

# Memorandum

**To:** TJPA Board of Directors

**From:** Maria Ayerdi

**Date:** 10/27/06

**Re:** Presentation of Transbay Joint Powers Authority Investment & Interest Earnings Report

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In February 2006 the TJPA Board approved an Investment Policy. A requirement of this policy is to submit an investment report to the Board of Directors on a quarterly basis. The following attachments present the TJPA's investment & interest earnings activity.

## **1. First Quarter Ended September 30, 2006 Investment & Earnings Report**

The TJPA has two permitted investment instruments: 1) Insured savings account or money market account in a qualified public depository as established by state law, and 2) City & County of San Francisco investment pool (City Treasury Pool).

The Investment & Earnings report identifies the balance in the City Treasury Pool and the Money Market account at the end of each quarter, and a cumulative amount for the fiscal year. The interest earnings amount for the City Treasury Pool is recorded in FAMIS (City's accounting system) and the interest earnings amount for the Money Market account is obtained from the Union Bank of California TJPA's bank statement.

The interest earnings divided by the average daily balance equals the rate of return. For the first quarter of each fiscal year quarterly annualized rate and the first quarter rate of return will be equal.

For the quarter ended September 30, 2006 the rate of return was 5.11% with an average daily cash balance of \$4,127,613.

## **2. City & County of San Francisco Portfolio Statistics**

This attachment identifies the City's Treasury Pool investment types and the percentage invested in each of the investment types along with the Par Value, Book Value and Accrued Interest.

This report is available on the City Treasurer/Tax Collector's website:

[http://www.sfgov.org/site/uploadedfiles/tax/about\\_us\\_pages/june06webreport.pdf](http://www.sfgov.org/site/uploadedfiles/tax/about_us_pages/june06webreport.pdf)

## **3. Comparison of Various County Pooled Investment Funds and Local Agency Investment Fund**

This report shows the earned interest yield percentage of the City & County of San Francisco versus

other County Pools and the Local Agency Investment Fund (LAIF). Percentages for the month of September for other municipalities are not available at this time. The City's investment pool earned interest yield has been higher than the other reported Counties and LAIF for the last fourteen months.

**This investment report complies with the statement of the investment policy and with California Code Section 53646 (b) (2) and (3).**

**ENCLOSURES:**

1. FY2006-07 First Quarter Investment & Interest Earnings Report
2. City & County of San Francisco Portfolio Statistics
3. Comparison of Various County Pooled Investment Funds and Local Agency Investment Fund

**RECOMMENDATION:**

Information only.

**TRANSBAY JOINT POWERS AUTHORITY  
INVESTMENT & INTEREST EARNINGS REPORT**

<b>For 1st Quarter Ended September 30, 2006</b>					
<b>Investment</b>	<b>Balance as of 9/30/2006</b>	<b>Average Daily Balance</b>	<b>Interest Earnings</b>	<b>Rate of Return</b>	<b>Annualized Rate of Return</b>
<b>City Treasury Pool</b>	<b>\$ 4,343,332</b>	<b>\$ 4,042,927</b>	<b>\$ 52,467</b>	<b>1.30%</b>	<b>5.19%</b>
<b>Money Market</b>	<b>119,313</b>	<b>84,686</b>	<b>218</b>	<b>0.26%</b>	<b>1.03%</b>
<b>Total</b>	<b><u>\$ 4,462,645</u></b>	<b><u>\$ 4,127,613</u></b>	<b><u>\$ 52,685</u></b>	<b>1.28%</b>	<b>5.11%</b>

<b>Cumulative For Fiscal Year Ending June 30, 2007</b>					
<b>Investment</b>	<b>Balance as of 9/30/2006</b>	<b>Average Daily Balance</b>	<b>Interest Earnings</b>	<b>Rate of Return</b>	<b>Annualized Rate of Return</b>
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<b>Total</b>	<b><u>\$ 4,462,645</u></b>	<b><u>\$ 4,127,613</u></b>	<b><u>\$ 52,685</u></b>	<b>1.28%</b>	<b>5.11%</b>

# City & County of San Francisco

## Portfolio Statistics

*October 5, 2006*

The Treasurer's investment portfolios are in compliance with the City and County of San Francisco Pooled Investment Policy for fiscal year 2006-07 and California Code 53601.

