Council Meeting of
February 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 December 2012

RECOMMENDATION

Recommendation of the City Treasurer that City Council accept and file the attached monthly investment report for the month of December 2012.

FUNDING

Not applicable

BACKGROUND

On December 20, 2011, Your Honorable Body, through passage of Resolution 2011-102, 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.

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
Investment Committee Member

CC: City Manager
City Clerk

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CITY of TORRANCE
Monthly Investment Portfolio Report
December 31, 2012

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Investment Report
December 2012

Investment Portfolio Highlights

RETURN	Current Month	Previous Month
Average City Portfolio YTM	1.267%	1.333%
Average U.S. Treasury Constant	0.360%	0.320%
LAIF Average Monthly Return	0.326%	0.324%
Average City Portfolio YTM - 1 year	1.628%	1.678%

INTEREST INCOME	Current Period	Prior Year
Fiscal year to date	$979,399	$1,285,603
Current month	$150,558	$199,249

MATURITY	Current Month	Prior Month
Average Maturity (days)	1034	1084
Average Maturity 1 Year Prior	986	1011
Weighted Average Maturity (years)	2.83	2.97

VOLUMES	Total $ Volume	# of Transactions
Purchases	$33,559,801	9
Maturities	$30,514,801	11

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
December	2011	99	148,528,510.95	1.593	1.615	0.382%	6	4	1,278	986
January	2012	100	158,978,462.55	1.477	1.498	0.395%	10	9	1,194	920
February	2012	104	172,417,574.90	1.418	1.438	0.389%	10	7	1,227	982
March	2012	102	170,844,028.64	1.426	1.446	0.383%	3	5	1,284	1,020
April	2012	106	166,719,089.02	1.415	1.434	0.367%	7	3	1,317	1,048
May	2012	105	178,400,048.85	1.349	1.368	0.363%	2	3	1,256	983
June	2012	100	183,392,700.59	1.262	1.280	0.358%	1	6	1,181	900
July	2012	96	162,037,232.18	1.391	1.410	0.363%	4	8	1,386	1,045
August	2012	100	145,326,329.75	1.336	1.355	0.377%	10	6	1,377	1,039
September	2012	107	147,274,617.22	1.341	1.360	0.348%	14	7	1,418	1,084
October	2012	106	146,172,452.79	1.307	1.325	0.340%	4	5	1,393	1,040
November	2012	103	141,033,420.88	1.314	1.333	0.324%	5	6	1,455	1,084
December	2012	102	140,618,535.57	1.250	1.267	0.326%	5	6	1,392	1,034
	Average	**102**	**158,515,813.96**	**1.375%**	**1.394%**	**0.363%**	**6**	**6**	**1,320**	**1,013**

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											
11077	Vining Sparks	12/7/2012	Doral Bank	Not rated	12/6/2013	339	0.550%	0.550%	245,000	245,000	244,944
11078	Vining Sparks	12/12/2012	Mizuho Corp. USA	Not rated	12/12/2013	345	0.550%	0.550%	245,000	245,000	244,860
11079	Vining Sparks	12/26/2012	FHLMC	AA+/Aaa	12/26/2017	1820	0.850%	0.850%	2,000,000	2,000,000	1,999,420
11080	Wedbush Securities	12/5/2012	Bank of India	Not rated	12/4/2013	337	0.500%	0.500%	245,000	245,000	244,836
11081	Vining Sparks	12/12/2012	Webster Bank	Not rated	12/12/2017	1806	1.000%	1.000%	245,000	245,000	244,010
								0.784%	**2,980,000**	**2,980,000**	**2,978,070**
MATURITIES/CALLS											
10838	Stone & Younberg	12/11/2009	GE Money Bank	AA+/Aaa	12/11/2012	1096/1096	2.350%	2.350%	245,000	245,000	245,000
10839	Stone & Younberg	12/17/2009	First Bank Lexington	Not rated	12/17/2012	1096/1096	2.050%	2.050%	245,000	245,000	245,000
10874	Stone & Younberg	4/15/2010	Citibank	AA+/Aaa	12/28/2012	988/988	1.750%	1.553%	3,000,000	3,000,000	3,000,000
10969	Vining Sparks	6/28/2011	FHLB	AA+/Aaa	6/28/2016	549/1827	2.500%	1.064%	1,000,000	1,000,000	1,000,000
11000	Vining Sparks	12/20/2011	FNMA	AA+/Aaa	12/20/2016	366/1827	1.375%	1.247%	1,000,000	1,000,000	1,000,000
11002	Vining Sparks	12/28/2011	FNMA	AA+/Aaa	12/28/2016	366/1827	1.500%	1.371%	1,000,000	1,000,000	1,000,000
								1.451%	**6,490,000**	**6,490,000**	**6,490,000**

State of California	Beginning Balance	Rate	Yield	Deposits	Withdrawals	Interest Accrued	Ending Balance
Local Agency Pool							
City	6,400,000	0.326%	0.326%	14,000,000	16,200,000		4,200,000
TRANS Repayment	0	0.326%	0.326%	10,000,000	0		10,000,000
	$ 6,400,000						$ 14,200,000

