



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: November 1, 2012

To: Board Members

Via: Thella F. Bowens, President/CEO

From: Vernon D. Evans, Vice President, Finance/Treasurer

Subject: Accept the Authority's Investment Report as of September 30, 2012:

RECOMMENDATION: The Executive Committee recommends that the Board accept the report.

San Diego County Regional Airport Authority

Review of the Authority's Investment Report As of September 30, 2012



Presented by:
Vernon D. Evans, CPA
Vice President, Finance / Treasurer & CFO
Scott Brickner, CPA
Director, Financial Planning and Budget
November 1, 2012



This report is prepared for the San Diego County Regional Airport Authority (the "Authority") in accordance with California Government Code Section 53646, which states that "the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency within 30 days following the end of the quarter covered by the report."

The investment report and investment portfolio are in compliance with California Government Code Section 53646 and the Authority's approved Investment Policy. All investment transactions made in the Authority's portfolio during this period were made on behalf of the Authority. Sufficient liquidity and anticipated revenue are available to meet expenditure requirements for the next six months.

A handwritten signature in black ink that reads "Vernon D. Evans". The signature is written in a cursive style and is positioned above a horizontal line.

Vernon D. Evans
Chief Financial Officer/Treasurer
San Diego County Regional Airport Authority



Total Portfolio Summary



	Current Period	Prior Period	Change From Prior
	September 30, 2012	June 30, 2012	
Book Value	\$283,338,000	\$279,359,000	\$3,979,000
Market Value	\$283,675,000	\$279,477,000	\$4,198,000
Market Value%	100.14%	100.06%	0.08%
Unrealized Gain / (Loss)	\$337,000	\$118,000	\$219,000
Weighted Average Maturity (Days)	272 days	301 days	(29)
Weighted Average Yield as of Period End	0.54%	0.57%	(0.03%)
Cash Interest Received- Quarter-to-Date	\$348,000	\$287,000	\$61,000
Accrued Interest	\$208,000	\$252,000	(\$44,000)

Notes:

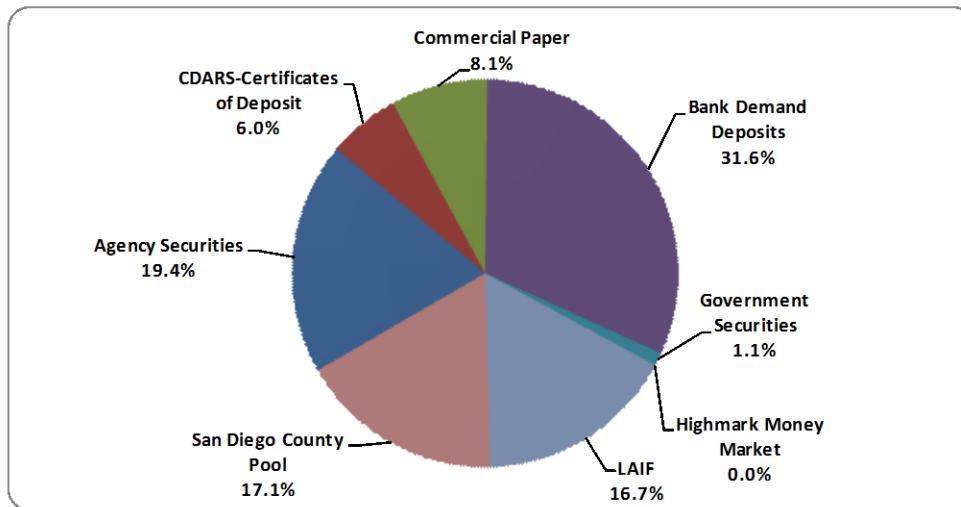
(1) Increase in balance is due to a positive operating cash flow for the first quarter.



Portfolio Composition by Security Type



	September 30, 2012		June 30, 2012		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 55,260,000	19.4%	\$ 58,241,000	20.7%	100%
CDARS-Certificates of Deposit	17,028,000	6.0%	16,999,000	6.1%	30%
Commercial Paper	22,972,000	8.1%	25,899,000	9.3%	25%
Bank Demand Deposits	89,592,000	31.6%	78,963,000	28.3%	100%
Government Securities	3,001,000	1.1%	3,002,000	1.1%	100%
Highmark Money Market	69,000	0.0%	810,000	0.3%	20%
LAIF	47,371,000	16.7%	47,248,000	16.9%	\$50 million ⁽¹⁾
San Diego County Pool	48,382,000	17.1%	48,315,000	17.3%	\$50 million ⁽²⁾
Total:	\$ 283,675,000	100.0%	\$ 279,477,000	100.0%	



