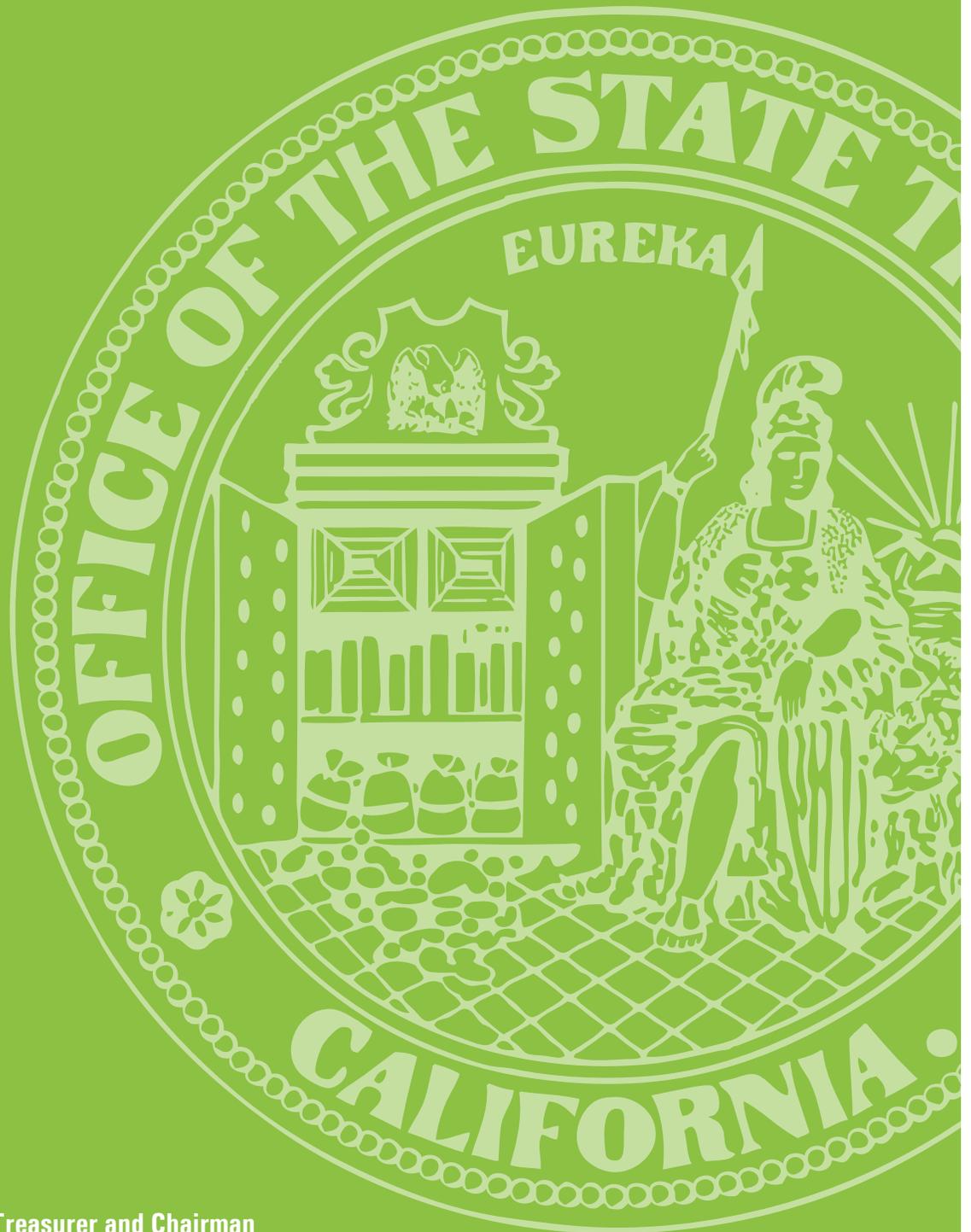


POOLED MONEY INVESTMENT BOARD

62nd Annual Report | Fiscal Year 2017-18



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 2017-18, 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 commercial 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 which are administered by the State Treasurer, will be covered in this report.

During Fiscal Year 2017-18, the PMIA's earnings totaled more than \$1,044 million. Approximately \$292 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 investments, which averaged \$21.36 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.



