



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Communication

Date: September 6, 2012

To: Board Members

Via: Thella F. Bowens, President/CEO

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

Subject: Review of the Authority's Investment Report as of June 30, 2012:

RECOMMENDATION: Accept the report.



San Diego County Regional Airport Authority

Investment Report
As of June 30, 2012



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

September 6, 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 Prior
	June 30, 2012	March 31, 2012	
Book Value	\$279,359,000	\$275,217,000	\$4,142,000
Market Value	\$279,477,000	\$275,420,000	\$4,057,000
Market Value%	100.06%	100.08%	(0.02%)
Unrealized Gain / (Loss)	\$118,000	\$203,000	(\$85,000)
Weighted Average Maturity (Days)	301 days	294 days	7
Weighted Average Yield as of Period End	0.57%	0.56%	0.01%
Cash Interest Received- Quarter-to-Date	\$287,000	\$371,000	(\$84,000)
Cash Interest Received-Year-to-Date	\$1,342,000	\$1,056,000	\$286,000
Accrued Interest	\$251,000	\$208,000	\$43,000

Notes:

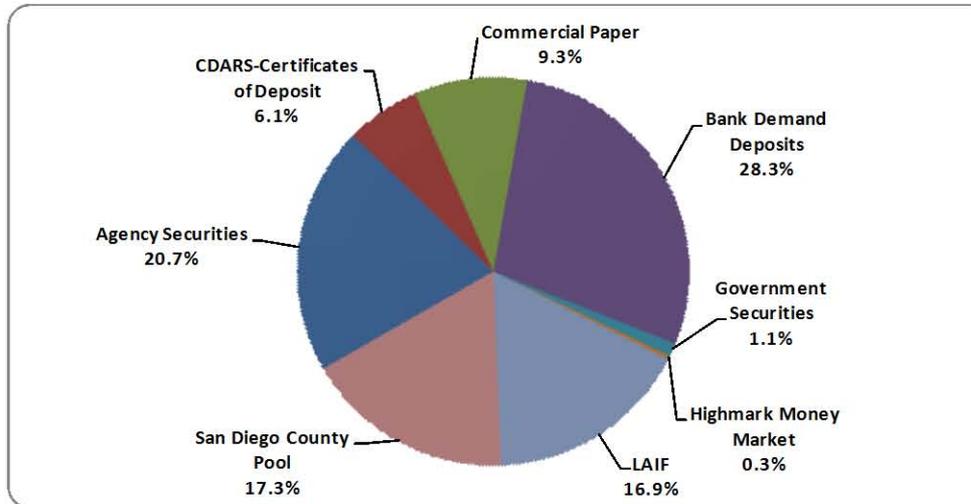
(1) Increase in cash balance was predominantly due to positive operating cash flow and capital receipts that exceeded disbursements on capital projects.



Portfolio Composition by Security Type



	June 30, 2012		March 31, 2012		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 58,241,000	20.7%	\$ 60,834,000	22.1%	100%
CDARS-Certificates of Deposit	16,999,000	6.1%	13,974,000	5.1%	30%
Commercial Paper	25,899,000	9.3%	20,928,000	7.6%	25%
Bank Demand Deposits	78,963,000	28.3%	79,608,000	28.9%	100%
Government Securities	3,002,000	1.1%	3,004,000	1.1%	100%
Highmark Money Market	810,000	0.3%	1,481,000	0.5%	20%
LAIF	47,248,000	16.9%	47,289,000	17.2%	\$50 million ⁽¹⁾
San Diego County Pool	48,315,000	17.3%	48,302,000	17.5%	\$50 million ⁽²⁾
Total:	\$ 279,477,000	100.0%	\$ 275,420,000	100.0%	



Notes:

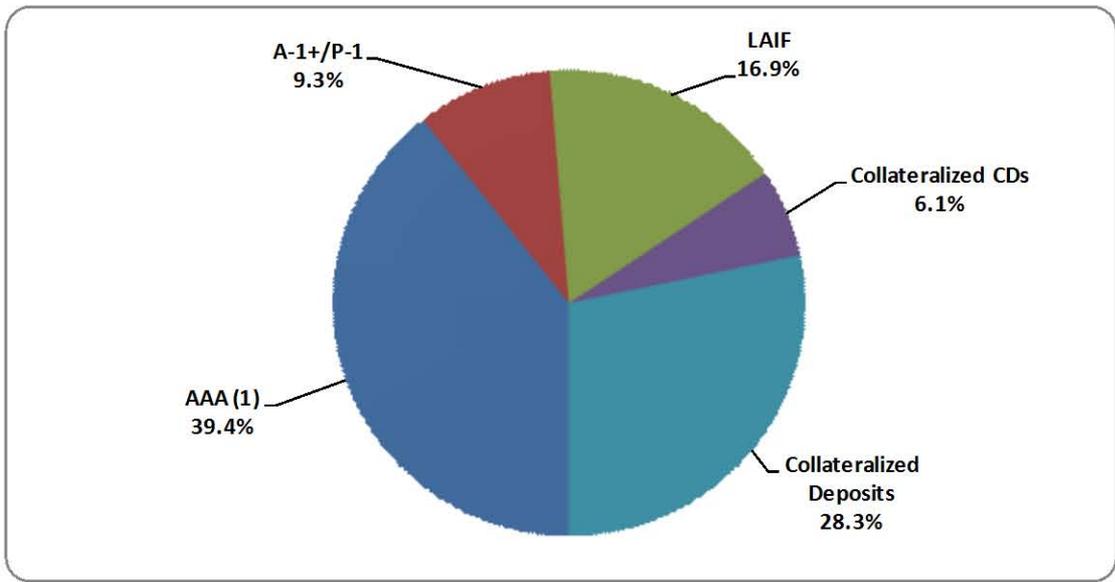
- 1.) The \$50 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.



Portfolio Composition by Credit Rating



	June 30, 2012		March 31, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA ⁽¹⁾	\$ 110,368,000	39.4%	\$ 113,621,000	41.2%
A-1+/P-1	25,899,000	9.3%	20,928,000	7.6%
LAIF	47,248,000	16.9%	47,289,000	17.2%
Collateralized CDs	16,999,000	6.1%	13,974,000	5.1%
Collateralized Deposits	78,963,000	28.3%	79,608,000	28.9%
Total:	\$ 279,477,000	100.0%	\$ 275,420,000	100.0%



Notes:

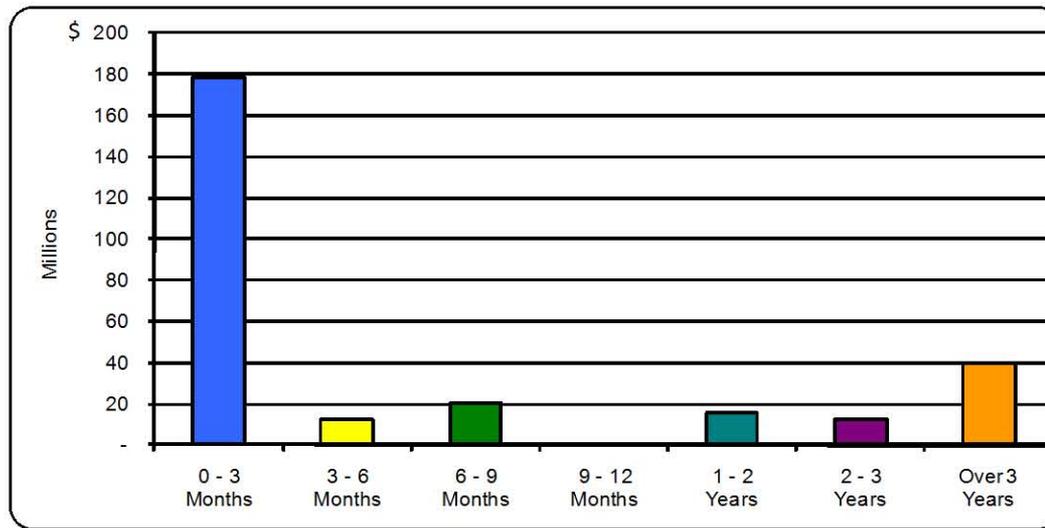
1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)



Portfolio Composition by Maturity Distribution⁽¹⁾



	June 30, 2012		March 31, 2012	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	\$ 178,334,000	63.7%	\$ 192,218,000	69.7%
3 - 6 Month	12,478,000	4.5%	2,989,000	1.1%
6 - 9 Months	20,365,000	7.3%	12,451,000	4.5%
9 - 12 Months	-	0.0%	6,928,000	2.5%
1 - 2 Years	16,071,000	5.8%	13,680,000	5.0%
2 - 3 Years	12,570,000	4.5%	12,564,000	4.6%
Over 3 Years	39,659,000	14.2%	34,590,000	12.6%
Total:	\$ 279,477,000	100.0%	\$ 275,420,000	100.0%

