City of San Diego

Pooled Investment Fund Quarterly Review

Quarter ended

3/31/2009

Publication Date: 4/30/2009

Office of the City Treasurer—Investments Division

Economic Commentary

The economy remains mired in a deep recession that began over 15 months ago. Nowhere is this more evident than in the jobs numbers. The most recent figures were extremely weak, with unemployment spiking to 8.5% and a 663,000 decrease in non-farm payrolls. Since the recession began, over 5 million jobs have been lost (Chart 1, below).

While these numbers are historically bad, and will most likely get worse, it is important to note that employment statistics are lagging indicators, and may not indicate the true health of the current economy. In fact, the unemployment rate typically peaks months after a recession has ended.

Other more recent economic indicators point to at least a slowdown in the economic decline. For instance, the ISM Manufacturing Index, which is a benchmark index of U.S. manufacturing, ticked up from the prior month in March and beat analyst consensus. The same held true for the Factory Orders index. Domestic vehicle sales, while still near all-time low volumes, also surprised to the upside in March.

In February, Congress passed the American Recovery and Reinvestment Act, a massive stimulus package designed to jolt the economy back to life through a combination of tax cuts, infrastructure spending and direct aid to state and local governments. At a whopping $790 billion, some critics argue that it is too big, others that it is too small. Nevertheless, the effects of this stimulus package should begin to be felt in the next few quarters and begin to supply aggregate demand support to a weak economy.

Additional measures enacted to restart the U.S. economy include an additional $1.25 trillion of U.S. Agency debt and mortgage-backed securities purchases by the Fed and $300 billion in U.S. Treasury security purchases, in an effort to keep interest rates, particularly mortgage rates, low. It is hoped that this will spur a mortgage refinance wave that will lower monthly mortgage payments for millions of Americans and free up money for spending on other goods and services.

The Treasury also introduced the Public-Private Investment Program (PPIP) and TALF 2.0, which will utilize what remains of the $750 billion in TARP funds to help private investors buy distressed (a.k.a. "toxic") assets off of bank balance sheets to free up capital and spur further lending activity. While it remains to be seen whether or not these programs will achieve their desired objectives, so far, early reviews have been mostly positive.

Of course, all of these new and previous programs cost money, and with a multi-trillion dollar budget deficit over the next few years, the Treasury will need to "fire up the printing press" to create additional money. This is done mainly through the sale of new Treasury securities. So far, this massive increase in Treasury issuance has not raised rates since there is still a high demand for flight-to-quality reasons. However, as risk aversion diminishes, we could see these rates increase rapidly.

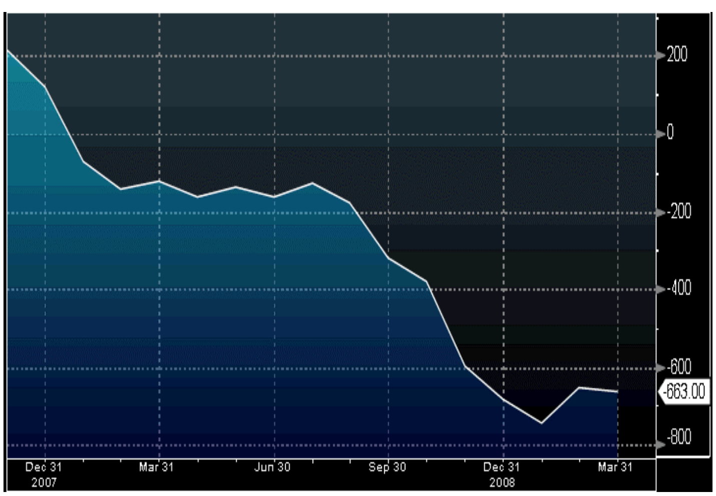

Chart 1: Monthly changes in Non-farm payrolls Dec. 2007—March 2009 (Source: Bloomberg)

Quarterly Economic Highlights

- The job market continued to worsen as unemployment spiked to 8.5%
- Congress passed the American Recovery and Reinvestment Act, a $790 billion stimulus package consisting of tax cuts, infrastructure spending, and aid to State and Local Governments
- The Fed announced plans to buy an additional $1.25 trillion of Agency debt and MBS and $300 billion of Treasuries in an effort to lower mortgage rates
- The S&P 500 index fell 11%

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Hot Topic Corner— Views on the State and Local Economy

Investment staff recently attended the Beacon Economics 2009 San Diego Economic Forecast Conference.

The speakers at the event included Christopher Thornberg,, Founding Principal of Beacon Economics, Brad Kemp, Director of Regional Research for Beacon, and Gary London, President of The London Group Realty Advisors.

