



COMPREHENSIVE ANNUAL FINANCIAL REPORT



Issued by Dan McAllister
San Diego County
Treasurer - Tax Collector

For the fiscal year ended June 30, 2011

The San Diego County Treasurer - Tax Collector manages the Investment Pool exclusively for the benefit of its participant agencies, districts and institutions. We are pleased to present a variety of photographs that characterize the important work that is performed by these agencies for the public good.

We thank the Investment Pool participants who contributed photographs to this year's report:

First 5 Commission

Metropolitan Transit System

North County Cemetery District

Otay Water District

San Diego County Regional Airport Authority

San Diego Association of Governments



Issued by Dan McAllister
San Diego County
Treasurer - Tax Collector

San Diego County Investment Pool
An investment trust fund of the County of San Diego, CA



2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2011

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INTRODUCTORY SECTION



TREASURER-TAX COLLECTOR COUNTY OF SAN DIEGO

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Web site: <http://www.sdtreastax.com>



LETTER OF TRANSMITTAL FROM THE TREASURER

*November 10, 2011
Board of Supervisors and Treasury Oversight Committee
County of San Diego
San Diego County Administration Center
San Diego, California 92101*

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the San Diego County Investment Pool (the "Investment Pool") for the fiscal year ended June 30, 2011. This report and the annual audit are presented to demonstrate compliance with Section thirty-two of the Investment Pool's Investment Policy (the "Investment Policy"). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Treasurer's Office. A framework of internal controls has been established by management for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and are reported in a manner designed to present fairly the financial position and changes in financial position of the Investment Pool in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. All disclosures necessary to enable the reader to gain an understanding of the Investment Pool's financial activities have been included.

The Investment Pool's financial statements have been audited by Christy White Accountancy Corporation, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Investment Pool for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Investment Pool's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The Investment Pool's MD&A can be found after the independent auditors' report.

Profile of the San Diego County Investment Pool

The San Diego County Investment Pool (the "Investment Pool") was created when the State Legislature established the five-member County Board of Supervisors in 1853. It is a local government Pool with \$5.9 billion in assets as of June 30, 2011. The Investment Pool is headed by the San Diego County Treasurer-Tax Collector, an elected official who is responsible for tax collection, banking, investment, disbursement and accountability of public funds. The Investment Pool is managed by the Treasurer's Office on behalf of the Investment Pool participants. The County portion of the Investment Pool assets as of June 30, 2011 is \$2.2 billion while the external, non-County portion is \$3.7 billion. Depositors in the Investment Pool include both mandatory and voluntary participants located within the County of San Diego.

Mandatory participants include the County of San Diego, K-12 school districts, and various special districts and accounts controlled by the County Board of Supervisors. Mandatory participants are defined as those agencies required by law to deposit their funds with the County Treasurer's Office. Mandatory participants comprise the majority of the Investment Pool's assets, approximately 91.9% as of June 30, 2011.

Voluntary participants are those agencies that are not required to place their funds in the Investment Pool, and do so only as an investment option. Voluntary participants include cities, fire districts, and various special districts. As of June 30, 2011, voluntary participants accounted for approximately 8.1% of the Investment Pool.

Community colleges have characteristics of both mandatory and voluntary participants. While they have the authority to invest funds outside of the Investment Pool, community colleges receive banking, checking, and investment services from the County Treasurer's Office. In this financial report, they are categorized as mandatory participants.

In addition to investment management, the Treasurer's Office also provides banking services to all mandatory participants. These services include, but are not limited to, warrant redemption, electronic fund transfers, acceptance of deposits, and fund accounting.

Investment Policies and Practices

The primary objectives of the Investment Pool, as set forth in the Investment Policy, in order of importance, are safety, liquidity, and yield. The following goals have been set for the fiscal year 2011/2012:

- Promote fiscal stability by maintaining 'AAAf/S1' rating from Standard & Poor's rating service.
- Improve investment benchmark management process by continuing implementation of the portfolio analysis application.
- Improve constituent outreach by increasing public awareness of services offered by the Investment Division.
- Obtain a certificate of achievement for excellence in financial reporting by the Government Finance Officers Association.
- Improve upon existing accounting systems by continuing implementation of treasury management software, which will provide a dedicated, Investment Pool-specific financial system.

The Treasurer's Office prepares the Investment Policy on an annual basis to ensure the integrity of the Investment Pool and to provide guidelines for its operation. Upon completion of the Investment Policy by the Treasurer's Office, it is presented for review to the Treasurer's Oversight Committee, and then to the County Board of Supervisors for their approval at a public meeting.

The maturity distribution of the Investment Pool is limited by the Investment Policy, which places restrictions on the securities that may be purchased. Cash temporarily idle during the year was invested in negotiable certificates of deposit, obligations of the U.S. Treasury, U.S. government agency securities, commercial paper, corporate bonds and medium-term notes, asset-backed securities, money market mutual funds, repurchase agreements and collateralized certificates of deposit. The maturities of the investments range from one day to five years, with an average weighted maturity of 425 days. The weighted average effective yield (annualized) on investments as of June 30, 2011 was 0.72%.

To safeguard the investments, a custodian is employed to safekeep, settle, and accept interest payments on investments held by the Investment Pool. To facilitate internal security and safeguards, the Investment Policy requires an annual audit and the establishment and maintenance of internal controls and procedures.

For the 2010/2011 fiscal year, investments provided a 0.66% apportionment rate, which is the rate used in allocating the net earnings to the participants. The Investment Pool's average apportionment rate over the last three and five fiscal years was 1.36% and 2.74%, respectively. The Treasurer's Office has implemented a system of internal controls designed to ensure the reliability of reported investment information. The Treasurer's Office provides monthly investment reports for the Treasury Oversight Committee, who monitors the management of funds and reviews the Investment Policy. Please refer to the Investment Section of this CAFR for additional information on investments.

Significant Events of the Year

During the fiscal year 2010/2011, significant events included:

The Investment Pool remained rated 'AAAf/S1' by Standard & Poor's, a nationally recognized rating agency. This rating of 'AAAf' indicates the extremely strong protection the Investment Pool's portfolio investments provide against losses from credit defaults. The 'S1' volatility rating signifies that the Investment Pool possesses low sensitivity to changing market conditions given its low-risk profile and conservative investment policies. Rating considerations include:

- Low exposure to market risk by virtue of conservative investment policies and practices;
- Limited use of leverage;
- High standards for credit quality and diversification;
- High degree of liquidity resulting from maturity profile and composition of Investment Pool participants;
- Strong ability to forecast ongoing cash requirements; and
- Solid management oversight and operational policies, including a robust internal control structure.

Continued high unemployment and economic uncertainty, both globally and locally, remain barriers to consumption and consumer confidence. These factors contributed to continued low interest rates and anemic economic growth, and caused further decline in Investment Pool yields during fiscal year 2010/2011. Throughout this period of economic uncertainty, the Investment Pool remained invested in securities of the highest quality. Holdings of United States Treasury and Agency securities increased from 64.5% to 66.3% of the Investment Pool during the fiscal year ending June 30, 2011. Continued measures taken in response to the weakening economic conditions include the following:

- Purchases of corporate securities remained limited to maturities under 60 days.
- Liquid investments remained limited to Government-only money market funds and other money market vehicles backed by the Federal Government.
- In most cases, certificate of deposit maturities were limited to between one and six months.

Ongoing economic weakness caused the Federal Reserve to maintain the target federal funds rate at a range of 0%-0.25% during Fiscal Year 2010/2011. This low rate is meant to spur economic growth by encouraging national spending and borrowing.

The Federal Reserve indicated in September 2011 that the rate will likely stay at “exceptionally low” levels through mid-2013. As a result of the lower interest rate environment and the market’s reduced appetite for risk, interest rates on high grade fixed income securities remained at historically low levels; and the Investment Pool’s yield to maturity decreased by 30 basis points from the prior fiscal year end. With uncertainty surrounding the State’s budget and the resulting effect on the cash flows of the Pool participants, the Investment Pool invested a sizeable portion of its assets in liquid securities in the event that unexpected withdrawals were needed.

San Diego County - Economic Condition

San Diego County continued on a slow pace of recovery throughout the entire fiscal year 2010/2011, while the unemployment rate for the region ranged from 10.9% to 9.6%. The County still fared better than the State’s unemployment rate. Housing prices also remained weak, with the August 2011 Standard & Poor’s/Case-Shiller Home Price Index showing a 5.5% year-over-year price decline for the region.

Despite the current economic conditions, the County of San Diego has maintained fiscal stability within the discipline of the General Management System that establishes strong fiscal management practices. This fiscal discipline has allowed the County to designate \$55.5 million of the general fund balance for unforeseen catastrophic events and \$100 million designated for economic uncertainty. The County’s commitment to fiscal responsibility continues to be strong as it remains one of the highest rated counties in the State.

Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Investment Pool for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2010. This was the thirteenth consecutive year that the Investment Pool has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Treasurer’s Office must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of many individuals in the Treasurer's Office. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions and determining responsible stewardship of the funds in the Investment Pool.

Requests for Information

This financial report is designed to provide a general overview of the Investment Pool's activities during fiscal year 2010/2011. Questions concerning any of the information provided in this report or requests for additional financial information, including a complete list of the Investment Pool's current holdings, should be addressed to the Office of San Diego County Treasurer-Tax Collector, 1600 Pacific Highway, Room 152, San Diego, California, 92101. Copies of the comprehensive annual financial report are also be available on the Internet at www.sdtreastax.com.

