

# **Quarterly Investment Report**

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# **I. Pooled Investment Portfolio**



**CITY OF PASADENA**  
**Treasurer's Pooled Investment Portfolio**

Vicken Erganian  
 City Treasurer

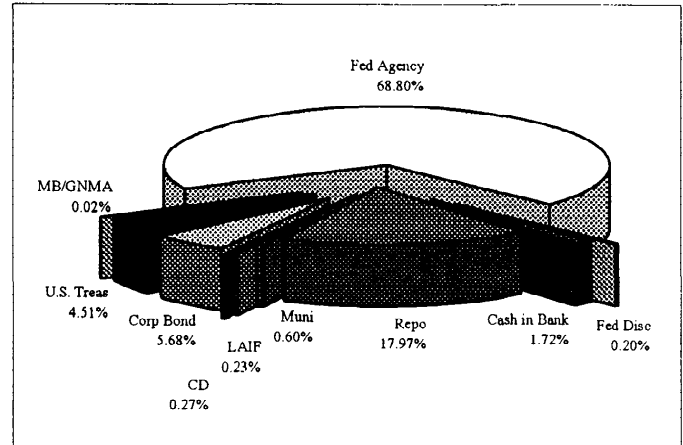
**DECEMBER 2006**

**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 20, 2006. 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 12/31/06**

<b>TYPE</b>	<b>MARKET VALUE</b>	<b>PERCENT</b>
Repurchase Agreements	49,800,000	17.97%
Municipal Bonds	1,667,328	0.60%
LAIF	641,749	0.23%
Certificate of Deposit	750,000	0.27%
Corporate Bonds	15,734,018	5.68%
U.S. Treasury Bonds	12,499,873	4.51%
Mortgage Backed Securities/GNMA's	57,998	0.02%
Federal Agencies	190,700,686	68.80%
Federal Agencies - Discount	556,181	0.20%
Cash in Bank	4,765,984	1.72%
<b>TOTALS:</b>	<b>277,173,817</b>	<b>100.00%</b>
Accrued Interest Receivable	2,229,797	
<b>GRAND TOTAL:</b>	<b>279,403,614</b>	



**PORTFOLIO LIQUIDITY AS OF 12/31/06**

<b>Aging Interval</b>	<b>Par Value</b>	<b>Percent of Portfolio</b>
0-30 Days	57,261,871	20.44%
31 days - 1 Year	46,070,555	16.44%
1 - 2 Years	102,500,673	36.58%
2 - 3 Years	29,500,753	10.53%
3 - 4 Years	16,500,495	5.89%
4 - 5 Years	28,367,763	10.12%
Over 5 Years	711	0.00%
<b>TOTAL:</b>	<b>280,202,820</b>	<b>100.00%</b>

**PORTFOLIO STATISTICS**

	<b>Dec-06</b>	<b>Nov-06</b>	<b>Oct-06</b>	<b>Sep-06</b>	<b>Aug-06</b>	<b>Jul-06</b>
Month-End Mkt Value	279,403,614	283,436,165	283,649,357	283,705,391	277,233,773	282,191,856
Modified Duration	1.45	1.30	1.37	1.20	1.26	1.28
Weighted Average Maturity	1.59	1.42	1.49	1.34	1.37	1.39
Yield to Maturity	4.243%	4.088%	3.995%	3.985%	3.903%	3.791%
Interest Earned	969,467	961,849	978,445	928,295	922,349	907,333
Fiscal Year To Date Interest Earned	5,667,738	4,698,271	3,736,422	2,757,977	1,829,682	907,333
Fair Value Change Gain/(Loss)	(422,477)	508,262	304,827	484,047	807,017	934,227
Fiscal Year To Date change in fair value	2,615,903	3,038,380	2,530,118	2,225,291	1,741,244	934,227
Total Fiscal YTD earnings	8,283,641	7,736,651	6,266,540	4,983,268	3,570,926	1,841,560

