



Item 3

# San Diego County Regional Airport Authority

## Investment Report As of January 31, 2011

Presented by:

Vernon D. Evans, CPA

Vice-President-Finance/Treasurer and CFO

February 22, 2011



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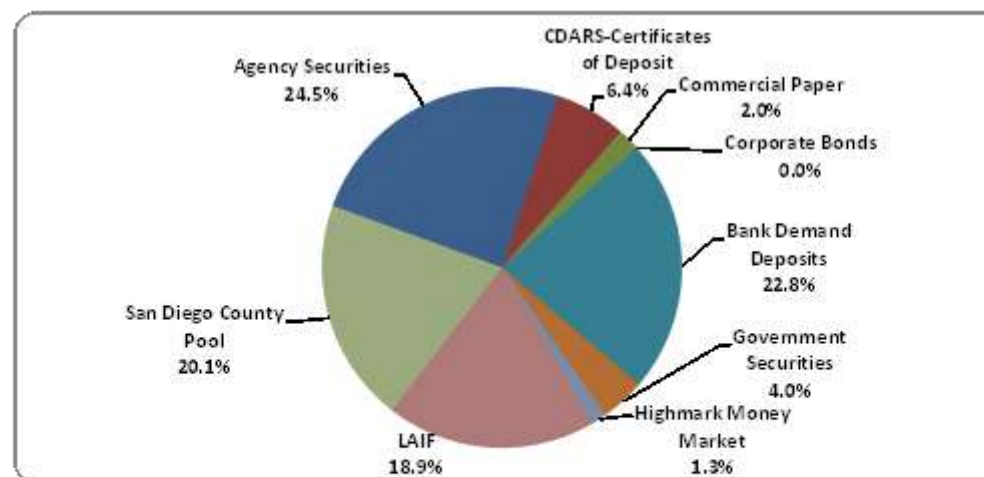
Vernon D. Evans  
Chief Financial Officer/Treasurer  
San Diego County Regional Airport Authority

# Total Portfolio Summary

|   | Current Period<br>January 31, 2011 | Prior Period<br>December 31, 2010 | Change From<br>Prior |
|---|------------------------------------|-----------------------------------|----------------------|
| Book Value                              | \$248,995,000                      | \$260,106,000                     | (\$11,111,000)       |
| Market Value                            | \$249,191,000                      | \$260,016,000                     | (\$10,825,000)       |
| Market Value%                           | 100.12%                            | 100.09%                           | 0.03%                |
| Unrealized Gain / (Loss)                | \$196,000                          | (\$90,000)                        | \$286,000            |
| Weighted Average Maturity (Days)        | 262 days                           | 232 days                          | 30                   |
| Weighted Average Yield as of Period End | 0.85%                              | 0.89%                             | (0.04%)              |
| Cash Interest Received- Current Month   | \$378,000                          | \$163,000                         | \$215,000            |
| Cash Interest Received-Year-to-Date     | \$1,568,000                        | \$1,190,000                       | \$378,000            |
| Accrued Interest                        | \$208,000                          | \$446,000                         | (\$238,000)          |

# Portfolio Composition by Security Type

|                               | January 31, 2011      |                      | December 31, 2010     |                      | Permitted by Policy         |
|-------------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------------|
|                               | Market Value          | Percent of Portfolio | Market Value          | Percent of Portfolio |                             |
| Agency Securities             | \$ 61,129,000         | 24.5%                | \$ 58,018,000         | 22.3%                | 100%                        |
| CDARS-Certificates of Deposit | 15,867,000            | 6.4%                 | 15,861,000            | 6.1%                 | 30%                         |
| Commercial Paper              | 4,996,000             | 2.0%                 | 4,993,000             | 1.9%                 | 25%                         |
| Corporate Bonds               | -                     | 0.0%                 | 2,000,000             | 0.8%                 | 15%                         |
| Bank Demand Deposits          | 56,802,000            | 22.8%                | 68,238,000            | 26.2%                | 100%                        |
| Government Securities         | 10,052,000            | 4.0%                 | 11,597,000            | 4.5%                 | 100%                        |
| Highmark Money Market         | 3,260,000             | 1.3%                 | 2,265,000             | 0.9%                 | 20%                         |
| LAIF                          | 47,014,000            | 18.9%                | 47,070,000            | 18.1%                | \$50 million <sup>(1)</sup> |
| San Diego County Pool         | 50,071,000            | 20.1%                | 49,974,000            | 19.2%                | \$50 million <sup>(2)</sup> |
| <b>Total:</b>                 | <b>\$ 243,191,000</b> | <b>100.0%</b>        | <b>\$ 268,016,000</b> | <b>100.0%</b>        |                             |

