

San Diego County Regional Airport Authority

Review of the Authority's Investment Report As of July 31, 2012



Presented by:
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August 27, 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.

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



Total Portfolio Summary



	Current Period July 31, 2012	Prior Period June 30, 2012	Change From Prior
Book Value	\$260,918,000	\$279,359,000	(\$18,441,000)
Market Value	\$261,160,000	\$279,477,000	(\$18,317,000)
Market Value%	100.11%	100.06%	0.05%
Unrealized Gain / (Loss)	\$242,000	\$118,000	\$124,000
Weighted Average Maturity (Days)	309 days	301 days	8
Weighted Average Yield as of Period End	0.58%	0.57%	0.01%
Cash Interest Received-Year-to-Date	\$169,000	\$88,000	\$81,000
Accrued Interest	\$166,000	\$252,000	(\$86,000)

Notes:

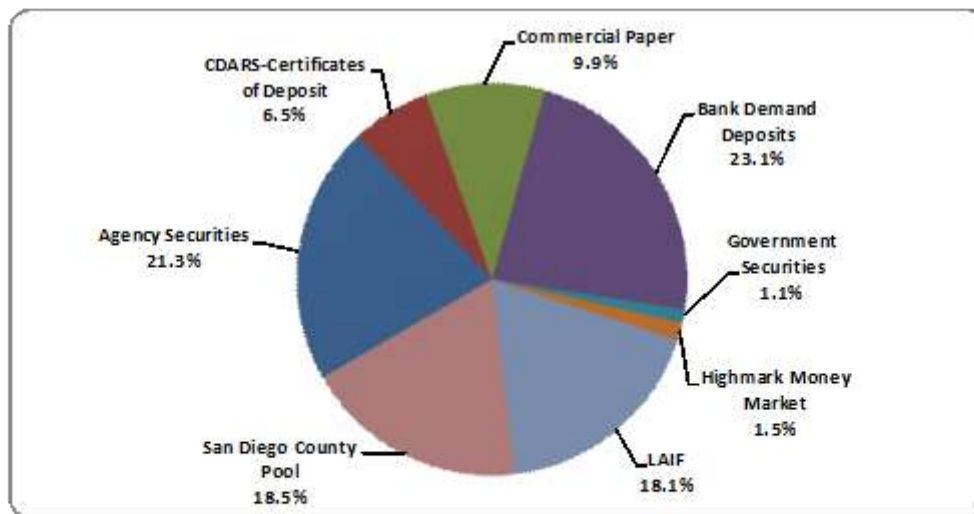
(1) Decrease in cash balance was predominantly due to capital receipts that were lower than disbursements on capital projects.



Portfolio Composition by Security Type



	July 31, 2012		June 30, 2012		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 55,277,000	21.3%	\$ 58,241,000	20.7%	100%
CDARS-Certificates of Deposit	17,003,000	6.5%	16,999,000	6.1%	30%
Commercial Paper	25,929,000	9.9%	25,899,000	9.3%	25%
Bank Demand Deposits	60,365,000	23.1%	78,963,000	28.3%	100%
Government Securities	3,002,000	1.1%	3,002,000	1.1%	100%
Highmark Money Market	3,887,000	1.5%	810,000	0.3%	20%
LAI	47,348,000	18.1%	47,248,000	16.9%	\$50 million ⁽¹⁾
San Diego County Pool	48,359,000	18.5%	48,315,000	17.3%	\$50 million ⁽²⁾
Total:	\$ 261,168,000	100.0%	\$ 279,477,000	100.0%	



Notes:

