



56th ANNUAL REPORT

FISCAL YEAR 2011-2012

POOLED MONEY

INVESTMENT

BOARD

BILL LOCKYER
State Treasurer and Chairman

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 2011-12, the members were Bill Lockyer, Treasurer; John Chiang, Controller; and Ana J. Matosantos, Director of Finance.

The purpose of the Board 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 Treasurer's bank accounts and keeps all available funds invested consistent with the goals of safety, liquidity and yield.

The law restricts the Treasurer to investments in the following categories: U.S. government securities; securities of federally-sponsored agencies; 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. Subsequent sections of this report deal individually with the demand account and investment programs for which the Board has oversight responsibilities, and which the Treasurer directly administers.

During 2011-12, the PMIA's earnings totaled \$243 million. Approximately \$85 million of this amount was credited to units of local government as a result of their deposits in our investment pool. The level of local governments' voluntary investment, which averaged \$22.31 billion, reflects the confidence these agencies have in our investment management capabilities. The magnitude of these investment earnings provide a significant reduction in the tax burden that otherwise would have been imposed on the citizens of California.

***Pooled Money Investment Board
56th Annual Report
Fiscal Year 2011-2012
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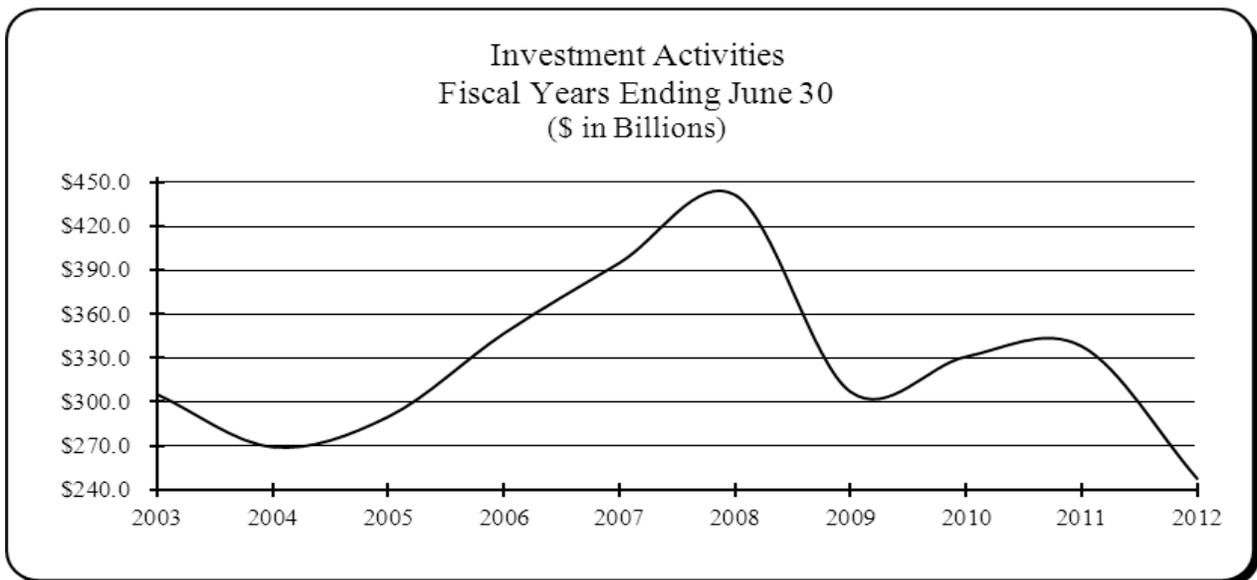
Overview

The Year in Review

Average Daily Portfolio.....	\$ 63,632,716,999
Earnings.....	\$242,989,084
Effective Yield.....	0.38%

Investment Activity for Fiscal Years Ending June 30 2003 through 2012 (\$ in Billions)

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Amount	\$305.1	\$269.1	\$289.8	\$346.8	\$395.0	\$441.5	\$306.8	\$330.9	\$338.0	\$247.5
Transactions	7,524	6,630	6,961	8,242	9,448	10,528	7,346	7,680	7,678	5,759



Source: State Treasurer's Office, Investment Division

2011-12 Investment Market Conditions

To indicate prevailing market conditions during 2011-12, the following table shows monthly money market rates, as computed from daily closing bid prices. The information was obtained from the Federal Reserve Statistical Release.

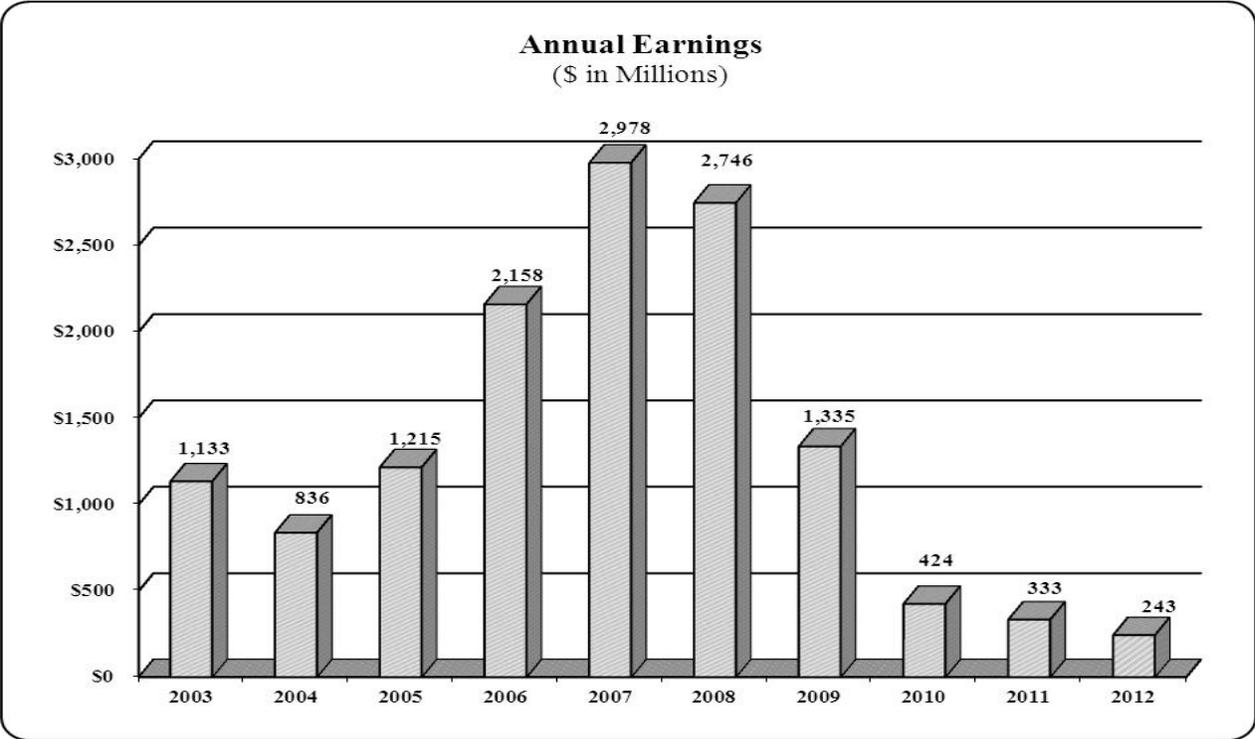
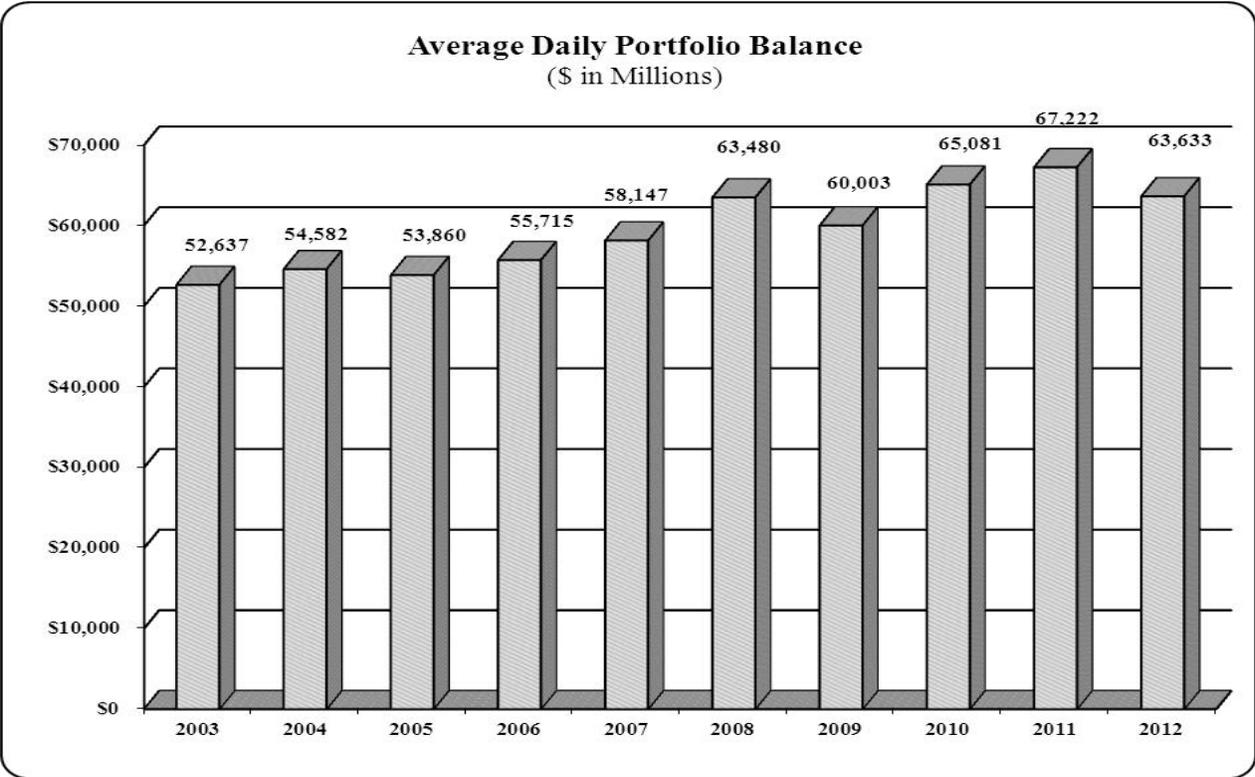
Monthly Yield on Money Market Securities (Yield in Percent per Year)

