



# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Communication

**Date:** September 27, 2010  
**To:** Board Members  
**Via:** Thella F. Bowens, President/CEO  
**From:** Vernon D. Evans, Vice President, Finance/Treasurer  
**Subject:** Investment Report as of August 31, 2010

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The attached report is to be received at the October 7, 2010 Board meeting.





**Item 6**

# San Diego County Regional Airport Authority

## Investment Report As of August 31, 2010

Presented by:

Vernon D. Evans, CPA

Vice-President-Finance/Treasurer and CFO

October 7, 2010



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.

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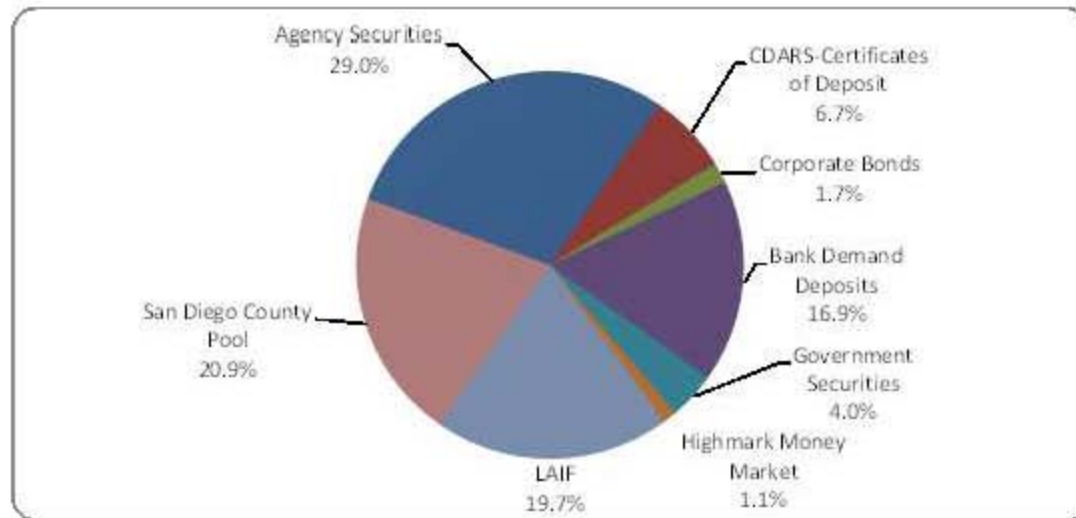
Vernon D. Evans  
Chief Financial Officer/Treasurer  
San Diego County Regional Airport Authority

# Total Portfolio Summary

	Current Period 8/31/2010	Prior Period 7/31/2010	Change From Prior
Book Value	\$238,203,000	\$240,125,000	(\$1,922,000)
Market Value	\$238,168,000	\$240,061,000	(\$1,893,000)
Market Value%	99.93%	99.97%	(0.04%)
Unrealized Gain / (Loss)	(\$35,000)	(\$64,000)	\$29,000
Weighted Average Maturity (Days)	263 days	273 days	(10)
Weighted Average Yield as of Period End	1.13%	1.16%	(0.03%)
Cash Interest Received- Current Month	\$66,000	\$424,000	(\$358,000)
Cash Interest Received-Year-to-Date	\$490,000	\$424,000	\$66,000
Accrued Interest	\$424,000	\$304,000	\$120,000

