

Memorandum

To: TJPA Board of Directors

From: Maria Ayerdi

Date: 09/20/07

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

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 in response to this requirement.

1. Fourth Quarter Ended June 30, 2007 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 June 30, 2007 the annualized rate of return was 4.89% with an average daily cash balance of \$4,161,201. The earned income yield in the TJPA's investment pool increased slightly from last quarter's due to the mix of the investment pool. The cumulative rate for the year was 4.96% with an average daily cash balance of \$4,095,163. This is an improvement of last year's rate of 4.13%.

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

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).

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 Fourth 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

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

For 2nd Quarter Ended December 31, 2006

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

For 3rd Quarter Ended March 31, 2007

Investment	Balance as of 3/31/2007	Average Daily Balance	Interest Earnings	Rate of Return	Annualized Rate of Return
City Treasury Pool	\$ 3,987,008	\$ 3,909,435	\$ 47,968	1.23%	4.91%
Money Market	98,625	92,045	237	0.26%	1.03%
Total	\$ 4,085,633	\$ 4,001,480	\$ 48,205	1.20%	4.82%

For 4th Quarter Ended June 30, 2007

Investment	Balance as of 6/30/2007	Average Daily Balance	Interest Earnings	Rate of Return	Annualized Rate of Return
City Treasury Pool	\$ 4,385,992	\$ 4,074,101	\$ 50,606	1.24%	4.97%
Money Market	57,411	87,099	231	0.27%	1.06%
Total	\$ 4,443,403	\$ 4,161,201	\$ 50,837	1.22%	4.89%

Cumulative For Fiscal Year Ending June 30, 2007

Investment	Balance as of 6/30/2007	Average Daily Balance	Interest Earnings	Rate of Return	Annualized Rate of Return
City Treasury Pool	\$ 4,385,992	\$ 4,001,040	\$ 201,930	5.05%	5.05%
Money Market	57,411	94,123	1,017	1.08%	1.08%
Total	\$ 4,443,403	\$ 4,095,163	\$ 202,946	4.96%	4.96%

City & County of San Francisco

Portfolio Statistics

July 9, 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 June 30, 2007:

	<u>Pooled</u>	<u>All</u>
Interest Received	\$158,193,523	\$158,193,523
Net Earnings	\$187,974,962	\$187,974,962
Earned Income Yield	5.188%	5.188%
Average Age of Portfolio	126 Days	126 Days

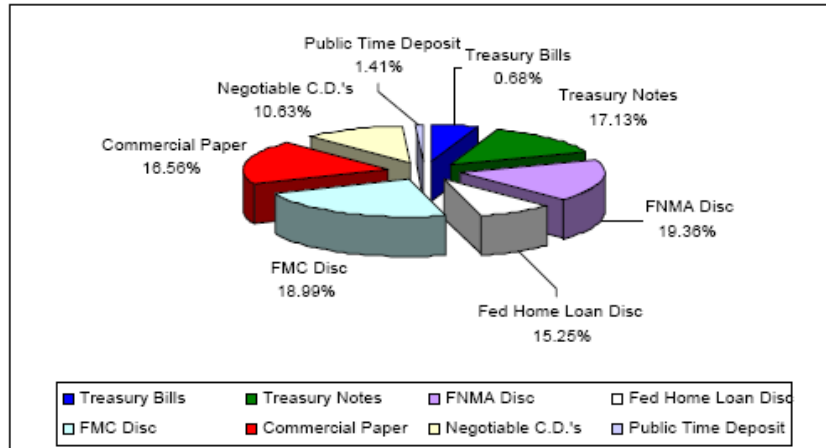
Total cost of the securities on hand on June 30, 2007 was \$3,575,558,535 with market value of \$3,613,175,893 plus fixed assets accrued interests of \$12,449,059.