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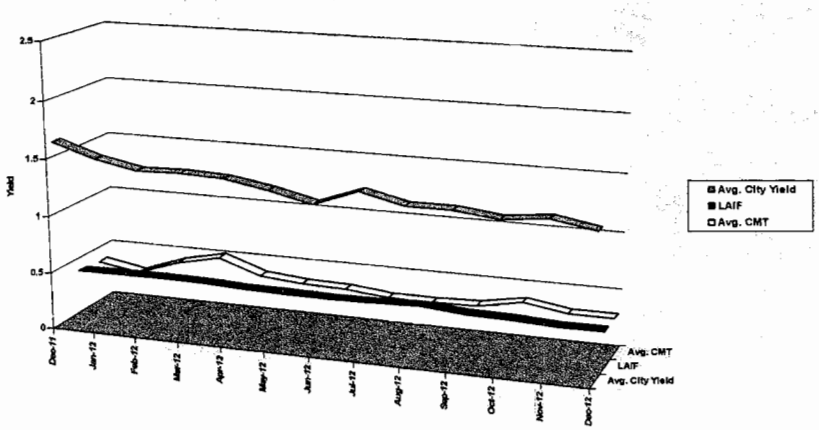
Investment Report
December 2012

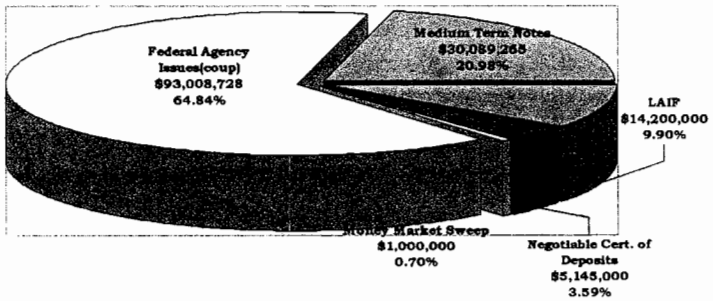
Portfolio Performance

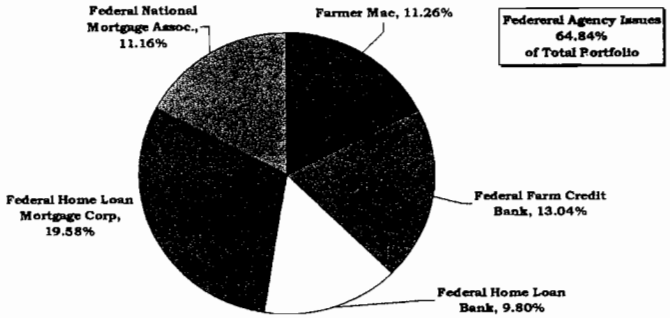


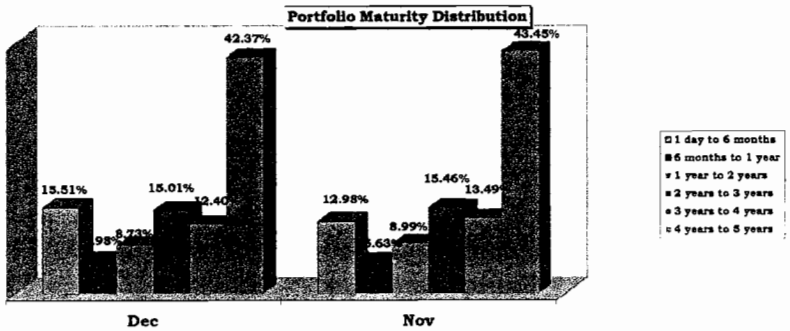
Interest Earnings Summary

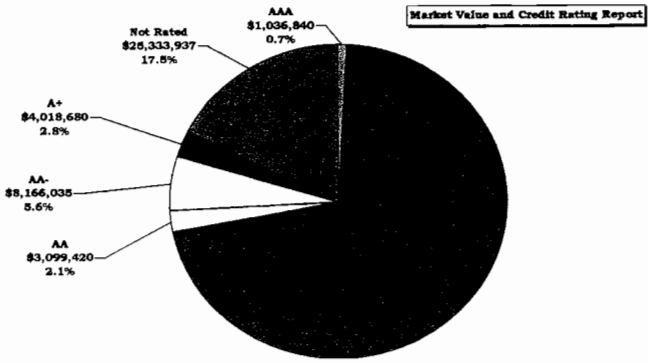
CD/Coupon/Discount Investments:	Month Ending	Dec 31	Fiscal Year End
Interest Collected		89,795	1,219,617
Plus Accrued Interest at		590,005	589,976
Less Accrued Interest at		-506,688	-706,442
Interest Earned	**$**	**173,112**	**$ 1,103,151**
Adjusted by Premium		-24,595	-147,290
Adjusted by Capital		-	-
Earnings during	**$**	**148,517**	**$ 955,861**
Cash/Checking Accounts:			
Interest Collected		6	13,828
Plus Accrued Interest at		92,567	92,567
Less Accrued Interest at		-90,533	-82,857
Interest Earned	**$**	**2,041**	**$ 23,538**
Total Interest Earned		**175,153**	**1,126,689**
Total Adjustments from Premiums and Discounts		**-24,595**	**-147,290**
Total Capital Gains or		-	-
Total Earnings this Period		**$150,558**	**$979,399**