Respectfully,



Dan McAllister
Treasurer-Tax Collector

Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Diego County
Investment Pool, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

TREASURY OVERSIGHT COMMITTEE



Dan McAllister
*Treasurer-Tax Collector
County of San Diego*



Vernon Evans
*Chairman of Oversight Committee
Vice President Finance/Treasurer
San Diego County
Regional Airport Authority*



Lora Duzyk
*Asst. Superintendent of
Business Services
San Diego County
Office of Education*



Ronald Little II
*Chief Financial Officer
San Diego Unified
School District*



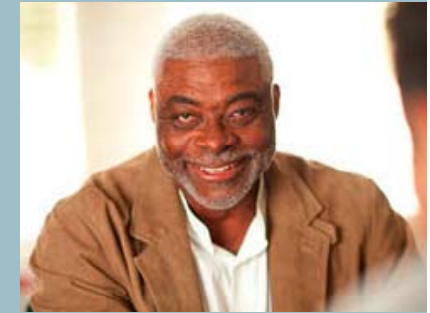
Benjamin Dillingham III
Public Member



Thomas LaHay
Public Member



Donald Steuer
Ex-Officio
Chief Financial Officer
County of San Diego



Wilmer Cooks
Business Owner
Public Member

Not Pictured:

Helen Robbins-Meyer
Assistant Chief
Administrative Officer
County of San Diego

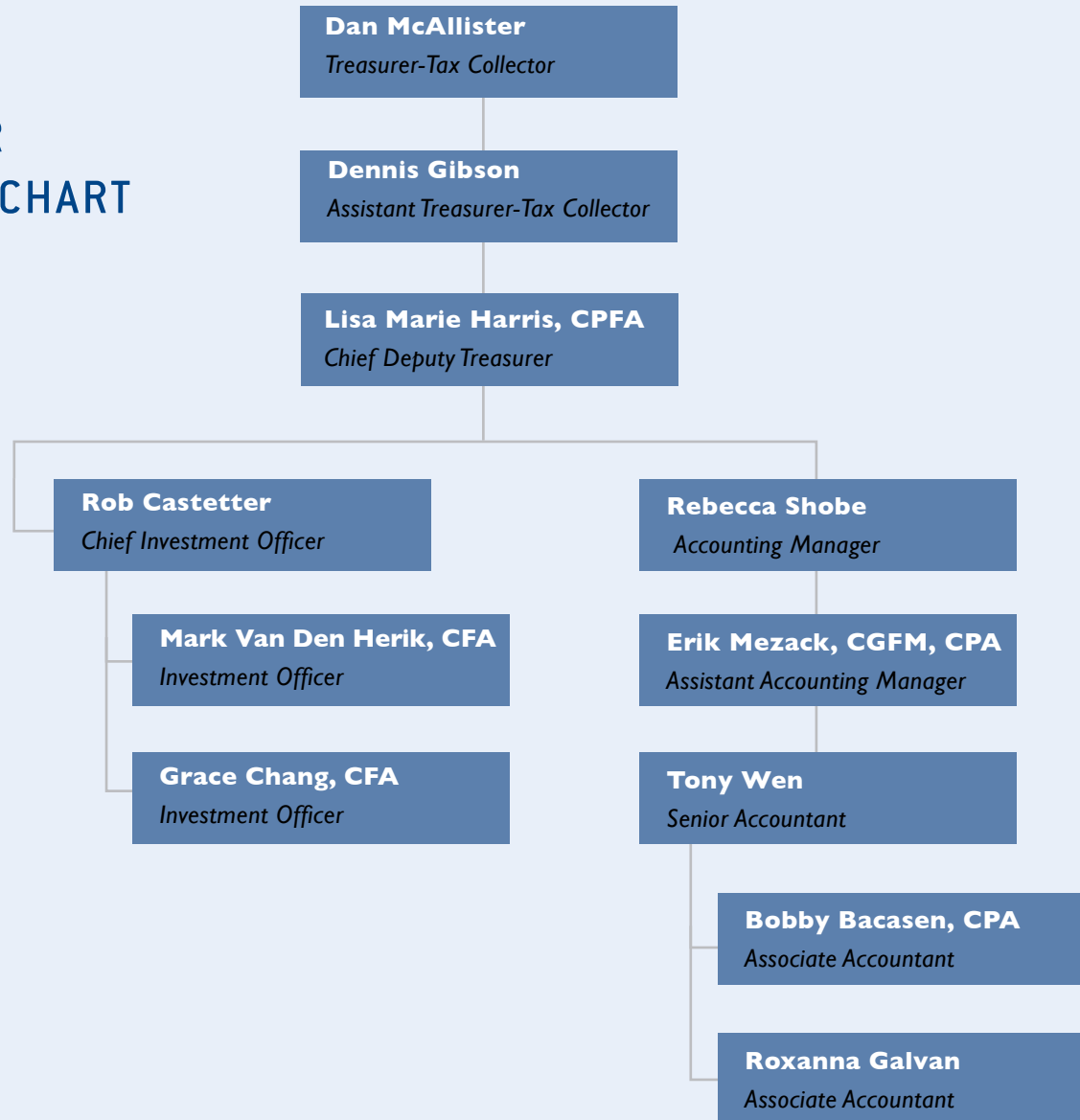
Chris Zapata
City Manager
City of National

Tracy Sandoval
Asst. Chief Financial Officer/
Auditor & Controller
County of San Diego

Ebony Shelton
Office of Financial
Planning Director
County of San Diego

Renee Wasmund
Ex-Officio
Chief Financial Officer
San Diego Association
of Governments

TREASURER– TAX COLLECTOR ORGANIZATION CHART



INVESTMENT POOL STAFF MEMBERS

Lisa Marie Harris, CPFA

Chief Deputy Treasurer

Tony Wen

Senior Accountant

Rob Castetter

Chief Investment Officer

Vacant

Senior Accountant

Rebecca Shobe

Accounting Manager

Bobby Bacasen, CPA

Associate Accountant

Mark Van Den Herik, CFA

Investment Officer

Roxanna Galvan

Associate Accountant

Grace Chang, CFA

Investment Officer

Gregg Rosner

Staff Accountant

Erik Mezack, CGFM, CPA

Assistant Accounting Manager

Rosella Perez

Supervising TTC Specialist





FINANCIAL SECTION

The following analysis primarily focuses on the Investment Pool's current year results in comparison with the prior year. We hope that the information presented here, and in the Letter of Transmittal, provides you with a solid understanding of the Investment Pool's financial status as of June 30, 2011.

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To the County of San Diego Audit Committee
and Treasury Oversight Committee
County of San Diego, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of the San Diego County Investment Pool (the "Investment Pool") of the County of San Diego, California, as of and for the fiscal year ended June 30, 2011. These financial statements are the responsibility of the Investment Pool's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Investment Pool's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of June 30, 2011, by correspondence with the custodian and brokers. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Investment Pool and do not purport to, and do not, present fairly the financial position of the County of San Diego, California, as of June 30, 2011, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Investment Pool, as of June 30, 2011, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2011 on our consideration of the Investment Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

We have issued a separate report dated October 30, 2011 on the Investment Pool's compliance with applicable sections of the California Government Code and the Investment Pool's January 1, 2011 Investment Policy. That report expresses an unqualified opinion on the Investment Pool's compliance with the specified requirements for the period from July 1, 2010 to June 30, 2011.

The management's discussion and analysis on pages 18 through 21 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Investment Pool. The introductory, investment and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory, investment and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Christy White Accountancy Corporation

San Diego, California
October 30, 2011

SAN DIEGO

RANCHO CUCAMONGA

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Licensed by the California Board of Accountancy

SAN DIEGO COUNTY INVESTMENT POOL MANAGEMENT'S DISCUSSION AND ANALYSIS

*Unaudited
June 30, 2011*

As management of the San Diego County Investment Pool (the "Investment Pool"), we offer readers of the Investment Pool's financial statements this narrative overview and analysis of the financial activities of the Investment Pool for the fiscal year ended June 30, 2011.

The following analysis primarily focuses on the Investment Pool's current year results in comparison with the prior year. We hope that the information presented here, and in the Letter of Transmittal, provides you with a solid understanding of the Investment Pool's financial status as of June 30, 2011.

Financial Results

- The assets of the Investment Pool exceeded its liabilities at the close of the most recent fiscal year by \$5.9 billion (net assets).
- The Investment Pool's total net assets increased by \$670.1 million. This represents a net increase of 12.9% compared to the prior fiscal year.
- The net investment income of the Investment Pool, which includes the change in market value from the prior year, decreased by 54.5% from \$65.7 million for the year ended June 30, 2010 to \$29.9 million for the fiscal year ended June 30, 2011.
- During the year, the Investment Pool distributed earnings of \$36.4 million to participants compared to the previous year's distribution of \$55.0 million. This represents a decrease of \$18.6 million (33.8%) over the last fiscal year.
- The Investment Pool's expense ratio was competitive at 0.132% of the average daily balance for the fiscal year 2010/2011 and 0.153% for the fiscal year 2009/2010.
- The fair value of the Investment Pool showed an undistributed and net unrealized gain of \$19.4 million (0.3% of portfolio fair value) at June 30, 2011 compared to an undistributed and net unrealized gain of \$30.2 million (0.6% of portfolio fair value) at June 30, 2010.

Overview of the Investment Pool Financial Statements

This discussion and analysis are intended to serve as an introduction to the basic financial statements. The Investment Pool's basic financial statements consist of two components:

- 1) Statement of Net Assets and Statement of Changes in Net Assets
- 2) Notes to Financial Statements

This report also contains other supplementary information in addition to the financial statements.

The Statement of Net Assets presents information on the Investment Pool's assets and liabilities, with the difference between the two reported as net assets.

Net Assets

The Investment Pool net assets increased by \$670.1 million (12.9%) for the fiscal year ended June 30, 2011. The majority of this increase can be attributed to a large voluntary addition from the San Diego County Regional Airport Authority (SDCRAA) and net additions from community college districts. SDCRAA decided to place a portion of their cash reserves in the Investment Pool during fiscal year 2010/2011 to diversify their investments. Their Investment Pool balance as of June 30, 2011 was \$268.6 million. For the community college districts, the total invested balance increased by \$226.7 million during the fiscal year. The largest individual increase amongst the districts was an additional \$162.4 million invested by Palomar Community College District. The amount of County funds invested in the Investment Pool also increased by \$170.8 million during the fiscal year.

A summary of the Investment Pool's net assets is presented below.

