

CITY OF FRESNO
MONTHLY INVESTMENT REPORT
MONTH ENDED May 31, 2011

PORTFOLIO SUMMARY BY INVESTMENT TYPE

| Investments | Amortized Cost | Pct. Of Portfolio | Market Value | Par Value | Par Value + Accum. Future Earnings |
|-------------------------------|----------------------|-------------------|----------------------|----------------------|------------------------------------|
| Federal Agency Notes | 144,653,875 | 41.43% | 144,740,658 | 144,750,000 | 154,745,042 |
| Corporate Notes | 24,984,060 | 7.16% | 24,951,650 | 25,000,000 | 25,000,000 |
| Local Agency Investment Fund* | 50,000,000 | 14.32% | 50,000,000 | 50,000,000 | 50,000,000 |
| Time Deposits | 15,000,000 | 4.30% | 15,000,000 | 15,000,000 | 15,000,000 |
| Bank Account | 50,000,000 | 14.32% | 50,000,000 | 50,000,000 | 50,000,000 |
| Mutual Funds* | 64,500,000 | 18.47% | 64,500,000 | 64,500,000 | 64,500,000 |
| Total Investments | \$349,137,935 | 100.00% | \$349,192,308 | \$349,250,000 | \$359,245,042 |

*Future Earnings Estimate

PORTFOLIO ANALYSIS

| Description | May 2010 | May 2011 | Change | Percentage Change |
|---------------------------------------|----------------|----------------|----------------|-------------------|
| Amortized Cost of Investments | \$ 168,227,829 | \$ 349,137,935 | \$ 180,910,106 | 107.54% |
| Market Value of Investments | \$ 168,977,429 | \$ 349,192,308 | \$ 180,214,879 | 106.65% |
| Maturity Value of Investments | \$ 168,244,525 | \$ 349,250,000 | \$ 181,005,475 | 107.58% |
| Average Days to Maturity | 860 | 695 | (165) | -19.19% |
| Month To Date Return on Investment | 1.71% | 1.01% | -0.70% | -40.94% |
| Rolling 12-Month Return on Investment | 1.70% | 1.32% | -0.38% | -22.35% |
| Earned Interest: Current Month | \$ 242,986 | \$ 288,424 | \$ 45,438 | 18.70% |
| Earned Interest: Year To Date | \$ 3,226,650 | \$ 3,693,565 | \$ 466,915 | 14.47% |
| Number of Securities | 21 | 37 | 16 | 76.19% |

Interest rates decreased between May 2010 and May 2011. The yield earned on the portfolio followed this trend, and decreased as well. The yield earned was 1.01 percent for the month ended May 2011, while it was 1.71 percent for the month ended May 2010, a decrease of .70 percent. The interest earned year to date has increased by \$466,915. The size of the Portfolio increased by \$180,910,106, while the market value increased by \$180,214,879. The difference of \$695,227 is a decrease 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.

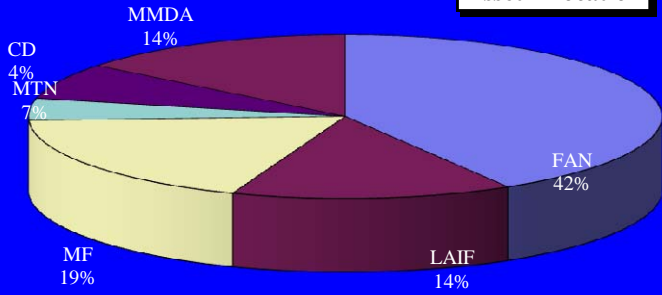
Monthly Yield - the rate of return on investments as expressed in a percentage.

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

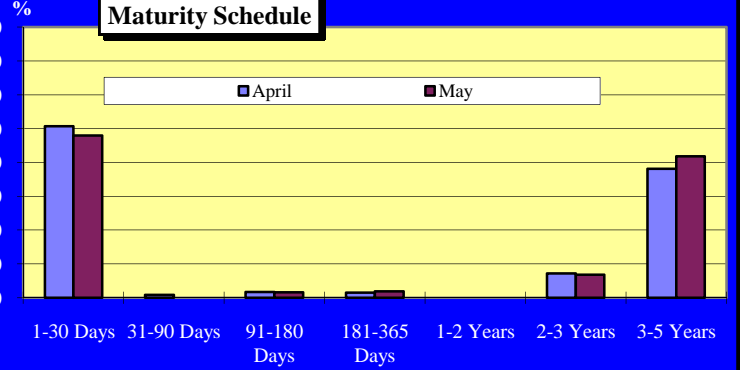
Earned Interest - the amount of income realized by all investments.

