Item 3

San Diego County Regional Airport Authority

Investment Report

As of May 31, 2013

Presented by:

Vernon D. Evans, CPA

Vice President, Finance / Treasurer & CFO

Scott Brickner, CPA

Director, Financial Planning and Budget

June 24, 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

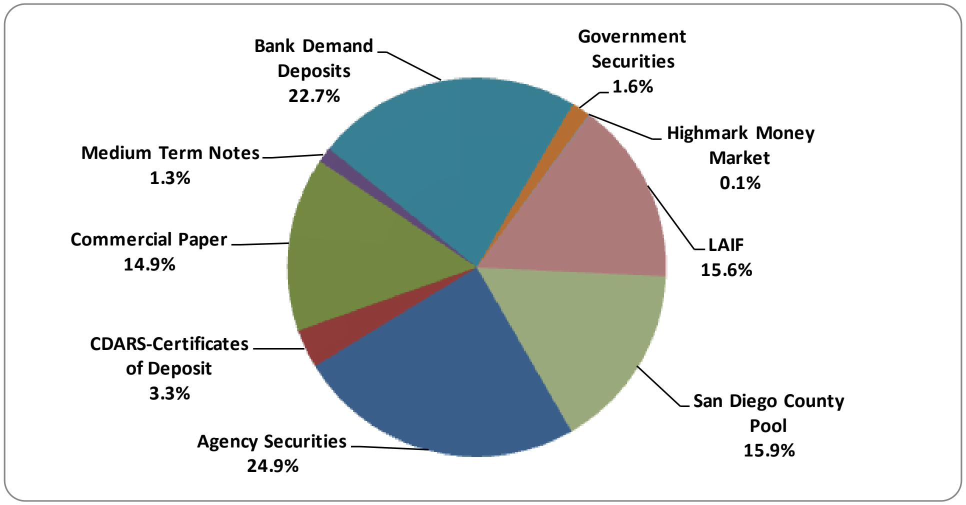
	Current Period May 31, 2013	Prior Period April 30, 2013	Change From Prior
Book Value [1]	$304,993,000	$308,928,000	($3,935,000)
Market Value	$305,143,000	$309,380,000	($4,237,000)
Market Value%	100.09%	100.19%	(0.10%)
Unrealized Gain / (Loss)	$150,000	$452,000	($302,000)
Weighted Average Maturity (Days)	302 days	311 days	(9)
Weighted Average Yield as of Period End	0.43%	0.45%	(0.02%)
Cash Interest Received- Current Month	$50,000	$100,000	($50,000)
Cash Interest Received-Year-to-Date	$1,206,000	$1,155,000	$51,000
Accrued Interest	$233,000	$170,000	$63,000

<u>Notes:</u>

(1) Decrease in cash balance was predominantly due to capital disbursements exceeding capital receipts.

Portfolio Composition by Security Type

	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	Permitted by Policy
Agency Securities	$ 75,497,000	24.6%	$ 79,769,000	25.8%	100%
CDARS-Certificates of Deposit	10,117,000	3.3%	10,117,000	3.3%	30%
Commercial Paper	45,476,000	14.9%	41,464,000	13.4%	25%
Medium Term Notes	3,973,000	1.3%	-	0.0%	15%
Bank Demand Deposits	68,838,000	22.7%	72,816,000	23.5%	100%
Government Securities	4,993,000	1.6%	5,011,000	1.6%	100%
Highmark Money Market	359,000	0.1%	4,312,000	1.4%	20%
LAIF	47,456,000	15.6%	47,452,000	15.3%	$50 million (1)
San Diego County Pool	48,434,000	15.9%	48,439,000	15.7%	$50 million (2)
Total:	**$ 305,143,000**	**100.0%**	**$ 309,380,000**	**100.0%**	