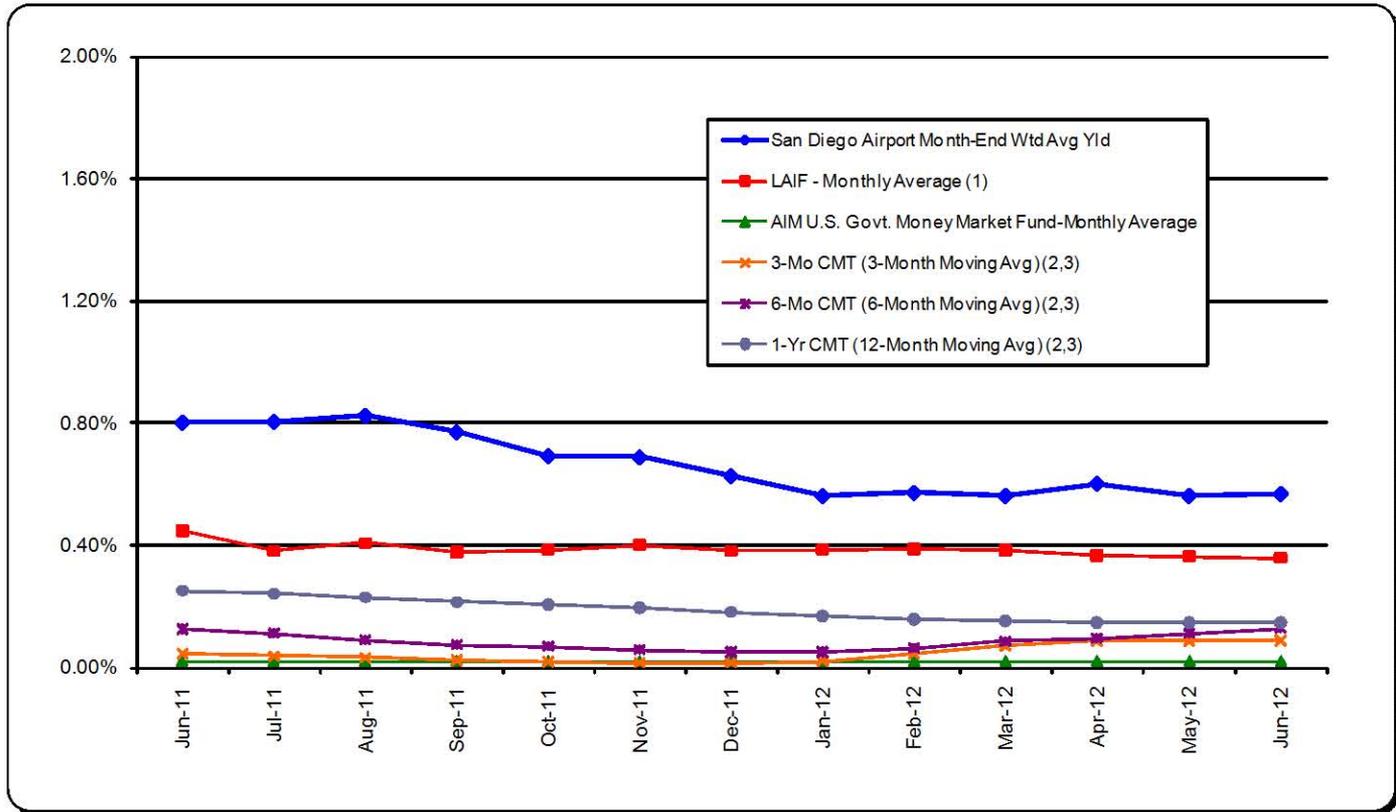


Notes:

