

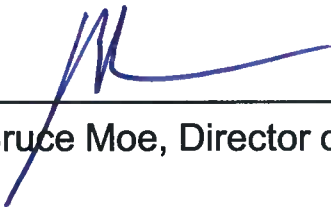


City of Manhattan Beach

Investment Portfolio

February 2014

As Finance Director for the City of Manhattan Beach, I hereby certify that these investments are in compliance with the City's investment policy (unless otherwise noted). Sufficient liquidity has been maintained to meet budget expenditure requirements for the current six month period.



Bruce Moe, Director of Finance

CITY OF MANHATTAN BEACH
Portfolio Management
Portfolio Summary
February 1, 2014 through February 28, 2014

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LAIF	35,050,000.00	35,050,000.00	35,050,000.00	46.44	1	1	0.233	0.236
Certificates of Deposit - Bank	9,031,000.00	9,046,616.74	9,031,000.00	11.97	1,281	890	0.987	1.001
Medium Term Notes	12,000,000.00	12,241,180.00	12,207,213.26	16.18	1,276	898	1.195	1.212
Federal Agency Issues - Coupon	19,000,000.00	19,266,220.00	19,178,514.80	25.41	1,647	901	1.540	1.561
Investments	75,081,000.00	75,604,016.74	75,466,728.06	100.00%	779	481	0.811	0.822
Cash and Accrued Interest								
Passbook/Checking (not included in yield calculations)	-63,301.01	-63,301.01	-63,301.01		0	0	0.000	0.000
Accrued Interest at Purchase		18,217.22	18,217.22					
Subtotal		-45,083.79	-45,083.79					
Total Cash and Investments	75,017,698.99	75,558,932.95	75,421,644.27		779	481	0.811	0.822

Total Earnings **February 28 Month Ending**
Current Year 72,776.36

BRUCE A. MOE, FINANCE DIRECTOR



City of Manhattan Beach
Investment Portfolio Summary
As of February 28, 2014

PORTFOLIO PROFILE	Feb 28, 2014	Dec 31, 2013	Nov 30, 2013	Oct 31, 2013	Sep 30, 2013
Total Book Value (Excluding Trust Funds)	\$75,466,728	\$67,666,498	\$65,349,578	\$66,841,238	\$67,866,485
Increase/(Decrease) from Prior Period	7,800,230	2,316,920	(1,491,660)	(1,025,247)	(1,775,000)
Percentage Change	11.5%	3.5%	(2.2%)	(1.5%)	(2.55%)
Average Yield to Maturity (365 Days)	0.822%	0.867%	0.858%	0.831%	0.901%
Increase/(Decrease) from Prior Period	(0.045%)	0.009%	0.027%	(0.070%)	0.017%

PORTFOLIO ALLOCATIONS

By Security	Value (Par)	Percent	Par YTM	Time Horizon	Percent
LAIF*	\$35,050,000	46.7%	0.236%	Next 12 months	57%
Certificates of Deposit	9,031,000	12.0%	1.001%	Months 13-24	9%
Medium Term Notes	12,000,000	16.0%	1.212%	Months 25-36	15%
Federal Agencies	19,000,000	25.3%	1.561%	Months 37-48	9%
				Months 49-60	10%
Total	\$75,081,000	100.0%	0.819%	Total	100.0%

