City of San Diego

Pooled Investment Fund Quarterly Review

Office of the City Treasurer—Investments Division

Economic Commentary

Economic conditions continued to improve over the past quarter, leading many to believe that the "Great Recession" is over and the U.S. economy is poised for growth during 2010 and beyond.

Gross Domestic Product for the 3rd quarter of 2009 was finalized at a positive 2.2% quarter-over-quarter growth rate, the first positive reading in this gauge since the 2nd quarter of 2008. It must be noted, however, that the gains were largely attributable to reduced inventory liquidation and trade balance, both of which are more transitory in nature and not the types of components on which sustainable recoveries are built. That said, other major components of GDP are expected to also turn favorable, resulting in further GDP increases going forward.

More importantly, the labor market has shown marked improvement over the past few months. Both new and continuing weekly jobless claims decreased on average over the quarter. Additionally, the monthly change in non-farm payrolls actually turned slightly positive in November after peaking at –741,000 in January (Chart 1). The unemployment rate remains extremely high, and hit 10.2% in October before settling back at 10% in November and December.

The employment figures are being watched very closely as most economists believe that the Federal Reserve will not start raising interest rates until employment stabilizes and shows sustainable improvement. Estimates of the first rate hike range from the middle of this year to well into 2011.

The banking sector appears to be strengthening as well. Most large institutions have been able to issue non-guaranteed debt for several months, and during the past quarter, more large banks including Bank of America, Wells Fargo and Citigroup repaid TARP funds by using retained earnings and issuing new equity.

There were some signs that not all is well just yet, as Dubai World, the main holding company of the state of Dubai, attempted to restructure $26 billion of liabilities to avoid default before being rescued by Abu Dhabi. Additionally, spreads on sovereign debt issued by Greece widened dramatically due to concerns over the amount of debt outstanding and the European Union announcement that it would not bail the country out if it ran into serious trouble.

The relatively muted reaction by market participants to these events speaks volumes about the current health of financial markets. A year ago, these events would have sparked panic that may have led to even more losses among investors.

Quarterly Economic Highlights

- The U.S. unemployment rate hit 10.2% in October before settling back at 10% in November and December
- The Q3 2009 GDP change was finalized at +2.2%, the first positive reading in this gauge since Q2 2008
- Bank of America, Wells Fargo and Citigroup, among others, repaid TARP loans to the U.S. Treasury
- The U.S. stock market, as measured by the S&P 500, returned approximately 6% for the quarter and 26.5% for the year

Contents:

Key Economic Indicators	2
Portfolio Performance	3
Portfolio Profile	4
Portfolio Strategy	5
Projected Cash Flows	5
Portfolio Compliance	6
Portfolio Holdings	7-9

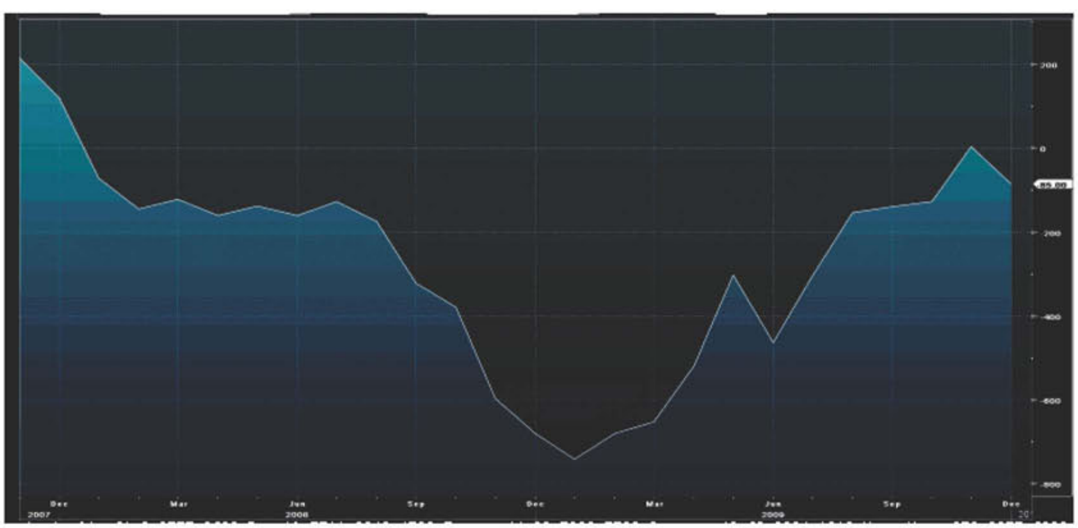


Chart 1: Monthly Change in Nonfarm Payrolls Dec. 2007—Dec 2009 (Source: Bloomberg)

