

# Memorandum

**To:** TJPA Board of Directors

**From:** Maria Ayerdi

**Date:** 02/15/07

**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. Second Quarter Ended December 31, 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. The quarterly annualized rate of return multiplies the quarterly rate by four.

For the quarter ended December 31, 2006 the rate of return was 5.01% with an average daily cash balance of \$4,090,359.

The investment pool continues to be above the treasury yield and the rate of return will be above 5.0% for the rest of the year according to the City's Chief Investment Officer. The earned income yield in the City's investment pool dropped slightly from last quarter's due to the mix of the investment pool.

## **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/treasurer\\_page.asp?id=13370](http://www.sfgov.org/site/treasurer_page.asp?id=13370)

**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 December for other municipalities are not available at this time.

**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 Second 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**

*For 1st Quarter Ended September 30, 2006*

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

*For 2nd Quarter Ended December 31, 2006*

<i>Investment</i>	<i>Balance as of 12/31/2006</i>	<i>Average Daily Balance</i>	<i>Interest Earnings</i>	<i>Rate of Return</i>	<i>Annualized Rate of Return</i>
<i>City Treasury Pool</i>	\$ 3,939,040	\$ 3,977,696	\$ 50,889	1.28%	5.12%
<i>Money Market</i>	52,508	112,663	330	0.29%	1.17%
<b>Total</b>	<b>\$ 3,991,548</b>	<b>\$ 4,090,359</b>	<b>\$ 51,219</b>	<b>1.25%</b>	<b>5.01%</b>

*Cumulative For Fiscal Year Ending June 30, 2007*

<i>Investment</i>	<i>Balance as of 12/31/2006</i>	<i>Average Daily Balance</i>	<i>Interest Earnings</i>	<i>Rate of Return</i>	<i>Annualized Rate of Return</i>
<i>City Treasury Pool</i>	\$ 3,939,040	\$ 4,010,312	\$ 103,356	2.58%	5.14%
<i>Money Market</i>	52,508	98,675	549	0.56%	1.11%
<b>Total</b>	<b>\$ 3,991,548</b>	<b>\$ 4,108,986</b>	<b>\$ 103,904</b>	<b>2.53%</b>	<b>5.04%</b>

## City & County of San Francisco Portfolio Statistics

*January 5, 2007*

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 December 31, 2006:

	<u>Pooled</u>	<u>All</u>
Interest Received	\$75,745,304	\$75,745,304
Net Earnings	\$92,227,551	\$92,227,551
Earned Income Yield	5.173%	5.173%
Average Age of Portfolio	145 Days	145 Days

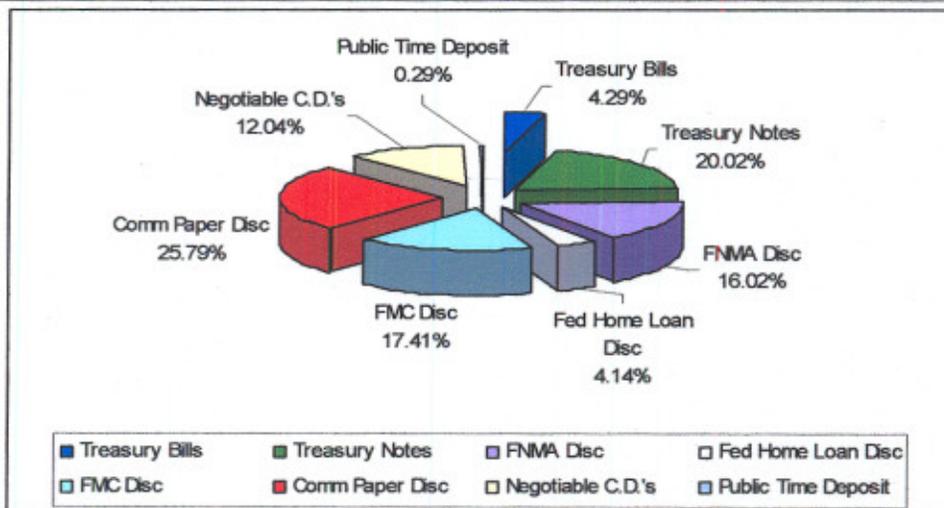
Total cost of the securities on hand on December 31, 2006 was 3,530,082,119 with market value of \$3,555,992,371 plus fixed assets accrued interests of \$12,294,084.