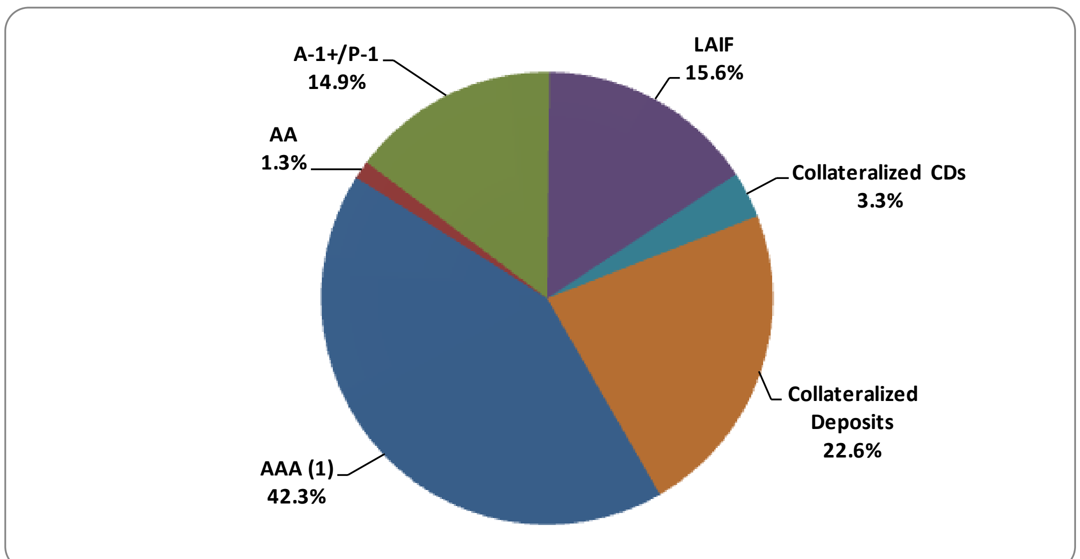
Notes:

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

	May 31, 2013		**April 30, 2013**	
	Market Value	**Percent of Portfolio**	**Market Value**	**Percent of Portfolio**
AAA (1)	$ 129,283,000	42.3%	$ 137,532,000	44.5%
AA	$ 3,973,000	1.3%	-	0.0%
A-1+/P-1	45,476,000	14.9%	41,464,000	13.4%
LAIF	47,456,000	15.6%	47,452,000	15.3%
Collateralized CDs	10,117,000	3.3%	10,117,000	3.3%
Collateralized Deposits	68,838,000	22.6%	72,815,000	23.5%
Total:	**$ 305,143,000**	**100.0%**	**$ 309,380,000**	**100.0%**

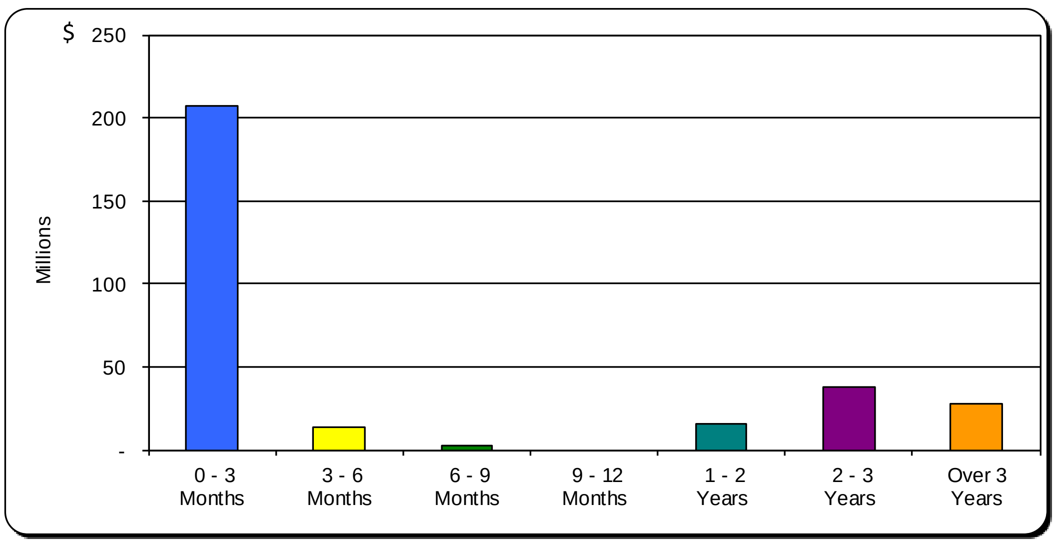


Notes:

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

Portfolio Composition by Maturity Distribution[1]

