

METRO

INVESTMENT REPORT

ALL FUNDS

SEPTEMBER 2011

**Metropolitan Transit Authority of Harris County
Investment Report
For the Month Ended September 30, 2011
Portfolio Summary Management Report**

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

| Fund: | General | Construction | General Mobility |
|------------------------------------|----------------|---------------------|-------------------------|
| Prior Month End Book Value | 77,684,207 | 34,833,639 | 14,034,043 |
| Current Month End Book Value | 69,855,734 | 480,180,997 | 22,366,211 |
| Change | (7,828,473) | 445,347,358 | 8,332,168 |
| Prior Month End Market Value* | 78,206,899 | 34,833,639 | 14,034,043 |
| Current Month End Market Value* | 70,338,467 | 480,180,997 | 22,366,211 |
| Change | (7,868,433) | 445,347,358 | 8,332,168 |
| Interest Receivable | 145,202 | 96 | 0 |
| Weighted Average Days Outstanding | 106 | 1 | 1 |
| Weighted Average Years Outstanding | 0.29 | 0.00 | 0.00 |
| Yield | 0.686% | 0.096% | 0.047% |
| Benchmark Yield | 0.005% | 0.004% | -0.004% |
| Yield Over / <Under> Benchmark | 0.681% | 0.092% | 0.051% |
| LGIP Wtd Avg. Days Outstanding (1) | 38 | 38 | 38 |

* 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.

All Funds are 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.

Susan A. Bailey

Susan A. Bailey, Sr. Vice President and Chief Financial Officer

Phil Nguyen

Phil Nguyen, Director of Treasury Services

Lisa W. Oliver

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

Michael Curran

Michael Curran, Pension, Trust and Tax Revenue Administrator

Tony D'Amico

Tony D'Amico, Manager of Operations Management Analysis

(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 the Month Ended September 30, 2011