Christopher Thornberg presented the firm's economic outlook for the U.S. and State of California. While he has been extremely bearish on the U.S. economy over the past few years, Dr. Thornberg has turned somewhat optimistic. Reasons include the recent stabilization of key economic indicators, an increase in personal savings rates, and lower housing prices, which are all good for long term growth. He dismissed the very weak recent jobs numbers as they are a lagging indicator. Overall, he sees a recovery in the U.S. economy in mid-2010.

As for California, Dr. Thornberg indicated that he believes the state budget deficit will continue to worsen due to a continued drop in the main revenue sources and a structural deficit. However, he provided a more rosy outlook for the state economy as the U.S. leaves the recession. In particular, he said California will be very well positioned as U.S. exports rebound. He sees a bottom in California home prices in about a year, and further stated that California is better positioned than other housing bubble states like Nevada, Arizona and Florida due to a large pent-up demand for housing and the lack of overbuilding that occurred in the other states, especially for more coastal cities like San Diego.

Brad Kemp presented his outlook for the San Diego region.

He indicated that San Diego has outperformed the rest of the state in creating jobs over the long term and has been more resilient than the rest of the state in the current downturn. This is due to the area's strong tourism industry and its strong presence in the biotech, healthcare, and defense-related manufacturing sectors, which have lost fewer jobs since the downturn began. Though he sees local unemployment rising to 10.4% by Q1 2010, Kemp said the area will remain special due to its higher than average education level and desirable quality of life. Looking forward, Kemp indicated that he sees local housing prices falling an additional 12.7% by Q1 2010, retail spending resuming growth by Q3 2010 and the local population reaching 3.5 million by 2015.

Gary London talked about the state and local real estate market. He indicated the state's real estate market is at or near the trough of the current real estate cycle. Additionally, London stated that he sees houses in California eventually being bid up again as demand will exceed supply.

Key Economic Indicators

Indicator	*Period*	*Report Current*	*As Reported Last Quarter*	*Difference*
Federal Funds Rate	3/18/08	0-0.25%	0-0.25%	0%
Consumer Price Index (MoM)	MAR	(0.1%)	(0.7%)	0.6%
Consumer Price Index (YoY)	MAR	(0.4%)	0.1%	(0.5%)
Producer Price Index (MoM)	MAR	(1.2%)	(1.9%)	0.7%
Producer Price Index (YoY)	MAR	(3.5%)	(0.9%)	(2.6%)
Durable Goods Orders	MAR	(0.8%)	(2.6%)	1.8%
Gross Domestic Product (Annualized)	Q1A	(6.1%)	(3.8%)	(2.3%)
ISM (Manufacturing)	MAR	36.3	32.4	3.9
ISM (Non-manufacturing)	MAR	40.8	40.6	0.2
Retail Sales	MAR	(1.1%)	(2.7%)	1.6%
Unemployment Rate	MAR	8.5%	7.2%	1.3%
Change in Non-farm Payrolls	DEC	(663,000)	(524,000)	(139,000)
Consumer Confidence (Univ. of Michigan)	APR (Prelim)	61.9	61.2	0.7
Existing Home Sales	MAR	4.57(mil)	4.74(mil)	(.17)(mil)
New Home Sales	MAR	0.356(mil)	0.331(mil)	.025(mil)
Housing Starts	MAR	510(mil)	550(mil)	(40)(mil)
Median Home Price (existing)	MAR	$174,900	$174,700	$200
NYMEX WTI CRUDE OIL (barrel)	3/31/09	$49.66	$44.60	$5.06
S&P 500 Stock Index	3/31/09	797.87	903.25	(105.38)

Portfolio Performance

The Core Portfolio outperformed its benchmark, the Merrill Lynch 1-3 year Treasury index, by 12 basis points over the past quarter, returning 0.21% versus 0.09% for the index.

Chart 2 depicts a bear steepening curve, meaning that longer end interest rates rose more than shorter rates. Though the economy remained very weak during the quarter and the Fed reiterated its pledge to keep rates low, even announcing it will buy $300 billion of Treasury securities to help ensure this, rates still rose. This was a result of traders anticipating a tremendous amount of upcoming new Treasury supply to fund all of the enacted liquidity programs and a very large anticipated budget deficit.

Though agency spreads remained tight relative to the past couple of quarters, financial issues backed by the FDIC outperformed as spreads continued to tighten considerably off of their new issue spreads. Our investment in these guaranteed corporate securities proved astute as "sector effect" added 3 basis points of excess return and "security selection" added 14 basis points.