Portfolio Diversification









Investment Report
December 2012

Portfolio Summary

	Book Value	% of Portfolio	% per Policy	Duration	Days to Maturity		Current Yield
Local Agency Investment Fund	14,200,000	9.90%	**	1	1	N/A	0.326%
Negotiable CDs	5,145,000	3.59%		922	820	5 years	0.845%
Money Market Sweep Account	1,000,000	0.70%		1	1		0.000%
Federal Agency Issues – Coupons	93,008,728	64.84%	75%	1,656	1,311	5 years	1.213%
Farmer Mac	16,156,113	11.26%	30%	1,303	1,337	5 years	1.143%
Federal Farm Credit Bank	18,706,432	13.04%	30%	1,053	1,112	5 years	1.282%
Federal Home Loan Bank	14,059,615	9.80%	30%	1,137	1,174	5 years	1.404%
Federal Home Loan Mortgage Corp.	28,087,201	19.58%	30%	1,329	1,377	5 years	1.025%
Federal National Mortgage Assoc.	15,999,367	11.16%	30%	1,474	1,516	5 years	1.363%
Treasury Securities – Coupons	0	0.00%	100%	0	0	5 years	0.000%
Medium Term Notes	30,089,265	20.97% *	20%	1,359	736	5 years	1.994%
Total Investments & Averages	**143,442,993**	**100.00%**		**1,392**	**1034**		**1.267%**

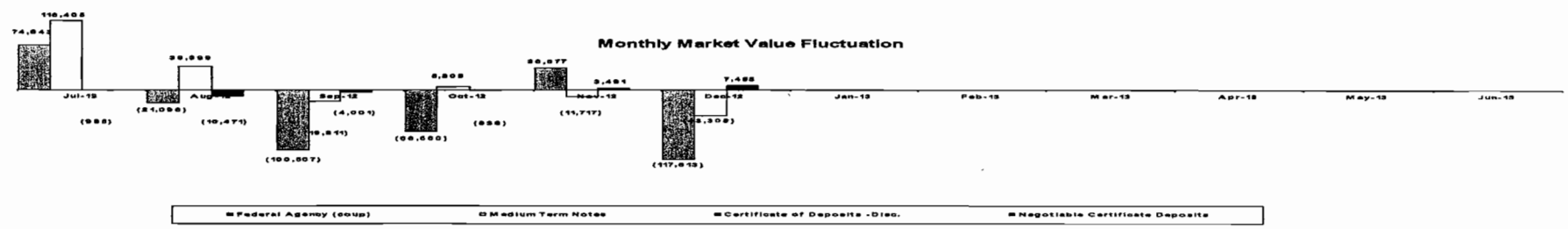
* This investment sector is currently out of compliance with the Investment Policy but was in compliance on the day the investments were purchased.

Effective Rate of Return	**Month Ending**	**Fiscal YTD**
	1.26%	1.32%
Pending Redemptions	0	
Accrued Interest at Purchase	62	
Total Accrued Interest	62	
TOTAL CASH & INVESTMENTS	**143,443,055**	

VALUE OF PORTFOLIO PER GASB NO.31

GASB required securities	Beginning Investment Value as July 1, 2012	Purchase/Redemption of Principal	Change in Market Value	Ending Investment Value as of December 31, 2012
Federal Agency (coup)	106,620,084	-12,744,430	-197,556	93,678,098
Treasury Securities	0	0	0	0
Medium Term Notes	32,510,722	-1,998,700	86,273	30,598,295
Municipal Bonds	169,300	-169,300	0	0
SUB-TOTAL PER GASB 31	**$139,300,107**	**($14,912,430)**	**($111,283)**	**$124,276,393**
Non-GASB				
LAIF	36,426,398	-22,226,398	0	14,200,000
Money Market	8,000,000	-7,000,000	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	1,967,326	3,185,000	-5348.35	5,146,977
Commercial paper	0	0	0	0
TOTAL PORTFOLIO	**$185,693,831**	**($40,953,828)**	**($116,632)**	**$144,623,370**

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 monies 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 = $ 14,200,000 TRANS payment account = $00
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 2011-102 on December 20, 2011 *except for Medium Term Notes category. Per California Government Code§53601 investments only need to be in compliance at the time of purchase which this category was. A copy of the 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.

Dana Cortes - City Treasurer

Shiela Abalayan - Deputy City Treasurer

Reviewed by the Investment Advisory Committee:

City Manager

City Attorney

Dana Cortes
City Treasurer

Director of Finance

Deputy City Treasurer

Monthly Investment Reports
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December 31, 2012