Portfolio statistics fiscal year to date from July 1, 2006 to September 30, 2006:

	<u><b>Pooled</b></u>	<u><b>All</b></u>
Interest Received	\$47,021,114	\$47,021,114
Net Earnings	\$45,949,943	\$45,949,943
Earned Income Yield	5.155%	5.155%
Average Age of Portfolio	160 Days	160 Days

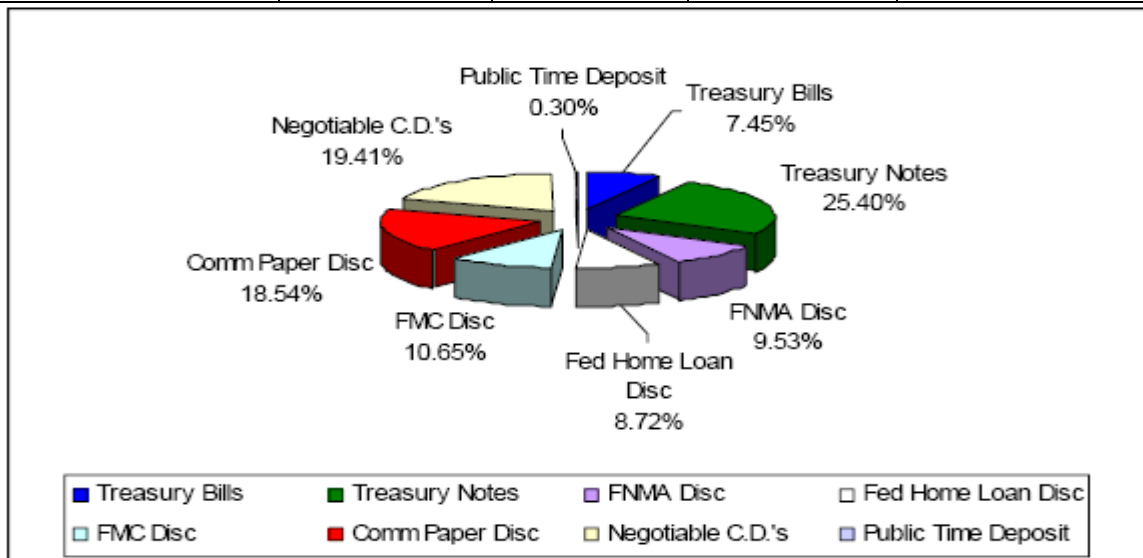
Total cost of the securities on hand on September 30, 2006 was \$3,399,960,642 with market value of \$3,415,092,987 plus fixed assets accrued interests of \$6,914,194.

