ITEM 10

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Board Communication

Date: October 25, 2011

To: Board Members

Via: Thella F. Bowens, President/CEO

From: Vernon D. Evans, Vice President, Finance/Treasurer

Subject: Investment Report as of September 30, 2011

At the October 24, 2011 meeting, the Finance Committee recommended that the attached report be forwarded to the Board to be received at the November 3, 2011 Board meeting.

ITEM 10

San Diego County Regional Airport Authority

Investment Report

As of September 30, 2011

Presented by:

Vernon D. Evans, CPA

Vice President, Finance / Treasurer & CFO

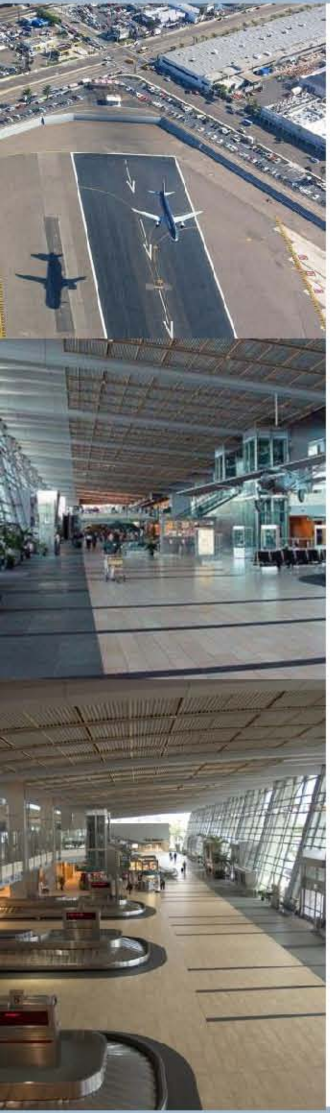
November 3, 2011

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.

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

Total Portfolio Summary



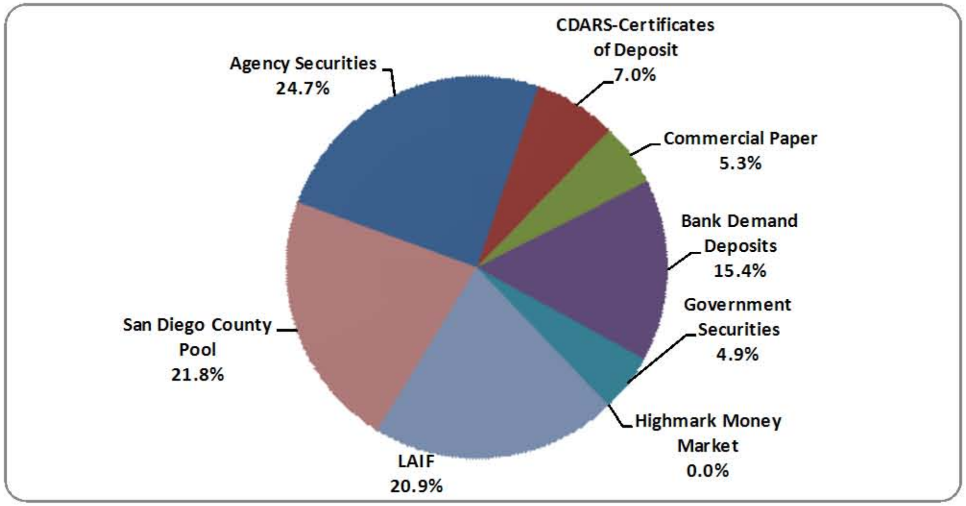
	Current Period September 30, 2011	Prior Period June 30, 2011	Change From Prior
Book Value	$225,555,000	$241,585,000	($16,030,000)
Market Value	$225,803,000	$241,544,000	($15,741,000)
Market Value%	100.09%	99.98%	0.11%
Unrealized Gain / (Loss)	$248,000	($41,000)	$289,000
Weighted Average Maturity (Days)	320 days	294 days	26
Weighted Average Yield as of Period End	0.77%	0.80%	(0.03%)
Cash Interest Received- Current Month	$88,000	$247,000	($159,000)
Cash Interest Received-Year-to-Date	$2,638,000	$2,248,000	$390,000
Accrued Interest	$241,000	$279,000	($38,000)

Notes:

(1) Decrease in cash balance was predominantly due to spending on capital projects that exceeded reimbursement for the month.

