

METRO

INVESTMENT REPORT

(GENERAL FUND)

DECEMBER 2010

**Metropolitan Transit Authority of Harris County
Investment Report for General Funds
As of December 31, 2010
Portfolio Summary Management Report**

The following is a summary of METRO's Investment Portfolio:

Monthly				
As of:		<u>November 30, 2010</u>	<u>December 31, 2010</u>	<u>Change</u>
Book Value	\$	77,160,170	118,719,810	41,559,640
Market Value*	\$	77,834,247	119,325,125	41,490,878

Quarterly				
As of:		<u>September 30, 2010</u>	<u>December 31, 2010</u>	<u>Change</u>
Book Value	\$	119,544,807	118,719,810	(824,997)
Market Value*	\$	120,272,132	119,325,125	(947,007)

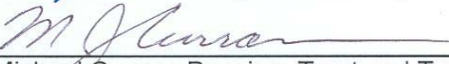
	<u>Month End</u>	<u>Quarter End</u>
Interest Receivable	56,672	56,672
Weighted Average Days Outstanding	77.18	96.67
Weighted Average Years Outstanding	0.21	0.26
Yield	0.63%	0.60%
Benchmark Yield	0.14%	0.15%
Realized Over / <Under> Benchmark	0.49%	0.45%
LGIP Wtd Avg. Days Outstanding (1)	38	46

* Change in market Value is presented in accordance with the Public Funds Investment Act and primarily reflects receipts, expenditures, securities purchases and maturities and changes in the marketability of securities held at the end of the period.

The General Fund is managed in full compliance with the Public Funds Investment Act, the Investment Policy and Strategy of the Metropolitan Transit Authority of Harris County and under the safety parameters set by the Board of Directors.



Lisa W. Oliver, Manager of Banking, Investments and Debt Services



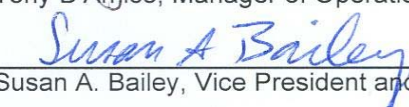
Michael Curran, Pension, Trust and Tax Revenue Administrator



Phil Nguyen, Director of Treasury Services



Tony D'Amico, Manager of Operations Management Analysis



Susan A. Bailey, Vice President and Chief Financial Officer

(1) This weighted average maturity calculation for TexStar uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

**Metropolitan Transit Authority of Harris County
Monthly Changes in Position for General Funds
As of December 31, 2010**

No.	Description	Coupon	Maturity	Purchase	Par	Cost	Price	Type	Book Value		Market Value	
									11/30/2010	12/31/2010	11/30/2010	12/31/2010
<u>General and Operating Funds</u>												
	Chase Bank of Texas - DDA		1-Jan-11	31-Dec-10	1,272,159	1,272,159	100.00	MMA	1,108,114	1,272,159	1,108,114	1,272,159
	Aim Treasury Fund	0.02%	1-Jan-11	31-Dec-10	48,237,866	48,237,866	100.00	MMA	22,537,551	48,237,866	22,537,551	48,237,866
	SEI Government Fund	0.00%	1-Jan-11	31-Dec-10	813	813	100.00	MMA	813	813	813	813
	TexStar Investment Pool	0.17%	1-Jan-11	31-Dec-10	29,717,542	29,717,542	100.00	LGIP	13,914,230	29,717,542	13,914,230	29,717,542
	TexStar Investment Pool Stimulus	0.17%	1-Jan-11	31-Dec-10	19,178,729	19,178,729	101.00	LGIP	19,175,939	19,178,729	19,175,939	19,178,729
	JPMorgan Government Fund	0.00%	1-Jan-11	31-Dec-10	225,828	225,828	100.00	MMA	333,536	225,828	333,536	225,828
4437	City of Houston CUS	0.30%	11-Jan-11	16-Nov-10	10,000,000	10,000,000	100.00	MCP	10,000,000	10,000,000	10,000,000	10,000,000
3566	T 3.625 05/15/13	3.63%	15-May-13	12-Jun-03	10,000,000	10,364,063	103.64	T	10,089,986	10,086,873	10,764,063	10,692,188
Total General and Operating Funds									77,160,170	118,719,810	77,834,247	119,325,125