Notes:

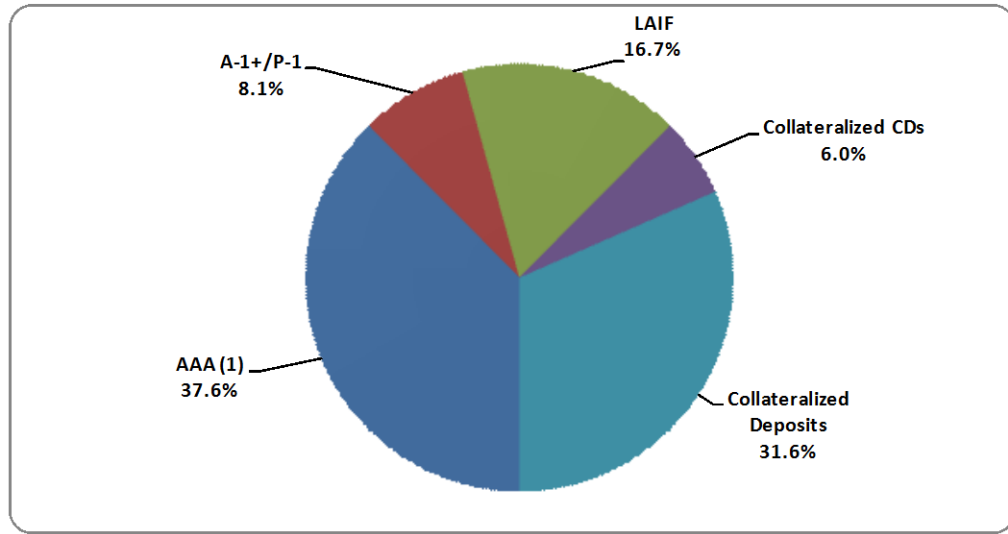
- 1.) The \$50 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.



Portfolio Composition by Credit Rating



	September 30, 2012		June 30, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA ⁽¹⁾	\$ 106,713,000	37.6%	\$ 110,368,000	39.4%
A-1+/P-1	22,972,000	8.1%	25,899,000	9.3%
LAIF	47,371,000	16.7%	47,248,000	16.9%
Collateralized CDs	17,028,000	6.0%	16,999,000	6.1%
Collateralized Deposits	89,592,000	31.6%	78,963,000	28.3%
Total:	\$ 283,675,000	100.0%	\$ 279,477,000	100.0%



Notes:

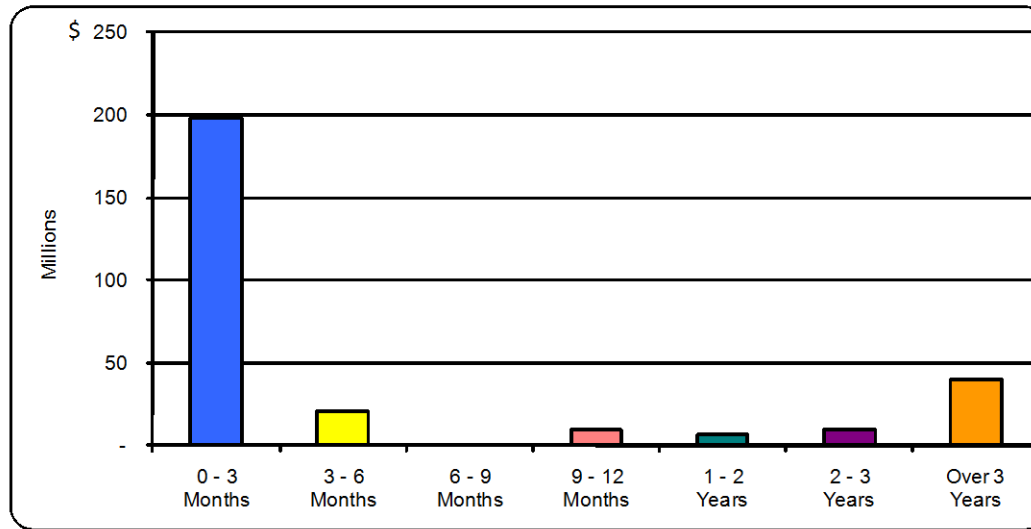
1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)



