

Agenda Report

TO: CITY COUNCIL

DATE: September 11, 2006

THROUGH: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: QUARTERLY INVESTMENT REPORT
QUARTER ENDING JUNE 30, 2006

RECOMMENDATION

This report is for information purposes only.

BACKGROUND

Government Code Section 53646 (2)(b)(1) states that in the case of a local agency, the Treasurer or Chief Fiscal Officer may render a quarterly report to the legislative body of the local agency containing detailed information on; 1) all securities, investments, and moneys of the local agency; 2) a statement of compliance of the portfolio with the statement of investment policy, and 3) a statement of the local agency's ability to meet its pool's expenditure requirements for the next six months. By making these reports optional, this bill does not impose a state-mandated local program but encourages local agencies to continue to report. The bill also states that the Treasurer or Chief Fiscal Officer may report whatever additional information or data may be required by the legislative body of the local agency.

The quarterly report shall be so submitted within 30 days following the end of the quarter covered by the report and shall include the following:

- 1) The type of investment, name of the issuer, date of maturity, par and dollar amount invested in each security, investment, and money within the treasury.
- 2) The weighted average maturity of the investments within the treasury.

- 3) Any funds, investments, or programs, including loans, that are under the management of contracted parties.
- 4) The market value as of the date of the report, and the source of this valuation for any security within the treasury.
- 5) A description of the compliance with the statement of investment policy.

ECONOMIC SUMMARY

During the second quarter of 2006 the market experienced a shift in both sentiment and direction. Fears of inflation drove both stock and bond markets lower after the release of the first quarter GDP growth rate of 5.6% and unemployment fell to 4.6% rate, the lowest since 2001. The Fed continued its tightening campaign, raising the Fed Funds rate by 0.25% at both of its meetings in May and June despite earlier expectations that we were at the end of the monetary policy tightening cycle. The Fed had now increased the Fed Funds rate 17 straight times since June 2004, bringing the target from 1% to 5.25%.

Yields rose across the curve during the second quarter. The two-year Treasury yield increased from 4.82% to 5.16% and the 10-year Treasury yield moved from 4.86% to 5.15%. The overall U.S. bond market as measured by the Lehman Aggregate Bond Index returned -0.08%, and virtually every major equity market in the world experienced losses with the bulk coming in the month of May. U.S stocks, as measured by the S&P 500 Index returned -1.44% after a 4.21% return in the first quarter. Technology stocks performed even worse with the Nasdaq Composite returning -7.17%.

Total funds under management as of 06/30/2006 (market values):

Pooled Investment Portfolio	280,329,481
Capital Endowment Portfolio	11,440,913
Stranded Investment Reserve Portfolio	147,044,328
Special Funds	52,007,470
Investments held with Fiscal Agents	<u>56,188,535</u>
Total Funds under management	<u>547,010,727</u>

Per the Government Code requirements, attached are the reports by each fund, indicating the type of investments, date of maturity, par and dollar amount invested in each security, as well as investment and moneys within the treasury with market values as of June 30, 2006. The City Treasurer prices the pooled portfolio and all other funds and investments under management on a monthly basis. The market values are obtained from Interactive Data Corporation (IDC) and Bloomberg Financial

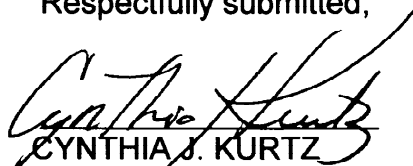
System. IDC is an independent third party whose sole service is to provide market prices for all types of securities.

The types of securities held in the portfolio and their percentage allocation to the total are in compliance with the City's Fiscal Year 2006 Investment Policy, which was adopted by the City Council on November 14, 2005 and Section 53600 of the State Government Code. The City Treasurer currently maintains an average of over \$30 million short-term liquid investments (one to 90 day maturities). This balance, along with anticipated cash flows into the City's account, represent a strong liquidity position to meet budgeted expenditures for the next six months.

FISCAL IMPACT


This item is for information only. There is no fiscal impact.

Respectfully submitted;



CYNTHIA J. KURTZ
City Manager

Prepared by:



Vic Eganian
City Treasurer

Approved by:



Steve Mermell
Acting Director of Finance

City of Pasadena Quarterly Investment Report

Quarter Ending 6/30/06

Prepared by the Department of Finance
Treasury Division

Quarterly Investment Report

- I. Pooled Investment Portfolio
- II. Capital Endowment Portfolio
- III. Power Reserve Portfolio
- IV. Miscellaneous Portfolios
- V. Investments Held by Trustees

I. Pooled Investment Portfolio



CITY OF PASADENA
Treasurer's Pooled Investment Portfolio

Vicken Erganian
 City Treasurer

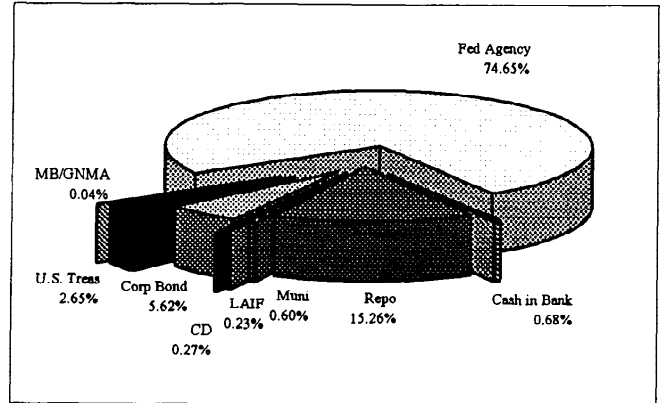
JUNE 2006

PORTFOLIO COMPLIANCE

The Treasurer's investment portfolio is in compliance with the California Government Code Section 53601 and the City's Investment Policy approved by the City Council on November 14, 2005. The holdings in the investment pool are in compliance with the current investment policy statement. Further information on compliance issues can be obtained by calling the City of Pasadena Treasurer's Office. A complete copy of the monthly investment report on the investment portfolio, including a detailed listing of each investment, is available by calling the Treasurer's office at (626)744-4422.