| No. | Description | Coupon | Maturity | Purchase | Par | Cost | Price | Type | Book Value | | Market Value | |
|------------------------------------|---|--------|-----------|-----------|-------------|-------------|--------|------|--------------------|--------------------|--------------------|--------------------|
| | | | | | | | | | 8/31/2011 | 9/30/2011 | 8/31/2011 | 9/30/2011 |
| General Fund | | | | | | | | | | | | |
| | Chase Bank of Texas - DDA | n/a | 1-Oct-11 | 30-Sep-11 | 1,246,577 | 1,246,577 | 100.00 | DDA | 1,354,162 | 1,246,577 | 1,354,162 | 1,246,577 |
| | Aim Treasury Fund | 0.20% | 1-Oct-11 | 30-Sep-11 | 1,240,326 | 1,240,326 | 100.00 | MMA | 1,240,305 | 1,240,326 | 1,240,305 | 1,240,326 |
| | SEI Government Fund | 0.49% | 1-Oct-11 | 30-Sep-11 | 701,909 | 701,909 | 100.00 | MMA | 6,801,561 | 701,909 | 6,801,561 | 701,909 |
| | TexStar Investment Pool | 0.90% | 01-Oct-11 | 30-Sep-11 | 34,608,340 | 34,608,340 | 100.00 | LGIP | 27,038,258 | 34,608,340 | 27,038,258 | 34,608,340 |
| | TexStar Investment Pool Stimulus | 0.92% | 01-Oct-11 | 30-Sep-11 | 486 | 486 | 100.00 | LGIP | 9,190,343 | 486 | 9,190,343 | 486 |
| 4453 | City of Houston GO - Series G | 0.65% | 15-Sep-11 | 11-Aug-11 | 8,000,000 | 8,000,000 | 100.00 | MCP | 8,000,000 | Matured | 8,000,000 | Matured |
| 4452 | City of Houston GO - Series H | 0.17% | 4-Oct-11 | 03-Aug-11 | 5,000,000 | 5,000,000 | 100.00 | MCP | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| 4454 | Tx Agriculture Finance Authority | 0.17% | 2-Nov-11 | 26-Aug-11 | 9,000,000 | 8,997,110 | 99.97 | MCP | 8,997,110 | 8,998,640 | 8,997,110 | 8,998,640 |
| 4455 | City of Houston GO - Series G | 0.65% | 13-Oct-11 | 15-Sep-11 | 8,000,000 | 8,000,000 | 100.00 | MCP | Did Not Own | 8,000,000 | Did Not Own | 8,000,000 |
| 3566 | T 3.625 05/15/13 | 3.63% | 15-May-13 | 12-Jun-03 | 10,000,000 | 10,364,063 | 103.64 | T | 10,062,468 | 10,059,455 | 10,585,160 | 10,542,188 |
| Total General Fund | | | | | | | | | 77,684,207 | 69,855,734 | 78,206,899 | 70,338,467 |
| Construction Fund | | | | | | | | | | | | |
| | Commercial Paper Proceeds | n/a | 1-Oct-11 | 30-Sep-11 | 1,817 | 1,817 | 100.00 | DDA | 1,817 | 1,817 | 1,817 | 1,817 |
| | Commercial Paper Proceeds (SEI) | 0.00% | 1-Oct-11 | 30-Sep-11 | 29 | 29 | 100.00 | MMA | 29 | 29 | 29 | 29 |
| | Commercial Paper Proceeds(TexStar) | 0.09% | 1-Oct-11 | 30-Sep-11 | 709 | 709 | 100.00 | LGIP | 4,303,789 | 709 | 4,303,789 | 709 |
| | Series 2008A Proceeds (Wells Fargo) | 0.00% | 1-Oct-11 | 30-Sep-11 | 60 | 60 | 100.00 | DDA | 60 | 60 | 60 | 60 |
| | Series 2008B Proceeds (Wells Fargo) | n/a | 1-Oct-11 | 30-Sep-11 | 12 | 12 | 100.00 | DDA | 12 | 12 | 12 | 12 |
| | Series 2008B DSR (Wells Fargo) | n/a | 1-Oct-11 | 30-Sep-11 | 1,857 | 1,857 | 100.00 | DDA | 1,857 | 1,857 | 1,857 | 1,857 |
| | Series 2008B I&S (Wells Fargo) | n/a | 1-Oct-11 | 30-Sep-11 | 1,347 | 1,347 | 100.00 | DDA | 1,172 | 1,347 | 1,172 | 1,347 |
| | Series 2008B DSR (TexStar) | 0.09% | 1-Oct-11 | 30-Sep-11 | 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) | 0.05% | 1-Oct-11 | 30-Sep-11 | 2,353,481 | 2,353,481 | 100.00 | MMA | 2,353,382 | 2,353,481 | 2,353,382 | 2,353,481 |
| | Series 2009B Proceeds (TexStar) | 0.10% | 1-Oct-11 | 30-Sep-11 | 294 | 294 | 100.00 | LGIP | 5,554,988 | 294 | 5,554,988 | 294 |
| | Series 2011A Proceeds (TexStar) | 0.08% | 28-Sep-11 | 30-Sep-11 | 358,563,732 | 358,563,732 | 100.00 | LGIP | Did Not Own | 358,563,732 | Did Not Own | 358,563,732 |
| | Series 2011B Proceeds (TexStar) | 0.08% | 28-Sep-11 | 30-Sep-11 | 46,127,671 | 46,127,671 | 100.00 | LGIP | Did Not Own | 46,127,671 | Did Not Own | 46,127,671 |
| | Sales & Use Tax Bonds DSR (TexStar) | 0.09% | 1-Oct-11 | 30-Sep-11 | 4,340,254 | 4,340,254 | 100.00 | LGIP | 4,185,195 | 4,340,254 | 4,185,195 | 4,340,254 |
| | Contractual Obligations DSR (TexStar) | 0.09% | 1-Oct-11 | 30-Sep-11 | 3,176,771 | 3,176,771 | 100.00 | LGIP | 3,021,959 | 3,176,771 | 3,021,959 | 3,176,771 |
| | Interest & Sinking Fund (2009 & 2010) (TexStar) | 0.09% | 1-Oct-11 | 30-Sep-11 | 15,043,535 | 15,043,535 | 100.00 | LGIP | 13,056,880 | 15,043,535 | 13,056,880 | 15,043,535 |
| | Interest & Sinking Fund 2011A (TexStar) | 0.07% | 28-Sep-11 | 30-Sep-11 | 44,595,043 | 44,595,043 | 100.00 | LGIP | Did Not Own | 44,595,043 | Did Not Own | 44,595,043 |
| | Interest & Sinking Fund 2011B (TexStar) | 0.07% | 28-Sep-11 | 30-Sep-11 | 2,640,479 | 2,640,479 | 100.00 | LGIP | Did Not Own | 2,640,479 | Did Not Own | 2,640,479 |
| | Cost of Issuance Fund 2011A (TexStar) | 0.07% | 28-Sep-11 | 30-Sep-11 | 887,380 | 887,380 | 100.00 | LGIP | Did Not Own | 887,380 | Did Not Own | 887,380 |
| | Cost of Issuance Fund 2011B (TexStar) | 0.08% | 28-Sep-11 | 30-Sep-11 | 94,026 | 94,026 | 100.00 | LGIP | Did Not Own | 94,026 | Did Not Own | 94,026 |
| Total Construction Fund | | | | | | | | | 34,833,639 | 480,180,997 | 34,833,639 | 480,180,997 |
| General Mobility Fund | | | | | | | | | | | | |
| | TexStar Investment Pool GMP | 0.90% | 01-Oct-11 | 30-Sep-11 | 11,183,504 | 11,183,504 | 100.00 | LGIP | 7,017,480 | 11,183,504 | 7,017,480 | 11,183,504 |
| | Williams Capital Govt. Fund GMP | 0.24% | 01-Oct-11 | 30-Sep-11 | 11,182,707 | 11,182,707 | 100.00 | MMA | 7,016,562 | 11,182,707 | 7,016,562 | 11,182,707 |
| Total General Mobility Fund | | | | | | | | | 14,034,043 | 22,366,211 | 14,034,043 | 22,366,211 |
| Grand Total All Funds | | | | | | | | | 126,551,888 | 572,402,941 | 127,074,581 | 572,885,674 |