San Diego County Investment Pool Statement of Net Assets

(amounts expressed in thousands, except percentages)

	As of June 30,			Variance 2011 vs. 2010	
	2011	2010	2009	Amount	Percentage
ASSETS					
Investments at Fair-Value	\$5,856,303	\$5,175,446	\$5,354,009	\$ 680,857	13.2%
Cash and Receivables	32,577	46,810	339,860	(14,233)	-30.4%
Total Assets	5,888,880	5,222,256	5,693,869	666,624	12.8%
Liabilities					
Distributions Payable and Accrued Expenses	10,467	13,946	23,130	(3,479)	-24.9%
Total Liabilities	10,467	13,946	23,130	(3,479)	-24.9%
Net Assets Held in Trust for Pool Participants	\$5,878,413	\$5,208,310	\$5,670,739	\$670,103	12.9%

Changes in Net Assets

The Statement of Changes in Net Assets presents information on how the Investment Pool's net assets changed during the most recent fiscal year. The additions include additions to investments, interest income and changes in fair value of investments. Unrealized gains or losses of securities are determined by taking the difference between amortized cost and the fair value of investments. The deductions consist of deductions from investments, distributions to Investment Pool's participants and administrative expenses.

All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, additions and deductions are reported in this statement for some items that will result in cash flows in future fiscal periods.

A summary of the changes in the Investment Pool's net assets is presented below:

San Diego County Investment Pool Statement of Changes in Net Assets

(amounts expressed in thousands, except percentages)

	Fiscal Year Ended June 30,			Variance 2011 vs. 2010	
	2011	2010	2009	Amount	Percentage
Additions					
Additions to Pooled Investments	\$11,384,733	\$10,402,572	\$11,267,908	\$ 982,161	9.4%
Net Investment Income	29,931	65,713	133,416	(35,782)	-54.5%
Total Additions	11,414,664	10,468,285	11,401,324	946,379	9.0%
Deductions					
Deductions from Pooled Investments	10,702,188	10,869,499	10,683,889	(167,311)	-1.5%
Distributions to Participants	36,432	55,000	113,592	(18,568)	-33.8%
Administrative Expenses	5,941	6,215	5,569	(274)	-4.4%
Total Deductions	10,744,561	10,930,714	10,803,050	(186,153)	-1.7%
Changes in Net Assets	670,103	(462,429)	598,274	1,132,532	N/A
Net Assets Beginning of Year	5,208,310	5,670,739	5,072,465	(462,429)	-8.2%
Net Assets End of Year	\$5,878,413	\$5,208,310	\$5,670,739	\$670,103	12.9%

Additions to pooled investments increased by \$982.2 million, or 9.4%, from the previous fiscal year. Deductions from pooled investments decreased by \$167.3 million, or 1.5%, from the previous fiscal year. The increase in participant additions is due to a new voluntary investment by the San Diego County Regional Airport Authority for \$268.6 million, and a net increase in investments by the community college districts (\$226.7 million) and the County of San Diego (\$170.8 million).

Investment income decreased by \$35.8 million, or 54.5%, which is reflective of current market conditions. A thorough discussion of interest rates and the overall economy is contained in the Investment Section of this report.

The Investment Pool is managed for the sole benefit of the participants. All income is distributed quarterly after deducting investment and administrative costs. The Investment Pool, in practice, holds all investments to maturity, based on a detailed cash flow analysis. Therefore, any undistributed gains or losses as a result of market value fluctuations are not reflected in the distributions to participants. These distributions to participants reflect only the actual interest income received during the fiscal year. Distributions to participants decreased by \$18.6 million, or 33.8%, due to a decline in interest rates on Investment Pool securities. This decrease is reflective of the interest rate environment and the Investment Pool's transition to investments of lower risk to ensure the safety of principal during the current economic downturn.

San Diego County Investment Pool
Statement of Net Assets
As of June 30, 2011

(amounts expressed in thousands)

ASSETS	
Investments at Fair Value:	
U.S. Government Agencies:	
Federal Home Loan Mortgage Corporation Notes	\$ 874,677
Federal Home Loan Bank Notes	554,345
Federal National Mortgage Association Notes	1,407,919
Federal Farm Credit Bank Notes	768,243
U.S. Treasury Notes	284,271
Commercial Paper	1,411,418
Corporate Medium-Term Notes	25,770
Repurchase Agreements Collateralized By:	
Government Securities	774
Money Market Mutual Funds	58,585
Certificates of Deposit	435,161
Bond Funds	35,140
Total Investments at Fair Value	5,856,303
Other Assets:	
Cash on Hand and in Banks	3,007
Receivables and Other	29,570
Total Assets	5,888,880
LIABILITIES	
Distributions Payable	8,545
Accrued Expenses	1,922
Total Liabilities	10,467
NET ASSETS	\$ 5,878,413
Net assets consists of:	
Participant units outstanding (\$1.00 par)	\$ 5,859,012
Undistributed and unrealized gains	19,401
Net assets	\$ 5,878,413
Participant net asset value at fair value price per share (\$5,878,413 divided by 5,859,012 units)	\$ 1.003

The notes to financial statements are an integral part of this statement.

**San Diego County Investment Pool
Statement of Changes in Net Assets
Fiscal Year Ended June 30, 2011**

(amounts expressed in thousands)

ADDITIONS	
Additions to Pooled Investments	\$ 11,384,733
Investment Income:	
Net Decrease in Fair Value of Investments	(10,760)
Investment Earnings	42,428
Less Expenses	(1,737)
Net Investment Income	29,931
Total Additions	11,414,664
DEDUCTIONS	
Deductions From Pooled Investments	10,702,188
Distributions To Participants	36,432
Administrative Expenses	5,941
Total Deductions	10,744,561
Change in Net Assets	670,103
Net Assets, Beginning of Year	5,208,310
Net Assets, End of Year	\$ 5,878,413

The notes to financial statements are an integral part of this statement.

SAN DIEGO COUNTY INVESTMENT POOL NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity. The San Diego County Investment Pool (the "Investment Pool") is a part of the County of San Diego (the "County") and is responsible for approximately \$5.9 billion in assets as of June 30, 2011. The County Board of Supervisors delegates the investment authority to the County Treasurer's Office in accordance with Section 53607 of the California Government Code. The County Treasurer is an elective office, which is responsible for tax collection, banking, investment, disbursement and accountability of public funds.

Pursuant to Sections 27130-27137 of the California Government Code, the County Board of Supervisors has established the Treasurer's Oversight Committee (the "TOC"), which monitors and reviews the Investment Policy. The TOC consists of representatives appointed from mandatory pool participant agencies and County offices, and up to five members of the public who have expertise in, or an academic background in, public finance. The TOC requires a financial audit to be conducted annually on a fiscal year basis, which includes tests of compliance with laws and regulations.

The Investment Pool is managed by the County Treasurer's Office on behalf of the Investment Pool participants. The Investment Pool participants include the County, local school districts, local community colleges, and other districts and agencies. The local school districts are mandated by State statutes to deposit their funds with the County Treasurer. Mandatory participants in the Investment Pool comprise the majority of the Investment Pool's assets at 91.9%. All participants comply with the same requirements per the Investment Policy. The Investment Pool's investment objectives are to safeguard principal, meet the liquidity needs of the participants, and return an acceptable yield within the parameters of prudent risk management. The Investment Pool is not registered with the Securities and Exchange Commission ("SEC") as an investment company. The Investment Pool does not have any legally binding guarantees of share values.

Measurement Focus, Basis of Accounting and Financial Statement Presentation. The accompanying financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Earnings on investments are recognized as revenue in the period in which they are earned and administrative costs are recognized as expense when incurred, regardless of the timing of the related cash flows. Investment Pool participants' cash balances and withdrawals are based on cost while investments are reported at fair value.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements. In June 2010, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 59, Financial Instruments Omnibus. The objective of the statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The provisions of this statement were implemented by the Investment Pool in the period beginning July 1, 2010. The application of the revised guidance for financial reporting and disclosures of investments did not have a material impact on the Investment Pool’s financial statements.

In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure. The requirements of this Statement are effective for the Investment Pool’s financial statements for periods beginning July 1, 2012. The application of the codification requirements is not expected to have an impact on the Investment Pool’s financial statements.

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. The requirements of this Statement are effective for the Investment Pool’s financial statements for periods beginning July 1, 2012. The application of the revised guidance of Statement No. 63 is expected to change the terminology of net assets, but is not expected to have a material impact on the Investment Pool’s financial statements.

In June 2011, the GASB issued Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53. The objective of the statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty’s credit support provider, is replaced. The provisions of this statement are effective for the Investment Pool’s financial statements for periods beginning July 1, 2011. The application of the revised guidance for hedge accounting termination provisions is not expected to have a material impact to the Investment Pool’s financial statements.

2. ASSETS, LIABILITIES AND NET ASSETS

Deposits. At year-end, the carrying amount of the Investment Pool's deposits was \$3,007,366, and the bank balance at June 30, 2011 was \$6,920,213, which consisted of demand deposits with various financial institutions. The difference between the carrying amount and the bank balance includes temporary reconciling items such as cash on hand, outstanding checks, and deposits in transit. Of the bank balance, \$431,297 was covered by federal deposit insurance and \$6,488,916 was collateralized with securities held by a named agent depository on behalf of the Investment Pool as required by California Government Code Section 53656. California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

Custodial Credit Risk. Custodial credit risk for deposits exists when, in the event of a failure of the counterparty to a transaction, a government will not be able to recover the value of its deposits or collateral securities that are in the possession of another party. For sweep (deposit) accounts, the Investment Pool utilizes national or state chartered banks where amounts exceeding the FDIC insurance level are invested in repurchase agreements that are collateralized by U.S. Treasury and Federal Agency securities equal to or greater than the deposit amount in accordance with California Government Code.

Pool Investments. The Investment Pool operates under the prudent person standard. Specifically, California Government Code Sections 27000.1-27000.5, 27130-27137, and 53600-53686 authorize the Treasurer to invest funds in permissible types of investment or financial instruments. These include: U.S. Treasuries, Federal agencies, local agency obligations, banker's acceptance, commercial paper, medium-term notes/bonds, negotiable certificates of deposit, repurchase and reverse repurchase agreements, pass-through securities, money market mutual funds, and local agency investment funds.

