated	09/26/2013	364/364	0.50%	0.50%	245,000.00		245,000
								0.853%	**$1,735,000**	**$0**	**1,735,000**

State of California Local Agency Pool	Beginning Balance	Rate	Yield	Deposits	Withdrawals	Interest Accrued	Ending Balance
City TRAN Repayment	21,500,000	0.257%	0.257%	10,000,000	7,000,000	-	24,500,000
	$21,500,000			**$10,000,000**	**$7,000,000**	**$ -**	**24,500,000**

Investment Report
September 2013

Portfolio Performance



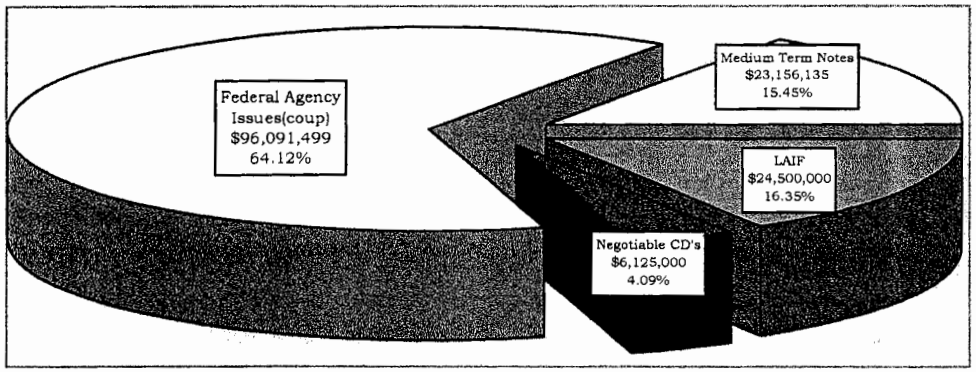
Portfolio Earnings Summary

	September 30, 2013	Fiscal Year to Date
CD/Coupon/Discount Investments:		
Interest Collected	$89,815.98	$624,582.41
Plus Interest at End of Period	$544,458.11	$544,458.11
Less Accrued Interest at Beginning of Period	($461,602.07)	($626,812.44)
Interest Earned	**$172,672.02**	**$542,228.08**
Adjusted By Premium	($51,539.28)	($165,959.98)
Adjusted by Capital	$0.00	$70,290.08
Earnings during	**$121,132.74**	**$446,558.18**
Cash/Checking Accounts:		
Interest Collected	$9.00	$26,117.87
Plus Accrued Interest at End of Period	$9,544.61	$9,544.61
Less Interest at Beginning of Period	($5,130.38)	($26,096.69)
Interest Earned	**$4,423.23**	**$9,565.79**
Total Interest Earned	**$177,095.25**	**$551,793.87**
Total Adjustments from Premium and Discounts	($51,539.28)	($165,959.98)
Total Capital Gains or Loss	$0.00	$70,290.08
Total Earnings this Period	**$125,555.97**	**$456,123.97**