**Metropolitan Transit Authority of Harris County
Quarterly Changes in Position for General Funds
For the Quarter Ended December 31, 2010**

No.	Description	Coupon	Maturity	Purchase	Par	Cost	Price	Type	Book Value		Market Value	
									9/30/2010	12/31/2010	9/30/2010	12/31/2010
<u>General and Operating Funds</u>												
	Chase Bank of Texas - DDA		1-Jan-11	31-Dec-10	1,272,159	1,272,159	100.00	MMA	1,062,615	1,272,159	1,062,615	1,272,159
	Aim Treasury Fund	0.02%	1-Jan-11	31-Dec-10	48,237,866	48,237,866	100.00	MMA	40,436,503	48,237,866	40,436,503	48,237,866
	SEI Government Fund	0.00%	1-Jan-11	31-Dec-10	813	813	100.00	MMA	813	813	813	813
	TexStar Investment Pool	0.17%	1-Jan-11	31-Dec-10	29,717,542	29,717,542	100.00	LGIP	38,657,272	29,717,542	38,657,272	29,717,542
	TexStar Investment Pool Stimulus	0.17%	1-Jan-11	31-Dec-10	19,178,729	19,178,729	101.00	LGIP	19,169,712	19,178,729	19,169,712	19,178,729
	JPMorgan Government Fund	0.00%	1-Jan-11	31-Dec-10	225,828	225,828	100.00	MMA	121,779	225,828	121,779	225,828
4435	City of Houston CUS	0.30%	12-Oct-10	13-Sep-10	10,000,000	10,000,000	100.00	MCP	10,000,000	Matured	10,000,000	Matured
4437	City of Houston CUS	0.30%	11-Jan-11	16-Nov-10	10,000,000	10,000,000	100.00	MCP	Did Not Own	10,000,000	Did Not Own	10,000,000
3566	T 3.625 05/15/13	3.63%	15-May-13	12-Jun-03	10,000,000	10,364,063	103.64	T	10,096,113	10,086,873	10,823,438	10,692,188
Total General Fund									119,544,807	118,719,810	120,272,132	119,325,125

METRO

**INVESTMENT REPORT
(CONSTRUCTION FUND)**

DECEMBER 2010

**Metropolitan Transit Authority of Harris County
Investment Report for Construction Funds
As of December 31, 2010
Portfolio Summary Management Report**

The following is a summary of METRO's Investment Portfolio:

Monthly				
As of:		<u>November 30, 2010</u>	<u>December 31, 2010</u>	<u>Change</u>
Book Value	\$	57,425,090	34,429,518	(22,995,572)
Market Value*	\$	57,425,090	34,429,518	(22,995,572)

Quarterly				
As of:		<u>September 30, 2010</u>	<u>December 31, 2010</u>	<u>Change</u>
Book Value	\$	93,381,871	34,429,518	(58,952,353)
Market Value*	\$	93,381,871	34,429,518	(58,952,353)

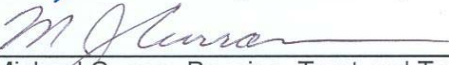
	<u>Month End</u>	<u>Quarter End</u>
Interest Receivable	102	108
Weighted Average Days Outstanding	1.00	1.00
Weighted Average Years Outstanding	0.00	0.00
Yield	0.17%	0.19%
Benchmark Yield	0.12%	0.14%
Realized Over / <Under> Benchmark	0.05%	0.05%
LGIP Wtd Avg. Days Outstanding (1)	38	46

* Change in market Value is presented in accordance with the Public Funds Investment Act and primarily reflects receipts, expenditures, securities purchases and maturities and changes in the marketability of securities held at the end of the period.

The Construction Fund is managed in full compliance with the Public Funds Investment Act, the Investment Policy and Strategy of the Metropolitan Transit Authority of Harris County and under the safety parameters set by the Board of Directors.



