

CITY OF FRESNO
QUARTERLY INVESTMENT REPORT
QUARTER ENDED SEPTEMBER 30, 2008

PORTFOLIO SUMMARY BY INVESTMENT TYPE

Investments	Amortized Cost	Pct. Of Portfolio	Market Value	Par Value	Par Value + Accum. Future Earnings
Federal Agency Notes	258,372,756	84.76%	257,922,611	258,300,000	292,222,417
Local Agency Investment Fund*	30,000,000	9.84%	30,000,000	30,000,000	30,000,000
Time Deposits	10,000,000	3.28%	10,000,000	10,000,000	10,000,000
Mutual Funds*	6,457,048	2.12%	6,457,048	6,457,048	6,457,048
Total Investments	\$304,829,804	100.00%	\$304,379,659	\$304,757,048	\$338,679,465

*Future Earnings Estimate

PORTFOLIO ANALYSIS

Description	FY 2008 1st Quarter	FY 2009 1st Quarter	Change	Percentage Change
Amortized Cost of Investments	\$ 320,887,578	\$ 304,829,804	\$ (16,057,774)	-5.00%
Market Value of Investments	\$ 321,328,973	\$ 304,379,659	\$ (16,949,314)	-5.27%
Maturity Value of Investments	\$ 321,019,419	\$ 304,757,048	\$ (16,262,371)	-5.07%
Average Days to Maturity	552	888	336	60.87%
Quarter To Date Return on Investment	5.12%	3.73%	-1.39%	-27.15%
Rolling 12-Month Return on Investment	4.95%	4.33%	-0.62%	-12.53%
Earned Interest: Quarter To Date	\$ 4,506,717	\$ 3,197,289	\$ (1,309,428)	-29.06%
Earned Interest: Year To Date	\$ 4,506,717	\$ 3,197,289	\$ (1,309,428)	-29.06%
Number of Securities	25	19	(6)	-24.00%

Interest rates generally decreased between September 2007 and September 2008. The yield earned on the portfolio followed this trend, and decreased as well. The yield earned was 3.73 percent for the quarter ended September 2008, while it was 5.12 percent for the quarter ended September 2007, a decrease of 1.39 percent. The interest earned year to date has decreased by \$1,309,428. The size of the Portfolio decreased by \$16,057,774, while the market value decreased by \$16,949,314. The difference of \$891,539 is a decrease in the market value of the Portfolio.

In accordance with State Law, the Interim Controller certifies that the securities held in the City Investment Portfolio comply with City policies. The Interim Controller further certifies that the City has funds available to meet its expenditure requirements for the next six months.

Amortized Cost - the total amount at which investments are carried on the City books. This amount includes the amortization and accretion of premiums and discounts, respectively.

Market Value - the total amount at which investments are being sold in the market. Market prices are provided by the Bank of New York.

Par Value - (also referred to as "par value") the total amount of the face or stated value of the investments at maturity.

Par Value + Accumulated Future Earnings - Par Value plus the future interest earnings on the investments if they were held to maturity.