"Amortization and roll effect" contributed 13 basis points of excess return. This effect captures the price amortization, as well as the benefit securities receive by rolling down the steep yield curve over the period.

The portfolio duration was kept neutral to the benchmark for the quarter, and "parallel duration and non-parallel duration effects" combined to have no net effect on portfolio performance for the quarter.

As has been the case in the past several quarters, "income effect" contributed negatively to portfolio performance, detracting 17 basis points of performance versus the index. This has been the result of investing mainly in newer, more liquid benchmark securities more heavily than the index. These securities have a lower coupon than some index securities which were issued in prior years during higher interest rate environments.

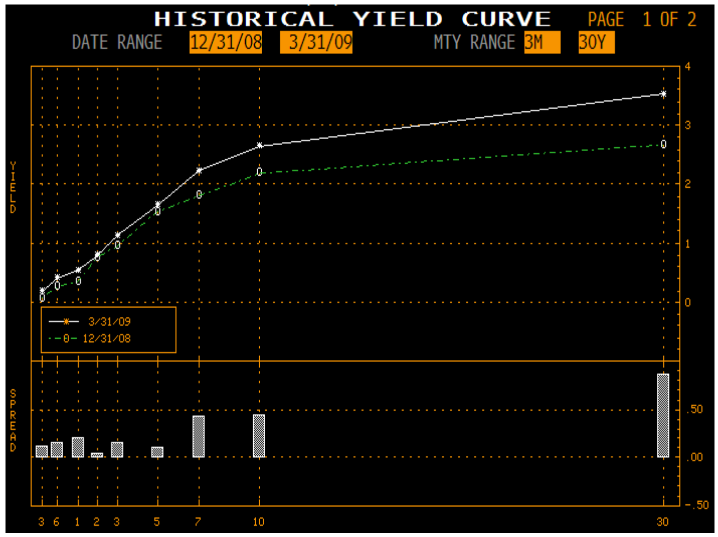


Chart 2: Treasury Yield Curve 12/31/08—3/31/09
(Source: Bloomberg)

Returns

The City's Total Pooled Investment fund is broken into a Liquidity portfolio, which is short-term in nature (0-1 year) and managed on an Earned Income Yield basis, and a Core portfolio, which is longer in maturity (0-5 years) and managed on a total-return basis versus an index (Merrill Lynch 1-3 Year Treasury Index).

Earned Income Yield*

	Q1 2009	Q4 2008	Q3 2008	FYTD 2009	1 Year	3 Year
Total Pooled Investment Fund	3.51%	4.52%	4.04%	4.02%	3.91%	4.57%
Core Portfolio	4.55%	5.83%	4.89%	5.08%	4.80%	4.88%
Liquidity Portfolio	1.73%	2.34%	2.46%	2.17%	2.39%	4.02%

Total Return—Core Portfolio

	Q1 2009	Q4 2008	Q3 2008	FYTD 2009	1 Year	3 Year*
Core Portfolio	0.21%	3.18%	1.34%	4.78%	4.03%	6.07%
Merrill Lynch 1 - 3 Year Treasury Index	0.09%	2.68%	1.68%	4.50%	3.61%	5.85%
Difference	0.12%	0.49%	(0.34%)	0.28%	0.42%	0.22%

