

POOLED MONEY INVESTMENT BOARD

59th Annual Report | Fiscal Year 2014-15



JOHN CHIANG | 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 2014-15, the members were State Treasurer John Chiang, State Controller Betty T. Yee, and Director of Finance Michael Cohen.

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 2014-15, the PMIA's earnings totaled more than \$159 million. Approximately \$54 million of this amount was credited to local governments as a result of their deposits in the investment pool. The level of local governments' combined voluntary investment, which averaged \$20.18 billion daily, reflects the confidence these agencies have in the State Treasurer's investment management capabilities. The magnitude of these investment earnings provides a significant reduction in the tax burden that otherwise would be imposed on the citizens of California.



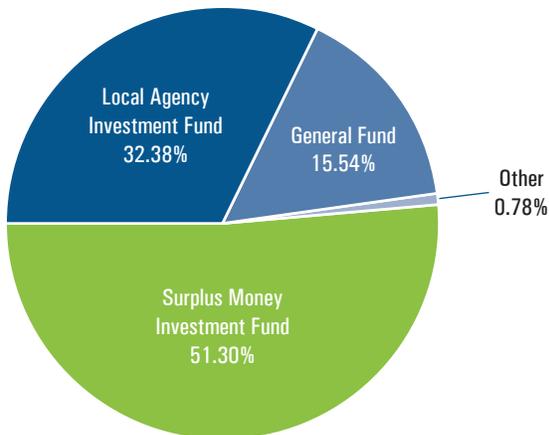
1. Pooled Money Investment Account

Resources of the PMIA averaged \$61.298 billion per day during Fiscal Year 2014-15, 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	\$63,726,999,689
General Fund Loans	\$0
AB 55 Loans	\$441,948,027
Time Deposit Balances	\$5,437,540,000
Demand Deposit Balances	\$1,948,045,033
TOTAL RESOURCES	\$71,554,532,749

**SOURCE OF FUNDS, PMIA
 QUARTER ENDING 6/30/15
 AVERAGE QUARTERLY BALANCE: \$65.312 billion**



SUMMARY STATISTICS

Demand Accounts	\$2.159 billion per day on the average
Portfolio	\$59.139 billion per day on the average
Resources	\$61.298 billion per day on the average
Earnings	\$148.978 million from security investments \$4.307 million from bank time deposits \$5.799 million from General Fund loans
Earnings Rate	0.27 percent average for all investments
Dollar Value of Investment Transactions	\$315.5 billion
Number of Investment Transactions	7,021 transactions
Time Deposits	72 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.

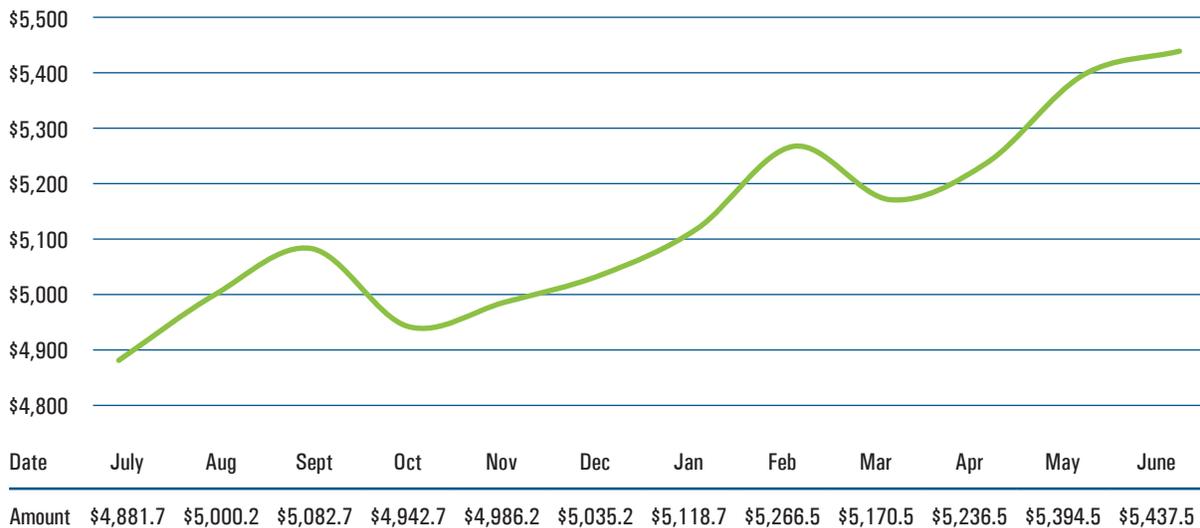
For Fiscal Year 2014-15, daily investments in time deposits ranged from \$4.790 billion to \$5.437 billion and averaged \$5.090 billion daily. There were 1,247 time deposit transactions totaling \$27.767 billion during the year. California commercial banks, savings banks and credit unions receiving these 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. At the end of Fiscal Year 2014-15, interest-bearing time deposits were held by 63 commercial banks, eight credit unions and one savings bank throughout California. For the fiscal year, PMIA holdings in time deposits had an average yield of 0.08 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 2014-15, there were 2,930 security purchase transactions and 2,844 security sales or redemption transactions, with a total investment activity of \$287.754 billion. The overall return on investments was 0.27 percent.