Portfolio Composition by Security Type

	September 30, 2011		June 30, 2011		
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	Permitted by Policy
Agency Securities	$ 55,475,000	24.7%	$ 58,922,000	24.4%	100%
CDARS-Certificates of Deposit	15,918,000	7.0%	15,888,000	6.6%	30%
Commercial Paper	11,953,000	5.3%	3,490,000	1.4%	25%
Bank Demand Deposits	34,870,000	15.4%	55,757,000	23.1%	100%
Government Securities	11,026,000	4.9%	11,038,000	4.6%	100%
Highmark Money Market	108,000	0.0%	333,000	0.1%	20%
LAIF	47,248,000	20.9%	47,174,000	19.5%	$50 million (1)
San Diego County Pool	49,205,000	21.8%	48,942,000	20.3%	$50 million (2)
Total:	**$ 225,803,000**	**100.0%**	**$ 241,544,000**	**100.0%**	



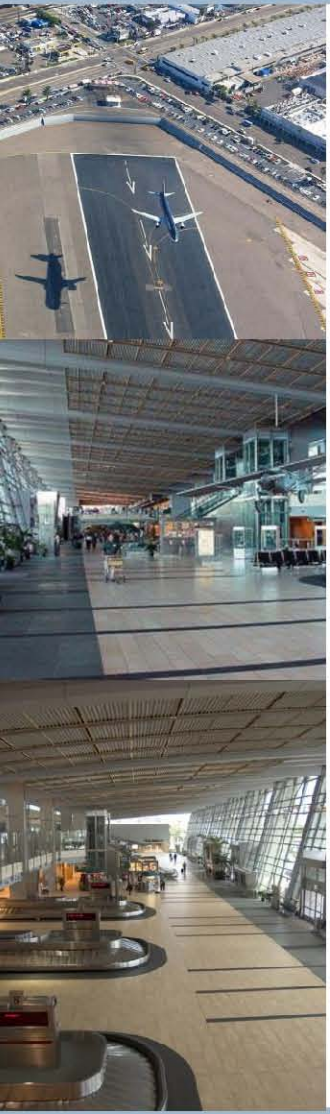
Notes:

1.) The $50 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.

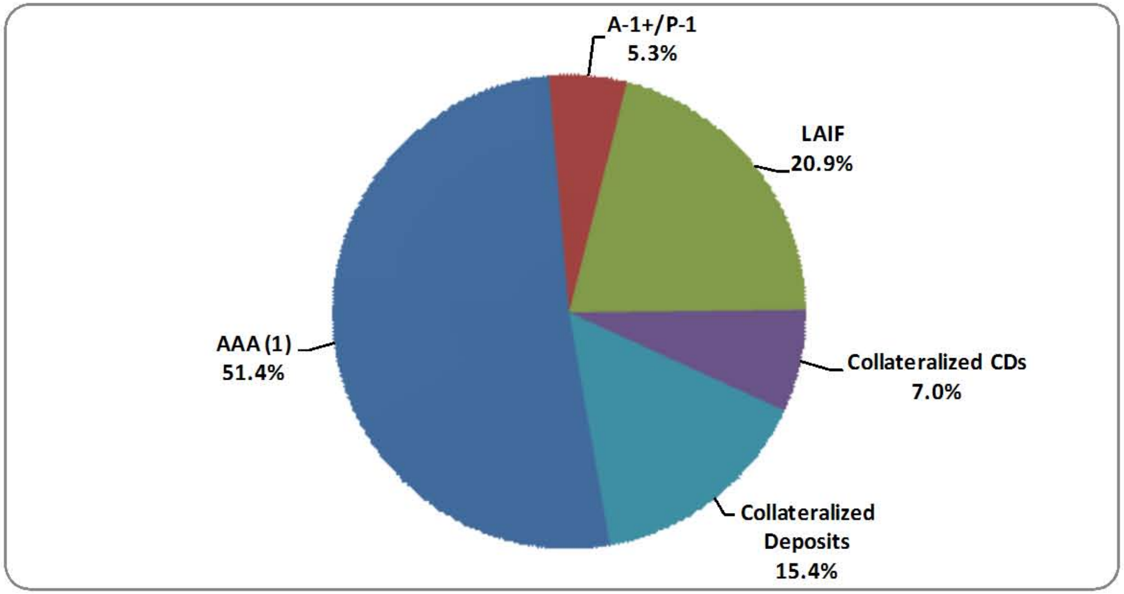
2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.