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			4,200,000.00	4,200,000.00	4,200,000.00	0.326		0.326	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			10,000,000.00	10,000,000.00	10,000,000.00	0.326		0.326	1	
		Subtotal and Average	7,361,290.32		**14,200,000.00**	**14,200,000.00**	**14,200,000.00**			**0.326**	**1**	
Money Market Sweep Account												
316175108S	1000	Union Bank of California			1,000,000.00	1,000,000.00	1,000,000.00			0.000	1	
		Subtotal and Average	**1,695,391.54**		**1,000,000.00**	**1,000,000.00**	**1,000,000.00**			**0.000**	**1**	
Negotiable CD's												
33764JHM0	11052	First Bank of Puerto Rico		08/01/2012	245,000.00	245,801.15	245,000.00	1.250		1.251	1,308	08/01/2016
332135FA5	11069	First National Bank of Omaha		10/10/2012	245,000.00	244,541.85	245,000.00	0.550		0.550	464	04/10/2014
02005QN90	11044	Ally Bank		08/01/2012	245,000.00	245,264.60	245,000.00	1.150		1.150	944	08/03/2015
02587DLD8	11070	American Express Cent		10/04/2012	245,000.00	245,810.95	245,000.00	1.550		1.550	1,737	10/04/2017
037830NA0	11047	Apple Bank Savings		08/01/2012	245,000.00	244,850.55	245,000.00	0.500		0.500	398	02/03/2014
07370VLN6	11064	Beal Bank USA		09/26/2012	245,000.00	244,833.40	245,000.00	0.400		0.400	267	09/25/2013
07370TUT8	11063	Beal Bank SSB Plano Texas		09/26/2012	245,000.00	244,833.40	245,000.00	0.400		0.400	267	09/25/2013
06426NGR7	11068	Bank of China		09/26/2012	245,000.00	245,232.75	245,000.00	0.650		0.650	633	09/26/2014
06251AYM6	11062	Bank Hapoalim BM NY		09/26/2012	245,000.00	245,007.35	245,000.00	0.500		0.500	268	09/26/2013
05568PZ91	11073	BMW Bank of North America		11/02/2012	245,000.00	244,610.45	245,000.00	0.950		0.950	1,035	11/02/2015
254671GK0	11058	Discover Bank		09/19/2012	245,000.00	245,676.20	245,000.00	1.250		1.250	1,357	09/19/2016
25811L2K4	11077	DORAL BANK		12/07/2012	245,000.00	244,943.65	245,000.00	0.550		0.550	339	12/06/2013
29976DNQ9	11059	EverBank		09/14/2012	245,000.00	245,703.15	245,000.00	0.900		0.900	1,352	09/14/2016
36160XN52	11051	GE Capital Bank		08/03/2012	245,000.00	244,892.20	245,000.00	1.150		1.150	944	08/03/2015
38143AXS9	11045	Goldman Sachs Bank		08/01/2012	245,000.00	245,200.90	245,000.00	1.200		1.200	944	08/03/2015
062782W52	11080	BANK OF INDIA		12/05/2012	245,000.00	244,835.85	245,000.00	0.500		0.500	337	12/04/2013
60688TGZ6	11078	Mizuho Corp USA		12/12/2012	245,000.00	244,860.35	245,000.00	0.550		0.550	345	12/12/2013
786580X96	11043	Safra National Bank		07/31/2012	245,000.00	245,338.10	245,000.00	0.800		0.800	941	07/31/2015
795450NT8	11053	Sallie Mae Bank		08/08/2012	245,000.00	245,242.55	245,000.00	1.100		1.100	951	08/10/2015
84603M2H8	11046	Sovereign Bank		08/01/2012	245,000.00	245,487.55	245,000.00	0.850		0.850	577	08/01/2014
94768NJD7	11081	Webster Bank		12/12/2012	245,000.00	244,010.20	245,000.00	1.000		1.000	1,806	12/12/2017
		Subtotal and Average	**5,097,580.65**		**5,145,000.00**	**5,146,977.15**	**5,145,000.00**			**0.845**	**820**	
Federal Agency Issues - Coupon												
31315PQN2	10936	Farmer Mac		02/03/2011	3,000,000.00	3,037,320.00	3,000,000.00	1.340	AA+	1.340	398	02/03/2014
31315PA25	10984	Farmer Mac		07/27/2011	1,000,000.00	1,048,080.00	999,642.78	2.000	AA+	2.011	1,303	07/27/2016