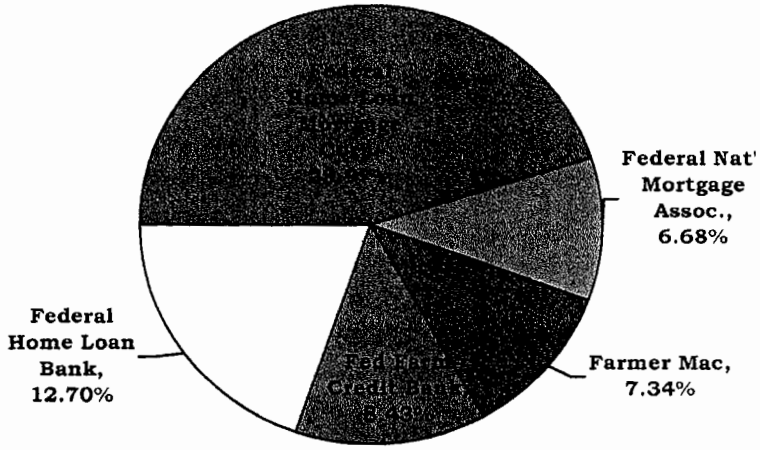
Investment Report
September 2013

Portfolio Distribution

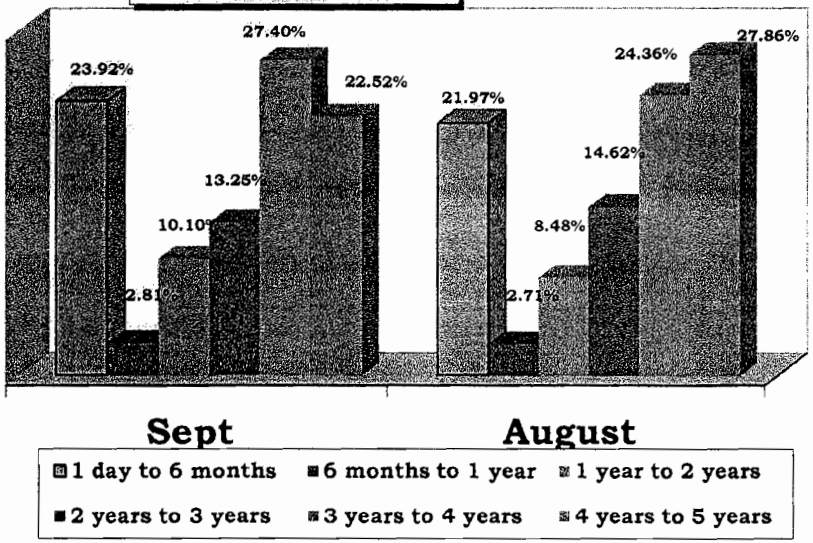
Portfolio Sectors (Book Value)



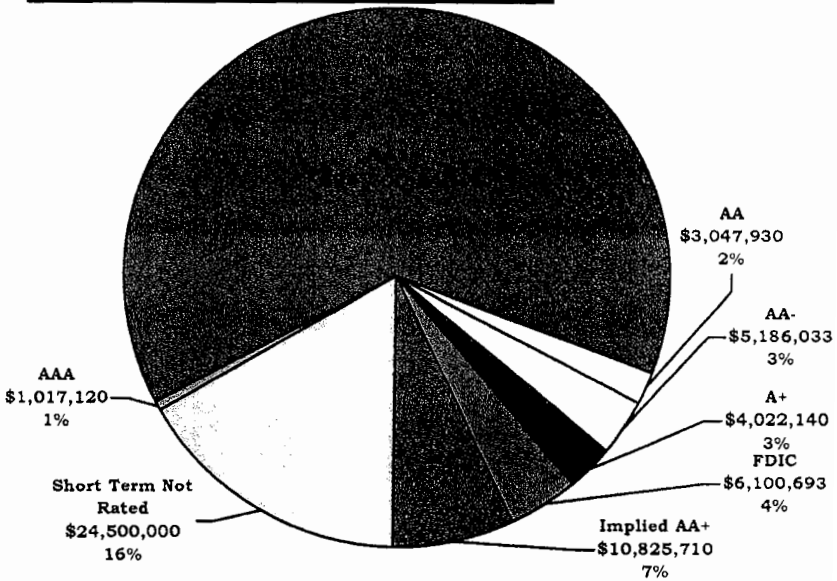
Federal Agencies Distribution



Maturity Distribution (Book Value)



Market Value and Credit Rating Report



Investment Report

September 2013

Value of Portfolio per GASB 31

	Beginning Investment Value as of July 1, 2013	Purchase/Redemption of Principal	Change in Market Value	Ending Investment V September 30,
Federal Agency (Coupon)	$105,287,920	($10,121,890)	$178,630	
U.S. Treasury Securities	$0	$0	$0	
Negotiable Certificate Deposits	$6,843,933	($735,000)	($8,240)	
Medium Term Notes	$25,441,688	($2,000,000)	$13,425	
Municipal Bonds	$0	$0	$0	
SUBTOTAL PER GASB 31	**$137,573,541**	**($12,856,890)**	**$183,814**	**$**
Non-GASB				
Local Agency Investment Funds	$40,100,000	($15,600,000)	$0	
Money Market	$0	$0	$0	
Federal Agency – Disc.	$0	$0	$0	
Treasury Security – Disc.	$0	$0	$0	
Certificate of Deposits -Disc.	$0	$0	$0	
Commercial paper	$0	$0	$0	
TOTAL PORTFOLIO	**$177,673,541**	**($28,456,890)**	**$183,814**	**$**

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 portfo or loss is the difference between the book and market value of securities with a maturity term of one year or longer 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 monies of the local agency. It also requires a statement of compliance of the poo 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.

