Item 3

San Diego County Regional Airport Authority

Review of the Authority's Investment Report

As of January 31, 2013

Presented by:

Vernon D. Evans, CPA

Vice President, Finance / Treasurer & CFO

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Director, Financial Planning and Budget

February 25, 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

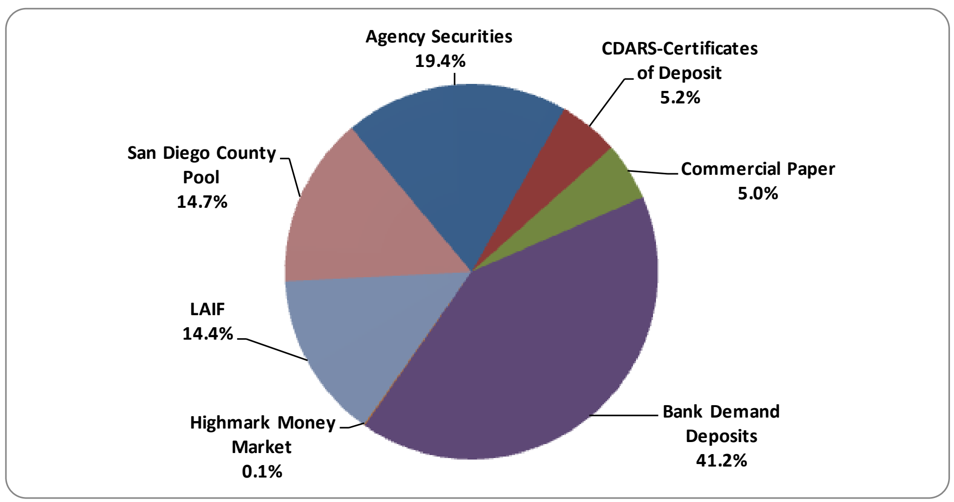
	Current Period January 31, 2013	Prior Period December 31, 2012	Change From Prior
Book Value [1]	$328,091,000	$260,624,000	$67,467,000
Market Value	$328,425,000	$261,005,000	$67,420,000
Market Value%	100.14%	100.17%	(0.03%)
Unrealized Gain / (Loss)	$334,000	$381,000	($47,000)
Weighted Average Maturity (Days)	255 days	275 days	(20)
Weighted Average Yield as of Period End	0.42%	0.50%	(0.08%)
Cash Interest Received- Current Month	$196,000	$88,000	$108,000
Cash Interest Received-Year-to-Date	$887,000	$691,000	$196,000
Accrued Interest	$150,000	$136,000	$14,000

Notes:

(1) Increase in cash balance was predominantly due to the receipt of the 2013 bond sale proceeds.

Portfolio Composition by Security Type

	January 31, 2013		December 31, 2012		
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	Permitted by Policy
Agency Securities	$ 63,681,000	19.4%	$ 58,224,000	22.3%	100%
CDARS-Certificates of Deposit	17,062,000	5.2%	17,058,000	6.5%	30%
Commercial Paper	16,469,000	5.0%	19,973,000	7.7%	25%
Bank Demand Deposits	135,166,000	41.2%	69,802,000	26.7%	100%
Government Securities	-	0.0%	$ -	0.0%	100%
Highmark Money Market	196,000	0.1%	143,000	0.1%	20%
LAIF	47,424,000	14.4%	47,401,000	18.2%	$50 million (1)
San Diego County Pool	48,427,000	14.7%	48,404,000	18.5%	$50 million (2)
Total:	**$ 328,425,000**	**100.0%**	**$ 261,005,000**	**100.0%**	