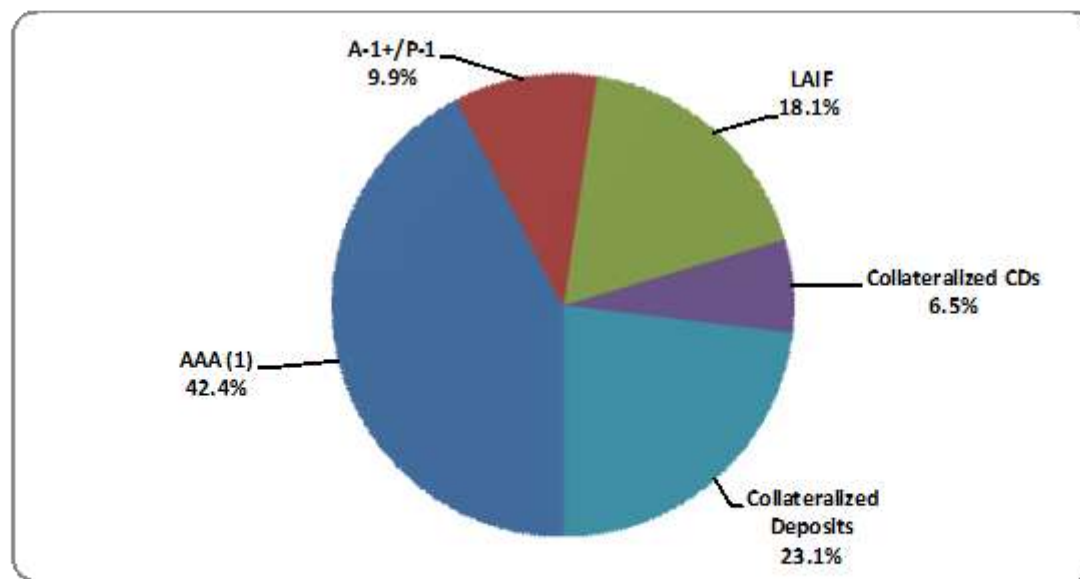
- 1.) The \$50 million limit on LAIF is a non-eligible LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool is the LAIF internal limit and does not apply to bond proceeds.



Portfolio Composition by Credit Rating



	July 31, 2012		June 30, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA ⁽¹⁾	\$ 110,525,000	42.4%	\$ 110,368,000	39.4%
A-1+/P-1	25,929,000	9.9%	25,899,000	9.3%
LAIF	47,348,000	18.1%	47,248,000	16.9%
Collateralized CDs	17,003,000	6.5%	16,999,000	6.1%
Collateralized Deposits	60,355,000	23.1%	78,963,000	28.3%
Total	\$ 261,160,000	100.0%	\$ 279,477,000	100.0%



Notes:

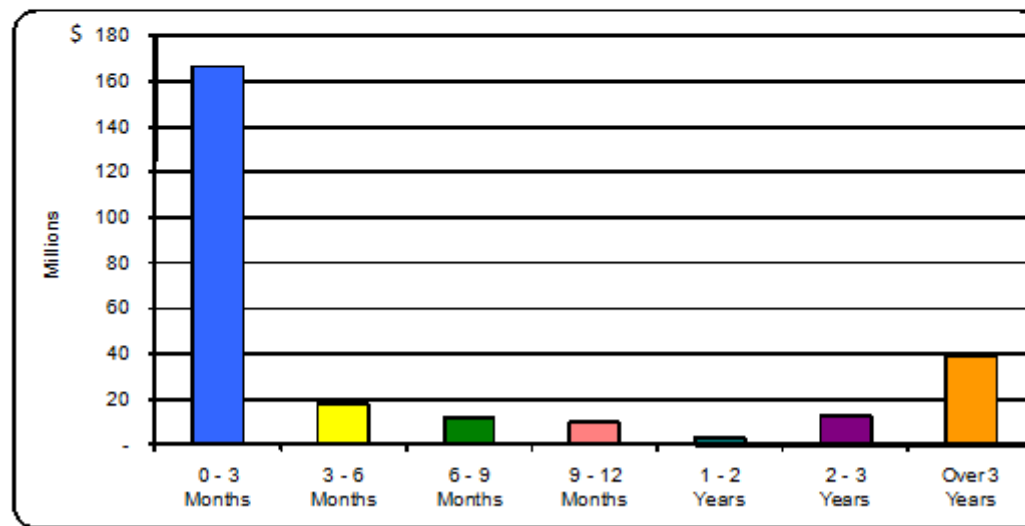
1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)