Reviewed by the Investment Advisory Committee:

for City Treasurer - Dana Cortez

City Manager - LeRoy Jackson

City Attorney - John Fellows III

Finance Director - Eric Tsao

Deputy City Treasurer - Shiela Abajayan

Monthly Investment Reports
Portfolio Management
Portfolio Details - Investments
September 30, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Local Agency Investment Funds												
SYS10000	10000	Local Agency Invest Fund GEN'L			24,500,000.00	24,500,000.00	24,500,000.00	0.257		0.257	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			0.00	0.00	0.00	0.267		0.267	1	
		Subtotal and Average	**19,896,666.67**		**24,500,000.00**	**24,500,000.00**	**24,500,000.00**			**0.257**	**1**	
Money Market Sweep Account												
316175108S	1000	Union Bank of California			0.00	0.00	0.00	0.001		0.001	1	
		Subtotal and Average	**1,028,098.15**		**0.00**	**0.00**	**0.00**			**0.000**	**0**	
Negotiable CD's												
33764JHM0	11052	First Bank of Puerto Rico		08/01/2012	245,000.00	246,085.35	245,000.00	1.250	FDIC	1.251	1,035	08/01/2016
332135FA5	11069	First National Bank of Omaha		10/10/2012	245,000.00	245,012.25	245,000.00	0.550	FDIC	0.550	191	04/10/2014
02005QN90	11044	Ally Bank		08/01/2012	245,000.00	246,220.10	245,000.00	1.150	FDIC	1.150	671	08/03/2015
02587DLD8	11070	American Express Cent		10/04/2012	245,000.00	244,389.95	245,000.00	1.550	FDIC	1.550	1,464	10/04/2017
037830NA0	11047	Apple Bank Savings		08/01/2012	245,000.00	245,063.70	245,000.00	0.500	FDIC	0.500	125	02/03/2014
06740AYC7	11090	Barclays Bank		03/12/2013	245,000.00	240,018.17	245,000.00	1.000	FDIC	0.000	1,623	03/12/2018
06426NGR7	11068	Bank of China		09/26/2012	245,000.00	245,605.15	245,000.00	0.650	FDIC	0.650	360	09/26/2014
05568PZ91	11073	BMW Bank of North America		11/02/2012	245,000.00	245,627.20	245,000.00	0.950	FDIC	0.000	762	11/02/2015
060624XH1	11091	Bank of Baroda		03/08/2013	245,000.00	239,553.65	245,000.00	1.250	FDIC	0.000	1,619	03/08/2018
149159HR9	11094	Cathay Bank		04/12/2013	245,000.00	239,090.60	245,000.00	1.000	FDIC	1.001	1,654	04/12/2018
17284CBZ6	11093	CIT BANK		04/17/2013	245,000.00	238,948.50	245,000.00	1.150	FDIC	1.150	1,659	04/17/2018
20033AAU0	11084	Comenity Capital Bank		01/18/2013	245,000.00	243,407.50	245,000.00	0.750	FDIC	0.750	1,205	01/18/2017
254671GK0	11058	Discover Bank		09/19/2012	245,000.00	245,916.30	245,000.00	1.250	FDIC	1.250	1,084	09/19/2016
25811L2K4	11077	DORAL BANK		12/07/2012	245,000.00	245,019.60	245,000.00	0.550	FDIC	0.550	66	12/06/2013
29976DNQ9	11059	EverBank		09/14/2012	245,000.00	245,945.70	245,000.00	0.900	FDIC	0.900	1,079	09/14/2016
36160XN52	11051	GE Capital Bank		08/03/2012	245,000.00	246,031.45	245,000.00	1.150	FDIC	1.150	671	08/03/2015
38143AXS9	11045	Goldman Sachs Bank		08/01/2012	245,000.00	246,479.80	245,000.00	1.200	FDIC	1.200	671	08/03/2015
062782W52	11080	BANK OF INDIA		12/05/2012	245,000.00	245,000.00	245,000.00	0.500	FDIC	0.500	64	12/04/2013
48124JRY6	11085	JPMORGAN		01/28/2013	245,000.00	242,153.10	245,000.00	0.750	FDIC	0.000	1,580	01/28/2018
60688TGZ6	11078	Mizuho Corp USA		12/12/2012	245,000.00	245,134.75	245,000.00	0.550	FDIC	0.550	72	12/12/2013
786580X96	11043	Safra National Bank		07/31/2012	245,000.00	246,278.90	245,000.00	0.800	FDIC	0.800	668	07/31/2015
795450NT8	11053	Sallie Mae Bank		08/08/2012	245,000.00	246,198.05	245,000.00	1.100	FDIC	1.100	678	08/10/2015
84603M2H8	11046	Sovereign Bank		08/01/2012	245,000.00	245,668.85	245,000.00	0.850	FDIC	0.850	304	08/01/2014
856283UK0	11098	STATE BANK of INDIA		05/14/2013	245,000.00	238,642.25	245,000.00	1.150	FDIC	1.150	1,686	05/14/2018
94768NJD7	11081	Webster Bank		12/12/2012	245,000.00	243,201.70	245,000.00	1.000	FDIC	0.000	1,533	12/12/2017
		Subtotal and Average	**6,721,166.67**		**6,125,000.00**	**6,100,692.57**	**6,125,000.00**			**0.742**	**901**	