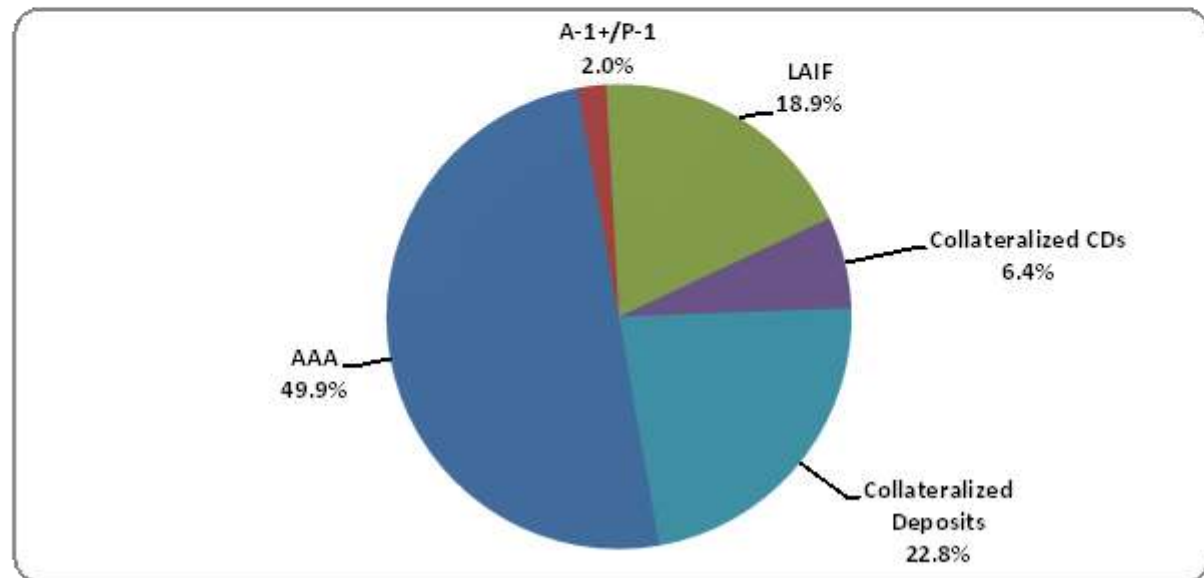


## Notes:

- 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.
- 3.) LAIF & San Diego County Pool reported one month in arrears.