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 June 30, 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	99.986	2,999,580	391	0.726
03/26/12	FHLMC	0.625	12/23/13	12/23/13	3,000,000	100.335	3,010,050	100.378	3,011,340	541	0.432
03/30/12	FNMA	1.500	09/08/14	09/08/14	3,000,000	102.390	3,071,700	102.035	3,061,050	800	0.513
01/09/12	FHLMC	0.850	01/09/15	01/09/13	3,000,000	100.000	3,000,000	100.185	3,005,550	923	0.850
02/13/12	FHLMC	0.700	02/13/15	02/13/13	2,500,000	100.000	2,500,000	100.166	2,504,150	958	0.700
04/30/12	FNMA	0.700	04/30/15	04/30/13	4,000,000	100.000	4,000,000	99.985	3,999,400	1034	0.700
12/28/11	FNMA	0.750	12/28/15	12/28/12	5,000,000	99.970	4,998,500	100.045	5,002,250	1276	1.498
02/10/12	FHLMC	1.000	02/10/16	02/10/14	3,000,000	100.475	3,014,250	100.568	3,017,040	1320	0.879
02/24/12	FNMA	0.800	02/24/16	02/24/14	3,000,000	99.785	2,993,550	100.085	3,002,550	1334	0.855
03/21/12	FNMA	0.625	03/21/16	09/21/12	3,000,000	100.000	3,000,000	99.998	2,999,940	1360	1.304
07/19/11	FNMA	1.250	07/19/16	07/19/12	2,000,000	99.800	1,996,000	100.049	2,000,980	1480	2.360
01/11/12	FHLMC	1.500	09/21/16	09/21/12	3,000,000	100.345	3,010,341	100.206	3,006,180	1544	1.424
10/26/11	FNMA	1.375	10/26/16	10/26/12	3,000,000	100.000	3,000,000	100.421	3,012,630	1579	1.689
01/18/12	FNMA	0.700	01/18/17	07/18/13	4,000,000	100.000	4,000,000	100.338	4,013,520	1663	1.599
01/27/12	FHLMC	2.250	01/23/17	01/23/14	2,500,000	102.885	2,572,125	102.840	2,571,000	1668	1.645
02/06/12	FNMA	0.750	02/06/17	02/06/13	3,000,000	99.900	2,997,000	100.219	3,006,570	1682	1.700
04/17/12	FNMA	1.550	04/17/17	10/17/12	4,000,000	99.950	3,998,000	100.343	4,013,720	1752	1.560
05/09/12	FNMA	1.000	05/09/16	05/09/13	4,000,000	99.990	3,999,600	100.307	4,012,280	1409	1.003
Agency Total					58,000,000		58,161,116		58,239,730	1271	1.183
02/09/12	Neighborhood Nat'l Bk CD	0.850	02/07/13		4,938,834	100.000	4,938,834	100.000	4,938,834	222	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	242	0.200
06/28/12	East West Bk CD	0.750	07/02/13		1,060,249	100.000	1,060,249	100.000	1,060,249	367	0.750
CD's Total					6,999,083		6,999,083		6,999,083	310	0.714

Detail of Security Holdings

As of June 30, 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
12/19/11	Toyota Motor Credit CP	0.760	09/14/12		3,000,000	99.430	2,982,900	99.905	2,997,150	76	0.764
06/05/12	Toyota Motor Credit CP	0.600	03/01/13		3,000,000	99.361	2,986,550	99.361	2,980,830	244	0.603
06/27/12	Toyota Motor Credit CP	0.530	03/22/13		2,000,000	99.520	1,992,109	99.306	1,986,120	265	0.532
01/20/12	FCAR Owner Trust CP	0.650	10/16/12		3,500,000	99.513	3,482,938	99.838	3,494,330	108	0.653
02/16/12	FCAR Owner Trust CP	0.620	11/09/12		3,000,000	99.540	2,986,205	99.762	2,992,860	132	0.620
03/30/12	Toyota Motor Credit CP	0.552	12/24/12		3,000,000	99.589	2,987,671	99.621	2,988,630	177	0.552
04/13/12	FCAR Owner Trust CP	0.600	01/08/13		5,000,000	99.550	4,977,500	99.530	4,976,500	192	0.600
05/22/12	FCAR Owner Trust CP	0.570	01/17/13		3,500,000	99.620	3,486,700	99.508	3,482,780	201	0.570
Commercial Paper Total					26,000,000		25,882,572		25,899,200	172	0.614
03/29/11	U.S. Treasury	0.375	10/31/12		3,000,000	99.740	2,992,148	100.074	3,002,220	123	0.541
Government Total					3,000,000		2,992,148		3,002,220	123	0.541
US Bank General Acct					28,044,820	100.000	28,044,820	100.000	28,044,820	1	0.035
US Bank Accounts Total					28,044,820		28,044,820		28,044,820	1	0.035
Highmark US Govt MMF					810,202	100.000	810,202	100.000	810,202	1	0.000
Highmark Money Market Total					810,202		810,202		810,202	1	0.000
Local Agency Invstmnt Fd					47,248,303	100.000	47,248,303	100.000	47,248,303	1	0.363
San Diego County Inv Pool					48,302,651	100.000	48,302,651	100.026	48,315,026	1	0.510
Bank of the West					20,249,724	100.000	20,249,724	100.000	20,249,724	1	0.350
East West Bank					102,614	100.000	102,614	100.000	102,614	1	0.350
East West Bank					30,563,706	100.000	30,563,706	100.000	30,563,706	1	0.350
East West Bank Total					30,666,320		30,666,320	100.000	30,666,320	1	0.350
Union Bk Cash					2,162.29	100.000	2,162.29	100.000	2,162.29	1	0.000
Grand Total					\$ 279,323,265	100.01	\$ 279,359,102	100.06	\$ 279,476,790	301	0.569

