

POOLED MONEY INVESTMENT BOARD

63rd Annual Report | Fiscal Year 2018-19



FIONA MA, CPA | 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 2018-19, the members were State Treasurer Fiona Ma, State Controller Betty T. Yee, and Director of Finance Keely Martin-Bosler.

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 2018-19, the PMIA's earnings totaled more than \$2,027 million. Approximately \$492 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 \$21.67 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.



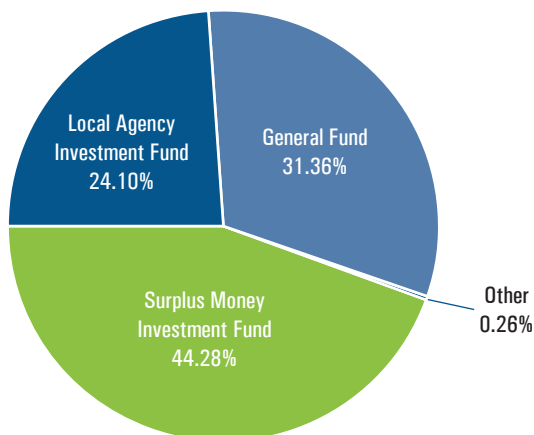
1. Pooled Money Investment Account

Resources of the PMIA averaged \$89.803 billion per day during Fiscal Year 2018-19, 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	\$100,106,051,676
General Fund Loans	\$0
AB 55 Loans	\$778,773,000
Time Deposit Balances	\$4,854,740,000
Demand Deposit Balances	\$853,829,108
TOTAL RESOURCES	\$106,593,393,784

**SOURCE OF FUNDS, PMIA
QUARTER ENDING 6/30/19
AVERAGE QUARTERLY BALANCE: \$97.654 billion**



SUMMARY STATISTICS

Demand Accounts	\$0.362	billion per day on the average
Portfolio	\$89.441	billion per day on the average
Resources	\$89.803	billion per day on the average
Earnings	\$1,916.927	million from security investments
	\$110.170	million from bank time deposits
	\$6.455	million from General Fund loans
Earnings Rate	2.27	percent average for all investments
Dollar Value of Investment Transactions	\$387.5	billion
Number of Investment Transactions	8,364	transactions
Time Deposits	69	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.

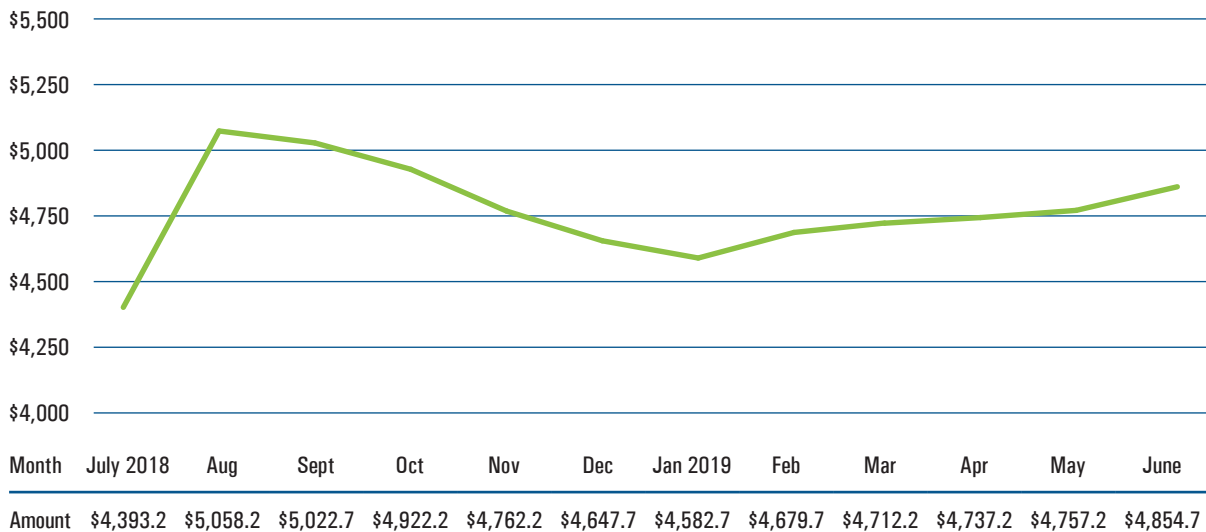
For Fiscal Year 2018-19, daily investments in time deposits ranged from \$4.528 billion to \$5.058 billion and averaged \$4.800 billion daily. There were 1,139 time deposit transactions totaling \$27.900 billion during the year. California commercial banks, savings and loan associations and credit unions 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 2018-19, interest-bearing time deposits were held by 51 commercial banks, 15 credit unions and three savings and loans throughout California. For the fiscal year, PMIA holdings in time deposits had an average yield of 2.30 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 2018-19, there were 3,781 security purchase transactions and 3,444 security sales or redemption transactions, with a total investment activity of \$359.630 billion. The overall return on investments was 2.27 percent.