# Portfolio Composition by Credit Rating

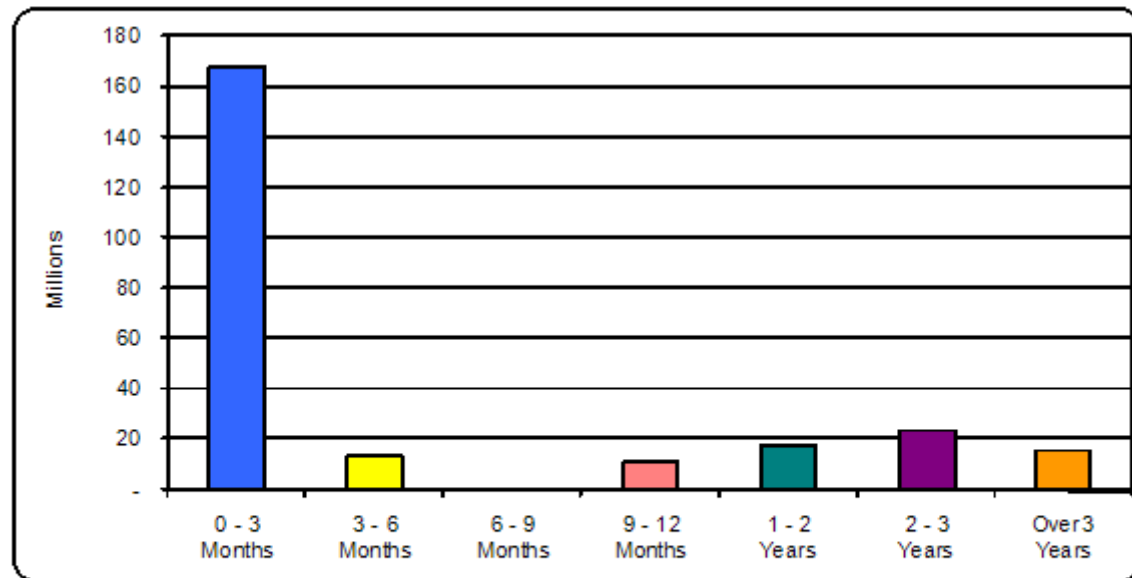
|                         | January 31, 2011      |                      | December 31, 2010     |                      |
|-------------------------|-----------------------|----------------------|-----------------------|----------------------|
|                         | Market Value          | Percent of Portfolio | Market Value          | Percent of Portfolio |
| AAA                     | \$ 124,512,000        | 49.9%                | \$ 123,853,000        | 47.6%                |
| A-1+/P-1                | 4,996,000             | 2.0%                 | 4,993,000             | 1.9%                 |
| LAIF                    | 47,014,000            | 18.9%                | 47,070,000            | 18.1%                |
| Collateralized CDs      | 15,867,000            | 6.4%                 | 15,861,000            | 6.1%                 |
| Collateralized Deposits | 56,802,000            | 22.8%                | 68,239,000            | 26.3%                |
| <b>Total:</b>           | <b>\$ 249,191,000</b> | <b>100.0%</b>        | <b>\$ 260,016,000</b> | <b>100.0%</b>        |