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Portfolio CITY
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Report Ver. 7.3.1

Monthly Investment Reports
Portfolio Management
Portfolio Details - Investments
September 30, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
31315PXK0	11071	FARMER MAC		10/25/2012	2,000,000.00	1,976,460.00	2,000,000.00	0.650		1.053	1,485	10/25/2017
31315PWE5	11083	FARMER MAC		01/08/2013	3,000,000.00	2,945,190.00	2,999,797.92	0.930		0.935	1,560	01/08/2018
31315PNZ8	11086	FARMER MAC		01/30/2013	2,000,000.00	1,968,440.00	2,001,039.33	1.050		1.038	1,582	01/30/2018
31315PXM6	11097	FARMER MAC		05/02/2013	2,000,000.00	1,946,280.00	1,999,082.78	0.860		0.783	1,674	05/02/2018
31315PXF1	11099	FARMER MAC		05/02/2013	2,000,000.00	1,989,340.00	1,999,482.78	0.410		0.420	944	05/02/2016
31331XWW8	10879	FEDERAL FARM CREDIT BANK		05/05/2010	500,000.00	513,800.00	507,579.38	5.000	AA+	2.192	206	04/25/2014
31331JQ55	10907	FEDERAL FARM CREDIT BANK		10/06/2010	1,000,000.00	1,009,890.00	1,000,000.00	1.150	AA+	1.150	370	10/06/2014
31331KCK4	10942	FEDERAL FARM CREDIT BANK		02/17/2011	1,000,000.00	1,024,410.00	1,000,000.00	2.030	AA+	2.030	504	02/17/2015
31331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,216,580.00	2,125,500.00	4.950	AA+	2.280	913	04/01/2016
31331KGN4	10955	FEDERAL FARM CREDIT BANK		04/07/2011	1,000,000.00	1,006,740.00	1,000,000.00	1.400	AA+	1.400	188	04/07/2014
3133EAA81	11041	FEDERAL FARM CREDIT BANK		07/30/2012	1,000,000.00	992,080.00	1,000,000.00	0.780	AA+	0.780	1,217	01/30/2017
3133EAX29	11060	FEDERAL FARM CREDIT BANK		09/18/2012	1,000,000.00	986,570.00	1,000,000.00	0.980	AA+	0.980	1,448	09/18/2017
3133EA2K3	11066	FEDERAL FARM CREDIT BANK		09/28/2012	1,000,000.00	1,000,040.00	1,000,000.00	0.450	AA+	0.450	727	09/28/2015
3133EA2H0	11067	FEDERAL FARM CREDIT BANK		10/01/2012	1,000,000.00	1,000,040.00	1,000,000.00	0.440	AA+	0.440	730	10/01/2015
3133EC5A8	11075	FEDERAL FARM CREDIT BANK		11/28/2012	2,000,000.00	1,962,340.00	2,000,000.00	0.870	AA+	0.870	1,518	11/27/2017
3133ECE26	11087	FEDERAL FARM CREDIT BANK		01/30/2013	1,000,000.00	982,940.00	1,000,000.00	0.940	AA+	1.022	1,582	01/30/2018
3133XY6S9	10899	FEDERAL HOME LOAN BANK		08/26/2010	1,000,000.00	1,001,490.00	1,000,761.85	2.000	AA+	1.002	28	10/29/2013