**CITY OF FRESNO
FINANCE DIVISION
PORTFOLIO STATUS REPORT
AS OF MAY 2011**

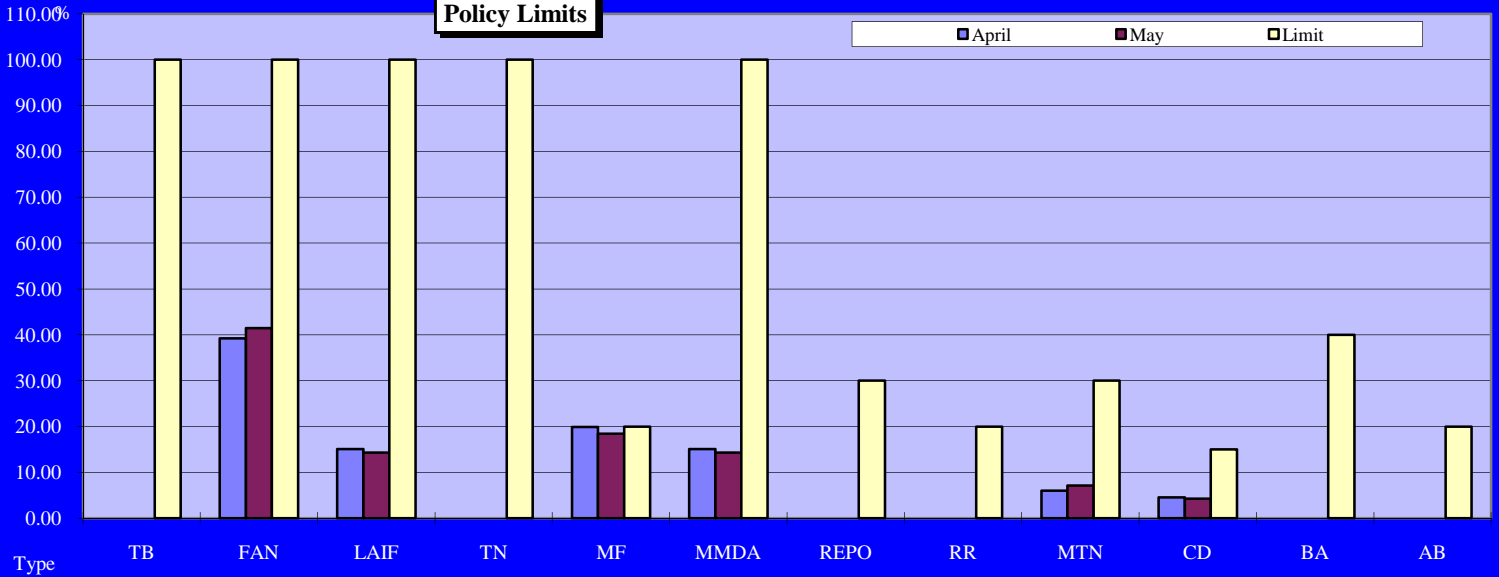
Asset Allocation



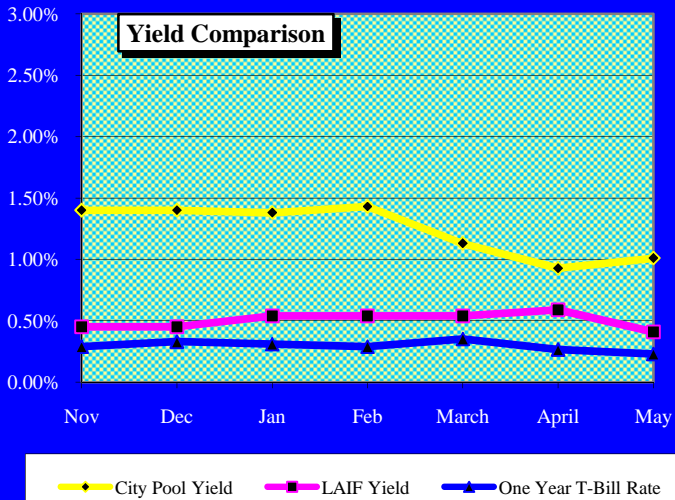
Maturity Schedule



Policy Limits



Yield Comparison



| Key | Investments | Par Value | |
|------|------------------------------|----------------------|----------------------|
| | | April | May |
| TN | Treasury Notes | \$0 | \$0 |
| FAN | Federal Agency Notes | \$129,750,000 | \$144,750,000 |
| LAIF | Local Agency Investment Fund | \$50,000,000 | \$50,000,000 |
| MF | Mutual Funds | \$65,800,000 | \$64,500,000 |
| CD | Collateralized Deposits | \$15,000,000 | \$15,000,000 |
| MMDA | Money Market Deposit Acct | \$50,000,000 | \$50,000,000 |
| REPO | Repurchase Agreements | \$0 | \$0 |
| MTN | Medium Term Notes | \$20,000,000 | \$25,000,000 |
| CP | Commerical Paper | \$0 | \$0 |
| BA | Bankers Acceptance Notes | \$0 | \$0 |
| AB | Asset-Backed Securities | \$0 | \$0 |
| TB | Treasury Bills | \$0 | \$0 |
| | Total | \$330,550,000 | \$349,250,000 |