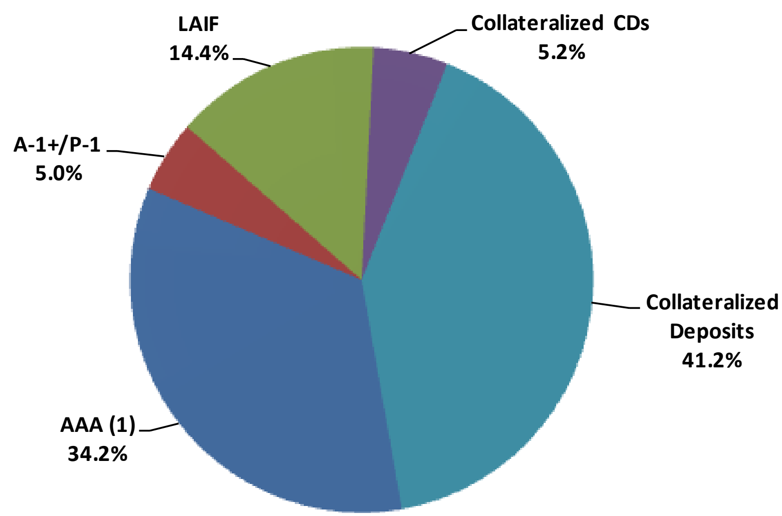
Notes:

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

	January 31, 2013		December 31, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA (1)	112,305,000	34.2%	$ 106,773,000	40.9%
A-1+/P-1	16,469,000	5.0%	19,973,000	7.7%
LAIF	47,424,000	14.4%	47,401,000	18.2%
Collateralized CDs	17,062,000	5.2%	17,058,000	6.5%
Collateralized Deposits	135,167,000	41.2%	69,800,000	26.7%
Total:	**$ 328,425,000**	**100.0%**	**$ 261,005,000**	**100.0%**

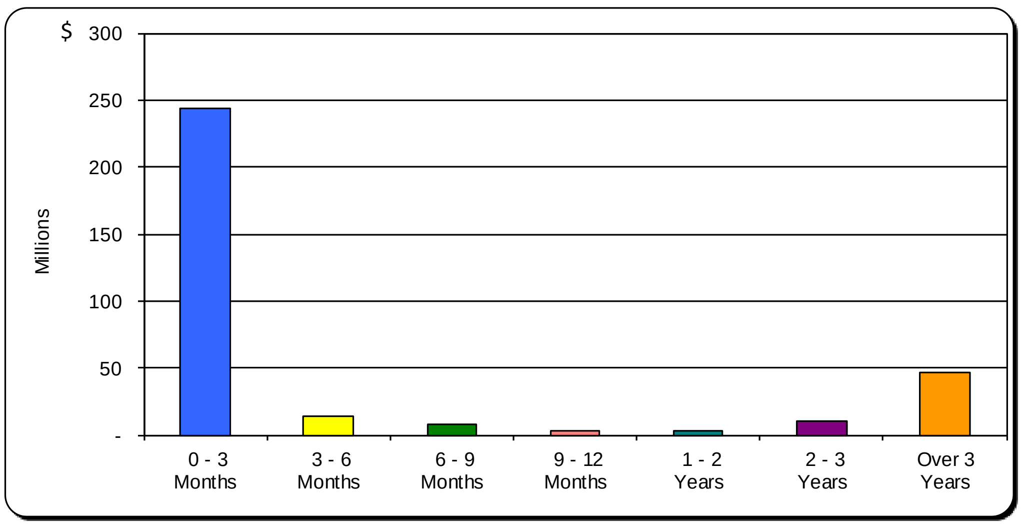


Notes:

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

Portfolio Composition by Maturity Distribution[(1)]