Total earnings for the PMIA in Fiscal Year 2018-19 were \$2,027.104 million. These earnings were credited as follows:

Surplus Money Investment Fund	\$925,104,376
Local Agency Investment Fund	\$491,495,472
General Fund	\$604,526,060
Public Employees' Retirement Fund	\$2,223,952
Teachers' Retirement Fund	\$2,268,226
Fish and Game Preservation Fund	\$1,485,522
TOTAL EARNINGS	\$2,027,103,607

TIME DEPOSITS BY MONTH-END, FISCAL YEAR 2018-19 (\$ in millions)



ANALYSIS OF THE PORTFOLIO, FISCAL YEAR 2018-19

Type of Security	Average Daily Portfolio	Percent of Portfolio (%)	Earnings For Year	Average Portfolio Life on 6/30/19 (in Days)
U.S. Treasury Bills/Strips	\$18,162,309,286	20.31	\$416,831,339	118
U.S. Treasury Bonds/Notes	\$27,179,237,564	30.39	\$560,279,692	347
Agency Coupon Securities	\$3,741,200,900	4.18	\$84,089,987	365
Agency Discount Notes	\$12,967,187,995	14.50	\$296,252,919	72
REMICs	\$25,622,813	0.03	\$1,440,955	4,381
Negotiable CDs	\$14,653,424,658	16.38	\$366,178,147	90
Bank Notes	\$771,780,822	0.86	\$19,828,031	73
Time Deposits	\$4,799,756,438	5.37	\$110,170,240	85
Commercial Paper	\$6,356,883,781	7.11	\$157,028,903	80
Corporate Bonds	\$0	0.00	\$0	0
Repurchase Agreements	\$821,918	0.00	\$18,472	0
Reverse Repurchase Agreements	\$0	0.00	\$0	0
AB 55 Loans	\$782,874,625	0.88	\$14,978,467	226
General Fund Loans	\$279,178	0.00	\$6,455	0
TOTAL PORTFOLIO	\$89,441,379,976	100.00%	\$2,027,103,607	173

**SUMMARY OF INVESTMENTS AND EARNINGS FOR FISCAL YEARS
ENDING JUNE 30, 2010 THROUGH 2019 (\$ 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 (%)
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
2018-19	\$84,641,345	\$1,916,928	2.26	2018-19	\$4,799,756	\$110,170	2.30

LOANS TO GENERAL FUND				TOTAL INVESTMENTS			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
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
2018-19	\$279,178	\$6,454	2.31	2018-19	\$89,441,380	\$2,027,104	2.27

Financial Community Coverage

The following firms conducted investment transactions with the State Treasurer's Office during Fiscal Year 2018-19.

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



2. Local Agency Investment Fund

PROGRAM SUMMARY

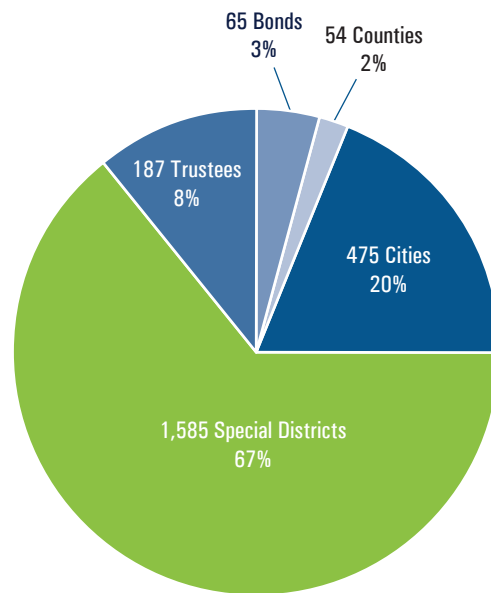
The Local Agency Investment Fund (LAIF) was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, 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, 2019, there were 2,366 participants in the LAIF consisting of 54 counties, 475 cities, 1,585 special districts, 187 trustees and 65 bond accounts.

