

# San Diego County Regional Airport Authority

Investment Report  
As of January 31, 2012



Presented by:  
Vernon D. Evans, CPA  
Vice President, Finance / Treasurer & CFO

February 21, 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 and is positioned above a horizontal line.

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



# Total Portfolio Summary



	Current Period	Prior Period	Change From
	January 31, 2012	December 31, 2011	Prior
Book Value	\$252,055,000	\$246,505,000	\$5,550,000
Market Value	\$252,233,000	\$246,659,000	\$5,574,000
Market Value%	100.05%	100.04%	0.01%
Unrealized Gain / (Loss)	\$178,000	\$154,000	\$24,000
Weighted Average Maturity (Days)	260 days	243 days	17
Weighted Average Yield as of Period End	0.56%	0.63%	(0.07%)
Cash Interest Received- Current Month	\$274,000	\$106,000	\$168,000
Cash Interest Received-Year-to-Date	\$958,000	\$685,000	\$273,000
Accrued Interest	\$112,000	\$274,000	(\$162,000)

**Notes:**

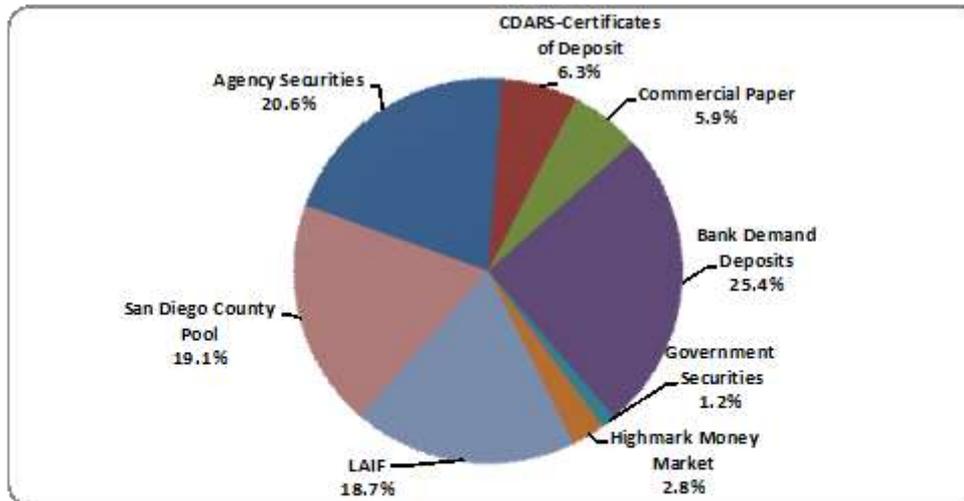
(1) Increase in cash balance was predominantly due to positive operating cash flow and capital receipts that exceeded disbursements on capital projects.



# Portfolio Composition by Security Type



	January 31, 2012		December 31, 2011		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 51,660,000	20.6%	\$ 51,142,000	20.5%	100%
CDARS-Certificates of Deposit	15,952,000	6.3%	15,947,000	6.5%	30%
Commercial Paper	14,980,000	5.9%	14,971,000	6.1%	25%
Bank Demand Deposits	64,086,000	25.4%	54,651,000	22.2%	100%
Government Securities	3,006,000	1.2%	11,008,000	4.5%	100%
Highmark Money Market	6,997,000	2.8%	3,446,000	1.4%	20%
LAI F	47,263,000	18.7%	47,263,000	19.2%	\$50 million <sup>(1)</sup>
San Diego County Pool	48,289,000	19.1%	48,231,000	19.6%	\$50 million <sup>(2)</sup>
<b>Total:</b>	<b>\$ 252,233,000</b>	<b>100.0%</b>	<b>\$ 246,659,000</b>	<b>100.0%</b>	