PORTFOLIO STRUCTURE AS OF 6/30/06

TYPE	MARKET VALUE	PERCENT
Repurchase Agreements	42,500,000	15.26%
Municipal Bonds	1,667,328	0.60%
LAIF	626,824	0.23%
Certificate of Deposit	750,000	0.27%
Corporate Bonds	15,645,316	5.62%
U.S. Treasury Bonds	7,385,674	2.65%
Mortgage Backed Securities/GNMA's	124,823	0.04%
Federal Agencies	207,859,351	74.65%
Cash in Bank	1,897,914	0.68%
TOTALS:	278,457,231	100.00%
Accrued Interest Receivable	1,872,249	
GRAND TOTAL:	280,329,481	



PORTFOLIO LIQUIDITY AS OF 6/30/06

Aging Interval	Par Value	Percent of Portfolio
0-30 Days	43,143,508	15.29%
31 days - 1 Year	80,102,211	28.39%
1 - 2 Years	74,001,249	26.23%
2 - 3 Years	52,001,395	18.43%
3 - 4 Years	26,001,151	9.22%
4 - 5 Years	6,867,852	2.43%
Over 5 Years	1,167	0.00%
TOTAL:	282,118,533	100.00%

PORTFOLIO STATISTICS

	Jun-06	May-06	Apr-06	Mar-06	Feb-06	Jan-06
Month-End Mkt Value	280,329,481	291,165,492	284,976,978	281,421,814	280,957,639	285,403,939
Modified Duration	1.34	1.36	1.46	1.50	1.55	1.58
Weighted Average Maturity	1.46	1.48	1.59	1.64	1.69	1.71
Yield to Maturity	3.778%	3.803%	3.705%	3.646%	3.578%	3.537%
Effective yield - Year to Date	3.480%	3.450%	3.420%	3.380%	3.360%	3.310%
Interest Earned	891,846	935,545	875,530	853,338	816,341	805,851
Fiscal Year To Date Interest Earned	9,990,451	9,098,605	8,163,060	7,287,530	6,434,192	5,617,851
Fair Value Change Gain/(Loss)	(104,360)	(246,256)	68,198	(372,514)	(213,387)	46,274
Fiscal Year To Date change in fair value	(3,090,711)	(2,986,351)	(2,740,095)	(2,808,293)	(2,435,779)	(2,222,393)
Total Fiscal YTD earnings	6,899,740	6,112,254	5,422,965	4,479,237	3,998,413	3,395,458

CITY POOLED PORTFOLIO
Portfolio Management
Portfolio Details - Investments
June 30, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Repurchase Agreements												
SYS11121	11121	MERRILL LYNCH		06/30/2006	42,500,000.00	42,500,000.00	42,500,000.00	5.280		5.353	2	07/03/2006
	Subtotal and Average		39,433,103.47		42,500,000.00	42,500,000.00				5.353	2	2
LAIF												
SYS864	864	Local Agency Investment Fund			626,824.49	626,824.49	626,824.49	4.530		4.530	1	
	Subtotal and Average		626,824.49		626,824.49	626,824.49				4.530	1	1
Money Market Fund												
SYS6120	6120	MERRILL LYNCH			0.00	0.00	0.00	1.710		1.734	1	
	Subtotal and Average		0.00		0.00	0.00				0.000	0	0
Mortgage Backs												
31282UXQ5	6491	FED HOME LOAN MORTGAGE CORP		01/28/2002	117,776.83	117,703.81	120,189.17	5.500	Aaa	4.670	184	01/01/2007
362068B64	147	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	1,418.53	1,503.30	1,418.53	11.000	Aaa	11.000	1,263	12/15/2009
362069AN6	146	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	1,906.79	2,036.91	1,906.79	11.000	Aaa	11.000	1,353	03/15/2010
362136TU7	141	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	2,097.42	2,287.45	2,097.42	11.500	Aaa	11.500	2,421	02/15/2013
362102T70	143	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	937.33	1,025.73	937.33	11.500	Aaa	11.500	2,510	05/15/2013
36215VYQ3	127	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	242.78	265.93	242.78	11.000	Aaa	11.000	3,485	01/15/2016
	Subtotal and Average		125,900.47		124,379.88	124,823.13	126,772.02			5.012	274	
Certificates of Deposit - Bank												
SYS9159	9159	Community Bank		06/29/2004	750,000.00	750,000.00	750,000.00	3.500		3.500	363	06/29/2007
	Subtotal and Average		750,000.00		750,000.00	750,000.00				3.500	363	363
Federal Agency Issues - Coupon												
3136F3Z82	8940	FED NATIONAL MORTGAGE ASSOC		04/15/2004	2,500,000.00	2,492,968.75	2,499,675.48	2.410	Aaa	2.544	37	08/07/2006
3136F44N1	8786	FED NATIONAL MORTGAGE ASSOC		02/24/2004	4,000,000.00	3,986,250.00	4,000,128.78	2.550	Aaa	2.524	47	08/17/2006
3136F44N1	8929	FED NATIONAL MORTGAGE ASSOC		03/12/2004	3,000,000.00	2,989,687.50	3,000,345.00	2.550	Aaa	2.456	47	08/17/2006
3136F5YE5	9082	FED NATIONAL MORTGAGE ASSOC		06/01/2004	2,500,000.00	2,492,187.50	2,499,631.43	3.000	Aaa	3.107	48	08/18/2006
3133X4T27	8818	Federal Home Loan Bank		03/15/2004	4,000,000.00	3,976,250.00	4,000,000.00	2.475	Aaa	2.475	76	09/15/2006
3133X8EY4	9275	Federal Home Loan Bank		09/15/2004	3,000,000.00	2,985,000.00	3,000,000.00	3.020	Aaa	3.020	76	09/15/2006
3133X1YZ4	8434	Federal Home Loan Bank		11/13/2003	3,000,000.00	2,874,687.50	3,000,000.00	3.100	Aaa	3.100	135	11/13/2006
3133X8PD2	8974	Federal Home Loan Bank		05/14/2004	3,000,000.00	2,873,750.00	3,000,000.00	3.060	Aaa	3.060	136	11/14/2006
3133X95P1	8484	Federal Home Loan Bank		11/17/2004	2,500,000.00	2,477,343.75	2,500,000.00	3.020	Aaa	3.020	139	11/17/2006
3128X3E98	8988	FED HOME LOAN MORTGAGE CORP		05/17/2004	3,000,000.00	2,974,532.78	3,000,000.00	3.125	Aaa	3.125	139	11/17/2006