313373RC8	10956	FEDERAL HOME LOAN BANK		05/16/2011	1,000,000.00	1,009,130.00	1,000,699.57	1.250	AA+	1.164	302	07/30/2014
313376Q99	11007	FEDERAL HOME LOAN BANK		01/13/2012	2,000,000.00	2,004,980.00	2,000,000.00	1.125	AA+	1.125	1,200	01/13/2017
313378W56	11037	FEDERAL HOME LOAN BANK		04/30/2012	2,000,000.00	2,018,220.00	2,000,000.00	2.000	AA+	1.425	1,301	04/24/2017
313370TW8	11040	FEDERAL HOME LOAN BANK		07/25/2012	1,000,000.00	1,037,070.00	1,039,974.43	2.000	AA+	0.620	1,074	09/09/2016
313380P92	11055	FEDERAL HOME LOAN BANK		09/26/2012	1,000,000.00	985,080.00	1,000,000.00	1.000	AA+	1.000	1,456	09/26/2017
313380MF1	11057	FEDERAL HOME LOAN BANK		09/18/2012	1,000,000.00	985,230.00	1,000,000.00	1.000	AA+	1.005	1,448	09/18/2017
3133824S9	11089	FEDERAL HOME LOAN BANK		02/27/2013	1,000,000.00	984,750.00	1,000,000.00	1.100	AA+	1.100	1,610	02/27/2018
313383AA9	11105	FEDERAL HOME LOAN BANK		06/12/2013	4,000,000.00	3,902,400.00	4,000,000.00	1.000	AA+	1.000	1,715	06/12/2018
3133837E5	11106	FEDERAL HOME LOAN BANK		06/06/2013	4,000,000.00	3,893,440.00	4,000,000.00	0.625	AA+	0.625	1,709	06/06/2018
3133834R9	11108	FEDERAL HOME LOAN BANK		05/24/2013	1,000,000.00	994,730.00	997,564.64	0.375	AA+	0.465	997	06/24/2016
3128X1CS4	10915	FEDERAL HOME LOAN MORTGAGE CO		10/27/2010	1,000,000.00	1,006,000.00	1,005,067.01	4.580	AA+	0.730	49	11/19/2013
3134G3EN6	11003	FEDERAL HOME LOAN MORTGAGE CO		12/30/2011	1,000,000.00	1,001,940.00	1,000,000.00	1.000	AA+	1.000	637	06/30/2015
3134G3GM6	11009	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	1,000,000.00	1,000,760.00	1,000,000.00	1.300	AA+	1.300	1,200	01/13/2017
3134G3GX2	11010	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	2,000,000.00	2,004,240.00	2,000,000.00	1.400	AA+	1.400	1,200	01/13/2017
3137EADC0	11017	FEDERAL HOME LOAN MORTGAGE CO		01/30/2012	1,000,000.00	1,003,100.00	997,644.45	1.000	AA+	1.071	1,254	03/08/2017
3134G3MR8	11018	FEDERAL HOME LOAN MORTGAGE CO		02/13/2012	1,000,000.00	1,001,670.00	1,000,000.00	0.550	AA+	0.550	500	02/13/2015
3134G3NA4	11019	FEDERAL HOME LOAN MORTGAGE CO		02/28/2012	3,000,000.00	3,007,680.00	3,000,000.00	0.750	AA+	0.750	1,246	02/28/2017
3134G3MX5	11021	FEDERAL HOME LOAN MORTGAGE CO		02/24/2012	1,000,000.00	1,002,070.00	1,000,000.00	0.800	AA+	0.800	876	02/24/2016
3134G3NA4	11022	FEDERAL HOME LOAN MORTGAGE CO		02/28/2012	2,000,000.00	2,005,120.00	2,000,000.00	0.750	AA+	1.313	1,246	02/28/2017