**CITY POOLED PORTFOLIO**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**December 31, 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
<b>Repurchase Agreements</b>												
SYS11561	11561	MERRILL LYNCH		12/29/2006	49,800,000.00	49,800,000.00	49,800,000.00	5.350		5.424	2	01/03/2007
		<b>Subtotal and Average</b>	<b>47,259,677.42</b>		<b>49,800,000.00</b>	<b>49,800,000.00</b>	<b>49,800,000.00</b>			<b>5.424</b>	<b>2</b>	
<b>LAIF</b>												
SYS864	864	Local Agency Investment Fund			641,749.33	641,749.33	641,749.33	5.110		5.110	1	
		<b>Subtotal and Average</b>	<b>641,749.33</b>		<b>641,749.33</b>	<b>641,749.33</b>	<b>641,749.33</b>			<b>5.110</b>	<b>1</b>	
<b>Money Market Fund</b>												
SYS6120	6120	MERRILL LYNCH			0.00	0.00	0.00	1.710		1.734	1	
		<b>Subtotal and Average</b>	<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			<b>0.000</b>	<b>0</b>	
<b>Mortgage Backs</b>												
31282UXQ5	6491	FED HOME LOAN MORTGAGE CORP		01/28/2002	54,090.04	53,990.51	55,188.74	5.500	Aaa	4.670	0	01/01/2007
362068B64	147	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	-1.53	-1.63	-1.53	11.000	Aaa	11.000	1,079	12/15/2009
362069AN6	146	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	1,208.79	1,297.54	1,208.79	11.000	Aaa	11.000	1,169	03/15/2010
362136TU7	141	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	1,390.74	1,529.04	1,390.74	11.500	Aaa	11.500	2,237	02/15/2013
362102T70	143	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	862.58	951.54	862.58	11.500	Aaa	11.500	2,326	05/15/2013
36215VYQ3	127	GOVERNMENT NATL MORTGAGE ASSOC		06/01/1994	207.96	230.70	207.96	11.000	Aaa	11.000	3,301	01/15/2016
		<b>Subtotal and Average</b>	<b>67,835.06</b>		<b>57,997.70</b>	<b>58,857.28</b>	<b>58,857.28</b>			<b>5.084</b>	<b>123</b>	
<b>Certificates of Deposit - Bank</b>												
SYS9159	9159	Community Bank		06/29/2004	750,000.00	750,000.00	750,000.00	3.500		3.500	179	06/29/2007
		<b>Subtotal and Average</b>	<b>750,000.00</b>		<b>750,000.00</b>	<b>750,000.00</b>	<b>750,000.00</b>			<b>3.500</b>	<b>179</b>	
<b>Federal Agency Issues - Coupon</b>												
3133X5E80	8870	Federal Home Loan Bank		04/12/2004	2,000,000.00	1,998,750.00	2,000,000.00	2.465	Aaa	2.466	11	01/12/2007
3133X6K39	8938	Federal Home Loan Bank		05/12/2004	4,000,000.00	3,990,000.00	4,000,000.00	3.050	Aaa	3.051	42	02/12/2007
3133X6P23	8976	Federal Home Loan Bank		05/14/2004	3,000,000.00	2,993,437.50	3,000,000.00	3.200	Aaa	3.201	44	02/14/2007
3133XEU49	10800	Federal Home Loan Bank		03/15/2006	2,250,000.00	2,249,296.88	2,250,000.00	5.025	Aaa	5.025	45	02/15/2007
3133X4NV9	8874	Federal Home Loan Bank		03/24/2004	5,000,000.00	4,961,250.00	5,001,408.86	3.500	Aaa	2.787	80	03/22/2007
3133X4X63	8824	Federal Home Loan Bank		03/29/2004	3,000,000.00	2,985,000.00	3,000,000.00	3.050	Aaa	3.050	86	03/28/2007
3136F5GU9	8825	FED NATIONAL MORTGAGE ASSOC		03/29/2004	3,000,000.00	2,984,062.50	3,000,000.00	3.000	Aaa	3.000	87	03/29/2007
3133X6CM6	8934	Federal Home Loan Bank		04/30/2004	3,000,000.00	2,979,375.00	3,000,000.00	3.030	Aaa	3.030	119	04/30/2007
3133XGHR8	11182	Federal Home Loan Bank		08/08/2006	3,000,000.00	3,000,937.50	3,000,000.00	5.550	Aaa	5.550	219	08/08/2007
3133X4D24	8741	Federal Home Loan Bank		03/11/2004	4,000,000.00	3,943,750.00	4,000,000.00	3.170	Aaa	3.170	253	09/11/2007

