



# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Communication

**Date:** February 14, 2013

**To:** Board Members

**Via:** Thella F. Bowens, President/CEO

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

**Subject:** Accept the Authority's Investment Report as of December 31, 2012:

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**RECOMMENDATION:** The Finance Committee recommends that the Board accept the report.

# San Diego County Regional Airport Authority

Investment Report  
As of December 31, 2012



Presented by:  
Vernon D. Evans, CPA  
Vice President, Finance / Treasurer & CFO  
Scott Brickner, CPA  
Director, Financial Planning and Budget  
February 14, 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.

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 Prior
	December 31, 2012	September 30, 2012	
Book Value <sup>(1)</sup>	\$260,624,000	\$283,338,000	(\$22,714,000)
Market Value	\$261,005,000	\$283,675,000	(\$22,670,000)
Market Value%	100.17%	100.14%	0.03%
Unrealized Gain / (Loss)	\$381,000	\$337,000	\$44,000
Weighted Average Maturity (Days)	275 days	272 days	3
Weighted Average Yield as of Period End	0.50%	0.54%	(0.04%)
Cash Interest Received- Quarter-to-Date	\$343,000	\$348,000	(\$5,000)
Cash Interest Received-Year-to-Date	\$691,000	\$348,000	\$343,000
Accrued Interest	\$136,000	\$208,000	(\$72,000)

**Notes:**

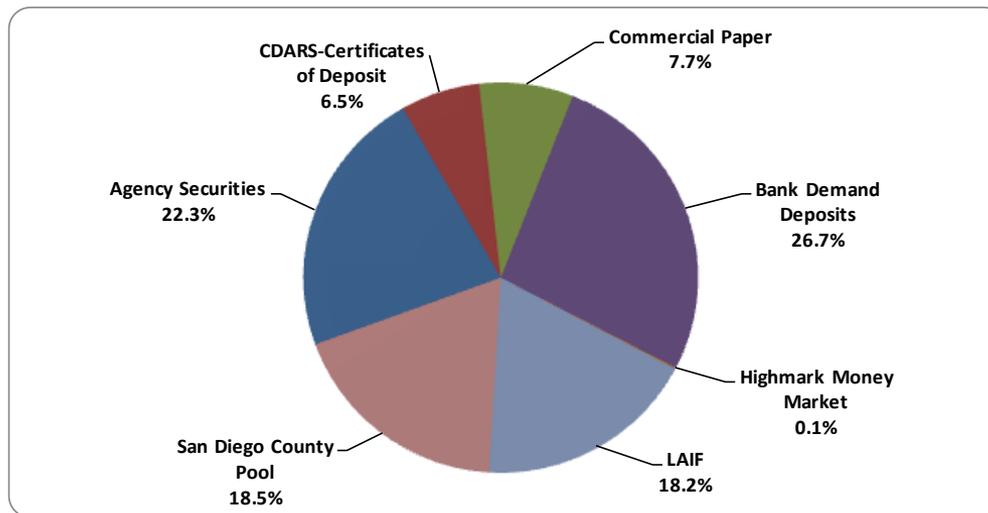
(1) Decrease in cash balance was predominantly due to capital disbursements that will be reimbursed upon receipt of the 2013 bond sale proceeds.



# Portfolio Composition by Security Type



	December 31, 2012		September 30, 2012		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 58,224,000	22.3%	\$ 55,260,000	19.4%	100%
CDARS-Certificates of Deposit	17,058,000	6.5%	17,028,000	6.0%	30%
Commercial Paper	19,973,000	7.7%	22,972,000	8.1%	25%
Bank Demand Deposits	69,802,000	26.7%	89,592,000	31.6%	100%
Government Securities	-	0.0%	3,001,000	1.1%	100%
Highmark Money Market	143,000	0.1%	69,000	0.0%	20%
LAIF	47,401,000	18.2%	47,371,000	16.7%	\$50 million <sup>(1)</sup>
San Diego County Pool	48,404,000	18.5%	48,382,000	17.1%	\$50 million <sup>(2)</sup>
<b>Total:</b>	<b>\$ 261,005,000</b>	<b>100.0%</b>	<b>\$ 283,675,000</b>	<b>100.0%</b>	