Total earnings for the PMIA in Fiscal Year 2014-15 were \$159.084 million. These earnings were credited as follows:

Surplus Money Investment Fund	\$82,811,685
Local Agency Investment Fund	\$54,170,622
General Fund	\$20,735,092
Public Employees' Retirement Fund	\$1,010,128
Teachers' Retirement Fund	\$193,137
Fish and Game Preservation Fund	\$162,973
TOTAL EARNINGS	\$159,083,637

TIME DEPOSITS BY MONTH-END, FISCAL YEAR 2014-15 (\$ in millions)



ANALYSIS OF THE PORTFOLIO, FISCAL YEAR 2014-15

Type of Security	Average Daily Portfolio	Percent of Portfolio (%)	Earnings For Year	Average Portfolio Life on 6/30/15 (in Days)
U.S. Treasury Bills/Strips	\$11,169,591,293	18.89	\$14,688,454	188
U.S. Treasury Bonds/Notes	\$19,758,442,136	33.41	\$83,926,448	473
Agency Coupon Securities	\$2,813,207,455	4.76	\$10,330,172	220
Agency Discount Notes	\$2,179,619,679	3.68	\$3,222,516	231
FHLMC / REMIC	\$104,534,700	0.18	\$5,967,392	4381
Negotiable CDs	\$9,885,378,535	16.72	\$20,289,774	88
Bank Notes	\$462,739,726	0.78	\$1,118,639	63
Time Deposits	\$5,089,666,575	8.61	\$4,306,725	61
Commercial Paper	\$5,133,337,148	8.68	\$8,138,378	50
Corporate Bonds	\$0	0.00	\$0	0
Repurchase Agreements	\$3,835,617	0.00	\$2,556	0
Reverse Repurchase Agreements	\$0	0.00	\$0	0
AB 55 Loans	\$322,494,166	0.54	\$1,293,185	265
General Fund Loans	\$2,215,813,973	3.75	\$5,799,398	0
TOTAL PORTFOLIO	\$59,138,661,003	100.00%	\$159,083,637	239

**SUMMARY OF INVESTMENTS AND EARNINGS FOR FISCAL YEARS
ENDING JUNE 30, 2006 THROUGH 2015 (\$ 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 (%)
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
2014-15	\$51,833,180	\$148,978	0.29	2014-15	\$5,089,667	\$4,307	0.08

LOANS TO GENERAL FUND				TOTAL INVESTMENTS			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
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
2014-15	\$2,215,814	\$5,799	0.26	2014-15	\$59,138,661	\$159,084	0.27

Financial Community Coverage

The following firms conducted investment transactions with the State Treasurer's Office during Fiscal Year 2014-15