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

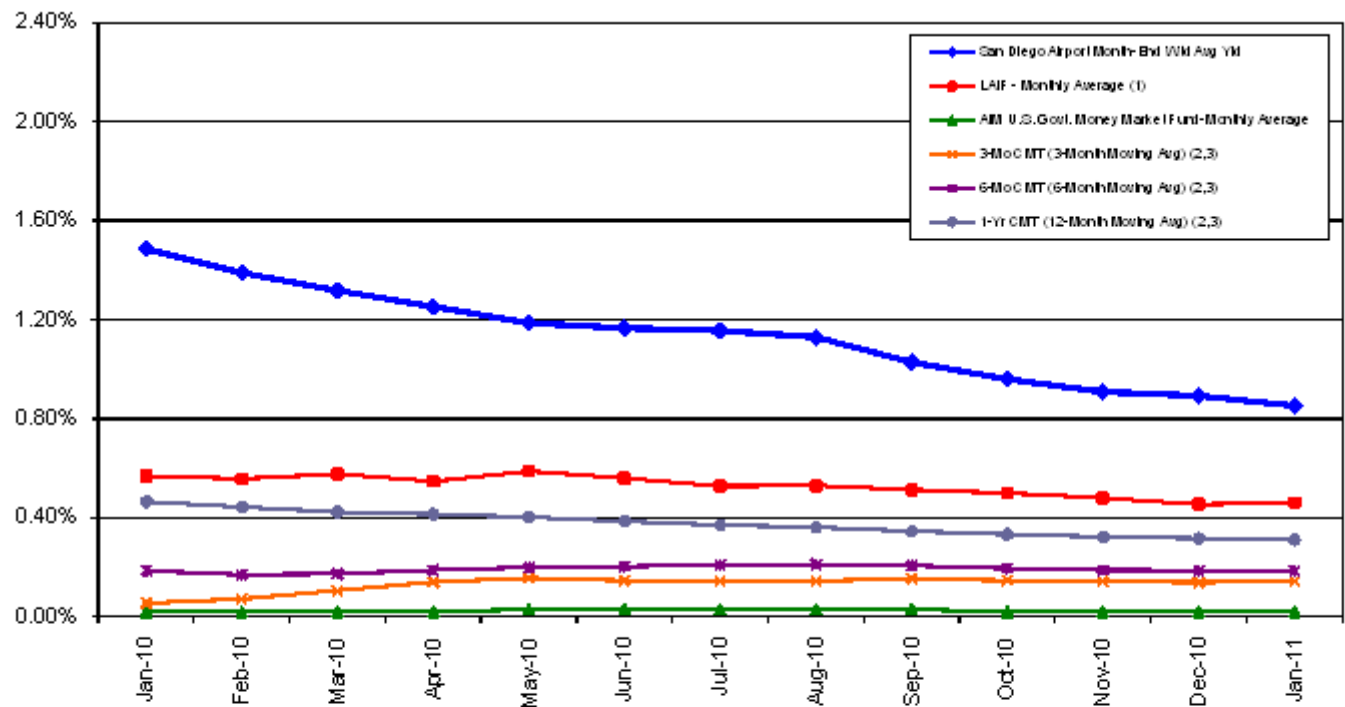
|               | January 31, 2011      |                      | December 31, 2010     |                      |
|---------------|-----------------------|----------------------|-----------------------|----------------------|
|               | Market Value          | Percent of Portfolio | Market Value          | Percent of Portfolio |
| 0 - 3 Months  | \$ 168,014,000        | 67.4%                | \$ 181,955,000        | 69.9%                |
| 3 - 6 Month   | 13,655,000            | 5.5%                 | 15,663,000            | 6.0%                 |
| 6 - 9 Months  | -                     | 0.0%                 | -                     | 0.0%                 |
| 9 - 12 Months | 11,050,000            | 4.4%                 | 2,998,000             | 1.2%                 |
| 1 - 2 Years   | 18,108,000            | 7.3%                 | 21,534,000            | 8.3%                 |
| 2 - 3 Years   | 23,359,000            | 9.4%                 | 22,366,000            | 8.6%                 |
| Over 3 Years  | 15,005,000            | 6.0%                 | 15,500,000            | 6.0%                 |
| <b>Total:</b> | <b>\$ 249,191,000</b> | <b>100.0%</b>        | <b>\$ 260,016,000</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 <sup>(1)</sup>