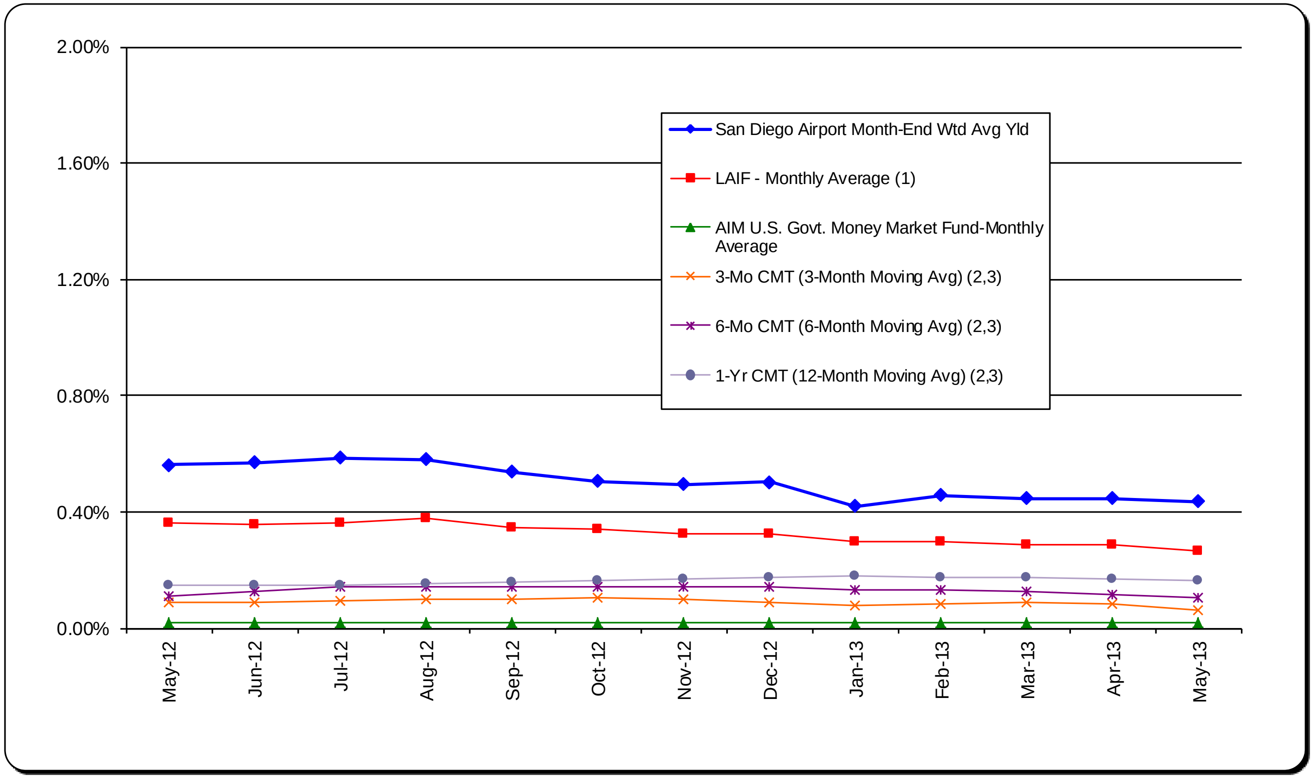
	May 31, 2013		April 30, 2013	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	$ 206,696,000	67.8%	$ 196,631,000	63.6%
3 - 6 Month	13,985,000	4.6%	22,979,000	7.4%
6 - 9 Months	3,007,000	1.0%	7,998,000	2.6%
9 - 12 Months	-	0.0%	-	0.0%
1 - 2 Years	15,565,000	5.1%	13,078,000	4.2%
2 - 3 Years	37,974,000	12.4%	27,577,000	8.9%
Over 3 Years	27,916,000	9.1%	41,117,000	13.3%
Total:	**$ 305,143,000**	**100.0%**	**$ 309,380,000**	**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 May 31, 2013