Investments in the Investment Pool are stated at fair value. Securities that are traded on a national exchange are valued at the last reported sales price at current exchange rates. The fair value of investments is determined monthly and is provided by the custodian bank. Repurchase agreements and institutional money market funds are carried at portfolio book value (carrying cost). Open-end institutional money market funds are not categorized as to custodial credit risk because the investment in these funds is not evidenced by specific securities. All purchases of investments are accounted for on a trade-date basis.

Table 1: San Diego County Investment Pool Policy Restrictions versus California Government Code Section 53601 Requirements

Investment Type	Maximum Maturity		Maximum % of Portfolio		Maximum % with One Issuer		Minimum Rating	
	Gov. Code	Pool Policy	Gov. Code	Pool Policy	Gov. Code	Pool Policy	Gov. Code	Pool Policy
U.S. Treasury Obligations	5 years	5 years	None	None	None	None	None	None
Agency Obligations	5 years	5 years	None	None	None	25%	None	None
Local Agency Obligations	5 years	5 years	None	15%	None	10%	None	A
Bankers' Acceptances	180 days	180 days	40%	40%	30%	5%	None	A-1
Commercial Paper (1)	270 days	270 days	40%	40%	10%	5%	A	A
Certificates of Deposit	5 years	5 years	30%	30%	30%	5%	None	A
Repurchase Agreements	1 year	1 year	None	40%	None	(2)	None	None
Reverse Repurchase Agreements	92 days	92 days	20%	20%	None	10%	None	None
Corporate Medium-Term Notes	5 years	5 years	30%	30%	30%	5%	A	A
Money Market Mutual Funds	N/A	N/A	20%	15%	10%	10%	AAAf	AAAf
Bond Funds	N/A	N/A	None	2.5%	None	2.5%	None	None
Pass-Through Securities (3)	5 years	5 years	20%	20%	None	5%	A/AA	A/AA

(1) Government Code Section 53635(a)(1-2) specifies percentage limitations for this security type for county investment pools.

(2) Maximum exposure per issue - The maximum exposure to a single Repurchase Agreement (RP) issue shall be 10% of the portfolio value for RP's with maturities greater than 5 days, and 15% of the portfolio for RP's maturing in 5 days or less.

(3) Rating of "A" required for issuer, if rated; and rating of "AA" required for issue.

The Investment Pool is authorized to have leverage exposure through the use of reverse repurchase agreements (RRP) and securities lending. The maximum exposure to these investments is 20% of the total portfolio. The Investment Pool was not party to any RRP or securities lending transactions during the fiscal year.

Table 2 presents the maturity levels and credit ratings by investment type as of June 30, 2011. The balances are reported using the weighted average days to maturity (WAM) method.

**Table 2: San Diego County Investment Pool
Investment Statistics
As of June 30, 2011**

(amounts expressed in thousands, except percentages and days)

	S&P Rating	Rate Range %	Maturity Date Range	Par Value	Amortized Cost	Fair Value	Yield To Maturity	WAM (In Days)
U.S. Government Agencies:								
Federal Home Loan Mortgage Corporation Notes	AAA	0.12 - 5.50	07/11 - 03/16	\$868,384	\$872,216	\$874,677	0.67%	399
Federal Home Loan Bank Notes	AAA	0.25 - 5.75	08/11 - 03/16	546,795	550,692	554,345	1.65%	936
Federal National Mortgage Association Notes	AAA	0.11 - 5.00	09/11 - 05/16	1,399,407	1,404,907	1,407,919	1.27%	763
Federal Farm Credit Bank Notes	AAA	0.20 - 4.45	08/11 - 11/15	767,920	767,404	768,243	0.62%	385
U.S. Treasury Notes	AAA	1.00 - 4.88	07/11 - 11/15	275,005	275,417	284,271	2.91%	647
Commercial Paper	A-1/A-I+	0.02 - 0.18	07/11 - 08/11	1,411,658	1,411,569	1,411,418	0.12%	17
Corporate Medium-Term Notes	AA+	4.38 - 5.88	02/12 - 03/12	25,000	25,177	25,770	4.04%	237
Repurchase Agreements Collateralized By:								
Government Securities	N/A	0.05	07/11	774	774	774	0.05%	1
Money Market Mutual Funds	AAA	0.01	07/11	58,585	58,585	58,585	0.01%	17
Certificates of Deposit	N/A	0.11 - 1.00	07/11 - 05/12	435,161	435,161	435,161	0.16%	47
Bond Funds	AA	0.53	01/13	35,000	35,000	35,140	0.53%	577
Total Investments				\$ 5,823,689	\$ 5,836,902	\$ 5,856,303	0.84%	425

Unrealized gains or losses of securities are determined by taking the difference between amortized cost and the fair value of investments. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that were held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year(s) and the current year.

The Pool's investment program values participants' shares on an amortized cost basis. Specifically, the program distributes income to participants quarterly, based on their relative participation during the quarter. This participation is calculated based on (1) realized investment gains and losses calculated on an amortized cost basis, (2) interest income based on stated rates (both paid and accrued), (3) amortization of discounts and premiums on a straight-line basis, and (4) investment and administrative expenses. This amortized cost method differs from the fair value method used to value investments because the program is not designed to distribute to participants all unrealized gains and losses in the fair values of the Pooled investments. The total

difference between the fair values of the investments in the Pool and the values distributed to pool participants using the amortized cost method described above is reported in the equity section of the statement of net assets as undistributed and unrealized gains.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. To mitigate this risk, the Investment Policy limits the amount of exposure to any one single issuer to the percentages listed in Table 1. As noted in Table 1, the Investment Policy is more restrictive, in most cases, than the California Government Code. As of June 30, 2011, all investments are in compliance with State law and with the Investment Policy.

In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures, instruments in any one issuer that represent 5% or more of the Investment Pool holdings and are not explicitly guaranteed by the United States Government are required to be disclosed. The Investment Pool's investments in the securities of the Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) are issued by agencies that remain under conservatorship by the Director of the Federal Housing Agency. The U.S. Government does not guarantee, directly or indirectly, the securities of the Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), FNMA, or FHLMC. The Investment Pool's investment in FHLB, FFCB, FNMA, and FHLMC securities as of June 30, 2011 comprised 9%, 13%, 24%, and 15% of investments, respectively.

Credit Risk. Credit risk exists when there is the possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. To mitigate this risk, the Investment Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the ratings of investments held in the Investment Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long-term or "A1" for short-term investments. Non-rated securities include sweep accounts, collateralized certificates of deposit and repurchase agreements. Sweep accounts and collateralized certificates of deposit must be FDIC insured and collateralized with securities held by a named agent of the depository. Repurchase agreements are collateralized by securities, authorized by California Government Code Section 53601, having a fair market value of at least 102% of the amount of the repurchase agreement.

Custodial Credit Risk. Custodial credit risk for investments exists when, in the event of a failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Securities purchased by the Investment Pool are held by a third-party custodian, The Bank of New York Mellon Corporation, in their trust department, to mitigate custodial credit risk for investments.

Foreign Currency Risk. The Investment Pool was not exposed to foreign currency risk as all investments in the Investment Pool are in U.S. dollar-denominated assets.

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates.

California Government Code Section 53601 indicates that where the Code does not specify a limitation on the term remaining to maturity at the time of the investment, no investment shall be made in any security that has a term remaining to maturity in excess of five years at the time of investment, with limited exceptions.

To mitigate the effect of interest rate risk, the Investment Pool maintains a laddered portfolio in compliance with the Investment Policy, which requires at least 25% of securities to mature within 90 days and at least 50% of securities to mature within one year. In addition, the Investment Pool limits the maximum effective duration of the portfolio to 18 months. As of June 30, 2011, the Investment Pool was in full compliance with the Investment Policy, which is more restrictive than California Government Code. Actual weighted average days to maturity by investment type is presented in Table 2.

Receivables and Payables. Receivables primarily consist of interest accrued on investments. Distributions payable represent the interest for the last quarter of the fiscal year that will be credited to Investment Pool participants for reinvestment. Accrued expenses represent the administrative fees for the last quarter of the fiscal year ended June 30, 2011.

3. INTEREST APPORTIONMENT

Earnings realized on investments based on amortized cost are distributed to Investment Pool participants and are calculated using the accrual basis of accounting. Section 27013 of the California Government Code authorizes the Treasurer’s Office, as well as the Auditor and Controller’s Office, to deduct administrative fees related to investments. The net realized earnings on investments are apportioned to the Investment Pool participants quarterly, based on the participants’ average daily balances. During the year ended June 30, 2011, the Investment Pool distributed \$36.4 million of investment earnings, compared to the previous year’s distribution of \$55.0 million. The apportionment of investment earnings is classified as distributions to participants on the Statement of Changes in Net Assets. The distributed earnings are reinvested in the Investment Pool.

4. INVESTMENT POOL COMPOSITION

As of June 30, 2011, the Investment Pool participants by percentage of net assets consist of:

Table 3: San Diego County Investment Pool Participant Allocation As of June 30, 2011

County Funds	37.92%
Schools	36.51%
Community Colleges	11.17%
Voluntary Depositors	8.05%
Non County Funds	6.02%
Unrealized Gain/Loss	0.33%
Total	100.00%

5. RELATED PARTY

The County portion of the Investment Pool net assets as of June 30, 2011 is \$2.2 billion. The County allocates certain costs to the Investment Pool, including salaries and benefits, services and supplies, and overhead and equipment, which total \$5.9 million in the current fiscal year.

6. SUBSEQUENT EVENTS

The Investment Pool's management has evaluated subsequent events through the date of publication to determine whether any have had a material impact on the market value of investments or the reliability of financial reports at June 30, 2011. Current market values and credit quality for the Investment Pool's holdings can be viewed on the Treasurer-Tax Collector's website: www.sdtreastax.com.