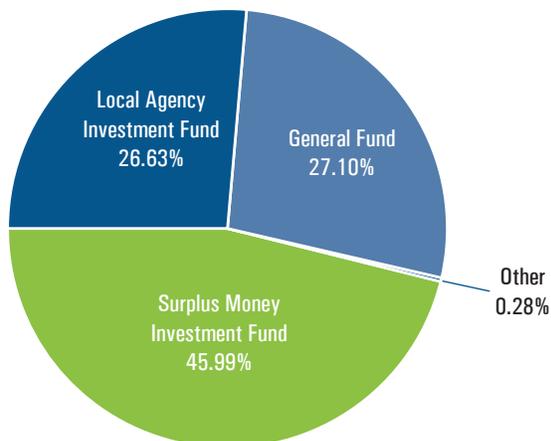
1. Pooled Money Investment Account

Resources of the PMIA averaged \$76.284 billion per day during Fiscal Year 2017-18, 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	\$83,201,752,137
General Fund Loans	\$0
AB 55 Loans	\$733,964,000
Time Deposit Balances	\$4,882,240,000
Demand Deposit Balances	\$572,877,073
TOTAL RESOURCES	\$89,390,833,210

**SOURCE OF FUNDS, PMIA
QUARTER ENDING 6/30/18
AVERAGE QUARTERLY BALANCE: \$82.879 billion**



SUMMARY STATISTICS

Demand Accounts	\$0.451 billion per day on the average
Portfolio	\$75.833 billion per day on the average
Resources	\$76.284 billion per day on the average
Earnings	\$966.827 million from security investments \$70.290 million from bank time deposits \$6.540 million from General Fund loans
Earnings Rate	1.38 percent average for all investments
Dollar Value of Investment Transactions	\$378.5 billion
Number of Investment Transactions	8,201 transactions
Time Deposits	71 banks, credit unions and savings and loan associations 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 currently available information.

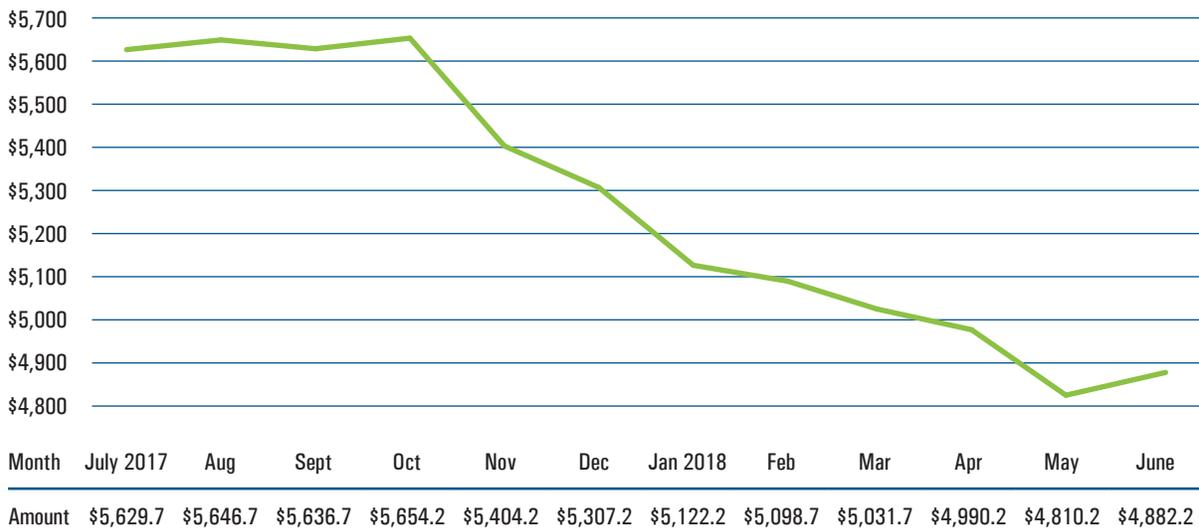
For Fiscal Year 2017-18, daily investments in time deposits ranged from \$4.805 billion to \$5.685 billion and averaged \$5.292 billion daily. There were 1,256 time deposit transactions totaling \$32.218 billion during the year. California commercial banks, savings and loan associations and credit unions 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 2017-18, interest-bearing time deposits were held by 55 commercial banks, 13 credit unions and three savings and loans throughout California. For the fiscal year, PMIA holdings in time deposits had an average yield of 1.33 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 2017-18, there were 3,598 security purchase transactions and 3,347 security sales or redemption transactions, with a total investment activity of \$346.271 billion. The overall return on investments was 1.38 percent.