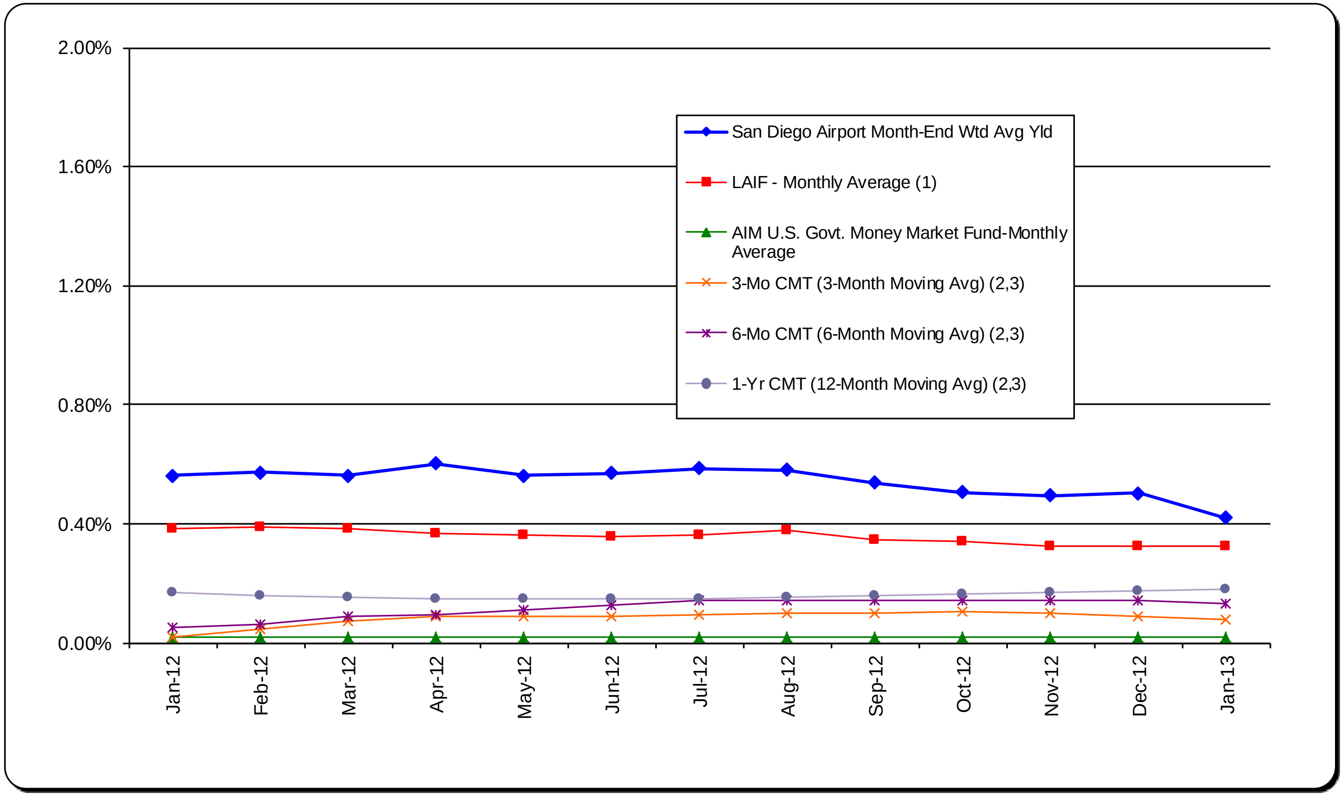
	January 31, 2013		December 31, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	243,176,000	74.2%	$ 186,207,000	71.2%
3 - 6 Month	13,592,000	4.1%	-	0.0%
6 - 9 Months	7,976,000	2.4%	16,575,000	6.4%
9 - 12 Months	3,011,000	0.9%	3,012,000	1.2%
1 - 2 Years	3,052,000	0.9%	3,054,000	1.2%
2 - 3 Years	10,510,000	3.2%	13,513,000	5.2%
Over 3 Years	47,108,000	14.3%	38,644,000	14.8%
Total:	**$ 328,425,000**	**100.0%**	**$ 261,005,000**	**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 January 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	100.371	3,011,130	326	0.432
03/30/12	FNMA	1.500	09/08/14	09/08/14	3,000,000	102.390	3,071,700	101.723	3,051,690	585	0.513
02/13/12	FHLMC	0.700	02/13/15	02/13/13	2,500,000	100.000	2,500,000	100.018	2,500,450	743	0.700
04/30/12	FNMA	0.700	04/30/15	04/30/13	4,000,000	100.000	4,000,000	100.098	4,003,920	819	0.700
10/19/12	FHLMC	0.500	10/09/15	10/09/13	4,000,000	100.015	4,000,600	100.141	4,005,640	981	0.494
02/10/12	FHLMC	1.000	02/10/16	02/10/14	3,000,000	100.475	3,014,250	100.651	3,019,530	1105	0.879
02/24/12	FNMA	0.800	02/24/16	02/24/14	3,000,000	99.785	2,993,550	100.490	3,014,700	1119	0.855
10/29/12	FNMA	0.550	04/29/16	04/29/13	6,000,000	99.863	5,991,750	99.967	5,998,020	1184	0.592
01/18/12	FNMA	0.700	01/18/17	07/18/13	4,000,000	100.000	4,000,000	100.300	4,012,000	1448	1.599
01/27/12	FHLMC	2.250	01/23/17	01/23/14	2,500,000	102.885	2,572,125	102.085	2,552,125	1453	1.645
02/06/12	FNMA	0.750	02/06/17	02/06/13	3,000,000	99.900	2,997,000	100.006	3,000,180	1467	1.700
05/09/12	FNMA	1.000	05/09/16	05/09/13	4,000,000	99.990	3,999,600	100.211	4,008,440	1194	1.003
12/28/12	FNMA	0.006	06/27/16	12/27/13	5,000,000	99.875	4,993,750	99.781	4,989,050	1243	0.596
09/21/12	FNMA	1.125	06/28/17	06/28/13	3,000,000	100.368	3,011,040	100.294	3,008,820	1609	1.050
07/26/12	FNMA	0.750	07/26/17	07/26/13	2,000,000	99.875	1,997,500	100.222	2,004,440	1637	1.220
09/21/12	FHLMC	1.000	09/12/17	09/12/13	3,000,000	99.975	2,999,250	99.837	2,995,110	1685	1.000
01/16/13	FHLMC	1.050	01/16/18	07/16/13	3,000,000	99.970	2,999,100	99.722	2,991,660	1811	1.056
01/09/13	FHLMC	1.375	01/09/18	01/09/15	2,000,000	101.440	2,028,800	101.385	2,027,700	1804	1.080
01/30/13	FNMA	1.030	01/30/18	01/30/14	3,500,000	99.990	3,499,650	99.613	3,486,455	1825	1.032
	Agency Total				63,500,000		63,679,715		63,681,060	1243	0.918
02/09/12	Neighborhood Nat'l Bk CD	0.850	02/07/13		4,963,624	100.000	4,963,624	100.000	4,963,624	7	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	27	0.200
06/28/12	East West Bk CD	0.750	07/02/13		10,098,418	100.000	10,098,418	100.000	10,098,418	152	0.750
	CD's Total				17,062,042		17,062,042		17,062,042	95	0.715

