

# POOLED MONEY INVESTMENT BOARD

58<sup>th</sup> Annual Report | Fiscal Year 2013-14



BILL LOCKYER | State Treasurer and Chairman



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# Preface

## **POOLED MONEY INVESTMENT BOARD**

The Pooled Money Investment Board (PMIB), created by the Legislature in 1955, is comprised of the State Treasurer, as chairman, the State Controller and the Director of Finance. At the end of Fiscal Year 2013-14, the members were Bill Lockyer, State Treasurer; John Chiang, State Controller; and Michael Cohen, Director of Finance.

The purpose of the PMIB is to design and administer an effective cash management and investment program, called the Pooled Money Investment Account (PMIA). The PMIA uses all monies flowing through the State Treasurer's bank accounts and keeps all available funds invested consistent with the goals of safety, liquidity and yield.

The law restricts the State Treasurer to investments in the following categories: U.S. government securities; securities of federally-sponsored agencies; California state securities; California municipal bonds or warrants; domestic corporate

bonds; interest-bearing time deposits in California banks, savings and loan associations, and credit unions; prime-rated commercial paper; repurchase and reverse repurchase agreements; security loans; banker's acceptances; negotiable certificates of deposit; negotiable order of withdrawal accounts; and loans to various bond funds. The investment and demand account programs, over which the PMIB has oversight and are administered by the State Treasurer, will be covered in this report.

During Fiscal Year 2013-14, the PMIA's earnings totaled nearly \$138 million. Approximately \$50 million of this amount was credited to units of local government as a result of their deposits in the investment pool. The level of local governments' combined voluntary investment, which averaged \$20.16 billion daily, reflects the confidence these agencies have in the State Treasurer's investment management capabilities. The magnitude of these investment earnings provide a significant reduction in the tax burden that otherwise would be imposed on the citizens of California.





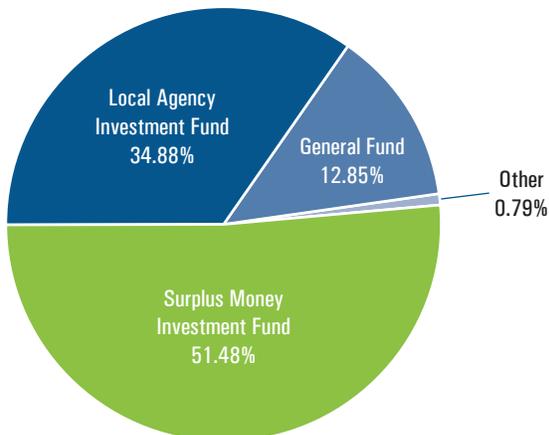
# 1. Pooled Money Investment Account

Resources of the PMIA averaged \$57.569 billion per day during Fiscal Year 2013-14, although the daily figures fluctuated widely with receipts and disbursements.

On the closing day of the Fiscal Year, the following resources were on hand in the PMIA:

Securities	\$59,741,775,408
General Fund Loans	\$0
AB 55 Loans	\$314,253,721
Time Deposit Balances	\$4,790,140,000
Demand Deposit Balances	\$ 2,463,917,711
<b>TOTAL RESOURCES</b>	<b>\$67,310,086,840</b>

**SOURCE OF FUNDS, PMIA  
QUARTER ENDING 6/30/14  
AVERAGE QUARTERLY BALANCE: \$60.095 billion**



## SUMMARY STATISTICS

Demand Accounts	\$2.233	billion per day on the average
Portfolio	\$55.336	billion per day on the average
Resources	\$57.569	billion per day on the average
Earnings	\$127.410	million from security investments
	\$4.550	million from bank time deposits
	\$5.755	million from General Fund loans
Earning Rate	0.25	percent average for all investments
Dollar Value of Investment Transactions	\$259.6	billion
Number of Investment Transactions	5,808	transactions
Time Deposits	66	banks, credit unions and savings banks held PMIA money at year-end

## INVESTMENT PROGRAM

While the PMIB designates how much shall be invested in interest-bearing time deposit accounts and securities, it is the responsibility of the State Treasurer to administer the investment program on a day-to-day basis in line with overall PMIB policy. This entails a daily determination of amounts available for investment, or the need for liquidating securities to meet estimated warrant redemption requirements, while maintaining the approved compensating balance position. This means that the State Treasurer must continually adjust the estimates for receipts and disbursements to reflect current, available information.

For Fiscal Year 2013-14, daily investments in time deposits ranged from \$4.370 billion to \$4.790 billion and averaged daily \$4.517 billion. There were 1,104 time deposit transactions totaling \$25.186 billion during the year. California commercial banks, savings banks and credit unions receiving these state deposits must secure them with approved securities having a market value of at least 110 percent of the deposits or with approved promissory notes secured by mortgages or deeds of trust having a market value of at least 150 percent of the deposits. The same collateral requirements also apply to the State's demand accounts. From December 30, 2010 to December 31, 2012, the FDIC fully insured all non-interest bearing demand accounts. At the end of Fiscal Year 2013-14, interest-bearing time deposits were held by 57 commercial banks, seven credit unions and two savings banks throughout California. For the fiscal

