Item 3

San Diego County Regional Airport Authority

Review of the Authority’s Investment Report

As of February 28, 2013

Presented by:

Vernon D. Evans, CPA

Vice President, Finance / Treasurer & CFO

Scott Brickner, CPA

Director, Financial Planning and Budget

March 21, 2013

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.

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

Total Portfolio Summary

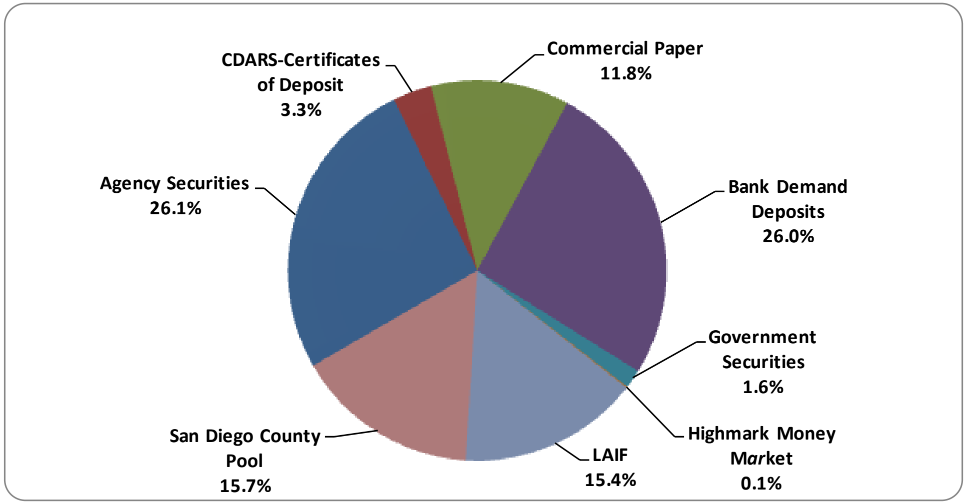
	Current Period February 28, 2013	Prior Period January 31, 2013	Change From Prior
Book Value [(1)]	$308,051,000	$328,091,000	($20,040,000)
Market Value	$308,405,000	$328,425,000	($20,020,000)
Market Value%	100.15%	100.14%	0.01%
Unrealized Gain / (Loss)	$354,000	$334,000	$20,000
Weighted Average Maturity (Days)	332 days	255 days	77
Weighted Average Yield as of Period End	0.46%	0.42%	0.04%
Cash Interest Received- Current Month	$70,000	$196,000	($126,000)
Cash Interest Received-Year-to-Date	$956,000	$887,000	$69,000
Accrued Interest	$185,000	$150,000	$35,000

Notes:

(1) Decrease in cash balance was predominantly due to capital disbursements being higher than capital receipts.

Portfolio Composition by Security Type

	February 28, 2013		January 31, 2013		
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	Permitted by Policy
Agency Securities	$ 80,747,000	26.1%	$ 63,681,000	19.4%	100%
CDARS-Certificates of Deposit	10,098,000	3.3%	17,062,000	5.2%	30%
Commercial Paper	36,442,000	11.8%	16,469,000	5.0%	25%
Bank Demand Deposits	80,056,000	26.0%	135,166,000	41.2%	100%
Government Securities	5,005,000	1.6%	$ -	0.0%	100%
Highmark Money Market	223,000	0.1%	196,000	0.1%	20%
LAIF	47,437,000	15.4%	47,424,000	14.4%	$50 million (1)
San Diego County Pool	48,397,000	15.7%	48,427,000	14.7%	$50 million (2)
Total:	**$ 308,405,000**	**100.0%**	**$ 328,425,000**	**100.0%**	