Lisa W. Oliver, Manager of Banking, Investments and Debt Services



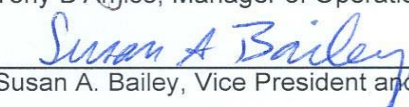
Michael Curran, Pension, Trust and Tax Revenue Administrator



Phil Nguyen, Director of Treasury Services



Tony D'Amico, Manager of Operations Management Analysis



Susan A. Bailey, Vice President and Chief Financial Officer

(1) This weighted average maturity calculation for TexStar uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

**Metropolitan Transit Authority of Harris County
Monthly Changes in Position for Construction Funds
For the Month Ended December 31, 2010**

Description	Coupon	Maturity	Purchase	Par	Cost	Price	Type	Book Value		Market Value	
								11/30/2010	12/31/2010	11/30/2010	12/31/2010
<u>METRO Construction Funds</u>											
Comercial Paper Proceeds		1-Jan-11	31-Dec-10	1,817	1,817	100.00	DDA	1,817	1,817	1,817	1,817
Comercial Paper Proceeds (SEI)	0.00%	1-Jan-11	31-Dec-10	29	29	100.00	MMA	29	29	29	29
Comercial Paper Proceeds(TexStar)	0.22%	1-Jan-11	31-Dec-10	867	867	100.00	LGIP	867	867	867	867
Series 2008A Proceeds (Wells Fargo)	0.00%	1-Jan-11	31-Dec-10	60	60	100.00	DDA	60	60	60	60
Series 2008B Proceeds (Wells Fargo)	0.00%	1-Jan-11	31-Dec-10	12	12	100.00	DDA	12	12	12	12
Series 2008B DSR (Wells Fargo)	0.00%	1-Jan-11	31-Dec-10	1,962	1,962	100.00	DDA	1,962	1,962	1,962	1,962
Series 2008B I&S (Wells Fargo)	0.00%	1-Jan-11	31-Dec-10	23,942	23,942	100.00	DDA	22,531	23,942	22,531	23,942
Series 2008B DSR TexStar	0.22%	1-Jan-11	31-Dec-10	2,352,500	2,352,500	100.00	LGIP	2,352,500	2,352,500	2,352,500	2,352,500
Series 2008B DSR SEI	0.06%	1-Jan-11	31-Dec-10	2,352,500	2,352,500	100.00	MMA	2,352,500	2,352,500	2,352,500	2,352,500
Series 2009A Proceeds	0.22%	1-Jan-11	31-Dec-10	(0)	(0)	100.00	LGIP	939	(0)	939	(0)
Series 2009B Proceeds	0.22%	1-Jan-11	31-Dec-10	0	0	100.00	LGIP	950,427	0	950,427	0
Series 2009C Proceeds	0.22%	1-Jan-11	31-Dec-10	17,373,695	17,373,695	100.00	LGIP	25,178,472	17,373,695	25,178,472	17,373,695
Series 2009D Proceeds	0.22%	1-Jan-11	31-Dec-10	0	0	100.00	LGIP	1,163	0	1,163	0
Series 2010A Proceeds	0.22%	1-Jan-11	31-Dec-10	3,269,570	3,269,570	100.00	LGIP	20,028,716	3,269,570	20,028,716	3,269,570
Series 2009 A&C Debt Serv Res	0.22%	1-Jan-11	31-Dec-10	2,944,638	2,944,638	100.00	LGIP	2,789,477	2,944,638	2,789,477	2,944,638
Series 2009 B Debt Serv Res	0.22%	1-Jan-11	31-Dec-10	1,783,560	1,783,560	100.00	LGIP	1,628,727	1,783,560	1,628,727	1,783,560
Series 2009 Interest & Sinking Fund	0.22%	1-Jan-11	31-Dec-10	4,324,366	4,324,366	100.00	LGIP	2,114,890	4,324,366	2,114,890	4,324,366
Total Construction Funds				34,429,518	34,429,518			57,425,090	34,429,518	57,425,090	34,429,518

Metropolitan Transit Authority of Harris County
Quarterly Changes in Position for Construction Funds
For the Quarter Ended December 31, 2010