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December 31, 2012

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												
31315PDZ9	10986	Farmer Mac		08/23/2011	2,000,000.00	2,095,280.00	2,066,667.14	2.375	AA+	1.042	932	07/22/2015
31315PVC0	11035	Farmer Mac		04/26/2012	3,090,000.00	3,101,093.10	3,089,802.58	1.200	AA+	1.204	1,576	04/26/2017
31315PXK0	11071	Farmer Mac		10/25/2012	2,000,000.00	2,003,040.00	2,000,000.00	0.650	AA+	1.053	1,758	10/25/2017
31315PXR5	11072	Farmer Mac		11/02/2012	2,000,000.00	2,003,440.00	2,000,000.00	0.700	AA+	0.700	1,767	11/03/2017
31315PYR4	11074	Farmer Mac		11/07/2012	3,000,000.00	3,005,190.00	3,000,000.00	1.020	AA+	1.020	1,771	11/07/2017
31331GVD8	10800	FEDERAL FARM CREDIT BANK		05/08/2009	1,000,000.00	1,005,540.00	1,000,000.00	2.200	AA+	2.200	97	04/08/2013
31331XWW8	10879	FEDERAL FARM CREDIT BANK		05/05/2010	500,000.00	531,175.00	517,610.92	5.000	AA+	2.192	479	04/25/2014
31331JQ55	10907	FEDERAL FARM CREDIT BANK		10/06/2010	1,000,000.00	1,015,340.00	1,000,000.00	1.150	AA+	1.150	643	10/06/2014
31331KCK4	10942	FEDERAL FARM CREDIT BANK		02/17/2011	1,000,000.00	1,036,220.00	1,000,000.00	2.030	AA+	2.030	777	02/17/2015
31331X2Q4	10947	FEDERAL FARM CREDIT BANK		03/01/2011	1,000,000.00	1,032,430.00	1,025,894.44	5.000	AA+	1.100	246	09/04/2013
31331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,288,400.00	2,163,150.00	4.950	AA+	2.280	1,186	04/01/2016
31331KGN4	10955	FEDERAL FARM CREDIT BANK		04/07/2011	1,000,000.00	1,014,920.00	1,000,000.00	1.400	AA+	1.400	461	04/07/2014
31331K5T3	11013	FEDERAL FARM CREDIT BANK		01/11/2012	1,000,000.00	1,000,220.00	1,000,000.00	1.020	AA+	1.020	1,105	01/11/2016
3133EAGH5	11028	FEDERAL FARM CREDIT BANK		03/08/2012	2,000,000.00	2,004,480.00	2,000,000.00	1.250	AA+	1.250	1,527	03/08/2017
3133EAKP2	11032	FEDERAL FARM CREDIT BANK		04/04/2012	1,000,000.00	999,050.00	1,000,000.00	1.360	AA+	1.360	1,554	04/04/2017
3133EAA81	11041	FEDERAL FARM CREDIT BANK		07/30/2012	1,000,000.00	999,270.00	1,000,000.00	0.780	AA+	0.780	1,490	01/30/2017
3133EAA24	11048	FEDERAL FARM CREDIT BANK		07/26/2012	1,000,000.00	1,000,050.00	999,776.91	0.730	AA+	0.736	1,302	07/26/2016
3133EAX29	11060	FEDERAL FARM CREDIT BANK		09/18/2012	1,000,000.00	1,001,570.00	1,000,000.00	0.980	AA+	0.980	1,721	09/18/2017
3133EA2K3	11066	FEDERAL FARM CREDIT BANK		09/28/2012	1,000,000.00	1,000,030.00	1,000,000.00	0.450	AA+	0.450	1,000	09/28/2015
3133EA2H0	11067	FEDERAL FARM CREDIT BANK		10/01/2012	1,000,000.00	1,000,510.00	1,000,000.00	0.440	AA+	0.440	1,003	10/01/2015
3133EC5A8	11075	FEDERAL FARM CREDIT BANK		11/28/2012	2,000,000.00	1,994,720.00	2,000,000.00	0.870	AA+	0.870	1,791	11/27/2017
3133XT6J0	10788	FEDERAL HOME LOAN BANK		02/26/2009	2,000,000.00	2,007,480.00	2,000,000.00	2.625	AA+	2.625	56	02/26/2013
3133XY6S9	10899	FEDERAL HOME LOAN BANK		08/26/2010	1,000,000.00	1,015,000.00	1,008,108.31	2.000	AA+	1.002	301	10/29/2013
313372W26	10950	FEDERAL HOME LOAN BANK		03/15/2011	1,000,000.00	1,004,940.00	1,000,000.00	2.500	AA+	2.500	1,169	03/15/2016
313373RC8	10956	FEDERAL HOME LOAN BANK		05/16/2011	1,000,000.00	1,015,590.00	1,001,331.28	1.250	AA+	1.164	575	07/30/2014
313376Q99	11007	FEDERAL HOME LOAN BANK		01/13/2012	2,000,000.00	2,019,180.00	2,000,000.00	1.125	AA+	1.125	1,473	01/13/2017
313378W56	11037	FEDERAL HOME LOAN BANK		04/30/2012	2,000,000.00	2,045,900.00	2,000,000.00	2.000	AA+	1.425	1,574	04/24/2017
313370TW8	11040	FEDERAL HOME LOAN BANK		07/25/2012	1,000,000.00	1,056,470.00	1,050,175.85	2.000	AA+	0.620	1,347	09/09/2016
313380C62	11049	FEDERAL HOME LOAN BANK		08/23/2012	2,000,000.00	2,001,180.00	2,000,000.00	0.500	AA+	1.031	1,695	08/23/2017
313380P92	11055	FEDERAL HOME LOAN BANK		09/26/2012	1,000,000.00	1,000,460.00	1,000,000.00	1.000	AA+	1.000	1,729	09/26/2017
313380MF1	11057	FEDERAL HOME LOAN BANK		09/18/2012	1,000,000.00	1,000,070.00	1,000,000.00	1.000	AA+	1.005	1,721	09/18/2017
3128X1CS4	10915	FEDERAL HOME LOAN MORTGAGE CO		10/27/2010	1,000,000.00	1,039,600.00	1,033,568.91	4.580	AA+	0.730	322	11/19/2013
3134G3EN6	11003	FEDERAL HOME LOAN MORTGAGE CO		12/30/2011	1,000,000.00	1,007,050.00	1,000,000.00	1.000	AA+	1.000	910	06/30/2015
3134G3GG9	11008	FEDERAL HOME LOAN MORTGAGE CO		01/09/2012	1,000,000.00	1,000,120.00	1,000,011.11	0.850	AA+	0.833	738	01/09/2015
3134G3GM6	11009	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	1,000,000.00	1,009,700.00	1,000,000.00	1.300	AA+	1.300	1,473	01/13/2017
3134G3GX2	11010	FEDERAL HOME LOAN MORTGAGE CO		01/13/2012	2,000,000.00	2,015,960.00	2,000,000.00	1.400	AA+	1.400	1,473	01/13/2017

