

METRO

INVESTMENT REPORT

ALL FUNDS

DECEMBER 2012

**Metropolitan Transit Authority of Harris County
Investment Report
For the Month Ended December 31, 2012
Portfolio Summary Management Report**

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


Fund:	General	Construction	General Mobility
Prior Month End Book Value	298,368,036	98,011,311	40,086,361
Current Month End Book Value	280,862,158	78,691,494	36,073,174
Change	(17,505,878)	(19,319,817)	(4,013,187)
Prior Month End Market Value*	298,621,562	98,011,311	40,086,361
Current Month End Market Value*	281,131,650	78,691,494	36,073,174
Change	(17,489,912)	(19,319,817)	(4,013,187)
Interest Receivable	262,525	0	0
Weighted Average Days Outstanding	119	1	1
Weighted Average Years Outstanding	0.33	0.00	0.00
Yield	0.512%	0.165%	0.118%
Benchmark Yield	0.060%	0.038%	0.017%
Yield Over / <Under> Benchmark	0.452%	0.128%	0.101%
LGIP Wtd Avg. Days Outstanding (1)	49	49	49

* 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.

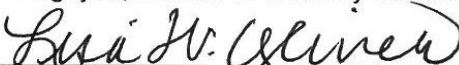
All Funds are managed in full compliance with the Public Funds Investment Act, the Investment Policy and Strategy of the Metropolitan Transit Authority of Harris County and under the safety parameters set by the Board of Directors.



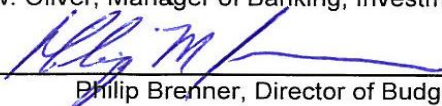
Susan A. Bailey, Sr. Vice President and Chief Financial Officer