Month	Federal Funds	90-Day Finance Company Commercial Paper	90-Day Certificate of Deposits	3-Month Treasuries	6-Month Treasuries	1-Year Treasuries	3-Year Treasuries
July 2011	0.07	0.17	0.24	0.04	0.08	0.19	0.68
August	0.10	0.21	0.29	0.02	0.06	0.11	0.38
September	0.08	0.22	0.33	0.01	0.04	0.10	0.35
October	0.07	0.24	0.37	0.02	0.05	0.11	0.47
November	0.08	0.21	0.41	0.01	0.05	0.11	0.39
December	0.07	0.18	0.49	0.01	0.05	0.12	0.39
January 2012	0.08	0.26	0.40	0.03	0.07	0.12	0.36
February	0.10	0.21	0.30	0.09	0.12	0.16	0.38
March	0.13	0.20	0.29	0.08	0.14	0.19	0.51
April	0.14	0.20	0.29	0.08	0.14	0.18	0.43
May	0.16	0.20	0.29	0.09	0.15	0.19	0.39
June	0.16	0.21	0.32	0.09	0.15	0.19	0.39
2011-2012 Average	0.10	0.21	0.34	0.05	0.09	0.15	0.43
2010-2011 Average	0.16	0.25	0.28	0.12	0.16	0.25	0.92
Increase-(Decrease)	(0.05)	(0.04)	0.06	(0.07)	(0.07)	(0.10)	(0.50)

Note: Yields on Treasury nominal securities at "constant maturity" are interpolated by the U.S. Treasury from the daily yield curve for non-inflation-indexed Treasury securities. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The constant maturity yield values are read from the yield curve at fixed maturities, currently 1, 3, and 6 months and 1, 2, 3, 5, 7, 10, 20, and 30 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity. The 90-day Commercial Paper is quoted on a discount basis.

Note: Totals may not add due to rounding.

Comparisons of Portfolio Balance and Earnings for Fiscal Years Ending June 30 2003 through 2012



Source: State Treasurer’s Office, Investment Division

Pooled Money Investment Account

Summary Statistics

Resources	\$ 65,569.3	million per day on the average
Demand Accounts.....	\$ 1,936.6	million per day on the average
Portfolio.....	\$ 63,632.7	million per day on the average
Earnings	\$ 204.8	million from security investments
		4.2 million from bank time deposits
		34.0 million from General Fund loans
Earning Rate	0.38	percent average for all investments
Dollar Value of Investment Transactions	\$ 247.5	billion
Number of Investment Transactions	5,759	transactions
Time Deposits	60	banks, credit unions and savings banks held PMIA money at year-end

Source: State Treasurer's Office, Investment Division and Centralized Treasury and Securities Management Division

Resources of the PMIA averaged \$65,569,269,253 per day during the fiscal year although the daily figures fluctuated widely with receipts and disbursements. The high point for the year occurred on April 30, 2012, when balances totaled approximately \$71,396,800,309. Resources for the account were lowest on January 30, 2012, when balances totaled approximately \$60,939,190,702.

A breakdown of an average day's resources during the fiscal year shows the following: \$1.937 billion in non-interest-bearing bank accounts; \$59.459 billion in securities and General Fund Loans; and \$4.173 billion in interest-bearing time deposits.

On the closing day of the fiscal year, the following resources were on hand in the PMIA:

Securities	\$48,509,745,031
General Fund Loans	7,508,801,386
Time Deposit Balances	4,483,640,000
Demand Deposit Balances	2,176,618,546
Total Resources	\$62,678,804,963

Demand Account Program

Investments of the PMIA are made from monies flowing through the Treasurer's demand (non-interest-bearing) bank accounts maintained in eight banks that serve as State depositories. As of June 30, 2012, the eight depository banks were: Bank of America, Union Bank, Bank of the West, U.S. Bank, Wells Fargo Bank, Westamerica Bank, Citibank, and JP Morgan Chase. 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 days on all checks deposited other than cashier's checks and checks deposited under the presort deposit program.

All amounts in excess of these compensating balances are promptly invested by the Treasurer. Intensive and expert analysis of receipts and disbursement data is used daily to estimate the State's rapidly shifting cash position in order to determine exactly how much money is available for investment. This results in maximum earnings consistent with prudent management.

Under the presort deposit program, the major revenue collecting agencies sort their checks by the eight State depository 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 2011-12, Bank of America has the contract and receives bank balances equivalent to .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. Adjustments for the difference between actual and estimated workload for any fiscal year are made in the following fiscal year.

The balances allowed for banking services represent compensation for handling 326,666 bank deposits, 40.6 million checks deposited (1.3 million deposited via image cash letter and 0.2 million deposited remotely), 118,350 dishonored checks, \$835.1 million in currency deposited, \$8.2 million in coin deposited, and 89.2 million warrants paid.