CITY POOLED PORTFOLIO
Portfolio Management
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June 30, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
3133X9FX3	9570	Federal Home Loan Bank		11/29/2004	2,000,000.00	1,980,625.00	1,989,488.87	3.050	Aaa	3.115	150	11/29/2006
3133MYZD2	7890	Federal Home Loan Bank		06/12/2003	3,000,000.00	2,962,500.00	3,000,000.00	2.645	Aaa	2.645	164	12/12/2006
3133X4EL1	8785	Federal Home Loan Bank		03/18/2004	4,000,000.00	3,950,000.00	4,000,000.00	2.785	Aaa	2.766	171	12/19/2006
3128X1HX8	7988	FED HOME LOAN MORTGAGE CORP		06/19/2003	5,000,000.00	4,931,954.96	5,001,041.67	2.500	Aaa	2.382	171	12/19/2006
3128X1HX8	7999	FED HOME LOAN MORTGAGE CORP		06/19/2003	5,000,000.00	4,931,954.96	5,002,500.00	2.500	Aaa	2.316	171	12/19/2006
3128X1LY1	7991	FED HOME LOAN MORTGAGE CORP		06/28/2003	2,500,000.00	2,461,902.82	2,500,000.00	2.300	Aaa	2.300	178	12/28/2006
3133X5EB0	8870	Federal Home Loan Bank		04/12/2004	2,000,000.00	1,968,125.00	2,000,000.00	2.465	Aaa	2.466	195	01/12/2007
3133X6K39	8938	Federal Home Loan Bank		05/12/2004	4,000,000.00	3,940,000.00	4,000,000.00	3.050	Aaa	3.051	228	02/12/2007
3133X6PZ3	8976	Federal Home Loan Bank		05/14/2004	3,000,000.00	2,957,812.50	3,000,000.00	3.200	Aaa	3.201	228	02/14/2007
3133XEU48	10800	Federal Home Loan Bank		03/15/2006	2,250,000.00	2,241,562.50	2,250,000.00	5.025	Aaa	5.025	229	02/15/2007
3133X4NV9	8874	Federal Home Loan Bank		03/24/2004	5,000,000.00	4,928,125.00	5,004,539.66	3.500	Aaa	2.787	264	03/22/2007
3133X4X63	8824	Federal Home Loan Bank		03/29/2004	3,000,000.00	2,948,562.50	3,000,000.00	3.050	Aaa	3.050	270	03/28/2007
3136F5GU9	8825	FED NATIONAL MORTGAGE ASSOC		03/29/2004	3,000,000.00	2,944,887.50	3,000,000.00	3.000	Aaa	3.000	271	03/29/2007
3133X6CM6	8934	Federal Home Loan Bank		03/29/2004	3,000,000.00	2,939,062.50	3,000,000.00	3.030	Aaa	3.030	303	04/30/2007
3133X4D24	8741	Federal Home Loan Bank		04/30/2004	4,000,000.00	3,892,500.00	4,000,000.00	3.170	Aaa	3.170	437	09/11/2007
3128X3WZ2	8363	FED HOME LOAN MORTGAGE CORP		09/27/2004	2,000,000.00	1,952,394.10	2,000,000.00	3.500	Aaa	3.500	453	09/27/2007
3133X8SC7	9411	Federal Home Loan Bank		10/12/2004	3,000,000.00	2,924,062.50	3,000,000.00	3.450	Aaa	3.450	468	10/12/2007
3133XAPC5	9779	Federal Home Loan Bank		03/04/2005	2,000,000.00	1,959,375.00	2,000,000.00	4.000	Aaa	4.002	521	12/04/2007
3133X9JU5	9539	Federal Home Loan Bank		12/07/2004	3,000,000.00	2,928,750.00	3,000,000.00	3.770	Aaa	3.770	524	12/07/2007
3133X9NT3	9571	Federal Home Loan Bank		12/10/2004	2,500,000.00	2,439,062.50	2,500,000.00	3.740	Aaa	3.740	527	12/10/2007
3133X5M21	8873	Federal Home Loan Bank		03/29/2004	2,000,000.00	1,929,375.00	2,000,000.00	3.000	Aaa	3.001	545	12/28/2007
3133XCPE7	10178	Federal Home Loan Bank		08/22/2005	2,500,000.00	2,460,937.50	2,499,230.47	4.500	Aaa	4.520	601	02/22/2008
3133XAMG8	9835	Federal Home Loan Bank		02/28/2005	2,500,000.00	2,438,281.25	2,497,850.47	4.000	Aaa	4.058	601	02/22/2008
3133XAY88	9836	Federal Home Loan Bank		03/24/2005	2,000,000.00	1,959,375.00	2,000,000.00	4.250	Aaa	4.250	632	03/24/2008
3133XEW47	10786	Federal Home Loan Bank		03/28/2006	2,500,000.00	2,482,812.50	2,500,000.00	5.125	Aaa	5.125	636	03/28/2008
3128X3A52	9452	FED HOME LOAN MORTGAGE CORP		10/28/2004	3,000,000.00	2,947,851.11	3,000,000.00	4.000	Aaa	3.571	667	04/28/2008
3136F3PD2	7815	FED NATIONAL MORTGAGE ASSOC		04/30/2003	3,000,000.00	2,906,250.00	3,000,000.00	3.660	Aaa	3.660	669	04/30/2008
3128X1BD8	7850	FED HOME LOAN MORTGAGE CORP		05/19/2003	4,000,000.00	3,859,915.77	4,000,000.00	3.500	Aaa	3.500	688	05/19/2008
3128X1BD8	8005	FED HOME LOAN MORTGAGE CORP		06/13/2003	4,000,000.00	3,859,915.77	4,025,291.39	3.500	Aaa	3.135	688	05/19/2008
3133MYQQ4	7888	Federal Home Loan Bank		06/04/2003	4,000,000.00	3,831,250.00	4,000,000.00	3.150	Aaa	3.150	704	06/04/2008
31339X6Q2	7864	Federal Home Loan Bank		06/12/2003	3,000,000.00	2,866,875.00	3,000,000.00	3.050	Aaa	3.050	712	06/12/2008
31339XQQ6	9594	Federal Home Loan Bank		12/17/2004	3,000,000.00	2,918,437.50	3,000,000.00	4.000	Aaa	4.000	717	06/17/2008
31339XQU5	7931	Federal Home Loan Bank		06/19/2003	2,000,000.00	1,915,000.00	2,000,000.00	3.170	Aaa	3.170	719	06/19/2008
31339XHN7	7965	Federal Home Loan Bank		06/26/2003	2,000,000.00	1,916,875.00	2,000,000.00	3.250	Aaa	3.250	728	06/26/2008
31339XQ56	7987	Federal Home Loan Bank		06/30/2003	5,000,000.00	4,768,750.00	5,002,496.53	3.000	Aaa	2.973	730	06/30/2008
31339YA51	8047	Federal Home Loan Bank		07/16/2003	2,500,000.00	2,387,500.00	2,500,000.00	3.100	Aaa	3.100	748	07/16/2008

