

# Port of Houston Authority Investment Report



For the Quarter Ended  
September 30, 2016

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Distribution

Commissioners (7)

R. Guenther

T. Heidt

# Certification

The undersigned have prepared this report for the Port of Houston Authority (the "Authority") and certify that investment transactions entered into during the quarter ended September 30, 2016 were made in compliance with our Investment Policy and Chapter 2256 of the Texas Government Code (the "Public Funds Investment Act" or "PFIA"), which states: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." The report includes the disclosures required by the Policy and the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

  
Ramon Yi, Senior Director, Treasury

  
Reginald Hart, Manager, Treasury

  
R. Timothy Finley, Chief Financial Officer

October 24, 2016

# *Executive Summary*

- The Authority continues to follow a conservative investment strategy, with the following objectives, in order of priority
  - Preservation and safety of principal
  - Liquidity
  - Yield
- Total Cash and Investments\* at September 30, 2016
  - General and Operating Funds \$ 406.7 Million
  - Promotion and Development Fund \$ 4.0
  - Debt Service Fund \$ 33.7
  - Construction and Bond Funds \$ 0.0

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Total \$ 444.4 Million

\* Investments at market value, and includes cash in regular bank accounts, some of which may not be considered part of the investment portfolio

# Executive Summary (cont.)

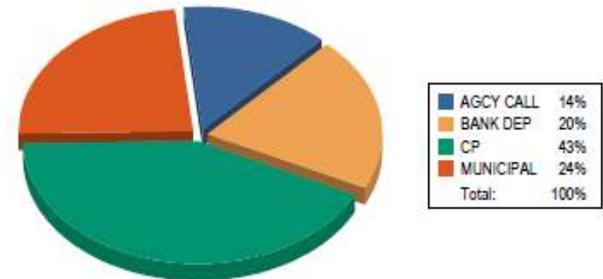
## Account Summary

## Allocation by Security Type

Beginning Values as of 06/30/16

Ending Values as of 09/30/16

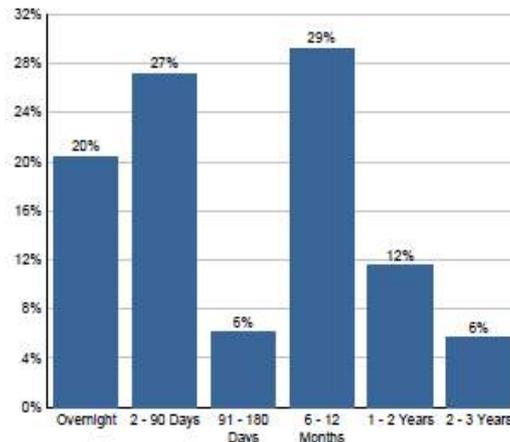
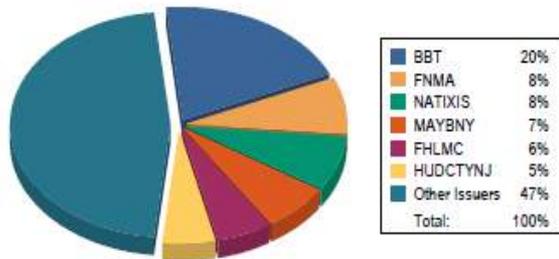
Par Value	451,093,053.65	444,672,125.54
Market Value	451,762,047.68	444,420,420.00
Book Value	451,403,685.36	444,328,754.78
Unrealized Gain /(Loss)	358,362.32	91,665.22
<b>Market Value %</b>	<b>100.08%</b>	<b>100.02%</b>
Weighted Avg. YTW	0.863%	0.961%
Weighted Avg. YTM	0.863%	0.961%