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**December 31, 2006**

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<b>Federal Agency Issues - Coupon</b>												
3128X3WZ2	9363	FED HOME LOAN MORTGAGE CORP		09/27/2004	2,000,000.00	1,974,924.01	2,000,000.00	3.500	Aaa	3.500	269	09/27/2007
3133X8SC7	9411	Federal Home Loan Bank		10/12/2004	3,000,000.00	2,959,887.50	3,000,000.00	3.450	Aaa	3.450	284	10/12/2007
3133XAPC5	9779	Federal Home Loan Bank		03/04/2005	2,000,000.00	1,978,125.00	2,000,000.00	4.000	Aaa	4.002	337	12/04/2007
3133X9JU5	9539	Federal Home Loan Bank		12/07/2004	3,000,000.00	2,960,625.00	3,000,000.00	3.770	Aaa	3.770	340	12/07/2007
3133X9NT3	9571	Federal Home Loan Bank		12/10/2004	2,500,000.00	2,465,625.00	2,500,000.00	3.740	Aaa	3.740	343	12/10/2007
3133X5M21	8873	Federal Home Loan Bank		03/29/2004	2,000,000.00	1,957,500.00	2,000,000.00	3.000	Aaa	3.001	361	12/28/2007
3133XCP67	10178	Federal Home Loan Bank		08/22/2005	2,500,000.00	2,480,468.75	2,499,464.85	4.500	Aaa	4.520	417	02/22/2008
3133XAMG9	9835	Federal Home Loan Bank		02/28/2005	2,500,000.00	2,464,843.75	2,498,505.15	4.000	Aaa	4.056	417	02/22/2008
3133XAY68	9836	Federal Home Loan Bank		03/24/2005	2,000,000.00	1,978,125.00	2,000,000.00	4.250	Aaa	4.250	448	03/24/2008
3133XEW47	10786	Federal Home Loan Bank		03/28/2006	2,500,000.00	2,496,875.00	2,500,000.00	5.125	Aaa	5.125	452	03/28/2008
3128X3A52	9452	FED HOME LOAN MORTGAGE CORP		10/28/2004	3,000,000.00	2,979,029.85	3,000,000.00	4.000	Aaa	3.571	483	04/28/2008
3136F3PD2	7815	FED NATIONAL MORTGAGE ASSOC		04/30/2003	3,000,000.00	2,943,750.00	3,000,000.00	3.660	Aaa	3.660	485	04/30/2008
3128X1BD8	7850	FED HOME LOAN MORTGAGE CORP		05/19/2003	4,000,000.00	3,904,855.96	4,000,000.00	3.500	Aaa	3.500	504	05/19/2008
3128X1BD8	8005	FED HOME LOAN MORTGAGE CORP		06/13/2003	4,000,000.00	3,904,855.96	4,018,576.86	3.500	Aaa	3.135	504	05/19/2008
3133MYQ4	7888	Federal Home Loan Bank		06/04/2003	4,000,000.00	3,893,750.00	4,000,000.00	3.150	Aaa	3.150	520	06/04/2008
31339X6Q2	7964	Federal Home Loan Bank		06/12/2003	3,000,000.00	2,914,687.50	3,000,000.00	3.050	Aaa	3.050	528	06/12/2008
31339XQC6	9594	Federal Home Loan Bank		12/17/2004	3,000,000.00	2,953,125.00	3,000,000.00	4.000	Aaa	4.000	533	06/17/2008
31339XDU5	7931	Federal Home Loan Bank		06/19/2003	2,000,000.00	1,946,250.00	2,000,000.00	3.170	Aaa	3.170	535	06/19/2008
31339XHN7	7965	Federal Home Loan Bank		06/26/2003	2,000,000.00	1,947,500.00	2,000,000.00	3.250	Aaa	3.250	542	06/26/2008
31339XQ56	7987	Federal Home Loan Bank		06/30/2003	5,000,000.00	4,851,562.50	5,001,871.53	3.000	Aaa	2.973	546	06/30/2008
31339YA51	8047	Federal Home Loan Bank		07/16/2003	2,500,000.00	2,427,343.75	2,500,000.00	3.100	Aaa	3.100	562	07/16/2008
31339YS37	8096	Federal Home Loan Bank		07/30/2003	2,500,000.00	2,436,718.75	2,500,000.00	3.400	Aaa	3.400	576	07/30/2008
31339YR87	8092	Federal Home Loan Bank		08/05/2003	5,000,000.00	4,879,687.50	5,000,000.00	3.500	Aaa	3.500	582	08/05/2008
31339YSF0	8097	Federal Home Loan Bank		08/07/2003	3,000,000.00	2,921,250.00	3,000,000.00	3.350	Aaa	3.350	584	08/07/2008
3133XEFB0	10652	Federal Home Loan Bank		02/08/2006	3,000,000.00	2,985,000.00	3,000,000.00	4.950	Aaa	4.950	585	08/08/2008
31339YX98	8100	Federal Home Loan Bank		08/14/2003	2,500,000.00	2,443,750.00	2,500,000.00	3.625	Aaa	3.625	591	08/14/2008
3136F34U7	8158	FED NATIONAL MORTGAGE ASSOC		08/14/2003	2,500,000.00	2,454,687.50	2,500,000.00	3.910	Aaa	3.910	591	08/14/2008
31359MW90	11184	FED NATIONAL MORTGAGE ASSOC		09/05/2006	3,000,000.00	2,998,125.00	3,000,000.00	5.350	Aaa	5.350	613	09/05/2008
31359MM90	11186	FED NATIONAL MORTGAGE ASSOC		09/05/2006	2,000,000.00	1,998,750.00	2,000,000.00	5.350	Aaa	5.350	613	09/05/2008
3133XBKU5	9362	Federal Home Loan Bank		09/30/2004	2,000,000.00	1,961,250.00	2,000,000.00	3.920	Aaa	3.920	638	09/30/2008
3128X1T56	8386	FED HOME LOAN MORTGAGE CORP		10/15/2004	2,000,000.00	1,963,768.01	2,000,000.00	4.000	Aaa	4.000	653	10/15/2008
31350A0A5	9482	FED NATIONAL MORTGAGE ASSOC		10/22/2004	3,000,000.00	2,955,000.00	3,000,000.00	4.000	Aaa	3.625	659	10/21/2008
3128X4CV1	10177	FED HOME LOAN MORTGAGE CORP		07/18/2005	5,000,000.00	4,959,985.35	4,996,381.84	4.500	Aaa	4.402	729	12/30/2008
3133XAGQ4	9725	Federal Home Loan Bank		02/11/2005	2,000,000.00	1,993,125.00	1,999,472.22	4.500	Aaa	4.139	772	02/11/2009
3136F5GC9	8822	FED NATIONAL MORTGAGE ASSOC		03/15/2004	3,000,000.00	2,950,312.50	3,000,000.00	4.000	Aaa	3.600	804	03/15/2009
3136F5GP0	8821	FED NATIONAL MORTGAGE ASSOC		03/16/2004	4,000,000.00	3,916,250.00	4,000,000.00	4.040	Aaa	4.040	805	03/16/2009