Portfolio Composition by Maturity Distribution⁽¹⁾



	September 30, 2012		June 30, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	\$ 197,910,000	69.7%	\$ 178,334,000	63.7%
3 - 6 Month	20,426,000	7.2%	12,478,000	4.5%
6 - 9 Months	-	0.0%	20,365,000	7.3%
9 - 12 Months	10,079,000	3.6%	-	0.0%
1 - 2 Years	6,074,000	2.1%	16,071,000	5.8%
2 - 3 Years	9,515,000	3.4%	12,570,000	4.5%
Over 3 Years	39,671,000	14.0%	39,659,000	14.2%
Total:	\$ 283,675,000	100.0%	\$ 279,477,000	100.0%

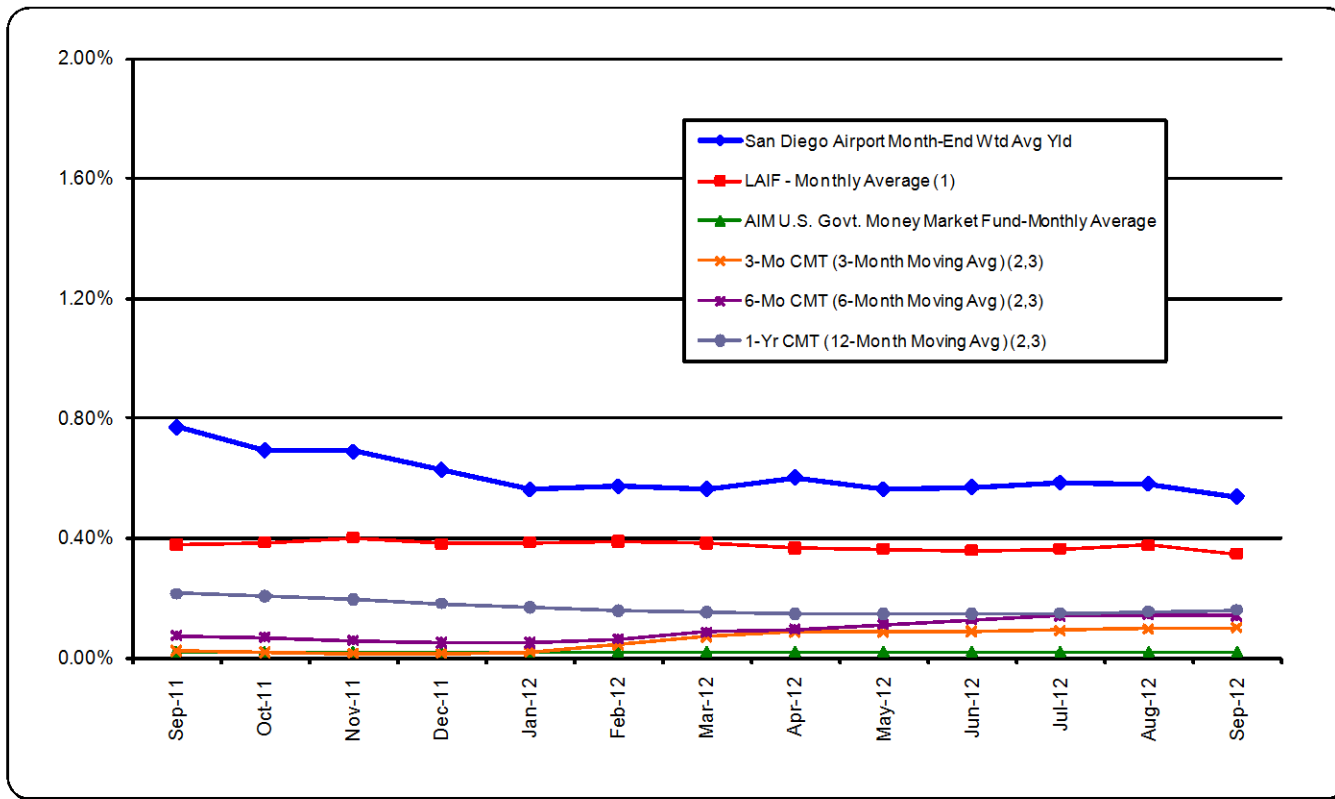


Notes:

1.) The 0-3 Month category includes investments held in the LAIF and the San Diego County Investment Pool.



Benchmark Comparison



Notes:

- 1.) Benchmark data for LAIF is the average monthly effective yield.
- 2.) CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities.
- 3.) The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year CMT is the daily average for the previous 12-months.