During 2011-12, a total of \$118.1 billion was collected under the EFT contract and approximately \$2.1 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 2011-12:

Schedule of Banking Services 2011-12 Fiscal Year

Banking Service	Approved Charges	Actual Volume	Actual Cost
Encoded Checks Deposited			
"On Us"	\$0.04	14,514,709	\$580,588
"On Us" ICL*	0.03	385,041	11,551
"Other"	0.053	13,458,091	713,279
"Other" ICL	0.03	898,989	26,970
ICL Conversions	0.05	0	0
Remote Site	0.08	163,550	13,084
Remote Site Conversions	0.02	7,139	143
Non Encoded Checks	0.09	11,226,270	1,010,364
Warrants	0.01	89,241,914	892,419
Checks Paid	0.12	452	54
Dishonored Checks **	5.50	118,350	650,925
Regular Deposits	1.40	179,831	251,763
Split Bag Deposits	0.55	144,624	79,543
Electronic Deposits	1.00	2,676	2,676
Coin	0.01100	8,206,815	90,275
Currency	0.00105	835,075,049	876,829
ACH Transactions	0.01	3,520,425	35,204
Direct Billed Services			599,146
Subtotal Non-EFT Contract Services			<u>\$5,834,814</u>
EFT Contract Services (Direct Billed)			
Category I & III - ACH Debits	0.50	2,604,186	1,302,093
Category I - ACH Credits	0.021	4,813,893	101,092
Returned/Rejected Items	2.50	152,871	382,178
Category II - Items Processed	0.015	6,634,311	99,515
Other transactions	Various	251,523	279,430
Subtotal EFT Contract Services			<u>\$2,164,307</u>
Total Banking Services			<u>\$7,999,121</u>

Source: State Treasurer's Office, Centralized Treasury and Securities Management Division

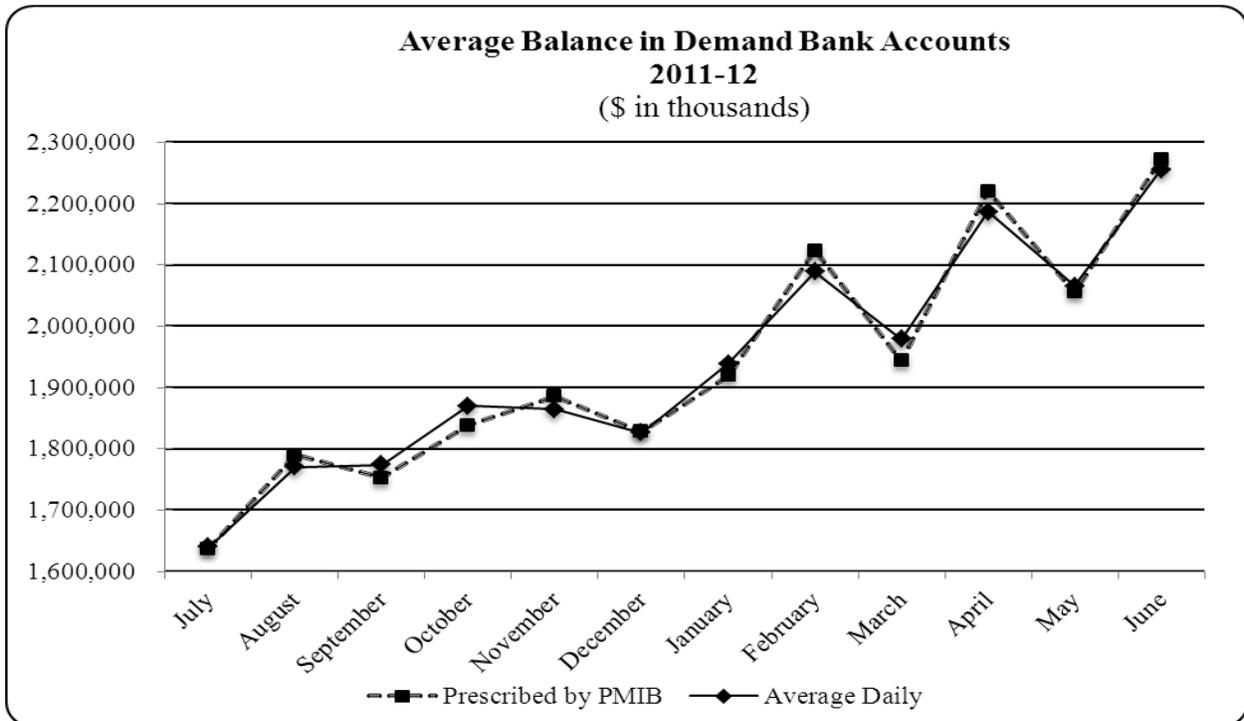
Note: Totals may not add due to rounding.

* Image Cash Letter

** Items presented twice @ \$2.75 per attempt

Average Daily Balance in Demand Bank Accounts 2011-12 (\$ 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 2011	\$1,553,384	\$88,029	\$4,351	\$1,637,062	\$1,640,027
August	\$1,702,107	91,064	3,349	1,789,822	1,769,951
September	\$1,679,943	80,906	7,970	1,752,879	1,773,673
October	\$1,758,701	82,766	3,544	1,837,923	1,869,630
November	\$1,777,405	111,939	4,029	1,885,315	1,864,670
December	\$1,736,967	94,200	2,819	1,828,349	1,826,446
January 2012	\$1,828,496	93,761	2,924	1,919,333	1,938,822
February	\$2,017,644	110,287	4,255	2,123,676	2,089,024
March	\$1,856,074	91,407	3,924	1,943,557	1,979,070
April	\$2,083,108	139,247	1,755	2,220,600	2,186,543
May	\$1,927,915	133,713	6,716	2,054,912	2,065,835
June	\$2,189,973	84,284	2,232	2,272,025	2,255,555
Weighted Average	\$1,840,703	\$100,035	\$3,987	\$1,936,751	\$1,936,552



Source: State Treasurer's Office, Centralized Treasury and Securities Management Division

Investment Program

Although 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 Board 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 2011-12, daily investments in time deposits ranged from \$3,968,140,000 to \$4,483,640,000 and averaged daily \$4,173,405,027. There were 1,375 time deposit transactions totaling \$29,720,820,000 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. As of December 30, 2010, the FDIC fully insured all non-interest bearing demand accounts until December 31, 2012. At the end of 2011-12, interest-bearing time deposits were held by 52 commercial banks, 5 credit unions and 3 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 Board for investment in securities varies dramatically throughout the year. Such designations are made at least monthly. Again, the 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 2011-12, there were 2,107 security purchase transactions and 2,277 security sales or redemption transactions, with a total investment activity of \$217.8 billion.

Total earnings for the PMIA in 2011-12 were \$242,989,084. These earnings were credited as follows:

Surplus Money Investment Fund	\$125,610,430
Local Agency Investment Fund	84,972,097
General Fund	25,775,153
State Agency Investment Fund	5,170,568
Public Employee's Retirement Fund	692,958
State Teacher's Retirement Fund	424,793
Fish and Game Preservation Fund	343,085
Total Earnings	\$242,989,084

Earnings consisted of \$204,807,545 from security investments at an average 0.41 percent yield, \$4,207,166 from time deposits at an average 0.10 percent yield and \$33,974,372 from General Fund loans at an average 0.37 percent yield. The overall return on investment was 0.38 percent.

The portfolio holdings of the PMIA for 2011-12 are illustrated in the following tables:

Schedule of Security Purchases by Term							
2011-12 Fiscal Year							
(At Cost - in Thousands)							
Month	Under 10 Days	10-29 Days	30-89 Days	90 Days- 1 Year	1 - 3 Years	Over 3 Years	TOTALS
July 2011	\$0	\$649,983	\$2,364,654	\$9,472,583	\$0	\$0	\$12,487,220
August	0	899,905	849,989	0	0	0	1,749,894
September	999,993	3,749,849	850,000	1,548,615	2,139,957	0	9,288,414
October	849,986	3,299,928	1,099,800	1,798,381	0	1,014,850	8,062,945
November	0	2,449,959	1,499,877	1,398,707	3,147,556	0	8,496,099
December	0	1,199,969	3,159,720	1,748,159	3,590,526	0	9,698,374
January 2012	1,899,987	3,049,956	950,027	0	598,471	14,075	6,512,516
February	1,199,997	949,965	599,933	1,947,108	149,236	0	4,846,239
March	899,987	3,649,923	2,125,000	2,595,558	794,969	0	10,065,437
April	599,994	2,549,934	5,949,540	2,347,119	0	12,010	11,458,597
May	749,987	100,000	3,625,046	2,621,119	400,000	0	7,496,152
June	699,983	2,843,910	4,661,594	3,096,455	3,196,944	0	14,498,886
Total	\$7,899,914	\$25,393,281	\$27,735,180	\$28,573,804	\$14,017,659	\$1,040,935	\$104,660,773
Percent	7.55%	24.26%	26.50%	27.30%	13.39%	0.99%	100.00%