Portfolio PASD  
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PM (PRF\_PM2) SymRept 6.41.2026

**CITY POOLED PORTFOLIO**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**December 31, 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
<b>Federal Agency Issues - Coupon</b>												
3133X6BG0	8931	Federal Home Loan Bank		04/29/2004	3,000,000.00	2,976,562.50	2,999,127.08	4.000	Aaa	3.664	849	04/29/2009
3133X6C20	8932	Federal Home Loan Bank		05/04/2004	3,000,000.00	2,944,687.50	3,000,000.00	4.240	Aaa	4.240	854	05/04/2009
3136F6LD9	9505	FED NATIONAL MORTGAGE ASSOC		11/15/2004	2,000,000.00	1,960,000.00	2,000,000.00	4.150	Aaa	4.150	865	05/15/2009
3133X6KE8	10654	Federal Home Loan Bank		01/30/2006	2,500,000.00	2,466,718.75	2,500,000.00	5.125	Aaa	5.125	939	07/28/2009
3133X6GJ8	11253	Federal Home Loan Bank		09/27/2006	3,000,000.00	2,994,375.00	3,000,000.00	5.500	Aaa	5.499	987	09/14/2009
3133X8SD5	9412	Federal Home Loan Bank		10/13/2004	3,000,000.00	2,926,875.00	3,000,000.00	4.100	Aaa	4.100	1,016	10/13/2009
3136F6HG7	9455	FED NATIONAL MORTGAGE ASSOC		10/28/2004	2,000,000.00	1,967,500.00	2,000,000.00	4.500	Aaa	4.500	1,031	10/28/2009
3133X92H2	9456	Federal Home Loan Bank		11/02/2004	2,000,000.00	1,951,250.00	2,000,000.00	4.125	Aaa	4.125	1,036	11/02/2009
31331SJLB	9759	Federal Farm Credit Bank		01/28/2005	3,000,000.00	2,926,875.00	2,995,446.43	4.180	Aaa	4.236	1,086	12/22/2009
3133XARD1	9781	Federal Home Loan Bank		03/10/2005	2,000,000.00	1,961,250.00	2,000,000.00	4.440	Aaa	4.440	1,164	03/10/2010
3136F6L72	9837	FED NATIONAL MORTGAGE ASSOC		03/16/2005	2,500,000.00	2,467,187.50	2,500,000.00	4.750	Aaa	4.750	1,170	03/16/2010
31331SRW5	10049	Federal Farm Credit Bank		05/31/2005	5,000,000.00	4,923,437.50	4,987,638.05	4.600	Aaa	4.612	1,199	04/14/2010
3128X5LP1	11311	FED HOME LOAN MORTGAGE CORP		10/06/2006	5,000,000.00	4,979,105.38	5,000,000.00	5.250	Aaa	5.250	1,739	10/06/2011
3133XHEU2	11312	FED HOME LOAN MORTGAGE CORP		10/26/2006	5,000,000.00	4,973,437.50	5,000,000.00	5.450	Aaa	5.450	1,759	10/26/2011
3133XHM41	11349	Federal Home Loan Bank		10/27/2006	5,000,000.00	4,998,437.50	5,000,000.00	5.400	Aaa	5.400	1,760	10/27/2011
3136F8AZ8	11485	FED NATIONAL MORTGAGE ASSOC		12/19/2006	5,000,000.00	4,968,750.00	5,000,000.00	5.350	Aaa	5.350	1,813	12/19/2011
3133XHYJ5	11403	Federal Home Loan Bank		12/20/2006	4,000,000.00	3,981,250.00	4,000,000.00	5.500	Aaa	5.500	1,814	12/20/2011
<b>Subtotal and Average</b>			<b>26,493,303.36</b>		<b>193,250,000.00</b>	<b>190,694,727.65</b>	<b>193,257,892.87</b>			<b>4.025</b>	<b>705</b>	