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3134G3MT4	11026	FEDERAL HOME LOAN MORTGAGE CO		02/24/2012	2,000,000.00	1,994,020.00	2,000,000.00	1.125	AA+	1.125	1,242	02/24/2017
3134G3SD3	11027	FEDERAL HOME LOAN MORTGAGE CO		03/28/2012	2,000,000.00	2,005,620.00	2,000,000.00	0.750	AA+	0.750	727	09/28/2015
3137EACT4	11034	FEDERAL HOME LOAN MORTGAGE CO		04/26/2012	1,000,000.00	1,048,000.00	1,044,050.09	2.500	AA+	0.810	969	05/27/2016
3134G3WD8	11039	FEDERAL HOME LOAN MORTGAGE CO		06/12/2012	2,000,000.00	1,998,580.00	2,000,000.00	1.250	AA+	1.250	1,350	06/12/2017
3134G32L3	11079	FEDERAL HOME LOAN MORTGAGE CO		12/26/2012	2,000,000.00	1,951,360.00	2,000,000.00	0.850	AA+	0.850	1,547	12/26/2017
3134G33B4	11082	FEDERAL HOME LOAN MORTGAGE CO		01/11/2013	1,000,000.00	980,890.00	1,000,000.00	1.000	AA+	1.000	1,563	01/11/2018
3137EADJ5	11095	FEDERAL HOME LOAN MORTGAGE CO		04/23/2013	3,000,000.00	2,990,760.00	3,038,403.50	1.000	AA+	0.660	1,396	07/28/2017
3137EAAG4	11096	FEDERAL HOME LOAN MORTGAGE CO		04/26/2013	5,000,000.00	5,663,400.00	5,704,943.33	5.500	AA+	0.420	1,021	07/18/2016
3137EADH9	11101	FEDERAL HOME LOAN MORTGAGE CO		05/13/2013	5,000,000.00	4,988,500.00	5,051,162.31	1.000	AA+	0.722	1,367	06/29/2017
3134G44N5	11102	FEDERAL HOME LOAN MORTGAGE CO		05/28/2013	2,000,000.00	1,949,440.00	2,000,000.00	0.750	AA+	0.750	1,519	11/28/2017
3137EAAG4	11107	FEDERAL HOME LOAN MORTGAGE CO		05/22/2013	4,000,000.00	4,530,720.00	4,560,161.48	5.500	AA+	0.452	1,021	07/18/2016
3136G0VA6	11050	FEDERAL NATIONAL MORT ASSOC		08/14/2012	1,000,000.00	988,120.00	1,000,000.00	0.750	AA+	1.226	1,413	08/14/2017
3136G0D57	11054	FEDERAL NATIONAL MORT ASSOC		09/27/2012	1,000,000.00	998,680.00	1,000,000.00	0.750	AA+	1.240	1,457	09/27/2017
3136G0D24	11061	FEDERAL NATIONAL MORT ASSOC		09/25/2012	1,000,000.00	987,430.00	1,000,000.00	0.500	AA+	1.093	1,455	09/25/2017
3136G0F97	11065	FEDERAL NATIONAL MORT ASSOC		09/27/2012	1,000,000.00	997,840.00	1,000,000.00	0.750	AA+	1.179	1,457	09/27/2017
3136G06R7	11076	FEDERAL NATIONAL MORT ASSOC		11/28/2012	1,000,000.00	991,010.00	1,000,000.00	0.500	AA+	1.068	1,518	11/27/2017
3135G0PQ0	11100	FEDERAL NATIONAL MORT ASSOC		04/26/2013	3,000,000.00	2,957,010.00	3,018,583.80	0.875	AA+	0.720	1,486	10/26/2017
3136G1LZ0	11103	FEDERAL NATIONAL MORT ASSOC		05/28/2013	2,000,000.00	1,953,040.00	2,000,000.00	0.750	AA+	0.750	1,519	11/28/2017
		Subtotal and Average	**96,216,500.06**		**94,500,000.00**	**95,344,660.00**	**96,091,498.65**			**0.909**	**1,233**	
Medium Term Notes												
88579YAE1	11104	3M Company		05/23/2013	1,080,000.00	1,061,650.80	1,085,374.52	1.000	AA-	0.864	1,364	06/26/2017
06738KXV8	10989	Barclays Bank		10/28/2011	3,000,000.00	3,036,900.00	3,000,000.00	4.375	A+	3.287	1,123	10/28/2016
06366RHA6	11056	Bank of Montreal		09/11/2012	1,000,000.00	985,240.00	1,001,025.56	1.400	A+	1.373	1,441	09/11/2017
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,001,480.00	1,000,110.54	4.625	AA+	4.300	14	10/15/2013
191216AN0	10924	COCA-COLA		11/22/2010	1,085,000.00	1,085,412.30	1,084,673.87	0.750	AA-	1.000	45	11/15/2013
36962G4T8	10925	General Electric		11/19/2010	1,000,000.00	1,026,650.00	990,992.93	2.250	AA+	2.710	769	11/09/2015
36962G4X9	10935	General Electric Capital Corp		01/10/2011	2,000,000.00	2,009,400.00	1,999,723.68	2.100	AA+	2.154	98	01/07/2014
36962G5N0	11011	General Electric Capital Corp		01/10/2012	2,000,000.00	2,093,500.00	2,001,964.42	2.900	AA+	2.868	1,196	01/09/2017
36962G5M2	11012	General Electric Capital Corp		01/10/2012	2,000,000.00	2,041,500.00	2,001,952.55	2.150	AA+	2.070	465	01/09/2015
36962G4N1	11024	General Electric Capital Corp		02/22/2012	2,000,000.00	2,009,360.00	1,987,664.30	1.060	AA+	1.428	679	08/11/2015
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,017,120.00	1,000,000.00	2.950	AAA	2.949	243	06/01/2014
89233P5S1	11015	Toyota Motor Credit Corp		01/13/2012	1,000,000.00	1,022,970.00	1,002,796.59	2.050	AA-	1.960	1,199	01/12/2017
89233P5Z5	11023	Toyota Motor Credit Corp		02/17/2012	2,000,000.00	2,016,000.00	1,998,622.22	1.000	AA-	1.102	504	02/17/2015
931142CN1	10820	Wal-Mart Stores		08/14/2009	2,000,000.00	2,017,680.00	2,000,617.20	3.000	AA	2.902	125	02/03/2014
931142CT8	10928	Wal-Mart Stores		12/15/2010	1,000,000.00	1,030,250.00	1,000,616.45	2.250	AA	2.213	645	07/08/2015