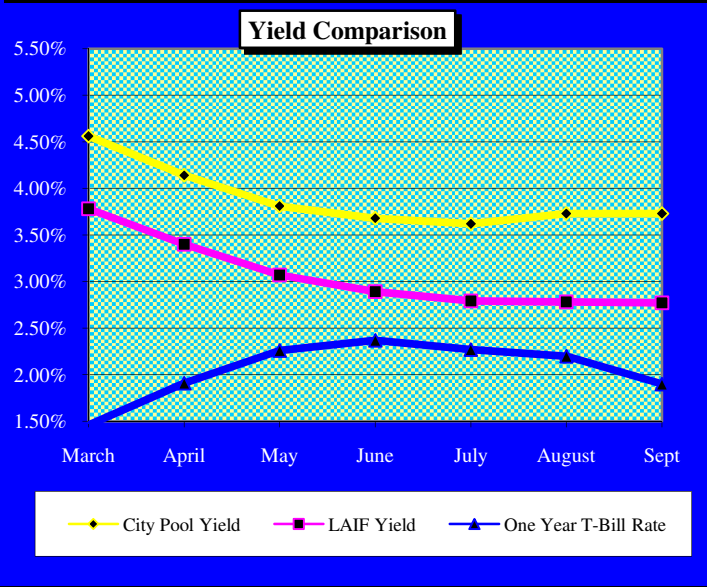
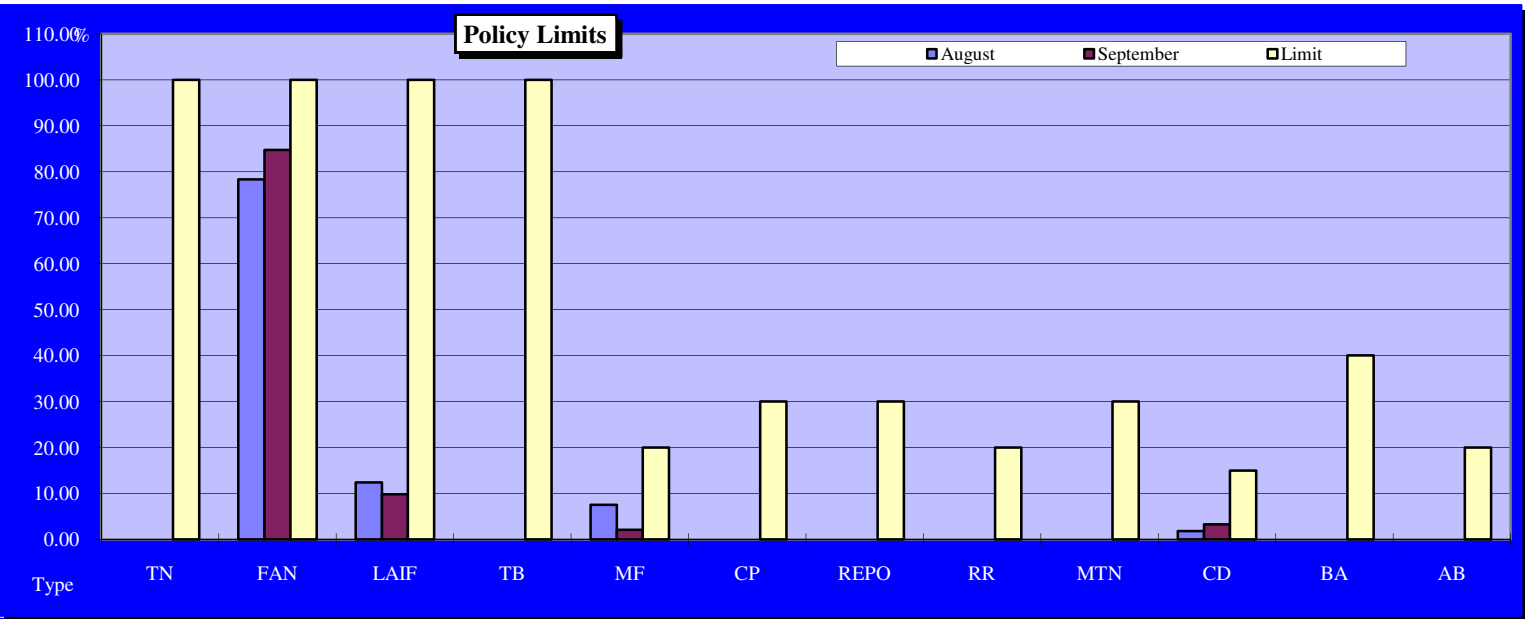
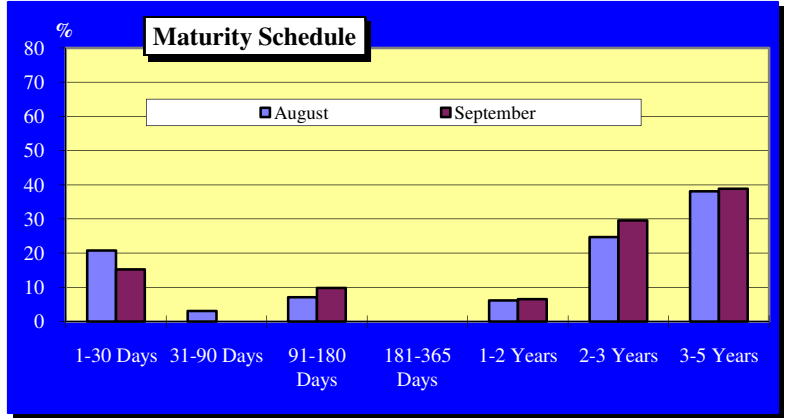
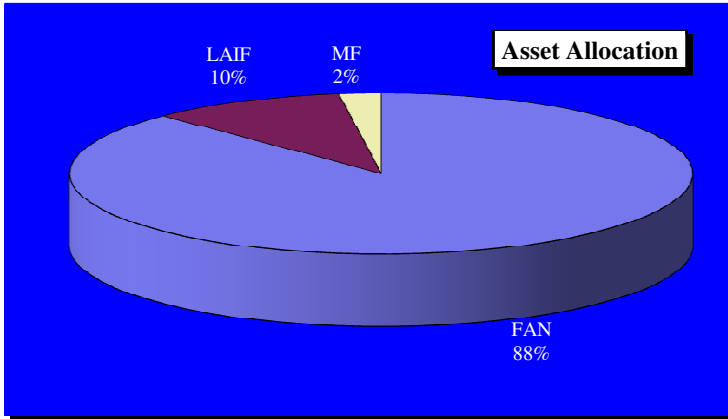
Average Days to Maturity - the average time in days left in the maturity of the investments.

Monthly Yield - the rate of return on investments as expressed in a percentage.

Rolling 12-Month Return - same Monthly yield, but for the past 12 months.

Earned Interest - the amount of income realized by all investments.

**CITY OF FRESNO
FINANCE DIVISION
PORTFOLIO STATUS REPORT
AS OF SEPTEMBER 2008**



Key	Investments	Par Value	
		August	September
TN	Treasury Notes	\$0	\$0
FAN	Federal Agency Notes	\$253,300,000	\$258,300,000
LAIF	Local Agency Investment Fund	\$40,000,000	\$30,000,000
MF	Mutual Funds	\$24,356,248	\$6,457,048
CD	Collateralized Deposits	\$5,800,000	\$10,000,000
REPO	Repurchase Agreements	\$0	\$0
RR	Reverse Repurchase	\$0	\$0
MTN	Medium Term Notes	\$0	\$0
CP	Commerical Paper	\$0	\$0
BA	Bankers Acceptance Notes	\$0	\$0
AB	Asset-Backed Securities	\$0	\$0
TB	Treasury Bills	\$0	\$0
	Total	\$323,456,248	\$304,757,048