CITY POOLED PORTFOLIO
Portfolio Management
Portfolio Details - Investments
June 30, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
31338YS37	8096	Federal Home Loan Bank		07/30/2003	2,500,000.00	2,400,000.00	2,500,000.00	3.400	Aaa	3.400	760	07/30/2008
31338YR87	8092	Federal Home Loan Bank		08/05/2003	5,000,000.00	4,807,812.50	5,000,000.00	3.500	Aaa	3.500	766	08/05/2008
31338YSF0	8097	Federal Home Loan Bank		08/07/2003	3,000,000.00	2,876,250.00	3,000,000.00	3.350	Aaa	3.350	768	08/07/2008
3133XEFB0	10652	Federal Home Loan Bank		02/08/2006	3,000,000.00	2,965,312.50	3,000,000.00	4.950	Aaa	4.950	769	08/09/2008
31339YX98	8100	Federal Home Loan Bank		08/14/2003	2,500,000.00	2,409,375.00	2,500,000.00	3.625	Aaa	3.625	775	08/14/2008
3136F34J7	8158	FED NATIONAL MORTGAGE ASSOC		08/14/2003	2,500,000.00	2,423,437.50	2,500,000.00	3.910	Aaa	3.910	775	08/14/2008
3133X8KUS	9362	Federal Home Loan Bank		09/30/2004	2,000,000.00	1,935,625.00	2,000,000.00	3.920	Aaa	3.920	822	09/30/2008
3128X1T56	8386	FED HOME LOAN MORTGAGE CORP		10/15/2003	2,000,000.00	1,837,978.07	2,000,000.00	4.000	Aaa	4.000	837	10/15/2008
3135A0AY5	9482	FED NATIONAL MORTGAGE ASSOC		10/22/2004	3,000,000.00	2,913,750.00	3,000,000.00	3.500	Aaa	3.375	843	10/21/2008
3128X4CV1	10177	FED HOME LOAN MORTGAGE CORP		07/18/2005	5,000,000.00	4,912,515.26	4,995,478.05	4.500	Aaa	4.402	913	12/30/2008
3133XAGQ4	9725	Federal Home Loan Bank		02/11/2005	2,000,000.00	1,977,500.00	1,999,347.22	4.000	Aaa	3.826	956	02/11/2009
3136F5GC9	8822	FED NATIONAL MORTGAGE ASSOC		03/15/2004	3,000,000.00	2,911,875.00	3,000,000.00	4.000	Aaa	3.600	988	03/15/2009
3136F5GPO	8821	FED NATIONAL MORTGAGE ASSOC		03/16/2004	4,000,000.00	3,858,750.00	4,000,000.00	4.040	Aaa	4.040	989	03/16/2009
3133X8BG0	8931	Federal Home Loan Bank		04/29/2004	3,000,000.00	2,945,625.00	2,998,939.58	4.000	Aaa	3.864	1,033	04/29/2009
3133X6C20	8932	Federal Home Loan Bank		05/04/2004	3,000,000.00	2,905,312.50	3,000,000.00	4.240	Aaa	4.240	1,038	05/04/2009
3136F6LD9	9505	FED NATIONAL MORTGAGE ASSOC		11/15/2004	2,000,000.00	1,930,825.00	2,000,000.00	4.150	Aaa	4.150	1,049	05/15/2009
3133XEKE8	10654	Federal Home Loan Bank		01/30/2006	2,500,000.00	2,467,968.75	2,500,000.00	5.125	Aaa	5.125	1,123	07/28/2009
3133X8SD5	9412	Federal Home Loan Bank		10/13/2004	3,000,000.00	2,880,000.00	3,000,000.00	4.100	Aaa	4.100	1,200	10/13/2009
3136F6HG7	9455	FED NATIONAL MORTGAGE ASSOC		11/02/2004	2,000,000.00	1,939,375.00	2,000,000.00	4.500	Aaa	4.500	1,215	10/28/2009
3133X92H2	9456	Federal Home Loan Bank		11/02/2004	2,000,000.00	1,920,000.00	2,000,000.00	4.125	Aaa	4.125	1,220	11/02/2009
31331SJLB	9759	Federal Farm Credit Bank		01/28/2005	3,000,000.00	2,880,000.00	2,894,881.12	4.180	Aaa	4.236	1,270	12/22/2009
3133XARD1	9781	Federal Home Loan Bank		03/10/2005	2,000,000.00	1,930,825.00	2,000,000.00	4.440	Aaa	4.440	1,348	03/10/2010
3136F6L72	9837	FED NATIONAL MORTGAGE ASSOC		03/16/2005	2,500,000.00	2,432,812.50	2,500,000.00	4.750	Aaa	4.750	1,354	03/16/2010
31331SRW5	10049	Federal Farm Credit Bank		05/31/2005	5,000,000.00	4,854,887.50	4,997,278.67	4.600	Aaa	4.612	1,383	04/14/2010
3136F7YD3	10858	FED NATIONAL MORTGAGE ASSOC		04/28/2006	2,500,000.00	2,489,062.50	2,500,000.00	6.000	Aaa	6.000	1,762	04/28/2011
Subtotal and Average					212,750,000.00	207,859,350.90	212,767,942.39			3.491	598	
Treasury Securities - Coupon												
912828AZ3	8024	US Treasury		06/17/2003	5,000,000.00	4,775,000.00	5,044,233.38	2.625		2.125	664	05/15/2008
912828ES5	10655	US TREASURY		01/26/2006	2,700,000.00	2,607,187.50	2,689,009.98	4.250		4.350	1,659	01/15/2011
Subtotal and Average					7,700,000.00	7,382,187.50	7,733,243.36			2.899	1,023	
Municipal Bond - PCDC												
SYS1783	1783	PCDC		06/30/1996	1,667,328.42	1,667,328.42	1,667,328.42	6.000		6.000	1,825	06/30/2011
Subtotal and Average					1,667,328.42	1,667,328.42	1,667,328.42			6.000	1,825	