*LAIF YTM as of February 28, 2014

RECENT ACTIVITY

Security	Date of Activity	Maturity Date	Purchase (Par)	Maturing/Call	YTM
Certificate of Deposit - 0.75% Coupon	12/2/2013	6/2/2016	\$245,000		0.750%
FHLB - 1.75% Coupon	12/27/2013	12/14/2018	1,000,000		1.780%
Medium Term Note - 1.50% Coupon (Callable)	12/23/2013	6/15/2018	1,000,000		1.730%
FFCB - 1.34% Coupon	2/13/2014	12/29/2017	2,000,000		1.208%
Certificate of Deposit - 0.8% Coupon	2/14/2014	2/14/2017	245,000		0.800%
Medium Term Note - 1.2% Coupon (Callable)	2/18/2014	10/15/2017	1,000,000		1.350%
Certificate of Deposit - 0.75% Coupon	2/19/2014	2/21/2017	245,000		0.750%
Certificate of Deposit - 1.3% Coupon	2/20/2014	2/20/2018	211,000		1.300%
Certificate of Deposit - 1.15% Coupon	2/21/2014	11/21/2017	245,000		1.150%
Certificate of Deposit - 1.3% Coupon	2/24/2014	2/26/2018	245,000		1.300%
Total Purchases			\$6,436,000		1.354%
Called: FFCB - 0.875% Coupon	11/12/2013	6/14/2016		\$2,000,000	0.875%
Called: FHLMC - 0.75% Coupon	12/27/2013	6/27/2016		2,000,000	0.750%
Called: FNMA - 1.0% Coupon	2/28/2014	11/28/2016		2,000,000	1.063%
Total Maturing/Calls				\$6,000,000	0.896%

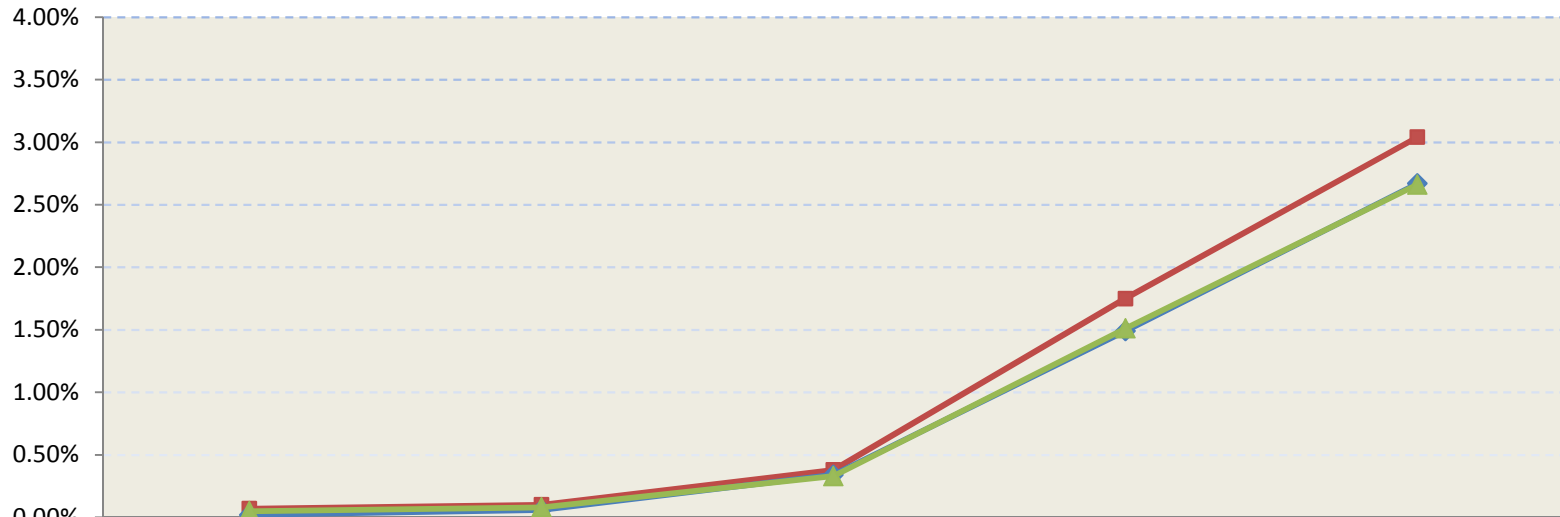
City of Manhattan Beach
Investment Portfolio Summary
As of February 28, 2014

PORTFOLIO FUNDS HELD IN TRUST	Value
Police/Fire Refund Delivery Cost	\$3
Marine Avenue	31,701
Pension Bond	11
Metlox & Water/Wastewater Refunding	14
UUAD Assessment Funds	1,565,645
Total Funds Held in Trust	\$1,597,373

As of February 28, 2014

US Treasuries Yield Curve

www.treas.gov



	3-Month	6-Month	2-Year	5-Year	10-Year
—■— Dec 31 2013	0.07%	0.10%	0.38%	1.75%	3.04%
—◆— Jan 31 2014	0.02%	0.06%	0.34%	1.49%	2.67%
—▲— Feb 28 2014	0.05%	0.08%	0.33%	1.51%	2.66%