Phil Nguyen, Director of Treasury Services



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



Philip Brenner, Director of Budget Services

(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 December 31, 2012

No.	Description	Coupon	Rating	Maturity	Purchase	Par	Cost	Price	Type	Book Value		Market Value	
										11/30/2012	12/31/2012	11/30/2012	12/31/2012
General Fund													
	JPMorgan Chase Master			1-Jan-13	31-Dec-12	1,941,777	1,941,777	100.00	DDA	2,790,740	1,941,777	2,790,740	1,941,777
	JPMorgan Chase HOT Lanes			1-Jan-13	31-Dec-12	721,349	721,349	100.00	DDA	439,622	721,349	439,622	721,349
	TexStar Investment Pool	0.16%	AAAm	1-Jan-13	31-Dec-12	121,952,843	121,952,843	100.00	LGIP	128,835,323	121,952,843	128,835,323	121,952,843
4487	City of Houston GO - Series G	0.19%	A-1+/F1	5-Dec-12	06-Sep-12	10,000,000	10,000,000	100.00	MCP	10,000,000	Matured/Called	10,000,000	Matured/Called
4496	Tx Dept of Econ Development	0.15%	A-1+/P-1	6-Dec-12	08-Nov-12	10,000,000	9,998,833	99.99	MCP	9,999,792	Matured/Called	9,998,833	Matured/Called
EWBCD4	East West Bank Certificate	0.40%	Coll = Aaa	9-Dec-12	10-Sep-12	10,000,000	10,000,000	100.00	CD	10,000,000	Matured/Called	10,000,000	Matured/Called
4492	FHLMC 0.85 12/28/12	0.16%	Aaa	28-Dec-12	27-Sep-12	15,000,000	15,026,640	100.18	A	15,007,818	Matured/Called	15,007,650	Matured/Called
4499	Tx Dept of Econ Development	0.15%	A-1+/P-1	3-Jan-13	06-Dec-12	10,000,000	9,998,911	99.99	MCP	Did Not Own	9,999,922	Did Not Own	9,998,911
4495	Tx Agriculture Finance Authority	0.20%	A-1+/P-1	9-Jan-13	11-Oct-12	9,000,000	8,995,500	99.95	MCP	8,998,050	8,999,600	8,995,500	8,995,500
4470	FHLB 0.16 2/8/13	0.16%	Aaa	8-Feb-13	12-Mar-12	10,000,000	9,994,570	99.95	A	9,998,875	9,999,380	10,000,800	10,000,500
EWBCD5	East West Bank Certificate	0.40%	Coll = Aaa	9-Mar-13	09-Dec-12	10,000,000	10,000,000	100.00	CD	Did Not Own	10,000,000	Did Not Own	10,000,000
4487	City of Houston GO - Series G	0.19%	A-1+/F-1	4-Apr-13	05-Dec-12	10,000,000	10,000,000	100.00	MCP	Did Not Own	10,000,000	Did Not Own	10,000,000
4500	San Antonio Water System	0.18%	A-1+/P-1/F1+	4-Apr-13	19-Dec-12	10,000,000	10,000,000	100.00	MCP	Did Not Own	10,000,000	Did Not Own	10,000,000
4477	Houston Comm College Rev	5.25%	Aa2/AA-	15-Apr-13	30-May-12	1,000,000	1,043,400	104.34	MB	1,018,309	1,014,105	1,018,050	1,013,480
4491	FFCB 0.85 4/15/13	0.85%	Aaa	15-Apr-13	24-Sep-12	10,000,000	10,037,742	100.38	A	10,025,099	10,019,336	10,028,500	10,022,000
3566	T 3.625 05/15/13	3.63%	Aaa	15-May-13	12-Jun-03	10,000,000	10,364,063	103.64	T	10,016,571	10,013,458	10,157,813	10,129,688
4467	FFCB .22 7/26/13	0.22%	Aaa	26-Jul-13	30-Jan-12	15,000,000	14,988,750	99.93	A	14,995,090	14,995,732	15,000,300	15,000,300
4486	Tx Tax Rev Anticipation Notes	2.50%	MIG1/ SP-1+/F1	30-Aug-13	30-Aug-12	15,000,000	15,342,750	102.29	MB	15,255,419	15,226,309	15,313,950	15,313,950
4490	FHLB 0.125 09/25/13	0.13%	Aaa	25-Sep-13	25-Sep-12	16,000,000	15,988,102	99.91	A	15,988,653	15,989,834	15,994,080	15,995,152
4463	FFCB 0.47 12/19/13	0.47%	Aaa	19-Dec-12	19-Dec-11	10,000,000	9,999,000	99.99	A	9,999,476	Matured/Called	10,001,800	Matured/Called
4464	FHLMC 0.50 12/27/13	0.50%	Aaa	27-Dec-12	27-Dec-11	10,000,000	9,998,500	99.99	A	9,999,198	Matured/Called	10,002,600	Matured/Called
4466	FFCB 0.35 1/23/14	0.35%	Aaa	23-Jan-14	23-Jan-12	15,000,000	15,000,000	100.00	A	15,000,000	15,000,000	15,036,000	15,038,250
4501	FFCB 0.25 12/24/14	0.25%	Aaa	24-Dec-14	28-Dec-12	15,000,000	14,988,450	99.92	A	Did Not Own	14,988,514	Did Not Own	15,007,950
Total General Fund										298,368,036	280,862,158	298,621,562	281,131,650
Construction Fund													
	Interest & Sinking Fund 2008B (Wells Fargo)			1-Jan-13	31-Dec-12	9,774	9,774	100.00	DDA	9,115	9,774	9,115	9,774
	Series 2008B DSR (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	4,706,095	4,706,095	100.00	LGIP	4,706,095	4,706,095	4,706,095	4,706,095
	Series 2011A Proceeds (TexStar)	0.17%	AAAm	1-Jan-13	31-Dec-12	31,254,760	31,254,760	100.00	LGIP	53,336,012	31,254,760	53,336,012	31,254,760
	Sales & Use Tax Bonds DSR (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	11,971,009	11,971,009	100.00	LGIP	11,544,115	11,971,009	11,544,115	11,971,009
	Contractual Obligations DSR (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	6,307,588	6,307,588	100.00	LGIP	6,120,453	6,307,588	6,120,453	6,307,588
	Interest & Sinking Fund (2009 & 2010) (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	4,061,727	4,061,727	100.00	LGIP	2,361,525	4,061,727	2,361,525	4,061,727
	Interest & Sinking Fund 2011A (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	19,491,693	19,491,693	100.00	LGIP	19,488,968	19,491,693	19,488,968	19,491,693
	Interest & Sinking Fund 2011B (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	888,849	888,849	100.00	LGIP	445,028	888,849	445,028	888,849
Total Construction Fund										98,011,311	78,691,494	98,011,311	78,691,494
General Mobility Fund													
	TexStar Investment Pool GMP	0.17%	AAAm	1-Jan-13	31-Dec-12	27,895,532	27,895,532	100.00	LGIP	29,809,211	27,895,532	29,809,211	27,895,532
	Williams Capital Govt. Fund GMP	0.02%	AAAm	1-Jan-13	31-Dec-12	8,177,642	8,177,642	100.00	MMA	10,277,150	8,177,642	10,277,150	8,177,642
Total General Mobility Fund										40,086,361	36,073,174	40,086,361	36,073,174
Grand Total All Funds										436,465,708	395,626,826	436,719,234	395,896,318

Note: AAA is the highest long-term rating. A-1+ is the highest short term rating.

**Metropolitan Transit Authority of Harris County
Monthly Changes in Position - Construction Funds
For the Month Ended December 31, 2012**