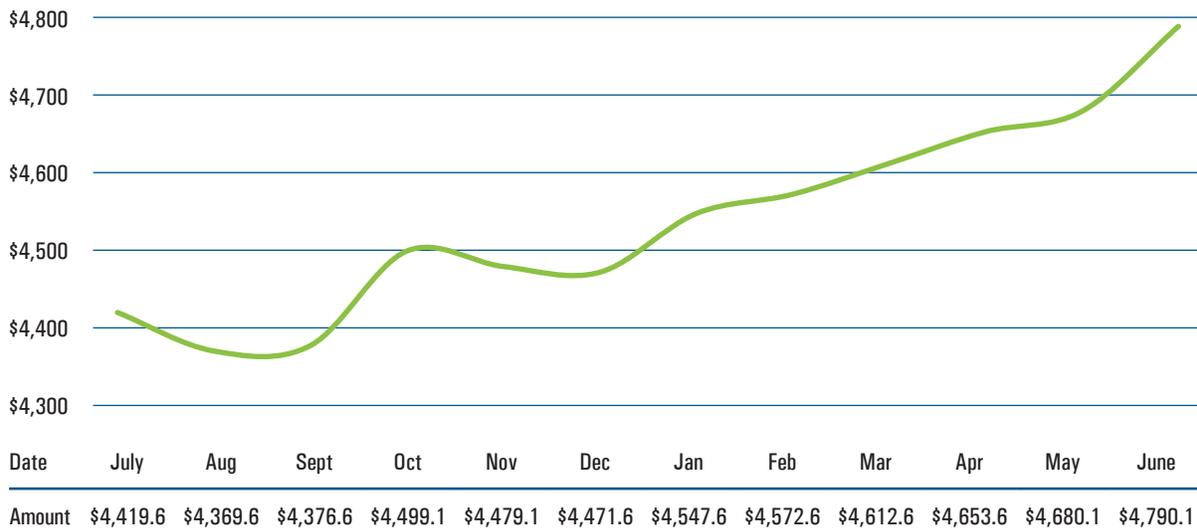
year, PMIA holdings in time deposits had an average yield of 0.10 percent.

The amount of money designated by the PMIB for investment in securities varies dramatically throughout the year. Such designations are made at least monthly. Again, the State Treasurer handles the actual investments, determining the issue and maturity of authorized securities to be bought or sold in accordance with cash needs and both current and projected market conditions. During Fiscal Year 2013-14, there were 2,411 security purchase transactions and 2,293 security sales or redemption transactions, with a total investment activity of \$234.456 billion. The overall return on investments was 0.25 percent.

Total earnings for the PMIA in Fiscal Year 2013-14 were \$137.715 million. These earnings were credited as follows:

Surplus Money Investment Fund	\$70,588,656
Local Agency Investment Fund	\$50,201,413
General Fund	\$15,980,376
Public Employees' Retirement Fund	\$498,810
Teachers' Retirement Fund	\$278,527
Fish and Game Preservation Fund	\$167,087
<b>TOTAL EARNINGS</b>	<b>\$137,714,869</b>

### TIME DEPOSITS BY MONTH-END, FISCAL YEAR 2013-14 (\$ in millions)



The portfolio holdings of the PMIA for Fiscal Year 2013-14 by term and security type are illustrated in the following tables:

<b>SCHEDULE OF SECURITY PURCHASES BY TERM, FISCAL YEAR 2013-14 (At cost - \$ in thousands)</b>							
<b>Month</b>	<b>Under 10 Days</b>	<b>10–29 Days</b>	<b>30–89 Days</b>	<b>90 Days–1 Year</b>	<b>1–3 Years</b>	<b>Over 3 Years</b>	<b>Totals</b>
July 2013	\$2,099,984	\$200,000	\$0	\$199,776	\$0	\$27,454	\$2,527,214
August	\$3,249,964	\$2,345,031	\$3,124,882	\$2,348,856	\$299,555	\$0	\$11,368,288
September	\$2,199,985	\$4,899,895	\$1,049,974	\$2,048,200	\$99,736	\$46,457	\$10,344,247
October	\$849,988	\$2,249,979	\$1,599,948	\$899,319	\$0	\$0	\$5,599,234
November	\$949,990	\$4,349,953	\$649,947	\$2,398,812	\$200,489	\$49,917	\$8,599,108
December	\$449,993	\$2,949,928	\$2,249,915	\$4,547,959	\$599,268	\$17,895	\$10,814,958
January 2014	\$749,996	\$2,349,928	\$3,674,845	\$4,497,010	\$1,000,254	\$0	\$12,272,033
February	\$1,399,990	\$3,049,926	\$649,974	\$2,698,696	\$0	\$0	\$7,798,586
March	\$1,349,991	\$2,549,973	\$1,349,920	\$2,898,734	\$25,000	\$0	\$8,173,618
April	\$1,049,995	\$1,949,958	\$4,699,682	\$8,047,384	\$2,102,754	\$26,586	\$17,876,359
May	\$1,149,990	\$1,199,978	\$2,724,853	\$2,448,513	\$500,054	\$0	\$8,023,388
June	\$1,349,984	\$2,149,955	\$2,299,939	\$6,617,131	\$4,300,854	\$24,867	\$16,742,730
<b>TOTAL</b>	<b>\$16,849,850</b>	<b>\$30,244,504</b>	<b>\$24,073,879</b>	<b>\$39,650,390</b>	<b>\$9,127,964</b>	<b>\$193,176</b>	<b>\$120,139,763</b>
<b>PERCENT</b>	<b>14.03%</b>	<b>25.17%</b>	<b>20.04%</b>	<b>33.00%</b>	<b>7.60%</b>	<b>0.16%</b>	<b>100.00%</b>