CITY OF MANHATTAN BEACH
Portfolio Maturity Structure

March 2014 through February 2019

HELD TO MATURITY
Rolling 60 Months

Mth	Mat.	YTM	Inv	Call	Amt	Mth	Mat.	YTM	Inv	Call	Amt	Mth	Mat.	YTM	Inv	Call	Amt	Mth	Mat.	YTM	Inv	Call	Amt						
Mar 14	3/28/14	1.2%	CD	nc	\$0.2M	Mar 15	3/4/15	2.18%	FFCB	nc	\$2.0M	Mar 16	3/21/16	1.15%	CD	nc	\$0.2M	Mar 17	3/28/17	0.75%	CD	nc	\$0.2M	Mar 18	3/28/18	1.00%	CD	nc	\$0.2M
	3/31/14	1.2%	CD	nc	\$0.2M		3/16/15	1.75%	MTN	nc	\$1.0M								3/28/17	0.75%	CD	nc	\$0.2M						
Apr 14						Apr 15						Apr 16						Apr 17	4/28/17	0.75%	CD	nc	\$0.2M	Apr 18	4/2/18	1.13%	FHLMC	4/2/14	\$2.0M
																			4/4/18	0.95%	CD	nc	\$0.2M						
May 14						May 15						May 16	5/9/16	1.35%	MTN	nc	\$2.0M	May 17						May 18					
Jun 14						Jun 15	6/1/15	0.80%	CD	nc	\$0.2M	Jun 16	6/6/16	1.24%	MTN	nc	\$1.0M	Jun 17						Jun 18	6/27/18	1.45%	FHLB	9/27/13	\$2.0M
													6/2/16	0.75%	CD	nc	\$0.2M								6/15/18	1.73%	MTN	MW: 10	\$1.0M
													6/10/16	1.23%	FHLB	nc	\$1.0M												
Jul 14	7/28/14	1.6%	FHLMC	nc	\$2.0M	Jul 15	7/24/15	1.00%	CD	nc	\$0.2M	Jul 16						Jul 17	7/27/17	1.10%	CD	nc	\$0.2M	Jul 18					
Aug 14						Aug 15	8/7/15	0.88%	MTN	nc	\$0.5M	Aug 16	8/29/16	0.90%	CD	nc	\$0.2M	Aug 17	8/29/17	1.05%	CD	2/28/13	\$0.2M	Aug 18					
							8/10/15	1.10%	CD	nc	\$0.2M																		
Sep 14						Sep 15	9/25/15	0.75%	CD	nc	\$0.2M	Sep 16	9/28/16	1.18%	FNMA	nc	\$2.0M	Sep 17						Sep 18					
							9/25/15	0.55%	CD	nc	\$0.2M		9/29/16	0.78%	MTN	nc	\$1.0M												
							9/28/15	0.65%	CD	nc	\$0.2M																		
							9/28/15	0.65%	CD	nc	\$0.2M																		
							9/30/15	0.60%	CD	nc	\$0.2M																		
Oct 14	10/24/14	0.8%	CD	nc	\$0.2M	Oct 15	10/28/15	1.73%	CD	nc	\$0.2M	Oct 16						Oct 17	10/5/17	1.14%	MTN	12/21/12	\$1.0M	Oct 18					
	10/27/14	0.7%	CD	nc	\$0.2M														10/15/17	1.35%	MTN	MW: 10	\$1.0M						
Nov 14	11/13/14	2.3%	FHLMC	nc	\$2.0M	Nov 15						Nov 16	11/22/16	0.75%	CD	nc	\$0.2M	Nov 17	11/21/17	1.15%	CD	nc	\$0.2M	Nov 18	11/21/18	1.55%	FHLB	nc	\$1.0M
	11/20/14	1.5%	FNMA	nc	\$2.0M								11/28/16	0.80%	CD	nc	\$0.2M												
													11/28/16	0.85%	CD	nc	\$0.2M												
Dec 14						Dec 15	12/7/15	0.55%	MTN	MW: 5	\$1.0M	Dec 16	12/15/16	1.26%	MTN	nc	\$0.5M	Dec 17	12/21/17	1.20%	CD	nc	\$0.2M	Dec 18	12/14/18	1.78%	FHLB	nc	\$1.0M
													12/29/16	2.10%	CD	nc	\$0.2M		12/26/17	1.00%	CD	nc	\$0.2M						
																			12/29/17	1.21%	FFCB	nc	\$0.2M						
Jan 15						Jan 16						Jan 17	1/5/17	2.05%	CD	nc	\$0.2M	Jan 18						Jan 19					
													1/31/17	1.11%	MTN	nc	\$1.0M												
Feb 15	2/13/15	1.1%	MTN	nc	\$1.0M	Feb 16	2/29/16	0.70%	CD	nc	\$0.2M	Feb 17	2/14/17	0.80%	CD	nc	\$0.2M	Feb 18	2/20/18	1.30%	CD	nc	\$0.2M	Feb 19					
													2/15/17	1.60%	CD	nc	\$0.2M		2/26/18	1.30%	CD	nc	\$0.2M						
													2/21/17	0.75%	CD	nc	\$0.2M												
Total By Year (excl LAIF)					\$7.98m						\$6.95m						\$11.20m						\$6.42m						\$7.49m
% of Total Securities (excl LAIF)					20%						17%						28%						16%						19%
% of Total Investments (incl LAIF)					57%						9%						15%						9%						10%