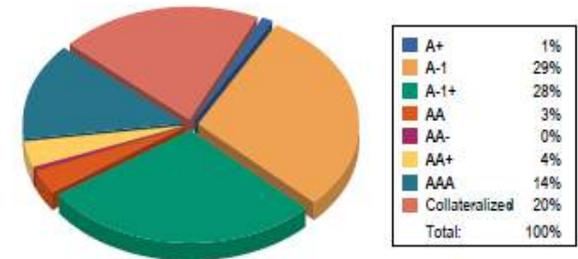
## Allocation by Issuer

## Maturity Distribution %

## Credit Quality

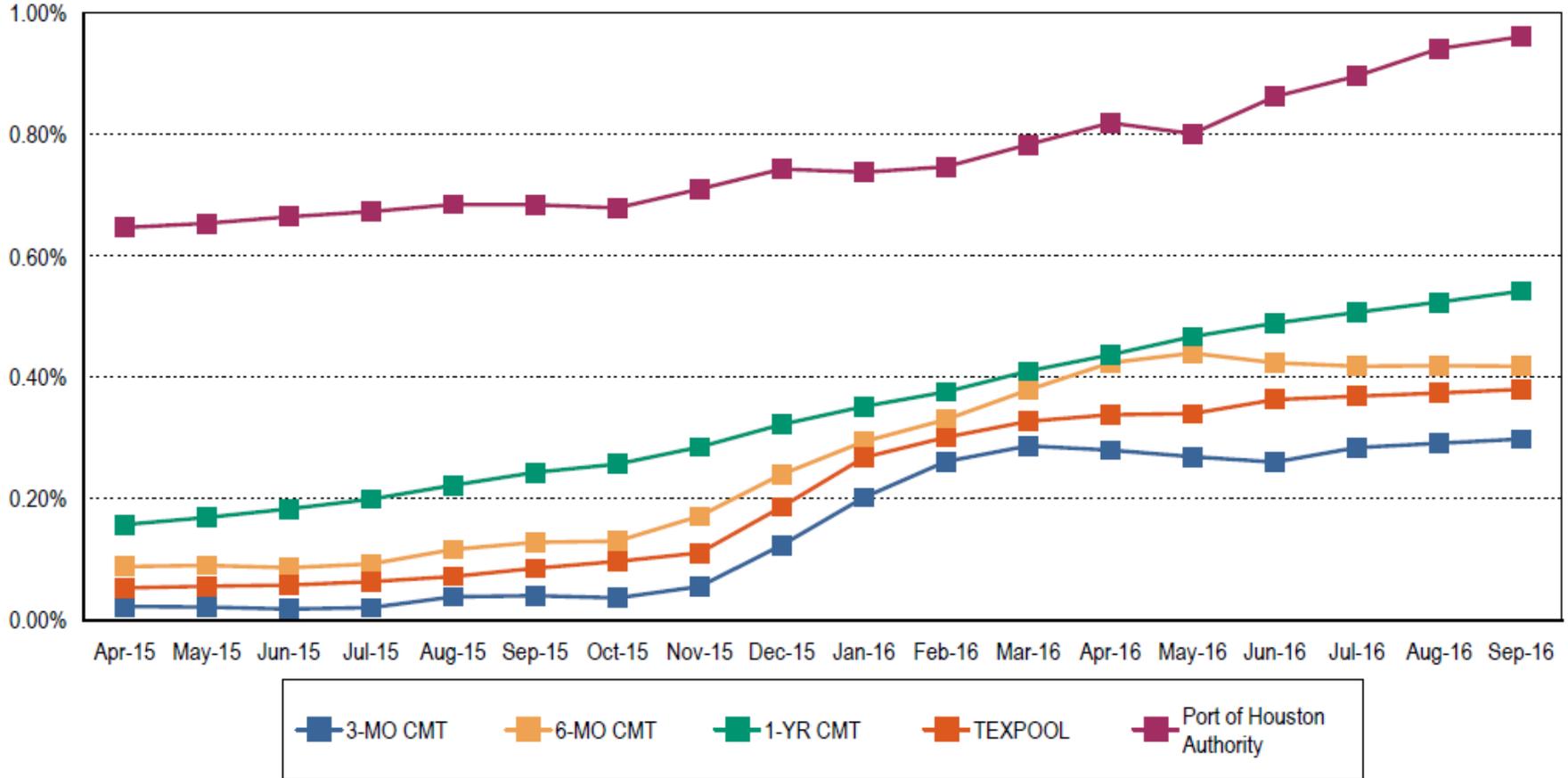


Weighted Average Days to Maturity: 210



# Executive Summary (cont.)

## Yield on Investments



**Note 1:** 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. 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 and 2-year CMT's are the daily averages for the previous 12-months.