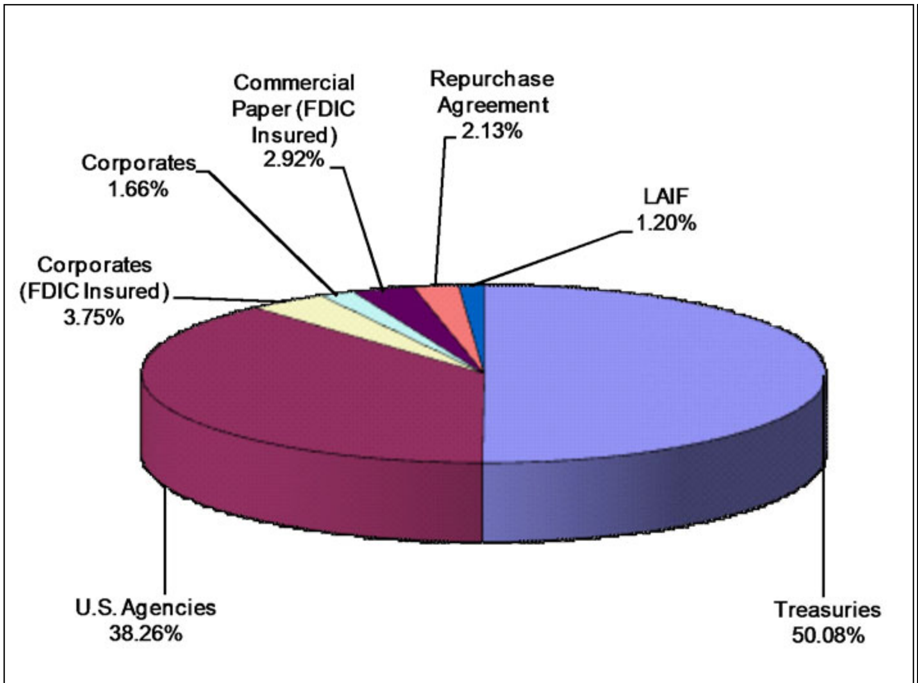
*Annualized Returns

Portfolio Profile as of March 31, 2009

	Liquidity	*Core*
Portfolio Size	$723,783,334	$1,326,706,304
% of total pool	35.30%	64.70%
Portfolio Duration*	0.331	1.769
Index Duration*	0.363	1.860
% of index	91.18%	95.11%
Weighted Average Days to Maturity	122	670

* Macaulay's Duration for fund 9997 and Effective Duration for fund 9998; Note: Portfolio durations do not include trades that settled 4/1/09.

Asset Allocation



Issuer Exposure

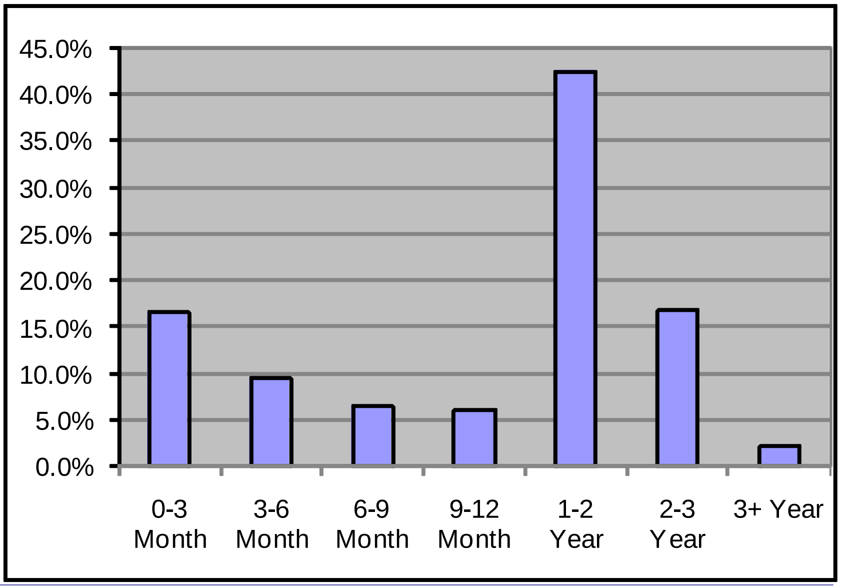
Issuer	% of Portfolio
US Treasury	50.08%
Freddie Mac	12.85%
Federal Home Loan Bank	12.05%
Fannie Mae	11.91%
Citigroup	2.19%
General Electric Capital	1.70%
Federal Farm Credit Bank	1.46%
Wells Fargo Corp.	0.80%
American Honda Finance	0.74%
Morgan Stanley	0.73%
Walmart	0.61%
JP Morgan Chase	0.58%
State Street Bank & Trust	0.24%
Bank of America Corp.	0.24%
American Express Bank	0.24%
PNC Funding Corp.	0.24%

Credit Ratings

Ratings Bucket	% of Portfolio
US Treasury (AAA)	50.08%
Agency (AAA)	38.26%
AAA/A1	6.67%
AA	0.92%
A	0.74%
Below A	0.00%

- Commercial Paper is all rated A1 or A1+ and is included in the AAA/A1 bucket
- Repurchase agreement is not included, though it is collateralized at 102% by AAA-rated collateral with an A-rated counterparty
- CDARS is not included as it is comprised of FDIC-insured CDs
- LAIF is not included

Pool Maturity Distribution



Portfolio Strategy

After dropping dramatically over the past couple of years, interest rates have primarily settled at historically low levels. All indications are that they should remain there for the foreseeable future, with the Fed purchasing up to $300 billion in Treasury securities and inflationary pressures remaining low.

Additionally, agency and swap spreads have continued tightening towards pre-crisis levels, again aided by an aggressive Fed agency security purchase program and a banking system that is beginning to show signs of stabilizing.

These two factors have created a challenging investment environment as these low rates and spread levels have greatly diminished portfolio yield.