**Notes:**

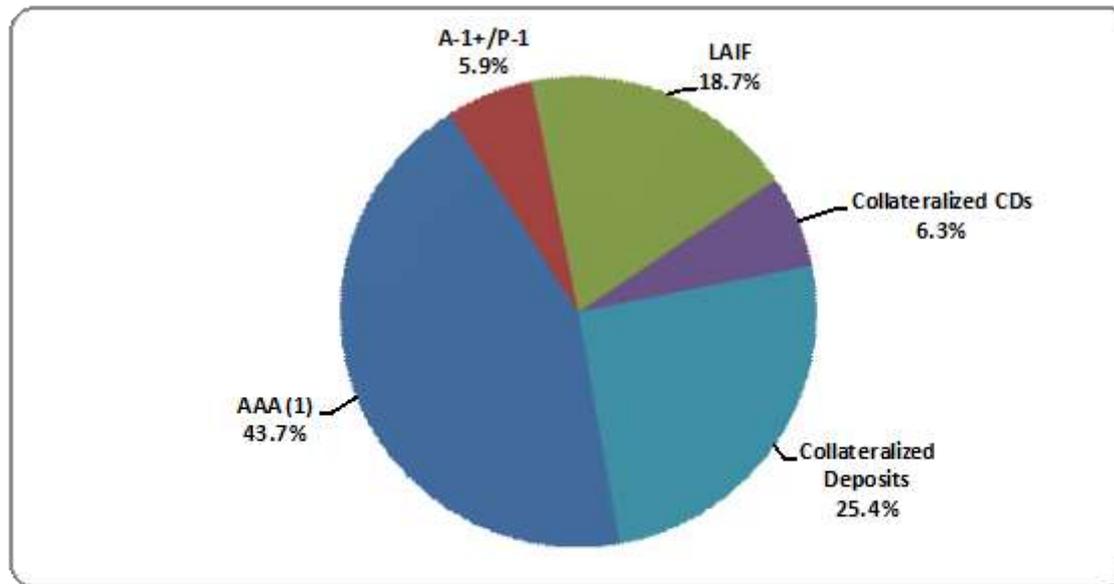
- 1.) The \$50 million limit on LAIF is a non-salary LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool invests the LAIF internal limit and does not apply to bond proceeds.
- 3.) LAIF & San Diego County Pool reported one month in arrears.



# Portfolio Composition by Credit Rating



	January 31, 2012		December 31, 2011	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA (1)	\$ 109,952,000	43.7%	\$ 113,827,000	46.0%
A-1+/P-1	14,980,000	5.9%	14,971,000	6.1%
LAIF	47,263,000	18.7%	47,263,000	19.2%
Collateralized CDs	15,952,000	6.3%	15,947,000	6.5%
Collateralized Deposits	64,086,000	25.4%	54,651,000	22.2%
<b>Total:</b>	<b>\$ 252,233,000</b>	<b>100.0%</b>	<b>\$ 246,659,000</b>	<b>100.0%</b>



**Notes:**

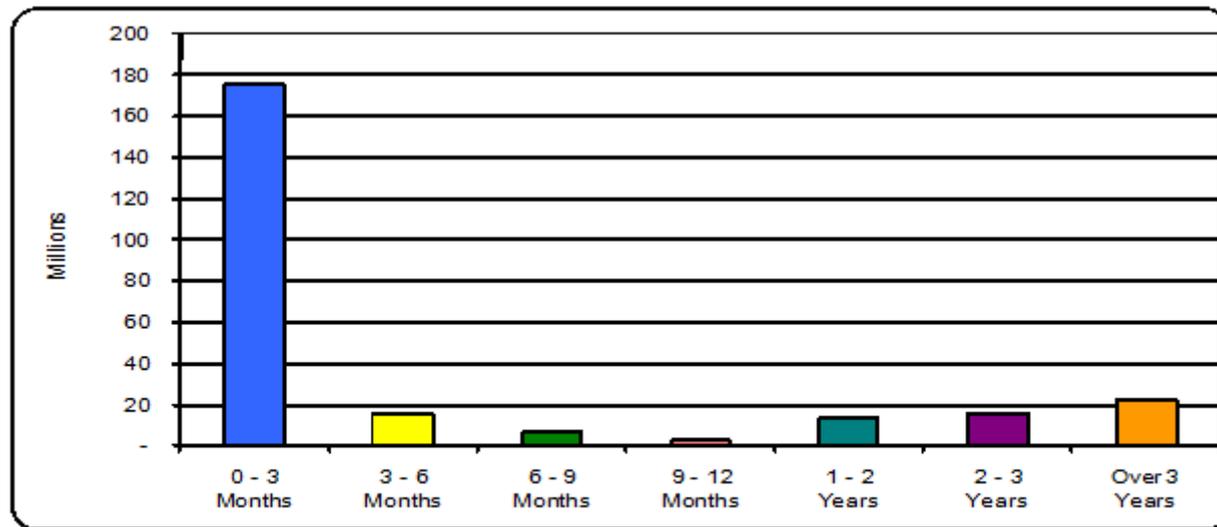
1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)