United States Government Debt Downgrade. As of June 30, 2011, the Investment Pool held 4.9% of its assets in long-term debt instruments of the United States government in the form of Treasury Notes. A summary of portfolio holdings may be found in Table 2. On August 5, 2011, Standard and Poor's removed the United States government from its list of risk-free borrowers, and reduced the rating of United States government long-term debt by one rating category from AAA to AA+. There has been no material impact on the value of assets held in the Investment Pool as a result of this action. Also of note, the other two major ratings agencies, Moody's and Fitch, have not downgraded the United States government debt rating.

Standard & Poor's Reaffirms Investment Pool Credit Rating. In October 2011, Standard & Poor's reaffirmed the Investment Pool with its highest credit quality rating, AAAs. In providing this rating to the Investment Pool, Standard & Poor's evaluated the portfolio holdings in September 2011, after the United States debt downgrade, and found that this event did not have a material impact on the overall credit quality of the Investment Pool.





INVESTMENT SECTION

This section provides investment highlights and statistics for the fiscal year 2010-2011 and an outline of the Investment Policy.

This section was prepared through a collaborative effort of staff in the Treasurer's office noted on page 12.

Administrative Overview

The San Diego County Investment Pool (the "Investment Pool") was created when the State Legislature established the five-member County Board of Supervisors in 1853. During fiscal year 2010/2011, the Investment Pool activities included the following:

- The Investment Pool maturity structure has remained in compliance with the Investment Policy, which requires 25% of securities to mature in 90 days, 25% to mature from 91-365 days, and no more than 50% to mature in one to five years. As of June 30, 2011 the Investment Pool has 63.2% of investments maturing in less than one year.
- The Investment Pool had a slight decrease in weighted average days to maturity from 429 days at June 30, 2010 to 425 days at June 30, 2011.
- The Investment Pool's total net assets increased by 12.9% from \$5.2 billion on June 30, 2010 to \$5.9 billion on June 30, 2011.
- Undistributed and unrealized gains were \$19.4 million at June 30, 2011 compared to \$30.2 million at June 30, 2010.
- The weighted average effective yield (annualized) of the Investment Pool decreased from 1.34% for the year ended June 30, 2010 to 0.72% for the year ended June 30, 2011.
- The Investment Pool's expense ratio remained competitive at 0.132% of the average daily balance for the fiscal year 2010/2011 and 0.153% for 2009/2010.
- The Investment Pool maintained an 'AAAf/S1' rating by Standard & Poor's, a nationally recognized rating agency.

Outline of the Investment Policy

The Investment Pool is managed in accordance with prudent money management principles and California Government Code Sections 27000.1 – 27000.5, 27130 – 27137, and 53600 – 53686.

The objectives of the Investment Pool in order of importance are:

1. Safeguard the principal of the funds under the control of the Treasurer's Office.
2. Meet the liquidity needs of participants.
3. Achieve an investment return on the funds under control of the Treasurer within the parameters of prudent risk management.

On an annual basis, the Treasurer's Oversight Committee (TOC) reviews and approves the Investment Policy. Once the TOC has recommended approval, the Board of Supervisors reviews and adopts the Investment Policy in a public forum. The Investment Policy focuses on risk management by setting limits on principal exposure by type of security, by issuer of debt, by minimum credit ratings, and by liquidity. The Investment Policy includes a detailed section on terms and conditions for voluntary participants' deposits and withdrawal of funds from the Investment Pool. All investment transactions are handled by the internal Investment Officers.

Investment Results

Over the past four fiscal years, the federal funds rate dropped by more than 500 basis points. The effective federal funds rate was reduced from 5.25% on September 14, 2007 to 0.07% on June 30, 2011. Bond yields are positively correlated with changes in the federal funds rate. When a material decline in the federal funds rate occurs over a short period of time, it is anticipated that fixed income portfolios will realize significantly lower yields. The table below reflects the effective yield of the Investment Pool over the past five fiscal years.

**Table 4: San Diego County Investment Pool
Historical Effective Yield*
As of June 30, 2011**

Fiscal Year	Effective Yield	Change From Previous Year
2010-2011	0.72%	(0.62%)
2009-2010	1.34%	(0.92%)
2008-2009	2.26%	(1.79%)
2007-2008	4.05%	(0.53%)
2006-2007	4.58%	1.04%
3-year average	1.44%	N/A
5-year average	2.59%	N/A

*Yield is calculated by dividing investment earnings by investments at fair value.

**Table 5: San Diego County Investment Pool
Performance Returns*
As of June 30, 2011**

INVESTMENT TYPE	1 Year	3 Years	5 Years
Total Investment Pool	0.72	1.44	2.59
Peer Benchmark (LAIF)	0.49	1.11	2.56
U.S. Government Agencies	0.94	1.68	2.29
U.S. Treasury Notes	2.24	2.91	3.40
U.S. Treasury Bills	0.18	0.21	0.21
Commercial Paper	0.21	0.38	2.53
Corporate Medium-Term Notes	3.82	3.78	4.51
Repurchase Agreements	0.23	0.57	2.30
Certificates of Deposit	0.25	0.64	3.20
Money Market Mutual/Bond Funds	0.21	0.62	1.51
Bank Notes	--	0.18	3.54
Asset Backed Notes	--	5.37	5.05

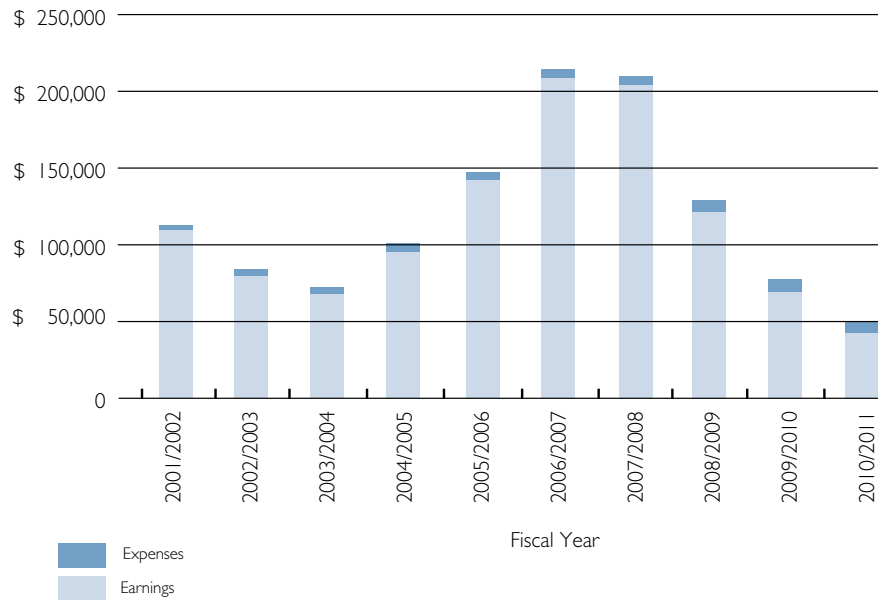
* Return is calculated by dividing earnings by fair value.

During the fiscal year ended June 30, 2011, the Investment Pool's overall effective yield declined by 62 basis points. During the fiscal year, the Investment Pool received significant inflows of capital from tax revenues and school bond issues, which were invested at rates that were lower than the Investment Pool's overall effective yield. Despite these factors, the Investment Pool maximized investment returns while adhering to the principles of the County Treasurer's Investment Policy.

Pursuant to the County Treasurer’s Investment Policy, the Investment Pool is charged with safeguarding principal, meeting liquidity needs, and earning an investment return. Despite the unprecedented market volatility and credit crisis, the Investment Pool maintained an acceptable yield without any loss of principal. The Investment Pool attributes these results to the effective implementation of an adaptable investment strategy, ongoing monitoring of market events, and thorough analysis of credit rating changes, while effectively managing the associated administrative expenses.

Chart 1: San Diego County Investment Pool Earnings and Expenses

(amounts expressed in thousands)



Income Allocation

The interest earned by each Investment Pool participant is proportionate to the average daily balance of the local agency. Prior to distribution, expenses incurred by the County are deducted from the realized earnings of the Investment Pool. The Investment Pool’s expense ratio for fiscal year 2010/2011 was 0.132% of the average daily balance. The apportionment rate is set approximately two weeks following the end of each calendar quarter. Apportionments are not paid out by warrants; all earnings are reinvested in the Investment Pool for the benefit of the participants.

Economic Environment

Federal Reserve Actions in 2010/2011

Ongoing economic weakness caused the Federal Reserve (the “Fed”) to maintain the target Federal Funds rate at a range between 0% and 0.25% during the fiscal year 2010/2011. In November 2010, the Fed announced a second round of monetary stimulus, commonly referred to as Quantitative Easing II (QE2). Through this new stimulus program, the Fed purchased \$600 billion of Treasury securities between November 2010 and June 2011. Furthermore, the Fed reaffirmed its existing policy to reinvest principal payments from its security holdings. Following the expiration of QE2, the national economy continued to show signs of weakness. At its June 2011 meeting, the Fed noted that the economic recovery continued at a somewhat slower than expected pace.

Recent Federal Reserve Actions

In August 2011, the Fed gave explicit guidance indicating that the federal fund rates will remain low at least through mid-2013. During the September 2011 meeting, the Fed continued to acknowledge significant downside risks to the economy and launched a new monetary stimulus program, commonly known as “Operation Twist,” designed to put downward pressure on longer-term rates. With this program, the Fed decided to sell \$400 billion of shorter term Treasury securities with remaining maturities of 3 years or less, and to reinvest the proceeds, by the end of June 2012, in longer term securities with maturities ranging from 6 to 30 years. Additionally, the Fed decided to reinvest principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities.

The Fed’s monetary stimulus programs, the European sovereign debt crisis, and the market’s reduced appetite for risk have pushed yields for Treasury securities substantially lower. The table below illustrates the decline in yields for Treasury securities from June 30, 2010 to June 30, 2011. More dramatic declines continued between June 30, 2011 and October 25, 2011. These declines have continued to push the Investment Pool’s yield lower over the past fiscal year.

