



Public Investment in Agency Securities

What are the Options?

December 7, 2011

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State Treasurer's Office

THE CASE FOR AGENCIES POOLED MONEY INVESTMENT ACCOUNT

- I. What is the Pool?
 - a) Cash management tool
 - b) Investment portfolio

- II. Cash flow responsibilities—short-term
 - a) Discount note programs
 - b) Alternative investments

THE CASE FOR AGENCIES POOLED MONEY INVESTMENT ACCOUNT

III. Portfolio management

a) Asset allocation

1. What's in a name?
2. Credit concerns
3. Spread differentials

b) Quality and liquidity

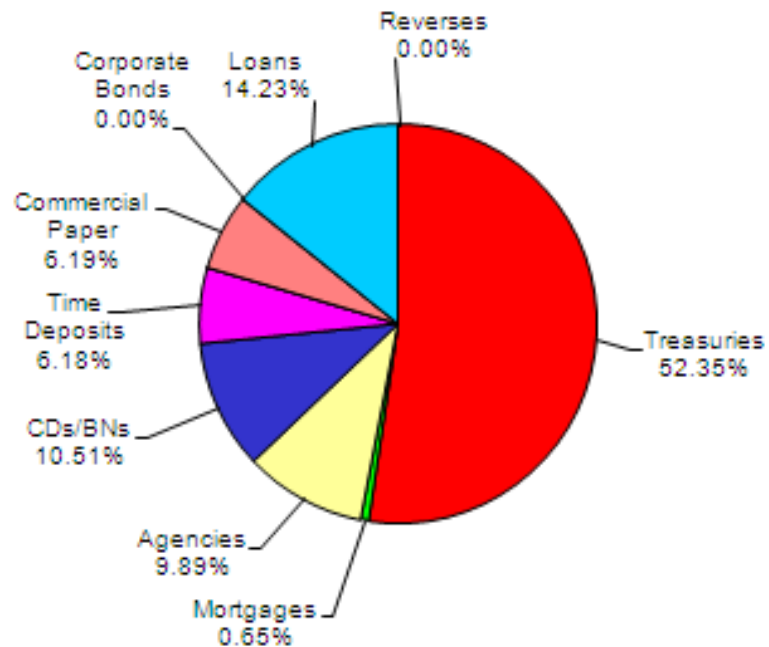
THE CASE FOR AGENCIES POOLED MONEY INVESTMENT ACCOUNT

IV. The times, they are a changin'

- a) The new normal for the Pool
- b) How long will it last?