**Metropolitan Transit Authority of Harris County Texas
General Mobility Escrow Activity Summary
For the Month Ended September 30, 2011**

| Description | Escrow Funding | Disbursements from Escrow | Interest to General Fund | Interest Earned on Escrow Funds | Escrow Balance |
|--|----------------|------------------------------------|--------------------------|---------------------------------|----------------|
| Sep-11 Balance Forward | 192,365,390 | (178,332,271) | (14,502) | 15,426 | 14,034,043 |
| Sep-11 25% of Net Sales Tax Received (\$41,435,519.18 X 25%) | 10,358,880 | | | | 24,392,923 |
| Sep-11 1/12 of FY 2011 Carryover Commitment (\$61,539,250 /12) | 5,128,271 | | | | 29,521,194 |
| Sep-11 August 2011 Katy Congestion Mitigation & Traffic Management | | (389,443) | | | 29,131,751 |
| Sep-11 September Katy, Humble & Missouri City Congestion Mitigation & Traffic Management | | (923,964) | | | 28,207,787 |
| Sep-11 Motorist Assistance Program (MAP) Vehicles | | (123,495) | | | 28,084,292 |
| Sep-11 FY2011 Amortization fo Mulit-Cities Prepayment | | (4,721,000) | | | 23,363,292 |
| Sep-11 METRO Managed Projects Katy / Ft. Bend Road Freeway Incident Management (MAP) Program Management & Support | | (443,787) (539,187) (14,024) | | | 22,366,294 |
| Sep-11 Interest Earned | | | (923) | 840 | 22,366,211 |
| Sep-11 Escrow to Date | 207,852,540 | (185,487,171) | (15,426) | 16,267 | 22,366,211 |