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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												
3137EADC0	11017	FEDERAL HOME LOAN MORTGAGE CO		01/30/2012	1,000,000.00	1,012,750.00	997,130.30	1.000	AA+	1.071	1,527	03/08/2017
3134G3MR8	11018	FEDERAL HOME LOAN MORTGAGE CO		02/13/2012	1,000,000.00	1,003,610.00	1,000,000.00	0.550	AA+	0.550	773	02/13/2015
3134G3NA4	11019	FEDERAL HOME LOAN MORTGAGE CO		02/28/2012	3,000,000.00	3,024,450.00	3,000,000.00	0.750	AA+	0.750	1,519	02/28/2017
3134G3MX5	11021	FEDERAL HOME LOAN MORTGAGE CO		02/24/2012	1,000,000.00	1,005,920.00	1,000,000.00	0.800	AA+	0.800	1,149	02/24/2016
3134G3NA4	11022	FEDERAL HOME LOAN MORTGAGE CO		02/28/2012	2,000,000.00	2,016,300.00	2,000,000.00	0.750	AA+	1.313	1,519	02/28/2017
3134G3MT4	11026	FEDERAL HOME LOAN MORTGAGE CO		02/24/2012	2,000,000.00	2,011,820.00	2,000,000.00	1.125	AA+	1.125	1,515	02/24/2017
3134G3SD3	11027	FEDERAL HOME LOAN MORTGAGE CO		03/28/2012	2,000,000.00	2,012,660.00	2,000,000.00	0.750	AA+	0.750	1,000	09/28/2015
3137EACT4	11034	FEDERAL HOME LOAN MORTGAGE CO		04/26/2012	1,000,000.00	1,066,950.00	1,056,491.01	2.500	AA+	0.810	1,242	05/27/2016
3134G3VH0	11038	FEDERAL HOME LOAN MORTGAGE CO		05/24/2012	5,000,000.00	5,014,700.00	5,000,000.00	1.200	AA+	1.200	1,604	05/24/2017
3134G3WD8	11039	FEDERAL HOME LOAN MORTGAGE CO		06/12/2012	2,000,000.00	2,022,040.00	2,000,000.00	1.250	AA+	1.250	1,623	06/12/2017
3134G32L3	11079	FEDERAL HOME LOAN MORTGAGE CO		12/26/2012	2,000,000.00	1,992,420.00	2,000,000.00	0.850	AA+	0.850	1,820	12/26/2017
3136FRUP6	10967	FEDERAL NATIONAL MORT ASSOC		07/15/2011	3,000,000.00	3,029,070.00	3,000,000.00	2.000	AA+	2.000	1,291	07/15/2016
3136FTH44	11016	FEDERAL NATIONAL MORT ASSOC		02/08/2012	2,000,000.00	2,001,660.00	2,000,000.00	1.000	AA+	1.343	1,499	02/08/2017
3136FTV89	11025	FEDERAL NATIONAL MORT ASSOC		02/28/2012	2,000,000.00	2,001,040.00	1,999,366.67	0.500	AA+	1.331	1,519	02/28/2017
3136FT3W7	11031	FEDERAL NATIONAL MORT ASSOC		03/28/2012	2,000,000.00	1,997,020.00	2,000,000.00	1.125	AA+	1.332	1,547	03/28/2017
3136G0DQ1	11033	FEDERAL NATIONAL MORT ASSOC		04/26/2012	2,000,000.00	2,004,860.00	2,000,000.00	1.000	AA+	0.998	1,302	07/26/2016
3136G0VA6	11050	FEDERAL NATIONAL MORT ASSOC		08/14/2012	1,000,000.00	1,002,190.00	1,000,000.00	0.625	AA+	1.226	1,686	08/14/2017
3136G0D57	11054	FEDERAL NATIONAL MORT ASSOC		09/27/2012	1,000,000.00	1,000,650.00	1,000,000.00	0.500	AA+	1.240	1,730	09/27/2017
3136G0D24	11061	FEDERAL NATIONAL MORT ASSOC		09/25/2012	1,000,000.00	1,000,850.00	1,000,000.00	0.500	AA+	1.093	1,728	09/25/2017
3136G0F97	11065	FEDERAL NATIONAL MORT ASSOC		09/27/2012	1,000,000.00	1,001,250.00	1,000,000.00	0.500	AA+	1.179	1,730	09/27/2017
3136G06R7	11076	FEDERAL NATIONAL MORT ASSOC		11/28/2012	1,000,000.00	999,820.00	1,000,000.00	0.500		1.068	1,791	11/27/2017
		Subtotal and Average	**93,758,970.53**		**92,590,000.00**	**93,678,098.10**	**93,008,728.21**			**1.213**	**1,311**	
Medium Term Notes												
88579EAE5	10895	3M Company		07/20/2010	1,000,000.00	1,025,580.00	1,019,337.59	4.375	AA-	1.200	226	08/15/2013
06738KXV8	10989	Barclays Bank		10/28/2011	3,000,000.00	3,014,880.00	3,000,000.00	4.375	A+	3.287	1,396	10/28/2016
06366RHA6	11056	Bank of Montreal		09/11/2012	1,000,000.00	1,003,800.00	1,001,220.56	1.400	A+	1.373	1,714	09/11/2017
084664AD3	10714	Berkshire Hathaway		01/18/2008	1,000,000.00	1,031,580.00	1,002,242.32	4.625	AA+	4.300	287	10/15/2013
084670AU2	10938	Berkshire Hathaway		02/08/2011	3,000,000.00	3,005,370.00	3,003,850.62	2.125	AA+	0.956	41	02/11/2013
191216AN0	10924	COCA-COLA		11/22/2010	1,085,000.00	1,088,895.15	1,082,672.64	0.750	AA-	1.000	318	11/15/2013
36962G4H4	10913	General Electric		10/19/2010	1,000,000.00	1,000,280.00	1,000,320.65	2.800	AA+	1.125	7	01/08/2013
36962G4T8	10925	General Electric		11/19/2010	1,000,000.00	1,032,710.00	987,784.60	2.250	AA+	2.710	1,042	11/09/2015
36962G4X9	10935	General Electric Capital Corp		01/10/2011	2,000,000.00	2,032,820.00	1,998,946.52	2.100	AA+	2.154	371	01/07/2014
36962G5N0	11011	General Electric Capital Corp		01/10/2012	2,000,000.00	2,114,680.00	2,002,414.67	2.900	AA+	2.868	1,469	01/09/2017
36962G5M2	11012	General Electric Capital Corp		01/10/2012	2,000,000.00	2,054,280.00	2,003,103.61	2.150	AA+	2.070	738	01/09/2015
36962G4N1	11024	General Electric Capital Corp		02/22/2012	2,000,000.00	2,005,600.00	1,982,690.15	1.060	AA+	1.433	952	08/11/2015