Detail of Security Holdings

As of September 30, 2012



Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
03/26/12	FHLMC	0.625	12/23/13	12/23/13	3,000,000	100.335	3,010,050	100.449	3,013,470	449	0.432
03/30/12	FNMA	1.500	09/08/14	09/08/14	3,000,000	102.390	3,071,700	102.030	3,060,900	708	0.513
01/09/12	FHLMC	0.850	01/09/15	01/09/13	3,000,000	100.000	3,000,000	100.146	3,004,380	831	0.850
02/13/12	FHLMC	0.700	02/13/15	02/13/13	2,500,000	100.000	2,500,000	100.172	2,504,300	866	0.700
04/30/12	FNMA	0.700	04/30/15	04/30/13	4,000,000	100.000	4,000,000	100.148	4,005,920	942	0.700
12/28/11	FNMA	0.750	12/28/15	12/28/12	5,000,000	99.970	4,998,500	100.046	5,002,300	1184	1.498
02/10/12	FHLMC	1.000	02/10/16	02/10/14	3,000,000	100.475	3,014,250	100.708	3,021,240	1228	0.879
02/24/12	FNMA	0.800	02/24/16	02/24/14	3,000,000	99.785	2,993,550	100.546	3,016,380	1242	0.855
10/26/11	FNMA	1.375	10/26/16	10/26/12	3,000,000	100.000	3,000,000	100.090	3,002,700	1487	1.689
01/18/12	FNMA	0.700	01/18/17	07/18/13	4,000,000	100.000	4,000,000	100.429	4,017,160	1571	1.599
01/27/12	FHLMC	2.250	01/23/17	01/23/14	2,500,000	102.885	2,572,125	102.581	2,564,525	1576	1.645
02/06/12	FNMA	0.750	02/06/17	02/06/13	3,000,000	99.900	2,997,000	100.217	3,006,510	1590	1.700
04/17/12	FNMA	1.550	04/17/17	10/17/12	4,000,000	99.950	3,998,000	100.062	4,002,480	1660	1.560
05/09/12	FNMA	1.000	05/09/16	05/09/13	4,000,000	99.990	3,999,600	100.397	4,015,880	1317	1.003
09/21/12	FNMA	1.125	06/28/17	06/28/13	3,000,000	100.368	3,011,040	100.456	3,013,680	1732	1.050
07/26/12	FNMA	0.750	07/26/17	07/26/13	2,000,000	99.875	1,997,500	100.281	2,005,620	1760	1.220
09/21/12	FHLMC	1.000	09/12/17	09/12/13	3,000,000	99.975	2,999,250	100.097	3,002,910	1808	1.000
Agency Total					55,000,000		55,162,565		55,260,355	1285	1.130
02/09/12	Neighborhood Nat'l Bk CD	0.850	02/07/13		4,949,427	100.000	4,949,427	100.000	4,949,427	130	0.850
02/27/12	Union Bank CD	0.200	02/27/13		2,000,000	100.000	2,000,000	100.000	2,000,000	150	0.200
06/28/12	East West Bk CD	0.750	07/02/13		10,078,932	100.000	10,078,932	100.000	10,078,932	275	0.750
CD's Total					17,028,359		17,028,359		17,028,359	218	0.714



Detail of Security Holdings

As of September 30, 2012



Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
06/05/12	Toyota Motor Credit CP	0.600	03/01/13		3,000,000	99.361	2,986,550	99.748	2,992,440	152	0.603
06/27/12	Toyota Motor Credit CP	0.530	03/22/13		2,000,000	99.520	1,992,109	99.713	1,994,260	173	0.532
01/20/12	FCAR Owner Trust CP	0.650	10/16/12		3,500,000	99.513	3,482,938	99.991	3,499,685	16	0.653
02/16/12	FCAR Owner Trust CP	0.620	11/09/12		3,000,000	99.540	2,986,205	99.969	2,999,070	40	0.620
03/30/12	Toyota Motor Credit CP	0.552	12/24/12		3,000,000	99.589	2,987,671	99.914	2,997,420	85	0.552
04/13/12	FCAR Owner Trust CP	0.600	01/08/13		5,000,000	99.550	4,977,500	99.882	4,994,100	100	0.600
05/22/12	FCAR Owner Trust CP	0.570	01/17/13		3,500,000	99.620	3,486,700	99.871	3,495,485	109	0.570
Commercial Paper Total					23,000,000		22,899,672		22,972,460	92	0.594
03/29/11	U.S. Treasury	0.375	10/31/12		3,000,000	99.740	2,992,148	100.019	3,000,570	31	0.541
Government Total					3,000,000		2,992,148		3,000,570	31	0.541
US Bank General Acct					33,262,109	100.000	33,262,109	100.000	33,262,109	1	0.035
US Bank Accounts Total					33,262,109		33,262,109		33,262,109	1	0.035
Highmark US Govt MMF					69,403	100.000	69,403	100.000	69,403	1	0.000
Highmark Money Market Total					69,403		69,403		69,403	1	0.000
Local Agency Invstmnt Fd					47,248,303	100.000	47,248,303	100.259	47,370,590	1	0.377
San Diego County Inv Pool					48,346,275	100.000	48,346,275	100.073	48,381,639	1	0.490
Bank of the West					23,363,661	100.000	23,363,661	100.000	23,363,661	1	0.350
East West Bank					102,705	100.000	102,705	100.000	102,705	1	0.350
East West Bank					32,858,161	100.000	32,858,161	100.000	32,858,161	1	0.350
East West Bank Total					32,960,865		32,960,865	100.000	32,960,865	1	0.350
Union Bk Cash					5,113.25	100.000	5,113.25	100.000	5,113.25	1	0.000
Grand Total					\$ 283,284,088	100.02	\$ 283,338,474	100.14	\$ 283,675,125	272	0.537