We have begun assessing interest rate levels to determine when to begin decreasing portfolio duration relative to the benchmark in an attempt to minimize portfolio losses from the eventual rise in interest rates. At these very low rates, a short duration position begins to present a logical risk/reward proposition in light of an eventual recovery. This is because there is not much further rates can drop, while any sign of inflationary pressure or strengthening economy may cause rates to spike quickly. As a result, we may begin decreasing duration as early as next quarter.

With spreads on agencies having tightened so much over the past couple of quarters, it has also become less compelling to hold these securities versus Treasuries, and we may look to lighten our agency bullet exposure. However, we have been adding callable securities, which do increase portfolio yield without sacrificing credit quality, and with lower interest rate volatility, callables should outperform bullet securities. We have continued to increase our purchases of FDIC backed corporate securities. These securities have performed very well as they provide an acceptable spread to Treasuries with no added credit risk and excellent liquidity. We will selectively add to these securities over the next quarter.

Lastly, with the economy beginning to show signs of thawing, and increasing levels of stability in the credit markets, we will also begin to look at adding back some non-TLGP corporate exposure through commercial paper and longer term notes. We will focus on high grade industrial names to start.

Projected Portfolio Cash Flows

The Investment staff has reviewed and the City Treasurer has affirmed that the Pooled Investment Fund has sufficient maturities and liquidity to meet the City's expenditure requirements for the next six months per California Government Code §53646.

MONTH	CASH INFLOWS	CASH OUTFLOWS	NET MONTHLY CASH-FLOWS	CUMULATIVE NET CASHFLOWS
April	421	253	168	168
May	369	276	93	261
June	243	203	40	301
July	402	358	44	345
August	266	207	59	404
September	202	194	8	412

(All dollar amounts in millions)

Legend:

Cash Inflows- All revenues, reimbursements, interest receipts and investment maturities.

Cash Outflows- All disbursements to include payroll, pension payroll, accounts payable and wire transfer payments (e.g. water payments, IRS taxes & bond payments).

Cumulative Net Cashflow- All future cumulative net flows available for reinvestment. Since the target duration of the Liquidity Portfolio is approximately .33 years it will not be unusual for the cumulative net Cashflow figure to equal or closely approximate the size of the Liquidity Portfolio.

Cashflows based on Actual Cashflows where applicable, otherwise, based on quarterly updated projection Cashflows.

Portfolio Compliance with Investment Policy

The City of San Diego Pooled Investment Fund is in full compliance with the City Treasurer's Investment Policy, which is more restrictive than the California Government Code. The Investment Policy is reviewed annually by the City's Investment Advisory Committee and approved by the City Council.

Category	Standard	Comment
Duration (Core) Duration (Liquidity)	ML 1-3 Year +/-20% US T-bill 3-6 months +/-40%	Complies – 95.11 % Complies - 91.18 %
Maximum Maturity	5 years	Complies
Agency Securities	100% maximum	Complies – 38.26%
FNMA	33.3% maximum	Complies– 11.91%
FHLMC	33.3% maximum	Complies – 12.85%
FHLB	33.3% maximum	Complies – 12.05%
FFCB	33.3% maximum	Complies – 1.46%
Callable Securities	30% maximum	Complies – 6.58%
MBS/CMO's	5 yr maximum- 20% max.	Complies – None in Portfolio
Asset-backed	5 yr maximum- 20% max.	Complies – None in Portfolio
Commercial Paper	A1/P1- 5% per issuer	Complies
	25% maximum	Complies – 2.92%
Banker's Acceptances	A1/P1- 5% per issuer	Complies – None in Portfolio
	40% maximum	Complies – None in Portfolio
Medium Term Notes (includes Bank Notes)	'A' Rating' by at least two agencies	Complies
	3 year maximum	Complies
	30% maximum	Complies – 5.42%
Mutual Funds	20% maximum	Complies – None in Portfolio
FDIC-insured Certificates of Deposit	1% maximum	Complies – None in Portfolio
Certificate and Public Deposits	30% maximum	Complies – None in Portfolio
Reverse Repos	20% maximum	Complies – None in Portfolio
Futures and Options	Prohibited	Complies – None in Portfolio
Custody	Bank trust dept.	Complies – Bank of NY
Exposure per issuer (corporate)	5% of total portfolio	Complies
Structured Notes	8% maximum/no multiple index structures.	Complies
Municipal Securities	'A' Issuer Rating by an NRSRO	Complies – None in Portfolio
	20% maximum	Complies – None in Portfolio
	5% of total portfolio exposure per Issuer or Insurer, excluding California General Obligations	Complies – None in Portfolio