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



	January 31, 2012		December 31, 2011	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
<b>0 - 3 Months</b>	<b>\$ 175,557,000</b>	<b>69.7%</b>	<b>\$ 174,009,000</b>	<b>70.6%</b>
<b>3 - 6 Month</b>	<b>15,510,000</b>	<b>6.1%</b>	<b>15,502,000</b>	<b>6.3%</b>
<b>6 - 9 Months</b>	<b>6,500,000</b>	<b>2.6%</b>	<b>3,000,000</b>	<b>1.2%</b>
<b>9 - 12 Months</b>	<b>3,006,000</b>	<b>1.2%</b>	<b>3,006,000</b>	<b>1.2%</b>
<b>1 - 2 Years</b>	<b>13,670,000</b>	<b>5.4%</b>	<b>13,669,000</b>	<b>5.5%</b>
<b>2 - 3 Years</b>	<b>15,437,000</b>	<b>6.1%</b>	<b>15,996,000</b>	<b>6.5%</b>
<b>Over 3 Years</b>	<b>22,553,000</b>	<b>8.9%</b>	<b>21,477,000</b>	<b>8.7%</b>
<b>Total:</b>	<b>\$ 252,233,000</b>	<b>100.0%</b>	<b>\$ 246,659,000</b>	<b>100.0%</b>