## 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.

**San Diego County Regional Airport Authority**  
**DETAIL OF SECURITY HOLDINGS**  
*As of January 31, 2011*

| 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 |
|-----------------|--------------------------|--------|---------------|----------------|---------------|----------------|---------------|--------------|---------------|------------------|-------------------|
| 06/01/07        | FNMA                     | 6.000  | 05/15/11      |                | 1,630,000.00  | 103.106        | 1,680,619.65  | 101.674      | 1,657,286.20  | 104              | 5.122             |
| 12/29/10        | FHLB                     | 0.500  | 12/29/11      | 03/29/11       | 3,000,000.00  | 100.000        | 3,000,000.00  | 100.004      | 3,000,120.00  | 332              | 0.500             |
| 12/22/10        | FHLMC                    | 0.669  | 06/22/12      | 03/22/11       | 3,000,000.00  | 99.935         | 2,998,050.00  | 100.036      | 3,001,080.00  | 508              | 0.669             |
| 12/06/10        | FNMA                     | 0.750  | 12/06/12      | 06/06/11       | 4,000,000.00  | 99.990         | 3,999,600.00  | 99.927       | 3,997,080.00  | 675              | 0.755             |
| 12/21/10        | FNMA                     | 0.900  | 12/21/12      | 06/21/11       | 2,500,000.00  | 100.000        | 2,500,000.00  | 99.940       | 2,498,500.00  | 690              | 0.900             |
| 06/28/10        | FHLB                     | 0.750  | 12/28/12      | 03/28/11       | 2,000,000.00  | 100.000        | 2,000,000.00  | 100.067      | 2,001,340.00  | 697              | 1.343             |
| 08/11/10        | FNMA                     | 2.050  | 04/26/13      | 04/26/11       | 2,000,000.00  | 101.116        | 2,022,314.00  | 100.346      | 2,006,920.00  | 816              | 1.627             |
| 06/28/10        | FNMA                     | 2.000  | 06/24/13      | 06/24/11       | 2,000,000.00  | 100.980        | 2,019,600.00  | 100.489      | 2,009,780.00  | 875              | 1.662             |
| 07/08/10        | FHLMC                    | 1.000  | 07/08/13      | 07/08/11       | 4,000,000.00  | 100.199        | 4,007,960.00  | 100.125      | 4,005,000.00  | 889              | 1.758             |
| 08/26/10        | FNMA                     | 0.550  | 08/26/13      | 08/26/11       | 3,000,000.00  | 100.000        | 3,000,000.00  | 99.927       | 2,997,810.00  | 938              | 1.509             |
| 09/17/10        | FHLMC                    | 0.500  | 09/17/13      | 03/17/11       | 3,000,000.00  | 99.950         | 2,998,500.00  | 99.952       | 2,998,560.00  | 960              | 1.405             |
| 09/23/10        | FHLMC                    | 1.125  | 09/23/13      | 03/23/11       | 4,350,000.00  | 99.990         | 4,349,565.00  | 99.968       | 4,348,608.00  | 966              | 1.128             |
| 11/01/10        | FNMA                     | 1.600  | 09/30/14      | 03/30/11       | 2,500,000.00  | 100.433        | 2,510,825.00  | 99.868       | 2,496,700.00  | 1338             | 1.486             |
| 06/29/10        | FNMA                     | 1.000  | 06/29/15      | 12/29/10       | 4,000,000.00  | 100.000        | 4,000,000.00  | 100.105      | 4,004,200.00  | 1610             | 3.496             |
| 07/28/10        | FNMA                     | 1.550  | 07/28/15      | 07/28/11       | 2,500,000.00  | 99.880         | 2,497,000.00  | 99.983       | 2,499,575.00  | 1639             | 2.280             |
| 12/16/10        | FHLB                     | 1.000  | 12/16/15      | 03/16/11       | 2,500,000.00  | 100.000        | 2,500,000.00  | 100.088      | 2,502,200.00  | 1780             | 2.942             |
| 01/07/11        | FNMA                     | 1.000  | 12/28/12      | 06/28/11       | 3,600,700.00  | 100.000        | 3,600,000.00  | 100.126      | 3,605,220.00  | 697              | 1.000             |
| 01/07/11        | FNMA                     | 1.015  | 01/07/13      | 07/07/11       | 3,000,000.00  | 99.970         | 2,999,100.00  | 100.170      | 3,005,100.00  | 707              | 1.015             |
| 01/27/11        | FNMA                     | 0.800  | 01/27/14      | 01/27/12       | 5,000,000.00  | 99.950         | 4,997,500.00  | 99.848       | 4,992,400.00  | 1092             | 1.597             |
| 01/28/11        | FNMA                     | 1.250  | 01/28/16      | 07/28/11       | 3,500,000.00  | 100.000        | 3,500,000.00  | 100.070      | 3,502,450.00  | 1823             | 3.187             |
| Agency Total    |                          |        |               |                | 61,080,700.00 |                | 61,180,633.65 |              | 61,129,929.20 | 984              | 1.699             |
| 02/04/10        | Neighborhood Nat'l Bk CD | 1.550  | 02/03/11      |                | 4,865,871.80  | 100.000        | 4,865,871.80  | 100.000      | 4,865,871.80  | 3                | 1.549             |
| 03/22/10        | Union Bank CD            | 0.500  | 03/22/11      |                | 4,000,000.00  | 100.000        | 4,000,000.00  | 100.000      | 4,000,000.00  | 50               | 0.500             |
| 06/16/10        | East West Bk CDARS       | 1.090  | 06/16/11      |                | 251,490.09    | 100.000        | 251,490.09    | 100.000      | 251,490.09    | 136              | 1.055             |
| 06/17/10        | East West Bk CDARS       | 1.100  | 06/16/11      |                | 6,750,000.00  | 100.000        | 6,750,000.00  | 100.000      | 6,750,000.00  | 136              | 1.103             |
| CD's Total      |                          |        |               |                | 15,867,361.89 |                | 15,867,361.89 |              | 15,867,361.89 | 74               | 1.087             |



