

Certain Investments

**Home Mortgage Revenue Bond Indenture
Funds Deposited In Investment
As of June 30, 2011**

Provider - Ratings as of June 30, 2011 (Moody's/S&P)		Type of Funds			Total Amount
		Program	Reserve	Float ⁽¹⁾	Invested
Societe Generale, New York Branch	Aa2/A+	\$ -	\$ 33,192,440	\$ 49,790,465	\$ 82,982,905
Transamerica Life Insurance Company	A1/AA-	-	3,901,948	47,066,212	50,968,160
Rabobank Int.	Aaa/AAA	-	13,350,796	-	13,350,796
Natixis Funding Corporation	Aa3/A+	-	930,000	10,906,973	11,836,973
Trinity Funding Company, LLC	NR/AA+	-	12,356	5,014,947	5,027,303
Citibank, N.A.	A1/A+	-	241,034	2,927,454	3,168,488
Bank of America, NA	Aa3/A+	-	72,458	2,516,741	2,589,199
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	-	-	482,740	482,740
Pacific Life Company	A1/A+	-	20,116	-	20,116
Totals in Investment and Repurchase Agreements		\$ -	\$ 53,177,321	\$ 118,752,829	\$ 171,930,150
Investments in SMIF ++		6,889,763	32,898,777	580,184,460	619,973,000
Investment at Cost (MMF & CD)		5,531,267	5,000,947	23,360,336	33,892,550
Total Funds Invested		\$ 12,421,030	\$ 91,077,045	\$ 722,297,625	\$ 825,795,700

++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 June 30, 2011, the PMIA held approximately \$42.22 billion of State moneys (which include \$35.59 billion in SMIF), and approximately \$24.13 billion of moneys invested for 2,783 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 June 30, 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	\$ 24,896,723	\$ 4,207,594	\$ 29,104,317	\$ 29,008,480	3.85%	28.35 Years
FNMA Securities	49,843,337	78,160,898	128,004,235	130,544,261	4.66%	28.22 Years
REFCORP Bonds	-	-	-	-	0.00%	0.00 Years
Totals	\$ 74,740,060	\$ 82,368,492	\$ 157,108,552	\$ 159,552,741		

**Analysis of the State of California Pooled Money Investment Account Portfolio++
As of June 30, 2011**

<u>Type of Security</u>	<u>Amount (Millions)</u>	<u>Percent of Total</u>
U.S. Treasury Bills and Notes	\$ 32,376	46.74 %
Federal Agency Coupons	1,104	1.59
Certificates of Deposit	7,565	10.92
IBRD Deb FR	300	0.43
Bank Notes	400	0.58
CDs - Floaters	-	0.00
Bankers' Acceptances	-	0.00
Repurchases	-	0.00
Federal Agency Discount Notes	7,472	10.79
Time Deposits	4,146	5.99
GNMAs	-	0.00
Commercial Paper	7,763	11.21
FHLMC	650	0.94
Corporate Bonds	-	0.00
Pooled Loans	7,484	10.81
NOW Account	-	0.00
State of California General Fund Loans	-	0.00
Reversed Repurchases	-	0.00
	\$ 69,260	100.00 %

++ 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 June 30, 2011 was 203 days.