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity
		Subtotal and Average	23,155,900.23		23,165,000.00	23,455,113.10	23,156,134.83			2.263	662
		Total and Average	147,018,331.76		148,290,000.00	149,400,465.67	149,872,633.48			1.005	930

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Monthly Investment Reports
Portfolio Management
Portfolio Details - Cash
September 30, 2013

CUSIP	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		700.00	700.00				0
				Subtotal		700.00	700.00				
		Total Cash and Investments	147,018,331.76		148,290,000.00	149,401,165.67	149,873,333.48			1.005	930

Data Updated: SET_TR: 10/08/2013 09:42
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Portfolio CITY
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PM (PRF_PM2) 7.2.5

CITY OF TORRANCE FISCAL AGENT FOR SUCCESSOR RDA
RESTRICTED CASH BALANCE REPORT
September 30, 2013

		Book Value
Bank of America City of Torrance Successor RDA Agency Account # xx-046		209,155.18
Bank of America City of Torrance Successor RDA Agency - Low Mod Account # xx-140		-
Local Agency Investment Fund (LAIF) City of Torrance Successor RDA Agency Account# -xx-3001		-
TOTAL	**$**	**209,155.18**

City of Torrance
Investment Report
September 2013

CASH AND INVESTMENTS PER BOOKS
AS OF SEPTEMBER 30, 2013 (PRE-CLOSE)

FUND	CASH & INVESTMENTS PER BOOKS		PERCENT OF TOTAL
General	21,697,561.23		14.50
Parks & Recr Facility & Open Space	3,906,837.35		2.61
State Gas Tax	13,828,998.95		9.25
Federal Housing, Community Dev	720,576.26		0.48
Street Lighting	27,060.00		0.02
Traffic Congestion Relief Act 2000 - AB2928	-		-
Proposition 1B	1,737,402.66		1.16
Police Asset Forfeiture	4,102,101.70		2.74
Drainage Improvement	19,444.47		0.01
Measure R Local Return	4,389,370.85		2.93
Government Cable	4,655,920.99		3.11
Local Return - Proposition C	3,498,644.52		2.34
TDA Article 3 Bicycle Fund	109.60		-
Grants/Donations	(64,040.92)	(A)	(0.04)
CDBG Fund	(57,095.20)	(B)	(0.04)
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	192,082.68		0.13
Seismic Education Fund	60,018.22		0.04
Rehabilitation Housing	706,334.73		0.47
Meadow Park Parking Lot	40,777.22		0.03
Police Inmate Welfare Fund	56,573.32		0.04
Capital Improvements	18,230,331.72		12.19
Geologic Hazard Abatement	14,316.64		0.01
El Camino Training Fund-Fire	136,319.70		0.09
El Camino Training Fund-Police	10,000.00		0.01
Vanpool/Rideshare Fund	9,387.69		0.01
Torrance Public Financing - 1998 COP Fire/Police	-		-
Animal Control Fund	-		-
Successor Agency - Low Mod Housing Capital Project	10,735.30	(C)	0.01
Successor Agency - Downtown Debt Service	14,354.35	(D)	0.01
Successor Agency - Skypark Debt Service	-		-
Successor Agency - Industrial Debt Service	144,670.07	(E)	0.10
Underground Storage Tank Fund	-		-
DNA Sampling Fund	13,808.40		0.01
Airport Fund	6,587,623.07		4.40
Transit Operations	12,442,234.01		8.32
Development Impact Fund	1,102,580.94		0.74
Water Operations	9,183,621.93		6.14
Emergency Medical Service Enterprise Fund	-		-
Sanitation Operations	(608,019.89)	(F)	(0.41)
Cultural Arts Enterprise	13,318.16		0.01
Sewer Enterprise Fund	8,736,262.56		5.84
Parks & Recreation Enterprise Fund	280,841.87		0.19
Self Insurance Fund	5,728,510.20		3.83
Fleet Services	17,060,380.56		11.41
Postemployment/Compensated Absences Fund	8,424,375.09		5.63
Trust & Agency	2,517,849.10		1.68
TOTAL CASH AND INVESTMENTS PER BOOKS	**149,572,180.10**		**100.00**
Redev Obligation Retirement Fund	209,155.18	(G)	