<b>Treasury Securities - Coupon</b>												
912828AZ3	8024	U.S. TREASURY		06/17/2003	5,000,000.00	4,850,000.00	5,032,334.35	2.625	Aaa	2.125	500	05/15/2008
912828FZ8	11486	US TREASURY		12/21/2006	5,000,000.00	4,981,250.00	4,991,923.97	4.625	Aaa	4.713	699	11/30/2008
912828ES5	10655	U.S. TREASURY		01/26/2006	2,700,000.00	2,655,281.25	2,690,228.88	4.250	Aaa	4.350	1,475	01/15/2011
<b>Subtotal and Average</b>			<b>5,033,304.38</b>		<b>12,700,000.00</b>	<b>12,486,531.25</b>	<b>12,714,487.20</b>			<b>3.612</b>	<b>784</b>	

<b>Municipal Bond - PCDC</b>												
SYS1783	1783	PCDC		06/30/1996	1,667,328.42	1,667,328.42	1,667,328.42	6.000		6.000	1,641	06/30/2011
<b>Subtotal and Average</b>			<b>1,667,328.42</b>		<b>1,667,328.42</b>	<b>1,667,328.42</b>	<b>1,667,328.42</b>			<b>6.000</b>	<b>1,641</b>	

<b>Corporate Bonds - Coupon</b>												
3696ZGP57	11484	GE CAPITAL		12/07/2006	2,000,000.00	1,976,601.87	1,983,382.82	4.125	A1+	4.857	428	03/04/2008
16161ABS6	8095	JPMORGAN CHASE		07/14/2003	3,000,000.00	3,030,254.97	3,113,520.92	6.375	Aa3	3.097	456	04/01/2008
459745FF7	8068	AIG		06/30/2003	2,500,000.00	2,466,210.17	2,544,595.06	4.500	A1	3.046	486	05/01/2008
2223TLNR9	8048	COUNTRYWIDE HOME LOAN		06/24/2003	2,500,000.00	2,430,400.09	2,513,264.01	3.250	A3	2.838	506	05/21/2008
36233RAG8	9504	VERIZON GLOBAL		10/28/2004	2,000,000.00	2,002,358.09	2,050,030.72	5.550	A3	4.023	653	10/15/2008
40429XBN5	9858	HSBC FINANCE CORPORATION		03/10/2005	4,000,000.00	3,806,879.88	4,000,000.00	2.650	Aa3	3.420	1,164	03/10/2010

Data Updated: FUNDSNAP: 01/04/2007 11:15  
 Run Date: 01/04/2007 - 11:15

Portfolio PASD  
 NL: AP  
 PM (PRF\_PM2) SymRept 6.41.2026

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**December 31, 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
<b>Subtotal and Average</b>			4,000,000.00		16,000,000.00	15,712,705.07	16,204,793.53			3.461	665	
<b>Federal Agency Disc. - Amortizing</b>												
313588GH2	11125	FNMA DISCOUNT NOTE		07/05/2006	96,000.00	93,983.99	93,447.60	6.217	A1+	6.694	151	06/01/2007
313588HM0	11162	FNMA DISCOUNT NOTE		08/01/2006	96,000.00	93,609.59	93,244.75	5.682	A1+	6.094	179	06/29/2007
313588HM0	11247	FNMA DISCOUNT NOTE		09/01/2006	95,000.00	92,634.49	92,250.78	5.757	A1+	6.146	179	06/29/2007
313588HM0	11255	FNMA DISCOUNT NOTE		10/02/2006	95,000.00	92,634.49	92,246.44	5.776	A1+	6.156	179	06/29/2007
313588HM0	11351	FNMA DISCOUNT NOTE		11/01/2006	94,000.00	91,659.39	91,261.91	5.838	A1+	6.187	179	06/29/2007
313588HM0	11423	FNMA DISCOUNT NOTE		12/01/2006	94,000.00	91,659.39	91,262.68	5.838	A1+	6.186	179	06/29/2007
<b>Subtotal and Average</b>			165,829.37		570,000.00	556,181.34	553,714.16			6.245	174	
<b>Total and Average</b>			86,079,027.33		275,436,836.33	272,367,220.76	275,648,822.79			4.243	581	

**CITY POOLED PORTFOLIO**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**December 31, 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			40,612.18	40,612.18				0
		Subtotal				40,612.18	40,612.18				
		Total Cash and Investmentss	277,748,073.94		275,436,836.33	272,407,832.94	275,689,434.97			4.243	581
		Cash				4,765,984.25					
		Accrued Interest				2,229,796.92					
		Total Investments				279,403,614.11					