**Note 2:** Benchmark data for TexPool is the monthly average yield.

# Detail of Investment Holdings

As of September 30, 2016

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
<b>Debt Service Fund</b>																	
BBT-PTHOU		BANK DEP	BB&T					33,665,359.64	100.000	33,665,359.64	33,665,359.64	100.000	33,665,359.64	1		0.380	0.380
<b>Total for Debt Service Fund</b>								<b>33,665,359.64</b>	<b>100.000</b>	<b>33,665,359.64</b>	<b>33,665,359.64</b>	<b>100.000</b>	<b>33,665,359.64</b>	<b>1</b>		<b>0.380</b>	<b>0.380</b>
<b>General Fund</b>																	
BBT-PTHOU		BANK DEP	BB&T					51,782,586.26	100.000	51,782,586.26	51,782,586.26	100.000	51,782,586.26	1		0.380	0.380
JPM-PHA		BANK DEP	JPM Chase Bk					1,191,497.91	100.000	1,191,497.91	1,191,497.91	100.000	1,191,497.91	1		0.000	0.000
20772JKJ0	03/31/14	MUNICIPAL	State of CT GO	1.032	10/15/16			1,000,000.00	100.000	1,000,000.00	1,000,000.00	100.012	1,000,120.00	15		1.032	1.032
730146AV9	10/08/15	MUNICIPAL	PMA Levy & Aid WI	1.000	10/21/16			3,000,000.00	100.308	3,009,240.00	3,000,487.59	100.000	3,000,000.00	21		0.700	0.700
56108JKU4	02/16/16	CP - DISC	Malayan Banking BHD		10/28/16			25,000,000.00	99.263	24,815,833.33	24,980,500.00	99.959	24,989,675.00	28		1.048	1.048
56108JKU4	07/27/16	CP - DISC	Malayan Banking BHD		10/28/16			5,000,000.00	99.793	4,989,666.67	4,997,000.00	99.959	4,997,935.00	28		0.802	0.802
59447PN56	03/18/16	MUNICIPAL	MI Finance Auth Rev	5.000	11/01/16			1,150,000.00	102.431	1,177,956.50	1,153,765.16	100.269	1,153,093.50	32		1.051	1.051
443728EF3	11/12/15	MUNICIPAL	Hudson Cty NJ Imprv Auth Rev	1.500	11/11/16			10,825,000.00	100.692	10,899,909.00	10,833,414.49	100.035	10,828,788.75	42		0.799	0.799
413890DM3	12/23/14	MUNICIPAL	Houston Sports Auth Rev	1.324	11/15/16			3,770,000.00	100.000	3,770,000.00	3,770,000.00	100.012	3,770,452.40	46		1.324	1.324
64985HHZ3	03/31/14	MUNICIPAL	NY ST Envrnmntl Fac Rev	0.986	11/15/16	Anytime	CONT	895,000.00	100.000	895,000.00	895,000.00	99.973	894,758.35	46	5	0.986	0.986
00280NLR9	03/02/16	CP - DISC	Abbey Natl N America		11/25/16			20,000,000.00	99.252	19,850,366.67	19,969,291.60	99.902	19,980,440.00	56		1.013	1.013
64966HTM2	12/15/15	MUNICIPAL	New York City, NY GO	4.000	12/01/16			1,900,000.00	102.862	1,954,378.00	1,909,452.58	100.503	1,909,557.00	62		1.000	1.000
476576JX2	01/11/16	MUNICIPAL	City of Jersey City, NJ GO	1.500	12/09/16			10,000,000.00	100.450	10,045,000.00	10,009,324.30	100.058	10,005,800.00	70		1.000	1.000
702725VF6	12/15/15	MUNICIPAL	Passaic Cty, NJ GO	1.500	12/13/16			12,970,000.00	100.521	13,037,573.70	12,983,590.23	100.109	12,984,189.18	74		0.975	0.975
22533TMP8	03/29/16	CP - DISC	Credit Agricole		12/23/16			10,000,000.00	99.212	9,921,168.06	9,975,676.40	99.807	9,980,730.00	84		1.063	1.063
89233GMP8	03/29/16	CP - DISC	Toyota Mtr Cr		12/23/16			15,000,000.00	99.268	14,890,158.33	14,966,108.40	99.834	14,975,145.00	84		0.987	0.987
45462TDY5	09/15/15	MUNICIPAL	IN Bond Bk Rev	1.057	01/15/17			4,455,000.00	100.180	4,463,019.00	4,456,741.50	100.121	4,460,390.55	107		0.921	0.921
14329NDS0	12/27/12	MUNICIPAL	City of Carmel, IN Redev Auth	1.188	02/01/17			2,695,000.00	100.000	2,695,000.00	2,695,000.00	100.141	2,698,799.95	124		1.188	1.188
63873JQ29	06/08/16	CP - DISC	Natixis NY		03/02/17			10,000,000.00	99.166	9,916,562.50	9,952,500.00	99.507	9,950,700.00	153		1.134	1.134
22533TQ33	06/08/16	CP - DISC	Credit Agricole		03/03/17			10,000,000.00	99.196	9,919,600.00	9,954,100.00	99.518	9,951,790.00	154		1.089	1.089
791697DC6	02/12/13	MUNICIPAL	St. Louis MO Spl Admin Sch Dist	4.000	04/01/17			2,000,000.00	110.879	2,217,580.00	2,026,926.94	101.556	2,031,120.00	183		1.290	1.290
46640PR39	07/07/16	CP - DISC	J.P.Morgan Sec		04/03/17			15,000,000.00	99.246	14,886,937.50	14,922,949.95	99.460	14,919,060.00	185		1.013	1.013
443728EH9	04/19/16	MUNICIPAL	Hudson Cty NJ Imprv Auth Rev	2.000	04/19/17			12,138,000.00	100.940	12,252,097.20	12,200,753.46	100.469	12,194,902.94	201		1.050	1.050
06538BRM7	07/27/16	CP - DISC	Bk of Tokyo Mitsubishi NY		04/21/17			20,000,000.00	99.192	19,838,455.56	19,878,238.80	99.374	19,874,820.00	203		1.094	1.094
00280NSC5	08/17/16	CP - DISC	Abbey Natl Treas Srvc		05/12/17			20,000,000.00	99.021	19,804,211.11	19,837,086.20	99.191	19,838,220.00	224		1.328	1.328