Total earnings for the PMIA in Fiscal Year 2017-18 were \$1,043.657 million. These earnings were credited as follows:

Surplus Money Investment Fund	\$512,124,621
Local Agency Investment Fund	\$292,191,516
General Fund	\$236,424,973
Public Employees' Retirement Fund	\$1,318,670
Teachers' Retirement Fund	\$1,078,102
Fish and Game Preservation Fund	\$518,972,971
TOTAL EARNINGS	\$1,043,656,853

TIME DEPOSITS BY MONTH-END, FISCAL YEAR 2017-18 (\$ in millions)



ANALYSIS OF THE PORTFOLIO, FISCAL YEAR 2017-18

Type of Security	Average Daily Portfolio	Percent of Portfolio (%)	Earnings For Year	Average Portfolio Life on 6/30/18 (in Days)
U.S. Treasury Bills/Strips	\$14,291,107,296	18.85	\$183,559,649	169
U.S. Treasury Bonds/Notes	\$20,849,301,295	27.49	\$259,758,257	341
Agency Coupon Securities	\$3,079,875,121	4.06	\$44,170,055	377
Agency Discount Notes	\$9,748,511,648	12.86	\$127,376,876	103
REMICs	\$33,819,126	0.04	\$1,904,502	4,381
Negotiable CDs	\$13,032,054,795	17.19	\$212,769,229	84
Bank Notes	\$755,068,493	0.99	\$12,855,420	93
Time Deposits	\$5,291,678,356	6.98	\$70,290,278	73
Commercial Paper	\$7,546,192,009	9.95	\$117,443,932	62
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	\$652,032,693	0.86	\$6,988,872	249
General Fund Loans	\$553,673,973	0.73	\$6,539,783	0
TOTAL PORTFOLIO	\$75,833,314,805	100.00%	\$1,043,656,853	193

**SUMMARY OF INVESTMENTS AND EARNINGS FOR FISCAL YEARS
ENDING JUNE 30, 2009 THROUGH 2018 (\$ 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 (%)
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
2015-16	\$58,774,672	\$267,315	0.45	2015-16	\$5,622,068	\$11,746	0.21
2016-17	\$62,724,461	\$484,507	0.77	2016-17	\$5,352,550	\$28,852	0.54
2017-18	\$69,987,963	\$966,827	1.38	2017-18	\$5,291,678	\$70,290	1.33

LOANS TO GENERAL FUND				TOTAL INVESTMENTS			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
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
2015-16	\$971,008	\$4,315	0.44	2015-16	\$65,367,748	\$283,376	0.43
2016-17	\$1,905,092	\$14,097	0.74	2016-17	\$69,982,103	\$527,456	0.75
2017-18	\$553,674	\$6,540	1.18	2017-18	\$75,833,315	\$1,043,657	1.38

Financial Community Coverage

The following firms conducted investment transactions with the State Treasurer's Office during Fiscal Year 2017-18.