## ANALYSIS OF THE PORTFOLIO, FISCAL YEAR 2013-14

Type Of Security	Average Daily Portfolio	Percent of Portfolio (%)	Earnings For Year	Average Portfolio Life on 6/30/14 (in Days)
U.S. Treasury Bills/Strips	\$14,301,103,260	25.84	\$18,599,526	203
U.S. Treasury Bonds/Notes	\$17,893,215,539	32.34	\$68,813,551	426
Federal Agency Cpn Securities	\$2,289,449,091	4.14	\$8,171,037	270
Federal Agency Discount Notes	\$1,848,496,717	3.34	\$2,037,124	75
GNMA	\$78	0.00	\$10	0
FHLMC / REMIC	\$149,627,378	0.27	\$8,561,072	4,381
Negotiable CDs / Bank Notes	\$7,903,954,070	14.28	\$15,048,774	132
Time Deposits	\$4,517,204,384	8.16	\$4,550,415	66
Bankers Acceptances	\$0	0.00	\$0	0
Commercial Paper	\$3,849,879,269	6.96	\$4,687,297	39
Corporate Bonds	\$0	0.00	\$0	0
Repurchase Agreements	\$0	0.00	\$0	0
Reverse Repurchase Agreements	\$0	0.00	\$0	0
AB 55 Loans	\$319,326,663	0.58	\$1,491,427	201
General Fund Loans	\$2,263,359,726	4.09	\$5,754,636	0
<b>TOTAL PORTFOLIO</b>	<b>\$55,335,616,175</b>	<b>100.00%</b>	<b>\$137,714,869</b>	<b>232</b>

**SUMMARY OF INVESTMENTS AND EARNINGS FOR FISCAL YEAR  
ENDING JUNE 30, 2005 THROUGH 2014 (\$ in thousands)**

INVESTMENT IN SECURITIES				INVESTMENT IN TIME DEPOSITS			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
2004-05	\$47,229,141	\$1,073,098	2.27	2004-05	\$6,457,397	\$138,940	2.15
2005-06	\$48,095,303	\$1,850,015	3.85	2005-06	\$7,586,240	\$306,641	4.04
2006-07	\$49,143,376	\$2,512,140	5.11	2006-07	\$8,349,640	\$431,452	5.17
2007-08	\$53,475,554	\$2,376,670	4.44	2007-08	\$9,120,990	\$329,215	3.61
2008-09	\$45,780,185	\$1,109,867	2.42	2008-09	\$7,869,934	\$91,806	1.17
2009-10	\$50,860,515	\$349,144	0.69	2009-10	\$4,647,944	\$9,429	0.20
2010-11	\$56,768,448	\$294,039	0.52	2010-11	\$4,008,345	\$7,713	0.19
2011-12	\$50,379,295	\$204,808	0.41	2011-12	\$4,173,405	\$4,207	0.10
2012-13	\$50,680,825	\$160,581	0.32	2012-13	\$4,344,156	\$6,484	0.15
2013-14	\$48,555,052	\$127,410	0.26	2013-14	\$4,517,204	\$4,550	0.10

**SUMMARY OF INVESTMENTS AND EARNINGS FOR FISCAL YEAR  
ENDING JUNE 30, 2005 THROUGH 2014 (\$ in thousands)**

LOANS TO GENERAL FUND				TOTAL INVESTMENTS			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
2004-05	\$173,949	\$3,078	1.77	2004-05	\$53,860,487	\$1,215,116	2.26
2005-06	\$33,274	\$1,189	3.57	2005-06	\$55,714,817	\$2,157,845	3.87
2006-07	\$654,425	\$34,033	5.20	2006-07	\$58,147,441	\$2,977,625	5.12
2007-08	\$882,969	\$39,863	4.51	2007-08	\$63,479,513	\$2,745,747	4.32
2008-09	\$6,353,078	\$133,004	2.09	2008-09	\$60,003,197	\$1,334,677	2.22
2009-10	\$9,572,380	\$65,231	0.68	2009-10	\$65,080,839	\$423,804	0.65
2010-11	\$6,444,910	\$30,828	0.48	2010-11	\$67,221,703	\$332,579	0.49
2011-12	\$9,080,017	\$33,974	0.37	2011-12	\$63,632,717	\$242,989	0.38
2012-13	\$5,729,912	\$19,699	0.34	2012-13	\$60,754,893	\$186,764	0.31
2013-14	\$2,263,360	\$5,755	0.25	2013-14	\$55,335,616	\$137,715	0.25

## Financial Community Coverage

(The following firms conducted investment transactions with the State Treasurer's Office during Fiscal Year 2013-14.)