Hot Topic Corner— Bernanke's Dilemma

One common topic in the Hot Topic Corner has been the Federal Reserve and this month's topic is no different. Why have we focused so much attention on this critical but often overlooked government agency? Because the actions the Federal Reserve takes to mop up the excess liquidity in the economy in the next couple of years will largely decide the prosperity of the average U.S. citizen for perhaps decades to come.

With that in mind, I have noticed a troubling new trend or theme coming out of Washington recently regarding the Fed that is equally alarming. This threat may seem logical and even prudent given the financial crisis we have just emerged from, but that is what makes its facade so dangerous. It's the desire to audit the Federal Reserve's interest rate policy decisions.

One might ask what is the big deal when every other government agency goes through the audit process? First, each Federal Reserve Bank *is* audited each year by an independent General Auditor as well as performance audits by the Government Accounting Office. Secondly, it is the Fed's independence that provides investors confidence in U.S. debt and its economy in times of global crisis. Remember what happened last year when investors lost confidence in the direction or stability of global market. It is this independence that allowed the Federal Reserve to move so quickly to lower rates and open emergency facilities to *save* the economy without having to look over its shoulder to Congress.

Senator Reid even indicated that any approval of Bernanke for another term should be predicated on the Federal Reserve doing everything it can to create jobs. Singularly focused declarations like this ignore that the Federal Reserve has a dual mandate: Full employment *and* stable prices. I just wonder if Bernanke has compromised this dual mandate in order to get reelected? Will he stay overly accommodating to try to stimulate jobs at the sacrifice of stable prices to ward off the political pressures to audit the Fed's monetary policies?

There is no question the Fed's focus will be getting the 8+ million people back to work quickly and they should, but to prevent the demons from the past from resurfacing, all of this excess liquidity needs to be soaked up quickly. What will Bernanke do with the punch bowl if Congress wants to continue to party when inflation finally decides to join too? Can Bernanke fight for the Fed's independence and run proper monetary policies at the same time? I hope he can for my children's sake.

Kent J Morris, CIO

Key Economic Indicators

Indicator	*Period*	*Report Current*	*As Reported Last Quarter*	*Difference*
Federal Funds Rate	12/16/09	0-0.25%	0-0.25%	0%
Consumer Price Index (MoM)	DEC	0.1%	0.2%	(0.1%)
Consumer Price Index (YoY)	DEC	2.7%	(1.3%)	4.0%
Producer Price Index (MoM)	DEC	0.2%	(0.6%)	0.8%
Producer Price Index (YoY)	DEC	4.4%	(4.8%)	9.2%
Durable Goods Orders	DEC	0.3%	1.0%	(0.7%)
Gross Domestic Product (Annualized)	Q4A	5.7%	2.2%	3.5%
ISM (Manufacturing)	DEC	55.9	52.6	3.3
ISM (Non-manufacturing)	DEC	50.1	50.9	(0.8)
Retail Sales	DEC	(0.3%)	(1.5%)	1.2%
Unemployment Rate	DEC	10.0%	9.8%	0.2%
Change in Non-farm Payrolls	DEC	(85,000)	(263,000)	178,000
Consumer Confidence (Univ. of Michigan)	DEC (Final)	72.5	73.5	(1.0)
Existing Home Sales	DEC	5.45(mil)	5.57(mil)	(.12)(mil)
New Home Sales	DEC	0.342(mil)	0.402(mil)	(.60)(mil)
Housing Starts	DEC	0.557(mil)	0.590(mil)	(0.033)(mil)
Median Home Price (existing) [EHSLMP]	DEC	$177,500	$175,900	$1,600
NYMEX WTI CRUDE OIL (barrel)	12/31/09	$79.36	$70.61	$8.75
S&P 500 Stock Index	12/31/09	1,115.10	1,057.08	58.02

Portfolio Performance

The Core Portfolio outperformed its benchmark, the Merrill Lynch 1-3 year Treasury Index, by 10 basis points over the past quarter, returning 0.12% versus 0.02% for the index.