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

Portfolio Composition by Credit Rating



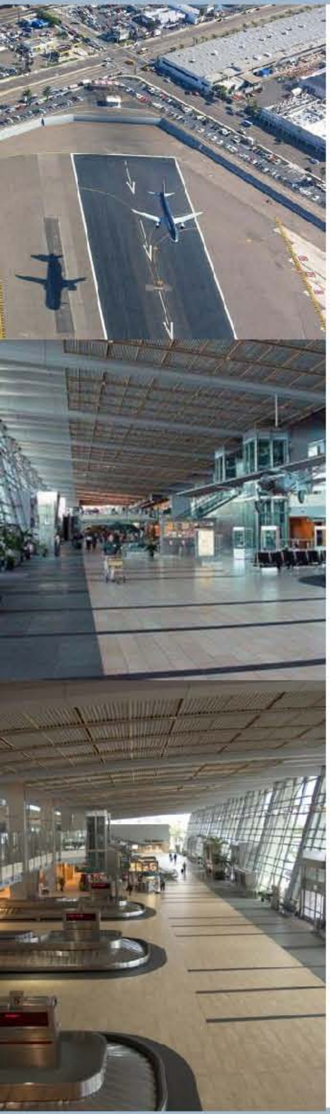
	September 30, 2011		June 30, 2011	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA [1]	$ 115,814,000	51.4%	$ 119,235,000	49.4%
A-1+/P-1	11,953,000	5.3%	3,490,000	1.4%
LAIF	47,248,000	20.9%	47,174,000	19.5%
Collateralized CDs	15,918,000	7.0%	15,888,000	6.6%
Collateralized Deposits	34,870,000	15.4%	55,757,000	23.1%
Total:	**$ 225,803,000**	**100.0%**	**$ 241,544,000**	**100.0%**



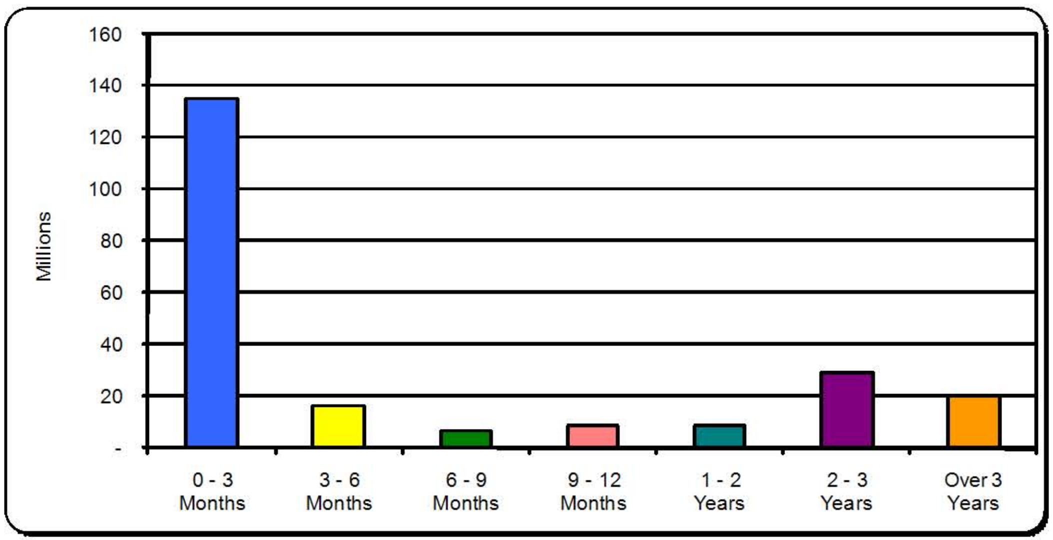
Notes:

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

Portfolio Composition by Maturity Distribution[(1)]



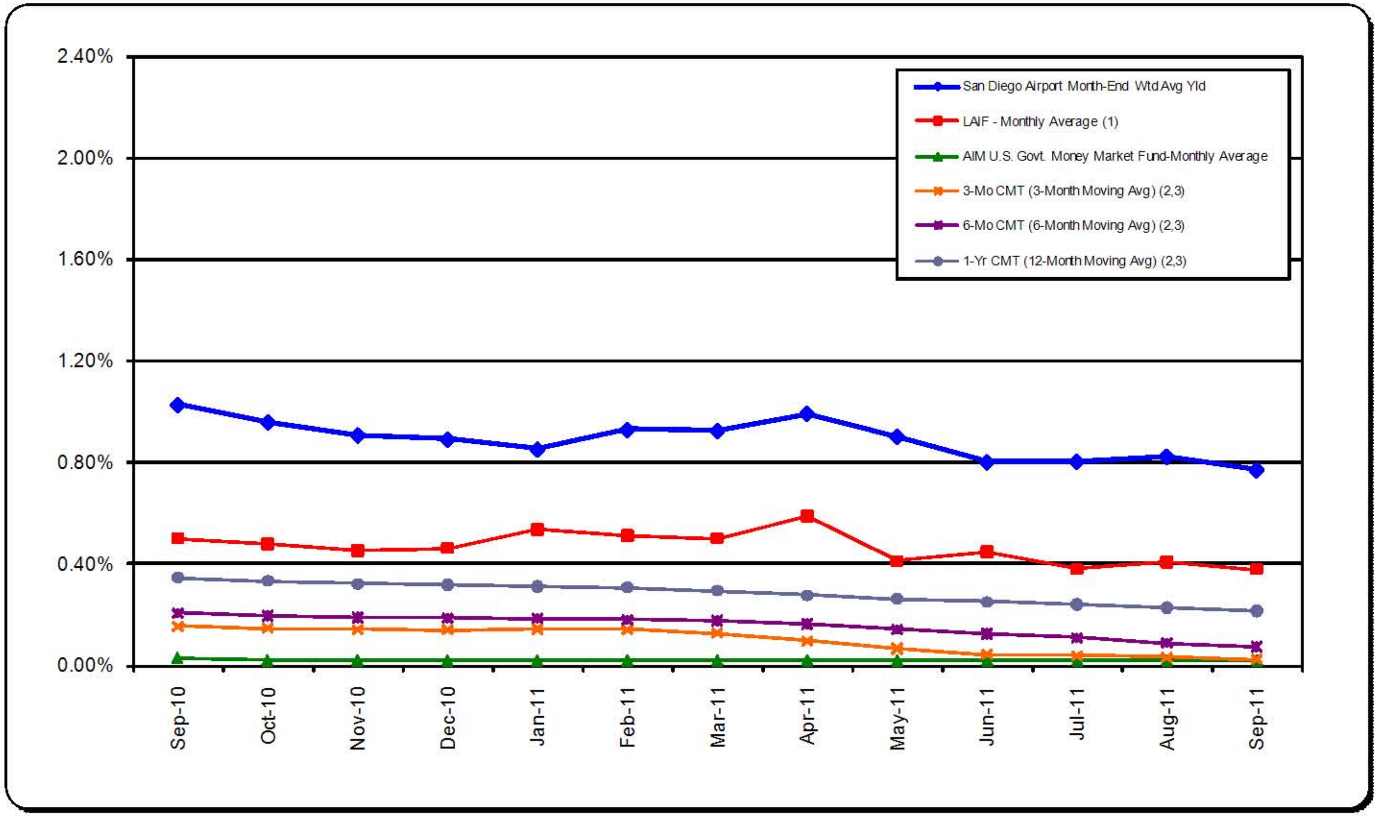
	September 30, 2011		June 30, 2011	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	$ 135,430,000	59.9%	$ 156,206,000	64.7%
3 - 6 Month	16,417,000	7.3%	-	0.0%
6 - 9 Months	6,469,000	2.9%	16,413,000	6.8%
9 - 12 Months	9,005,000	4.0%	7,000,000	2.9%
1 - 2 Years	9,006,000	4.0%	14,997,000	6.2%
2 - 3 Years	29,445,000	13.0%	24,008,000	9.9%
Over 3 Years	20,031,000	8.9%	22,920,000	9.5%
Total:	**$ 225,803,000**	**100.0%**	**$ 241,544,000**	**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 September 30, 2011