1 st Capital Bank	Daiwa Capital Markets America Inc.	Pacific Commerce Bank
Academy Securities Inc.	Drexel Hamilton LLC	Pacific Enterprise Bank
Alamo Capital	East West Bank	Pacific Premier Bank
American First Credit Union	EverTrust Bank	Pacific Western Bank
American Plus Bank NA	Farmers & Merchants Bank of Central California	Poppy Bank (FKA First Community Bank)
American River Bank	Financial Partners Credit Union	Preferred Bank
Americas United Bank	First Republic Bank	Premier Business Bank
Banc of California NA	First Choice Bank	Presidio Bank
Bank Leumi USA	First Community Bank	Prospectors Federal Credit Union
Bank of Hope	First Foundation Bank	Provident Credit Union
Bank of Montreal	First National Bank of Northern California	Provident Savings Bank
Bank of San Francisco	First Republic Bank	Rabobank International New York
Bank of Santa Clarita	Five Star Bank	Ramirez & Co. Inc.
Bank of Southern California	General Electric Capital	RBC Capital Markets LLC
Bank of the Sierra	Golden Valley Bank	River City Bank
Bank of the West	Grandpoint Bank	SAFE Credit Union
Bank of Tokyo-Mitsubishi Ltd. (The)	Great Pacific Securities	San Diego County Credit Union
Barclays Capital Inc.	Hanmi Bank	Santa Cruz County Bank
Beacon Business Bank	Heritage Bank of Commerce	Schools Financial Credit Union
Beneficial State Bank	ICAP Corporates LLC	Scotia Capital Markets (USA) Inc.
BGC Brokers Inc.	J.P. Morgan Securities LLC	Siebert Cisneros Shank & Co. LLC
Blaylock Van LLC	Lloyds Bank	Signature Securities Group Corp.
BMO Capital Markets Corp.	Loop Capital Markets LLC	Societe Generale
BNP Paribas Securities Corp.	Malaga Bank	Stern Brothers & Co.
Bofl Federal Bank	Manufacturers Bank	Stifel, Nicolaus & Co. Inc.
Cabrera Capital Markets LLC	Mechanics Bank	Summit State Bank
California Bank of Commerce	Merchants National Bank of Sacramento	TD Securities (USA) LLC
California Coast Credit Union	Meriwest Credit Union	Toyota Motor Credit Corp.
California United Bank	Merrill Lynch, Pierce, Fenner & Smith Inc.	Trans Pacific National Bank
CastleOak Securities LP	Mesirow Financial Inc.	Travis Credit Union
Cathay Bank	Metropolitan Bank	Tri Counties Bank
CIBC World Markets Corp.	MFR Securities Inc.	Tri-Valley Bank
Citigroup Global Markets Inc.	Mischler Financial Group Inc.	Tullet Prebon
CommerceWest Bank NA	Mission Federal Credit Union	U.S. Bank NA
Commercial Bank of California	Mission National Bank	Umpqua Bank
Commonwealth Business Bank	Mizuho Securities USA LLC	Union Banc Investment Services
Community 1st Bank	Morgan Stanley & Co. LLC	Uniti Bank
Community Bank	MUFG Bank Ltd.	US Metro Bank
Community Bank of the Bay	Multi-Bank Securities Inc.	Vining Sparks
Community Business Bank	New Omni Bank NA	Wescom Central Credit Union
Community Valley Bank	Northrop Grumman Federal Credit Union	Western Alliance Bank
Community West Bank	Open Bank	Williams Capital Group LP (The)
Cornerstone Community Bank	Opus Bank	Woori America Bank
Credit Agricole Corporate and Investment Bank	Pacific Alliance Bank	
CTBC Bank Corp. (USA)	Pacific City Bank	



2. Local Agency Investment Fund

PROGRAM SUMMARY

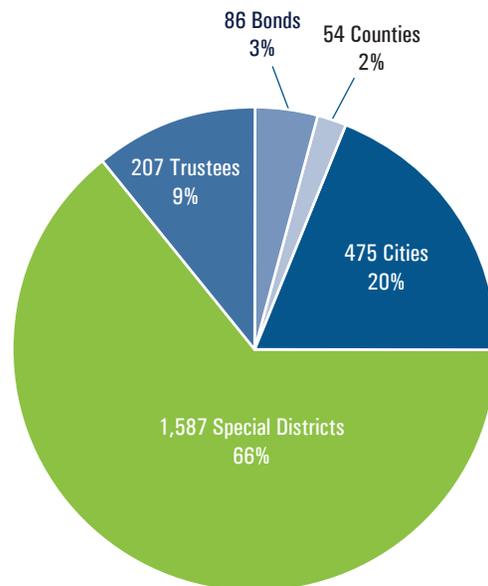
The Local Agency Investment Fund (LAIF) was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, 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 amount deposited in the LAIF and the length of time such amount remained in the LAIF. Prior to the distribution, the reasonable costs of administering the program are deducted from the earnings. As of June 30, 2018, there were 2,409 participants in the LAIF consisting of 54 counties, 475 cities, 1,587 special districts, 207 trustees and 86 bond accounts.

FISCAL YEAR IN REVIEW

Resources	\$21.36 billion per day on average
Earnings	\$292.19 million
Earning Rate	1.38 percent

LOCAL AGENCY INVESTMENT FUND PARTICIPATION AS OF 6/30/18, 2,409 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

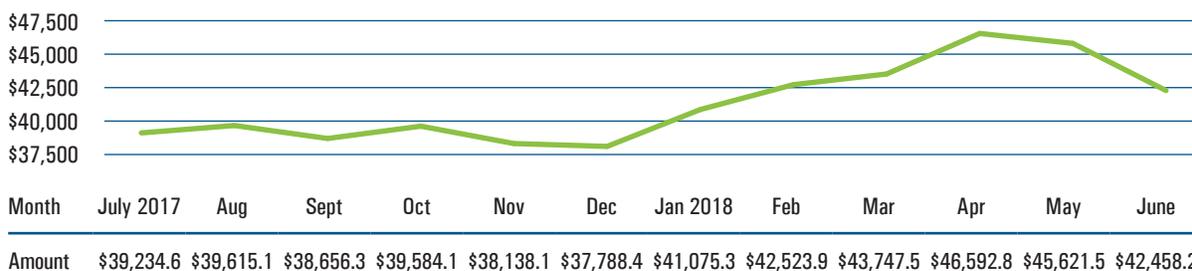
investment program. In 1967, legislation was enacted (Chapter 505, Statutes of 1967) which required that money in the SMIF be invested through the PMIA. This legislation further provided that the SMIF would share in the interest earnings of the PMIA based on the ratio of the dollar-day contributions 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, 2018. Total resources for SMIF were \$42.458 billion per quarter.