Description	Coupon	Maturity	Purchase	Par	Cost	Price	Type	Book Value		Market Value	
								9/30/2010	12/31/2010	9/30/2010	12/31/2010
<u>METRO Construction Funds</u>											
Comercial Paper Proceeds		1-Jan-11	31-Dec-10	1,817	1,817	100.00	DDA	1,817	1,817	1,817	1,817
Comercial Paper Proceeds (SEI)	0.00%	1-Jan-11	31-Dec-10	29	29	100.00	MMA	29	29	29	29
Comercial Paper Proceeds(TexStar)	0.22%	1-Jan-11	31-Dec-10	867	867	100.00	LGIP	867	867	867	867
Series 2008A Proceeds (Wells Fargo)	0.00%	1-Jan-11	31-Dec-10	60	60	100.00	DDA	60	60	60	60
Series 2008B Proceeds (Wells Fargo)	0.00%	1-Jan-11	31-Dec-10	12	12	100.00	DDA	12	12	12	12
Series 2008B DSR (Wells Fargo)	0.00%	1-Jan-11	31-Dec-10	1,962	1,962	100.00	DDA	1,095	1,962	1,095	1,962
Series 2008B I&S (Wells Fargo)	0.00%	1-Jan-11	31-Dec-10	23,942	23,942	100.00	DDA	22,015	23,942	22,015	23,942
Series 2008B DSR TexStar	0.22%	1-Jan-11	31-Dec-10	2,352,500	2,352,500	100.00	LGIP	2,352,909	2,352,500	2,352,909	2,352,500
Series 2008B DSR SEI	0.06%	1-Jan-11	31-Dec-10	2,352,500	2,352,500	100.00	MMA	2,352,500	2,352,500	2,352,500	2,352,500
Series 2009A Proceeds	0.22%	1-Jan-11	31-Dec-10	(0)	(0)	100.00	LGIP	939	(0)	939	(0)
Series 2009B Proceeds	0.22%	1-Jan-11	31-Dec-10	0	0	100.00	LGIP	950,119	0	950,119	0
Series 2009C Proceeds	0.22%	1-Jan-11	31-Dec-10	17,373,695	17,373,695	100.00	LGIP	46,926,333	17,373,695	46,926,333	17,373,695
Series 2009D Proceeds	0.22%	1-Jan-11	31-Dec-10	0	0	100.00	LGIP	1,163	0	1,163	0
Series 2010A Proceeds	0.22%	1-Jan-11	31-Dec-10	3,269,570	3,269,570	100.00	LGIP	24,735,358	3,269,570	24,735,358	3,269,570
Series 2009 A&C Debt Serv Res	0.22%	1-Jan-11	31-Dec-10	2,944,638	2,944,638	100.00	LGIP	2,479,133	2,944,638	2,479,133	2,944,638
Series 2009 B Debt Serv Res	0.22%	1-Jan-11	31-Dec-10	1,783,560	1,783,560	100.00	LGIP	1,319,082	1,783,560	1,319,082	1,783,560
Series 2009 Interest & Sinking Fund	0.22%	1-Jan-11	31-Dec-10	4,324,366	4,324,366	100.00	LGIP	12,238,441	4,324,366	12,238,441	4,324,366
Total Construction Funds				34,429,518	34,429,518			93,381,871	34,429,518	93,381,871	34,429,518

METRO

INVESTMENT REPORT

(GENERAL MOBILITY FUND)

DECEMBER 2010

**Metropolitan Transit Authority of Harris County
Investment Report for General Mobility Fund
As of December 31, 2010
Portfolio Summary Management Report**

The following is a summary of METRO's Investment Portfolio:

Monthly				
As of:		<u>November 30, 2010</u>	<u>December 31, 2010</u>	<u>Change</u>
Book Value	\$	27,104,086	16,331,072	(10,773,013)
Market Value*	\$	27,104,086	16,331,072	(10,773,013)

Quarterly				
As of:		<u>September 30, 2010</u>	<u>December 31, 2010</u>	<u>Change</u>
Book Value	\$	-	16,331,072	16,331,072
Market Value*	\$	-	16,331,072	16,331,072

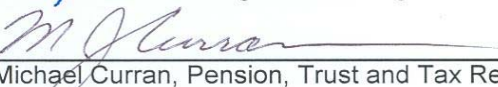
	<u>Month End</u>	<u>Quarter End</u>
Interest Receivable	-	-
Weighted Average Days Outstanding	1.00	1.00
Weighted Average Years Outstanding	0.00	0.00
Yield	0.11%	0.12%
Benchmark Yield	0.08%	0.11%
Realized Over / <Under> Benchmark	0.03%	0.01%
LGIP Wtd Avg. Days Outstanding (1)	38	46

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The General Mobility Fund is managed in full compliance with the Public Funds Investment Act, the Investment Policy and Strategy of the Metropolitan Transit Authority of Harris County and under the safety parameters set by the Board of Directors.