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	100.244	3,007,320	206	0.432
03/30/12	FNMA	1.500	09/08/14	09/08/14	3,000,000	102.390	3,071,700	101.378	3,041,340	465	0.513
10/19/12	FHLMC	0.500	10/09/15	10/09/13	4,000,000	100.015	4,000,600	100.090	4,003,600	861	0.494
02/10/12	FHLMC	1.000	02/10/16	02/10/14	3,000,000	100.475	3,014,250	100.454	3,013,620	985	0.879
02/24/12	FNMA	0.800	02/24/16	02/24/14	3,000,000	99.785	2,993,550	100.347	3,010,410	999	0.855
10/29/12	FNMA	0.550	04/29/16	04/29/13	6,000,000	99.863	5,991,750	99.831	5,989,860	1064	0.592
01/18/12	FNMA	0.700	01/18/17	07/18/13	4,000,000	100.000	4,000,000	100.086	4,003,440	1328	1.599
01/27/12	FHLMC	2.250	01/23/17	01/23/14	2,500,000	102.885	2,572,125	101.388	2,534,700	1333	1.645
12/28/12	FNMA	0.006	06/27/16	12/27/13	5,000,000	99.875	4,993,750	99.626	4,981,300	1123	0.596
09/21/12	FNMA	1.125	06/28/17	06/28/13	3,000,000	100.368	3,011,040	98.658	2,959,740	1489	1.050
07/26/12	FNMA	0.750	07/26/17	07/26/13	2,000,000	99.875	1,997,500	99.253	1,985,060	1517	1.220
09/21/12	FHLMC	1.000	09/12/17	09/12/13	3,000,000	99.975	2,999,250	99.415	2,982,450	1565	1.000
01/16/13	FHLMC	1.050	01/16/18	07/16/13	3,000,000	99.970	2,999,100	99.260	2,977,800	1691	1.056
01/09/13	FHLMC	1.375	01/09/18	01/09/15	2,000,000	101.440	2,028,800	100.837	2,016,740	1684	1.080
01/30/13	FNMA	1.030	01/30/18	01/30/14	3,500,000	99.990	3,499,650	99.293	3,475,255	1705	1.032
02/13/13	FHLMC	0.625	12/29/14	12/29/14	5,000,000	100.630	5,031,500	100.492	5,024,600	577	0.288
02/13/13	FHLB	0.250	02/20/15	02/20/15	5,000,000	99.870	4,993,500	99.844	4,992,200	630	0.315
02/14/13	FNMA	0.500	05/27/15	05/27/15	2,500,000	100.349	2,508,725	100.260	2,506,500	726	0.347
02/13/13	FHLB	0.500	11/20/15	11/20/15	5,000,000	100.172	5,008,600	100.205	5,010,250	903	0.437
02/13/13	FNMA	0.375	12/21/15	12/21/15	5,000,000	99.772	4,988,600	99.767	4,988,350	934	0.455
03/14/13	FHLMC	0.500	05/13/16	05/13/16	3,000,000	99.966	2,998,968	99.751	2,992,530	1078	0.511
	Agency Total				75,500,000		75,713,008		75,497,065	1045	0.722
06/28/12	East West Bk CD	0.750	07/02/13		10,117,110	100.000	10,117,110	100.000	10,117,110	32	0.750
	CD's Total				10,117,110		10,117,110		10,117,110	32	0.750