INVESTMENT OUTSTANDING AS OF 06/30/07

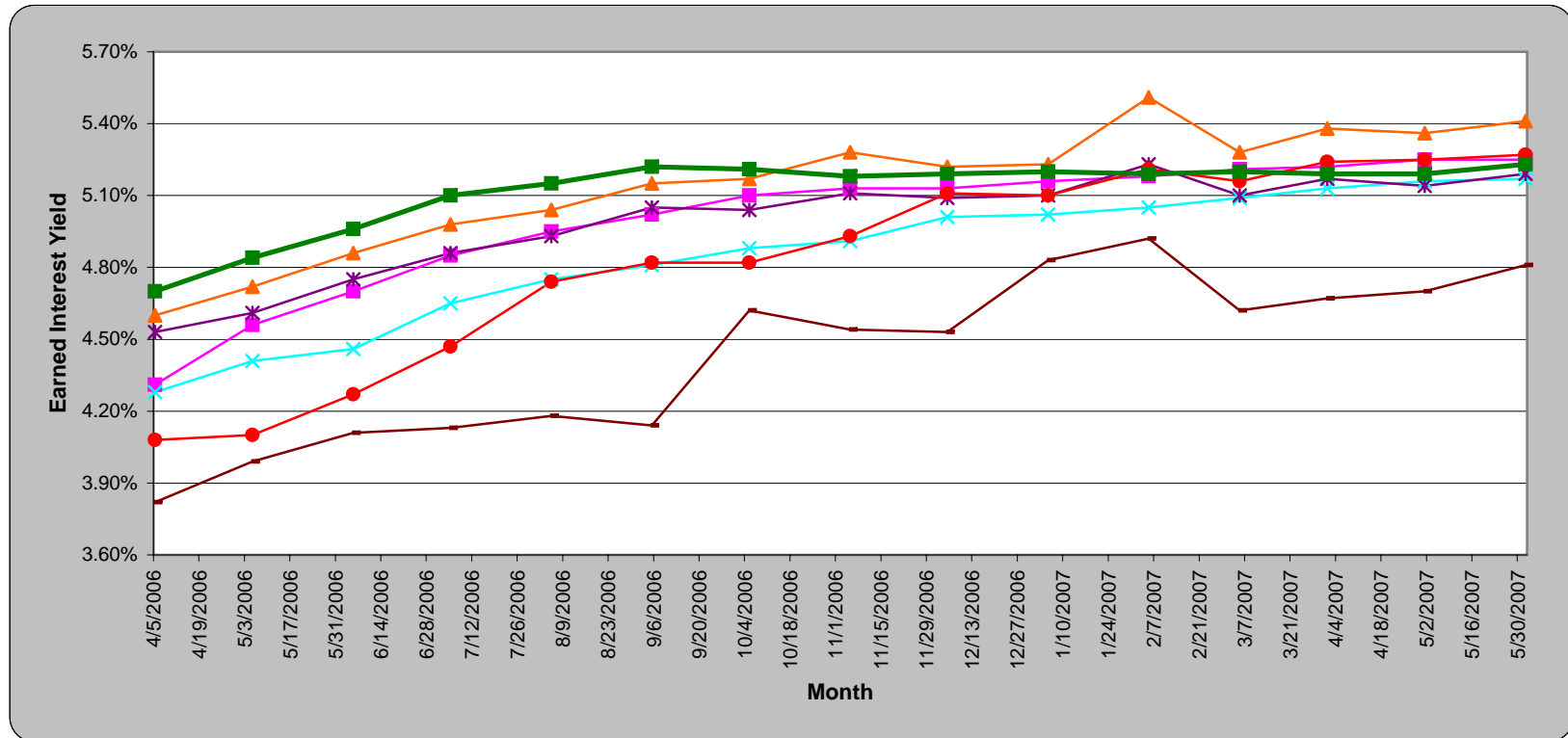
ALL FUNDS

Earned Income Yield for the month of June 2007 was 5.232%

INVESTMENT TYPE	PORTFOLIO %	PAR VALUE	BOOK VALUE	ACCRUED INTEREST
TREASURY BILLS	0.68%	\$25,000,000	\$24,386,382	
TREASURY NOTES	17.13%	615,000,000	612,348,270	\$6,655,760
FNMA DISC NOTES	19.36%	722,000,000	692,397,214	
FED HOME LOAN DISC NOTES	15.25%	554,000,000	545,236,610	
FMC DISC NOTES	18.99%	703,000,000	678,945,205	
COMMERCIAL PAPER DISC	16.56%	603,000,000	592,044,855	
NEGOTIABLE C.D.'S	10.63%	380,000,000	380,000,000	5,785,819
PUBLIC TIME DEPOSIT	1.41%	50,200,000	50,200,000	7,480
TOTAL:		\$3,652,200,000	\$3,575,558,535	\$12,449,059



COMPARISON OF VARIOUS COUNTY POOLED INVESTMENT FUNDS AND LAIF MONTHLY YIELD PERFORMANCE AS OF JUNE 2007



Jurisdiction	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
LAIF	4.31%	4.56%	4.70%	4.85%	4.95%	5.02%	5.10%	5.13%	5.13%	5.16%	5.18%	5.21%	5.22%	5.25%	5.25%
Los Angeles	4.60%	4.72%	4.86%	4.98%	5.04%	5.15%	5.17%	5.28%	5.22%	5.23%	5.51%	5.28%	5.38%	5.36%	5.41%
Riverside	4.28%	4.41%	4.46%	4.65%	4.75%	4.81%	4.88%	4.91%	5.01%	5.02%	5.05%	5.09%	5.13%	5.16%	5.17%
Sacramento	4.53%	4.61%	4.75%	4.86%	4.93%	5.05%	5.04%	5.11%	5.09%	5.10%	5.23%	5.10%	5.17%	5.14%	5.19%
San Diego	4.08%	4.10%	4.27%	4.47%	4.74%	4.82%	4.82%	4.93%	5.11%	5.10%	5.21%	5.16%	5.24%	5.25%	5.27%
San Francisco	4.70%	4.84%	4.96%	5.10%	5.15%	5.22%	5.21%	5.18%	5.19%	5.20%	5.19%	5.20%	5.19%	5.19%	5.23%
Solano	3.82%	3.99%	4.11%	4.13%	4.18%	4.14%	4.62%	4.54%	4.53%	4.83%	4.92%	4.62%	4.67%	4.70%	4.81%

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.