Portfolio Composition by Maturity Distribution⁽¹⁾



	July 31, 2012		June 30, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	\$ 166,445,000	63.6%	\$ 178,334,000	63.7%
3 - 6 Months	17,462,000	6.7%	12,478,000	4.5%
6 - 9 Months	11,915,000	4.6%	20,365,000	7.3%
9 - 12 Months	10,060,000	3.9%	-	0.0%
1 - 2 Years	3,013,000	1.2%	16,071,000	5.8%
2 - 3 Years	12,583,000	4.8%	12,570,000	4.5%
Over 3 Years	39,682,000	15.2%	39,659,000	14.2%
Total:	\$ 261,160,000	100.0%	\$ 279,477,000	100.0%

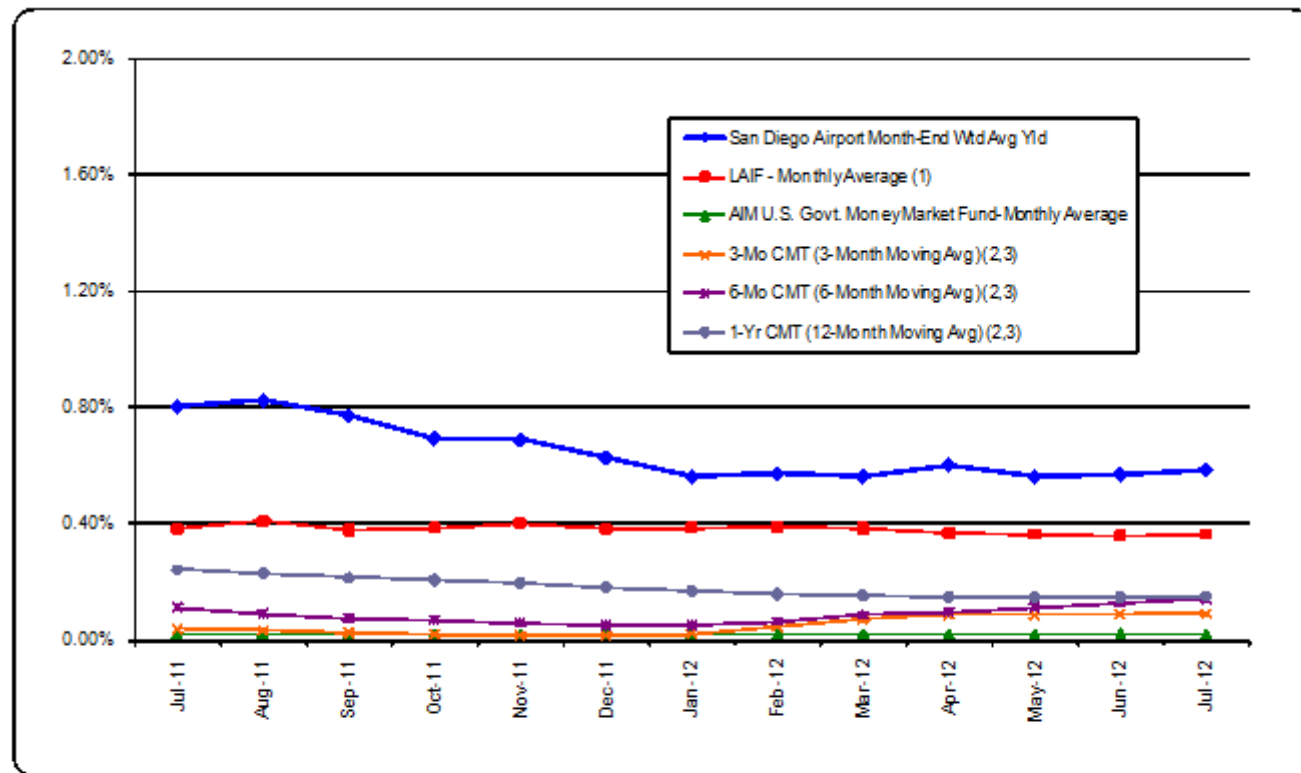


Notes:

1.) The 0-3 Month category includes investments held in the LAF 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 July 31, 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	510	0.432
03/30/12	FNMA	1.500	09/08/14	09/08/14	3,000,000	102.390	3,071,700	102.173	3,065,190	769	0.513
01/09/12	FHLMC	0.850	01/09/15	01/09/13	3,000,000	100.000	3,000,000	100.193	3,005,790	892	0.850
02/13/12	FHLMC	0.700	02/13/15	02/13/13	2,500,000	100.000	2,500,000	100.197	2,504,925	927	0.700
04/30/12	FNMA	0.700	04/30/15	04/30/13	4,000,000	100.000	4,000,000	100.168	4,006,720	1003	0.700
12/28/11	FNMA	0.750	12/28/15	12/28/12	5,000,000	99.970	4,998,500	100.066	5,003,300	1245	1.498
02/10/12	FHLMC	1.000	02/10/16	02/10/14	3,000,000	100.475	3,014,250	100.754	3,022,620	1289	0.879
02/24/12	FNMA	0.800	02/24/16	02/24/14	3,000,000	99.785	2,993,550	100.523	3,015,690	1303	0.855
03/21/12	FNMA	0.625	03/21/16	09/21/12	3,000,000	100.000	3,000,000	100.031	3,000,930	1329	1.304
01/11/12	FHLMC	1.500	09/21/16	09/21/12	3,000,000	100.345	3,010,341	100.145	3,004,350	1513	1.424
10/26/11	FNMA	1.375	10/26/16	10/26/12	3,000,000	100.000	3,000,000	100.312	3,009,360	1548	1.689
01/18/12	FNMA	0.700	01/18/17	07/18/13	4,000,000	100.000	4,000,000	100.381	4,015,240	1632	1.599
01/27/12	FHLMC	2.250	01/23/17	01/23/14	2,500,000	102.885	2,572,125	102.861	2,571,525	1637	1.645
02/06/12	FNMA	0.750	02/06/17	02/06/13	3,000,000	99.900	2,997,000	100.243	3,007,290	1651	1.700
04/17/12	FNMA	1.550	04/17/17	10/17/12	4,000,000	99.950	3,998,000	100.266	4,010,640	1721	1.560
05/09/12	FNMA	1.000	05/09/16	05/09/13	4,000,000	99.990	3,999,600	100.426	4,017,040	1378	1.003
07/26/12	FNMA	0.750	07/26/17	07/26/13	2,000,000	99.875	1,997,500	100.194	2,003,880	1821	1.220
Agency Total					55,000,000		55,162,616		55,277,960	1302	1.167
02/09/12	Neighborhood Nat'l Bk CD	0.850	02/07/13		4,942,401	100.000	4,942,401	100.000	4,942,401	191	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	211	0.200
06/28/12	East West Bk CD	0.750	07/02/13		10,060,310	100.000	10,060,310	100.000	10,060,310	336	0.750
CD's Total					17,002,711		17,002,711		17,002,711	279	0.714