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



2. Local Agency Investment Fund

PROGRAM SUMMARY

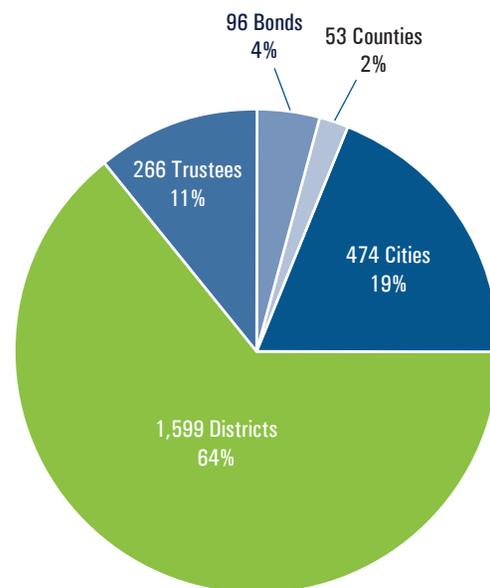
The Local Agency Investment Fund (LAIF) was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, 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, 2015, there were 2,488 participants in the LAIF consisting of 53 counties, 474 cities, 1,599 special districts, 266 trustees and 96 bond accounts.

FISCAL YEAR IN REVIEW

Resources	\$20.18 billion per day on average
Earnings	\$52.51 million
Earning Rate	0.27 percent

LOCAL AGENCY INVESTMENT FUND PARTICIPATION AS OF 6/30/15, 2,488 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 it 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

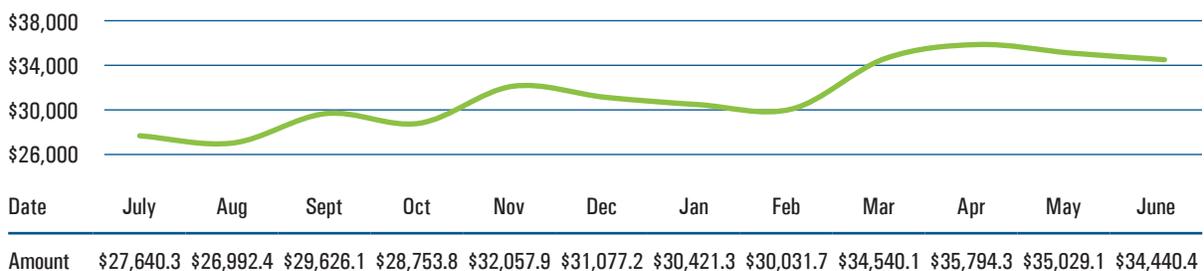
investment program. In 1967, legislation was enacted (Chapter 505, Statutes of 1967) which required that money in the SMIF be invested through the PMIA. This legislation further provided that the SMIF would share in the interest earnings of the PMIA based on the ratio of the dollar-day contributions 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 more than a thousand special funds and accounts participating in the SMIF as of June 30, 2015. Their combined deposits totaled \$34.535 billion. Total resources for SMIF were \$34.440 billion per quarter.

Gross earnings totaled \$82.812 million for Fiscal Year 2014-15. This represents an earning rate of 0.27 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 2014-15 (\$ in millions)



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

4. Centralized Treasury and Securities Management

Investments of the PMIA are made from money flowing through the State Treasurer's non-interest bearing demand accounts, which are maintained with eight banks for the purpose of providing necessary statewide depository coverage for the remittance of funds collected by the various state agencies. These bank accounts are managed by the Centralized Treasury and Securities Management Division (CTSMD), which oversees all banking aspects of the Centralized Treasury System (CTS). The goals of the CTSMD are to maximize the earning of interest consistent with safe and prudent treasury management and to ensure that the depository banks provide the state with proper and adequate security for the deposit of state monies.

Within CTSMD, Securities and Banking Services (SBS) manages the demand account banking functions (through which more than \$2 trillion flows through each year), meets the cash liquidity needs of all state agencies and departments, and ensures that all idle funds are invested daily. It accomplishes this by forecasting agency revenue collections and disbursements and their impact on the Pooled Money Investment Account and using compensating balances to allow for the variances in cash flow that are a natural consequence when forecasting the movement of cash. During the fiscal year, the balances allowed for banking services represent compensation for handling 336,079 bank deposits, 36.2 million checks deposited, 91,840 dishonored checks, \$768 million in currency and coin deposited, and 74.5 million warrants paid.