Total Securities	53%	\$40.0M
LAIF	47%	\$35.1M
Total Investments	100%	\$75.1M

Shaded rows indicate months with significant cash inflows.

City of Manhattan Beach
Investment Policy Compliance Chart

As of February 28, 2014

Instrument	Par Value	% of Total	Dollar Compliance		Percentage Compliance		Term Compliance	
			Limit	Compliant?	Limit	Compliant?	Limit	Compliant?
Local Agency Investment Fund (LAIF)*	\$35,050,000	46.7%	\$50,000,000	Yes	<i>Temporary Suspension</i>			
Certificates of Deposit								
Discover Bank (5649)	5649	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
First Merit Bank (13675)	13675	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
First Bank NC (15019)	15019	\$245,000	0.3%	\$1,000,000	Yes	5.0%	Yes	5 Years
Flushing SB NY (16049)	16049	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Citizens Deposit Bk (16852)	16852	211,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Key Bank NA (17534)	17534	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Webster Bank (18221)	18221	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Compass Bank (19048)	19048	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Bank of Manhattan (23191)	23191	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Boston Private Bank & Trust (24811)	24811	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Safra National Bank (26876)	26876	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
American Express Centurion Bank (27471)	27471	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Georgia Bank & Trust (27574)	27574	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Fox Chase Bank (28888)	28888	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Pyramax Bank (29120)	29120	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Sovereign Bank Natl Assn (29950)	29950	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Third Fed Svgs Bk (30012)	30012	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Washington Federal (30570)	30570	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Goldman Sachs Bk (33124)	33124	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Bank of NC (33527)	33527	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
State Bank of India NY (33682)	33682	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Bank Hapoalim NY (33686)	33686	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
GE Cap Financial Inc (GE Capital Bank - 33778)	33778	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Wheaton Bk & Trust (33803)	33803	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
First Sentry Bank (34241)	34241	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Barrington Bank & Trust (34395)	34395	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Merrick Bank (34519)	34519	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
EverBank (34775)	34775	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Bank of Holland (34862)	34862	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
BMW Bank North America (35141)	35141	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Cit Bank (35575)	35575	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Comenity Capital (57570)	57570	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Ally Bank (57803)	57803	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Sallie Mae Bank (58177)	58177	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Marlin Business Bank (58267)	58267	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
USNY Bank (58541)	58541	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Crossfirst Bank (58648)	58648	245,000	0.3%	1,000,000	Yes	5.0%	Yes	5 Years
Total Certificates of Deposit (37)	\$9,031,000	12.0%			20.0%	Yes		
Medium Term (Corporate) Notes								
Berkshire Hathaway	\$1,000,000	1.3%			5.0%	Yes	5 Years	Yes
Commwealth Bank Australia	1,000,000	1.3%			5.0%	Yes	5 Years	Yes
Costco Companies	1,000,000	1.3%			5.0%	Yes	5 Years	Yes
GE Cap Corp	2,000,000	2.7%			5.0%	Yes	5 Years	Yes
National Australia Bank	500,000	0.7%			5.0%	Yes	5 Years	Yes
Oracle	1,000,000	1.3%			5.0%	Yes	5 Years	Yes
Pfizer Inc	1,000,000	1.3%			5.0%	Yes	5 Years	Yes
Toyota Motor Credit	1,000,000	1.3%			5.0%	Yes	5 Years	Yes
Union Bank	1,000,000	1.3%			5.0%	Yes	5 Years	Yes
Wells Fargo & Co	1,500,000	2.0%			5.0%	Yes	5 Years	Yes
3M	1,000,000	1.3%			5.0%	Yes	5 Years	Yes
Total Medium Term Notes (11)	\$12,000,000	16.0%			20.0%	Yes		
Federal Agencies								
Federal Home Loan Bank (FHLB)	\$5,000,000	6.7%			33.3%	Yes	5 Years	Yes
Federal Farm Credit (FFCB)	4,000,000	5.3%			33.3%	Yes	5 Years	Yes
Fannie Mae (FNMA)	4,000,000	5.3%			33.3%	Yes	5 Years	Yes
Freddie Mac (FHLMC)	6,000,000	8.0%			33.3%	Yes	5 Years	Yes
Total Federal Agencies (4)	\$19,000,000	25.3%			60.0%	Yes	5 Years	Yes
Total Portfolio	\$75,081,000	100.0%						