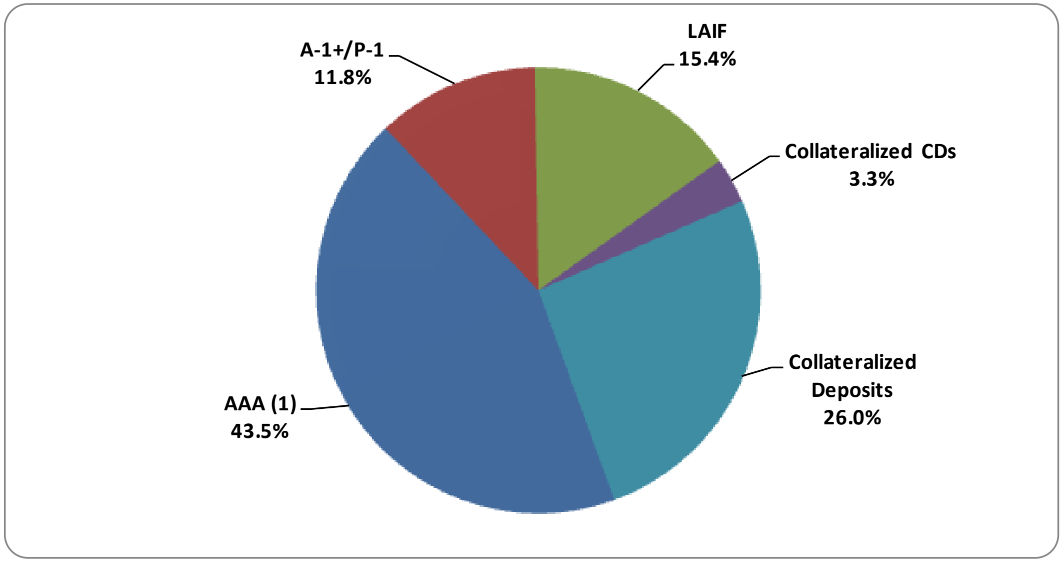
Notes:

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

	February 28, 2013		January 31, 2013	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA [1]	134,374,000	43.5%	$ 112,303,000	34.2%
A-1+/P-1	36,442,000	11.8%	16,469,000	5.0%
LAIF	47,437,000	15.4%	47,424,000	14.4%
Collateralized CDs	10,098,000	3.3%	17,062,000	5.2%
Collateralized Deposits	80,056,000	26.0%	135,167,000	41.2%
Total:	**$ 308,405,000**	**100.0%**	**$ 328,425,000**	**100.0%**

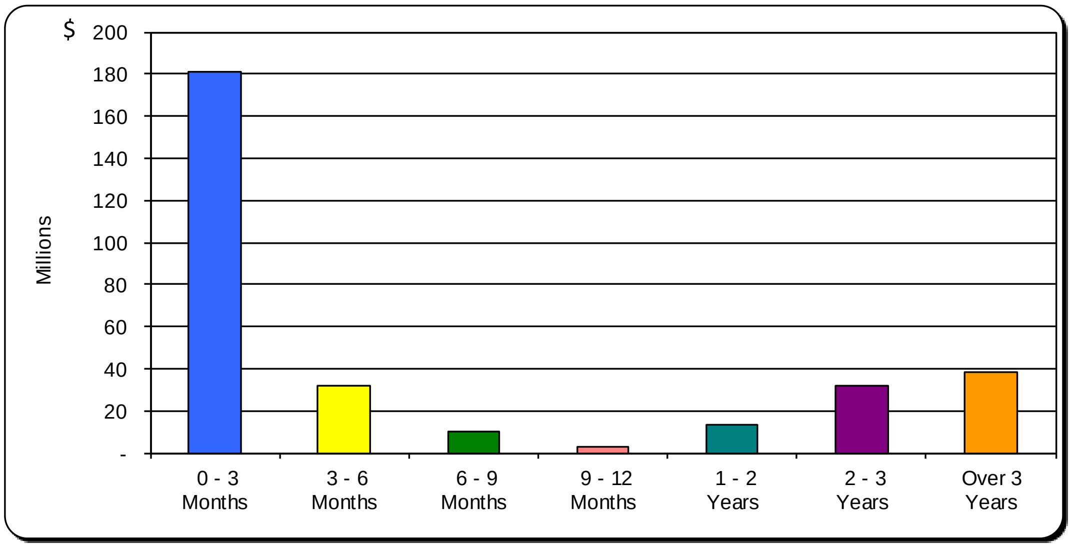


Notes:

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

Portfolio Composition by Maturity Distribution[1]