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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	Maturity Date
Medium Term Notes												
594918AB0	10821	MicroSoft Corp		08/17/2009	1,000,000.00	1,036,840.00	1,000,000.00	2.950	AAA	2.949	516	06/01/2014
89233P4H6	10945	Toyota Motor Credit Corp		02/23/2011	1,000,000.00	1,005,960.00	1,000,512.10	1.375	AA-	1.290	223	08/12/2013
89233P5S1	11015	Toyota Motor Credit Corp		01/13/2012	1,000,000.00	1,034,260.00	1,003,435.94	2.050	AA-	1.960	1,472	01/12/2017
89233P5Z5	11023	Toyota Motor Credit Corp		02/17/2012	2,000,000.00	2,013,420.00	1,997,872.22	1.000	AA-	1.102	777	02/17/2015
89233P6C5	11036	Toyota Motor Credit Corp		05/01/2012	2,000,000.00	1,997,920.00	2,000,000.00	0.500	AA-	0.997	849	04/30/2015
931142CN1	10820	Wal-Mart Stores		08/14/2009	2,000,000.00	2,058,340.00	2,001,983.14	3.000	AA	2.902	398	02/03/2014
931142CT8	10928	Wal-Mart Stores		12/15/2010	1,000,000.00	1,041,080.00	1,000,877.74	2.250	AA	2.213	918	07/08/2015
		Subtotal and Average	**32,705,302.53**		**30,085,000.00**	**30,598,295.15**	**30,089,265.07**			**1.994**	**736**	
		Total and Average	**140,618,535.57**		**143,020,000.00**	**144,623,370.40**	**143,442,993.28**			**1.267**	**1,034**	