**Notes:**

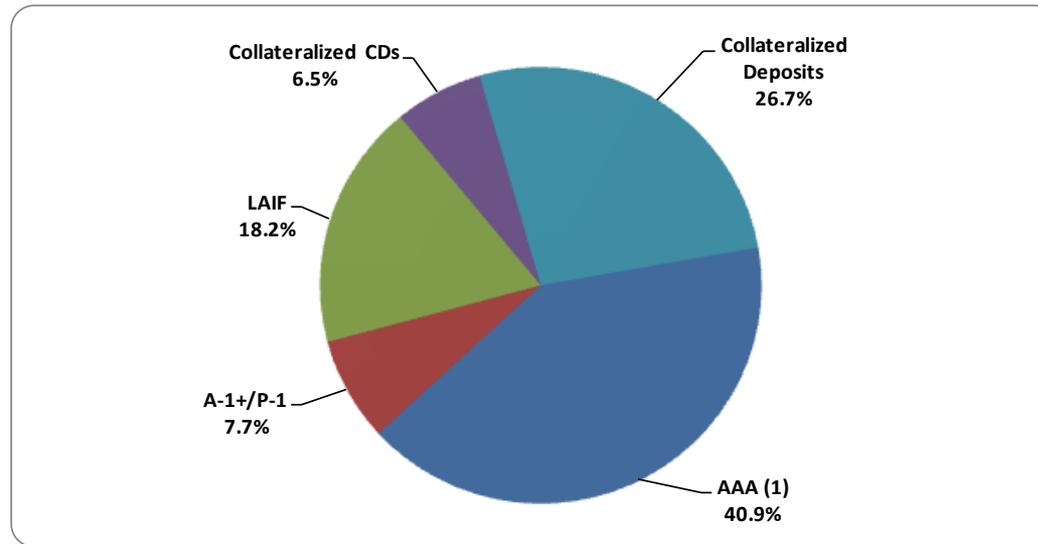
- 1.) The \$50 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.



# Portfolio Composition by Credit Rating



	December 31, 2012		September 30, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA <sup>(1)</sup>	106,772,000	40.9%	\$ 106,712,000	37.6%
A-1+/P-1	19,973,000	7.7%	22,972,000	8.1%
LAIF	47,401,000	18.2%	47,371,000	16.7%
Collateralized CDs	17,058,000	6.5%	17,028,000	6.0%
Collateralized Deposits	69,800,000	26.7%	89,592,000	31.6%
<b>Total:</b>	<b>\$ 261,005,000</b>	<b>100.0%</b>	<b>\$ 283,675,000</b>	<b>100.0%</b>



**Notes:**

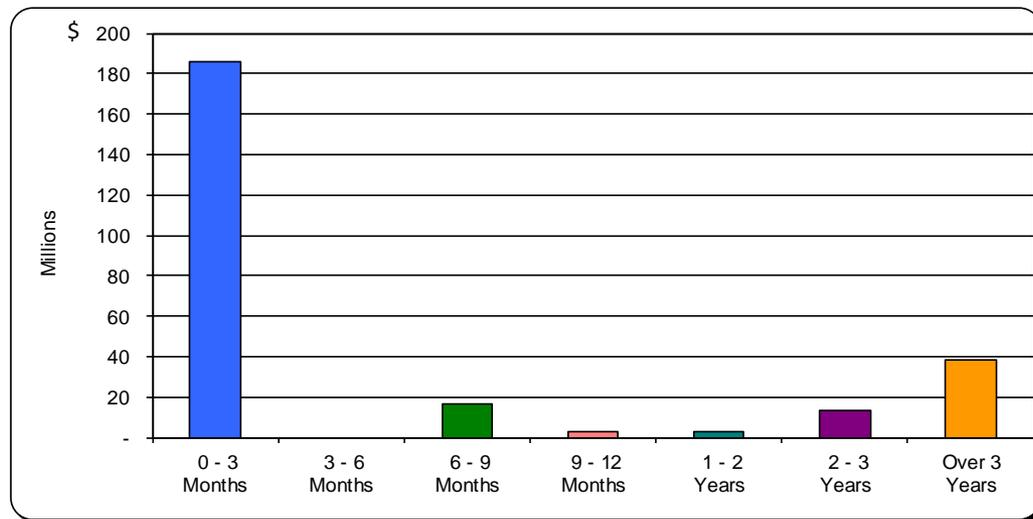
1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)