City of San Diego Pooled Investment Fund Holdings as of March 31, 2009

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
US Treasury Bill	US Treasury	1.798	7/2/2009	$25,000,000.00	$24,650,388.89	$24,984,375.00
US Treasury Bill	US Treasury	0.761	7/30/2009	$30,000,000.00	$29,840,824.17	$29,971,875.00
US Treasury Bill	US Treasury	2.103	8/27/2009	$25,500,000.00	$24,959,266.13	$25,468,125.00
US Treasury Bill	US Treasury	1.251	10/22/2009	$30,000,000.00	$29,631,997.50	$29,925,000.00
US Treasury Bill	US Treasury	0.605	10/22/2009	$30,000,000.00	$29,880,512.50	$29,925,000.00
US Treasury Note	US Treasury	4.625	11/15/2009	$25,000,000.00	$26,038,835.90	$25,632,812.50
US Treasury Note	US Treasury	1.75	3/31/2010	$50,000,000.00	$50,722,656.25	$50,562,500.00
US Treasury Note	US Treasury	2.125	4/30/2010	$25,000,000.00	$24,960,937.75	$25,414,062.50
US Treasury Note	US Treasury	2.125	4/30/2010	$50,000,000.00	$49,750,000.00	$50,828,125.00
US Treasury Note	US Treasury	2.125	4/30/2010	$10,000,000.00	$10,223,264.85	$10,165,625.00
US Treasury Note	US Treasury	2.625	5/31/2010	$30,000,000.00	$30,004,687.50	$30,703,125.00
US Treasury Note	US Treasury	2.625	5/31/2010	$30,000,000.00	$30,894,501.21	$30,703,125.00
US Treasury Note	US Treasury	2.875	6/30/2010	$30,000,000.00	$30,133,593.75	$30,834,375.00
US Treasury Note	US Treasury	2.875	6/30/2010	$20,000,000.00	$20,125,000.00	$20,556,250.00
US Treasury Note	US Treasury	2.875	6/30/2010	$40,000,000.00	$41,246,875.00	$41,112,500.00
US Treasury Note	US Treasury	2.375	8/31/2010	$25,000,000.00	$24,994,439.50	$25,609,375.00
US Treasury Note	US Treasury	2.375	8/31/2010	$30,000,000.00	$30,869,531.25	$30,731,250.00
US Treasury Note	US Treasury	2	9/30/2010	$10,000,000.00	$10,051,171.88	$10,200,000.00
US Treasury Note	US Treasury	2	9/30/2010	$25,000,000.00	$25,119,140.63	$25,500,000.00
US Treasury Note	US Treasury	1.5	10/31/2010	$55,000,000.00	$54,963,868.27	$55,653,125.00
US Treasury Note	US Treasury	1.25	11/30/2010	$15,000,000.00	$15,055,593.23	$15,121,875.00
US Treasury Note	US Treasury	0.875	12/31/2010	$35,000,000.00	$35,086,457.61	$35,065,625.00
US Treasury Note	US Treasury	4.25	1/15/2011	$5,000,000.00	$4,954,492.18	$5,318,750.00
US Treasury Note	US Treasury	4.25	1/15/2011	$50,000,000.00	$50,175,781.25	$53,187,500.00
US Treasury Note	US Treasury	0.875	1/31/2011	$20,000,000.00	$20,009,251.25	$20,043,750.00
US Treasury Note	US Treasury	0.875	2/28/2011	$25,000,000.00	$24,946,015.86	$25,046,875.00
US Treasury Note	US Treasury	0.875	3/31/2011	$75,000,000.00	$74,936,233.50	$75,093,750.00
US Treasury Note	US Treasury	4.875	7/31/2011	$30,000,000.00	$31,753,125.00	$32,793,750.00
US Treasury Note	US Treasury	4.5	9/30/2011	$20,000,000.00	$21,070,312.50	$21,743,750.00
US Treasury Note	US Treasury	1.125	12/15/2011	$15,000,000.00	$15,081,001.03	$15,037,500.00
US Treasury Note	US Treasury	1.125	1/15/2012	$55,000,000.00	$54,687,016.57	$55,034,375.00
US Treasury Note	US Treasury	1.375	2/15/2012	$80,000,000.00	$79,983,080.11	$80,650,000.00
	Treasury Total			***$1,020,500,000.00***	***$1,026,799,853.02***	***$1,038,618,125.00***
US Agency	Federal Home Loan Bank	2.37	4/3/2009	$25,000,000.00	$24,672,479.17	$25,000,000.00
US Agency	Federal Home Loan Bank	2.81	4/6/2009	$27,489,000.00	$27,029,826.80	$27,489,000.00
US Agency	Freddie Mac	2	4/17/2009	$25,000,000.00	$24,736,111.11	$25,000,000.00
US Agency	Fannie Mae	2.65	4/17/2009	$25,000,000.00	$24,639,305.56	$25,000,000.00
US Agency	Fannie Mae	2.65	5/1/2009	$25,000,000.00	$24,613,541.67	$25,000,000.00
US Agency	Freddie Mac	2.35	5/26/2009	$25,000,000.00	$24,662,187.50	$24,992,187.50
US Agency	Freddie Mac	1.88	5/26/2009	$25,000,000.00	$24,736,277.78	$24,992,187.50