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Days to Next Call	Yield to Maturity	Yield to Worst
08/01/11	FHLMC	0.450	07/26/13	07/26/12	3,000,000	100.000	3,000,000	99.895	2,996,850	665	300	0.726	0.450
06/23/11	FHLMC	0.750	09/23/13	12/23/11	3,000,000	99.975	2,998,500	100.096	3,002,880	724	84	0.773	0.773
01/27/11	FNMA	0.750	01/27/14	01/27/12	5,000,000	99.950	4,997,500	100.060	5,003,000	850	119	1.597	0.801
07/21/11	FNMA	1.110	04/29/14		3,000,000	100.000	3,000,000	100.057	3,001,710	942		1.110	1.107
06/23/11	FNMA	0.750	06/23/14	12/23/11	3,000,000	100.000	3,000,000	100.026	3,000,780	997	84	1.348	0.750
06/23/11	FHLMC	0.758	06/23/14	12/23/11	3,000,000	99.975	2,999,250	100.034	3,001,020	997	84	1.458	0.775
06/30/11	FHLB	0.500	06/30/14	12/30/11	3,000,000	99.975	2,999,250	99.982	2,999,460	1004	91	1.294	0.550
06/30/11	FHLB	0.750	06/30/14	03/30/12	4,435,000	99.950	4,432,783	100.020	4,435,887	1004	182	1.469	0.800
07/11/11	FNMA	1.200	07/11/14	01/11/12	3,000,000	100.000	3,000,000	100.114	3,003,420	1015	103	1.200	1.200
08/29/11	FHLMC	0.500	08/29/14	11/29/11	5,000,000	99.950	4,997,500	99.990	4,999,500	1064	60	1.139	0.600
09/29/11	FHLMC	0.800	09/29/14	03/29/12	3,000,000	100.000	3,000,000	99.720	2,991,600	1095	181	0.800	0.800
04/27/11	FNMA	1.000	04/27/15	10/27/11	3,000,000	100.000	3,000,000	100.038	3,001,140	1305	27	2.469	1.000
06/30/11	FNMA	1.200	06/30/16	12/30/11	5,000,000	100.000	5,000,000	100.184	5,009,200	1735	91	2.545	1.200
07/19/11	FNMA	1.250	07/19/16	07/19/12	2,000,000	99.800	1,996,000	100.580	2,011,600	1754	293	2.360	1.452
08/22/11	FNMA	1.875	07/20/16	01/20/12	4,000,000	100.481	4,019,240	100.403	4,016,120	1755	112	2.004	0.700
07/27/11	FHLMC	1.050	07/27/16	10/27/11	3,000,000	100.000	3,000,000	100.031	3,000,930	1762	27	2.991	1.050
	Agency Total				55,435,000		55,440,023		55,475,097	1168		1.590	0.859
02/10/11	Neighborhood Nat'l Bk CD	1.150	02/09/12		4,902,140	100.000	4,902,140	100.000	4,902,140	132		1.138	1.138
09/20/11	Union Bank CD	0.200	12/19/11		4,000,000	100.000	4,000,000	100.000	4,000,000	80		0.200	0.200
06/28/11	East West Bk CD	0.850	06/28/12		7,000,000	100.000	7,000,489	100.221	7,015,503	272		0.846	0.846
	CD's Total				15,902,140		15,902,629		15,917,643	181		0.773	0.773