Lisa W. Oliver, Manager of Banking, Investments and Debt Services



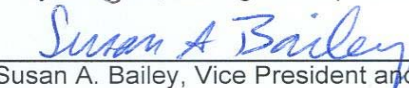
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Metropolitan Transit Authority of Harris County
Monthly Changes in Position for General Mobility Funds
As of December 31, 2010

No.	Description	Coupon	Maturity	Purchase	Par	Cost	Price	Type	Book Value		Market Value	
									11/30/2010	12/31/2010	11/30/2010	12/31/2010
General Mobility Funds												
	TexStar Investment Pool GMP	0.174%	01-Jan-11	31-Dec-10	8,165,943.85	8,165,943.85	100.0000	LGIP	13,551,244	8,165,944	13,551,244	8,165,944
	Williams Capital Govt. Fund GMP	0.047%	01-Jan-11	31-Dec-10	8,165,128.63	8,165,128.63	100.0000	MMA	13,552,842	8,165,129	13,552,842	8,165,129
Total General Mobility Funds									27,104,086	16,331,072	27,104,086	16,331,072

Metropolitan Transit Authority of Harris County
Quarterly Changes in Position for General Mobility Funds
For the Quarter Ended December 31, 2010

No.	Description	Coupon	Maturity	Purchase	Par	Cost	Price	Type	Book Value		Market Value	
									9/30/2010	12/31/2010	9/30/2010	12/31/2010
General Mobility Funds												
	TexStar Investment Pool GMP	0.174%	01-Jan-11	31-Dec-10	8,165,943.85	8,165,943.85	100.00	LGIP	-	8,165,944	-	8,165,944
	Williams Capital Govt. Fund GMP	0.047%	01-Jan-11	31-Dec-10	8,165,128.63	8,165,128.63	100.00	MMA	-	8,165,129	-	8,165,129
Total General Mobility Funds									-	16,331,072	-	16,331,072

**Metropolitan Transit Authority of Harris County Texas
General Mobility Escrow Activity Summary
For the Month Ended December 31, 2010**

Description	Escrow Funding	Disbursements from Escrow	Interest to General Fund	Interest Earned on Escrow Funds	Escrow Balance
Dec-10 Balance Forward	46,833,227	(19,731,135)	-	1,994	27,104,086
Dec-10 October Interest Transferred to General Fund			(1,291)	1,291	27,104,086
Dec-10 25% of Sales Tax Received 11/15/10 (\$38,395,427 X 25%)	9,598,857				36,702,943
Dec-10 1/12 of FY 2011 Carryover Commitment (\$61,539,250 /12)	5,128,271				41,831,214
Dec-10 November 2010 Katy, Humble and Missouri City Congestion Mitigation & Traffic Management*		(1,050,413)			40,780,801
Dec-10 City of Houston General Mobility Program					
Street Reconstruction Program		(2,646,431)			
Safe Clear Program		(595,319)			
Asphalt Overlay Program		(3,733,748)			
Pavement Marking Maintenance Program		(374,400)			
Freeway Lighting Program		(379,665)			
Bridge/Barricade Maintenance Program		(1,005,443)			
Bridge Replacement / Special Projects Program		(192,735)			
Concrete Street Repair Program		(1,765,014)			
Signal Maintenance Program		(807,625)			
Traffic Signal Maintenance Program (Extended)		(3,121,300)			
CIP Street Projects (2007 - 2009)		(9,829,560)			16,329,560
Dec-10 Interest Earned				1,512	16,331,072
Dec-10 Escrow to Date	61,560,355	(45,232,789)	(1,291)	4,797	16,331,072

* December 2010 payments to Katy, Humble and Missouri City were outstanding as of December 31, 2010.