Portfolio Investment Transactions

From July 1st, 2012 – September 30th, 2012



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
07/26/12	FNMA (Step)	AGCY CALL	3136G0RZ6	0.750	07/26/17	07/26/13	99.875	2,000,000
09/21/12	FNMA	AGCY CALL	3135G0MN0	1.125	06/28/17	6/2/13	100.368	3,011,040
09/21/12	FHLMC	AGCY CALL	3134G3H52	1.000	09/12/17	09/12/13	99.975	2,999,250
								\$ 8,010,290
CALLS								
07/19/11	FNMA	AGCY CALL	3136FRYJ6	1.250	07/19/16	07/19/12	99.800	2,000,000
08/01/11	FHLMC	AGCY CALL	3134G2TR3	0.450	07/26/13	07/26/12	100.000	3,000,000
03/21/12	FNMA	AGCY STEP	3136FT4U0	0.625	03/21/16	09/21/12	100.000	3,000,000
01/11/12	FHLMC	AGCY CALL	3134G2F64	1.500	09/21/16	09/21/12	100.345	3,000,000
								\$ 11,000,000
MATURITIES								
12/19/11	Toyota Motor Credit CP	CP - DISC	89233GJE7	0.760	09/14/12	--	99.430	3,000,000
								\$ 3,000,000
Deposits								
								\$ -
Withdrawals								
								\$ -



Bond Proceeds Summary



As of: September 30, 2012

(in thousands)

Fund	Series A/B	Series C	Total	Yield	Rating
<u>Project Fund</u>					
SDCIP ⁽¹⁾	\$ 6,142	\$ 34,547	\$ 40,689	0.49%	AAAf
	6,142	34,547	40,689		
<u>Capitalized Interest</u>					
SDCIP ⁽¹⁾	513	371	884	0.49%	AAAf
JP Morgan Federal MM Reserve	6	4	10	0.00%	AAAm
	519	375	894		
<u>Debt Service Reserve Fund</u>					
East West Bank CD	13,228	7,120	20,348	0.75%	
Bank of the West DDA	9,695	6,367	16,062	0.45%	
SDCIP ⁽¹⁾	9,819	4,813	14,632	0.49%	AAAf
	32,742	18,300	51,042		
	\$ 39,403	\$ 53,222	\$ 92,625	0.54%	

*Bond proceeds are not included in deposit limits as applied to operating funds

(1) SDCIP Yield as of 08/31/2012



Bond Proceeds Investment Transactions

From July 1st, 2012 – September 30th, 2012



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
								\$ -
CALLS								
								\$ -
MATURITIES								
								\$ -
Deposits								
								\$ -
Withdrawals								
7/2/2012	Transfer from Capitalized Interest Account to Debt Service P&I Funds (Paid to Bond Holders in July)	SDCIP						\$ 10,023,496
7/5/2012	Transfer from Capitalized Interest Account to Debt Service P&I Funds (Paid to Bond Holders in July)	JPMM						540,370
8/13/2012	San Diego County Investment Pool	SDCIP						20,260,630
9/4/2012	San Diego County Investment Pool	SDCIP						16,073,068
9/27/2012	San Diego County Investment Pool	SDCIP						10,067,217
9/28/2012	San Diego County Investment Pool	SDCIP						9,991,060
								\$ 66,955,841



Questions