Portfolio Investment Transactions

From April 1st, 2012 – June 30th, 2012



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
04/17/12	FNMA	AGCY CALL	3136G0AC5	1.550	04/17/17	10/17/12	99.950	3,998,000
04/13/12	FCAR Owner Trust CP	CP - DISC	3024A0N84	0.000	01/08/13	--	99.550	4,977,500
04/30/12	FNMA	AGCY CALL	3135G0KH5	0.700	04/30/15	04/30/13	100.000	4,000,000
05/09/12	FNMA	AGCY CALL	3136G0DS7	1.000	05/09/16	05/09/13	99.990	3,999,600
05/22/12	FCAR Owner Trust CP	CP - DISC	3024A0NH4	0.570	01/17/13	--	99.620	3,486,700
06/05/12	Toyota Motor Credit CP	CP - DISC	89233GQ17	0.600	03/01/13	--	99.550	2,968,550
06/27/12	Toyota Motor Credit CP	CP - DISC	89233GON9	0.530	03/23/13	--	99.520	1,992,109
06/28/12	East West Bk CD	CD-SHORT	--	0.750	07/02/13	--	100.000	10,000,000
								\$ 35,422,459
CALLS								
12/30/11	FNMA	AGCY CALL	3135G0DV2	0.550	10/18/13	04/18/12	100.028	4,671,298
04/26/12	FHLMC	AGCY CALL	313378JA0	0.750	03/26/15	04/26/12	100.000	4,000,000
11/02/11	FNMA	AGCY CALL	3135G0EP4	1.450	11/02/15	05/02/12	100.000	3,000,000
12/27/11	FNMA	AGCY CALL	3135G0GR8	0.550	12/27/13	06/27/12	99.995	3,000,000
								\$ 14,671,298
MATURITIES								
08/26/11	FCAR Owner Trust CP	CP - DISC	3024A0EN1	0.550	05/22/12	--	99.588	3,500,000
09/09/11	TOYOTA MOTOR CREDIT	CP - DISC	89233GF50	0.603	06/05/12	--	99.550	3,000,000
09/30/11	TOYOTA MOTOR CREDIT	CP - DISC	89233GFS0	0.643	06/26/12	--	99.520	2,000,000
06/29/12	East West Bk CD	CD-SHORT	--	0.850	06/29/12	--	100.000	7,000,000
								\$ 15,500,000
Deposits								
								\$ -
Withdrawals								
								\$ -



Bond Proceeds Summary



As of: June 30, 2012

(in thousands)

Fund	Series A	Series B	Series C	Total	Yield	Rating
<u>Project Fund</u>						
SDCIP	39,693	-	57,236	96,929	0.51%	AAAf
	39,693	-	57,236	96,929		
<u>Capitalized Interest</u>						
SDCIP	6,322	-	4,578	10,900	0.51%	AAAf
JP Morgan Federal MM Reserve	6	-	4	10	0.00%	AAAm
	6,328	-	4,582	10,910		
<u>Debt Service Reserve Fund</u>						
East West Bank CD	13,203	-	7,106	20,309	0.75%	
Bank of the West DDA	9,684	-	6,359	16,043	0.45%	
JP Morgan Federal MM Reserve	10,107	-	5,054	15,161	0.00%	AAAm
	32,994	-	18,519	51,513		
	\$ 79,015	\$ -	\$ 80,337	\$ 159,352	0.49%	

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



Bond Proceeds Investment Transactions

From April 1st, 2012 – June 30th, 2012



Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
PURCHASES								
								\$ -
CALLS								
								\$ -
MATURITIES								
4/19/2010	FNMA	Agency Security	31398AP710	1.25	6/22/2012			14,865,000.00
								\$ 14,865,000.00
Deposits								
								\$ -
Withdrawals								
5/1/2012	San Diego County Investment Pool							18,592,740
5/30/2012	Local Agency Investment Fund							7,127
5/30/2012	San Diego County Investment Pool							17,648,402
6/28/2012	San Diego County Investment Pool							19,346,673
								\$ 55,594,942



Questions