Maturity	6/30/2010	6/30/2011	10/25/2011
3 Months	0.17	0.01	0.00
6 Months	0.22	0.10	0.05
1 Year	0.31	0.18	0.11
2 Years	0.60	0.46	0.28
3 Years	0.96	0.80	0.45
5 Years	1.77	1.76	1.04

Standard & Poor’s Rating Actions

On August 5, 2011, Standard & Poor’s lowered the United States long term sovereign credit ratings to ‘AA+’ from ‘AAA’, citing increasing political risks and a rising debt burden. The ratings agency commented that widening partisan agendas have hampered

the government's ability to manage its finances, during a time of critical economic challenges. Standard & Poor's had previously warned of a downgrade if the government's debt ceiling was not raised and if a long-term plan for reducing the national debt by at least \$4 trillion was not adopted. The impact of the downgrade to interest rates for Treasury securities has been minimal, possibly because the other two ratings agencies, Moody's and Fitch, have not made a similar decision to downgrade. Additionally, money has continued to flow into Treasuries, still seen as a safe haven given the recent turmoil in Europe.

The downgrade also affected the ratings of long-term debt securities issued by government sponsored agencies, including Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank, and Federal Farm Credit Bank. Although the long term debt ratings were downgraded, the United States short term debt rating was affirmed as 'A-1+'.

Despite the United States rating downgrade, the Investment Pool's rating was reaffirmed as 'AAAf/S1' on September 20, 2011 following Standard & Poor's annual review. The 'AAAf' rating indicates an extremely strong protection against losses from credit defaults. The 'S1' volatility rating signifies a low-sensitivity to changing market conditions.

Global and National Economic Conditions

The national economy remains sluggish due to a weak housing market, elevated unemployment, and political uncertainties surrounding government policies and finances, as well as the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The 2011 second quarter GDP grew at an annualized rate of 1.3% on gains in exports and spending on services, while the unemployment rate hit 9.1% in September 2011 for the third consecutive month. The national housing market remains weak, with the latest Standard & Poor's/Case-Shiller Home Price Index showing a 3.8% year over year price decline nationwide.

The ongoing European sovereign debt crisis has intensified in recent months, as the anticipated costs of the bailout package for Greece continues to rise, and with additional bailouts potentially looming for Ireland, Italy, Spain and Portugal. On October 13, 2011, all seventeen members of the European Union achieved a milestone with the ratification of an expansion of its bailout fund, also known as the European Financial Stability Facility (the "EFSF"). The expansion boosts the EFSF's lending power to €440 billion Euros (\$599 billion) from the previous level of €250 billion, and gives the EFSF the power to buy sovereign bonds, provide credit lines to governments and facilitate bank recapitalizations. As the European leaders work to develop a guideline for the deployment of EFSF, the ongoing European sovereign debt issue and its potential policy implications remain an important driver in the performance of global equity and fixed income markets.

Against the backdrop of global economic turmoil and political uncertainties, the Investment Pool continues to focus on principal protection by investing in securities of the highest quality. Holdings of United States Treasury and Agency securities were increased from 64.5% to 66.3% during the fiscal year ended June 30, 2011. In addition, the Investment Pool's exposure to European banks has been reduced in anticipation of developments with the European sovereign debt crisis.

State and Local Economic Conditions

There is persistent uncertainty surrounding the State's budget and the resulting effects on the cash flows of the Investment Pool participants; therefore, the Investment Pool continues to maintain a high degree of liquidity in its portfolio. As a result, Investment Pool holdings of securities maturing within one year were 63.2% as of June 30, 2011. The move to invest in low-risk and short-term securities has contributed to the decrease of the Investment Pool's effective yield from 1.34% at June 30, 2010 to 0.72% at June 30, 2011.

The University of San Diego's Index of Leading Economic Indicators (the "Index") increased from 109.7 as of June 30, 2010 to 116.1 as of September 30, 2011. The Index's components include building permits, initial jobless claims, stock prices, consumer confidence, help wanted advertising and the national economy.

Movement in the Index has been volatile in recent months, with alternate decreases and increases in the past five months. The first monthly decrease in 27 months came in June 2011, when the Index decreased by .02. This volatility reflects the uncertainty in the overall national and global economy. The local economy is poised to add jobs on an annual basis for the first time in three years, and the local unemployment rate fell below 10.0% percent after an increase mid-year. The positive indicators are countered by possible negative developments including continued weakness in the housing market and international economic concerns.

Despite the tough economic conditions, the County of San Diego Treasurer Tax-Collector is committed to supporting the local San Diego economy via its "Local Banking Initiative." Through this innovative program, the Investment Pool has invested \$60 million with 14 local community banks to help fund local business and development projects. The Investment Pool receives competitive yields from the participating banks and the local community benefits from increased economic activity.

Outlook for Fiscal Year 2011/2012

The beginning of fiscal year 2011/2012 has already witnessed record low yields with the launch of the Federal Reserve's "Operation Twist" program. Due to the prolonged expectation for sluggish economic growth and the Federal Reserve's intention to keep interest rates low until 2013, yields of securities maturing within five years are expected to remain severely compressed. With the ongoing economic and political uncertainties in the United States and abroad, the primary objectives of the Investment Pool are to remain invested in securities of the highest quality and to establish sufficient liquidity to meet the cash flow needs of the Investment Pool participants.

Risk Profile

The three main risk factors for the Investment Pool are credit, liquidity and interest rate exposure.

The credit limits of the investments held by the Investment Pool meet the requirements of the Investment Policy and California Government Code.

**Table 6: San Diego County
Investment Pool Participants**

As of June 30, 2011

Participant	% Ownership
County	37.92%
Non-County Investment Funds	6.02%
Schools (K thru 12)	
Alpine Union	
Autistic Pupils Minor High	
Autistic Pupils Minor Elementary	
Bonsall Union	
Borrego Springs Unified	
Cajon Valley Union	
Cardiff	
Carlsbad Unified	
Chula Vista Elementary	
Coronado Unified	
Dehesa	
Del Mar Union	
Encinitas Union	
Escondido Union	
Escondido Union High	
Fallbrook Union Elementary	
Fallbrook Union High	
Grossmont Union High	
Jamul-Dulzura Union	
Julian Union	
Julian Union High	
La Mesa-Spring Valley	
Lakeside Union	
Lemon Grove	
Mountain Empire Unified	
National	
Oceanside Unified	
Poway Unified	

Participant	% Ownership
Ramona Unified	
Rancho Santa Fe	
San Diego Unified	
San Dieguito Union High	
San Marcos Unified	
San Pasqual Union	
San Ysidro	
Santee	
Solana Beach	
South Bay Union	
Spencer Valley	
Sweetwater Union High	
Vallecitos	
Valley Center Union	
Vista Unified	
Warner Unified	
Education - Cemetery Districts	
Department of Education	
Education - Debt Service	
Education - Building Funds	
Total for Schools	36.51%
Community Colleges	
San Diego	
Grossmont	
MiraCosta	
Palomar	
Southwestern	
Total for Community Colleges	11.17%
Retirement	0.01%
Cities	
Chula Vista	
Del Mar	
Encinitas	
Lemon Grove	
Total for Cities	0.00%

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Table 6: San Diego County Investment Pool Participants

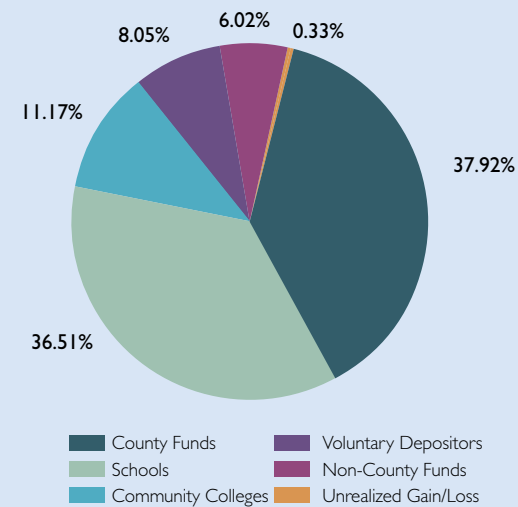
As of June 30, 2011 (Continued from previous page)

Participant	% Ownership
Independent Agencies	
Alpine Fire Protection	
Bonita Sunnyside Fire Protection	
Borrego Springs Fire Protection	
Deer Springs Fire Protection	
Fallbrook Public Utility	
Fire Agency Self Insurance System (PASIS)	
Julian-Cuyamaca Fire Protection	
Lake Cuyamaca Recreation & Park	
Lakeside Fire	
Leucadia Water District	
Lower Sweetwater Fire Protection	
Majestic Pines Community Services District	
Metropolitan Transit Service	
Mission Resource Conservation	
North County Cemetery District	
North County Cemetery Perpetual	
North County Cemetery	
North County Dispatch	
North County Fire Protection	
Otay Water District	
Palomar Resource Conservation	
Pine Valley Fire Protection	
Pomerado Cemetery Perpetual	
Pomerado Cemetery District	
Ramona Cemetery District	
Ramona Cemetery Perpetual	
Rancho Santa Fe Fire Protection	
San Diego Housing Commission	
SANCAL	
SANDAG	
San Diego Rural Fire Protection	
San Dieguito River	
San Marcos Fire Protection	
San Miguel Fire Protection	
San Ysidro Sanitation	

Participant	% Ownership
Santa Fe Irrigation District	
South County Operations Center	
SDC Regional Airport Authority	
Spring Valley/Casa de Oro	
Upper San Luis Rey Resource Conservation	
Vallecitos Water District	
Valley Center Fire Protection	
Valley Center Cemetery	
Valley Center Cemetery Perpetual	
Valley Center Water District	
Vista Fire Protection District	
Total for Independent Agencies	8.04%
Undistributed and Unrealized Gains	0.33%
TOTAL	100.00%

Chart 2: San Diego County Investment Pool Participants

As of June 30, 2011



Leverage Exposure

The Investment Pool is allowed to have leverage exposure up to 20% of the Portfolio value through the use of Reverse Repurchase Agreements (RRP) and Securities Lending. There were no RRP or Securities Lending transactions during fiscal year 2010/2011.