Gross earnings totaled \$533.838 million for Fiscal Year 2017-18. This represents an earning rate of 1.45 percent for this investment program. SMIF earnings are computed on a dollar-day basis to guarantee equitable distribution among all member funds and are apportioned quarterly by the State Controller.

RESOURCES OF SMIF BY MONTH-END, FISCAL YEAR 2017-18 (\$ 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 approximately \$2 trillion flows each year), meets the cash liquidity needs of all state agencies and departments, and ensures that all idle funds are invested daily. SBS accomplishes this by forecasting agency revenue collections and disbursements and their impact on the PMIA 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 357,222 bank deposits, 30.4 million checks deposited, 83,933 dishonored checks, \$766 million in currency and coin deposited, and 61.5 million warrants/agency checks/vouchers 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 as well as for securities pledged to the State for certain agencies or departments, including the Department of Insurance and the Employ-

ment Development Department. SBS managed over \$122 billion in investment and pledged securities consisting of 8,388 positions for 1,217 accounts; 11 million shares of stock for State Compensation Insurance Fund programs; and 202 time deposits representing \$4.9 billion for 71 financial institutions in the Time Deposit Program. During the fiscal year, SBS cleared and settled approximately 55,500 transactions totaling \$406 billion and 15.5 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 over \$7 billion in securities consisting of 1,122 positions for 90 financial institutions. During the fiscal year, BO cleared and settled approximately 14,000 security transactions totaling \$22 billion. BO administers the safekeeping of items in the State Treasurer's Office vault, completing approximately 133 transactions annually and holding an inventory of 12,900 items. BO is also 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 260,000 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 State Treasurer, ensuring that all financial activities are accurately and timely posted by the state depository banks. In addition, BO manages the Electronic Funds Transfer (EFT) collection and miscellaneous-sort/pre-sort deposit programs, under which the state collected approximately \$223 billion during the fiscal year.

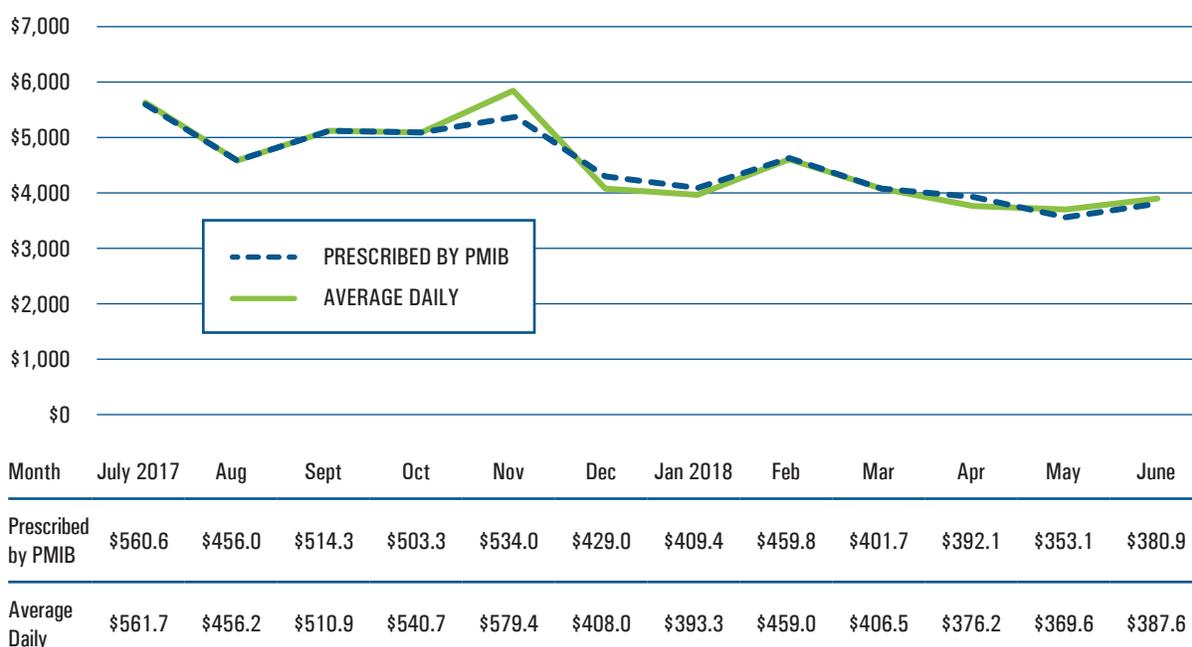
SCHEDULE OF BANKING SERVICES, FISCAL YEAR 2017-18