In addition, SBS clears and settles securities purchased and sold for investment by the State Treasurer for the PMIA and other active investment funds. The SBS also clears and settles securities pledged to the state for certain agencies or departments, including the Department of Insurance and the Employment Development Department.

SBS managed more than \$99.6 billion in investment and pledged securities consisting of 8,457 positions for 1,386 accounts; 13.2 million shares of stock for two State Compensation Insurance Fund programs; and 248 time deposits representing \$5.44 billion for 72 financial institutions in the Time Deposit Program. During the fiscal year, SBS cleared and settled approximately 51,000 transaction items totaling \$336.9 billion and 9.0 million shares of stock.

Also within CTSMD, Banking Operations (BO) administers, clears and settles securities pledged as collateral by California financial institutions to the state for the Time Deposit, Demand, and State Agency programs. It ensures that all collected funds on deposit are collateralized in accordance with state law. BO managed more than \$10 billion in securities consisting of 2,217 positions for 80 financial institutions. During the fiscal year, it cleared and settled approximately 15,000 security transactions totaling \$28 billion. BO administers the safekeeping of items in the State Treasurer's Office vault, completing approximately 600 transactions annually, and holding 16,000 items. It is responsible for the custody and protection of securities and items inside the vault as well as the physical security of the vault.

BO also redeems all items presented by banks for payment (about 400,000 items daily), handles forgeries, and manages stop payments. It reconciles deposits made by various state agencies and departments into the CTS accounts as set up by the Treasurer, ensuring that all financial activities are accurately and timely posted by the state depository banks. In addition, BO manages the Electronic Funds Transfer collection and miscellaneous sort/pre-sort deposit programs, under which the state collected almost \$185 billion during the fiscal year.

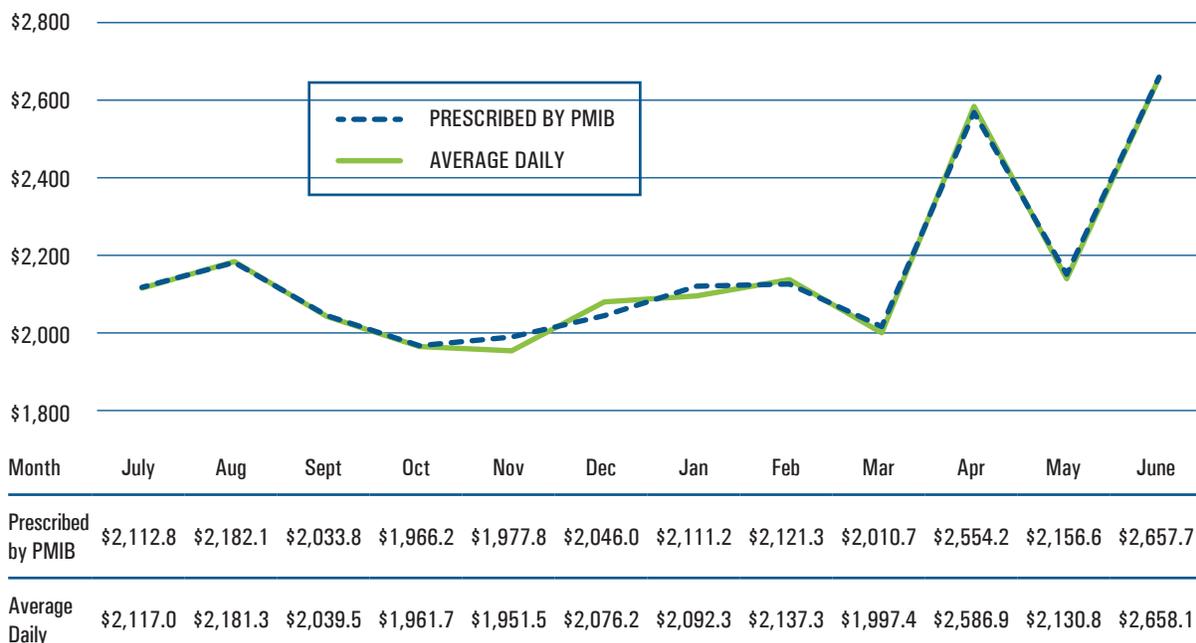
SCHEDULE OF BANKING SERVICES, FISCAL YEAR 2014-15