The Investment Pool Statistics table provides a detailed listing of the Investment Pool diversification, yields by type of securities, and weighted average maturities as of June 30, 2011.

**Table 7: San Diego County Investment Pool Statistics
As of June 30, 2011**

(amounts expressed in thousands, except percentages and days)

	Percent of Portfolio	Book Value at Amortized Cost	Market Price *	Accrued Interest	Market Value	Unrealized Gain/(Loss)	Yield To Maturity	Weighted Average Days to Maturity
U.S. Government Agencies:								
Federal Home Loan Mortgage Corporation Notes	14.94%	\$872,216	100.72%	\$2,489	\$874,677	\$2,461	0.67%	399
Federal Home Loan Bank Notes	9.44%	550,692	101.38%	2,897	554,345	3,653	1.65%	936
Federal National Mortgage Association Notes	24.07%	1,404,907	100.61%	6,814	1,407,919	3,012	1.27%	763
Federal Farm Credit Bank Notes	13.15%	767,404	100.04%	754	768,243	839	0.62%	385
U.S. Treasury Notes	4.72%	275,417	103.37%	2,008	284,271	8,854	2.91%	647
Commercial Paper	24.18%	1,411,569	99.98%		1,411,418	(151)	0.12%	17
Corporate Medium-Term Notes	0.43%	25,177	103.08%	476	25,770	593	4.04%	237
Repurchase Agreements Collateralized By:								
Government Securities	0.01%	774	100.00%	-	774	-	0.05%	1
Money Market Mutual Funds	1.00%	58,585	100.00%	4	58,585	-	0.01%	17
Certificates of Deposit	7.46%	435,161	100.00%	35	435,161	-	0.16%	47
Bond Funds	0.60%	35,000	100.40%	37	35,140	140	0.53%	577
Total Investments	100.00%	\$5,836,902	100.56%	\$15,514	\$5,856,303	\$19,401	0.84%	425

*Based on a comparison of market value to par value.

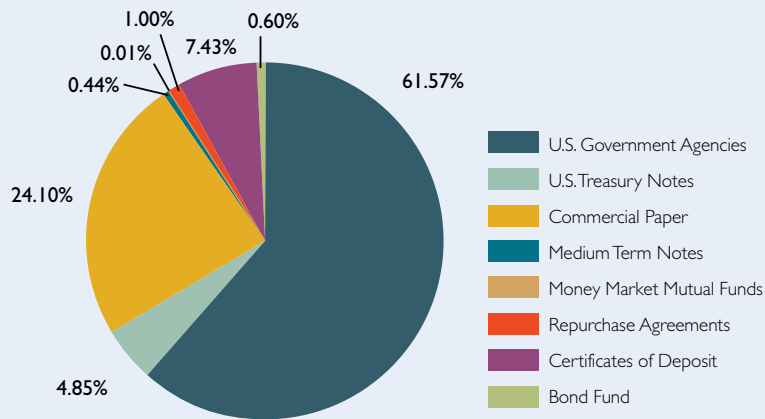
A complete list of current and historical Investment Pool holdings is available on the Treasurer-Tax Collector's website at www.sdtreastax.com. The apportionment rate during fiscal year 2010/2011 was 0.66%. The 3-year average return was 1.36% and 5-year average return was 2.74%.

**Table 8: San Diego County Investment Pool
Schedule of Top Ten Fixed-Income Securities
As of June 30, 2011**

(amounts expressed in thousands)

Security Name	CUSIP No.	Par Value	Fair Value
Commercial Paper General Electric Capital Corporation	36960MU19	\$140,000	\$139,975
Commercial Paper HSBC Finance	4042FIU15	125,000	124,995
Commercial Paper Union Bank NA	90526NU52	125,000	124,963
Federal National Mortgage Association	31359MZ30	100,000	101,415
Federal Farm Credit Bank	31331KAH3	100,000	100,811
Federal National Mortgage Association Discount Note	313588MJ1	100,000	99,952
Federal Home Loan Mortgage Corporation Discount Note	313396MJ9	100,000	99,899
Federal National Mortgage Association Discount Note	313588NR2	100,000	99,891
Federal Farm Credit Bank Discount Note	313312KE9	100,000	99,866
Federal Farm Credit Bank Discount Note	313312KG4	100,000	99,858

**Chart 3: San Diego County Investment Pool
Asset Allocation at Fair Value
As of June 30, 2011**



**Table 9: San Diego County Investment Pool
Schedule of Investment Expenses by Category
Fiscal Year Ended June 30, 2011**

(amounts expressed in thousands)

Banking Expenses	
Bank of America	\$20
Wells Fargo	839
Armored Transport	117
Banking Expenses Total	976
Custodial Expenses	
The Bank of New York Mellon	70
Custodial Expenses Total	70
Application Expenses	
Bloomberg Portfolio Order Management System	342
Sungard Investment Accounting System	348
Application Expenses Total	690
Total Expenses	\$1,736





STATISTICAL SECTION

This section presents detailed information on the Investment Pool with historical perspective as a context for understanding and using the information in the financial statements, note disclosures, and required supplementary information.

Introduction

Government Accounting Standards Board (GASB) Statement 44 Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1) requires that certain detailed statistical information be presented in this section, typically in ten-year trends, to assist users in utilizing the basic financial statements, notes to the basic financial statements, and required supplementary information in order to assess the economic condition of the Investment Pool. For governments that prepare this statistical section, the provisions of this Statement encourage, but do not require, retroactive presentation of all years of information.

Objectives

This section presents detailed information on the Investment Pool with historical perspective as a context for understanding and using the information in the financial statements, note disclosures, and required supplementary information.

**Table 10: San Diego County Investment Pool
Schedule of Additions, Deductions of Pool Investments and Changes in Net Assets**

(amounts expressed in whole numbers)

FOR THE FISCAL YEARS ENDED:	06/30/11	06/30/10	06/30/09	06/30/08
NET ASSETS, BEGINNING OF YEAR	\$5,208,309,163	\$5,670,738,848	\$5,072,465,123	\$4,566,611,085
ADDITIONS				
Additions to Pooled Investments (1)	11,384,734,425	10,402,572,172	11,267,908,077	11,314,634,544
Net Increase/(Decrease) in Fair Value of Investments	(10,759,705)	(1,319,450)	14,254,540	85,028,266
Net Investment Income	40,690,796	67,031,904	119,160,842	201,627,108
TOTAL ADDITIONS	11,414,665,516	10,468,284,626	11,401,323,459	11,601,289,918
DEDUCTIONS				
Deductions from Pooled Investments (1)	10,702,188,409	10,869,498,883	10,683,888,892	10,893,808,772
Distributions to Participants	36,432,021	55,000,318	113,592,340	197,271,678
Administrative Expenses	5,940,913	6,215,110	5,568,502	4,355,430
TOTAL DEDUCTIONS	10,744,561,343	10,930,714,311	10,803,049,734	11,095,435,880
CHANGES IN NET ASSETS	670,104,173	(462,429,685)	598,273,725	505,854,038
NET ASSETS, END OF YEAR	\$5,878,413,336	\$5,208,309,163	\$5,670,738,848	\$5,072,465,123

(1) In fiscal year 2005/2006 and prior years, the Investment Pool reports included interfund activity in additions and deductions. As of fiscal year 2006/2007, the report has been revised to reflect elimination of interfund activity. The report is now on a net cash inflow and outflow basis which management believes is more representative of the Investment Pool's inflows and outflows and accounts for the significant decrease in additions and deductions in comparison to the prior year.

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The following schedules contain ten-year trend information to help the reader assess the changes over time.

- Schedule of Additions, Deductions of Pooled Investments and Changes In Net Assets**
This table allows the reader to evaluate the year over year changes in net assets.
- Schedule of Earnings, Returns, Expenses, Apportionment Rate, Average Daily Balances (ADB) and Ratio of Fees/ADB**
This table contains information to help the reader assess the Investment Pool's performance. It also presents the related expenses and its impact on returns.
- Schedule of Expenses**
This table presents expenses by object to help the reader evaluate the fees and expenses incurred by the Investment Pool.
- Asset Allocation**
This table presents historical changes in asset allocation to help the reader evaluate portfolio diversity and risk.
- Asset Value by Major Participant**
This table presents historical changes in the value held by the Investment Pool participants to help the reader identify the entities who hold and contribute major percentages of resources to the Investment Pool.