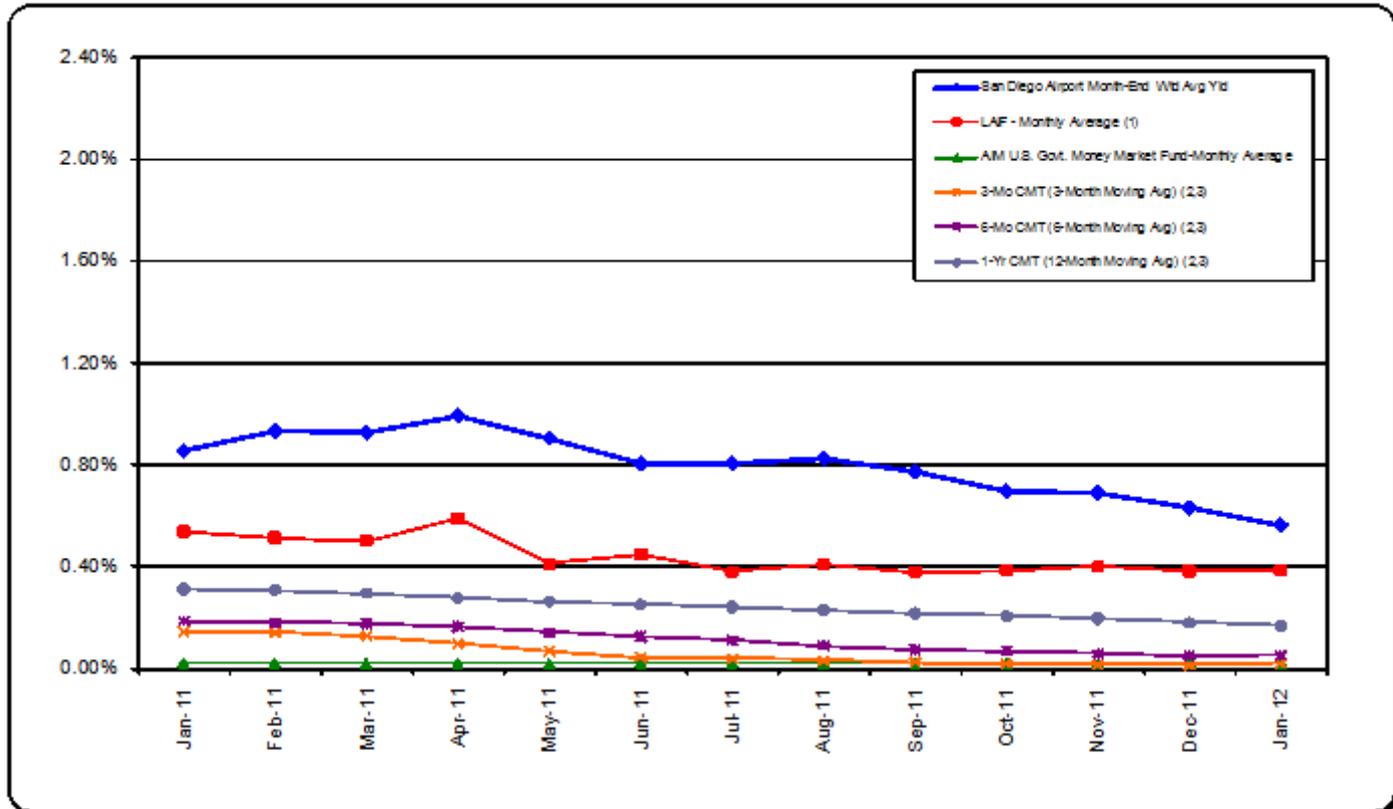


**Notes:**

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



# Benchmark Comparison



**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.

# Detail of Security Holdings

As of January 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
08/01/11	FHLMC	0.450	07/26/13	07/26/12	3,000,000	100.000	3,000,000	99.949	2,998,470	542	0.726
06/23/11	FHLMC	0.750	09/23/13	03/23/12	3,000,000	99.950	2,998,500	100.056	3,001,680	601	0.773
12/30/11	FNMA	0.550	10/18/13	04/18/12	4,671,298	100.028	4,671,298	100.018	4,672,148	626	0.534
12/27/11	FNMA	0.550	12/27/13	06/27/12	3,000,000	99.995	2,999,850	99.935	2,998,050	696	0.553
08/29/11	FHLMC	0.500	08/29/14	02/29/12	5,000,000	99.950	4,997,500	99.990	4,999,500	941	1.139
09/29/11	FHLMC	0.800	09/29/14	03/29/12	3,000,000	100.000	3,000,000	100.072	3,002,160	972	0.800
06/30/11	FHLB	0.750	12/30/14	03/30/12	4,435,000	99.950	4,432,783	100.014	4,435,621	1064	1.469
01/09/12	FHLMC	0.850	01/09/15	01/09/13	3,000,000	100.000	3,000,000	100.000	3,000,000	1074	0.850
11/02/11	FNMA	1.450	11/02/15	05/02/12	3,000,000	100.000	3,000,000	100.256	3,007,680	1371	1.450
12/28/11	FNMA	0.750	12/28/15	12/28/12	5,000,000	99.970	4,998,500	100.081	5,004,050	1427	1.498
07/19/11	FNMA	1.250	07/19/16	07/19/12	2,000,000	99.800	1,996,000	100.435	2,008,700	1631	2.360
01/11/12	FHLMC	1.500	09/21/16	09/21/12	3,000,000	100.345	3,010,341	100.345	3,010,341	1695	1.424
10/26/11	FNMA	1.375	10/26/16	10/26/12	3,000,000	100.000	3,000,000	100.727	3,021,810	1730	1.689
01/18/12	FNMA	0.700	01/18/17	07/18/13	4,000,000	100.000	4,000,000	100.000	4,000,000	1814	1.599
01/27/12	FHLMC	2.250	01/23/17	01/23/14	2,500,000	102.885	2,500,000	100.000	2,500,000	1819	1.645
<b>Agency Total</b>					<b>51606,298</b>		<b>51604,772</b>		<b>51660,210</b>	<b>1174</b>	<b>1.206</b>
02/10/11	Neighborhood Nat'l Bk CD	1.150	02/09/12		4,921,174	100.000	4,921,174	100.000	4,921,174	9	1.138
12/22/11	Union Bank CD	0.150	02/27/12		4,000,000	100.000	4,000,000	100.000	4,000,000	27	0.150
06/28/11	East West Bk CD	0.850	06/27/12		7,030,550	100.000	7,030,550	100.000	7,030,550	148	0.846
<b>CD's Total</b>					<b>16,951,724</b>		<b>16,951,724</b>		<b>16,951,724</b>	<b>75</b>	<b>0.761</b>