NON-EFT CONTRACT SERVICES	Approved Charges	Actual Volume	Actual Cost
Encoded Checks Deposited			
Encoded Checks On Us	\$0.04	4	\$0.16
ICL Encoded On Us	\$0.03	15,165,750	\$454,973
Encoded Checks Other	\$0.053	737,797	\$39,103
ICL Encoded Other	\$0.03	366,166	\$10,985
ICL Encoded Other (Misc Sort)	\$0.01	9,744,431	\$97,444
Remote Site Checks	\$0.05	2,332,851	\$116,643
Non-Encoded Checks Deposited			
Non-Encoded Checks	\$0.09	7,873,145	\$708,583
Warrants	\$0.01	74,476,047	\$744,760
Checks Paid	\$0.12	270	\$32
Other			
Dishonored Checks	\$6.20	91,840	\$568,154
Regular Deposits	\$1.40	121,609	\$170,253
Split Bag Deposits	\$0.55	136,998	\$75,349
Electronic Deposits (ICL, RSD)	\$1.00	77,472	\$77,472
Coin Deposited	\$0.011	156,802	\$1,725
Currency and Coin Deposited	\$0.00105	767,968,478	\$806,367
ACH Transactions	\$0.01	290,463	\$2,905
Direct Billed Services			\$499,810
SUBTOTAL NON-EFT CONTRACT SERVICES			\$4,374,557
EFT CONTRACT SERVICES (DIRECT BILLED)			
ACH CREDITS	\$0.02	6,147,444	\$129,096
ACH DEBITS	\$0.50	2,174,645	\$1,087,323
Category II Items Processed	\$0.02	10,580,310	\$158,705
RETURNED/REJECTED Items	\$2.50	177,195	\$442,988
Other transactions	Various	157,409	\$186,174
SUBTOTAL EFT CONTRACT SERVICES SERVICES			\$2,004,285
TOTAL BANKING SERVICES			\$6,378,842

AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2014-15 (\$ 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 2014	\$2,033,481	\$83,495	\$4,213	\$2,112,763	\$2,116,991
August	\$2,123,373	\$60,669	\$1,907	\$2,182,134	\$2,181,333
September	\$1,954,847	\$80,965	\$2,008	\$2,033,804	\$2,039,520
October	\$1,916,007	\$52,404	\$2,197	\$1,966,214	\$1,961,723
November	\$1,901,892	\$78,383	\$2,453	\$1,977,823	\$1,951,513
December	\$1,971,760	\$77,177	\$2,956	\$2,045,981	\$2,076,185
January 2015	\$2,063,734	\$50,449	\$2,953	\$2,111,230	\$2,092,250
February	\$2,034,944	\$89,106	\$2,747	\$2,121,303	\$2,137,296
March	\$1,954,009	\$58,390	\$1,737	\$2,010,662	\$1,997,438
April	\$2,503,747	\$54,912	\$4,482	\$2,554,177	\$2,586,856
May	\$2,073,969	\$85,543	\$2,895	\$2,156,616	\$2,130,756
June	\$2,590,219	\$69,472	\$1,955	\$2,657,737	\$2,658,077
WEIGHTED AVERAGE	\$2,092,400	\$69,915	\$2,708	\$2,159,606	\$2,159,398

AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2014-15 (\$ 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
2001-02	\$49,827,077	\$1,716,545	3.45

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

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
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
2014-15	\$59,138,661	\$159,084	0.27

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*
Mar-04		1.47	1.47
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

HISTORICAL PMIA YIELDS
 (% per year), CONTINUED

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Quarterly*
Sep-10		0.51	0.50
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
Sep-14		0.24	0.23
Dec-14		0.25	0.25
Mar-15		0.26	0.25
Jun-15	0.27	0.28	0.28

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



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