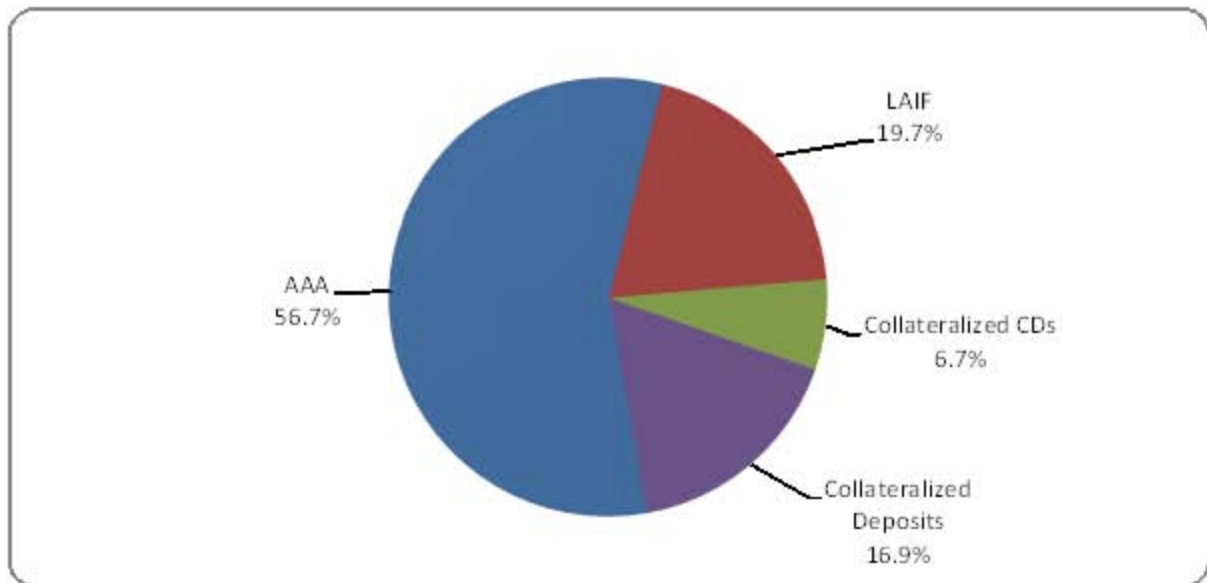
# Portfolio Composition by Security Type

	August 31, 2010		July 31, 2010		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 68,992,000	29.0%	\$ 68,578,000	28.6%	100%
CDARS-Certificates of Deposit	16,045,000	6.7%	16,038,000	6.7%	30%
Corporate Bonds	4,024,000	1.7%	4,027,000	1.7%	15%
Bank Demand Deposits	40,135,000	16.9%	42,256,000	17.6%	100%
Government Securities	9,587,000	4.0%	9,599,000	4.0%	100%
Highmark Money Market	2,598,000	1.1%	3,038,000	1.2%	20%
LAIF	46,958,000	19.7%	46,906,000	19.5%	\$50 million
San Diego County Pool	49,829,000	20.9%	49,619,000	20.7%	\$50 million
<b>Total</b>	<b>\$ 238,968,000</b>	<b>100.0%</b>	<b>\$ 240,061,000</b>	<b>100.0%</b>	