Analysis of the Portfolio						
2011-12 Fiscal Year						
Type Of Security	Average Daily Portfolio	Percent of Portfolio	Earnings For Year	Effective Percentage Yield For Year	Average Portfolio Life on 6/30/12 (in Days)	Percent of Portfolio on 6/30/12
U.S. Treasury Bills/Strips	\$20,412,999,667	32.08	\$42,539,239	0.21	183	29.79
U.S. Treasury Bonds & Notes	13,118,701,353	20.62	92,704,200	0.71	599	27.15
Federal Agency Cpn Securities	2,104,776,696	3.31	10,264,233	0.49	294	3.28
Federal Agency Discount Notes	4,551,776,841	7.15	9,033,449	0.20	215	3.80
GNMA	29,279	0.00	3,436	11.73	4381	0.00
FHLMC / REMIC	401,868,532	0.63	21,369,985	5.32	4381	0.54
Negotiable CDs / Bank Notes	6,637,711,497	10.43	20,825,197	0.31	62	11.35
Time Deposits	4,173,405,027	6.56	4,207,166	0.10	52	7.41
Bankers Acceptances	0	0.00	0	0.00	0	0.00
Commercial Paper	2,810,957,780	4.42	5,750,891	0.20	28	4.27
Corporate Bonds	0	0.00	0	0.00	0	0.00
Repurchase Agreements	0	0.00	0	0.00	0	0.00
Reverse Repurchase Agreements	0	0.00	0	0.00	0	0.00
AB 55 Loans	340,473,388	0.54	2,316,914	0.68	268	0.46
General Fund Loans	9,080,016,940	14.27	33,974,372	0.37	0	11.95
Total Portfolio	\$63,632,716,999	100.00	\$242,989,084	0.38	270	100.00

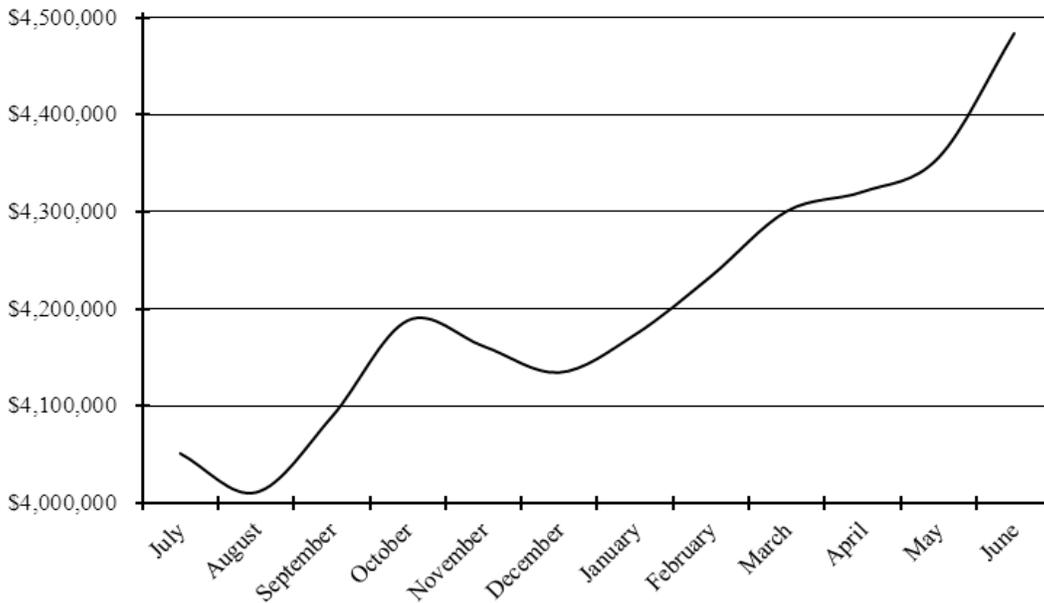
Source: State Treasurer's Office, Investment Division

Note: Totals may not add due to rounding.

Time Deposits by Month-End 2011-12 Fiscal Year

Month	Total
July 2011.....	\$4,051,140,000
August.....	4,011,140,000
September.....	4,089,140,000
October.....	4,188,140,000
November.....	4,161,640,000
December.....	4,134,640,000
January 2012.....	4,173,640,000
February.....	4,233,640,000
March.....	4,300,640,000
April.....	4,320,640,000
May.....	4,355,640,000
June.....	4,483,640,000

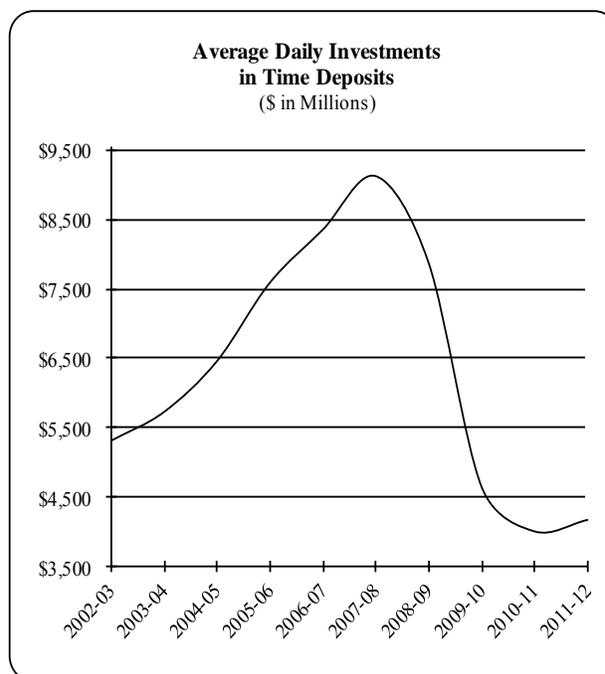
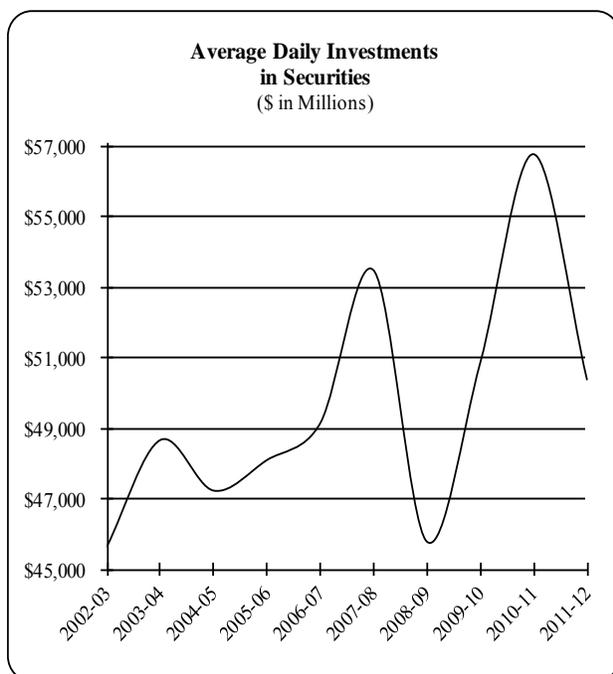
Time Deposits By Month-End
(\$ in Thousands)



Source: State Treasurer's Office, Investment Division

Summary of Investments and Earnings for Fiscal Years Ending June 30 2003 through 2012 (\$ in Thousands)

Investment in Securities				Investment in Time Deposits			
Fiscal Year	Average Daily		Earnings	Fiscal Year	Average Daily		Earnings
	Investment	Earnings	Rate (%)		Investment	Earnings	Rate (%)
2002-03	\$45,644,967	\$1,013,254	2.22	2002-03	\$5,313,015	\$84,296	1.59
2003-04	48,663,614	771,823	1.59	2003-04	5,726,197	61,298	1.07
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