Chart 2 shows a bear steepening curve, with long end rates increasing more than shorter rates. Rates ticked up during the last quarter, particularly in the last couple of weeks of December. This was due to some good economic reports increasing the fears of inflation down the road and the possibility that the Fed may start hiking rates sooner than expected. The lack of market liquidity during the last two weeks of the year exacerbated the move since many traders were off on holiday and there weren't as many buyers of bonds to mitigate the rate move as there may have been during normal weeks.

As has been the case during the last few quarters, "income effect" was the largest contributor of negative excess return. This is due to the portfolio owning more newly-issued, lower coupon bonds than the index.

The counterbalance to being in the lower coupon bonds is that there is less amortization of bond premium than the index, whereby higher-priced high coupon bonds pull towards par price of $100 as time goes on. With less of these bonds in the portfolio than the index, "amortization and roll effect" helped the portfolio, contributing almost 18 basis points of positive excess return.

"Sector effect" contributed a little over 3 basis points of positive excess return as spreads tightened a little bit versus Treasury securities, and "selection effect" added about 7 basis points of positive outperformance, due mainly to overweights in on-the-run Treasury securities, which outperformed other bonds in the index.

"Parallel duration effect" and "non-parallel duration effect" combined to produce roughly no net effect on portfolio outperformance, and "convexity effect" subtracted 1 basis point.

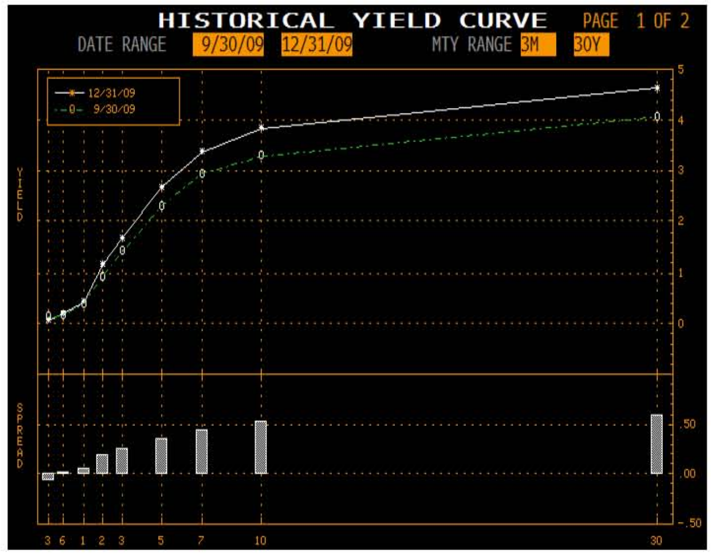


Chart 2: Treasury Yield Curve 9/30/09—12/31/09
(Source: Bloomberg)

Returns

The City's Total Pooled Investment Fund is broken into a Liquidity portfolio, which is short-term in nature (0-14 months) 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*

	Q4 2009	Q3 2009	Q2 2009	FYTD 2010	1 Year	3 Year
Total Pooled Investment Fund	2.16%	2.51%	2.36%	2.34%	2.63%	4.01%
Core Portfolio	3.06%	3.39%	3.07%	3.23%	3.51%	4.60%
Liquidity Portfolio	0.47%	0.76%	1.12%	0.62%	1.03%	2.98%

Total Return—Core Portfolio

	Q4 2009	Q3 2009	Q2 2009	FYTD 2010	1 Year	3 Year*
Core Portfolio	0.12%	0.89%	0.23%	1.02%	1.45%	5.17%
Merrill Lynch 1 - 3 Year Treasury Index	0.02%	0.77%	(0.11%)	0.80%	0.77%	4.86%
Difference	0.10%	0.12%	0.34%	0.22%	0.68%	0.31%

