

Certain Investments

**Home Mortgage Revenue Bond Indenture  
Funds Deposited In Investment  
As of March 31, 2011**

Provider - Ratings as of December 31, 2010 (Moody's/S&P)	Type of Funds			Total Amount	
	Program	Reserve	Float <sup>(1)</sup>	Invested	
Societe Generale, New York Branch	Aa2/A+	\$ -	\$ 33,192,440	\$ 36,201,863	\$ 69,394,303
Transamerica Life Insurance Company	A1/AA-	-	3,901,948	33,117,801	37,019,749
Rabobank Int.	Aaa/AAA	-	13,350,796	-	13,350,796
Natixis Funding Corporation	Aa3/A+	-	930,000	9,355,593	10,285,593
Trinity Funding Company, LLC	NR/AA+	-	12,356	2,699,541	2,711,897
Citibank, N.A.	A1/A+	-	241,034	2,454,910	2,695,944
Bank of America, NA	Aa3/A+	-	72,458	2,504,725	2,577,183
General Electric Capital Corporation	Aa2/AA+	-	857,373	-	857,373
Natixis Funding Corporation (French Gov. Guarantee)	Aaa/AAA	-	598,800	47,297	646,097
Citicorp	A3/A	-	-	480,088	480,088
Pacific Life Company	A1/A+	-	20,116	-	20,116
Totals in Investment and Repurchase Agreements		\$ -	\$ 53,177,321	\$ 86,861,818	\$ 140,039,139
Investments in SMIF ++		22,933,333	31,084,407	381,438,260	435,456,000
Total Funds Invested		\$ 22,933,333	\$ 84,261,728	\$ 468,300,078	\$ 575,495,139

++Moneys on deposit in the State's Centralized Treasury System are invested by the Treasurer in the Pooled Money Investment Account (the "PMIA"). As of March 31, 2011, the PMIA held approximately \$46.10 billion of State moneys (which include \$37.72 billion in SMIF), and approximately \$22.28 billion of moneys invested for 2,788 local governmental entities through the Local Agency Investment Fund.

(1) Float means accounts defined in the Indenture; the Revenue Account, Bond Account and Redemption Account, Recoveries of Principal Account, and Nonmortgage Investment Income Account.

**Home Mortgage Revenue Bond Indenture  
Summary of Investments in Securities  
As of March 31, 2011**

Type of Investment	Par Value Program Account	Par Value Reserve Account	Total Par Value	Market Value	Weighted Average Coupon	Weighted Average Remaining Maturity
GNMA Securities	\$ 9,842,464	\$ 4,237,108	\$ 14,079,572	\$ 14,437,112	4.03%	26.98 Years
FNMA Securities	51,693,057	81,474,407	133,167,464	136,953,174	4.66%	28.49 Years
REFCORP Bonds	-	-	-	-	0.00%	0.00 Years
Totals	\$ 61,535,521	\$ 85,711,515	\$ 147,247,036	\$ 151,390,286		

**Analysis of the State of California Pooled Money Investment Account Portfolio++  
As of March 31, 2011**

<u>Type of Security</u>	<u>Amount (Millions)</u>	<u>Percent of Total</u>
U.S. Treasury Bills and Notes	\$ 33,029	48.31 %
Federal Agency Coupons	2,119	3.10
Certificates of Deposit	5,875	8.59
IBRD Deb FR	300	0.44
Bank Notes	650	0.95
CDs - Floaters	800	1.17
Bankers' Acceptances	-	0.00
Repurchases	-	0.00
Federal Agency Discount Notes	8,677	12.69
Time Deposits	3,804	5.56
GNMAs	-	0.00
Commercial Paper	6,636	9.70
FHLMC	505	0.74
Corporate Bonds	-	0.00
Pooled Loans	5,984	8.75
NOW Account	-	0.00
State of California General Fund Loans	-	0.00
Reversed Repurchases	-	0.00
	<u>\$ 68,379</u>	<u>100.00 %</u>

++ Totals may not add due to rounding.

SOURCE: State of California, Office of the Treasurer.

The State's treasury operations are managed in compliance with the California Government Code and according to a statement of investment policy which sets forth permitted investment vehicles, liquidity parameters and maximum maturity of investments. The PMIA operates with the oversight of the Pooled Money Investment Board (consisting of the State Treasurer, the State Controller and Director of Finance).

The Treasurer does not invest in leveraged products or inverse floating rate securities. The investment policy permits the use of reverse repurchase agreements subject to limits of no more than 10 percent of the PMIA. All reverse repurchase agreements are cash matched either to the maturity of the reinvestment or an adequately positive cash flow date which is approximate to the maturity of the reinvestment. The PMIA does not hold any investments in obligations of California investor-owned utilities.

The average life to the investment portfolio of the PMIA as of March 31, 2011 was 193 days.