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



	December 31, 2012		September 30, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	186,207,000	71.2%	\$ 197,910,000	69.7%
3 - 6 Month	-	0.0%	20,426,000	7.2%
6 - 9 Months	16,575,000	6.4%	-	0.0%
9 - 12 Months	3,012,000	1.2%	10,079,000	3.6%
1 - 2 Years	3,054,000	1.2%	6,074,000	2.1%
2 - 3 Years	13,513,000	5.2%	9,515,000	3.4%
Over 3 Years	38,644,000	14.8%	39,671,000	14.0%
<b>Total:</b>	<b>\$ 261,005,000</b>	<b>100.0%</b>	<b>\$ 283,675,000</b>	<b>100.0%</b>

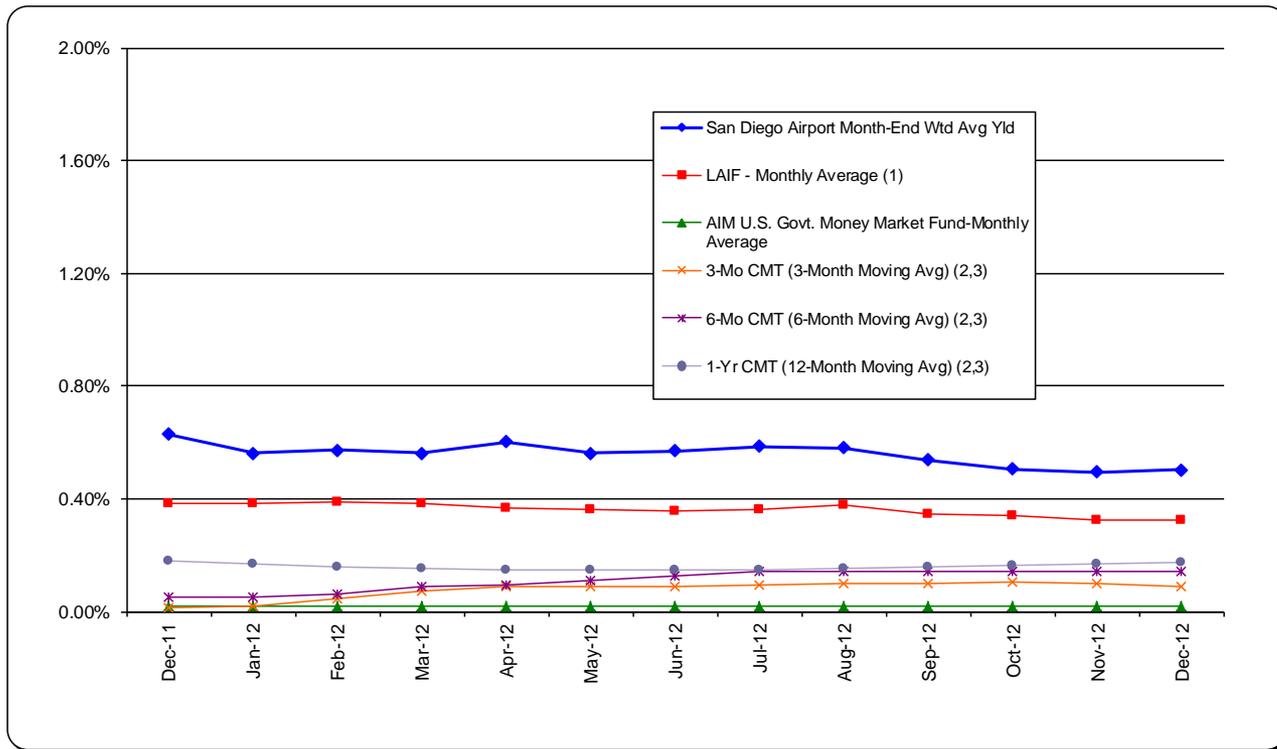


**Notes:**

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 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 December 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
03/26/12	FHLMC	0.625	12/23/13	12/23/13	3,000,000	100.335	3,010,050	100.404	3,012,120	357	0.432
03/30/12	FNMA	1.500	09/08/14	09/08/14	3,000,000	102.390	3,071,700	101.812	3,054,360	616	0.513
01/09/12	FHLMC	0.850	01/09/15	01/09/13	3,000,000	100.000	3,000,000	100.012	3,000,360	739	0.850
02/13/12	FHLMC	0.700	02/13/15	02/13/13	2,500,000	100.000	2,500,000	100.063	2,501,575	774	0.700
04/30/12	FNMA	0.700	04/30/15	04/30/13	4,000,000	100.000	4,000,000	100.132	4,005,280	850	0.700
10/19/12	FHLMC	0.500	10/09/15	10/09/13	4,000,000	100.015	4,000,600	100.155	4,006,200	1012	0.494
02/10/12	FHLMC	1.000	02/10/16	02/10/14	3,000,000	100.475	3,014,250	100.721	3,021,630	1136	0.879
02/24/12	FNMA	0.800	02/24/16	02/24/14	3,000,000	99.785	2,993,550	100.549	3,016,470	1150	0.855
10/29/12	FNMA	0.550	04/29/16	04/29/13	6,000,000	99.863	5,991,750	100.055	6,003,300	1215	0.592
01/18/12	FNMA	0.700	01/18/17	07/18/13	4,000,000	100.000	4,000,000	100.343	4,013,720	1479	1.599
01/27/12	FHLMC	2.250	01/23/17	01/23/14	2,500,000	102.885	2,572,125	102.270	2,556,750	1484	1.645
02/06/12	FNMA	0.750	02/06/17	02/06/13	3,000,000	99.900	2,997,000	100.054	3,001,620	1498	1.700
05/09/12	FNMA	1.000	05/09/16	05/09/13	4,000,000	99.990	3,999,600	100.275	4,011,000	1225	1.003
12/28/12	FNMA	0.006	06/27/16	12/27/13	5,000,000	99.875	4,993,750	99.874	4,993,700	1274	0.596
09/21/12	FNMA	1.125	06/28/17	06/28/13	3,000,000	100.368	3,011,040	100.408	3,012,240	1640	1.050
07/26/12	FNMA	0.750	07/26/17	07/26/13	2,000,000	99.875	1,997,500	100.277	2,005,540	1668	1.220
09/21/12	FHLMC	1.000	09/12/17	09/12/13	3,000,000	99.975	2,999,250	100.284	3,008,520	1716	1.000