1st Capital Bank	First Foundation Bank	Presidio Bank
1st Century Bank, NA	First National Bank of Northern California	Prospectors Federal Credit Union
Alamo Capital	Five Star Bank	Provident Credit Union
American Plus Bank, NA	Folsom Lake Bank	Rabobank International, New York
American River Bank	Ford Motor Credit Co.	Ramirez & Co., Inc.
Bank Leumi USA	General Electric Capital Corp.	RBC Capital Markets, LLC
Bank of Montreal	Goldman, Sachs and Co.	River City Bank
Bank of Sacramento	Great Pacific Securities	SAFE Credit Union
Bank of the Sierra	Hanmi Bank	San Diego County Credit Union
Bank of the West	Heritage Bank of Commerce	Scotia Capital Markets (USA) Inc.
Bank of Tokyo-Mitsubishi, LTD (The)	Heritage Oaks Bank	SEB Enskilda Inc.
Barclays Capital, Inc.	HSBC Bank USA, NA	SG Americas Securities, LLC
BBCN Bank	ICAP Corporates, LLC	Sierra Vista Bank
BGC Brokers, Inc.	J.P. Morgan Securities LLC	Signature Securities Group Corp.
Blaylock Beal Van, LLC	Jefferies LLC	State Bank of India (California)
BNP Paribas Securities Corp.	Loop Capital Markets, LLC	Stifel, Nicolaus & Company, Incorporated
California Bank of Commerce	M.R. Beal and Co.	Summit State Bank
California United Bank	Malaga Bank	Sutter Securities, Inc.
CapitalSource Bank	Manufacturers Bank	TD Securities (USA), LLC
CastleOak Securities, L.P.	Mechanics Bank, The	Torrey Pines Bank
Central Valley Community Bank	Merchants National Bank of Sacramento	Toussaint Capital Partners, LLC
CIBC World Markets Corp.	Merrill Lynch, Pierce, Fenner & Smith Incorporated	Toyota Motor Credit Corp.
Citigroup Global Markets, Inc.	Mesirow Financial, Inc.	Trans-Pacific National Bank
Citizens Business Bank	Metro United Bank	Travis Credit Union
Comerica Bank	Metropolitan Bank	Tri Counties Bank
Commerce National Bank	MFR Securities, Inc.	Tullett Prebon
CommerceWest Bank. NA	Mischler Financial Group	UBS Securities
Commonwealth Business Bank	Mission Federal Credit Union	Umpqua Bank
Community 1st Bank	Mission Valley Bank	Union Bank, NA
Community Bank	Mizuho Securities USA Inc.	UnionBanc Investment Services
Community Bank of the Bay	Morgan Stanley & Co., LLC	U.S. Bancorp Investments, Inc.
Community Business Bank	Muriel Siebert & Co. Inc.	Wells Fargo Bank, N.A.
Credit Suisse Securities (USA), LLC	New Omni Bank, NA	Wescom Credit Union
Daiwa Capital Markets America Inc.	Oak Valley Community Bank	Westamerica Bank
Drexel Hamilton, LLC	Open Bank	Western Alliance Bank
East West Bank	Opus Bank	Williams Capital Group, L.P. (The)
Eastern International Bank	Pacific Alliance Bank	Wilshire Bank
EverTrust Bank	Pacific City Bank	
Farmers & Merchants Bank of Central California	Pacific Western Bank	



## 2. Local Agency Investment Fund

### PROGRAM SUMMARY

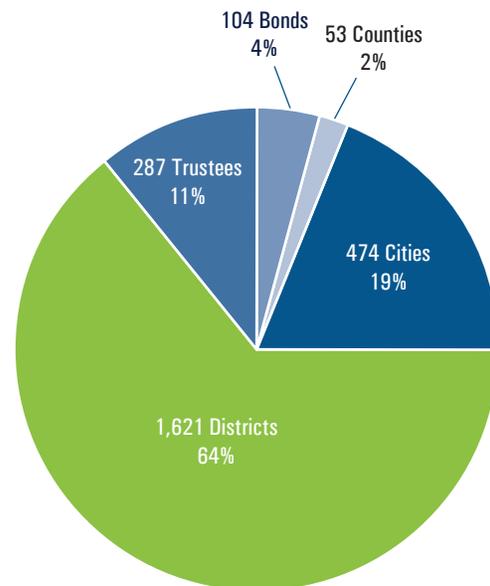
The Local Agency Investment Fund (LAIF) was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies as a part of the PMIA.

Each participating agency determines the length of time its money will be on deposit with the State Treasurer with the exception of bond proceeds, which must remain for a minimum of 30 days. At the end of each quarter, all earnings derived from investments are distributed by the State Controller to the participating government agencies in proportion to each agency's respective amounts deposited in the LAIF and the length of time such amounts remained in LAIF. Prior to the distribution, the State's reasonable costs of administering the program are deducted from the earnings. As of June 30, 2014, there were 2,539 participants in the LAIF consisting of 53 counties, 474 cities, 1,621 special districts, 287 trustees and 104 bond accounts.

### FISCAL YEAR IN REVIEW

Resources	\$20.16 billion per day on average
Earnings	\$50.20 million
Earning Rate	0.25 percent

### LOCAL AGENCY INVESTMENT FUND PARTICIPATION AS OF 6/30/14, 2,539 AGENCIES





# 3. Surplus Money Investment Fund

## PROGRAM SUMMARY

The Surplus Money Investment Fund (SMIF) consists of the available cash of all special funds which do not have their own investment authority, and all or a portion of the available cash of special funds having investment authority of their own, but which have elected to be included in the program. Cash balances in excess of needs in any of these participating funds are invested by the State Treasurer.