Detail of Security Holdings

As of January 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
06/05/12	Toyota Motor Credit CP	0.600	03/01/13		3,000,000	99.361	2,986,550	99.985	2,999,550	29	0.603
06/27/12	Toyota Motor Credit CP	0.530	03/22/13		2,000,000	99.520	1,992,109	99.969	1,999,380	50	0.532
10/16/12	FCAR Owner Trust CP	0.500	07/12/13		3,500,000	99.626	3,486,924	99.821	3,493,735	162	0.502
11/09/12	FCAR Owner Trust CP	0.500	08/06/13		3,000,000	99.625	2,988,750	99.764	2,992,920	187	0.502
01/08/13	FCAR Owner Trust CP	0.480	10/04/13		5,000,000	99.641	4,982,067	99.660	4,983,000	246	0.481
	Commercial Paper Total				16,500,000		16,436,399		16,468,585	154	0.518
	US Bank General Acct				71,876,045	100.000	71,876,045	100.000	71,876,045	1	0.035
	US Bank Accounts Total				71,876,045		71,876,045		71,876,045	1	0.035
	Highmark US Govt MMF				196,014	100.000	196,014	100.000	196,014	1	0.000
	Highmark Money Market Total				196,014		196,014		196,014	1	0.000
	Local Agency Invstmnt Fd				47,248,303	100.000	47,248,303	100.372	47,424,244	1	0.326
	San Diego County Inv Pool				48,302,481	100.000	48,302,481	100.257	48,426,554	1	0.430
	Bank of the West				24,679,567	100.000	24,679,567	100.000	24,679,567	1	0.250
	Wells Fargo Bank				2,001,623	100.000	2,001,623	100.000	2,001,623	1	0.300
	East West Bank				102,826	100.000	102,826	100.000	102,826	1	0.350
	East West Bank				36,501,617	100.000	36,501,617	100.000	36,501,617	1	0.350
	East West Bank Total				36,604,443		36,604,443	100.000	36,604,443	1	0.350
	Union Bk Cash				4,825.79	100.000	4,826	100.000	4,826	1	0.000
	Grand Total				**$ 327,975,344**	**100.03**	**$ 328,091,459**	**100.14**	**$ 328,425,003**	**255**	**0.419**