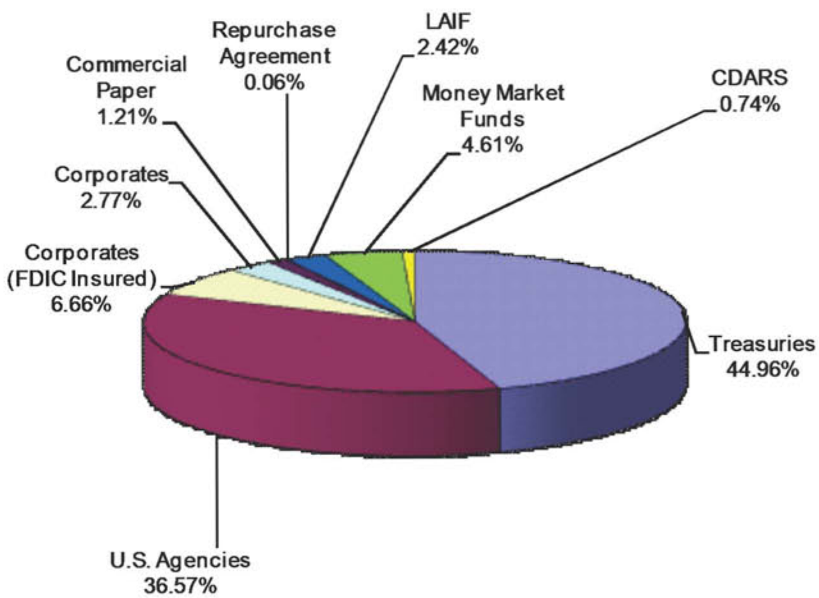
***Annualized Returns**

Portfolio Profile as of December 31, 2009

	Liquidity	*Core*
Portfolio Size	$722,647,405	$1,338,891,069
% of total pool	35.05%	64.95%
Portfolio Duration*	0.404	1.847
Index Duration*	0.358	1.918
% of index	112.85%	96.30%
Weighted Average Days to Maturity	144	729

* Macaulay's Duration for fund 9997 and Effective Duration for fund 9998; Note: Portfolio durations do not include trades that settled 1/4/10.

Asset Allocation



Top Issuer Exposures

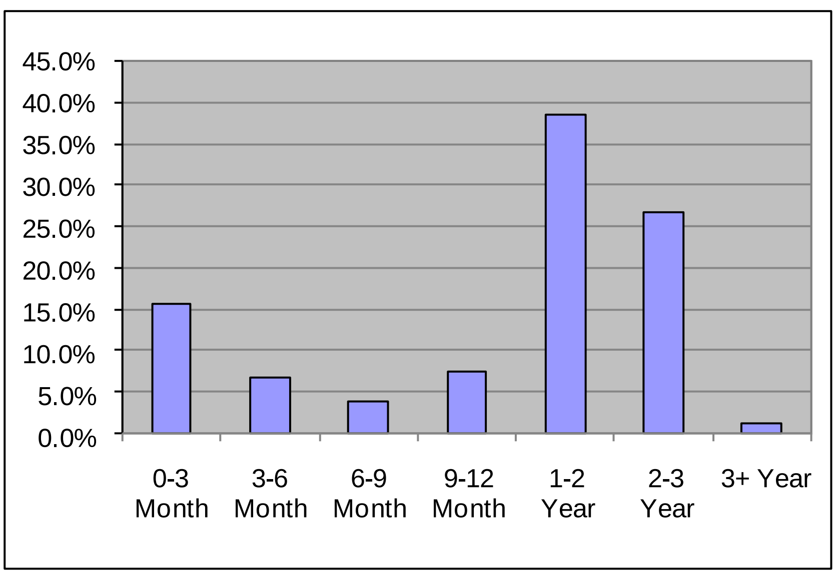
Issuer	% of Portfolio
US Treasury	44.96%
Federal Home Loan Bank	12.88%
Freddie Mac	9.97%
Fannie Mae	7.40%
Federal Farm Credit Bank	6.33%
Citigroup Inc.	1.70%
General Electric	1.58%
JP Morgan Chase	1.31%
Toyota Motor Credit Corp.	1.21%
Bank of America Corp.	0.73%
Cisco Systems Inc.	0.51%
Goldman Sachs	0.49%
Wells Fargo Corp.	0.48%
3M Corp.	0.26%
Chevron Corp.	0.25%
7 issuers tied at:	0.24%

Credit Ratings

Ratings Buckets	% of Portfolio
US Treasury (AAA)	44.96%
Agency (AAA)	36.57%
AAA/A1	7.87%
AA	1.24%
A	0.56%
Below A	0.00%

- All Commercial Paper is 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 and money market funds are not included

Pool Maturity Distribution



http://www.sandiego.gov/treasurer/investments/

Portfolio Strategy

Not much has changed with the investment environment since the last Quarterly Report was published. While rates increased at the end of the last quarter, they are still historically low and biased higher over the next few years.