The PMIB determines whether any cash balances of the participating funds exceed current needs and are available for investment, or whether it is necessary to liquidate previous investments to meet current requirements. This determination is performed operationally by the State Controller by means of a continuing review of the cash balances of the participating funds.

As a result of these determinations, the State Controller prepares a document for the PMIB's approval which authorizes the State Controller to increase or decrease the invested balances of the applicable funds.

All of the resources of the SMIF are invested through the PMIA. Prior to Fiscal Year 1967-68, the SMIF was a separate

investment program. In 1967, legislation was enacted (Chapter 505, Statutes of 1967) which required that money in the SMIF be invested through the PMIA. This legislation further provided that the SMIF would share in the interest earnings of the PMIA based on the ratio of the dollar-day contributions of the SMIF to the dollar-day investments of the PMIA.

This legislation increased the potential investment earnings for both programs, since their high and low resource periods tend to complement each other. Consequently, under normal market conditions, more long-term, higher yielding securities may be purchased.

There were over a thousand special funds and accounts participating in the SMIF as of June 30, 2014. Their combined deposits totaled \$32.516 billion. Total resources for SMIF were \$29.750 billion per quarter.

Gross earnings totaled \$70.589 million for Fiscal Year 2013-14. This represents an earning rate of 0.25 percent for this investment program. SMIF earnings are computed on a dollar-day basis to guarantee equitable distribution among all member funds and apportioned quarterly by the State Controller.

**RESOURCES OF SMIF BY MONTH-END, FISCAL YEAR 2013-14 (\$ in millions)**



Source: State Controller's Office, Available Cash Assets in the State Treasury



## 4. Demand Account Program

Investments of the PMIA are made from monies flowing through the State Treasurer's demand (non-interest-bearing) bank accounts maintained in eight banks that serve as state depositories. As of June 30, 2014, the eight depository banks were: Bank of America, Bank of the West, Citibank, JPMorgan Chase, Union Bank, U.S. Bank, Wells Fargo Bank, and Westamerica Bank. A portion of these deposits must remain in the accounts as compensating balances, which consist of: (1) a balance for uncollected funds and (2) a balance for banking services. Uncollected funds represent the total dollar amount of checks deposited by the State for which the banks give immediate credit, but for which the banks do not receive good funds until these checks are presented to the banks on which they are drawn. The State Treasurer apportions depository banks an average balance for uncollected funds equivalent to 1.0 calendar day on all checks deposited other than cashier's checks and checks deposited under the pre-sort deposit program.

On a daily basis, intensive and expert analysis of the State's financial activities is used to forecast the amount of idle cash available for investment or if there is a need to liquidate securities based upon the State's rapidly shifting cash position. The forecast meets estimated warrant redemption requirements, while maintaining the approved compensating balance position. As such, the State Treasurer must continually adjust the estimates for receipts and disbursements to reflect current, available information. All amounts in excess of these compensating balances are promptly invested by the State Treasurer. This results in maximum earnings consistent with prudent management.

Under the pre-sort deposit program, the major revenue collecting agencies sort their checks by the eight state de-

pository banks and then deposit them directly into the banks on which they are drawn, thus avoiding the need for providing bank balances for uncollected funds. The remaining miscellaneous checks (drawn on non-State depository banks) are deposited into the State depository bank that holds the miscellaneous sort contract. For Fiscal Year 2013-14, Bank of America had the contract and received bank balances equivalent to 0.945 calendar days for the amount of such deposits.

Compensating balances are determined by a formula, which accounts for the estimated volume of each service item as well as its unit cost. The rate schedule for the compensating balance formula is determined through annual negotiations with the State's depository banks and the cost for any particular service may be raised or lowered as conditions warrant.

The balances allowed for banking services represent compensation for handling 340,750 bank deposits (including 60,098 electronic deposits), 38.3 million checks deposited (of which 25.3 million deposited via image cash letter and 1.73 million deposited remotely), 98,492 dishonored checks, \$778 million in currency deposited, \$7.7 million in coin deposited, and 79.4 million warrants paid.

During Fiscal Year 2013-14, a total of \$143.4 billion was collected under the Electronic Funds Transfer (EFT) contract and approximately \$2.3 trillion flowed in and out of the State Treasurer's demand accounts.

The following schedule shows the approved rates, actual volume, and total costs for banking services for Fiscal Year 2013-14:

## SCHEDULE OF BANKING SERVICES, FISCAL YEAR 2013-14

Banking Service	Approved Charges	Actual Volume	Actual Cost
<b>NON-EFT CONTRACT SERVICES</b>			
Encoded Checks Deposited			
"On Us"	\$0.04	1,355,303	\$54,212
"On Us" ICL*	\$0.03	13,994,966	\$419,849
"Other"	\$0.053	1,550,748	\$82,190
"Other" ICL	\$0.03	11,275,116	\$338,253
Remote Site Checks	\$0.05	1,733,139	\$86,657
Non Encoded Checks	\$0.09	8,412,340	\$757,111
Warrants/Vouchers/Agency Checks	\$0.01	79,377,159	\$793,772
Checks Paid	\$0.12	442	\$53
Dishonored Checks**	\$6.20	98,492	\$588,961
Regular Deposits	\$1.40	148,657	\$208,120
Split Bag Deposits	\$0.55	131,995	\$72,597
Electronic Deposits	\$1.00	60,098	\$60,098
Coin	\$0.011	7,655,769	\$84,213
Currency	\$0.00105	777,999,657	\$816,900
ACH Transactions ***	\$0.01	266,048	\$2,660
Direct Billed Services			\$530,654
<b>SUBTOTAL NON-EFT CONTRACT SERVICES</b>			<b>\$4,896,300</b>
<b>EFT CONTRACT SERVICES (DIRECT BILLED)</b>			
Category I & III - ACH Debits	\$0.50	2,343,309	\$1,171,655
Category I - ACH Credits	\$0.021	5,648,321	\$118,615
Returned/Rejected Items	\$2.50	165,980	\$414,950
Category II - Items Processed	\$0.015	9,462,656	\$141,940
Other transactions	Various	179,930	\$209,781
<b>SUBTOTAL EFT CONTRACT SERVICES</b>			<b>\$2,056,940</b>
<b>TOTAL BANKING SERVICES</b>			<b>\$6,953,240</b>

Note: Totals may not add due to rounding.

\*Image Cash Letter

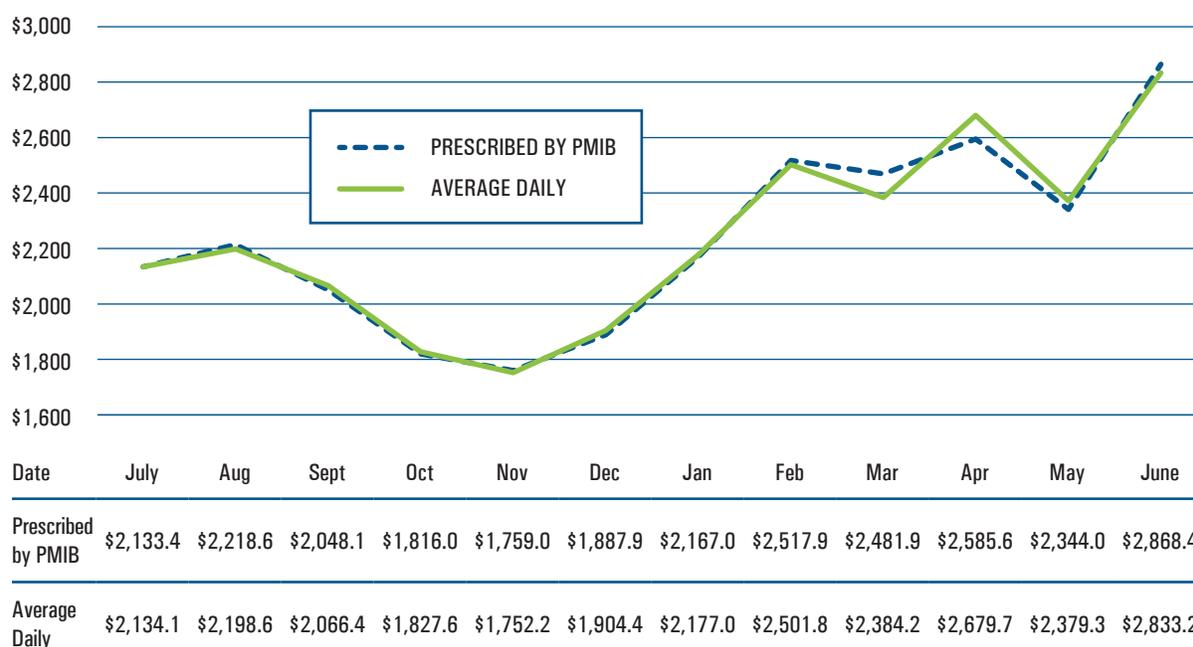
\*\*Rate change from \$5.50 per dishonored checks to \$6.20 as of November 1, 2013

\*\*\*Automated Clearing House

### AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2013-14 (\$ in thousands)

Month	Bank Balance Required for Banking Services	Bank Balance Required for Uncollected Funds	Less Net Delayed Deposit Credit	Bank Balance Prescribed by PMIB	Actual Average Daily Bank Balance
July 2013	\$2,033,367	\$107,255	\$7,198	\$2,133,424	\$2,134,098
August	\$2,137,202	\$85,253	\$3,879	\$2,218,576	\$2,198,597
September	\$1,923,720	\$88,615	\$2,283	\$2,048,122	\$2,066,366
October	\$1,908,916	\$77,327	\$25,769	\$1,816,048	\$1,827,592
November	\$1,659,653	\$96,341	\$6,180	\$1,759,006	\$1,752,195
December	\$1,794,903	\$82,579	\$3,523	\$1,887,891	\$1,904,373
January 2014	\$2,159,368	\$77,942	\$19,629	\$2,166,986	\$2,176,990
February	\$2,367,323	\$101,755	\$7,549	\$2,517,863	\$2,501,841
March	\$2,363,320	\$64,288	\$8,429	\$2,481,944	\$2,384,239
April	\$2,676,190	\$83,557	\$43,823	\$2,585,596	\$2,679,724
May	\$2,220,131	\$133,514	\$3,648	\$2,344,049	\$2,379,349
June	\$2,615,692	\$68,352	\$1,979	\$2,868,412	\$2,833,217
<b>WEIGHTED AVERAGE</b>	<b>\$2,152,537</b>	<b>\$88,844</b>	<b>\$11,161</b>	<b>\$2,232,468</b>	<b>\$2,233,312</b>

### AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2013-14 (\$ in millions)





# Appendix A

## POOLED MONEY INVESTMENT ACCOUNT SUMMARY OF INVESTMENTS AND EARNINGS (\$ in thousands)

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
1956-57	\$393,742	\$9,573	2.43
1957-58	\$594,306	\$16,421	2.76
1958-59	\$544,868	\$15,762	2.89
1959-60	\$614,835	\$21,045	3.42
1960-61	\$736,204	\$28,139	3.82
1961-62	\$867,144	\$26,521	3.06
1962-63	\$910,863	\$30,548	3.35
1963-64	\$896,535	\$32,519	3.63
1964-65	\$966,592	\$38,004	3.93
1965-66	\$1,083,347	\$47,761	4.41
1966-67	\$1,057,800	\$52,540	4.97
1967-68	\$1,117,717	\$56,566	5.06
1968-69	\$1,301,302	\$78,174	6.01
1969-70	\$1,216,414	\$84,781	6.97
1970-71	\$1,264,894	\$77,527	6.13
1971-72	\$1,397,494	\$68,350	4.89

## POOLED MONEY INVESTMENT ACCOUNT SUMMARY OF INVESTMENTS AND EARNINGS (\$ in thousands), CONTINUED

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
1972-73	\$2,254,401	\$125,116	5.55
1973-74	\$2,594,629	\$232,780	8.97
1974-75	\$2,749,431	\$238,298	8.67
1975-76	\$3,209,143	\$204,303	6.37
1976-77	\$4,460,487	\$261,657	5.87
1977-78	\$6,843,940	\$458,625	6.70
1978-79	\$8,123,266	\$692,417	8.52
1979-80	\$8,285,941	\$873,469	10.54
1980-81	\$7,298,693	\$786,877	10.78
1981-82	\$5,234,524	\$631,968	12.07
1982-83	\$5,254,589	\$549,229	10.45
1983-84	\$7,094,849	\$738,462	10.41
1984-85	\$11,903,660	\$1,275,503	10.72
1985-86	\$15,438,406	\$1,401,990	9.08
1986-87	\$19,167,196	\$1,425,047	7.43
1987-88	\$17,628,558	\$1,388,074	7.87

**POOLED MONEY INVESTMENT ACCOUNT  
SUMMARY OF INVESTMENTS AND EARNINGS  
(\$ in thousands), CONTINUED**

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
1988-89	\$17,496,405	\$1,516,767	8.67
1989-90	\$19,558,775	\$1,692,905	8.66
1990-91	\$20,754,895	\$1,663,140	8.01
1991-92	\$21,456,433	\$1,329,476	6.20
1992-93	\$23,051,543	\$1,085,126	4.71
1993-94	\$25,433,078	\$1,115,660	4.39
1994-95	\$26,802,123	\$1,482,574	5.53
1995-96	\$26,623,196	\$1,519,020	5.71
1996-97	\$28,264,069	\$1,582,443	5.60
1997-98	\$29,344,512	\$1,672,382	5.70
1998-99	\$33,451,088	\$1,787,765	5.34
1999-00	\$35,029,034	\$1,999,483	5.71
2000-01	\$43,840,421	\$2,676,158	6.10

**POOLED MONEY INVESTMENT ACCOUNT  
SUMMARY OF INVESTMENTS AND EARNINGS  
(\$ in thousands), CONTINUED**

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
2001-02	\$49,827,077	\$1,716,545	3.45
2002-03	\$52,636,648	\$1,132,930	2.15
2003-04	\$54,581,850	\$836,072	1.53
2004-05	\$53,860,487	\$1,215,116	2.26
2005-06	\$55,714,817	\$2,157,845	3.87
2006-07	\$58,147,441	\$2,977,625	5.12
2007-08	\$63,479,513	\$2,745,747	4.32
2008-09	\$60,003,197	\$1,334,677	2.22
2009-10	\$65,080,839	\$423,804	0.65
2010-11	\$67,221,703	\$332,579	0.49
2011-12	\$63,632,717	\$242,989	0.38
2012-13	\$60,754,893	\$186,764	0.31
2013-14	\$55,335,616	\$137,715	0.25

## Appendix B

### HISTORICAL PMIA YIELDS (% per year)

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Mar-77		5.68	
Jun-77	5.87	5.78	5.79
Sep-77		5.84	
Dec-77		6.45	6.18
Mar-78		6.97	
Jun-78	6.70	7.35	7.17
Sep-78		7.86	
Dec-78		8.32	8.09
Mar-79		8.81	
Jun-79	8.52	9.10	8.98
Sep-79		9.26	
Dec-79		10.06	9.66
Mar-80		11.11	
Jun-80	10.54	11.54	11.38
Sep-80		10.01	