### INVESTMENT OUTSTANDING AS OF 12/31/2006

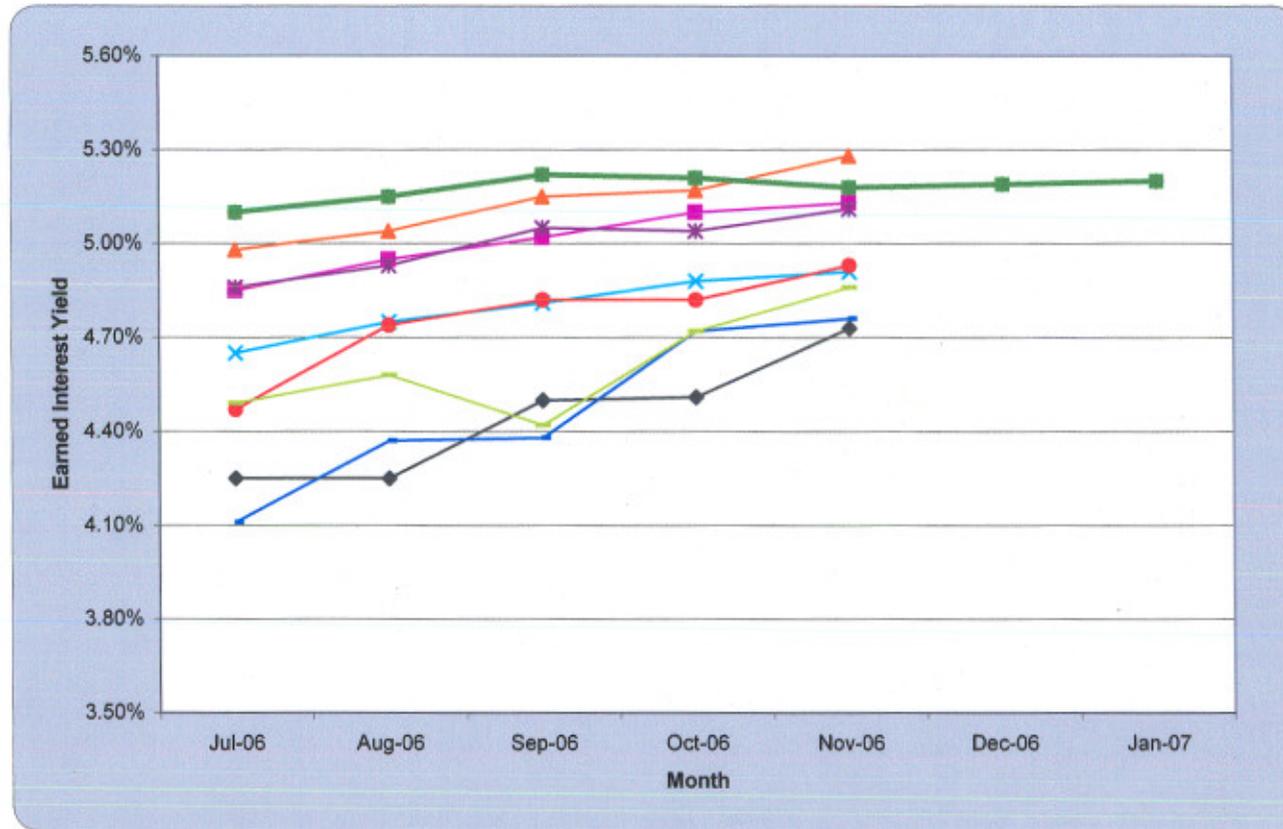
#### ALL FUNDS

**Earned Income Yield for the month of December 2006 - 5.190%**

INVESTMENT TYPE	PORTFOLIO %	PAR VALUE	BOOK VALUE	ACCRUED INTEREST
TREASURY BILLS	4.29%	\$155,000,000	\$151,452,001	
TREASURY NOTES	20.02%	710,000,000	706,671,353	\$7,563,417
FNMA DISC NOTES	16.02%	583,000,000	565,683,073	
FED HOME LOAN DISC NOTES	4.14%	148,000,000	146,155,650	
FMC DISC NOTES	17.41%	633,000,000	614,597,921	
COMMERCIAL PAPER DISC	25.79%	928,000,000	910,322,121	
NEGOTIABLE C.D.'S	12.04%	425,000,000	425,000,000	4,729,125
PUBLIC TIME DEPOSIT	.29%	10,200,000	10,200,000	1,542
<b>TOTAL:</b>		<b>\$3,592,200,000</b>	<b>\$3,530,082,119</b>	<b>\$12,294,084</b>



# YIELD COMPARISON OF VARIOUS COUNTY POOLED INVESTMENT FUNDS



Jurisdiction	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Fresno	4.25%	4.25%	4.50%	4.51%	4.73%							
LAIF	4.85%	4.95%	5.02%	5.10%	5.13%							
Los Angeles	4.98%	5.04%	5.15%	5.17%	5.28%							
Riverside	4.65%	4.75%	4.81%	4.88%	4.91%							
Sacramento	4.86%	4.93%	5.05%	5.04%	5.11%							
San Diego	4.47%	4.74%	4.82%	4.82%	4.93%							
San Francisco	5.10%	5.15%	5.22%	5.21%	5.18%	5.19%	5.20%					
Solano	4.11%	4.37%	4.38%	4.72%	4.76%							
Sonoma	4.49%	4.58%	4.42%	4.72%	4.86%							

**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.