Additionally, the spreads of Agency securities remain extremely tight to Treasuries, which provides little incremental yield while presenting the risk of underperformance to Treasuries if they widen.

Short term rates remain extremely low, as the one-month Treasury hovers near zero percent, even trading with a negative yield at times.

In this environment, we have maintained a short duration position in our Core portfolio, which will help mitigate the effect of price decreases of the bonds we hold when interest rates rise.

In the Liquidity portfolio, we are keeping the duration higher than the index to add some yield. Since the securities in this portfolio have a short time until maturity, the prices are not affected as much if rates increase.

Part of the reason for the tight spreads of Agencies is an announcement by the Treasury on December 24. In the announcement, the Treasury stated that they will essentially provide unlimited capital support to Fannie Mae and Freddie Mac over the next 3 years, and there will be increased flexibility regarding the required shrinking of their investment portfolios.

This is great news from a credit standpoint, as it reaffirms governmental support for the GSEs. However, the technical environment may not be as good, since they now have additional room to issue debt in order to buy mortgages. While we don't expect this to happen in a big way, it may lead to some spread widening, particularly once the Fed Agency purchase program winds down at the end of this quarter.

As such, we have been buying new issue Agency benchmark securities, which come at a spread concession to existing issues, and then selling them if the spreads tighten to what we believe are unsustainable levels.

In Agency callable space, we have not been buying longer-term callable securities due to our expectations of a more volatile rate environment, which if realized, would lead to underperformance of these securities versus bullet securities. We have continued to buy callables with a final maturity of under one year to add incremental yield in the Liquidity portfolio.

Projected Portfolio Cash Flows

The Investment staff have 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
January	304	266	38	38
February	181	173	8	46
March	237	183	54	100
April	285	243	42	142
May	298	232	66	208
June	198	179	19	227

(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 – 96.30% Complies - 112.85 %
Maximum Maturity	5 years	Complies
Agency Securities	100% maximum	Complies – 36.57%
FNMA	33.3% maximum	Complies– 7.40%
FHLMC	33.3% maximum	Complies – 9.97%
FHLB	33.3% maximum	Complies – 12.88%
FFCB	33.3% maximum	Complies – 6.33%
Callable Securities	30% maximum	Complies – 12.74%
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 – 1.21%
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 – 9.43%
Mutual Funds	20% maximum; 5% maximum per fund	Complies – 4.61%
FDIC-insured Certificates of Deposit	1% maximum	Complies – 0.73%
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 - 0.97%
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 December 31, 2009