**San Diego County Regional Airport Authority**  
**DETAIL OF SECURITY HOLDINGS**  
*As of January 31, 2011*

| 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 |
|-----------------------------|----------------------|--------|---------------|----------------|-----------------------|----------------|-----------------------|---------------|-----------------------|------------------|-------------------|
| 10/29/10                    | FCAR Owner Trust CP  | 0.451  | 04/27/11      |                | 3,500,000.00          | 99.775         | 3,492,125.00          | 99.917        | 3,497,095.00          | 178              | 0.451             |
| 11/01/10                    | FCAR Owner Trust CP  | 0.451  | 05/02/11      |                | 1,500,000.00          | 99.775         | 1,496,606.25          | 99.913        | 1,498,695.00          | 178              | 0.451             |
| Commercial Paper Total      |                      |        |               |                | 5,000,000.00          |                | 4,988,731.25          |               | 4,995,790.00          | 178              | 0.451             |
| 09/27/10                    | U.S. Treasury        | 1.000  | 12/31/11      |                | 4,033,593.75          | 100.840        | 4,033,593.72          | 99.826        | 4,026,560.00          | 334              | 0.330             |
| 09/15/09                    | U.S. Treasury        | 0.875  | 03/31/11      |                | 2,000,000.00          | 100.313        | 2,006,250.00          | 100.109       | 2,002,180.00          | 59               | 0.671             |
| 09/30/10                    | U.S. Treasury        | 0.875  | 12/31/11      |                | 4,028,906.25          | 100.723        | 4,028,906.24          | 99.856        | 4,023,120.00          | 334              | 0.332             |
| Government Total            |                      |        |               |                | 10,062,500.00         |                | 10,068,749.96         |               | 10,051,860.00         | 279              | 0.399             |
| US Bank General Acct        |                      |        |               |                | 13,229,076.06         | 100.000        | 13,229,076.06         | 100.000       | 13,229,076.06         | 1                | 0.350             |
| US Bank Accounts Total      |                      |        |               |                | 13,229,076.06         |                | 13,229,076.06         |               | 13,229,076.06         | 1                | 0.350             |
| Highmark US Govt MMF        |                      |        |               |                | 3,259,697.34          | 100.000        | 3,259,697.34          | 100.000       | 3,259,697.34          | 1                | 0.040             |
| Highmark US Govt MMF        |                      |        |               |                | 5.04                  | 100.000        | 5.04                  | 100.000       | 5.04                  | 1                | 0.040             |
| Highmark US Govt MMF        |                      |        |               |                | 0.01                  | 100.000        | 0.01                  | 100.000       | 0.01                  | 1                | 0.040             |
| Highmark US Govt MMF        |                      |        |               |                | 5.02                  | 100.000        | 5.02                  | 100.000       | 5.02                  | 1                | 0.040             |
| Highmark Money Market Total |                      |        |               |                | 3,259,707.41          |                | 3,259,707.41          |               | 3,259,707.41          | 1                | 0.040             |
| Local Agency Invstmnt Fd    |                      |        |               |                | 46,944,940.86         | 100.000        | 46,944,940.86         | 100.146       | 47,013,542.59         | 1                | 0.462             |
| San Diego County Inv Pool   |                      |        |               |                | 49,882,280.04         | 100.000        | 49,882,280.04         | 100.377       | 50,070,569.54         | 1                | 0.686             |
| Bank of the West            |                      |        |               |                | 12,013,390.32         | 100.000        | 12,013,390.32         | 100.000       | 12,013,390.32         | 1                | 0.450             |
| East West Bank              |                      |        |               |                | 15,784,699.12         | 100.000        | 15,784,699.12         | 100.000       | 15,784,699.12         | 1                | 0.600             |
| East West Bank              |                      |        |               |                | 15,764,183.89         | 100.000        | 15,764,183.89         | 100.000       | 15,764,183.89         | 1                | 0.600             |
| East West Bank Total        |                      |        |               |                | 31,548,883.01         |                | 31,548,883.01         | 100.000       | 31,548,883.01         | 1                | 0.600             |
| Union Bk Cash               |                      |        |               |                | 10,845.71             | 100.000        | 10,845.71             | 100.000       | 10,845.71             | 1                | 0.000             |
| <b>Grand Total</b>          |                      |        |               |                | <b>\$ 248,899,685</b> | <b>100.06</b>  | <b>\$ 248,994,600</b> | <b>100.12</b> | <b>\$ 249,190,956</b> | <b>262</b>       | <b>0.853</b>      |