Detail of Security Holdings

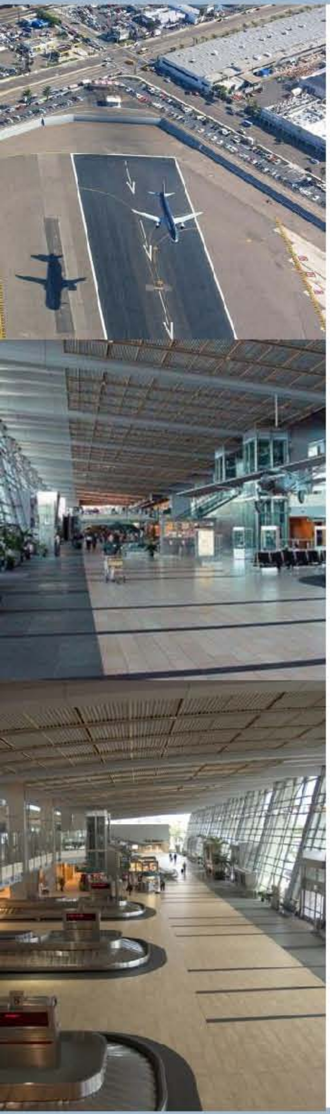
As of September 30, 2011



Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Days to Next Call	Yield to Maturity	Yield to Worst
04/27/11	FCAR Owner Trust CP	0.530	01/20/12		3,500,000	99.605	3,486,191	99.867	3,495,345	112		0.532	0.532
08/26/11	FCAR Owner Trust CP	0.550	05/22/12		3,500,000	99.588	3,485,563	99.530	3,483,550	235		0.552	0.552
09/09/11	Toyota Motor Credit CP	0.603	06/05/12		3,000,000	99.550	2,986,500	99.501	2,985,030	249		0.603	0.603
09/30/11	Toyota Motor Credit CP	0.643	06/26/12		2,000,000	99.520	1,990,400	99.459	1,989,180	270		0.643	0.643
	Commercial Paper Total				12,000,000		11,948,653		11,953,105	208		0.574	0.574
09/27/10	U.S. Treasury	1.000	12/31/11		4,033,594	100.840	4,033,594	99.395	4,009,200	92		0.330	0.330
09/30/10	U.S. Treasury	0.875	12/31/11		4,028,906	100.723	4,028,906	99.550	4,010,760	92		0.332	0.332
03/29/11	U.S. Treasury	0.375	10/31/12		3,000,000	99.740	2,992,148	100.207	3,006,210	397		0.541	0.541
	Government Total				11,062,500		11,054,648		11,026,170	175		0.388	0.388
	US Bank General Acct				7,524,581	100.000	7,524,581	100.000	7,524,581	1		0.350	0.350
	US Bank Accounts Total				7,524,581		7,524,581		7,524,581	1		0.350	0.350
	Highmark US Govt MMF				107,671	100.000	107,671	100.000	107,671	1		0.000	0.000
	Highmark US Govt MMF				0	100.000	0	100.000	0	1		0.000	0.000
	Highmark US Govt MMF				0	100.000	0	100.000	0	1		0.000	0.000
	Highmark US Govt MMF				0	100.000	0	100.000	0	1		0.000	0.000
	Highmark Money Market Total				107,671		107,671		107,671	1		0.000	0.000
	Local Agency Invstmnt Fd				47,113,508	100.000	47,113,508	100.286	47,248,252	1		0.378	0.378
	San Diego County Inv Pool				49,117,501	100.000	49,117,501	100.178	49,204,739	1		0.628	0.628
	Bank of the West				5,222,021	100.000	5,222,021	100.000	5,222,021	1		0.450	0.450
	East West Bank				102,343	100.000	102,343	100.000	102,343	1		0.400	0.400
	East West Bank				22,012,219	100.000	22,012,219	100.000	22,012,219	1		0.400	0.400
	East West Bank Total				22,114,562		22,114,562	100.000	22,114,562	1		0.400	0.400
	Union Bk Cash				9,073.22	100.000	9,073.22	100.000	9,073.22	1		0.000	0.000
	Grand Total				**$ 225,608,557**	**100.00**	**$ 225,554,870**	**100.09**	**$ 225,802,915**	**320**		**0.772**	**0.59**

