

CITY OF FRESNO
MONTHLY INVESTMENT REPORT
MONTH ENDED May 31, 2010

PORTFOLIO SUMMARY BY INVESTMENT TYPE

| Investments | Amortized Cost | Pct. Of Portfolio | Market Value | Par Value | Par Value + Accum. Future Earnings |
|-------------------------------|----------------------|-------------------|----------------------|----------------------|------------------------------------|
| Federal Agency Notes | 96,808,304 | 57.55% | 97,557,904 | 96,825,000 | 109,251,326 |
| Local Agency Investment Fund* | 50,000,000 | 29.72% | 50,000,000 | 50,000,000 | 50,000,000 |
| Time Deposits | 11,416,237 | 6.79% | 11,416,237 | 11,416,237 | 11,416,237 |
| Mutual Funds* | 10,003,288 | 5.95% | 10,003,288 | 10,003,288 | 10,003,288 |
| Total Investments | \$168,227,829 | 100.00% | \$168,977,429 | \$168,244,525 | \$180,670,851 |

*Future Earnings Estimate

PORTFOLIO ANALYSIS

| Description | May 2009 | May 2010 | Change | Percentage Change |
|---------------------------------------|----------------|----------------|-----------------|-------------------|
| Amortized Cost of Investments | \$ 230,997,721 | \$ 168,227,829 | \$ (62,769,892) | \$ -27.17% |
| Market Value of Investments | \$ 231,645,606 | \$ 168,977,429 | \$ (62,668,177) | \$ -27.05% |
| Maturity Value of Investments | \$ 230,750,000 | \$ 168,244,525 | \$ (62,505,475) | \$ -27.09% |
| Average Days to Maturity | 833 | 860 | 27 | 3.24% |
| Month To Date Return on Investment | 1.65% | 1.71% | 0.06% | 3.64% |
| Rolling 12-Month Return on Investment | 3.12% | 1.70% | -1.42% | -45.51% |
| Earned Interest: Current Month | \$ 402,424 | \$ 242,986 | \$ (159,438) | \$ -39.62% |
| Earned Interest: Year To Date | \$ 8,278,384 | \$ 3,226,650 | \$ (5,051,734) | \$ -61.02% |
| Number of Securities | 18 | 21 | 3 | 16.67% |

Interest rates decreased slightly between May 2009 and May 2010. The yield earned on the portfolio, however, increased. The yield earned was 1.71 percent for the month ended May 2010, while it was 1.65 percent for the month ended May 2009, an increase of .06 percent. The interest earned month to date has decreased by \$159,438. The size of the Portfolio decreased by \$62,769,892, while the market value decreased by \$62,668,177. The difference of \$101,715 is an increase in the market value of the Portfolio.

In accordance with State Law, the Controller certifies that the securities held in the City Investment Portfolio comply with City policies. The 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.