CITY POOLED PORTFOLIO
Portfolio Management
Portfolio Details - Investments
June 30, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Corporate Bonds - Coupon												
22541LAA1	7674	credit suisse		03/14/2003	2,000,000.00	2,000,361.94	2,004,738.87	5.875	Aa3	2.870	31	08/01/2006
16161ABS6	8095	JPMORGAN CHASE		07/14/2003	3,000,000.00	3,026,790.16	3,158,929.29	6.375	Aa3	3.097	640	04/01/2008
459745FF7	8068	AIG		06/30/2003	2,500,000.00	2,447,140.12	2,561,318.21	4.500	A1	3.049	670	05/01/2008
22237LNR9	8048	COUNTRYWIDE HOME LOAN		06/24/2003	2,500,000.00	2,361,967.39	2,518,039.05	3.250	A3	2.838	690	05/21/2008
36233RAG8	9504	VERIZON GLOBAL		10/28/2004	2,000,000.00	1,976,296.08	2,064,014.46	5.550	A2	4.023	837	10/15/2008
40429XBNS	9858	HSBC FINANCE CORPORATION		03/10/2005	4,000,000.00	3,802,760.01	4,000,000.00	4.890	A1	4.863	1,348	03/10/2010
		Subtotal and Average	4,000,000.00		16,000,000.00	15,845,315.70	16,307,039.88			3.572	776	
Commercial Paper Disc. - Amortizing												
		Subtotal and Average	334,730.74									
Federal Agency Disc. - Amortizing												
		Subtotal and Average	53,924.94									
		Total and Average	80,797,911.22		282,118,532.59	276,555,830.14	282,479,150.56			3.778	534	

CITY POOLED PORTFOLIO
Portfolio Management
Portfolio Details - Cash
June 30, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity
		Average Balance	0.00	Accrued Interest at Purchase		3,486.88	3,486.88				0
		Subtotal				3,486.88	3,486.88				
		Total Cash and Investmentss	283,142,398.70		282,118,532.59	278,559,317.02	282,482,637.44			3.778	534
		Cash				1,897,914.46					
		Accrued Interest				1,872,249.15					
		Total				280,329,480.63					

Total Return Performance History

		<u>ML 1-3 Index</u> <u>Corp/Gov</u>	<u>Pooled</u> <u>Portfolio</u>
2000	1st quarter	1.241	1.490
	2nd quarter	1.685	1.690
	3rd quarter	2.251	2.180
	4th quarter	<u>2.664</u>	<u>2.470</u>
		7.841	7.830
2001	1st quarter	2.905	2.160
	2nd quarter	1.297	1.320
	3rd quarter	3.473	2.550
	4th quarter	<u>0.787</u>	<u>0.952</u>
		8.462	6.982
2002	1st quarter	0.018	0.132
	2nd quarter	2.410	2.190
	3rd quarter	2.364	1.210
	4th quarter	<u>1.180</u>	<u>1.080</u>
		5.972	4.612
2003	1st quarter	0.866	1.129
	2nd quarter	1.105	0.862
	3rd quarter	0.490	0.570
	4th quarter	<u>0.256</u>	<u>0.370</u>
		2.717	2.931
2004	1st quarter	1.120	0.910
	2nd quarter	(1.120)	(0.57)
	3rd quarter	1.130	1.38
	4th quarter	<u>0.096</u>	<u>0.37</u>
		1.226	2.09
2005	1st quarter	(0.278)	(0.215)
	2nd quarter	1.230	1.380
	3rd quarter	0.128	0.238
	4th quarter	<u>0.666</u>	<u>0.670</u>
		1.746	2.073
2006	1st quarter	0.481	0.710
	2nd quarter	0.657	0.784

Effective Yield for the period 7/1/05 through 06/30/06

Pooled Portfolio Fiscal YTD effective yield	3.480%
State Treasurer's LAIF Fiscal YTD yield	3.840%
Average yield on the 2 year Treasury	4.460%