(A) T-030 Del Amo Blvd. extension project - MTA Grant has a negative cash balance of <$503,574.03>. METRO is holding approximately $701,873 of retention and will issue the check to City when the final review is completed.

T-131 Intersection Improvements - Measure R HW - MTA Grant has a negative cash balance of <$158,225.12>. Quarterly reimbursement request will be submitted in October 2013.

FEAP764 Torrance Transit Terminal project - Measure R HW-MTA Grant has a negative cash balance of <$218,771.33>. Quarterly reimbursement request will be submitted in October 2013.

I-111 Measure R N47 Maple Ave @ Sepulveda project - Measure R HW-MTA Grant has a negative cash balance of <$31,987.04>. Quarterly reimbursement request will be submitted in October 2013.

FEAP810 Pueblo Park Renovation - County Grant has a negative cash balance of <$82,736.90>. As per Department, this grant requires additional documents before the reimbursement request can be submitted. Department is in process to prepare those documents.
I-102 Stormwater Basin Enhancement Program - State Grant has a negative cash balance of <$25.42>. Reimbursement check of $210,804.88 was received on September 26, 2013.

(B) CDBG Fund has a negative cash balance of <$56,913.57> due to HIP program charges. Reimbursement request will be submitted in October 2013.

(C) Funds will be used to pay Coleman Court and Ocean Terrace Senior rental subsidy.

(D) Residuals that will be used to pay Downtown bond debt.

(E) Residuals that will be used to pay Industrial bond debt.

(F) Sanitation Operations Fund has a negative fund due to the purchase of green waste and refuse containers from Toter, Inc. for $613,481 in May 2012 & $500,176.05 in Sep 2012.

(G) The cash balance of Redev Obligation Retirement Fund for $209,155.18 is in a separate Bank of America account.

City of Torrance
Investment Report
September 2013

CASH AND INVESTMENTS RECONCILIATION
AS OF SEPTEMBER 30, 2013 (PRE-CLOSE)

INVESTMENTS PER PORTFOLIO SUMMARY		$ 149,872,633.48
Cash in Bank of America General Account	$ 1,180,097.27	
Cash in Bank of America Housing Account	1,587,665.98	
		2,767,763.25
TOTAL FUNDS PER INVESTMENT REPORT		**$ 152,640,396.73**
OUTSTANDING WARRANTS:		
General Account	$ (2,419,657.09)	
Payroll Account	(114,516.68)	
Workers' Compensation Account	(164,874.25)	
Housing Account	(6,040.00)	
		(2,705,088.02)
MISCELLANEOUS OUTSTANDING ADJUSTING JOURNAL ENTRIES:		
08/12/13 Receipts interfaced discrepancy, correction interfaced on 10/08/13	$ (0.20)	
09/18/13 Receipts interfaced discrepancy, correction interfaced on 10/08/13	(0.50)	
09/18/13 Receipts interfaced on 10/02/13	(100.00)	
09/23/13 Receipts interfaced on 10/03/13	(23,653.19)	
09/24/13 Receipts interfaced on 10/07/13	(503.90)	
09/27/13 Receipts interfaced on 10/02/13	(185,436.62)	
09/30/13 Receipts interfaced on 10/02/13	(157,116.26)	
08/13 IVR & Parking Web credit card receipts will be Interfaced in Oct 2013	(266.00)	
09/13 IVR & Parking Web credit card receipts will be Interfaced in Oct 2013	(17,645.00)	
IVR & Parking Web credit card adjustments	53.00	
09/27/13 Payroll check No.946040, issued on 09/27/13, interfaced in Oct 2013	1,992.37	
09/2013 Deposit in transit	19,547.69	
		(363,128.61)
TOTAL CASH AND INVESTMENTS PER BOOKS		**$ 149,572,180.10**