Detail of Security Holdings

As of July 31, 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
12/19/11	Toyota Motor Credit CP	0.760	09/14/12		3,000,000	99.430	2,982,900	99.966	2,998,980	45	0.764
06/05/12	Toyota Motor Credit CP	0.600	03/01/13		3,000,000	99.361	2,986,550	99.482	2,984,460	213	0.603
06/27/12	Toyota Motor Credit CP	0.530	03/22/13		2,000,000	99.520	1,992,109	99.430	1,988,600	234	0.532
01/20/12	FCAR Owner Trust CP	0.650	10/16/12		3,500,000	99.513	3,482,938	99.913	3,496,955	77	0.653
02/16/12	FCAR Owner Trust CP	0.620	11/09/12		3,000,000	99.540	2,986,205	99.858	2,995,740	101	0.620
03/30/12	Toyota Motor Credit CP	0.552	12/24/12		3,000,000	99.589	2,987,671	99.754	2,992,620	146	0.552
04/13/12	FCAR Owner Trust CP	0.600	01/08/13		5,000,000	99.550	4,977,500	99.671	4,983,550	161	0.600
05/22/12	FCAR Owner Trust CP	0.570	01/17/13		3,500,000	99.620	3,486,700	99.653	3,487,855	170	0.570
Commercial Paper Total					26,000,000		25,882,572		25,928,760	141	0.614
03/29/11	U.S. Treasury	0.375	10/31/12		3,000,000	99.740	2,992,148	100.059	3,001,770	92	0.541
Government Total					3,000,000		2,992,148		3,001,770	92	0.541
US Bank General Acct					14,035,478	100.000	14,035,478	100.000	14,035,478	1	0.035
US Bank Accounts Total					14,035,478		14,035,478		14,035,478	1	0.035
Highmark US Govt MMF					3,886,830	100.000	3,886,830	100.000	3,886,830	1	0.000
Highmark Money Market Total					3,886,830		3,886,830		3,886,830	1	0.000
Local Agency Invstmnt Fd					47,290,270	100.000	47,290,270	100.122	47,347,913	1	0.363
San Diego County Inv Pool					48,346,275	100.000	48,346,275	100.026	48,358,820	1	0.510
Bank of the West					15,254,646	100.000	15,254,646	100.000	15,254,646	1	0.350
East West Bank					102,645	100.000	102,645	100.000	102,645	1	0.350
East West Bank					30,956,843	100.000	30,956,843	100.000	30,956,843	1	0.350
East West Bank Total					31,059,487		31,059,487	100.000	31,059,487	1	0.350
Union Bk Cash					5,366.44	100.000	5,366.44	100.000	5,366.44	1	0.000
Grand Total					\$ 260,881,064	100.01	\$ 260,918,401	100.11	\$ 261,159,742	309	0.585



Portfolio Investment Transactions

From July 1st, 2012 – July 31st, 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
								\$ 2,000,000
CALLS								
07/19/11	FNMA	AGCY CALL	3136FRYJ6	1250	07/19/16	07/19/12		2,000,000
08/01/11	FHLMC	AGCY CALL	3134G2TR3	0.450	07/26/13	07/26/12		3,000,000
								\$ 5,000,000
MATURITIES								
								\$ -
Deposits								
								\$ -
Withdrawals								
								\$ -



Bond Proceeds Summary



As of: July 31, 2012

(in thousands)

Fund	Series A	Series B	Series C	Total	Yield	Rating
<u>Project Fund</u>						
SDCIP ⁽¹⁾	39,751	-	57,299	97,050	0.51%	AAAf
	39,751	-	57,299	97,050		
<u>Capitalized Interest</u>						
SDCIP ⁽¹⁾	514	-	372	886	0.51%	AAAf
JP Morgan Federal MM Reserve	6	-	4	10	0.00%	AAAm
	520	-	376	896		
<u>Debt Service Reserve Fund</u>						
East West Bank CD	13,203	-	7,106	20,309	0.75%	
Bank of the West DDA	9,688	-	6,362	16,050	0.45%	
JP Morgan Federal MM Reserve	9,811	-	4,809	14,621	0.00%	AAAm
	32,702	-	18,277	50,980		
	\$ 72,973	\$ -	\$ 75,952	\$ 148,926	0.49%	

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

(1) SDCIP Yield as of 06/30/2012



Bond Proceeds Investment Transactions

From July 1st, 2012 – July 31st, 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 to Debt Service P&I Funds	SDCIP						10,023,496
7/5/2012	Transfer to Debt Service P&I Funds	JPMM						540,370
							\$	10,563,866



Questions