Source: State Treasurer's Office, Investment Division

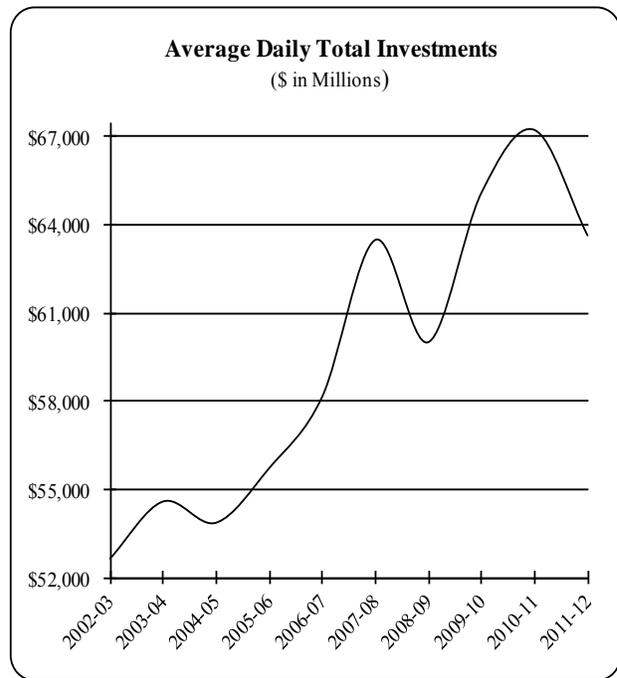
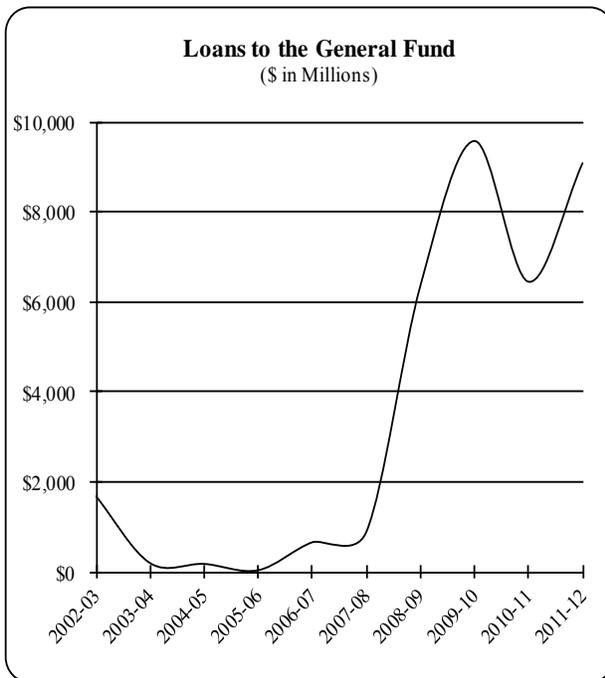
Summary of Investments and Earnings

Fiscal Years Ending June 30

2003 through 2012

(\$ in Thousands)

Loans to General Fund				Total Investments			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
2002-03	\$1,678,666	\$35,380	2.11	2002-03	\$52,636,648	\$1,132,930	2.15
2003-04	192,039	2,950	1.54	2003-04	54,581,850	836,072	1.53
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



Source: State Treasurer's Office, Investment Division

Financial Community Coverage

(The following firms conducted investment transactions with the State Treasurer's Office during the 2011-12 Fiscal Year.)

1st Capital Bank	Farmers & Merchants Bank of Central California	Open Bank
1st Century Bank, NA	First California Bank	Oppenheimer & Co., Inc.
Alamo Capital	First Foundation Bank	Opus Bank
American Perspective Bank	First National Bank of Northern California	Pacific Alliance Bank
American Plus Bank, NA	Five Star Bank	Pacific City Bank
American River Bank	Folsom Lake Bank	Pacific Trust Bank
Bank of Montreal	Ford Motor Credit Co.	Prospectors Federal Credit Union
Bank of Sacramento	Fullerton Community Bank, FSB	Provident Credit Union
Bank of the Sierra	General Electric Capital Corp.	Rabobank International, New York
Bank of the West	Goldman, Sachs and Co.	Rabobank, NA
Bank of Tokyo-Mitsubishi, LTD (The)	Great Pacific Securities	RBC Capital Markets, LLC
Barclays Capital, Inc.	Heritage Bank of Commerce	RBS Securities, Inc.
BBCN Bank	HSBC Bank USA, NA	River City Bank
BGC Brokers, Inc.	ICAP Corporates, LLC	SAFE Credit Union
Blaylock Robert Van, LLC	ING Financial Markets	Santa Cruz County Bank
BMO Capital Markets Corp.	J.P. Morgan Securities, LLC	Scotia Capital Markets (USA), Inc.
BNP Paribas Securities Corp.	Jefferies & Co., Inc.	SEB Enskilda
California Bank of Commerce	Loop Capital Markets, LLC	SG Americas Securities, LLC
California United Bank	M.R. Beal and Co.	Shinhan Bank America
Cantor Fitzgerald & Co.	Malaga Bank FSB	Signature Securities
CapitalSource Bank	Manufacturers Bank	State Bank of India (California)
CastleOak Securities	Mechanics Bank	Stifel, Nicolaus & Co., Inc.
Center Bank	Merchants National Bank of Sacramento	Stone and Youngberg, LLC
Central Valley Community Bank	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Summit State Bank
CIBC World Markets Corp.	Mesirow Financial, Inc.	Sutter Securities, Inc.
Citigroup Global Markets, Inc.	Metropolitan Bank	Torrey Pines Bank
Citizens Business Bank	MFR Securities, Inc.	Travis Credit Union
City National Bank	Mission Federal Credit Union	Tri Counties Bank
Comerica Bank	Mission Valley Bank	Tullett Prebon
Commerce National Bank	Mizuho Securities USA, Inc.	Umpqua Bank
CommerceWest Bank, NA	Morgan Keegan & Company, Inc.	Union Banc Investment Services
Commonwealth Business Bank	Morgan Stanley & Co., LLC	Union Bank, NA
Community Bank	Muriel Siebert & Co., Inc.	US Bank
Credit Suisse Securities (USA), LLC	Nara Bank	Westamerica Bank
D.A. Davidson & Co.	New Omni Bank, NA	Williams Capital Group, L.P. (The)
East West Bank	Oak Valley Community Bank	Wilshire State Bank
Eastern International Bank	Oceanic Bank	
El Dorado Savings Bank, FSB	OneUnited Bank	

Source: State Treasurer's Office, Investment Division

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 investment authority of their own, 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 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's Office 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 the 1967-68 fiscal year, the SMIF was a separate investment program. In 1967, legislation was enacted (Chapter 505, Statutes 1967) which provided that money in the SMIF shall 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 that the dollar-day contributions of the SMIF bear 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.

Earnings for 2011-12

Gross earnings totaled \$125,610,430 for 2011-12. This represents an earning rate of 0.38 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.

Participation

There were over one thousand special funds and accounts participating in the SMIF as of the last day of the fiscal year—June 30, 2012. Their combined deposits totaled \$29,969,771,000.

Large contributors as of June 30, 2012 were as follows:

Public Buildings Construction Fund	\$3,020,918,000
Unemployment Compensation Disability Fund	\$2,310,090,000
Department of Water Resources Electric Power Fund	\$1,860,684,000
California Housing Finance Fund	\$1,312,147,000
Disaster Preparedness & Flood Prevention Bond Fund (2006)	\$1,274,875,000
Fiscal Recovery Fund	\$1,159,259,000
Safe Drinking Water, Water Quality/Supply, Flood Control, River & Coastal Protection Fund (2006)	\$1,083,593,000
Highway Safety, Traffic Reduction, Air Quality, & Port Security Fund (2006)	\$1,064,917,000
Special Deposit Fund	\$ 810,275,000
Housing & Emergency Shelter Trust Fund	\$ 719,473,000
Public Employees' Retirement Fund	\$ 698,079,000

The Year in Review

Resources.....	\$32.888 billion per day on average
Earnings.....	\$126 million
Earning Rate.....	0.38 percent

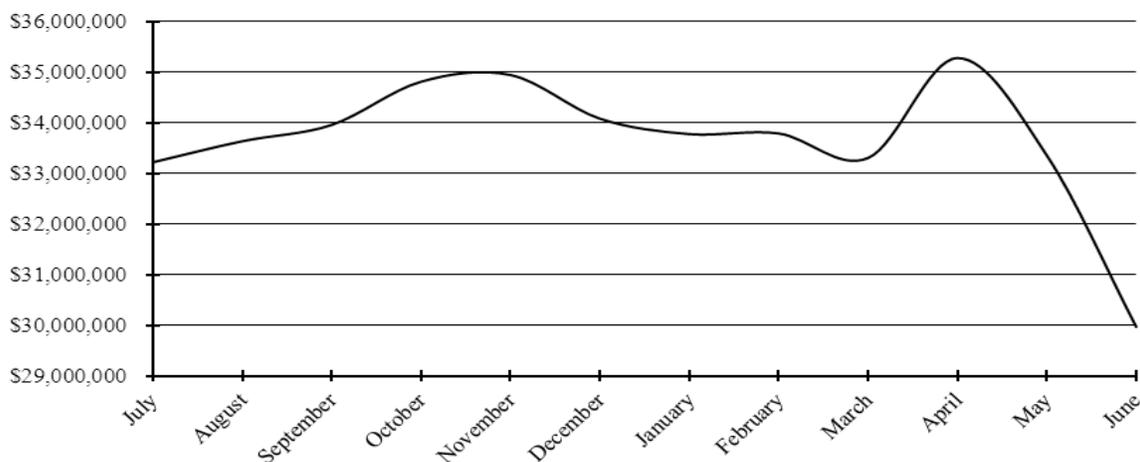
Source: State Treasurer's Office, Investment Division