City of San Diego Pooled Investment Fund Holdings as of March 31, 2009 (continued)

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
US Agency	Fannie Mae	0.42	6/12/2009	$25,000,000.00	$24,959,166.67	$24,992,187.50
US Agency	Federal Home Loan Bank	3	6/30/2009	$25,000,000.00	$25,156,000.00	$25,156,250.00
US Agency	Fannie Mae	1.8	8/14/2009	$40,000,000.00	$39,452,000.00	$39,950,000.00
US Agency	Freddie Mac	2.55	9/14/2009	$25,000,000.00	$24,357,187.50	$24,968,750.00
US Agency	Freddie Mac	4.625	9/28/2009	$5,000,000.00	$5,000,000.00	$5,089,062.50
US Agency	Federal Home Loan Bank	1.15	12/11/2009	$25,000,000.00	$25,168,566.94	$25,062,500.00
US Agency	Freddie Mac	1.15	12/23/2009	$20,000,000.00	$20,000,000.00	$20,012,500.00
US Agency	Freddie Mac	1.05	2/4/2010	$20,000,000.00	$20,000,000.00	$19,993,750.00
US Agency	Federal Home Loan Bank	1.05	2/17/2010	$15,000,000.00	$15,000,000.00	$15,014,062.50
US Agency	Freddie Mac	1	2/17/2010	$20,000,000.00	$20,000,000.00	$20,000,000.00
US Agency	Freddie Mac	1.25	3/9/2010	$20,000,000.00	$20,000,694.44	$20,018,750.00
US Agency	Freddie Mac	2.875	4/30/2010	$25,000,000.00	$24,989,000.00	$25,468,750.00
US Agency	Federal Home Loan Bank	2.75	6/18/2010	$25,000,000.00	$24,976,500.00	$25,507,812.50
US Agency	Fannie Mae	3	7/12/2010	$25,000,000.00	$24,982,250.00	$25,601,562.50
US Agency	Federal Home Loan Bank	3.5	7/16/2010	$25,000,000.00	$24,971,250.00	$25,601,562.50
US Agency	Fannie Mae	4.25	8/15/2010	$25,000,000.00	$25,522,250.00	$26,054,687.50
US Agency	Federal Home Loan Bank	4.5	9/10/2010	$20,000,000.00	$20,074,800.00	$20,931,250.00
US Agency	Freddie Mac	1.5	1/7/2011	$15,000,000.00	$14,980,950.00	$15,046,875.00
US Agency	Fannie Mae	2	2/11/2011	$25,000,000.00	$25,000,000.00	$25,078,125.00
US Agency	Fannie Mae	2	3/2/2011	$15,000,000.00	$14,997,000.00	$15,042,187.50
US Agency	Federal Home Loan Bank	1.625	3/16/2011	$20,000,000.00	$19,987,600.00	$20,068,750.00
US Agency	Fannie Mae	1.75	3/23/2011	$20,000,000.00	$19,979,400.00	$20,131,250.00
US Agency	Federal Farm Credit Bank	2.625	4/21/2011	$20,000,000.00	$19,937,000.00	$20,450,000.00
US Agency	Federal Home Loan Bank	3.375	6/24/2011	$20,000,000.00	$19,999,200.00	$20,706,250.00
US Agency	Fannie Mae	2	1/9/2012	$20,000,000.00	$19,996,600.00	$20,200,000.00
US Agency	Freddie Mac	2	1/27/2012	$15,000,000.00	$14,985,000.00	$14,967,187.50
US Agency	Freddie Mac	2.125	3/23/2012	$25,000,000.00	$25,037,384.03	$25,187,500.00
US Agency	Federal Home Loan Bank	2.25	4/13/2012	$20,000,000.00	$19,980,000.00	$20,150,000.00
US Agency	Federal Farm Credit Bank	2.25	4/24/2012	$10,000,000.00	$9,999,800.00	$9,987,500.00
	U.S. Agency Total			***$787,489,000.00***	***$784,579,329.17***	***$793,912,437.50***
LAIF	California State Pool	2.54	4/1/2009	$24,551,184.44	$24,551,184.44	$24,551,184.44
Repurchase Agreement	Overnight Repo	0.1	4/1/2009	$43,695,933.00	$43,695,933.00	$43,695,933.00
Commercial Paper (FDIC)	Citigroup Funding Inc.	0.35	4/30/2009	$25,000,000.00	$24,977,395.83	$24,944,618.06
Commercial Paper (FDIC)	General Electric Capital Corp.	0.75	7/17/2009	$25,000,000.00	$24,885,937.50	$24,796,402.78
Commercial Paper (FDIC)	Citigroup Funding Inc.	0.75	9/4/2009	$10,000,000.00	$9,943,958.33	$9,881,266.67
	Repo, BA's, CD's, CP, LAIF, Funds Total			***$128,247,117.44***	***$128,054,409.10***	***$127,869,404.95***
Medium Term Note	Wells Fargo Bank	3.125	4/1/2009	$6,375,000.00	$6,314,854.87	$6,343,125.00
Medium Term Note	American Honda Finance	4.5	5/26/2009	$15,000,000.00	$15,228,900.00	$15,058,593.75
Medium Term Note	Wal-Mart	6.875	8/10/2009	$10,000,000.00	$10,503,300.00	$10,186,700.00
Medium Term Note	Wal-Mart	6.875	8/10/2009	$2,000,000.00	$2,082,680.00	$2,037,340.00
MTN (FDIC Insured)	Morgan Stanley	2.9	12/1/2010	$5,000,000.00	$4,997,000.00	$5,132,812.50