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
US Treasury Bill	US Treasury	0.1505	6/3/2010	$25,000,000.00	$24,980,769.44	$24,984,376.00
US Treasury Note	US Treasury	4.25	1/15/2011	$5,000,000.00	$4,954,492.18	$5,187,500.00
US Treasury Note	US Treasury	4.25	1/15/2011	$50,000,000.00	$50,175,781.25	$51,875,000.00
US Treasury Note	US Treasury	0.875	1/31/2011	$10,000,000.00	$10,004,142.20	$10,031,249.60
US Treasury Note	US Treasury	0.875	3/31/2011	$25,000,000.00	$24,978,744.50	$25,046,876.00
US Treasury Note	US Treasury	0.875	3/31/2011	$5,000,000.00	$4,997,265.62	$5,009,375.20
US Treasury Note	US Treasury	0.875	4/30/2011	$65,000,000.00	$64,933,984.38	$65,081,250.00
US Treasury Note	US Treasury	0.875	5/31/2011	$45,000,000.00	$44,954,296.87	$45,056,250.00
US Treasury Note	US Treasury	0.875	5/31/2011	$25,000,000.00	$24,853,515.63	$25,031,250.00
US Treasury Note	US Treasury	1.125	6/30/2011	$35,000,000.00	$35,010,937.50	$35,142,186.80
US Treasury Note	US Treasury	4.875	7/31/2011	$30,000,000.00	$31,753,125.00	$31,856,251.20
US Treasury Note	US Treasury	1	7/31/2011	$65,000,000.00	$64,858,033.28	$65,101,561.20
US Treasury Note	US Treasury	1	8/31/2011	$25,000,000.00	$25,009,479.67	$25,015,624.00
US Treasury Note	US Treasury	1	9/30/2011	$25,000,000.00	$24,974,831.50	$24,992,188.00
US Treasury Note	US Treasury	1	10/31/2011	$25,000,000.00	$24,958,575.47	$24,976,562.00
US Treasury Note	US Treasury	0.75	11/30/2011	$25,000,000.00	$24,947,694.89	$24,835,938.00
US Treasury Note	US Treasury	1	12/31/2011	$100,000,000.00	$100,033,586.30	$99,718,752.00
US Treasury Note	US Treasury	1	12/31/2011	$35,000,000.00	$34,949,923.05	$34,901,563.20
US Treasury Note	US Treasury	1.375	3/15/2012	$35,000,000.00	$35,207,812.50	$35,076,563.20
US Treasury Note	US Treasury	1.875	6/15/2012	$20,000,000.00	$20,154,687.50	$20,218,750.40
US Treasury Note	US Treasury	1.75	8/15/2012	$25,000,000.00	$25,213,569.97	$25,164,062.00
US Treasury Note	US Treasury	1.375	9/15/2012	$25,000,000.00	$24,960,505.87	$24,882,812.00
US Treasury Note	US Treasury	1.375	9/15/2012	$5,000,000.00	$5,008,469.65	$4,976,562.40
US Treasury Note	US Treasury	1.375	10/15/2012	$25,000,000.00	$24,953,522.06	$24,859,376.00
US Treasury Note	US Treasury	1.375	11/15/2012	$100,000,000.00	$100,834,210.98	$99,281,248.00
US Treasury Note	US Treasury	1.125	12/15/2012	$50,000,000.00	$49,610,426.69	$49,203,124.00
US Treasury Note	US Treasury	1.125	12/15/2012	$20,000,000.00	$19,679,421.36	$19,681,249.60
	Treasury Total			***$925,000,000.00***	***$926,951,805.31***	***$927,187,500.80***
US Agency	Federal Home Loan Bank	3.75	1/8/2010	$25,000,000.00	$25,568,750.00	$25,007,812.50
US Agency	Fannie Mae	0.3	1/22/2010	$25,000,000.00	$24,960,208.33	$25,000,000.00
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	0.32	3/5/2010	$25,000,000.00	$24,949,555.56	$25,000,000.00
US Agency	Fannie Mae	0.33	3/19/2010	$20,000,000.00	$19,958,200.00	$20,000,000.00
US Agency	Federal Home Loan Bank	0.84	3/30/2010	$20,000,000.00	$19,830,600.00	$20,000,000.00
US Agency	Freddie Mac	0.34	4/16/2010	$20,000,000.00	$19,954,855.56	$19,993,750.00
US Agency	Federal Home Loan Bank	0.8	4/30/2010	$20,000,000.00	$20,000,000.00	$20,043,750.00
US Agency	Fannie Mae	0.183	5/12/2010	$20,000,000.00	$19,982,005.00	$19,993,750.00
US Agency	Freddie Mac	2.375	5/28/2010	$19,885,000.00	$20,181,485.35	$20,065,207.81
US Agency	Federal Home Loan Bank	0.5	6/1/2010	$20,000,000.00	$19,992,800.00	$20,031,250.00
US Agency	Federal Farm Credit Bank	2.25	7/1/2010	$15,250,000.00	$15,521,373.75	$15,397,734.38
US Agency	Freddie Mac	0.22	7/23/2010	$25,000,000.00	$24,968,680.56	$24,968,750.00
US Agency	Federal Home Loan Bank	0.55	8/4/2010	$20,000,000.00	$20,026,261.11	$20,000,000.00
US Agency	Federal Farm Credit Bank	0.54	9/15/2010	$20,000,000.00	$20,000,000.00	$20,000,000.00