NON-EFT CONTRACT SERVICES	Actual Volume	Approved Charges	Actual Cost
Encoded Checks Deposited			
Encoded Checks On Us	0	\$0.05	\$0
ICL Encoded On Us	12,476,966	\$0.03	\$374,310
Encoded Checks Other	36,515	\$0.06	\$2,191
ICL Encoded Other	1,811,883	\$0.03	\$54,356
ICL Encoded Other (Misc Sort)	8,251,149	\$0.01	\$82,511
Remote Site Checks	2,730,375	\$0.05	\$136,519
Non-Encoded Checks	5,133,079	\$0.10	\$513,308
Other			
Dishonored Checks	83,933	\$6.20	\$520,385
Regular Deposits	116,995	\$1.80	\$210,591
Split Bag Deposits	150,361	\$0.75	\$112,771
Electronic Deposits (ICL, RSD)	89,866	\$1.00	\$89,866
Currency and Coin Deposited	766,418,070	\$0.00120	\$919,702
Warrants/Agency Checks/Vouchers Paid	61,509,419	\$0.01	\$615,094
ACH Transactions	318,964	\$0.01	\$3,190
Demand Checks Paid	125	\$0.12	\$15
Direct Billed Services			\$761,536
SUBTOTAL NON-EFT CONTRACT SERVICES			\$4,396,345
EFT CONTRACT SERVICES (DIRECT BILLED)			
ACH Credits	9,564,337	\$0.015	\$143,465
ACH Debits	1,079,234	\$0.21	\$226,639
Category II Items Processed	12,599,509	\$0.00	\$0
Returned/Rejected Items	232,177	\$1.50	\$348,266
Other transactions	70,253	Various	\$70,342
SUBTOTAL EFT CONTRACT SERVICES SERVICES			\$788,712
TOTAL BANKING SERVICES			\$5,185,056

AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2017-18 (\$ in millions)

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 2017	\$495,256	\$67,883	\$2,510	\$560,629	\$561,667
August	442,657	14,694	1,373	455,978	456,172
September	455,731	75,919	17,359	514,291	510,882
October	448,617	55,895	1,164	503,348	540,700
November	475,295	60,280	1,545	534,030	579,396
December	352,773	77,150	945	428,978	407,952
January 2018	353,806	56,625	1,023	409,408	393,283
February	361,130	100,048	1,375	459,802	459,044
March	339,578	63,162	1,043	401,698	406,514
April	341,255	51,861	1,064	392,052	376,166
May	290,287	64,873	2,094	353,066	369,630
June	312,665	70,922	2,641	380,946	387,578
WEIGHTED AVERAGE	\$389,239	\$62,958	\$2,826	\$449,371	\$450,880

AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2017-18 (\$ 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
2002-03	\$52,636,648	\$1,132,930	2.15

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

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
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
2015-16	\$65,367,748	\$283,376	0.43
2016-17	\$69,982,103	\$527,456	0.75
2017-18	\$75,833,315	\$1,043,657	1.38

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
Sep-15		0.32	0.32
Dec-15		0.37	0.36
Mar-16		0.46	0.46
Jun-16	0.43	0.55	0.54

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

Date	Annual Average	Allocation Rate	
		LAIF Quarterly	SMIF Quarterly*
Sep-16		0.60	0.60
Dec-16		0.68	0.67
Mar-17		0.78	0.77
Jun-17	0.754	0.92	0.92
Sep-17		1.07	1.07
Dec-17		1.20	1.13**
Mar-18		1.51	1.29**
Jun-18	1.376	1.90	1.53**

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

** Does not include interest earned on the Supplemental Pension Payment pursuant to Government Code 20826 (c)(1).



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