**San Diego County Regional Airport Authority**  
**Consolidated Investments**  
**INVESTMENT TRANSACTIONS**  
*From 01-01-11 To 01-31-11*

| Settle Date       | Security Description   | Security Type | CUSIP     | Coupon | Mature Date | Call Date | Unit Price | Amount               |
|-------------------|------------------------|---------------|-----------|--------|-------------|-----------|------------|----------------------|
| <b>PURCHASES</b>  |                        |               |           |        |             |           |            |                      |
| 01/07/11          | FNMA                   | AGCY CALL     | 3136FPZ75 | 1.000  | 12/28/12    | 06/28/11  | 100.000    | 3,600,700.00         |
| 01/07/11          | FNMA                   | AGCY CALL     | 31398A7H9 | 1.015  | 01/07/13    | 07/07/11  | 99.970     | 3,000,000.00         |
| 01/27/11          | FNMA                   | AGCY STEP     | 3136FP3T2 | 0.800  | 01/27/14    | 01/27/12  | 99.950     | 5,000,000.00         |
| 01/28/11          | FNMA                   | AGCY STEP     | 3136FP2Y2 | 1.250  | 01/28/16    | 07/28/11  | 100.000    | 3,500,000.00         |
|                   |                        |               |           |        |             |           |            | <b>\$ 15,100,700</b> |
| <b>CALLS</b>      |                        |               |           |        |             |           |            |                      |
| 07/06/10          | FHLMC                  | AGCY STEP     | 3134G1JB1 | 0.750  | 07/06/12    | 01/06/11  | 100.000    | 2,000,000.00         |
| 07/26/10          | FHLMC                  | AGCY STEP     | 3134G1MR2 | 1.000  | 07/26/13    | 01/26/11  | 100.000    | 4,000,000.00         |
| 07/28/10          | FNMA                   | AGCY STEP     | 3136FMX41 | 1.000  | 01/28/14    | 01/28/11  | 100.000    | 4,000,000.00         |
|                   |                        |               |           |        |             |           |            | <b>\$ 10,000,000</b> |
| <b>MATURITIES</b> |                        |               |           |        |             |           |            |                      |
| 04/28/09          | GE Capital TLGP (FDIC) | CORPORATE     | 36967HAG2 | 1.625  | 01/07/11    |           | 100.645    | 2,000,000.00         |
| 01/11/08          | U.S. Treasury          | TREAS NOTE    | 912828ES5 | 4.250  | 01/15/11    |           | 104.406    | 1,543,000.00         |
| 04/20/09          | TVA                    | AGCY BULET    | 880591DN9 | 5.625  | 01/18/11    |           | 107.498    | 2,000,000.00         |
|                   |                        |               |           |        |             |           |            | <b>\$ 5,543,000</b>  |