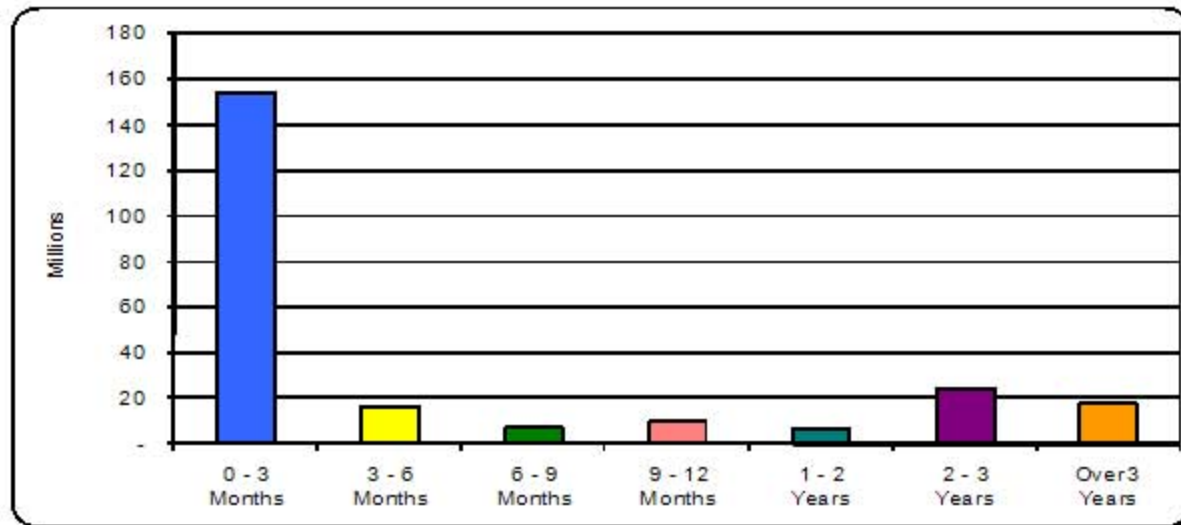
# Portfolio Composition by Rating

	August 31, 2010		July 31, 2010	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
<b>AAA</b>	<b>\$ 135,030,000</b>	<b>56.7%</b>	<b>\$ 134,861,000</b>	<b>56.2%</b>
<b>LAIF</b>	<b>46,958,000</b>	<b>19.7%</b>	<b>46,906,000</b>	<b>19.5%</b>
<b>Collateralized CDs</b>	<b>16,045,000</b>	<b>6.7%</b>	<b>16,038,000</b>	<b>6.7%</b>
<b>Collateralized Deposits</b>	<b>40,135,000</b>	<b>16.9%</b>	<b>42,256,000</b>	<b>17.6%</b>
<b>Total:</b>	<b>\$ 238,168,000</b>	<b>100.0%</b>	<b>\$ 240,061,000</b>	<b>100.0%</b>



# Portfolio Composition by Maturity Distribution<sup>(1)</sup>

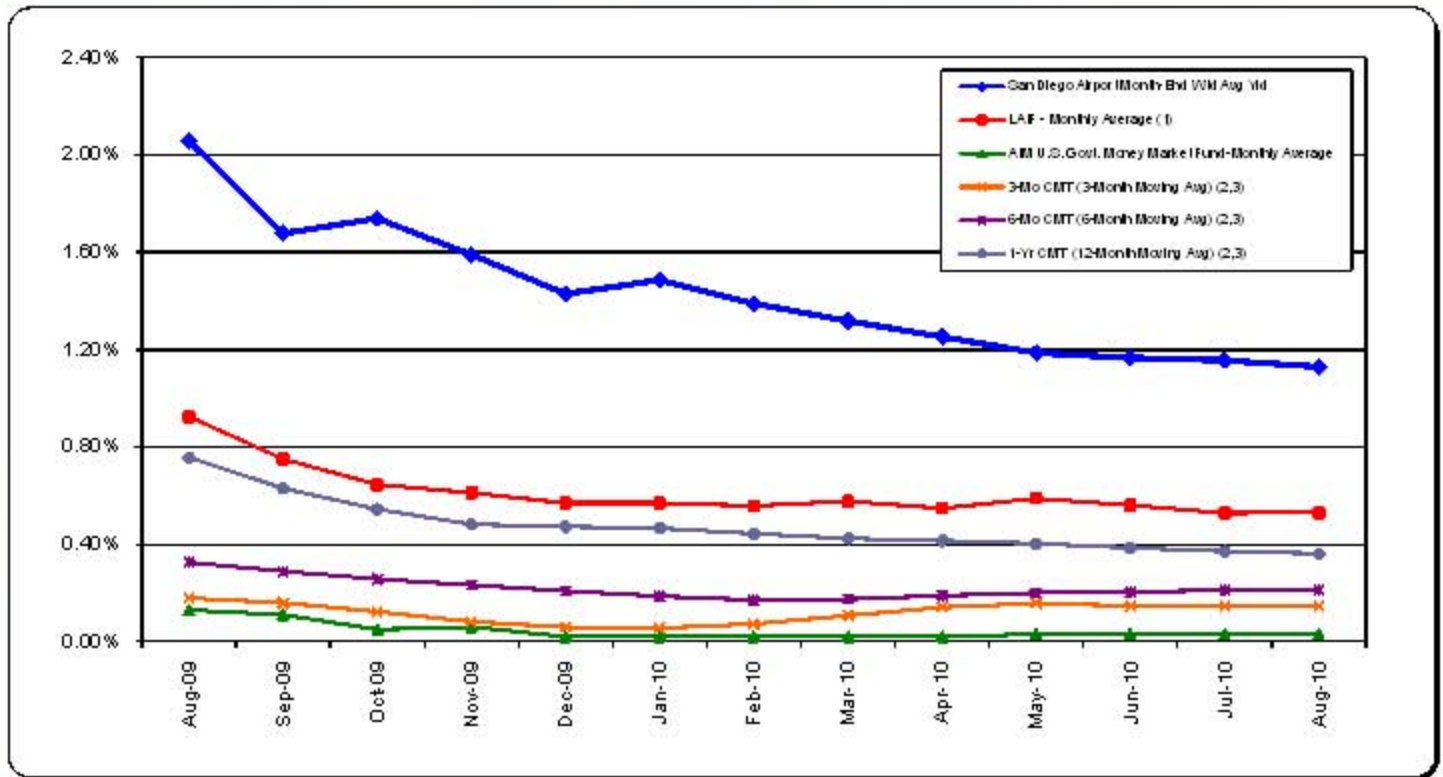