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

<u>December 31, 2006</u>		
	<b>Market Value</b>	<b>% of Total</b>
<b>FHLB</b>	118,646,036.46	43.55%
<b>FHLMC</b>	29,693,952.53	10.90%
<b>FNMA</b>	34,564,375.00	12.69%
<b>Total Fed Agencies</b>	<b>182,904,363.99</b>	<b>67.14%</b>
<b>OTHER PORTFOLIO INVESTMENTS</b>	<b>89,503,468.95</b>	<b>32.86%</b>
<b>Total Investments</b>	<b>272,407,832.94</b>	<b>100.00%</b>

**COMPLIANCE REPORT**

**Pooled Investment Portfolio**  
As of 12/31/06

	<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	17.97%	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
LAF	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	5.68%	30%	In compliance	AA	A or better	In compliance	In compliance
Treasury Securities	4.51%	100%	In compliance	AAA/Aaa	AAA/aaa	In compliance	In compliance
Agency CMOs/Mortgage Backed	0.02%	20%	In compliance	AAA/Aaa	AAA/aaa	In compliance	In compliance
Federal Agency Issues	68.80%	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	0.20%	100%	In compliance	AAA/Aaa	AAA/aaa	In compliance	In compliance
Cash	1.72%	100%	In compliance	Collateralized	Collateralized	In compliance	In compliance
	100.00%						

**Portfolio Value** 279,403,614

**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	June 2006	1st Qtr 2007	2nd Qtr 2007	3rd Qtr 2007	4th Qtr 2007
Repurchase Agreements	25.93	10.34	25.97	0.89	10.88	8.23	4.99	8.93	15.26	17.27	17.97		
Municipal Bonds	3.06	4.59	3.92	3.25	1.30	1.00	0.79	0.68	0.60	0.59	0.60		
L.A.I.F.	8.81	9.24	0.29	19.76	9.45	16.29	14.21	5.36	0.23	0.23	0.23		
Certificate of Deposit	0.00	0.43	0.00	1.33	1.02	0.81	0.27	0.26	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	5.62	4.89	5.68		
Treasury Securities	13.91	8.98	6.92	0.00	0.00	8.17	1.81	1.69	2.65	2.66	4.51		
Agency CMOs/Mortgage Backed	19.77	12.36	10.90	0.03	1.66	0.55	0.19	0.09	0.04	0.04	0.02		
Federal Agency Issues - Coupon	24.59	44.01	45.19	48.60	57.48	47.80	68.59	74.65	74.65	71.70	68.80		
Federal Agency Discount	0.00	0.00	0.00	0.00	1.54	0.39	1.09	0.78	0.00	0.93	0.20		
Cash	1.42	2.29	1.06	1.92	0.67	2.08	1.00	0.73	0.68	1.42	1.72		
Commerical Paper - Disc (Amortizing)	0.00	0.00	0.00	0.00	0.08	0.00	0.12	0.37	0.00	0.00	0.00		
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		
Money Market	0.00	0.00	0.00	0.00	2.44	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		
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>

**Pooled Portfolio - Total Return Performance**

		<b>ML 1-3 Index</b>	<b>Pooled</b>
		<b><u>Corp/Gov</u></b>	<b><u>Portfolio</u></b>
<b>2002</b>	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
<b>2003</b>	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
<b>2004</b>	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
<b>2005</b>	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
<b>2006</b>	1st quarter	0.481	0.710
	2nd quarter	0.657	0.784
	3rd quarter	2.039	1.810
	4th quarter	<u>1.018</u>	<u>1.170</u>
		4.195	4.474

<b>Annualized</b>	<b>ML 1-3 Index</b>	<b>Pooled</b>
<b><u>Ave Returns</u></b>	<b><u>Corp/Gov</u></b>	<b><u>Portfolio</u></b>
Last 6 months	6.11%	5.96%
Last 12 months	4.19%	4.47%
Ave 3 Years	2.39%	2.88%
Ave 5 Years	3.17%	3.24%

**Current yields**

Pooled Portfolio current yield	<b>4.240%</b>
State Treasurer's LAIF yield	5.110%
2 Year US Treasury yield	4.850%

## **II. Capital Endowment Portfolio**



**CITY OF PASADENA**  
**Capital Endowment Portfolio**

Vicken Erganian  
City Treasurer

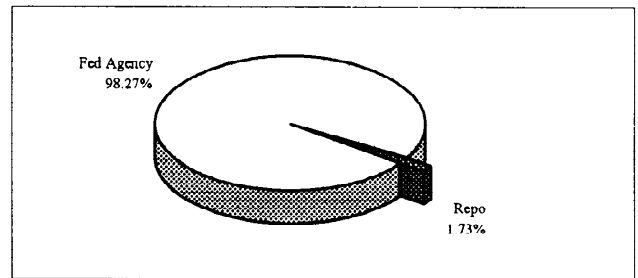
**DECEMBER 2006**

**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 20, 2006. 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 12/31/06**