06/30/07	06/30/06	06/30/05	06/30/04	06/30/03	06/30/02
\$4,004,178,164	\$4,131,299,129	\$3,799,621,101	\$3,858,274,156	\$3,252,138,901	\$2,767,788,469
11,909,698,604	28,473,113,569	26,593,131,286	37,800,817,256	36,207,523,331	35,031,870,943
(22,259,995)	28,912,662	(27,930,661)	(36,912,555)	(3,735,502)	3,897,890
206,546,440	140,131,928	93,727,388	66,442,613	78,505,059	109,600,549
12,093,985,049	28,642,158,159	26,658,928,013	37,830,347,314	36,282,292,888	35,145,369,382
11,325,005,688	28,629,147,195	26,233,522,597	37,821,417,224	35,596,672,002	34,552,164,267
202,150,125	136,174,373	89,470,591	63,539,605	75,555,211	104,956,793
4,396,315	3,957,556	4,256,797	4,043,540	3,930,420	3,897,890
11,531,552,128	28,769,279,124	26,327,249,985	37,889,000,369	35,676,157,633	34,661,018,950
562,432,921	(127,120,965)	331,678,028	(58,653,055)	606,135,255	484,350,432
\$4,566,611,085	\$4,004,178,164	\$4,131,299,129	\$3,799,621,101	\$3,858,274,156	\$3,252,138,901

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**Table II: San Diego County Investment Pool
Schedule of Earnings, Returns, Expenses, Apportionment Rate, Average Daily Balances (ADB)
and Ratio of Fees/ADB**

(amounts expressed in whole numbers)

Fiscal Year	Interest Earnings	Effective Yield	Expenses	Net Distributed	Apport. Rate	Avg. Daily Balances (In Millions)	Ratio of Fees/ADB
2010/2011	\$42,427,623	0.72%	\$7,677,940	\$36,432,021	0.66%	\$5,806.0	0.132%
2009/2010	69,238,152	1.34%	8,421,359	55,000,318	1.05%	5,516.7	0.153%
2008/2009	121,241,248	2.26%	7,648,908	113,592,340	2.36%	5,188.0	0.147%
2007/2008	203,423,635	4.05%	6,151,957	197,271,678	4.61%	4,619.3	0.133%
2006/2007	208,254,888	4.58%	6,104,763	202,150,125	5.00%	4,277.6	0.143%
2005/2006	141,493,964	3.54%	5,319,592	136,174,372	3.47%	4,154.7	0.128%
2004/2005	94,916,466	2.32%	5,445,875	89,470,591	2.24%	4,182.8	0.130%
2003/2004	67,583,142	1.64%	4,043,540	63,539,602	1.59%	4,168.7	0.097%
2002/2003	79,485,631	2.38%	3,930,420	75,555,211	2.32%	3,430.2	0.115%
2001/2002	108,854,683	3.83%	3,897,890	104,956,793	3.84%	2,949.0	0.132%

**Table 12: San Diego County Investment Pool
Schedule of Investment and Administrative Costs**

(amounts expressed in whole numbers)

FOR THE FISCAL YEARS ENDED:	06/30/11	06/30/10	06/30/09	06/30/08	06/30/07	06/30/06	06/30/05	06/30/04	06/30/03	06/30/02
INVESTMENT EXPENSES:										
Banking	\$976,576	\$1,451,641	\$1,451,443	\$1,449,664	\$1,317,570	\$1,071,080	\$857,252	\$967,323	\$807,794	\$709,229
State Street Bank-Custodial	-	-	-	-	84,971	94,496	109,612	88,182	88,974	86,196
The Bank of New York Mellon-Custodial	70,000	70,001	87,499	80,000	31,250	-	-	-	-	-
Bloomberg	342,238	321,846	201,067	248,093	256,232	185,417	217,186	56,600	52,745	50,490
Sungard Financial Systems	348,013	362,760	340,397	18,770	18,425	11,043	5,028	28,424	31,059	30,600
TOTAL INVESTMENT EXPENSES	1,736,827	2,206,248	2,080,406	1,796,527	1,708,448	1,362,036	1,189,078	1,140,529	980,572	876,515
ADMINISTRATIVE EXPENSES:										
Allocated Costs by County:										
Equipment Cost	31,855	21,729	49,205	56,252	16,985	56,336	55,153	65,815	57,566	315,455
Computer Related Expenses:										
Software Services	9,923	8,512	6,130	4,187	12,903	163,011	10,161	56,371	40,500	40,500
WASSAU Financial Systems	5,957	106,149	37,632	69,574	149,196	163,990	232,007	-	-	46,640
Computer Leases and Data	107,460	108,107	31,664	-	-	-	-	-	-	-
OTG Software Inc	-	-	-	-	-	-	-	-	77,490	63,000
Salaries and Benefits	3,137,229	3,622,888	3,374,093	2,621,940	2,611,336	2,107,955	1,947,523	1,750,405	1,540,932	1,448,103
Services and Supplies	1,442,865	1,073,834	947,568	576,586	485,834	269,158	1,016,979	106,680	402,262	449,534
Department Overhead	421,137	505,964	464,321	519,810	502,131	400,395	210,900	347,421	242,346	291,623
External Overhead	564,487	547,928	437,889	287,081	397,930	576,711	564,074	426,319	438,752	226,520
Sub-Total	5,720,914	5,995,111	5,348,502	4,135,430	4,176,315	3,737,556	4,036,797	2,753,011	2,799,848	2,881,375
Auditor & Controller Allocated Cost	220,000	220,000	220,000	220,000	220,000	220,000	220,000	150,000	150,000	140,000
Total Administrative Cost	5,940,913	6,215,111	5,568,502	4,355,430	4,396,315	3,957,556	4,256,797	2,903,011	2,949,848	3,021,375
Total Expenses	\$7,677,740	\$8,421,359	\$7,648,908	\$6,151,957	\$6,104,763	\$5,319,592	\$5,445,875	\$4,043,540	\$3,930,420	\$3,897,890

**Table 13: San Diego County Investment Pool
Asset Allocation at Fair Value**

(amounts expressed in thousands, except percentages)

INVESTMENT TYPE	6/30/11		6/30/10		6/30/09		6/30/08	
	Amount	%	Amount	%	Amount	%	Amount	%
U.S. Government Agencies	\$3,605,184	61.57%	\$2,945,639	56.92%	\$3,443,523	64.32%	\$3,014,950	59.96%
U.S. Treasury Notes	284,271	4.85%	287,990	5.56%	377,797	7.06%	377,359	7.50%
U.S. Treasury Bills	-	-	104,974	2.03%	99,920	1.87%	-	-
Commercial Paper	1,411,418	24.10%	905,922	17.50%	474,925	8.87%	619,295	12.32%
Corporate Medium-Term Notes	25,770	0.44%	51,599	1.00%	78,853	1.47%	98,270	1.95%
Repurchase Agreements	774	0.01%	177,251	3.42%	258,370	4.82%	360,677	7.17%
Certificates of Deposit	435,161	7.43%	529,791	10.24%	360,581	6.73%	440,035	8.75%
Money Market Mutual Funds and Bond Funds	93,725	1.60%	172,280	3.33%	260,040	4.86%	78,165	1.55%
Asset Backed Notes	-	-	-	-	-	-	39,523	0.79%
Total Investments at Fair Value	\$5,856,303	100.00%	\$5,175,446	100.00%	\$5,354,009	100.00%	\$5,028,274	100.00%

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**Table 14: San Diego County Investment Pool
Investments at Fair Value by Major Participant**

(amounts expressed in thousands, except percentages)

PARTICIPANT	6/30/11		6/30/10		6/30/09		6/30/08	
	Amount	%	Amount	%	Amount	%	Amount	%
County	\$ 2,220,873	37.92%	\$2,046,371	39.54%	\$1,816,616	33.93%	\$1,846,556	36.72%
Non-County Investments	352,406	6.02%	220,992	4.27%	266,094	4.97%	198,535	3.95%
K-12 Schools	2,138,030	36.51%	2,171,100	41.95%	2,573,672	48.07%	2,170,480	43.17%
Community Colleges	654,309	11.17%	427,492	8.26%	513,985	9.60%	621,438	12.36%
Voluntary Deposits	471,357	8.05%	279,474	5.40%	153,660	2.87%	173,982	3.46%
Undistributed and Unrealized Gains/(Losses)	19,328	0.33%	30,018	0.58%	29,982	0.56%	17,283	0.34%
Total Investments at Fair Value	\$ 5,856,303	100.00%	\$5,175,446	100.00%	\$5,354,009	100.00%	\$5,028,274	100.00%

*Amount of Undistributed and Unrealized Gains/(Losses) not presented in report this year.

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6/30/07		6/30/06		6/30/05		6/30/04		6/30/03		6/30/02	
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
\$643,197	14.14%	\$1,645,272	41.19%	\$1,793,294	43.92%	\$1,460,381	38.82%	\$1,586,692	41.46%	\$862,361	27.00%
319,459	7.02%	-	-	98,555	2.41%	123,016	3.27%	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
1,708,348	37.54%	1,190,899	29.82%	1,135,940	27.82%	1,049,756	27.91%	1,209,651	31.61%	1,080,636	33.83%
228,303	5.02%	324,129	8.12%	294,883	7.22%	175,232	4.66%	61,300	1.60%	-	-
302,494	6.65%	218,391	5.47%	50,000	1.23%	200,000	5.32%	325,000	8.49%	450,000	14.09%
1,245,259	27.37%	484,821	12.14%	623,287	15.27%	669,739	17.80%	325,275	8.50%	540,965	16.94%
56,950	1.25%	54,050	1.35%	27,600	0.68%	34,400	0.91%	319,100	8.34%	260,000	8.14%
46,141	1.01%	76,307	1.91%	59,128	1.45%	49,313	1.31%	-	-	-	-
\$4,550,151	100.00%	\$3,993,869	100.00%	\$4,082,687	100.00%	\$3,761,837	100.00%	\$3,827,018	100.00%	\$3,193,962	100.00%

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6/30/07		6/30/06		6/30/05		6/30/04		6/30/03		6/30/02	
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
\$1,886,003	41.44%	\$1,512,448	37.87%	\$1,326,085	32.48%	\$1,419,976	37.75%	\$1,084,197	28.33%	\$1,012,486	31.70%
241,386	5.31%	238,034	5.96%	388,864	9.52%	126,864	3.37%	484,839	12.67%	443,961	13.90%
1,974,358	43.39%	1,963,386	49.16%	1,946,789	47.68%	1,887,028	50.16%	1,820,997	47.58%	1,520,326	47.60%
375,286	8.25%	224,455	5.62%	354,746	8.69%	231,956	6.17%	274,865	7.18%	140,534	4.40%
77,426	1.70%	74,685	1.87%	94,134	2.31%	124,800	3.32%	152,709	3.99%	76,655	2.40%
(4,308)	-0.09%	(19,139)	-0.48%	(27,931)	-0.68%	(28,787)	-0.77%	9,411	0.25%	-*	-
\$4,550,151	100.00%	\$3,993,869	100.00%	\$4,082,687	100.00%	\$3,761,837	100.00%	\$3,827,018	100.00%	\$3,193,962	100.00%

*Amount of Undistributed and Unrealized Gains/(Losses) not presented in report this year.

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San Diego County Investment Pool
An investment trust fund of the County of San Diego, CA



50% Post-Consumer Waste



San Diego County Treasurer-Tax Collector
1600 Pacific Highway, Room 152, San Diego, CA 92101