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II. RESTRICTED FUNDS

III. CASH & INVESTMENT PORTFOLIO SHARE

City of Torrance
Investment Report
December 2012

CASH AND INVESTMENT PORTFOLIO SHARE (A)
AS OF DECEMBER 31, 2012

FUND	SHARE OF INVESTMENTS	POOLED CASH & INVESTMENTS BALANCE		CASH PERCENT
General	25,461,131.29	26,374,086.03		17.75
Parks & Recr Facility & Open Space	4,102,469.61	4,253,106.58		2.86
State Gas Tax	11,346,340.77	11,761,511.47		7.91
Federal Housing, Community Dev	846,313.66	882,437.80		0.59
Street Lighting	28,688.60	27,060.00		0.02
Traffic Congestion Relief Act 2000 - AB2928	14,344.30	9,719.23		0.01
Proposition 1B	1,879,103.21	1,943,976.33		1.31
Police Asset Forfeiture	4,102,469.61	4,256,915.40		2.86
Drainage Improvement	14,344.30	19,444.47		0.01
Measure R Local Return	3,241,811.65	3,355,664.07		2.26
Government Cable	4,002,059.51	4,154,290.72		2.79
Local Return - Proposition C	3,829,927.92	3,972,693.77		2.67
TDA Article 3 Bicycle Fund	-	108.37		0.00
Grants/Donations	774,592.16	808,866.34	(B)	0.54
CDBG Fund	-	1.00		0.00
Citizens Options for Public Safety (COPS) Grant Funds - AB3229	286,885.99	302,051.88		0.20
Seismic Education Fund	57,377.20	59,484.15		0.04
Rehabilitation Housing	659,837.77	686,334.73		0.46
Meadow Park Parking Lot	57,377.20	53,152.22		0.04
Police Inmate Welfare Fund	43,032.90	51,766.75		0.03
Capital Improvements	19,465,214.19	20,170,576.05		13.57
Geologic Hazard Abatement	14,344.30	14,316.64		0.01
El Camino Training Fund-Fire	129,098.69	136,718.70		0.09
El Camino Training Fund-Police	14,344.30	10,000.00		0.01
Vanpool/Rideshare Fund	14,344.30	14,737.07		0.01
Torrance Public Financing - 1998 COP Fire/Police	(143,442.99)	(154,090.00)	(C)	(0.10)
Animal Control Fund	-	-		0.00
Successor Agency - Skypark Capital Project	-	-		0.00
Successor Agency - Downtown Capital Project	-	-		0.00
Successor Agency - Industrial Capital Project	-	-		0.00
Successor Agency - Low Mod Housing Capital Project	14,344.30	7,910.94		0.01
Successor Agency - Downtown Debt Service	172,131.59	182,870.60		0.12
Successor Agency - Skypark Debt Service	-	3,052.38		0.00
Successor Agency - Industrial Debt Service	702,870.67	725,076.82		0.49
Underground Storage Tank Fund	-	3,000.00		0.00
DNA Sampling Fund	71,721.50	80,100.00		0.05
Airport Fund	5,823,785.53	6,037,115.73		4.06
Transit Operations	8,434,448.00	8,747,450.31		5.88
Development Impact Fund	1,018,445.25	1,055,170.33		0.71
Water Operations	7,430,347.05	7,698,050.71		5.18
Emergency Medical Service Enterprise Fund	-	-		0.00
Sanitation Operations	(1,047,133.85)	(1,082,878.16)	(D)	(0.73)
Cultural Arts Enterprise	57,377.20	53,446.54		0.04
Sewer Enterprise Fund	9,079,941.47	9,407,898.69		6.33
Parks & Recreation Enterprise Fund	(215,164.49)	(221,093.66)	(E)	(0.15)
Self Insurance Fund	6,340,180.30	6,573,752.66		4.42
Fleet Services	15,678,319.17	16,246,192.35		10.93
Postemployment/Compensated Absences Fund	6,684,443.49	6,929,219.88		4.66
Trust & Agency	2,954,925.66	3,060,554.46		2.06
TOTAL	**143,442,993.28**	**148,671,820.35**		**100.00**
Account in Trust - RDA Successor Agency-Low Mod Housing		10,392.60	(F)	

(A) The difference between the Share of Investments total of $143,442,993.28 and the Pooled Cash and Investments total of $148,671,820.35 is primarily due to outstanding warrants and adjusting journal entries. (See reconciliation schedule attached)

(B) T-030 Del Amo Blvd. extension project - Federal Grant MTA pass thru has a negative cash balance of <$593,180.37>. Approximately $590,000 of the negative balance represents the retention that City still holds as of December 31, 2012.

FEAP764 Torrance Transit Terminal project - Measure R HW-MTA Grant has a negative cash balance of <$383,775.25>. Reimbursement request in the amount of $337,408.44 was submitted on 01/10/2013.

(C) The reimbursement request from the Construction Fund for the Certificates of Participation Series 2004 A&B in the amount of $154,090.00 will be submitted in January 2013.

(D) 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. We anticipate future revenues to cover this deficit.

(E) Negative cash balance represents net losses from prior years.

(F) The cash balance of RDA Successor Agency (SA) Low Mod Fund is in a separate bank account. On 8/14/12, Council approved a loan to SA Debt Services in the amount of $3,192,500 for the payment of bond debt services due in September 2012 and March 2013. The loan will be paid off by future property tax increment distributions. On 12/7/12, there was a payment to County of Los Angeles Auditor-Controller in the amount of $3,867,774 per DOF review letter on Low Mod Fund dated 12/3/2012.

City of Torrance
Investment Report
December 2012

CASH AND INVESTMENTS RECONCILIATION
AS OF DECEMBER 31, 2012

INVESTMENTS PER PORTFOLIO SUMMARY (City Pool)		**143,442,993.28**
CASH AND INVESTMENTS PER BOOKS		**148,671,820.35**
CASH IN BANKS:		
Cash in B of A General Account		(4,950,302.77)
OUTSTANDING WARRANTS:		
General Account	1,239,544.65	
Payroll Account	80,102.87	
Workers Compensation Account	119,473.99	
		1,439,121.51
Miscellaneous outstanding adjusting journal entries		(321,089.24)
Housing Fund restricted cash		(1,396,556.57)
INVESTMENTS PER BOOKS		**143,442,993.28**