# Bond Proceeds Summary

As of: January 31, 2011

(in thousands)

| Fund                                    | Series A   | Series B | Series C   | Total      | Yield | Rating |
|---|------------|----------|------------|------------|-------|--------|
| <b><u>Project Fund</u></b>              |            |          |            |            |       |        |
| CAMP                                    | \$ -       | \$ -     | \$ 3,348   | \$ 3,348   | 0.18% | AAAm   |
| LAIF*                                   | 69,305     | -        | 59,925     | 129,230    | 0.46% | N/R    |
| SDCIP*                                  | 114,357    | -        | 83,962     | 198,319    | 0.69% | AAAf   |
|   | 183,662    | -        | 147,235    | 330,897    |       |        |
| <b><u>Capitalized Interest</u></b>      |            |          |            |            |       |        |
| CAMP                                    | 6          | -        | 4          | 10         | 0.18% | AAAm   |
| SDCIP*                                  | 19,025     | -        | 13,131     | 32,156     | 0.69% | AAAf   |
|   | 19,031     | -        | 13,135     | 32,166     |       |        |
| <b><u>Debt Service Reserve Fund</u></b> |            |          |            |            |       |        |
| CAMP                                    | 9          | -        | 5          | 14         | 0.18% | AAAm   |
| East West Bank CD                       | 10,015     | -        | 5,009      | 15,024     | 1.14% |        |
| Bank of the West DDA                    | 13,004     | -        | 7,002      | 20,006     | 0.45% |        |
| FNMA Global Notes                       | 9,618      | -        | 6,324      | 15,942     | 0.66% | AAA    |
|   | 32,646     | -        | 18,340     | 50,986     |       |        |
| <b><u>Cost of Issuance</u></b>          |            |          |            |            |       |        |
| JP Morgan Federal MM Reserve            | 25         | 4        | 16         | 45         | 0.02% | AAAm   |
|   | \$ 235,364 | \$ 4     | \$ 178,726 | \$ 414,094 | 0.62% |        |

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

CAMP Yield as of 1/31/2011

LAIF Yield as of 12/31/2010

SDCIP Yield as of 12/31/2010

# San Diego County Regional Airport Authority

## Bond Proceeds Investments

### INVESTMENT TRANSACTIONS

From 01-01-11 To 01-31-11

| Settle Date        | Security Description                | Security Type | CUSIP | Coupon | Mature Date | Call Date | Unit Price | Amount          |
|--------------------|-------------------------------------|---------------|-------|--------|-------------|-----------|------------|-----------------|
| <b>PURCHASES</b>   |                                     |               |       |        |             |           |            |                 |
|                    |                                     |               |       |        |             |           |            | \$ -            |
| <b>CALLS</b>       |                                     |               |       |        |             |           |            |                 |
|                    |                                     |               |       |        |             |           |            | \$ -            |
| <b>MATURITIES</b>  |                                     |               |       |        |             |           |            |                 |
|                    |                                     |               |       |        |             |           |            | \$ -            |
| <b>Deposits</b>    |                                     |               |       |        |             |           |            |                 |
|                    |                                     |               |       |        |             |           |            | \$ -            |
| <b>Withdrawals</b> |                                     |               |       |        |             |           |            |                 |
| 1/3/2011           | JP Morgan Federal Money Market Fund | JPMM          |       | 0.02   |             |           | 100.000    | 5,517,870       |
| 1/12/2011          | Local Agency Investment Fund*       | LAIF          |       | 0.46   |             |           | 100.000    | 1,433,000       |
| 1/28/2011          | California Asset Management Program | CAMP          |       | 0.18   |             |           | 100.000    | 383,345         |
|                    |                                     |               |       |        |             |           |            | \$ 7,334,214.62 |

\*Transaction will be reflected in next month's balance due to LAIF balances being reported one month in arrears.

# Questions