No.	Description	Coupon	Rating	Maturity	Purchase	Par	Cost	Price	Type	Book Value		Market Value	
										11/30/2012	12/31/2012	11/30/2012	12/31/2012
The Construction Fund includes Interest and Sinking Funds, Debt Service Reserves and remaining Proceeds from Bond Issuances:													
<u>Interest and Sinking Funds - Required by Bond Covenants. Interest and Sinking Funds represent an escrow for the next principal and interest payments</u>													
	Interest & Sinking Fund 2008B (Wells Fargo)			1-Jan-13	31-Dec-12	9,115	9,115	100.00	DDA	9,115	9,774	9,115	9,774
	Interest & Sinking Fund (2009 & 2010) (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	2,361,525	2,361,525	100.00	LGIP	2,361,525	4,061,727	2,361,525	4,061,727
	Interest & Sinking Fund 2011A (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	19,488,968	19,488,968	100.00	LGIP	19,488,968	19,491,693	19,488,968	19,491,693
	Interest & Sinking Fund 2011B (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	445,028	445,028	100.00	LGIP	445,028	888,849	445,028	888,849
	Subtotal Interest and Sinking Funds									22,304,637	24,452,042	22,304,637	24,452,042
	Net Change resulting from Debt Service payments, required Contributions and Interest Earned on Balances										2,147,406		
<u>Debt Service Reserves - Required by Bond Covenants. Debt Service Reserves represent 50% of the Maximum Annual Debt Service for each bond issuance</u>													
	Series 2008B DSR (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	4,706,095	4,706,095	100.00	LGIP	4,706,095	4,706,095	4,706,095	4,706,095
	Sales & Use Tax Bonds DSR (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	11,544,115	11,544,115	100.00	LGIP	11,544,115	11,971,009	11,544,115	11,971,009
	Contractual Obligations DSR (TexStar)	0.16%	AAAm	1-Jan-13	31-Dec-12	6,120,453	6,120,453	100.00	LGIP	6,120,453	6,307,588	6,120,453	6,307,588
	Subtotal Debt Service Reserves									22,370,663	22,984,692	22,370,663	22,984,692
	Net Change resulting from required Contributions and Interest Earned on Balances										614,029		
<u>Bond Proceeds - Remaining proceeds available from Voted Sales Tax Bond issuances for North and Southeast Corridor expansion activities</u>													
	Series 2011A Proceeds (TexStar)	0.17%	AAAm	1-Jan-13	31-Dec-12	53,336,012	53,336,012	100.00	LGIP	53,336,012	31,254,760	53,336,012	31,254,760
	Net Change resulting from payments to Contractors and Interest Earned on Balances										(22,081,251)		
	Total Construction Fund									98,011,311	78,691,494	98,011,311	78,691,494

Note: AAA is the highest long-term rating. A-1+ is the highest short term rating.

**Metropolitan Transit Authority of Harris County Texas
General Mobility Escrow Activity Summary
For the Month Ended December 31, 2012**

Description	FY2013				Escrow Balance
	Escrow Funding	Disbursements from Escrow	Interest to General Fund	Interest Earned on Escrow Funds	
Dec-12 Escrow Balance Forward	32,118,304	(28,355,261)	(8,443)	9,234	40,086,361
Dec-12 25% of Net Sales Tax Received (\$49,130,708.33 X 25%)	12,282,677				52,369,038
Dec-12 FY 2013 Carryover Commitment \$3,250,000 per Month until FY13 Commitment of \$17,704,000 Is Reached	3,250,000				55,619,038
Dec-12 City of Houston See Attached		(15,206,545)			40,412,493
Dec-12 Harris County See Attached		(3,850,000)			36,562,493
Dec-12 City of Humble * Congestion Mitigation & Traffic Management		(489,197)			36,073,295
Dec-12 Interest Earned			(4,221)	4,099	36,073,174
Dec-12 Escrow to Fiscal Year to Date	47,650,981	(47,901,004)	(12,664)	13,334	36,073,174

* Checks to Katy and Missouri City were outstanding as of December 31, 2012.

General Mobility Program

Political Jurisdictions of Projects Funded in December 2012

Project	Invoiced Amount	City Council District	County Precinct	State Representative District	State Senate District	U.S. Congressional District
<u>City of Houston Projects</u>						
14th Period: Traffic & Transportation Maintenance Facility Replacement Project	\$9,625,080.00	C	N/A	TBD	TBD	TBD
14th Period: Sidewalk Program Project	\$1,997,500.00	All	N/A	All	All	All
14th Period: Pre-Engineering for Street and Traffic Improvements	\$750,000.00	All	N/A	All	All	All
14th Period: Pre-Engineering for Street and Traffic Improvements	\$750,000.00	All	N/A	All	All	All
14th Period: Traffic Signal Management	\$500,000.00	All	N/A	All	All	All
14th Period: Sidewalk Program Project	\$500,000.00	All	N/A	All	All	All
14th Period: Sidewalk Program Project	\$500,000.00	All	N/A	All	All	All
14th Period: Westpark Drive from Wilcrest to Dairy Ashford	\$243,480.00	F	N/A	TBD	TBD	TBD
14th Period: Bridge Rehabilitation / Replacement	\$230,000.00	All	N/A	All	All	All
14th Period: Sidewalk Program: Silber Paving & Drainage - I-10 to Hartland	\$110,485.00	A	N/A	TBD	TBD	TBD
	\$15,206,545.00					
<u>Harris County Projects</u>						
12th Period: Stuebner Airline Rd. - Thora Ln to FM 1960	\$2,850,000.00	TBD	TBD	TBD	TBD	TBD
12th Period: W. Montgomery Rd - West Gulf Bank to Breen	\$1,000,000.00	TBD	TBD	TBD	TBD	TBD
	\$3,850,000.00					