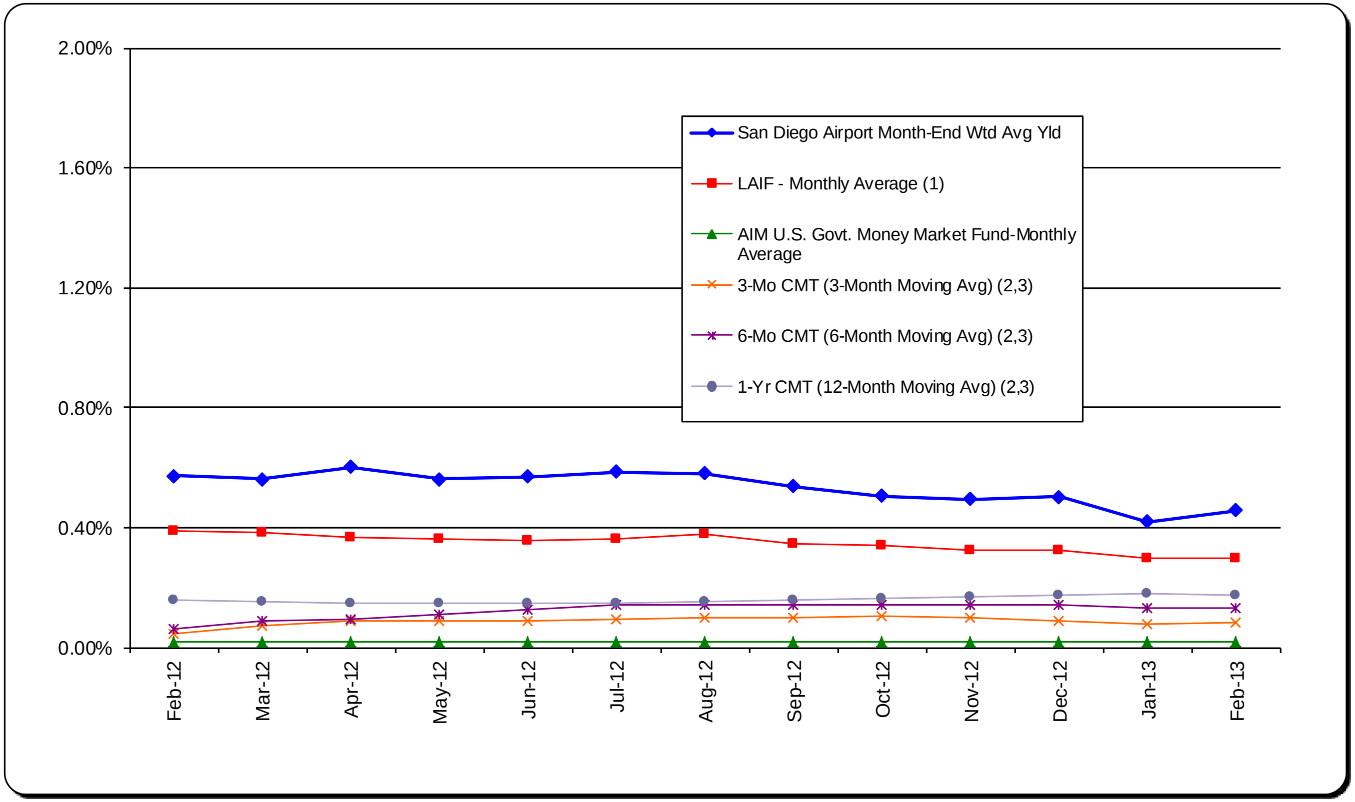
	February 28, 2013		January 31, 2013	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	181,113,000	58.8%	$ 243,176,000	74.2%
3 - 6 Month	31,569,000	10.2%	13,592,000	4.1%
6 - 9 Months	9,971,000	3.2%	7,976,000	2.4%
9 - 12 Months	3,010,000	1.0%	3,011,000	0.9%
1 - 2 Years	13,072,000	4.2%	3,052,000	0.9%
2 - 3 Years	31,560,000	10.2%	10,510,000	3.2%
Over 3 Years	38,110,000	12.4%	47,108,000	14.3%
Total:	**$ 308,405,000**	**100.0%**	**$ 328,425,000**	**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 February 28, 2013

Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
0.625	12/23/13	12/23/13	3,000,000	100.335	3,010,050	100.320	3,009,600	298	0.432
1.500	09/08/14	09/08/14	3,000,000	102.390	3,071,700	101.645	3,049,350	557	0.513
0.700	04/30/15	04/30/13	4,000,000	100.000	4,000,000	100.052	4,002,080	791	0.700
0.500	10/09/15	10/09/13	4,000,000	100.015	4,000,600	100.106	4,004,240	953	0.494
1.000	02/10/16	02/10/14	3,000,000	100.475	3,014,250	100.593	3,017,790	1077	0.879
0.800	02/24/16	02/24/14	3,000,000	99.785	2,993,550	100.458	3,013,740	1091	0.855
0.550	04/29/16	04/29/13	6,000,000	99.863	5,991,750	100.027	6,001,620	1156	0.592
0.700	01/18/17	07/18/13	4,000,000	100.000	4,000,000	100.252	4,010,080	1420	1.599
2.250	01/23/17	01/23/14	2,500,000	102.885	2,572,125	101.905	2,547,625	1425	1.645
1.000	05/09/16	05/09/13	4,000,000	99.990	3,999,600	100.133	4,005,320	1166	1.003
0.006	06/27/16	12/27/13	5,000,000	99.875	4,993,750	99.879	4,993,950	1215	0.596
1.125	06/28/17	06/28/13	3,000,000	100.368	3,011,040	100.270	3,008,100	1581	1.050
0.750	07/26/17	07/26/13	2,000,000	99.875	1,997,500	100.230	2,004,600	1609	1.220
1.000	09/12/17	09/12/13	3,000,000	99.975	2,999,250	100.227	3,006,810	1657	1.000
1.050	01/16/18	07/16/13	3,000,000	99.970	2,999,100	100.080	3,002,400	1783	1.056
1.375	01/09/18	01/09/15	2,000,000	101.440	2,028,800	101.494	2,029,880	1776	1.080
1.030	01/30/18	01/30/14	3,500,000	99.990	3,499,650	100.002	3,500,070	1797	1.032
0.625	12/29/14	12/29/14	5,000,000	100.630	5,031,500	100.611	5,030,550	669	0.288
0.250	02/20/15	02/20/15	5,000,000	99.870	4,993,500	99.850	4,992,500	722	0.315
0.500	05/27/15	05/27/15	2,500,000	100.349	2,508,725	100.316	2,507,900	818	0.347
0.500	11/20/15	11/20/15	5,000,000	100.172	5,008,600	100.315	5,015,750	995	0.437
0.375	12/21/15	12/21/15	5,000,000	99.772	4,988,600	99.861	4,993,050	1026	0.455
			80,500,000		80,713,640		80,747,005	1120	0.743
0.750	07/02/13		10,098,418	100.000	10,098,418	100.000	10,098,418	124	0.750
			10,098,418		10,098,418		10,098,418	124	0.750

Detail of Security Holdings

As of February 28, 2013

Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
0.600	03/01/13		3,000,000	99.361	2,986,550	100.000	3,000,000	1	0.603
0.530	03/22/13		2,000,000	99.520	1,992,109	99.990	1,999,800	22	0.532
0.500	07/12/13		3,500,000	99.626	3,486,924	99.821	3,493,735	134	0.502
0.500	08/06/13		3,000,000	99.625	2,988,750	99.764	2,992,920	159	0.502
0.480	10/04/13		5,000,000	99.641	4,982,067	99.735	4,986,750	218	0.481
0.235	06/12/13		5,000,000	99.922	4,996,116	99.923	4,996,150	104	0.235
0.250	06/13/13		5,000,000	99.917	4,995,833	99.922	4,996,100	105	0.250
0.245	08/12/13		5,000,000	99.878	4,993,875	99.836	4,991,800	165	0.245
0.240	11/08/13		5,000,000	99.821	4,991,067	99.692	4,984,600	253	0.240
			36,500,000		36,413,290		36,441,855	143	0.367
0.375	01/15/16		5,000,000	99.926	4,996,289	100.000	5,005,100	1051	0.401
			5,000,000		4,996,289		5,005,100	1051	0.401
			15,097,549	100.000	15,097,549	100.000	15,097,549	1	0.035
			15,097,549		15,097,549		15,097,549	1	0.035
			222,691	100.000	222,691	100.000	222,691	1	0.000
			222,691		222,691		222,691	1	0.000
			47,248,303	100.000	47,248,303	100.400	47,437,109	1	0.300
			48,302,481	100.000	48,302,481	100.196	48,397,319	1	0.460
			24,685,280	100.000	24,685,280	100.000	24,685,280	1	0.300
			2,044,485	100.000	2,044,485	100.000	2,044,485	1	0.300
			102,853	100.000	102,853	100.000	102,853	1	0.350
			38,120,988	100.000	38,120,988	100.000	38,120,988	1	0.350
			38,223,842		38,223,842	100.000	38,223,842	1	0.350
			4,804	100.000	4,804	100.000	4,804	1	0.000
			$ 307,927,853	**98.42**	**$ 308,051,072**	**100.15**	**$ 308,405,456**	**332**	**0.458**