Detail of Security Holdings

As of May 31, 2013

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
10/16/12	FCAR Owner Trust CP	0.500	07/12/13		3,500,000	99.626	3,486,924	99.981	3,499,335	42	0.502
11/09/12	FCAR Owner Trust CP	0.500	08/06/13		3,000,000	99.625	2,988,750	99.959	2,998,770	67	0.502
01/08/13	FCAR Owner Trust CP	0.480	10/04/13		5,000,000	99.641	4,982,067	99.904	4,995,200	126	0.481
02/13/13	UBS SECURITIES CP	0.235	06/12/13		5,000,000	99.922	4,996,116	99.996	4,999,800	12	0.235
02/13/13	BANK OF TOKYO-MITSUBISHI CP	0.250	06/13/13		5,000,000	99.917	4,995,833	99.996	4,999,800	13	0.250
02/13/13	RABUSA CP	0.245	08/12/13		5,000,000	99.878	4,993,875	99.957	4,997,850	73	0.245
02/13/13	GE CAPITAL CORP CP	0.240	11/08/13		5,000,000	99.821	4,991,067	99.855	4,992,750	161	0.240
03/14/13	NORDEA NORTH AMER CP	0.220	08/12/13		5,000,000	99.889	4,995,386	99.957	4,997,850	73	0.220
03/22/13	BANK OF TOKYO-MITSUBISHI CP	0.240	08/28/13		5,000,000	99.876	4,994,430	99.947	4,997,350	89	0.240
05/02/13	BNP PARIBAS CP	0.280	09/03/13		4,000,000	99.904	3,996,142	99.936	3,997,440	95	0.280
	Commercial Paper Total				45,500,000		45,420,590		45,476,145	76	0.306
05/09/13	Apple Inc Notes	0.450	05/03/16		4,000,000	99.944	3,997,760	99.318	3,972,720	1068	0.469
	Medium Term Notes				4,000,000		3,997,760		3,972,720	1068	0.469
02/13/13	U.S. Treasury	0.375	01/15/16		5,000,000	99.926	4,996,289	100.000	4,992,200	959	0.401
	Government Total				5,000,000		4,996,289		4,992,200	959	0.401
	US Bank General Acct				6,290,598	100.000	6,290,598	100.000	6,290,598	1	0.035
	US Bank Accounts Total				6,290,598		6,290,598		6,290,598	1	0.035
	Highmark US Govt MMF				358,947	100.000	358,947	100.000	358,947	1	0.000
	Highmark Money Market Total				358,947		358,947		358,947	1	0.000
	Local Agency Invstmnt Fd				47,248,303	100.000	47,248,303	100.440	47,456,376	1	0.264
	San Diego County Inv Pool				48,302,481	100.000	48,302,481	100.272	48,433,875	1	0.400
	Bank of the West				18,701,623	100.000	18,701,623	100.000	18,701,623	1	0.290
	Wells Fargo Bank				4,044,725	100.000	4,044,725	100.000	4,044,725	1	0.300
	East West Bank				102,944	100.000	102,944	100.000	102,944	1	0.350
	East West Bank				39,693,621	100.000	39,693,621	100.000	39,693,621	1	0.350
	East West Bank Total				39,796,565		39,796,565	100	39,796,565	1	0.350
	Union Bk Cash				4,725.92	100.000	4,725.92	100.000	4,725.92	1	0.000
	Grand Total				**$ 304,865,080**	**100.04**	**$ 304,992,726**	**100.09**	**$ 305,142,677**	**302**	**0.435**

Portfolio Investment Transactions

From May 1st, 2013 – May 31st, 2013

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
05/02/13	BNP PARIBAS CP	CP - DISC	0556N0W35	0.280	09/03/13	--	99.904	$ 3,996,142
05/09/13	APPLE, INC NOTES	MTN	037833AH3	0.450	05/03/16	--	99.944	3,997,760
								$ 7,993,902
CALLS								
05/09/12	FNMA	AGCY CALL	3136G0DS7		05/09/16	05/09/13	99.990	$ 4,000,000
								$ -
MATURITIES								
								$ -
Deposits								
								$ -
Withdrawals								
								$ -

Bond Proceeds Summary

As of: May 31, 2013
(in thousands)

	Bonds 2010	Bonds 2013	Total	Yield	Rating
Project Fund					
LAIF[1]	$ 0	$ 117,223	$ 117,223	0.26%	N/R
SDCIP[2]	2,743	156,064	158,807	0.40%	AAAf
	$ 2,743	$ 273,287	$ 276,030		
Capitalized Interest					
SDCIP[2]	$ 0	$ 8,368	$ 8,368	0.40%	AAAf
	$ 0	$ 8,368	$ 8,368		
Debt Service Reserve Fund					
East West Bank CD	$ 20,423	$ 0	$ 20,423	0.75%	
Bank of the West DDA	16,108	0	16,108	0.33%	
SDCIP[2]	14,639	32,964	47,604	0.40%	AAAf
	$ 51,171	$ 32,964	$ 84,135		
	$ 53,914	$ 314,619	$ 368,533	0.36%	

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

(1) LAIF Yield as of 04/30/2013

(2) SDCIP Yield as of 04/30/2013

Bond Proceeds Investment Transactions

From May 1st, 2013 – May 31st, 2013

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
								$ -
CALLS								
								$ -
MATURITIES								
								$ -
Deposits								
								$ -
Withdrawals								
5/1/2013	San Diego County Investment Pool (2010 Bonds)	SDCIP		0.40			1.000	$ 5,003,823
5/3/2013	LAIF (2013 Bonds)	LAIF		0.26			1.000	$ 13,549,444
								$ 18,553,267

Questions