FISCAL YEAR IN REVIEW

Resources	\$21.67 billion per day on average
Earnings	\$491.50 million
Earning Rate	2.27 percent

LOCAL AGENCY INVESTMENT FUND PARTICIPATION AS OF 6/30/19, 2,366 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

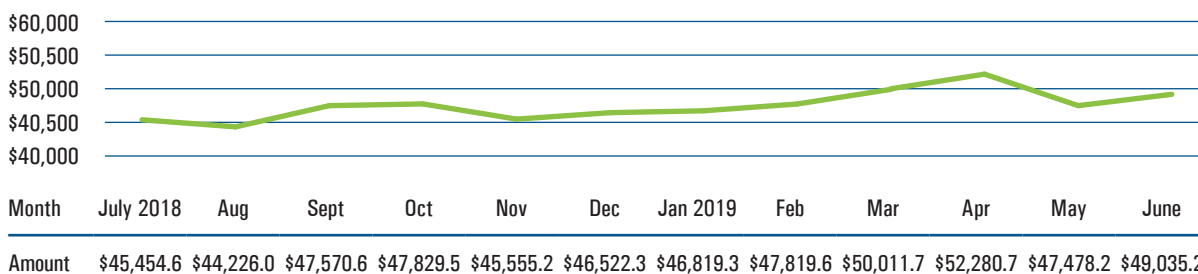
investment program. In 1967, legislation was enacted (Chapter 505, Statutes of 1967) which required that money in the SMIF be invested through the PMIA. This legislation further provided that the SMIF would share in the interest earnings of the PMIA based on the ratio of the dollar-day contributions 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, 2019. Total resources for SMIF were \$49.035 billion per quarter.

Gross earnings totaled \$981.519 million for Fiscal Year 2018-19. This represents an earning rate of 2.11 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 2018-19 (\$ 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 \$2.3 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 352,619 bank deposits, 27.2 million checks deposited, 104,230 dishonored checks, \$946.4 million in currency and coin deposited, and 57.0 million warrants/agency checks/vouchers paid. The Treasurer opened an interest-bearing demand account (IBDA) in May 2019, to assist with mitigating the variances in cash flows. Since its inception, the average daily balance was \$405.6 million for the balance of the fiscal year.

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 Employment Development Department. SBS managed over \$139.9 billion in investment and pledged securities consisting of 8,355 positions for 1,163 accounts; 11.6 million shares of stock for State Compensation Insurance Fund programs; and 191 time deposits representing \$4.9 billion for 78 financial institutions in the Time Deposit Program. During the fiscal year, SBS cleared and settled approximately 54,950 transactions totaling \$409.7 billion and 13.5 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 \$7.8 billion in securities consisting of 1,367 positions for 86 financial institutions. During the fiscal year, BO cleared and settled approximately 9,792 security transactions totaling \$20.8 billion. BO administers the safekeeping of items in the State Treasurer's Office vault, completing approximately 144 transactions annually and holding an inventory of 13,084 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 247,000 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 \$223.3 billion during the fiscal year.

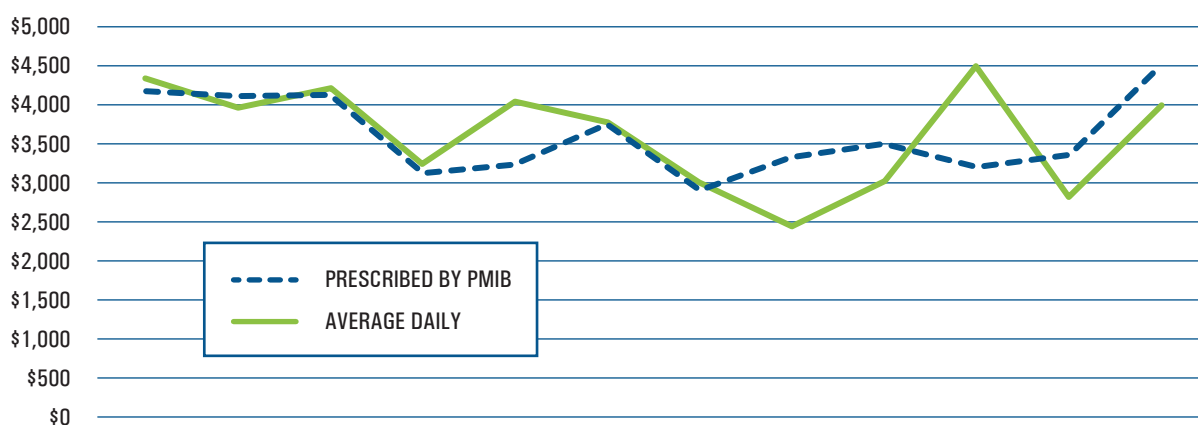
SCHEDULE OF BANKING SERVICES, FISCAL YEAR 2018-19