Portfolio Investment Transactions

From February 1st, 2013 – February 28th, 2013

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
02/13/13	U.S. Treasury	TREAS NOTE	912828UG3	0.375	01/15/16	--	99.926	4,997,791
02/13/13	UBS SECURITIES CP	CP - DISC	90262CTC1	0.235	06/12/13	--	99.922	4,996,116
02/13/13	BANK OF TOKYO-MITSUBISHI CP	CP - DISC	06538BTD5	0.250	06/13/13	--	99.917	4,995,833
02/13/13	RABUSA CP	CP - DISC	74977KVC0	0.245	08/12/13	--	99.878	4,993,875
02/13/13	GE CAPITAL CORP CP	CP - DISC	36959HY84	0.240	11/08/13	--	99.821	4,991,067
02/13/13	FHLMC	AGCY CALL	3137EADA4	0.625	12/29/14	--	100.630	5,035,319
02/13/13	FHLB	AGCY CALL	313381YP4	0.250	02/20/15	--	99.870	4,994,125
02/14/13	FNMA	AGCY CALL	3135G0KM4	0.500	05/27/15	--	100.349	2,511,399
02/13/13	FHLB	AGCY CALL	313380L96	0.500	11/20/15	--	100.172	5,014,364
02/13/13	FNMA	AGCY CALL	3135G0SB0	0.375	12/21/15	--	99.772	4,991,308
								$ 47,521,197
CALLS								
02/06/12	FNMA	AGCY STEP	3136FTG94	0.750	02/06/17	02/06/13	99.900	3,000,180
02/13/12	FHLMC	AGCY CALL	3134G3LD0	0.700	02/13/15	02/13/13	100.000	2,500,450
								$ 5,500,630
MATURITIES								
02/09/12	Neighborhood Nat'l Bk CD	CD-SHORT	CDAR-6843	0.850	02/07/13	--	100.000	4,963,624
02/27/12	Union Bank CD	CD-SHORT	CD-0547	0.200	02/27/13	--	100.000	2,000,000
								$ 6,963,624
Deposits								
								$ -
Withdrawals								
								$ -

Bond Proceeds Summary

As of: February 28, 2013
(in thousands)

	Bonds 2010	Bonds 2013	Total	Yield	Rating
Project Fund					
LAIF[1]	$ -	$ 157,799	$ 157,799	0.30%	N/R
SDCIP[2]	18,639	156,141	174,780	0.46%	AAAf
	18,639	313,940	332,579		
Capitalized Interest					
SDCIP[2]	$ -	$ 8,372	$ 8,372	0.46%	AAAf
	-	8,372	8,372		
Debt Service Reserve Fund					
East West Bank CD	$ 20,386	$ -	$ 20,386	0.75%	
Bank of the West DDA	16,091	-	16,091	0.45%	
SDCIP[2]	14,628	32,981	47,609	0.46%	AAAf
	51,105	32,981	84,086		
Cost of Issuance					
Dreyfus Inst Res Treasury Fund	$ -	$ 373	$ 373	0.00%	AAAm
	-	373	373		
	$ 69,744	$ 355,666	$ 425,410	0.40%	

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

(1) LAIF Yield as of 01/31/2013

(2) SDCIP Yield as of 01/31/2013

Bond Proceeds Investment Transactions

From February 1st, 2013 – February 28th, 2013

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
								$ -
CALLS								
								$ -
MATURITIES								
								$ -
Deposits								
2/5/2013	San Diego County Investment Pool (2013 Bonds)	SDCIP		0.46			1.000	197,494,085
								$ 197,494,085
Withdrawals								
2/5/2013	Dreyfus Inst Res Treasury Fund (2013 Bonds)	Treasury Fund						197,494,085
2/28/2013	Dreyfus Inst Res Treasury Fund (2013 Bonds)	Cost of Issuance						509,240
								$ 198,003,325

Questions