PMIA COMPOSITION

PMIA Composition
09/30/11
\$66.2 Billion



POOLED MONEY ASSET ALLOCATION

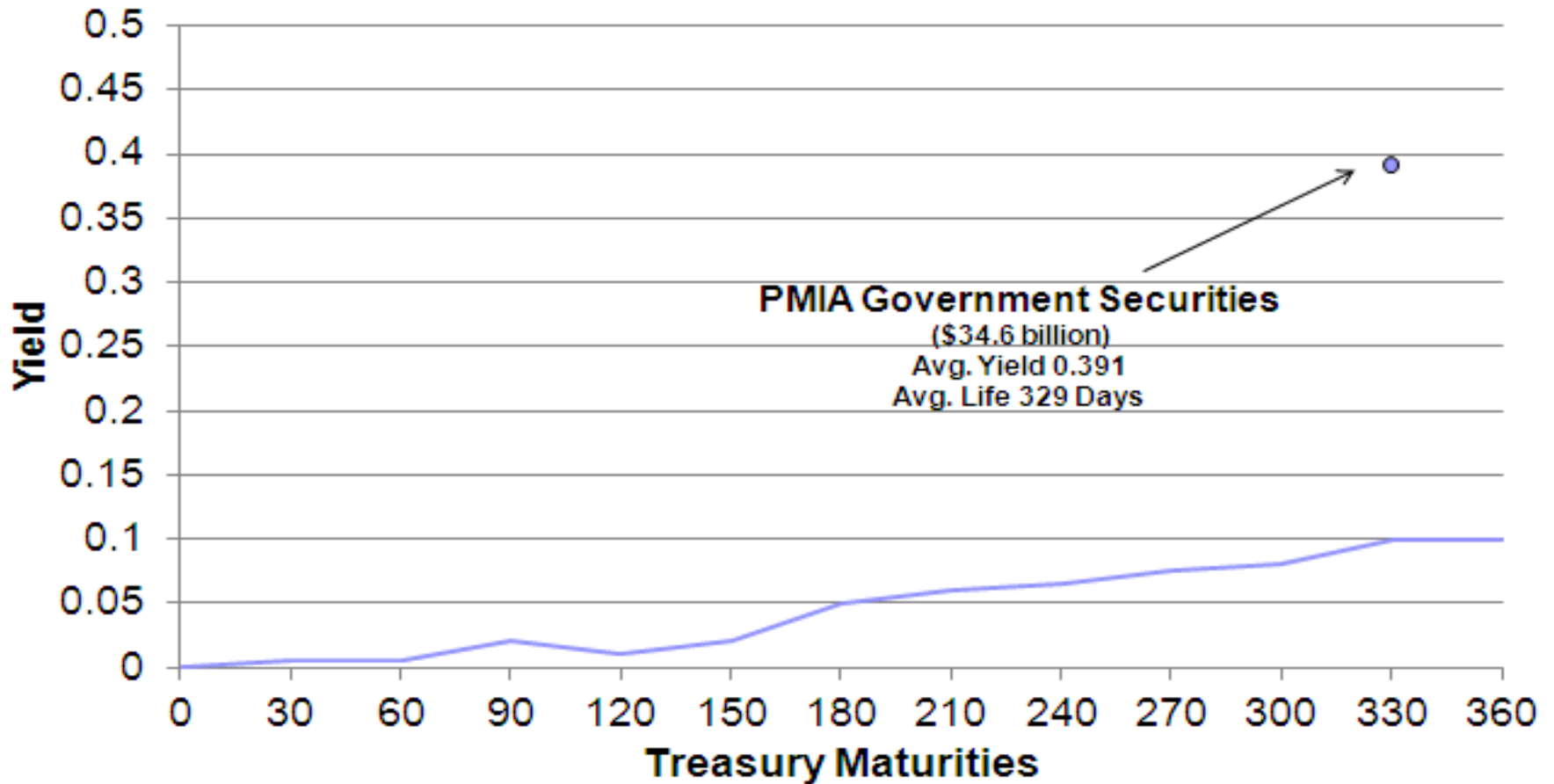
September 30, 2011

	<u>Amount</u>	<u>% of Portfolio</u>	<u>Effective Yield</u>	<u>Avg. Life</u>
Treasury Bills	\$22,800,252	34.45%	0.225%	177 days
Treasury Notes	11,849,419	17.90	0.71	621 days
Total Governments	34,649,671	52.35	0.391	329 days
Federal Agencies	1,907,339	2.88	0.474	67 days
Certificates of Deposit	6,960,016	10.51	0.283	122 days
Agency Discount Notes	4,341,750	6.56	0.209	216 days
Time Deposits	4,089,140	6.18	0.088	42 days
GNMAs	36	N/A	N/A	N/A
Commercial Paper	4,097,472	6.19	0.226	24 days
REMICs	430,068	0.65	5.087	3-5 years
AB 55 Loans	449,292	0.68	0.615	246 days
GF Loans	8,967,900	13.55	0.368	1-14 days
World Bank	300,000	0.45	0.486	90 days
TOTAL:	\$66,192,684	100.00%	0.371	236 days