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

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
US Agency	Federal Home Loan Bank	0.5	10/28/2010	$20,000,000.00	$20,000,000.00	$19,987,500.00
US Agency	Federal Home Loan Bank	0.5	11/23/2010	$25,000,000.00	$25,049,438.89	$24,984,375.00
US Agency	Federal Farm Credit Bank	0.39	12/1/2010	$25,000,000.00	$25,000,000.00	$24,953,125.00
US Agency	Federal Home Loan Bank	0.44	12/23/2010	$20,000,000.00	$20,000,000.00	$19,968,750.00
US Agency	Federal Home Loan Bank	0.4	12/27/2010	$20,000,000.00	$20,000,000.00	$19,962,500.00
US Agency	Federal Home Loan Bank	0.45	12/29/2010	$20,000,000.00	$19,994,000.00	$19,968,750.00
US Agency	Freddie Mac	1.5	1/7/2011	$25,000,000.00	$25,447,083.33	$25,226,562.50
US Agency	Fannie Mae	2	2/11/2011	$15,000,000.00	$15,000,000.00	$15,028,125.00
US Agency	Fannie Mae	2	3/2/2011	$15,000,000.00	$14,997,000.00	$15,042,187.50
US Agency	Freddie Mac	1.75	4/20/2011	$15,000,000.00	$15,000,000.00	$15,051,562.50
US Agency	Federal Farm Credit Bank	2.625	4/21/2011	$20,000,000.00	$19,937,000.00	$20,462,500.00
US Agency	Fannie Mae	0.875	1/12/2012	$15,000,000.00	$14,968,500.00	$14,882,812.50
US Agency	Freddie Mac	2	1/27/2012	$15,000,000.00	$14,985,000.00	$15,014,062.50
US Agency	Fannie Mae	2.5	3/2/2012	$17,550,000.00	$17,738,838.00	$17,615,812.50
US Agency	Freddie Mac	2.125	3/23/2012	$25,000,000.00	$25,018,200.00	$25,382,812.50
US Agency	Freddie Mac	2.125	4/2/2012	$10,000,000.00	$10,003,125.00	$10,040,625.00
US Agency	Federal Home Loan Bank	2.25	4/13/2012	$20,000,000.00	$19,980,000.00	$20,362,500.00
US Agency	Fannie Mae	1.875	4/20/2012	$15,000,000.00	$14,981,100.00	$15,154,687.50
US Agency	Federal Farm Credit Bank	2.25	4/24/2012	$10,000,000.00	$9,999,800.00	$10,168,750.00
US Agency	Federal Home Loan Bank	1.25	8/6/2012	$20,000,000.00	$20,000,000.00	$20,081,250.00
US Agency	Fannie Mae	2	9/28/2012	$10,000,000.00	$10,000,000.00	$9,981,250.00
US Agency	Federal Farm Credit Bank	1.875	12/7/2012	$20,000,000.00	$19,994,200.00	$19,993,750.00
US Agency	Freddie Mac	1.375	1/9/2013	$25,000,000.00	$24,975,750.00	$24,570,312.50
	U.S. Agency Total			***$752,685,000.00***	***$753,963,810.44***	***$754,388,129.69***
LAIF	California State Pool	0.9	1/1/2010	$49,891,451.80	$49,891,451.80	$49,891,451.80
Money Market Fund	JP Morgan Asset Management	0.11907	1/1/2010	$95,041,985.46	$95,041,985.46	$95,041,985.46
Repurchase Agreement	Overnight Repo	0.01	1/4/2010	$1,298,965.00	$1,298,965.00	$1,298,965.00
Commercial Paper	Toyota Motor Credit Corp.	0.07	1/6/2010	$25,000,000.00	$24,999,659.72	$24,999,305.56
Non-Negotiable CDs	First Business Bank CDARS	2.2	4/29/2010	$10,000,000.00	$10,000,000.00	$10,000,000.00
Non-Negotiable CDs	NNB CDARS	2.21	5/6/2010	$5,000,000.00	$5,000,000.00	$5,000,000.00
	Repo, BA's, CD's, CP, LAIF, Funds Total			***$186,232,402.26***	***$186,232,061.98***	***$186,231,707.82***
Medium Term Note	General Electric Capital Corp.	0.31438	1/4/2010	$20,000,000.00	$20,007,001.21	$20,000,000.00
MTN (FDIC Insured)	Bank of America NA	1.7	12/23/2010	$5,000,000.00	$5,042,274.41	$5,045,312.50
MTN (FDIC Insured)	General Electric Capital Corp.	1.625	1/7/2011	$5,000,000.00	$4,996,600.00	$5,052,500.00
Medium Term Note	Cisco Systems Inc.	5.25	2/22/2011	$10,000,000.00	$10,610,600.00	$10,493,750.00
MTN (FDIC Insured)	JP Morgan Chase & Co.	1.65	2/23/2011	$2,000,000.00	$1,999,220.00	$2,022,400.00
MTN (FDIC Insured)	State Street Bank and Trust	1.85	3/15/2011	$5,000,000.00	$4,997,600.00	$5,065,625.00
MTN (FDIC Insured)	Citibank NA	1.625	3/30/2011	$5,000,000.00	$4,998,750.00	$5,051,900.00
MTN (FDIC Insured)	Citigroup Funding Inc.	1.375	5/5/2011	$5,000,000.00	$4,998,550.00	$5,032,031.25
Medium Term Note	Hewlett-Packard Co.	2.25	5/27/2011	$1,000,000.00	$999,670.00	$1,014,200.00
MTN (FDIC Insured)	Citigroup Funding Inc.	1.25	6/3/2011	$5,000,000.00	$4,991,400.00	$5,015,625.00