COMPLIANCE REPORT

Pooled Investment Portfolio
As of 6/30/06

	<u>Diversification</u>			<u>Credit Quality</u>			<u>Maturity</u>
	<u>Portfolio % of total</u>	<u>State Gov't Code limits</u>	<u>Portfolio compliance</u>	<u>Portfolio Credit Quality</u>	<u>Credit Quality per Gov Code</u>	<u>Portfolio compliance</u>	
Repurchase Agreements	15.26%	100%	In compliance	102% Collateral	102% Collateral	In compliance	In compliance
Municipal Bonds	0.60%	100%	In compliance	AAA/Aaa	A or better	In compliance	In compliance
LAIF	0.23%	100%	In compliance	n/a	n/a	In compliance	In compliance
Non-negotiable CDs	0.27%	10%	In compliance	Collateralized	Collateralized	In compliance	In compliance
Corporate Bonds	5.62%	30%	In compliance	AA	A or better	In compliance	In compliance
Treasury Securities	2.65%	100%	In compliance	AAA/Aaa	AAA/aaa	In compliance	In compliance
Agency CMOs/Mortgage Backed	0.04%	20%	In compliance	AAA/Aaa	AAA/aaa	In compliance	In compliance
Federal Agency Issues	74.65%	100%	In compliance	AAA/Aaa	AAA/aaa	In compliance	In compliance
Commercial Paper	0.00%	100%	In compliance	A1P1	A1P1	In compliance	In compliance
Federal Agency Discount	0.00%	100%	In compliance	AAA/Aaa	AAA/aaa	In compliance	In compliance
Cash	0.68%	100%	In compliance	Collateralized	Collateralized	In compliance	In compliance
	100.00%						

Portfolio Value 280,329,481

CITY POOLED PORTFOLIO

Portfolio Management

Distribution of Investments By Type - Historic

(By Market Values)

In %

Investment Type	Fiscal Year Total											
	June 1998	June 1999	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005	1st Qtr 2006	2nd Qtr 2006	3rd Qtr 2006	4th Qtr 2006
Repurchase Agreements	25.93	10.34	25.97	0.89	10.88	8.23	4.99	8.93	10.26	14.02	12.57	15.26
Municipal Bonds	3.06	4.59	3.92	3.25	1.30	1.00	0.79	0.68	0.72	0.69	0.70	0.60
L.A.I.F.	8.81	9.24	0.29	19.76	9.45	16.29	14.21	5.36	0.20	0.22	0.22	0.23
Certificate of Deposit	0.00	0.43	0.00	1.33	1.02	0.81	0.27	0.26	0.28	0.27	0.27	0.27
Corporate Bonds - Coupon	2.51	7.76	5.75	22.66	13.28	14.68	6.95	6.46	6.81	6.51	5.63	5.62
Treasury Securities	13.91	8.98	6.92	0.00	0.00	8.17	1.81	1.69	1.77	1.71	2.65	2.65
Agency CMOs/Mortgage Backed	19.77	12.36	10.90	0.03	1.66	0.55	0.19	0.09	0.08	0.07	0.06	0.04
Federal Agency Issues - Coupon	24.59	44.01	45.19	48.60	57.48	47.80	68.59	74.65	78.84	75.69	76.13	74.65
Federal Agency Discount	0.00	0.00	0.00	0.00	1.54	0.39	1.09	0.78	0.19	0.19	0.94	0.00
Cash	1.42	2.29	1.06	1.92	0.67	2.08	1.00	0.73	0.84	0.64	0.64	0.68
Commerical Paper - Disc (Amortizing)	0.00	0.00	0.00	0.00	0.08	0.00	0.12	0.37	0.00	0.00	0.19	0.00
Asset Backed Securities	0.00	0.00	0.00	1.56	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Money Market	0.00	0.00	0.00	0.00	2.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**INVESTMENTS IN ISSUERS REPRESENTING OVER 5%
OF THE POOL PORTFOLIO**

	<u>June 30, 2006</u>	
	Market Value	% of Total
FHLB	126,642,031.25	45.79%
FHLMC	34,770,913.40	12.57%
FNMA	38,711,718.75	14.00%
	Total Fed Agencies	200,124,663.40
		72.36%
OTHER PORTFOLIO INVESTMENTS	76,434,653.62	27.64%
	Total Investments	276,559,317.02
		100.00%

II. Capital Endowment Portfolio



CITY OF PASADENA
Capital Endowment Portfolio

Vicken Erganian
City Treasurer

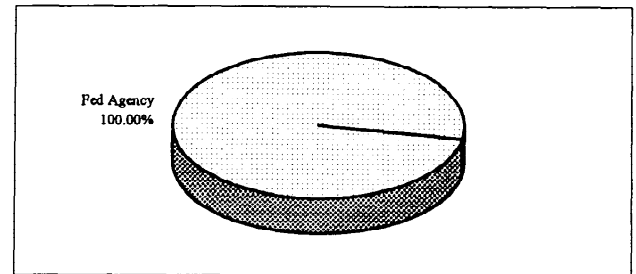
JUNE 2006

PORTFOLIO COMPLIANCE

The Treasurer's investment portfolio is in compliance with the California Government Code Section 53601 and the City's Investment Policy approved by the City Council on November 14, 2005. The holdings in the investment pool are in compliance with the current investment policy statement. Further information on compliance issues can be obtained by calling the City of Pasadena Treasurer's Office. A complete copy of the monthly investment report on the investment portfolio, including a detailed listing of each investment, is available by calling the Treasurer's office at (626)744-4422.