Portfolio Investment Transactions

From July 1st, 2011 – September 30th, 2011



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
07/27/11	FHLMC	AGCY STEP	3134G2RH7	1.050	07/27/16	10/27/11	100.000	3,000,000
07/21/11	FNMA	AGCY STEP	31398A5G3	1.110	04/29/14		100.000	3,000,000
07/11/11	FNMA	AGCY CALL	3136FRVL4	1.200	07/11/14	01/11/12	100.000	3,000,000
07/19/11	FNMA	AGCY STEP	3136FRYJ6	1.250	07/19/16	07/19/12	99.800	2,000,000
08/01/11	FHLMC	AGCY STEP	3134G2TR3	0.450	07/26/13	07/26/12	100.000	3,000,188
08/29/11	FHLMC	AGCY STEP	3134G2XS6	0.005	08/29/14	11/29/11	99.950	5,000,000
08/26/11	FCAR Owner Trust CP	CP - DISC	3024A0EN1	0.550	05/22/12		99.588	3,500,000
08/22/11	FNMA	AGCY STEP	3136FRWU3	1.875	07/20/16	01/20/12	100.481	4,000,000
09/29/11	FHLMC	AGCY CALL	3134G2H39	0.800	09/29/14	03/29/12	100.000	3,000,000
09/09/11	Toyota Motor Credit CP	CP - DISC	89233GF50	0.603	06/05/12		99.550	3,000,000
09/30/11	Toyota Motor Credit CP	CP - DISC	89233GFS0	0.643	06/26/12		99.520	2,000,000
								$ 34,500,188
CALLS								
01/07/11	FNMA	AGCY CALL	31398A7H9	1.000	01/07/13	07/07/11	99.970	3,000,000
07/08/10	FHLMC	AGCY STEP	3134G1JG0	1.000	07/08/13	07/08/11	100.199	4,000,000
07/28/10	FNMA	AGCY STEP	3136FM3T9	1.550	07/28/15	07/28/11	99.880	2,500,000
01/28/11	FNMA	AGCY STEP	3136FP2Y2	1.250	01/28/16	07/28/11	100.000	3,500,000
06/28/11	FHLB	AGCY CALL	313374FE5	0.500	12/28/12	07/28/11	100.000	4,000,000
08/26/10	FNMA	AGCY STEP	3136FPAK3	0.550	08/26/13	08/26/11	100.000	3,000,000
05/26/11	FHLB	AGCY STEP	313373TM4	1.250	05/26/16	08/26/11	99.825	1,500,000
06/13/11	FHLMC	AGCY STEP	3134G2JY9	0.500	06/13/13	09/13/11	100.000	3,000,000
06/27/11	FHLB	AGCY CALL	3133747H7	0.875	12/27/13	09/27/11	100.000	2,000,000
03/07/11	FNMA	AGCY CALL	3136FRBY8	2.500	03/07/14	09/07/11	100.950	3,000,000
								$ 29,500,000
MATURITIES								
								$ -
Deposits								
								$ -
Withdrawals								
								$ -