<b>Agency Total</b>					<b>58,000,000</b>		<b>58,152,165</b>		<b>58,224,385</b>	<b>1163</b>	<b>0.894</b>
02/09/12	Neighborhood Nat'l Bk CD	0.850	02/07/13		4,960,042	100.000	4,960,042	100.000	4,960,042	38	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	58	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	183	0.750
<b>CD's Total</b>					<b>17,058,460</b>		<b>17,058,460</b>		<b>17,058,460</b>	<b>126</b>	<b>0.716</b>



# Detail of Security Holdings

As of December 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
06/05/12	Toyota Motor Credit CP	0.600	03/01/13		3,000,000	99.361	2,986,550	99.957	2,998,710	60	0.603
06/27/12	Toyota Motor Credit CP	0.530	03/22/13		2,000,000	99.520	1,992,109	99.923	1,998,460	81	0.532
04/13/12	FCAR Owner Trust CP	0.600	01/08/13		5,000,000	99.550	4,977,500	99.997	4,999,850	8	0.600
05/22/12	FCAR Owner Trust CP	0.570	01/17/13		3,500,000	99.620	3,486,700	99.993	3,499,755	17	0.570
10/16/12	FCAR Owner Trust CP	0.500	07/12/13		3,500,000	99.626	3,486,924	99.676	3,488,660	193	0.502
11/09/12	FCAR Owner Trust CP	0.500	08/06/13		3,000,000	99.625	2,988,750	99.592	2,987,760	218	0.502
<b>Commercial Paper Total</b>					<b>20,000,000</b>		<b>19,918,533</b>		<b>19,973,195</b>	<b>89</b>	<b>0.556</b>
	US Bank General Acct				15,923,110	100.000	15,923,110	100.000	15,923,110	1	0.035
<b>US Bank Accounts Total</b>					<b>15,923,110</b>		<b>15,923,110</b>		<b>15,923,110</b>	<b>1</b>	<b>0.035</b>
	Highmark US Govt MMF				143,253	100.000	143,253	100.000	143,253	1	0.000
<b>Highmark Money Market Total</b>					<b>143,253</b>		<b>143,253</b>		<b>143,253</b>	<b>1</b>	<b>0.000</b>
	Local Agency Invstmnt Fd				47,248,303	100.000	47,248,303	100.324	47,401,395	1	0.324
	San Diego County Inv Pool				48,302,481	100.000	48,302,481	100.210	48,403,697	1	0.480
	Bank of the West				17,377,283	100.000	17,377,283	100.000	17,377,283	1	0.250
	Wells Fargo Bank				2,001,113	100.000	2,001,113	100.000	2,001,113	1	0.300
	East West Bank				102,795	100.000	102,795	100.000	102,795	1	0.350
	East West Bank				34,391,318	100.000	34,391,318	100.000	34,391,318	1	0.350
<b>East West Bank Total</b>					<b>34,494,113</b>		<b>34,494,113</b>	<b>100.000</b>	<b>34,494,113</b>	<b>1</b>	<b>0.350</b>
	Union Bk Cash				4,847.95	100.000	4,847.95	100.000	4,847.95	1	0.000
<b>Grand Total</b>					<b>\$ 260,552,963</b>	<b>100.03</b>	<b>\$ 260,623,661</b>	<b>100.17</b>	<b>\$ 261,004,851</b>	<b>275</b>	<b>0.504</b>