Monthly deposit balances are shown in the following table:

**Resources of
The Surplus Money Investment Fund
2011-12 Fiscal Year (Month-End Balances)**

Month	Total
July 2011.....	\$33,220,603,663
August.....	33,637,888,663
September.....	33,959,848,888
October.....	34,813,693,263
November.....	34,946,737,663
December.....	34,083,714,000
January 2012.....	33,777,894,000
February.....	33,790,420,000
March.....	33,304,944,000
April.....	35,280,861,000
May.....	33,355,765,000
June.....	29,969,771,000

**Resources of the Surplus Money Investment Fund
2011-12 Fiscal Year (Month-End Balances)**
(\$ in Thousands)



Source: State Controller's Office, *Report of Cash Assets of All Funds in the State Treasury*

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 calendar 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 Fund and the length of time such amounts remained. Prior to the distribution, the State's reasonable costs of administering this program are deducted from the earnings.

Earnings for 2011-12

Gross earnings for 2011-12 totaled \$84,972,097. This represented a 0.38 percent yield for this investment program.

Participation

As of June 30, 2012, there were 2,729 participants in the LAIF consisting of 55 counties, 475 cities, 1,745 special districts, 308 trustees and 146 bond accounts. Deposits in the fund averaged \$22.31 billion for the year.

The Year in Review

Resources.....	\$22.31	billion per day on average
Earnings.....	\$84.97	million
Earning Rate.....	0.38	percent
Participation.....	2,729	agencies or accounts at year-end

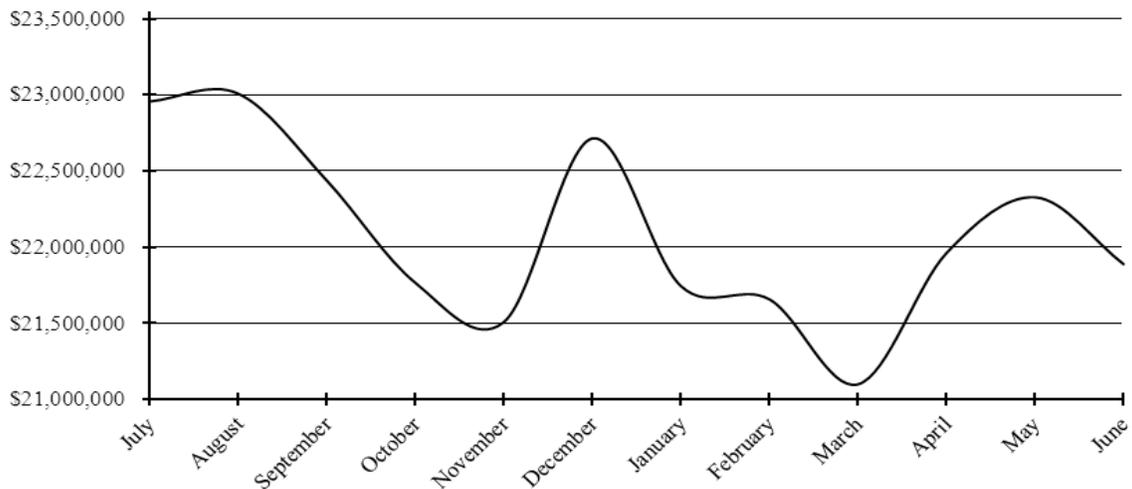
Source: State Treasurer's Office, Investment Division (LAIF)

The following table shows monthly resources of the LAIF:

**Resources of
The Local Agency Investment Fund
2011-12 Fiscal Year (Month-End Balances)**

Month	Total
July 2011.....	\$22,956,513,524
August.....	23,007,788,859
September.....	22,437,027,823
October.....	21,765,347,040
November.....	21,506,793,191
December.....	22,714,020,900
January 2012.....	21,744,031,406
February.....	21,656,598,184
March.....	21,097,918,633
April.....	21,960,690,652
May.....	22,327,243,000
June.....	21,887,750,115

**Resources of the Local Agency Investment Fund
2011-12 Fiscal Year (Month-End Balances)**
(\$ in Thousands)



Source: State Treasurer's Office, Investment Division (LAIF)

Appendices

Appendix A

Pooled Money Investment Account Summary of Investments and Earnings (\\$ in Thousands)

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (Percent)			
			Annual Earnings Rate (Percent)	Average Earning Rate (Percent) 5 Years	Average Earning Rate (Percent) 10 Years	Average Earning Rate (Percent) 15 years
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	3.07		
1961-62	867,144	26,521	3.06	3.19		
1962-63	910,863	30,548	3.35	3.31		
1963-64	896,535	32,519	3.63	3.46		
1964-65	966,592	38,004	3.93	3.56		
1965-66	1,083,347	47,761	4.41	3.68	3.37	
1966-67	1,057,800	52,540	4.97	4.06	3.62	
1967-68	1,117,717	56,566	5.06	4.40	3.85	
1968-69	1,301,302	78,174	6.01	4.88	4.17	
1969-70	1,216,414	84,781	6.97	5.48	4.52	
1970-71	1,264,894	77,527	6.13	5.83	4.75	4.19
1971-72	1,397,494	68,350	4.89	5.81	4.93	4.35
1972-73	2,254,401	125,116	5.55	5.91	5.15	4.54
1973-74	2,594,629	232,780	8.97	6.50	5.69	4.94
1974-75	2,749,431	238,298	8.67	6.84	6.16	5.29
1975-76	3,209,143	204,303	6.37	6.89	6.36	5.46
1976-77	4,460,487	261,657	5.87	7.08	6.45	5.65
1977-78	6,843,940	458,625	6.70	7.31	6.61	5.87
1978-79	8,123,266	692,417	8.52	7.22	6.86	6.20
1979-80	8,285,941	873,469	10.54	7.60	7.22	6.64
1980-81	7,298,693	786,877	10.78	8.48	7.69	7.07
1981-82	5,234,524	631,968	12.07	9.72	8.40	7.54
1982-83	5,254,589	549,229	10.45	10.47	8.89	7.90
1983-84	7,094,849	738,462	10.41	10.85	9.04	8.19
1984-85	11,903,660	1,275,503	10.72	10.89	9.24	8.44
1985-86	15,438,406	1,401,990	9.08	10.55	9.51	8.64
1986-87	19,167,196	1,425,047	7.43	9.62	9.67	8.81
1987-88	17,628,558	1,388,074	7.87	9.10	9.79	8.96
1988-89	17,496,405	1,516,767	8.67	8.75	9.80	8.94
1989-90	19,558,775	1,692,905	8.66	8.34	9.61	8.94
1990-91	20,754,895	1,663,140	8.01	8.13	9.34	9.05
1991-92	21,456,433	1,329,476	6.20	7.88	8.75	9.07
1992-93	23,051,543	1,085,126	4.71	7.25	8.18	8.94
1993-94	25,433,078	1,115,660	4.39	6.39	7.57	8.67
1994-95	26,802,123	1,482,574	5.53	5.77	7.05	8.33
1995-96	26,623,196	1,519,020	5.71	5.31	6.72	7.99
1996-97	28,264,069	1,582,443	5.60	5.19	6.53	7.56
1997-98	29,344,512	1,672,382	5.70	5.38	6.32	7.25
1998-99	33,451,088	1,787,765	5.34	5.58	5.98	6.91
1999-00	35,029,034	1,999,483	5.71	5.61	5.69	6.57