City of San Diego Pooled Investment Fund Holdings as of March 31, 2009 (continued)

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
MTN (FDIC Insured)	General Electric Capital Corp.	1.625	1/7/2011	$5,000,000.00	$4,996,600.00	$5,028,350.00
MTN (FDIC Insured)	JP Morgan Chase & Co.	1.65	2/23/2011	$2,000,000.00	$1,999,220.00	$2,008,380.00
MTN (FDIC Insured)	State Street Bank & Trust	1.85	3/15/2011	$5,000,000.00	$4,997,600.00	$5,024,218.75
MTN (FDIC Insured)	Citibank NA	1.625	3/30/2011	$5,000,000.00	$4,998,750.00	$5,008,593.75
MTN (FDIC Insured)	PNC Funding Corp.	1.875	6/22/2011	$5,000,000.00	$4,991,000.00	$5,026,500.00
MTN (FDIC Insured)	Morgan Stanley	2	9/22/2011	$5,000,000.00	$4,995,550.00	$5,029,687.50
MTN (FDIC Insured)	JP Morgan Chase & Co.	3.125	12/1/2011	$5,000,000.00	$4,996,900.00	$5,180,400.00
MTN (FDIC Insured)	General Electric Capital Corp.	3	12/9/2011	$5,000,000.00	$4,985,650.00	$5,148,200.00
MTN (FDIC Insured)	Wells Fargo & Company	3	12/9/2011	$5,000,000.00	$4,994,150.00	$5,169,500.00
MTN (FDIC Insured)	American Express Bank FSB	3.15	12/9/2011	$5,000,000.00	$4,996,050.00	$5,166,406.25
MTN (FDIC Insured)	Morgan Stanley	2.25	3/13/2012	$5,000,000.00	$4,992,950.00	$5,039,062.50
MTN (FDIC Insured)	Citigroup Funding Inc.	2	3/30/2012	$5,000,000.00	$4,986,550.00	$5,016,406.25
MTN (FDIC Insured)	Bank of America NA	2.1	4/30/2012	$5,000,000.00	$5,002,741.67	$5,010,150.00
MTN (FDIC Insured)	JP Morgan Chase & Co.	2.2	6/15/2012	$5,000,000.00	$4,996,900.00	$5,039,500.00
MTN (FDIC Insured)	Wells Fargo & Company	2.125	6/15/2012	$5,000,000.00	$4,998,700.00	$5,021,875.00
	Corporate MTN's and Other Notes Total			***$110,375,000.00***	***$111,056,046.54***	***$111,675,801.25***
	Grand Total			***$2,046,611,117.44***	***$2,050,489,637.83***	***$2,072,075,768.70***

Market Values are determined by using Sungard pricing as the primary source. CMS Bondedge, Bloomberg, Custody Bank (BNY Mellon) and pricing provided by broker/dealers are all used to reconcile and determine correct prices.