*Approved by the Finance Subcommittee for the temporary policy suspension until December 2014 to allow over 50% of the portfolio to be invested in LAIF.

CITY OF MANHATTAN BEACH
February 28, 2014

Investments

	Book Value
LAIF	\$35,050,000.00
Medium Term Notes	12,207,213.26
Federal Agency Issues-Coupon	19,178,514.80
Certificates of Deposit	9,031,000.00
Subtotal Investments	<u>\$75,466,728.06</u>

Demand Deposit/Petty Cash

Cash in Bank	(\$63,301.01)
Petty Cash	2,372.47
Subtotal Demand Deposit	<u>(\$60,928.54)</u>

Subtotal City Cash & Investments

\$75,405,799.52

Bond Funds Held in Trust

Police/Fire Refund Escrow	-
Police Fire Refund Delivery Cost	2.52
Marine	31,700.61
Pension Bond	11.08
Metlox & Water/Wastewater Refunding	14.20
Utility Assessment Dist	1,565,644.54
Subtotal Bonds Held in Trust	<u>\$1,597,372.95</u>
Treasurer's Balance	<u><u>\$77,003,172.47</u></u>

**BILL LOCKYER
TREASURER
STATE OF CALIFORNIA**

LOCAL AGENCY INVESTMENT FUND (LAIF)

PMIA Performance Report

LAIF Performance Report

Quarter Ending 12/31/2013

Apportionment Rate: 0.26%
 Earnings Ratio: .00000700426120353
 Fair Value Factor: 1.00028762
 Daily: 0.26%
 Quarter To Date: 0.26%
 Average Life: 209

PMIA Average Monthly Effective Yields

FEB 2014 0.236%
 JAN 2014 0.244%
 DEC 2013 0.264%

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
2/28/2014	0.23	0.24	208
3/1/2014	0.23	0.24	208
3/2/2014	0.23	0.24	208
3/3/2014	0.23	0.24	218
3/4/2014	0.23	0.24	217
3/5/2014	0.23	0.24	211
3/6/2014	0.23	0.24	214
3/7/2014	0.23	0.24	215
3/8/2014	0.23	0.24	215
3/9/2014	0.23	0.24	215
3/10/2014	0.24	0.24	213
3/11/2014	0.24	0.24	215
3/12/2014	0.24	0.24	214
3/13/2014	0.24	0.24	213

*Daily yield does not reflect capital gains or losses

Pooled Money Investment Account
 Portfolio Composition
 \$55.6 Billion
 02/28/14