### HISTORICAL PMIA YIELDS (% per year), CONTINUED

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Dec-80		10.47	10.21
Mar-81		11.23	
Jun-81	10.78	11.68	11.69
Sep-81		12.40	
Dec-81		11.91	12.19
Mar-82		11.82	
Jun-82	12.07	11.99	11.93
Sep-82		11.74	
Dec-82		10.71	11.26
Mar-83		9.87	
Jun-83	10.45	9.64	9.98
Sep-83		10.04	
Dec-83		10.18	10.15
Mar-84		10.32	
Jun-84	10.41	10.88	10.63

**HISTORICAL PMIA YIELDS  
(% per year), CONTINUED**

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Sep-84		11.53	
Dec-84		11.41	11.44
Mar-85		10.32	
Jun-85	10.72	9.98	10.19
Sep-85		9.54	
Dec-85		9.43	9.50
Mar-86		9.09	
Jun-86	9.08	8.39	8.70
Sep-86		7.81	
Dec-86		7.48	7.65
Mar-87		7.24	
Jun-87	7.44	7.21	7.23
Sep-87		7.54	
Dec-87		7.97	7.80
Mar-88		8.01	
Jun-88	7.87	7.87	7.95
Sep-88		8.20	
Dec-88		8.45	8.34
Mar-89		8.76	
Jun-89	8.67	9.13	8.97
Sep-89		8.87	
Dec-89		8.68	8.78
Mar-90		8.52	
Jun-90	8.66	8.50	8.52
Sep-90		8.39	
Dec-90		8.27	8.34

**HISTORICAL PMIA YIELDS  
(% per year), CONTINUED**

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Mar-91		7.97	
Jun-91	8.01	7.38	7.67
Sep-91		7.00	
Dec-91		6.52	6.74
Mar-92		5.87	
Jun-92	6.20	5.45	5.65
Sep-92		4.97	
Dec-92		4.67	4.82
Mar-93		4.64	
Jun-93	4.71	4.51	4.61
Sep-93		4.44	
Dec-93		4.36	4.39
Mar-94		4.25	
Jun-94	4.39	4.45	4.36
Sep-94		4.96	
Dec-94		5.37	5.15
Mar-95		5.76	
Jun-95	5.53	5.98	5.87
Sep-95		5.89	
Dec-95		5.76	5.83
Mar-96		5.62	
Jun-96	5.71	5.52	5.56
Sep-96		5.57	
Dec-96		5.58	5.57
Mar-97		5.56	
Jun-97	5.59	5.63	5.59

**HISTORICAL PMIA YIELDS**  
(% per year), CONTINUED

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Semi-Annual
Sep-97		5.68	
Dec-97		5.71	5.69
Mar-98		5.70	
Jun-98	5.70	5.66	5.67
Sep-98		5.64	
Dec-98		5.46	5.55
Mar-99		5.19	
Jun-99	5.34	5.08	5.13
Sep-99		5.21	
Dec-99		5.49	5.34
Mar-00		5.80	
Jun-00	5.71	6.18	5.99
Sep-00		6.47	
Dec-00		6.52	6.49
Mar-01		6.16	
Jun-01	6.10	5.32	5.73
Sep-01		4.47	
Dec-01		3.52	3.99
Mar-02		2.96	
Jun-02	3.45	2.75	2.85
Sep-02		2.63	
Dec-02		2.31	2.47
Mar-03		1.98	
Jun-03	2.15	1.77	1.86
Sep-03		1.63	
Dec-03		1.56	1.59

**HISTORICAL PMIA YIELDS**  
(% per year), CONTINUED

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Quarterly*
Jun-04	1.53	1.44	1.44
Sep-04		1.67	1.67
Dec-04		2.00	2.00
Mar-05		2.38	2.37
Jun-05	2.26	2.85	2.85
Sep-05		3.18	3.18
Dec-05		3.63	3.63
Mar-06		4.03	4.03
Jun-06	3.87	4.53	4.53
Sep-06		4.93	4.93
Dec-06		5.11	5.11
Mar-07		5.17	5.17
Jun-07	5.12	5.23	5.23
Sep-07		5.24	5.24
Dec-07		4.96	4.96
Mar-08		4.18	4.17
Jun-08	4.33	3.11	3.11
Sep-08		2.77	2.77
Dec-08		2.54	2.53
Mar-09		1.91	1.90
Jun-09	2.22	1.51	1.51
Sep-09		0.90	0.89
Dec-09		0.60	0.59
Mar-10		0.56	0.55
Jun-10	0.65	0.56	0.56
Sep-10		0.51	0.50

**HISTORICAL PMIA YIELDS**  
 (% per year), CONTINUED

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Quarterly*
Dec-10		0.46	0.46
Mar-11		0.51	0.51
Jun-11	0.50	0.48	0.48
Sep-11		0.38	0.38
Dec-11		0.38	0.38
Mar-12		0.38	0.37
Jun-12	0.38	0.36	0.36
Sep-12		0.35	0.35
Dec-12		0.32	0.32
Mar-13		0.28	0.28
Jun-13	0.31	0.24	0.25
Sep-13		0.26	0.25
Dec-13		0.26	0.25
Mar-14		0.23	0.22
Jun-14	0.25	0.22	0.23

\*Effective January 1, 2004, SMIF earnings are allocated quarterly.





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