Appendix A (Continued)

Fiscal Year	Average Investment Portfolio	Earnings	Annual	Average Earning Rate (Percent)		
			Earnings Rate (Percent)	5 Years	10 Years	15 years
2000-01	\$ 43,840,421	\$ 2,676,158	6.10	5.69	5.50	6.37
2001-02	49,827,077	1,716,545	3.45	5.26	5.22	6.11
2002-03	52,636,648	1,132,930	2.15	4.55	4.97	5.73
2003-04	54,581,850	836,072	1.53	3.79	4.68	5.25
2004-05	53,860,487	1,215,116	2.26	3.10	4.35	4.83
2005-06	55,714,817	2,157,845	3.87	2.65	4.17	4.55
2006-07	58,147,441	2,977,625	5.12	2.99	4.12	4.48
2007-08	63,479,513	2,745,747	4.32	3.42	3.99	4.45
2008-09	60,003,197	1,334,677	2.22	3.56	3.67	4.31
2009-10	65,080,839	423,804	0.65	3.24	3.17	3.98
2010-11	67,221,703	332,579	0.49	2.56	2.61	3.63
2011-12	63,632,717	242,989	0.38	1.61	2.30	3.29

Source: The average investment portfolio, earnings and annual earnings rate were taken from the published *Annual Report of the PMIB* for each fiscal year. Please see the following note.

NOTE TO PMIA SUMMARY OF INVESTMENTS AND EARNINGS TABLE

The PMIB was established as an agency of State government by Chapter 1703, Statutes of 1955, and became operational in April 1956. The first full year for the PMIA was 1956-57. In 1957-58, the SMIF and the Condemnation Deposits Fund (CDF) were placed under the administration of the PMIB. Separate investment portfolios were managed for these two funds for a number of years. SMIF operated this way until 1967-68, when legislation allowed this fund to be invested as a part of the PMIA. The CDF continued as a separate investment portfolio until 1975, when it was combined with the PMIA. In order to make data for the early years in the table comparable to the later years (1975-76 and after), the average daily investment and the annual earnings for both SMIF and CDF were combined with those for the PMIA. The earning rates for these early years were computed using these combined figures.

Appendix B

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-77	5.77			
Feb-77	5.66			
Mar-77	5.66		5.68	
Apr-77	5.65			
May-77	5.76			
Jun-77	5.85	5.87	5.78	5.79
Jul-77	5.93			
Aug-77	6.05			
Sep-77	6.09		5.84	
Oct-77	6.39			
Nov-77	6.61			
Dec-77	6.73		6.45	6.18
Jan-78	6.92			
Feb-78	7.05			
Mar-78	7.14		6.97	
Apr-78	7.27			
May-78	7.39			
Jun-78	7.57	6.70	7.35	7.17
Jul-78	7.65			
Aug-78	7.82			
Sep-78	7.87		7.86	
Oct-78	8.11			
Nov-78	8.29			
Dec-78	8.77		8.32	8.09
Jan-79	8.78			
Feb-79	8.90			
Mar-79	8.82		8.81	
Apr-79	9.08			
May-79	9.05			
Jun-79	9.22	8.52	9.10	8.98
Jul-79	9.20			
Aug-79	9.53			
Sep-79	9.26		9.26	
Oct-79	9.81			
Nov-79	10.22			
Dec-79	10.22		10.06	9.66

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-80	10.98			
Feb-80	11.25			
Mar-80	11.49		11.11	
Apr-80	11.48			
May-80	12.02			
Jun-80	11.80	10.54	11.54	11.38
Jul-80	10.21			
Aug-80	9.87			
Sep-80	9.95		10.01	
Oct-80	10.06			
Nov-80	10.43			
Dec-80	10.96		10.47	10.21
Jan-81	10.99			
Feb-81	11.69			
Mar-81	11.13		11.23	
Apr-81	11.48			
May-81	12.18			
Jun-81	11.44	10.78	11.68	11.69
Jul-81	12.35			
Aug-81	12.84			
Sep-81	12.06		12.40	
Oct-81	12.40			
Nov-81	11.89			
Dec-81	11.48		11.91	12.19
Jan-82	11.68			
Feb-82	12.04			
Mar-82	11.84		11.82	
Apr-82	11.77			
May-82	12.27			
Jun-82	11.99	12.07	11.99	11.93
Jul-82	12.24			
Aug-82	11.91			
Sep-82	11.15		11.74	
Oct-82	11.11			
Nov-82	10.70			
Dec-82	10.40		10.71	11.26

Appendix B (Continued)

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-83	10.25			
Feb-83	9.89			
Mar-83	9.69		9.87	
Apr-83	9.87			
May-83	9.53			
Jun-83	9.60	10.45	9.64	9.98
Jul-83	9.88			
Aug-83	10.08			
Sep-83	10.20		10.04	
Oct-83	10.18			
Nov-83	10.16			
Dec-83	10.23		10.18	10.15
Jan-84	10.31			
Feb-84	10.28			
Mar-84	10.38		10.32	
Apr-84	10.59			
May-84	10.84			
Jun-84	11.12	10.41	10.88	10.63
Jul-84	11.36			
Aug-84	11.56			
Sep-84	11.60		11.53	
Oct-84	11.68			
Nov-84	11.47			
Dec-84	11.02		11.41	11.44
Jan-85	10.58			
Feb-85	10.29			
Mar-85	10.12		10.32	
Apr-85	10.03			
May-85	10.18			
Jun-85	9.74	10.72	9.98	10.19
Jul-85	9.66			
Aug-85	9.42			
Sep-85	9.57		9.54	
Oct-85	9.48			
Nov-85	9.49			
Dec-85	9.37		9.43	9.50

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-86	9.25			
Feb-86	9.09			
Mar-86	8.96		9.09	
Apr-86	8.62			
May-86	8.37			
Jun-86	8.23	9.08	8.39	8.70
Jul-86	8.14			
Aug-86	7.84			
Sep-86	7.51		7.81	
Oct-86	7.59			
Nov-86	7.43			
Dec-86	7.44		7.48	7.65
Jan-87	7.37			
Feb-87	7.16			
Mar-87	7.21		7.24	
Apr-87	7.04			
May-87	7.29			
Jun-87	7.29	7.44	7.21	7.23
Jul-87	7.46			
Aug-87	7.56			
Sep-87	7.71		7.54	
Oct-87	7.83			
Nov-87	8.12			
Dec-87	8.07		7.97	7.80
Jan-88	8.08			
Feb-88	8.05			
Mar-88	7.95		8.01	
Apr-88	7.94			
May-88	7.82			
Jun-88	7.93	7.87	7.87	7.95
Jul-88	8.09			
Aug-88	8.25			
Sep-88	8.34		8.20	
Oct-88	8.40			
Nov-88	8.47			
Dec-88	8.56		8.45	8.34

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-89	8.70			
Feb-89	8.77			
Mar-89	8.87		8.76	
Apr-89	8.99			
May-89	9.23			
Jun-89	9.20	8.67	9.13	8.97
Jul-89	9.06			
Aug-89	8.83			
Sep-89	8.80		8.87	
Oct-89	8.77			
Nov-89	8.69			
Dec-89	8.65		8.68	8.78
Jan-90	8.57			
Feb-90	8.54			
Mar-90	8.51		8.52	
Apr-90	8.50			
May-90	8.53			
Jun-90	8.54	8.66	8.50	8.52
Jul-90	8.52			
Aug-90	8.38			
Sep-90	8.33		8.39	
Oct-90	8.32			
Nov-90	8.27			
Dec-90	8.28		8.27	8.34
Jan-91	8.16			
Feb-91	8.00			
Mar-91	7.78		7.97	
Apr-91	7.67			
May-91	7.37			
Jun-91	7.17	8.01	7.38	7.67
Jul-91	7.10			
Aug-91	7.07			
Sep-91	6.86		7.00	
Oct-91	6.72			
Nov-91	6.59			
Dec-91	6.32		6.52	6.74