Portfolio Investment Transactions

From January 1st, 2013 – January 31st, 2013

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
01/16/13	AGCY CALL	FHLMC	3134G33M0	1.050	01/16/18	07/16/13	99.970	2,991,660
01/09/13	AGCY CALL	FHLMC	3134G33V0	1.375	01/09/18	01/09/15	101.440	2,027,700
01/30/13	AGCY CALL	FNMA	3135G0TV5	1.030	01/30/18	01/30/14	99.990	3,486,455
01/08/13	FCAR Owner Trust CP	CP - DISC	3024A0X42	0.480	10/04/13	--	99.641	4,983,000
								$ 13,488,815
CALLS								
01/09/12	FHLMC	AGCY CALL	3134G3GG9	0.850	01/09/15	01/09/13	100.000	3,000,000
								$ 3,000,000
MATURITIES								
04/13/12	FCAR Owner Trust CP	CP - DISC	3024A0N84	0.600	01/08/13	--	99.550	4,977,500
05/22/12	FCAR Owner Trust CP	CP - DISC	3024A0NH4	0.570	01/17/13	--	99.620	3,486,700
								$ 8,464,200
Deposits								
								$ -
Withdrawals								
								$ -

Bond Proceeds Summary

As of: January 31, 2013
(in thousands)

	Bonds 2010	Bonds 2013	Total	Yield	Rating
Project Fund					
Dreyfus Inst Res Treasury Fund	$ -	$ 156,141	$ 156,141	0.00%	AAAm
LAIF[(1)]	-	157,799	157,799	0.33%	N/R
SDCIP[(2)]	18,650	-	18,650	0.43%	AAAf
	18,650	313,940	332,590		
Capitalized Interest					
Dreyfus Inst Res Treasury Fund	-	8,372	8,372	0.00%	AAAm
JP Morgan Federal MM Reserve	131	-	131	0.00%	AAAm
	131	8,372	8,503		
Debt Service Reserve Fund					
Dreyfus Inst Res Treasury Fund	-	32,981	32,981	0.00%	AAAm
East West Bank CD	20,386	-	20,386	0.75%	
Bank of the West DDA	16,086	-	16,086	0.45%	
SDCIP[(1)]	14,637	-	14,637	0.43%	AAAf
	51,109	32,981	84,090		
Cost of Issuance					
Dreyfus Inst Res Treasury Fund	-	882	882	0.00%	AAAm
	$ 69,890	$ 356,175	$ 426,065	0.21%	

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

(1) LAIF Yield as of 12/31/2012
(2) SDCIP Yield as of 12/31/2012

Bond Proceeds Investment Transactions

From January 1st, 2013 – January 31st, 2013

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
								$ -
CALLS								
								$ -
MATURITIES								
								$ -
Deposits								
1/30/2013	Dreyfus Inst Res Treasury Fund (2013 Bonds)	Trteasury Fund		0.00			1.000	275,863,296
1/31/2013	LAIF (2013 Bonds)	LAIF		0.33			1.000	157,799,000
								$ 433,662,296.00
Withdrawals								
1/4/2013	San Diego County Investment Pool (2010 Bonds)	SDCIP		0.43			1.000	$ 883,434
1/30/2013	Dreyfus Inst Res Treasury Fund (2013 Bonds)	Trteasury Fund		0.00			1.000	77,486,938
								$ 78,370,372

Questions