PORTFOLIO STRUCTURE AS OF 6/30/06

TYPE	MARKET VALUE	PERCENT
Federal Agency Issues	11,363,539	100.00%
TOTALS:		
	11,363,539	100.00%
Accrued Interest Receivable	77,374	
GRAND TOTAL:		
	11,440,913	



PORTFOLIO LIQUIDITY AS OF 6/30/06

Aging Interval	Par Value	Percent of Portfolio
0-30 Days	-	0.00%
31 days - 1 Year	1,500,000	12.77%
1 - 2 Years	8,000,000	68.09%
2 - 3 Years	1,250,000	10.64%
3 - 4 Years	1,000,000	8.51%
4 - 5 Years	-	0.00%
Over 5 Years	-	0.00%
TOTAL:		11,750,000
		100.00%

PORTFOLIO STATISTICS

	Jun-06	May-06	Apr-06	Mar-06	Feb-06	Jan-06
Month-End Mkt Value	11,440,913	12,188,454	12,172,421	12,133,780	12,122,576	12,102,118
Modified Duration	1.69	1.66	1.75	1.82	1.90	1.98
Weighted Average Maturity	1.81	1.77	1.87	1.95	2.04	2.12
Yield to Maturity	3.376%	3.482%	3.453%	3.445%	3.430%	3.427%
Effective Yield - Year to Date	3.420%	3.410%	3.410%	3.400%	3.400%	3.360%
Interest Earned	36,415	36,545	36,001	35,645	35,376	35,490
Fiscal Year To Date Interest Earned	424,569	388,154	351,609	315,608	279,964	244,588
Fair Value Change Gain/(Loss)	(9,857)	(20,511)	2,640	(24,441)	(14,918)	(268)
Fiscal Year To Date change in fair value	(225,564)	(215,707)	(195,196)	(197,837)	(173,396)	(158,479)
Total Fiscal YTD earnings	199,005	172,447	156,413	117,772	106,568	86,110

CAPITAL ENDOWMENT
Portfolio Management
Portfolio Details - Investments
June 30, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM	Days to Maturity	Maturity Date
Repurchase Agreements			720,983.04									
Federal Agency Issues - Coupon												
3128X1AT4	7849	FED HOME LOAN MORTGAGE CORP		05/14/2003	1,500,000.00	1,471,081.47	1,500,000.00	3.250	Aaa	3.250	317	05/14/2007
3133X5ZQ4	8933	Federal Home Loan Bank		04/30/2004	1,500,000.00	1,459,218.75	1,500,000.00	3.375	Aaa	3.375	486	10/30/2007
3133X5M21	8872	Federal Home Loan Bank		03/29/2004	2,000,000.00	1,929,375.00	2,000,000.00	3.000	Aaa	3.001	545	12/28/2007
31339XSA3	7992	Federal Home Loan Bank		07/02/2003	2,500,000.00	2,397,656.25	2,500,000.00	3.010	Aaa	3.011	641	04/02/2008
3128X1BD8	8094	FED HOME LOAN MORTGAGE CORP		07/10/2003	2,000,000.00	1,929,957.89	2,007,753.00	3.500	Aaa	3.275	688	05/19/2008
3136F5UR0	8977	FED NATIONAL MORTGAGE ASSOC		04/29/2004	1,250,000.00	1,212,500.00	1,250,000.00	4.320	Aaa	4.320	1,033	04/29/2009
3136F6FY0	9413	FED NATIONAL MORTGAGE ASSOC		09/29/2004	1,000,000.00	963,750.00	1,000,000.00	4.250	Aaa	4.250	1,186	09/29/2009
Subtotal and Average			11,757,918.81		11,750,000.00	11,363,539.36	11,757,753.00			3.376	680	
Total and Average			12,478,901.85		11,750,000.00	11,363,539.36	11,757,753.00			3.376	680	

Accrued Interest 77,373.96
Total 11,440,913.32

**Modified Duration Endowment
Duration Report
Sorted by Investment Type - Investment Type
Through 06/30/2006**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM %65	Current Yield	Maturity/Call Date	Modified Duration
3133X5ZQ4	8933	B	Federal Home Loan Bank	Fair	1,500,000.00	1,500,000.00	1,459,218.75	3.375	3.375	5.526	10/30/2007	1.270
31339XSA3	7992	B	Federal Home Loan Bank	Fair	2,500,000.00	2,500,000.00	2,397,656.25	3.010	3.011	5.495	04/02/2008	1.661
3133X5M21	8872	B	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,929,375.00	3.000	3.001	5.498	12/28/2007	1.418
3128X1AT4	7849	B	FED HOME LOAN MORTGAGE CORP	Fair	1,500,000.00	1,500,000.00	1,471,081.47	3.250	3.250	5.557	05/14/2007	0.838
3136F5UR0	8977	B	FED NATIONAL MORTGAGE ASSOC	Fair	1,250,000.00	1,250,000.00	1,212,500.00	4.320	4.320	5.482	04/29/2009	2.589
3128X1BD8	8094	B	FED HOME LOAN MORTGAGE CORP	Fair	2,007,753.00	2,000,000.00	1,929,957.89	3.500	3.275	5.485	05/19/2008	1.782
3136F6FY0	9413	B	FED NATIONAL MORTGAGE ASSOC	Fair	1,000,000.00	1,000,000.00	963,750.00	4.250	4.250	5.487	09/29/2009	2.947
Report Total					11,757,753.00	11,750,000.00	11,363,539.36			5.504		1.692