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

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
MTN (FDIC Insured)	PNC Funding Corp.	1.875	6/22/2011	$5,000,000.00	$4,991,000.00	$5,050,900.00
MTN (FDIC Insured)	Citibank NA	1.5	7/12/2011	$5,000,000.00	$4,996,500.00	$5,033,200.00
MTN (FDIC Insured)	Goldman Sachs	1.625	7/15/2011	$10,000,000.00	$10,056,630.56	$10,089,400.00
Medium Term Note	BP Capital Markets PLC	1.55	8/11/2011	$5,000,000.00	$4,995,500.00	$5,036,200.00
Medium Term Note	Procter & Gamble Int'l Finance	1.35	8/26/2011	$5,000,000.00	$4,996,300.00	$5,025,700.00
Medium Term Note	Shell International Finance	1.3	9/22/2011	$5,000,000.00	$4,999,800.00	$5,012,900.00
MTN (NCUA Insured)	US Central FCU	1.25	10/19/2011	$10,000,000.00	$9,994,900.00	$9,996,875.00
Medium Term Note	3M Company	4.5	11/1/2011	$5,000,000.00	$5,327,700.00	$5,293,150.00
MTN (FDIC Insured)	Wells Fargo & Company	3	12/9/2011	$5,000,000.00	$4,994,150.00	$5,161,850.00
MTN (FDIC Insured)	American Express Bank FSB	3.15	12/9/2011	$5,000,000.00	$4,996,050.00	$5,167,187.50
MTN (FDIC Insured)	General Electric Capital Corp.	3	12/9/2011	$5,000,000.00	$5,186,350.00	$5,154,100.00
Medium Term Note	Chevron Corp.	3.45	3/3/2012	$5,000,000.00	$5,173,100.00	$5,196,600.00
MTN (FDIC Insured)	Morgan Stanley	2.25	3/13/2012	$5,000,000.00	$4,992,950.00	$5,078,906.25
MTN (FDIC Insured)	Citigroup Funding Inc.	2	3/30/2012	$5,000,000.00	$4,986,550.00	$5,040,650.00
MTN (FDIC Insured)	Bank of America NA	2.1	4/30/2012	$5,000,000.00	$4,995,450.00	$5,046,150.00
MTN (FDIC Insured)	Bank of America NA	2.1	4/30/2012	$5,000,000.00	$5,031,500.00	$5,046,150.00
MTN (FDIC Insured)	Citibank NA	1.875	5/7/2012	$5,000,000.00	$4,986,950.00	$5,026,562.50
MTN (FDIC Insured)	Citibank NA	1.875	6/4/2012	$5,000,000.00	$4,984,950.00	$5,028,906.25
MTN (FDIC Insured)	JP Morgan Chase & Co.	2.2	6/15/2012	$5,000,000.00	$4,996,900.00	$5,069,500.00
MTN (FDIC Insured)	Wells Fargo & Company	2.125	6/15/2012	$5,000,000.00	$4,998,700.00	$5,057,812.50
MTN (FDIC Insured)	JP Morgan Chase & Co.	2.125	6/22/2012	$20,000,000.00	$20,067,200.00	$20,229,600.00
	Corporate MTN's and Other Notes Total			***$193,000,000.00***	***$194,390,796.18***	***$195,635,643.75***
	Grand Total			***$2,056,917,402.26***	***$2,061,538,473.91***	***$2,063,442,982.06***

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.