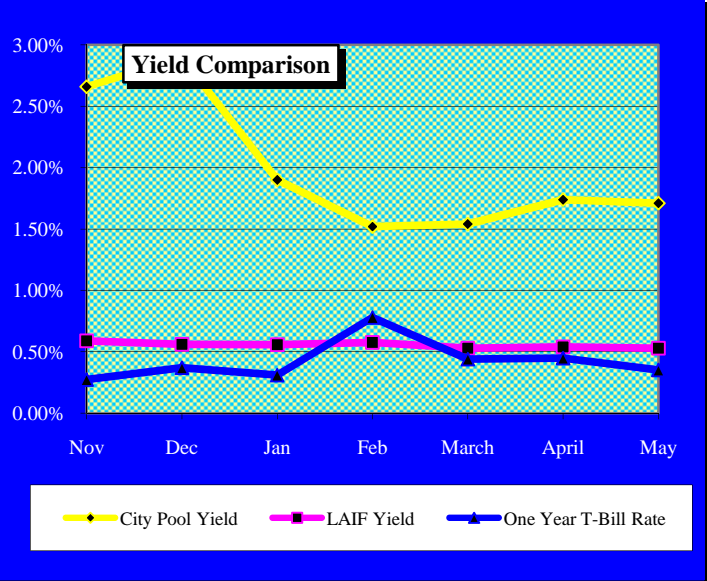
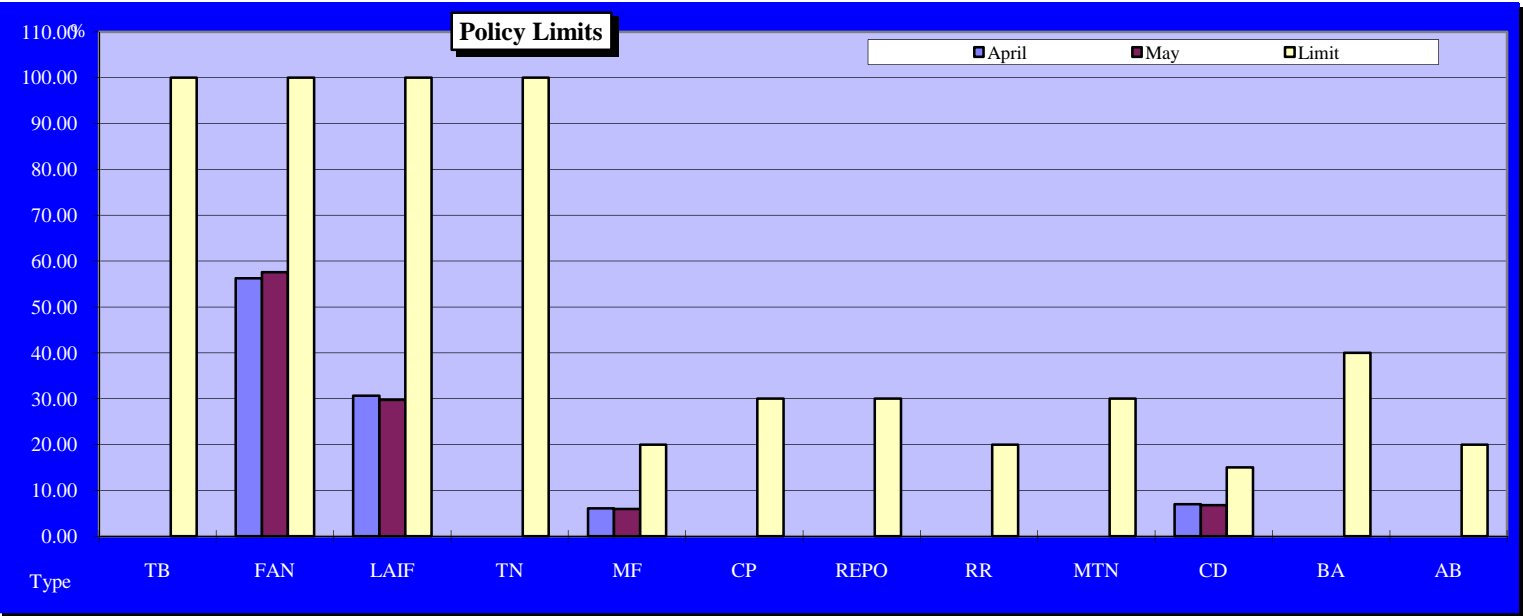
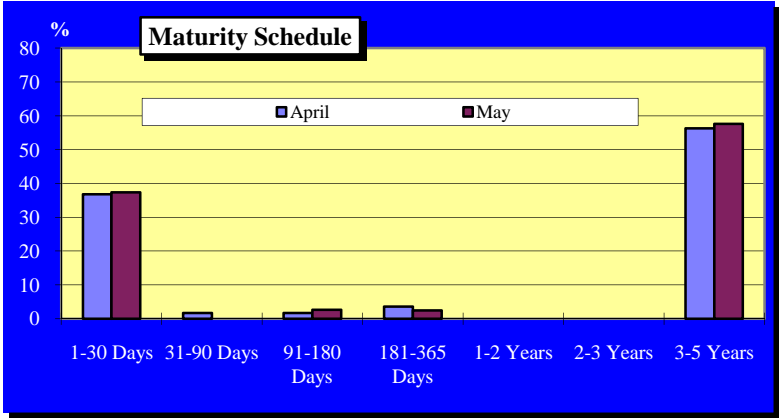
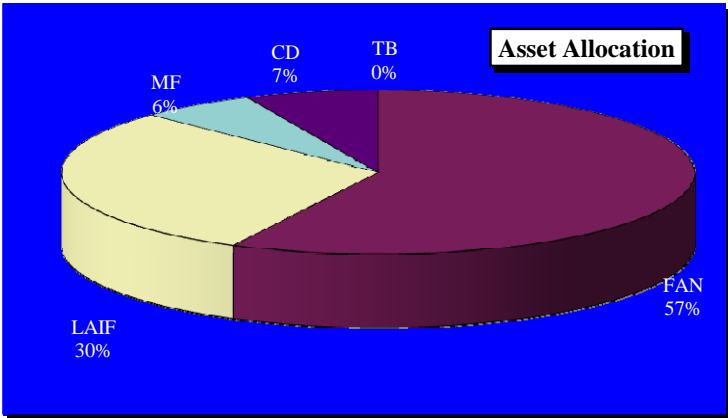
Average Days to Maturity - the average time in days left in the maturity of the investments.

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 MAY 2010**



| Key | Investments | Par Value | |
|------|------------------------------|----------------------|----------------------|
| | | April | May |
| TN | Treasury Notes | \$0 | \$0 |
| FAN | Federal Agency Notes | \$91,809,496 | \$96,825,000 |
| LAIF | Local Agency Investment Fund | \$50,000,000 | \$50,000,000 |
| MF | Mutual Funds | \$10,000,000 | \$10,003,288 |
| CD | Collateralized Deposits | \$11,416,237 | \$11,416,237 |
| 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 | \$163,225,733 | \$168,244,525 |