TYPE	MARKET VALUE	PERCENT
Repurchase Agreements	202,562	1.73%
Federal Agency Issues	11,521,432	98.27%
<b>TOTALS:</b>	<b>11,723,993</b>	<b>100.00%</b>
Accrued Interest Receivable	77,464	
<b>GRAND TOTAL:</b>	<b>11,801,458</b>	



**PORTFOLIO LIQUIDITY AS OF 12/31/06**

Aging Interval	Par Value	Percent of Portfolio
0-30 Days	202,562	1.69%
31 days - 1 Year	5,000,000	41.83%
1 - 2 Years	4,500,000	37.65%
2 - 3 Years	2,250,000	18.82%
3 - 4 Years	-	0.00%
4 - 5 Years	-	0.00%
Over 5 Years	-	0.00%
<b>TOTAL:</b>	<b>11,952,562</b>	<b>100.00%</b>

**PORTFOLIO STATISTICS**

	Dec-06	Nov-06	Oct-06	Sep-06	Aug-06	Jul-06
Month-End Mkt Valuc	11,801,458	11,782,872	11,797,684	11,673,320	11,609,448	11,527,234
Modified Duration	1.21	1.30	1.38	1.46	1.53	1.61
Weighted Average Maturity	1.28	1.36	1.45	1.55	1.64	1.72
Yield to Maturity	3.410%	3.409%	3.399%	3.384%	3.376%	3.376%
Interest Earned	34,347	34,164	82,134	33,447	33,427	33,427
Fiscal Year To Date Interest Earned	250,946	216,599	182,435	100,301	66,854	33,427
Fair Value Change Gain/(Loss)	(15,761)	23,882	33,840	30,425	48,787	52,893
Fiscal Year To Date change in fair value	174,066	189,827	165,946	132,106	101,680	52,893
Total Fiscal YTD earnings	425,012	406,427	348,381	232,406	168,535	86,321

**CAPITAL ENDOWMENT**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**December 31, 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
<b>Repurchase Agreements</b>												
SYS11558	11558	MERRILL LYNCH		12/29/2006	202,561.53	202,561.53	202,561.53	5.350		5.424	2	01/03/2007
<b>Subtotal and Average</b>			<b>202,151.50</b>		<b>202,561.53</b>	<b>202,561.53</b>	<b>202,561.53</b>			<b>5.424</b>	<b>2</b>	
<b>Federal Agency Issues - Coupon</b>												
3128X1A14	7849	FED HOME LOAN MORTGAGE CORP		05/14/2003	1,500,000.00	1,489,785.00	1,500,000.00	3.250	Aaa	3.250	133	05/14/2007
3133X5Z04	8933	Federal Home Loan Bank		04/30/2004	1,500,000.00	1,477,500.00	1,500,000.00	3.375	Aaa	3.375	302	10/30/2007
3133X5M21	8872	Federal Home Loan Bank		03/29/2004	2,000,000.00	1,967,500.00	2,000,000.00	3.000	Aaa	3.001	361	12/28/2007
31339XSA3	7992	Federal Home Loan Bank		07/02/2003	2,500,000.00	2,435,937.50	2,500,000.00	3.010	Aaa	3.011	457	04/02/2008
3128X1BD8	8094	FED HOME LOAN MORTGAGE CORP		07/10/2003	2,000,000.00	1,952,427.98	2,005,694.68	3.500	Aaa	3.275	504	05/19/2008
3136F5UR0	8977	FED NATIONAL MORTGAGE ASSOC		04/29/2004	1,250,000.00	1,228,906.25	1,250,000.00	4.320	Aaa	4.320	849	04/29/2009
3136F6FY0	9413	FED NATIONAL MORTGAGE ASSOC		09/29/2004	1,000,000.00	979,375.00	1,000,000.00	4.250	Aaa	4.250	1,002	06/29/2009
<b>Subtotal and Average</b>			<b>11,755,855.14</b>		<b>11,750,000.00</b>	<b>11,521,431.73</b>	<b>11,755,694.68</b>			<b>3.376</b>	<b>476</b>	
<b>Total and Average</b>			<b>11,958,006.65</b>		<b>11,952,561.53</b>	<b>11,723,993.26</b>	<b>11,958,256.21</b>			<b>3.410</b>	<b>468</b>	

Accrued Interest 77,464.27  
Total Investments 11,801,457.53

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

	<u>December 31, 2006</u>	
	Market Value	% of Total
FHLB	5,870,937.50	50.08%
FHLMC	3,442,212.98	29.36%
FNMA	2,208,281.25	18.84%
<b>Total Fed Agencies</b>	<b>11,521,431.73</b>	<b>98.27%</b>
<b>OTHER PORTFOLIO INVESTMENTS</b>	<b>202,561.53</b>	<b>1.73%</b>
<b>Total Investments</b>	<b>11,723,993.26</b>	<b>100.00%</b>