## INVESTMENT OUTSTANDING AS OF 09/30/2006

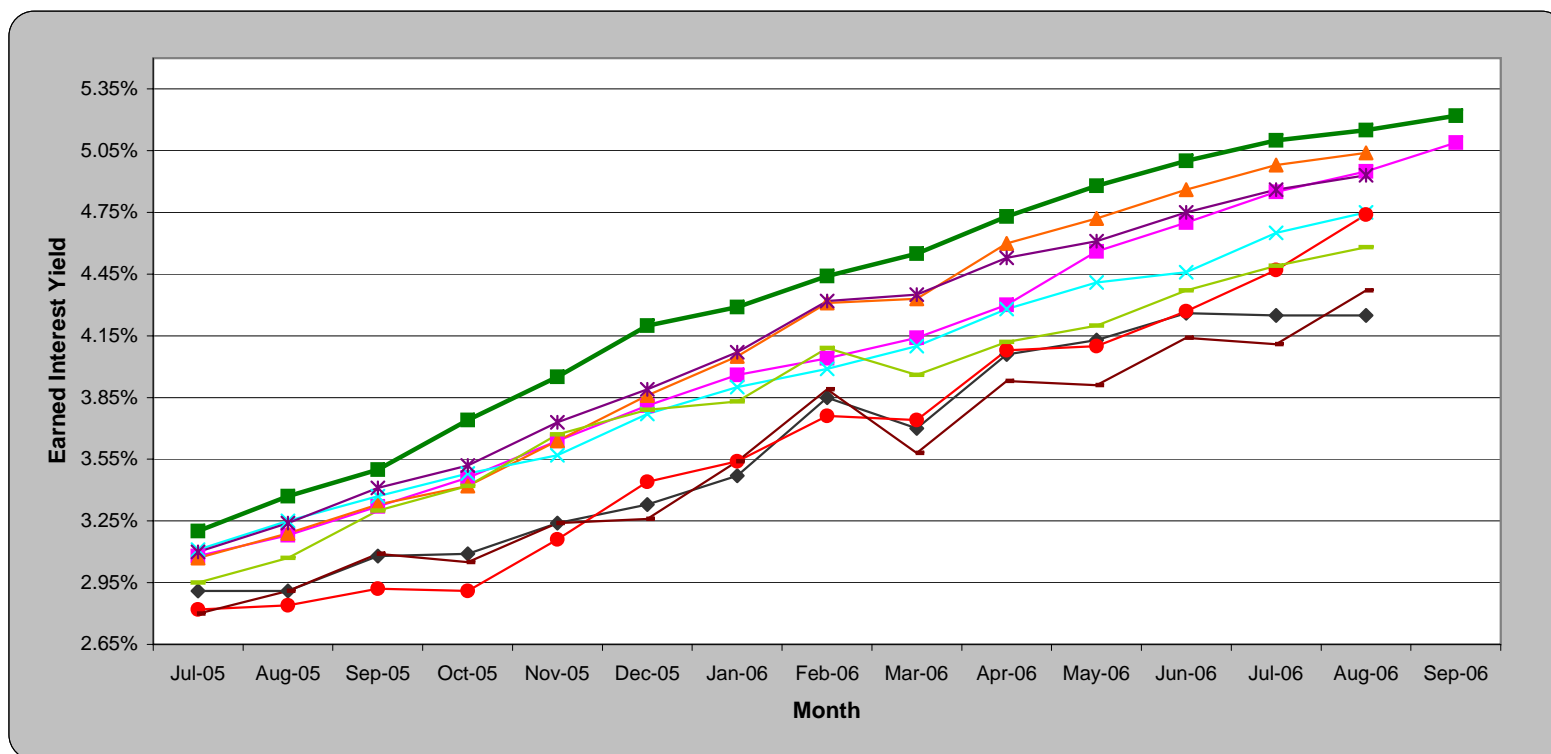
### ALL FUNDS

**Earned Income Yield for the month of September 5.222%**

INVESTMENT TYPE	PORTFOLIO %	PAR VALUE	BOOK VALUE	ACCRUED INTEREST
TREASURY BILLS	7.45%	\$259,000,000	\$253,305,650	
TREASURY NOTES	25.40%	870,000,000	863,495,232	\$3,452,906
FNMA DISC NOTES	9.53%	333,000,000	324,137,139	
FED HOME LOAN DISC NOTES	8.72%	300,000,000	296,468,799	
FMC DISC NOTES	10.65%	373,000,000	362,076,342	
COMMERCIAL PAPER DISC	18.54%	640,000,000	630,277,480	
NEGOTIABLE C.D.'S	19.41%	660,000,000	660,000,000	3,459,750
PUBLIC TIME DEPOSIT	.30%	10,200,000	10,200,000	1,538
TOTAL:		\$3,445,200,000	\$3,399,960,642	\$6,914,194



# COMPARISON OF VARIOUS COUNTY POOLED INVESTMENT FUNDS AND LAIF MONTHLY YIELD PERFORMANCE AS OF SEPT 2006



Jurisdiction	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06
Fresno	2.91%	2.91%	3.08%	3.09%	3.24%	3.33%	3.47%	3.85%	3.70%	4.06%	4.13%	4.26%	4.25%	4.25%	
LAIF	3.08%	3.18%	3.32%	3.46%	3.64%	3.81%	3.96%	4.04%	4.14%	4.30%	4.56%	4.70%	4.85%	4.95%	5.09%
Los Angeles	3.07%	3.19%	3.33%	3.42%	3.64%	3.86%	4.05%	4.31%	4.33%	4.60%	4.72%	4.86%	4.98%	5.04%	
Riverside	3.11%	3.25%	3.37%	3.48%	3.57%	3.77%	3.90%	3.99%	4.10%	4.28%	4.41%	4.46%	4.65%	4.75%	
Sacramento	3.10%	3.24%	3.41%	3.52%	3.73%	3.89%	4.07%	4.32%	4.35%	4.53%	4.61%	4.75%	4.86%	4.93%	
San Diego	2.82%	2.84%	2.92%	2.91%	3.16%	3.44%	3.54%	3.76%	3.74%	4.08%	4.10%	4.27%	4.47%	4.74%	
San Francisco	3.20%	3.37%	3.50%	3.74%	3.95%	4.20%	4.29%	4.44%	4.55%	4.73%	4.88%	5.00%	5.10%	5.15%	5.22%
Solano	2.80%	2.91%	3.09%	3.05%	3.24%	3.26%	3.54%	3.89%	3.58%	3.93%	3.91%	4.14%	4.11%	4.37%	
Sonoma	2.95%	3.07%	3.30%	3.42%	3.67%	3.79%	3.83%	4.09%	3.96%	4.12%	4.20%	4.37%	4.49%	4.58%	

## NOTE:

This graph is for illustration purposes only. When comparing performance returns, it is important to consider the cash flow needs of the individual pool funds participants in relation to the objectives of each county's investment policy.