	August 31, 2010		July 31, 2010	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
<b>0 - 3 Months</b>	<b>\$ 155,088,000</b>	<b>65.2%</b>	<b>\$ 154,951,000</b>	<b>64.6%</b>
<b>3 - 6 Month</b>	<b>16,688,000</b>	<b>7.0%</b>	<b>15,678,000</b>	<b>6.5%</b>
<b>6 - 9 Months</b>	<b>7,703,000</b>	<b>3.2%</b>	<b>11,046,000</b>	<b>4.6%</b>
<b>9 - 12 Months</b>	<b>10,000,000</b>	<b>4.2%</b>	<b>11,704,000</b>	<b>4.9%</b>
<b>1 - 2 Years</b>	<b>7,002,000</b>	<b>2.9%</b>	<b>7,003,000</b>	<b>2.9%</b>
<b>2 - 3 Years</b>	<b>24,051,000</b>	<b>10.1%</b>	<b>19,043,000</b>	<b>7.9%</b>
<b>Over 3 Years</b>	<b>17,636,000</b>	<b>7.4%</b>	<b>20,636,000</b>	<b>8.6%</b>
<b>Total:</b>	<b>\$ 238,168,000</b>	<b>100.0%</b>	<b>\$ 240,061,000</b>	<b>100.0%</b>