**COMPLIANCE REPORT**

Capital Endowment Portfolio  
As of 12/31/06

	Diversification		Credit Quality		Maturity
	Portfolio % of total	State Gov't Code limits	Portfolio Credit Quality	Portfolio Credit Quality per Gov Code	
Repurchase Agreements	1.73%	100%	102% Collateral	102% Collateral	In compliance
Federal Agency Issues	98.27%	100%	AAA/Aaa	AAA/aaa	In compliance
LAIF	0.00%	100%	n/a	n/a	In compliance
Money Market	0.00%	100%	AAA	AAA	In compliance
Agency CMOs	0.00%	20%	n/a	AAA/aaa	In compliance
Municipal Bonds	0.00%	100%	n/a	A or better	In compliance
Non-negotiable CDs	0.00%	10%	n/a	Collateralized	In compliance
Treasury Securities	0.00%	100%	AAA/Aaa	AAA/aaa	In compliance
Commercial Paper	0.00%	100%	A1P1	A1P1	In compliance
Corporate Bonds	0.00%	30%	n/a	A or better	In compliance
	100.00%				

Portfolio Value 11,801,458

**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	June 2006	1st Qtr 2007	2nd Qtr 2007	3rd Qtr 2007	4th Qtr 2007
Repurchase Agreements	18.87	3.05	14.17	14.80	32.55	28.86	7.76	4.38	0.00	0.44	1.73		
Federal Agency Issues - Coupon	35.78	57.25	58.05	85.20	67.45	35.54	92.24	95.62	100.00	99.56	98.27		
Municipal Bonds	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		
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		
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		
Corporate Bonds - Coupon	0.00	0.00	0.00	0.00	0.00	15.92	0.00	0.00	0.00	0.00	0.00		
Treasury Securities	45.35	39.70	27.78	0.00	0.00	19.68	0.00	0.00	0.00	0.00	0.00		
Agency CMOs/Mortgage Backed	0.00	0.00	0.00	0.00	0.00	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		
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		
Money Market	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		
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>

### **III. Power Reserve Portfolio**



**CITY OF PASADENA**  
**Power Reserve Portfolio**

Vicken Erganian  
City Treasurer

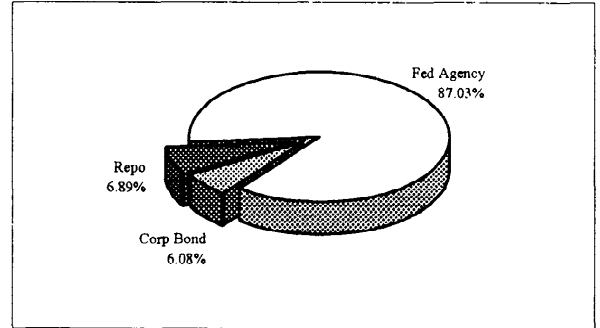
**DECEMBER 2006**

**PORTFOLIO COMPLIANCE**

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**PORTFOLIO STRUCTURE AS OF 12/31/06**

TYPE	MARKET VALUE	PERCENT
Repurchase Agreements	10,418,606	6.89%
Federal Agencies	131,589,966	87.03%
Corporate Bonds	9,194,270	6.08%
<b>TOTALS:</b>	<b>151,202,841</b>	<b>100.00%</b>
Accrued Interest Receivable	1,547,167	
<b>GRAND TOTAL:</b>	<b>152,750,008</b>	



**PORTFOLIO LIQUIDITY AS OF 12/31/06**

Aging Interval	Par Value	Percent of Portfolio
0 - 30 days	10,418,606	6.75%
31 days - 1 Year	14,500,000	9.40%
1 - 2 Years	22,700,000	14.71%
2 - 3 Years	17,900,000	11.60%
3 - 4 Years	3,000,000	1.94%
4 - 5 Years	21,500,000	13.94%
Over 5 Years	64,250,000	41.65%
<b>TOTAL:</b>	<b>154,268,606</b>	<b>100.00%</b>

**PORTFOLIO STATISTICS**

	Dec-06	Nov-06	Oct-06	Sep-06	Aug-06	Jul-06
Month-End Mkt Value	152,750,008	152,893,522	151,716,289	151,104,594	150,088,410	148,515,935
Modified Duration	3.74	3.84	3.50	3.63	3.66	3.79
Weighted Average Maturity	4.61	4.70	4.39	4.48	4.54	4.72
Yield to Maturity	4.593%	4.576%	4.560%	4.552%	4.575%	4.501%
Interest Earned	595,341	592,337	589,486	582,971	576,065	572,898
Fiscal Year To Date Interest Earned	3,509,098	2,913,757	2,321,420	1,731,933	1,148,963	572,898
Fair Value Change Gain/(Loss)	(738,854)	584,895	22,208	433,214	996,410	898,709
Fiscal Year To Date change in fair value	2,196,583	2,935,437	2,350,541	2,328,333	1,895,119	898,709
Total Fiscal YTD earnings	5,705,681	5,849,194	4,671,961	4,060,266	3,044,082	1,471,607