# Portfolio Investment Transactions

From October 1<sup>st</sup>, 2012 – December 31<sup>st</sup>, 2012



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
<b>PURCHASES</b>								
10/16/12	FCAR Owner Trust CP	CP - DISC	3024A0UC7	0.500	07/12/13	--	99.626	3,486,924
10/19/12	AGCY CALL	FHLMC	3134G3P20	0.500	10/09/15	10/09/13	100.015	4,001,156
10/29/12	AGCY CALL	FNMA	3135G0QN6	0.550	04/29/16	04/29/13	99.863	5,991,750
11/09/12	FCAR Owner Trust CP	CP - DISC	3024A0V69	0.500	08/06/13	--	99.625	2,998,750
12/28/12	AGCY CALL	FNMA	3135G0SR5	0.560	06/27/16	12/27/13	99.875	4,993,828
								\$ 21,472,407
<b>CALLS</b>								
04/17/12	FNMA	AGCY CALL	3136G0AC5	1.550	04/17/17	10/17/12	99.950	4,002,480
10/26/11	FNMA	AGCY STEP	3136FTEP0	1.375	10/26/16	10/26/12	100.000	3,002,700
12/28/15	FNMA	AGCY STEP	3136FTWE5	0.750	12/28/15	12/28/12	99.970	4,998,500
								\$ 12,003,680
<b>MATURITIES</b>								
01/20/12	FCAR Owner Trust CP	CP - DISC	3024A0KG9	0.650	10/16/12	--	99.513	3,500,000
03/29/11	U.S. Treasury	TREAS NOTE	912828PD6	0.375	10/31/12	--	99.740	3,000,000
02/16/12	FCAR Owner Trust CP	CP - DISC	3024A0L94	0.620	11/09/12	--	99.540	3,000,000
03/30/12	TOYOTA MOTOR CREDIT	CP - DISC	89233GMQ6	0.552	12/24/12	--	99.589	3,000,000
								\$ 12,500,000
<b>Deposits</b>								
								\$ -
<b>Withdrawals</b>								
								\$ -



# Bond Proceeds Summary



As of: December 31, 2012

(in thousands)

Fund	Series A/B	Series C	Total	Yield	Rating
<b><u>Project Fund</u></b>					
SDCIP <sup>(1)</sup>	\$ 1,803	\$ 16,828	\$ 18,631	0.48%	AAAf
	1,803	16,828	18,631		
<b><u>Capitalized Interest</u></b>					
SDCIP <sup>(1)</sup>	513	372	885	0.48%	AAAf
JP Morgan Federal MM Reserve	6	4	10	0.00%	AAAm
	519	376	895		
<b><u>Debt Service Reserve Fund</u></b>					
East West Bank CD	13,253	7,133	20,386	0.75%	
Bank of the West DDA	9,706	6,374	16,080	0.45%	
SDCIP <sup>(1)</sup>	9,818	4,813	14,631	0.48%	AAAf
	32,777	18,320	51,097		
	\$ 35,099	\$ 35,524	\$ 70,623	0.55%	

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

(1) SDCIP Yield as of 11/30/2012



# Bond Proceeds Investment Transactions

From October 1<sup>st</sup>, 2012 – December 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>								
10/30/2012	San Diego County Investment Pool	SDCIP						\$ 8,788,080
11/29/2012	San Diego County Investment Pool	SDCIP						\$ 8,105,647
12/31/2012	San Diego County Investment Pool	SDCIP						\$ 5,198,409
								\$ 22,092,136



# *Questions*