**Notes:**

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

# Benchmark Comparison (1)



**Notes:**

- 1.) Benchmark data for LAF 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.



**San Diego County Regional Airport Authority**  
**DETAIL OF SECURITY HOLDINGS**  
*As of August 31, 2010*

Settlement Date	Security Description	Coupon	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity	Yield to Worst
03/09/09	FFCB	1.250	4,000,000.00	99.978	3,999,120.00	100.053	4,001,240.00	9	1.265	1.265
03/09/09	FHLB	1.375	4,900,000.00	99.985	4,899,250.30	100.046	4,901,519.00	9	1.385	1.385
11/14/07	FNMA	4.375	2,655,000.00	100.674	2,672,897.36	99.455	2,658,318.75	13	4.118	4.118
04/16/09	FHLMC	1.550	2,000,000.00	100.592	2,011,830.00	99.791	2,007,620.00	106	1.190	1.190
04/20/09	TVA	5.625	2,000,000.00	107.498	2,149,960.00	94.946	2,041,300.00	140	1.264	1.264
06/01/07	FNMA	6.000	1,630,000.00	103.106	1,680,619.65	100.868	1,695,200.00	257	5.122	5.122
06/17/10	FHLB	0.750	3,000,000.00	100.000	3,000,000.00	100.000	3,000,000.00	290	0.750	0.750
03/09/10	FHLMC	0.550	2,000,000.00	100.000	2,000,000.00	100.000	2,000,000.00	556	1.629	0.550
01/12/10	FHLB	0.500	3,000,000.00	99.950	2,998,500.00	100.050	3,000,000.00	568	1.544	0.573
07/06/10	FHLMC	0.750	2,000,000.00	100.000	2,000,000.00	100.102	2,002,040.00	675	1.300	0.750
12/17/09	FHLB	0.750	3,000,000.00	100.000	3,000,000.00	100.000	3,000,000.00	839	2.308	0.750
06/28/10	FHLMC	1.250	2,000,000.00	100.000	2,000,000.00	100.186	2,003,720.00	850	1.250	1.250
06/28/10	FHLB	0.750	2,000,000.00	100.000	2,000,000.00	100.125	2,002,500.00	850	1.343	0.750
06/28/10	FNMA	2.000	2,000,000.00	100.980	2,019,600.00	99.958	2,018,760.00	1028	1.662	1.001
06/28/10	FNMA	1.125	2,000,000.00	100.000	2,000,000.00	100.031	2,000,620.00	1032	2.111	1.125
07/08/10	FHLMC	1.000	4,000,000.00	100.199	4,007,960.00	99.998	4,007,880.00	1042	1.758	0.800
07/26/10	FHLMC	1.000	4,000,000.00	100.000	4,000,000.00	100.086	4,003,440.00	1060	1.657	1.000
07/28/10	FNMA	1.000	4,000,000.00	100.000	4,000,000.00	100.125	4,005,000.00	1246	1.980	1.000
07/29/10	FHLB	0.750	2,500,000.00	99.950	2,498,750.00	100.081	2,500,775.00	1247	1.924	0.850
05/26/10	FNMA	2.250	1,600,000.00	100.000	1,600,000.00	100.406	1,606,496.00	1729	3.396	2.250
06/10/10	FNMA	1.500	3,000,000.00	100.000	3,000,000.00	100.188	3,005,640.00	1744	3.432	1.500
06/29/10	FNMA	1.000	4,000,000.00	100.000	4,000,000.00	100.094	4,003,760.00	1763	3.496	1.000
07/28/10	FNMA	1.550	2,500,000.00	99.880	2,497,000.00	100.684	2,514,075.00	1792	2.280	1.590
08/11/10	FNMA	2.050	2,000,000.00	101.116	2,022,314.00	99.762	2,017,500.00	969	1.620	0.470
08/26/10	FNMA	0.550	3,000,000.00	100.000	3,000,000.00	99.875	2,996,250.00	1091	1.151	0.550
<b>Agency Total</b>			<b>68,785,000.00</b>		<b>69,057,801.31</b>		<b>68,993,653.75</b>	<b>832</b>	<b>1.992</b>	<b>1.240</b>
02/04/10	Neighborhood Nat'l Bk CD	1.550	5,044,573.38	100.000	5,044,573.38	100.000	5,044,573.38	156	1.549	1.549
03/22/10	Union Bank CD	0.500	4,000,000.00	100.000	4,000,000.00	100.000	4,000,000.00	203	0.500	0.500
06/16/10	East West Bk CDARS	1.090	250,112.01	100.000	250,112.01	100.000	250,112.01	289	1.055	1.055
06/17/10	East West Bk CDARS	1.100	6,750,000.00	100.000	6,750,000.00	100.000	6,750,000.00	289	1.103	1.103
<b>CD's Total</b>			<b>16,044,685.39</b>		<b>16,044,685.39</b>		<b>16,044,685.39</b>	<b>226</b>	<b>1.092</b>	<b>1.092</b>