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	10,660,285	\$0.03	\$319,809
Encoded Checks Other	45,831	\$0.06	\$2,750
ICL Encoded Other	1,581,798	\$0.03	\$47,454
ICL Encoded Other (Misc Sort)	7,172,285	\$0.01	\$71,723
Remote Site Checks	2,351,118	\$0.05	\$117,556
Non-Encoded Checks	5,438,852	\$0.10	\$543,885
Other			
Dishonored Checks	104,230	\$6.20	\$646,226
Regular Deposits	117,235	\$1.80	\$211,023
Split Bag Deposits	144,289	\$0.75	\$108,217
Electronic Deposits (ICL, RSD)	91,095	\$1.00	\$91,095
Currency and Coin Deposited	946,445,912	\$0.00120	\$1,135,735
ACH Transactions	350,110	\$0.01	\$3,501
Warrants/Agency Checks/Vouchers Paid	56,992,695	\$0.01	\$569,927
Demand Checks Paid	138	\$0.12	\$17
Direct Billed Services			\$694,883
SUBTOTAL NON-EFT CONTRACT SERVICES			\$4,563,800
EFT CONTRACT SERVICES (DIRECT BILLED)			
ACH Credits	10,152,268	\$0.015	\$152,284
ACH Debits	950,249	\$0.21	\$199,552
Category II Items Processed	15,157,970	\$0.00	\$0
Returned/Rejected Items	251,115	\$1.50	\$376,673
Other transactions	54,680	Various	\$64,910
SUBTOTAL EFT CONTRACT SERVICES SERVICES			\$793,419
TOTAL BANKING SERVICES			\$5,357,219

AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2018-19 (\$ in millions)

Month	Bank Balance Required for Banking Services	Bank Balance Required for Uncollected Funds	Delayed Deposit Credit	Bank Balance Prescribed by PMIB	Actual Average Daily Bank Balance
July 2018	\$357,336	\$61,852	(\$1,164)	\$418,023	\$433,690
August	338,844	75,679	(2,679)	411,844	396,402
September	281,348	133,055	(1,236)	413,167	421,899
October	255,242	59,197	(1,284)	313,156	324,822
November	248,648	78,101	(3,580)	323,170	403,968
December	254,243	127,993	(7,000)	375,236	377,195
January 2019	240,960	51,974	(2,748)	290,186	300,149
February	226,732	108,323	(2,045)	333,010	244,274
March	264,749	87,347	(1,599)	350,497	302,499
April	266,416	54,347	(444)	320,319	449,728
May	256,433	81,281	(1,320)	336,394	281,649
June	343,087	108,919	(1,178)	450,828	399,175
WEIGHTED AVERAGE	278,179	\$85,399	(\$2,197)	\$361,381	\$361,620

AVERAGE DAILY BALANCE IN DEMAND BANK ACCOUNTS, FISCAL YEAR 2018-19 (\$ in millions)



Month	July 2018	Aug	Sept	Oct	Nov	Dec	Jan 2019	Feb	Mar	Apr	May	June
Prescribed by PMIB	\$418.0	\$411.8	\$413.2	\$313.2	\$323.2	\$375.2	\$290.2	\$333.0	\$350.5	\$320.3	\$336.4	\$450.8
Average Daily	\$433.7	\$396.4	\$421.9	\$324.8	\$404.0	\$377.2	\$300.1	\$244.3	\$302.5	\$449.7	\$281.6	\$399.2

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
2003-04	\$54,581,850	\$836,072	1.53

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

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (%)
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
2018-19	\$89,441,380	\$2,027,104	2.27

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
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**
Sep-18		2.16	1.73**
Dec-18		2.40	1.92**
Mar-19		2.55	2.09**
Jun-19	2.266	2.57	2.15**

*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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