**GASB 31 Endowment
GASB 31 Compliance Detail
Sorted by Fund - Fund
June 1, 2006 - June 30, 2006**

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
SYS11031	11031	B	Amort Cost	06/01/2006	771,003.92	0.00	0.00	771,003.92	0.00	0.00	0.00
SYS11047	11047	B	Amort Cost	06/05/2006	0.00	771,218.32	0.00	771,218.32	0.00	0.00	0.00
SYS11032	11032	B	Amort Cost	06/02/2006	0.00	771,111.65	0.00	771,111.65	0.00	0.00	0.00
SYS11048	11048	B	Amort Cost	06/06/2006	0.00	771,537.09	0.00	771,537.09	0.00	0.00	0.00
SYS11049	11049	B	Amort Cost	06/07/2006	0.00	771,643.60	0.00	771,643.60	0.00	0.00	0.00
SYS11051	11051	B	Amort Cost	06/12/2006	0.00	771,856.46	0.00	771,856.46	0.00	0.00	0.00
SYS11050	11050	B	Amort Cost	06/08/2006	0.00	771,750.13	0.00	771,750.13	0.00	0.00	0.00
SYS11108	11108	B	Amort Cost	06/26/2006	0.00	773,349.71	0.00	773,349.71	0.00	0.00	0.00
SYS11107	11107	B	Amort Cost	06/22/2006	0.00	773,244.25	0.00	773,244.25	0.00	0.00	0.00
SYS11110	11110	B	Amort Cost	06/28/2006	0.00	773,883.81	0.00	773,883.81	0.00	0.00	0.00
SYS11109	11109	B	Amort Cost	06/27/2006	0.00	773,775.91	0.00	773,775.91	0.00	0.00	0.00
SYS11058	11058	B	Amort Cost	06/21/2006	0.00	773,137.73	0.00	773,137.73	0.00	0.00	0.00
SYS11111	11111	B	Amort Cost	06/29/2006	0.00	773,991.51	0.00	773,991.51	0.00	0.00	0.00
SYS11057	11057	B	Amort Cost	06/20/2006	0.00	773,031.01	0.00	773,031.01	0.00	0.00	0.00
SYS11053	11053	B	Amort Cost	06/14/2006	0.00	772,389.53	0.00	772,389.53	0.00	0.00	0.00
SYS11052	11052	B	Amort Cost	06/13/2006	0.00	772,282.70	0.00	772,282.70	0.00	0.00	0.00
SYS11055	11055	B	Amort Cost	06/16/2006	0.00	772,603.24	0.00	772,603.24	0.00	0.00	0.00
SYS11054	11054	B	Amort Cost	06/15/2006	0.00	772,496.38	0.00	772,496.38	0.00	0.00	0.00
SYS11056	11056	B	Amort Cost	06/19/2006	0.00	772,710.98	0.00	772,710.98	0.00	0.00	0.00
3136F5UR0	8977	B	Fair Value	04/29/2009	1,215,234.38	0.00	0.00	0.00	0.00	-2,734.38	1,212,500.00
3136F6FY0	9413	B	Fair Value	09/29/2009	965,937.50	0.00	0.00	0.00	0.00	-2,187.50	963,750.00
3128X1A14	7849	B	Fair Value	05/14/2007	1,470,620.96	0.00	0.00	0.00	0.00	460.51	1,471,081.47
3128X1BD8	8094	B	Fair Value	05/19/2008	1,932,228.09	0.00	0.00	0.00	0.00	-2,270.20	1,929,957.89
31339XSA3	7992	B	Fair Value	04/02/2008	2,399,218.75	0.00	0.00	0.00	0.00	-1,562.50	2,397,656.25
3133X5M21	8872	B	Fair Value	12/28/2007	1,930,000.00	0.00	0.00	0.00	0.00	-625.00	1,929,375.00
3133X5ZQ4	8933	B	Fair Value	10/30/2007	1,460,156.25	0.00	0.00	0.00	0.00	-937.50	1,459,218.75
			Subtotal		12,144,399.85	13,906,014.01	0.00	14,677,017.93	0.00	-9,856.57	11,363,539.36
			Total		12,144,399.85	13,906,014.01	0.00	14,677,017.93	0.00	-9,856.57	11,363,539.36

COMPLIANCE REPORT

Capital Endowment Portfolio
As of 6/30/06

	Diversification		Credit Quality		Maturity	
	Portfolio % of total	State Gov't Code limits	Portfolio compliance	Portfolio Credit Quality		Credit Quality per Gov Code
Repurchase Agreements	0.00%	100%	In compliance	102% Collateral AAA/Aaa	102% Collateral AAA/aaa	In compliance
Federal Agency Issues LAIF	100.00%	100%	In compliance	n/a	n/a	In compliance
Money Market	0.00%	100%	In compliance	AAA	AAA	In compliance
Agency CMOs	0.00%	20%	In compliance	n/a	AAA/aaa	In compliance
Municipal Bonds	0.00%	100%	In compliance	n/a	A or better	In compliance
Non-negotiable CDs	0.00%	10%	In compliance	n/a	Collateralized	In compliance
Treasury Securities	0.00%	100%	In compliance	AAA/Aaa	AAA/aaa	In compliance
Commercial Paper	0.00%	100%	In compliance	A1P1	A1P1	In compliance
Corporate Bonds	0.00%	30%	In compliance	n/a	A or better	In compliance
	100.00%					

Portfolio Value	11,440,913
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CAPITAL ENDOWMENT
 Portfolio Management
 Distribution of Investments By Type - Historic
 (By Market Values)
 In %

Investment Type	Fiscal Year Total											
	June 1998	June 1999	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005	1st Qtr 2006	2nd Qtr 2006	3rd Qtr 2006	4th Qtr 2006
Repurchase Agreements	18.87	3.05	14.17	14.80	32.55	28.86	7.76	4.38	3.40	4.66	5.13	0.00
Federal Agency Issues - Coupon	35.78	57.25	58.05	85.20	67.45	35.54	92.24	95.62	96.60	95.34	94.87	100.00
Municipal Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
L.A.I.F.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Certificate of Deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Federal Agency Discount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Bonds - Coupon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury Securities	45.35	39.70	27.78	0.00	0.00	15.92	0.00	0.00	0.00	0.00	0.00	0.00
Agency CMOs/Mortgage Backed	0.00	0.00	0.00	0.00	0.00	19.68	0.00	0.00	0.00	0.00	0.00	0.00
Commerical Paper - Disc (Amortizing)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset Backed Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Money Market	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**INVESTMENTS IN ISSUERS REPRESENTING OVER 5%
OF THE CAPITAL ENDOWMENT PORTFOLIO**

	<u>June 30, 2006</u>	
	Market Value	% of Total
FHLB	5,786,250.00	50.92%
FHLMC	3,401,039.36	29.93%
FNMA	2,176,250.00	19.15%
	Total Fed Agencies	11,363,539.36
		100.00%
OTHER PORTFOLIO INVESTMENTS	-	0.00%
	Total Investments	11,363,539.36
		100.00%

III. Power Reserve Portfolio