**San Diego County Regional Airport Authority**  
**DETAIL OF SECURITY HOLDINGS**  
*As of August 31, 2010*

Settlement Date	Security Description	Coupon	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity	Yield to Worst
12/11/08	JPM Chase TLGP (FDIC)	2.625	2,000,000.00	100.366	2,007,320.00	100.284	2,013,020.00	92	2.434	2.434
04/28/09	GE Capital TLGP (FDIC)	1.625	2,000,000.00	100.645	2,012,890.60	99.882	2,010,520.00	129	1.238	1.238
<b>Corporate Bonds Total</b>			<b>4,000,000.00</b>		<b>4,020,210.60</b>		<b>4,023,540.00</b>	<b>111</b>	<b>1.835</b>	<b>1.835</b>
09/15/09	U.S. Treasury	1.500	2,000,000.00	101.168	2,022,773.43	99.083	2,004,220.00	61	0.458	0.458
10/13/09	U.S. Treasury	1.500	2,000,000.00	101.109	2,022,773.43	99.083	2,004,220.00	61	0.439	0.439
09/15/09	U.S. Treasury	1.250	2,000,000.00	100.922	2,018,437.50	99.342	2,005,160.00	91	0.483	0.483
01/11/08	U.S. Treasury	4.250	1,543,000.00	104.406	1,610,988.44	97.213	1,566,083.28	137	2.716	2.716
09/15/09	U.S. Treasury	0.875	2,000,000.00	100.313	2,006,250.00	100.058	2,007,420.00	212	0.671	0.671
<b>Government Total</b>			<b>9,543,000.00</b>		<b>9,681,222.80</b>		<b>9,587,103.28</b>	<b>111</b>	<b>0.879</b>	<b>0.879</b>
	US Bank CFC Acct		0.31	100.000	0.31	100.000	0.31	1	0.350	0.350
	US Bank General Acct		14,115,640.20	100.000	14,115,640.20	100.000	14,115,640.20	1	0.350	0.350
<b>US Bank Accounts Total</b>			<b>14,115,640.51</b>		<b>14,115,640.51</b>		<b>14,115,640.51</b>	<b>1</b>	<b>0.350</b>	<b>0.350</b>
	Highmark US Govt MMF		511,241.01	100.000	511,241.01	100.000	511,241.01	1	0.050	0.050
	Highmark US Govt MMF		966.55	100.000	966.55	100.000	966.55	1	0.050	0.050
	Highmark US Govt MMF		508,888.92	100.000	508,867.31	100.000	508,888.92	1	0.050	0.050
	Highmark US Govt MMF		1,576,909.95	100.000	1,576,909.95	100.000	1,576,909.95	1	0.050	0.050
<b>Highmark Money Market Total</b>			<b>2,598,006.43</b>		<b>2,597,984.82</b>		<b>2,598,006.43</b>	<b>1</b>	<b>0.050</b>	<b>0.050</b>
<b>Local Agency Invstmnt Fd</b>			<b>46,957,555.80</b>	<b>100.000</b>	<b>46,884,387.50</b>	<b>100.000</b>	<b>46,957,555.80</b>	<b>1</b>	<b>0.531</b>	<b>0.531</b>
<b>San Diego County Inv Pool</b>			<b>49,781,495.32</b>	<b>100.000</b>	<b>49,781,495.32</b>	<b>100.000</b>	<b>49,829,000.00</b>	<b>1</b>	<b>1.004</b>	<b>1.004</b>
	East West Bank		15,165,588.44	100.000	15,165,588.44	100.000	15,165,588.44	1	0.700	0.700
	East West Bank		10,853,678.65	100.000	10,853,678.65	100.000	10,853,678.65	1	0.700	0.700
<b>East West Bank Total</b>			<b>26,019,267.09</b>		<b>26,019,267.09</b>		<b>26,019,267.09</b>	<b>1</b>	<b>0.700</b>	<b>0.700</b>
<b>Grand Total</b>			<b>237,844,650.54</b>	<b>100.19</b>	<b>238,202,695.34</b>	<b>99.93</b>	<b>238,168,452.25</b>	<b>263</b>	<b>1.13</b>	<b>0.91</b>



**San Diego County Regional Airport Authority**  
**Consolidated Investments**  
**INVESTMENT TRANSACTIONS**  
*From 08-01-10 To 08-31-10*

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
<b>PURCHASES</b>								
8/10/2010	FNMA	AGCY CALL	31398AP22	2.050	4/26/2013	04/26/11	101.116	2,022,314.00
8/26/2010	FNMA	AGCY STEP	3136FPAK3	0.550	8/26/2013	08/26/11	100.000	3,000,000.00
								<b>5,022,314.00</b>
<b>CALLS</b>								
5/11/2010	FHLB	AGCY STEP	3133XYAE5	1.000	5/11/2015	8/10/2010	100.000	3,007,500.00
								<b>3,007,500.00</b>
<b>MATURITIES</b>								
8/24/2007	FNMA	AGCY BULET	31359MYN7	4.250	8/15/2010		100.000	1,049,000.00
8/24/2007	FHLMC	AGCY CALL	3128X4GV7	4.875	8/16/2010		100.000	503,000.00
								<b>1,552,000.00</b>
<b>Deposits</b>								
								<b>-</b>
<b>Withdrawals</b>								
								<b>-</b>



# Questions