Bond Proceeds Summary

As of: September 30, 2011

(in thousands)

Fund	Series A	Series B	Series C	Total	Yield	Rating
Project Fund						
LAIF	$ 32,031	$ -	$ 37,786	$ 69,817	0.38%	N/R
SDCIP[1]	115,075	-	84,489	199,564	0.63%	AAAf
	147,106	-	122,275	269,381		
Capitalized Interest						
CAMP	6	-	4	10	0.12%	AAAm
SDCIP[1]	12,192	-	8,809	21,001	0.63%	AAAf
	12,198	-	8,813	21,011		
Debt Service Reserve Fund						
CAMP	9	-	5	14	0.12%	AAAm
FNMA Global Notes	10,044	-	5,022	15,066	0.66%	AA+/AAA
East West Bank CD	13,117	-	7,060	20,177	1.14%	
Bank of the West DDA	9,652	-	6,338	15,990	0.45%	
JP Morgan Federal MM Reserve	65	-	31	97	0.00%	AAAm
	32,887	-	18,456	51,344		
	$ 192,191	$ -	$ 149,544	$ 341,736	0.60%	

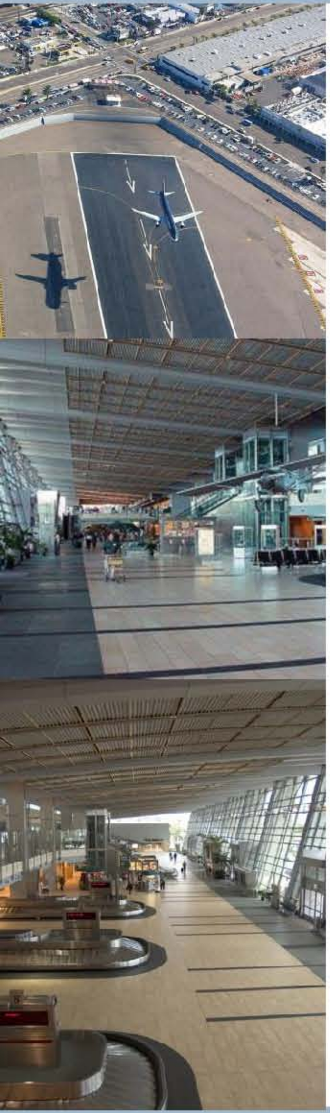
*Bond proceeds are not included in deposit limits as applied to operating funds

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

SDCIP yield as of 8/31/2011

Bond Proceeds Investment Transactions

From July 1st, 2011 – September 30, 2011



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
								$ -
CALLS								
								$ -
MATURITIES								
								$ -
Deposits								
								$ -
Withdrawals								
7/1/2011	Transfer to Debt Service P&I Funds	SDCIP		0.67			100.000	4,339,978
7/13/2011	Local Agency Investment Fund	LAIF		0.38			100.000	8,020,000
7/13/2011	JP Morgan Federal Money Market Fund	JPMM		0.00			100.000	30
8/12/2011	Local Agency Investment Fund	LAIF		0.40			100.000	21,698,000
8/12/2011	JP Morgan Federal Money Market Fund	JPMM		0.00			100.000	487
9/12/2011	Local Agency Investment Fund	LAIF		0.38			100.000	429,000
								$ 34,487,495

Questions