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-92	6.12			
Feb-92	5.86			
Mar-92	5.68		5.87	
Apr-92	5.69			
May-92	5.38			
Jun-92	5.32	6.20	5.45	5.65
Jul-92	5.24			
Aug-92	4.96			
Sep-92	4.76		4.97	
Oct-92	4.73			
Nov-92	4.66			
Dec-92	4.65		4.67	4.82
Jan-93	4.68			
Feb-93	4.65			
Mar-93	4.62		4.64	
Apr-93	4.61			
May-93	4.43			
Jun-93	4.55	4.71	4.51	4.61
Jul-93	4.44			
Aug-93	4.47			
Sep-93	4.43		4.44	
Oct-93	4.38			
Nov-93	4.37			
Dec-93	4.38		4.36	4.39
Jan-94	4.36			
Feb-94	4.18			
Mar-94	4.25		4.25	
Apr-94	4.33			
May-94	4.43			
Jun-94	4.62	4.39	4.45	4.36
Jul-94	4.82			
Aug-94	4.99			
Sep-94	5.11		4.96	
Oct-94	5.24			
Nov-94	5.38			
Dec-94	5.53		5.37	5.15

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-95	5.61			
Feb-95	5.78			
Mar-95	5.93		5.76	
Apr-95	5.96			
May-95	6.01			
Jun-95	6.00	5.53	5.98	5.87
Jul-95	5.97			
Aug-95	5.91			
Sep-95	5.83		5.89	
Oct-95	5.78			
Nov-95	5.81			
Dec-95	5.75		5.76	5.83
Jan-96	5.70			
Feb-96	5.64			
Mar-96	5.56		5.62	
Apr-96	5.54			
May-96	5.50			
Jun-96	5.55	5.71	5.52	5.56
Jul-96	5.59			
Aug-96	5.57			
Sep-96	5.60		5.57	
Oct-96	5.60			
Nov-96	5.60			
Dec-96	5.57		5.58	5.57
Jan-97	5.58			
Feb-97	5.58			
Mar-97	5.58		5.56	
Apr-97	5.61			
May-97	5.63			
Jun-97	5.67	5.59	5.63	5.59
Jul-97	5.68			
Aug-97	5.69			
Sep-97	5.71		5.68	
Oct-97	5.71			
Nov-97	5.72			
Dec-97	5.74		5.71	5.69

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-98	5.74			
Feb-98	5.72			
Mar-98	5.68		5.70	
Apr-98	5.67			
May-98	5.67			
Jun-98	5.67	5.70	5.66	5.67
Jul-98	5.65			
Aug-98	5.65			
Sep-98	5.64		5.64	
Oct-98	5.56			
Nov-98	5.49			
Dec-98	5.37		5.46	5.55
Jan-99	5.26			
Feb-99	5.21			
Mar-99	5.14		5.19	
Apr-99	5.12			
May-99	5.09			
Jun-99	5.09	5.34	5.08	5.13
Jul-99	5.18			
Aug-99	5.22			
Sep-99	5.27		5.21	
Oct-99	5.39			
Nov-99	5.48			
Dec-99	5.64		5.49	5.34
Jan-00	5.76			
Feb-00	5.82			
Mar-00	5.85		5.80	
Apr-00	6.01			
May-00	6.19			
Jun-00	6.35	5.71	6.18	5.99
Jul-00	6.44			
Aug-00	6.50			
Sep-00	6.50		6.47	
Oct-00	6.52			
Nov-00	6.54			
Dec-00	6.53		6.52	6.49

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF Semi-Annual
Jan-01	6.37			
Feb-01	6.17			
Mar-01	5.98		6.16	
Apr-01	5.76			
May-01	5.33			
Jun-01	4.96	6.10	5.32	5.73
Jul-01	4.63			
Aug-01	4.50			
Sep-01	4.29		4.47	
Oct-01	3.78			
Nov-01	3.53			
Dec-01	3.26		3.52	3.99
Jan-02	3.07			
Feb-02	2.97			
Mar-02	2.86		2.96	
Apr-02	2.84			
May-02	2.74			
Jun-02	2.69	3.45	2.75	2.85
Jul-02	2.71			
Aug-02	2.59			
Sep-02	2.60		2.63	
Oct-02	2.49			
Nov-02	2.30			
Dec-02	2.20		2.31	2.47
Jan-03	2.10			
Feb-03	1.94			
Mar-03	1.90		1.98	
Apr-03	1.86			
May-03	1.77			
Jun-03	1.70	2.15	1.77	1.86
Jul-03	1.65			
Aug-03	1.63			
Sep-03	1.64		1.63	
Oct-03	1.60			
Nov-03	1.57			
Dec-03	1.55		1.56	1.59

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF * Quarterly
Jan-04	1.53			
Feb-04	1.44			
Mar-04	1.47		1.47	1.47
Apr-04	1.45			
May-04	1.43			
Jun-04	1.47	1.53	1.44	1.44
Jul-04	1.60			
Aug-04	1.67			
Sep-04	1.77		1.67	1.67
Oct-04	1.89			
Nov-04	2.00			
Dec-04	2.13		2.00	2.00
Jan-05	2.26			
Feb-05	2.37			
Mar-05	2.54		2.38	2.37
Apr-05	2.72			
May-05	2.86			
Jun-05	2.97	2.26	2.85	2.85
Jul-05	3.08			
Aug-05	3.18			
Sep-05	3.32		3.18	3.18
Oct-05	3.46			
Nov-05	3.64			
Dec-05	3.81		3.63	3.63
Jan-06	3.96			
Feb-06	4.04			
Mar-06	4.14		4.03	4.03
Apr-06	4.31			
May-06	4.56			
Jun-06	4.70	3.87	4.53	4.53
Jul-06	4.85			
Aug-06	4.95			
Sep-06	5.02		4.93	4.93
Oct-06	5.10			
Nov-06	5.13			
Dec-06	5.13		5.11	5.11

Appendix B (Continued)

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF * Quarterly
Jan-07	5.16			
Feb-07	5.18			
Mar-07	5.21		5.17	5.17
Apr-07	5.22			
May-07	5.25			
Jun-07	5.25	5.12	5.23	5.23
Jul-07	5.26			
Aug-07	5.25			
Sep-07	5.23		5.24	5.24
Oct-07	5.14			
Nov-07	4.96			
Dec-07	4.80		4.96	4.96
Jan-08	4.62			
Feb-08	4.16			
Mar-08	3.78		4.18	4.17
Apr-08	3.40			
May-08	3.07			
Jun-08	2.89	4.33	3.11	3.11
Jul-08	2.79			
Aug-08	2.78			
Sep-08	2.77		2.77	2.77
Oct-08	2.71			
Nov-08	2.57			
Dec-08	2.35		2.54	2.53
Jan-09	2.05			
Feb-09	1.87			
Mar-09	1.82		1.91	1.90
Apr-09	1.61			
May-09	1.53			
Jun-09	1.38	2.22	1.51	1.51
Jul-09	1.04			
Aug-09	0.92			
Sep-09	0.75		0.90	0.89
Oct-09	0.65			
Nov-09	0.61			
Dec-09	0.57		0.60	0.59

Appendix B (Continued)

HISTORICAL PMIA YIELDS

(Yield in Percent per Year)

Date	Monthly Average	Annual Average	Allocation Rate	
			LAIF Quarterly	SMIF * Quarterly
Jan-10	0.56			
Feb-10	0.58			
Mar-10	0.55		0.56	0.55
Apr-10	0.59			
May-10	0.56			
Jun-10	0.53	0.65	0.56	0.56
Jul-10	0.53			
Aug-10	0.51			
Sep-10	0.50		0.51	0.50
Oct-10	0.48			
Nov-10	0.45			
Dec-10	0.46		0.46	0.46
Jan-11	0.54			
Feb-11	0.51			
Mar-11	0.50		0.51	0.51
Apr-11	0.59			
May-11	0.41			
Jun-11	0.45	0.50	0.48	0.48
Jul-11	0.38			
Aug-11	0.41			
Sep-11	0.38		0.38	0.38
Oct-11	0.39			
Nov-11	0.40			
Dec-11	0.38		0.38	0.38
Jan-12	0.39			
Feb-12	0.39			
Mar-12	0.38		0.38	0.37
Apr-12	0.37			
May-12	0.36			
Jun-12	0.36	0.38	0.36	0.36

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

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The State Treasurer's Office complies with the Americans With Disabilities Act (ADA).