TREASURY PORTFOLIO

Duration Risk

9/30/11



POOLED MONEY INVESTMENT ACCOUNT HISTORICAL PORTFOLIO STRUCTURE

PERCENTAGE DISTRIBUTION

Type of Security

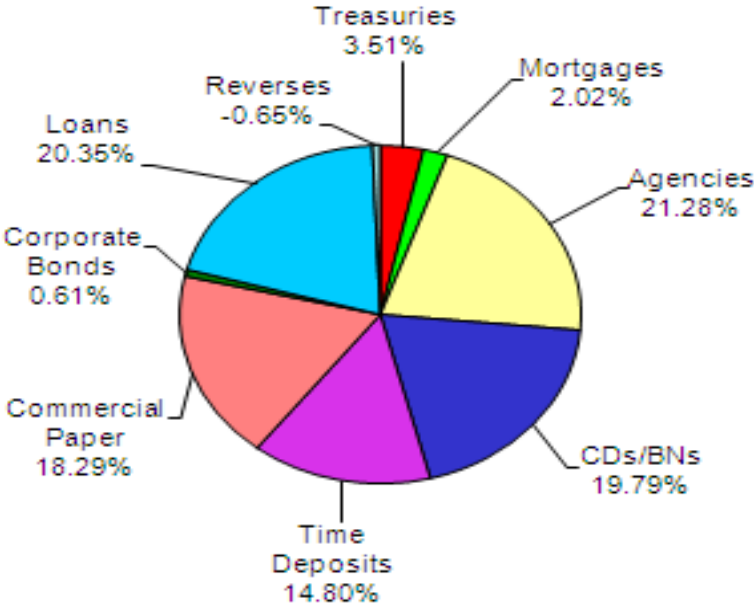
September 30, 2011

5yr. Port. Average

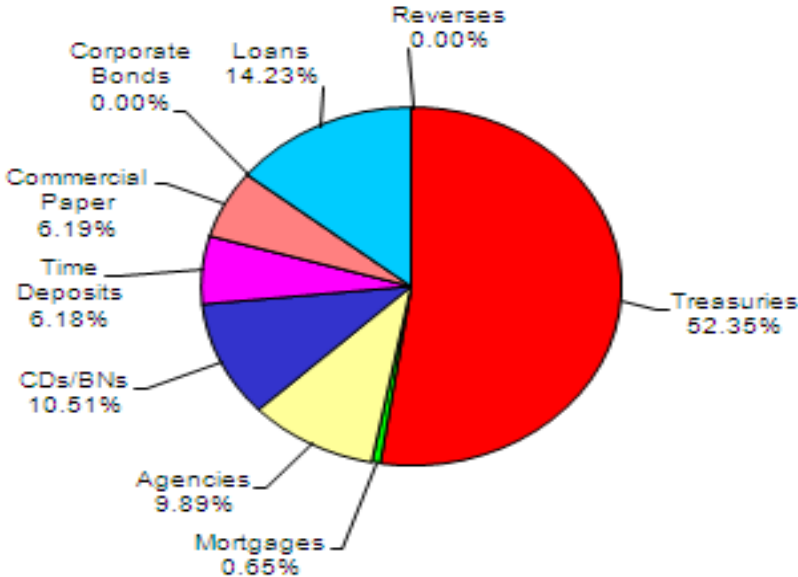
Treasuries	52.35%	22.8%
Federal Agency Debentures	2.88%	10.5%
Federal Agency Discount Notes	6.56%	10.1%
CDs/Bank Notes	10.51%	15.1%
Bankers' Acceptance	0%	0%
Repurchases	0%	0%
Time Deposits	6.18%	10.7%
Commercial Paper	6.19%	11.2%
Reverse Repurchases	0%	<-1%
Corporate Bonds	0%	.5%
Other (IBRD)	.45%	.2%
AB55/GF Loans	14.23%	17.3%
REMICS	.65	1.4%
TOTAL	100%	100%