# Detail of Security Holdings

As of January 31, 2012



Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
FCAR Owner Trust CP	0.550	05/22/12		3,500,000	99.588	3,485,563	99.806	3,493,210	112	0.552
Toyota Motor Credit CP	0.603	06/05/12		3,000,000	99.550	2,986,500	99.747	2,992,410	126	0.603
Toyota Motor Credit CP	0.643	06/26/12		2,000,000	99.520	1,990,400	99.704	1,994,080	147	0.643
Toyota Motor Credit CP	0.760	09/14/12		3,000,000	99.430	3,000,000	100.000	3,000,000	227	0.764
FCAR Owner Trust CP	0.650	10/16/12		3,500,000	99.513	3,500,000	100.000	3,500,000	259	0.653
<b>Commercial Paper Total</b>				<b>15,000,000</b>		<b>14,962,463</b>		<b>14,979,700</b>	<b>177</b>	<b>0.641</b>
U.S. Treasury	0.375	10/31/12		3,000,000	99.740	2,992,148	100.188	3,005,640	274	0.541
<b>Government Total</b>				<b>3,000,000</b>		<b>2,992,148</b>		<b>3,005,640</b>	<b>274</b>	<b>0.541</b>
US Bank General Acct				33,147,158	100.000	33,147,158	100.000	33,147,158	1	0.035
<b>US Bank Accounts Total</b>				<b>33,147,158</b>		<b>33,147,158</b>		<b>33,147,158</b>	<b>1</b>	<b>0.035</b>
<b>Highmark Money Market Total</b>				<b>6,997,353</b>		<b>6,997,353</b>		<b>6,997,353</b>	<b>1</b>	<b>0.000</b>
Local Agency Invstmnt Fd				47,203,932	100.000	47,203,932	100.125	47,262,900	1	0.385
San Diego County Inv Pool				48,256,417	100.000	48,256,417	100.068	48,289,304	1	0.520
Bank of the West				5,227,306	100.000	5,227,306	100.000	5,227,306	1	0.450
East West Bank				102,466	100.000	102,466	100.000	102,466	1	0.350
East West Bank				25,605,098	100.000	25,605,098	100.000	25,605,098	1	0.350
<b>East West Bank Total</b>				<b>25,707,564</b>		<b>25,707,564</b>	<b>100.000</b>	<b>25,707,564</b>	<b>1</b>	<b>0.350</b>
Union Bk Cash				4,282.95	100.000	4,282.95	100.000	4,282.95	1	0.000
<b>Grand Total</b>				<b>\$ 252,102,035</b>	<b>100.00</b>	<b>\$ 252,055,119</b>	<b>100.05</b>	<b>\$ 252,233,141</b>	<b>260</b>	<b>0.561</b>