PMIA COMPOSITION

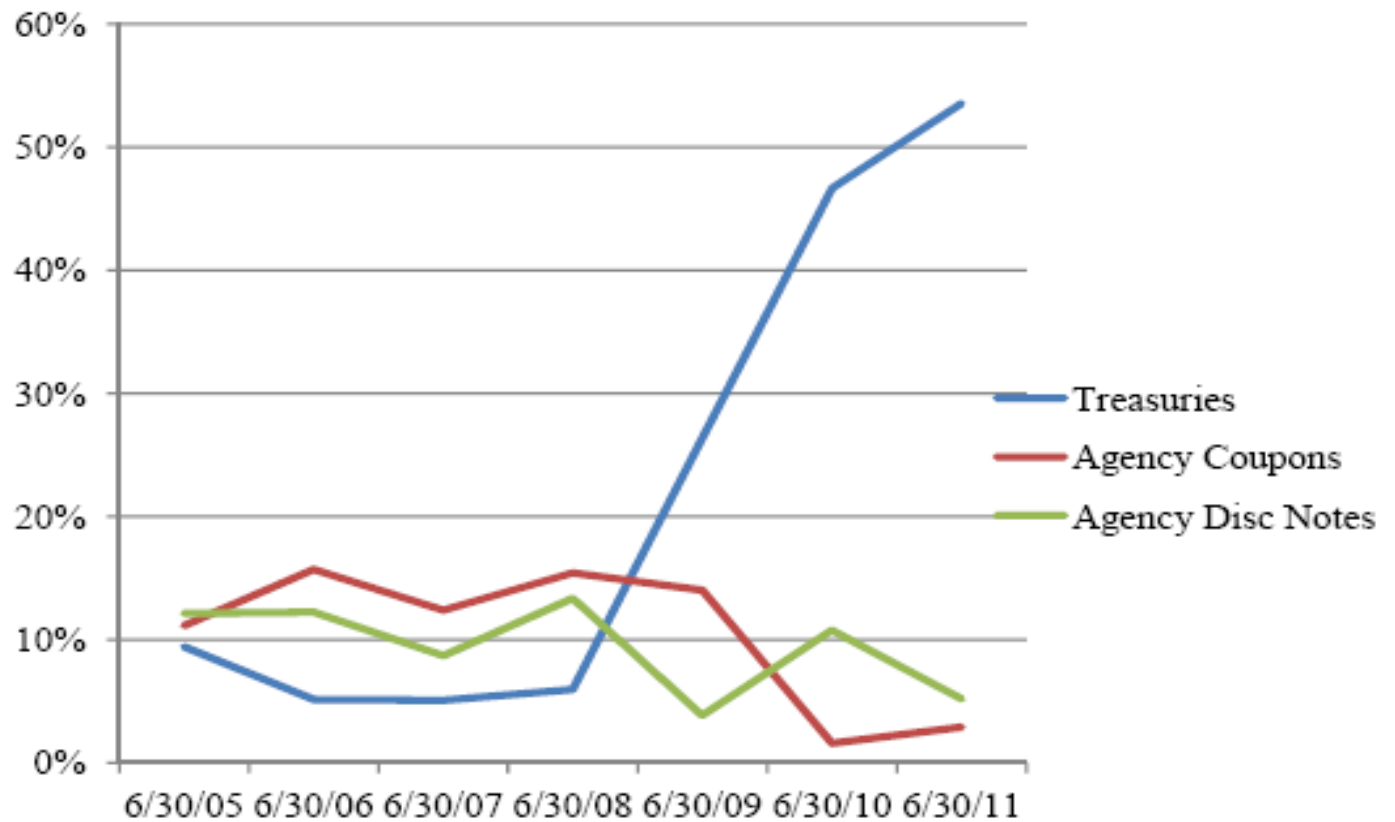
PMIA Composition
09/30/07
\$61.2 Billion



PMIA Composition
09/30/11
\$66.2 Billion



PMIA ASSET ALLOCATION





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