# Portfolio Investment Transactions

From January 1<sup>st</sup>, 2012 – January 31<sup>st</sup>, 2012



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
<b>PURCHASES</b>								
01/20/12	FCAR Owner Trust CP	CP - DISC	3024A0KG9	0.650	10/16/12		99.513	3,500,000
01/09/12	FHLMC	AGCY CALL	3134G3GG9	0.850	01/09/15	01/09/13	100.000	3,000,000
01/11/12	FHLMC	AGCY CALL	3134G2F64	1.500	09/21/16	09/21/12	100.345	3,010,341
01/18/12	FNMA	AGCY STEP	3136FTYX1	0.700	01/18/17	07/18/13	100.000	4,000,000
01/27/12	FHLMC	AGCY CALL	3134G3JU5	2.250	01/23/17	01/23/14	102.885	2,500,000
								\$ 16,010,341
<b>CALLS</b>								
01/27/11	FNMA	AGCY STEP	3136FP3T2	0.750	01/27/14	01/27/12	99.950	5,000,000
07/11/11	FNMA	AGCY CALL	3136FRVL4	1.200	07/11/14	01/11/12	100.000	3,000,000
08/22/11	FNMA	AGCY STEP	3136FRWU3	1.875	07/20/16	01/20/12	100.481	4,000,000
								\$ 12,000,000
<b>MATURITIES</b>								
04/27/11	FCAR Owner Trust CP	CP - DISC	3024A0AL9	0.530	01/20/12			3,500,000
09/30/10	U.S. Treasury	TREAS NOTE	912828MJ6	0.875	01/31/12			4,028,906
09/27/10	U.S. Treasury	TREAS NOTE	912828ML1	1.000	12/31/11			4,033,594
								\$ 11,562,500
<b>Deposits</b>								
								\$ -
<b>Withdrawals</b>								
								\$ -



# Bond Proceeds Summary



As of: January 31, 2012

(in thousands)

Fund	Series A	Series B	Series C	Total	Yield	Rating
<b>Project Fund</b>						
LAIF <sup>(1)</sup>	\$ 29	\$ -	\$ 9,800	\$ 9,829	0.39%	N/R
SDCIP <sup>(2)</sup>	110,868	-	84,636	195,504	0.52%	AAAf
	110,897	-	94,436	205,333		
<b>Capitalized Interest</b>						
CAMP	6	-	4	10	0.21%	AAAm
SDCIP <sup>(2)</sup>	6,343	-	4,551	10,894	0.52%	AAAf
JP Morgan Federal MM Reserve	-	-	-	-	0.00%	AAAm
	6,349	-	4,555	10,904		
<b>Debt Service Reserve Fund</b>						
CAMP	9	-	5	14	0.21%	AAAm
FNMA Global Notes	10,081	-	5,041	15,122	0.66%	AA+/AAA
East West Bank CD	13,153	-	7,079	20,232	1.14%	
Bank of the West DDA	9,666	-	6,348	16,014	0.45%	
JP Morgan Federal MM Reserve	127	-	62	190	0.00%	AAAm
	33,036	-	18,535	51,572		
	\$ 150,282	\$ -	\$ 117,526	\$ 267,809	0.57%	

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

\*\*LAIF & SDCIP Market Value & Interest Earned are one month in arrears.

(1) LAIF Yield as of 1/31/2011

(2) SDCIP Yield as of 12/31/2011



# Bond Proceeds Investment Transactions

From January 1<sup>st</sup>, 2012 – January 31<sup>st</sup>, 2012



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>								
1/3/2012	Transfer to Debt Service P&I Funds	SDCIP		0.52			100.000	4,287,274
1/13/2012	Local Agency Investment Fund	LAIF		0.39			100.000	11,344,204
1/31/2012	San Diego County Investment Pool	SDCIP		0.52			100.000	4,406,587
								\$ 20,038,065



# Questions