# Detail of Investment Holdings (cont.)

As of September 30, 2016

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
<b>General Fund</b>																	
09659JSC8	08/17/16	CP - DISC	BNP Paribas Fortis SA/NY		05/12/17			15,000,000.00	99.006	14,850,925.00	14,875,956.30	99.272	14,890,800.00	224		1.348	1.348
682455AR1	05/18/16	MUNICIPAL	County of Oneida NY GO	1.500	05/18/17			1,911,610.00	100.644	1,923,920.77	1,919,372.63	100.297	1,917,285.57	230		0.851	0.851
187468JG9	06/17/16	MUNICIPAL	Clinton Cty NY BANS	2.500	06/09/17			10,000,000.00	101.451	10,145,100.00	10,102,229.50	100.875	10,087,500.00	252		1.008	1.008
63873JTP5	09/27/16	CP - DISC	Natixis NY		06/23/17			15,000,000.00	99.002	14,850,368.75	14,852,593.80	98.973	14,845,935.00	266		1.348	1.348
63873JTP5	09/27/16	CP - DISC	Natixis NY		06/23/17			10,000,000.00	99.002	9,900,245.83	9,901,729.20	98.973	9,897,290.00	266		1.348	1.348
14329NDT8	12/27/12	MUNICIPAL	City of Carmel, IN Redev Auth	1.238	08/01/17			2,805,000.00	100.000	2,805,000.00	2,805,000.00	100.233	2,811,535.65	305		1.238	1.238
661334DR0	02/14/13	MUNICIPAL	N Orange Cty CA CC Dist	1.240	08/01/17			4,250,000.00	100.000	4,250,000.00	4,250,000.00	100.505	4,271,462.50	305		1.240	1.240
796720JG6	05/02/13	MUNICIPAL	San Bernardino CA Cmty Clg	1.686	08/01/17			1,250,000.00	100.000	1,250,000.00	1,250,000.00	100.427	1,255,337.50	305		1.686	1.686
094171JD8	08/05/16	MUNICIPAL	Township of Bloomfield, NJ GO	1.500	08/04/17			1,072,000.00	100.444	1,076,759.68	1,076,014.35	100.491	1,077,263.52	308		1.050	1.050
67868UDN0	04/05/13	MUNICIPAL	OK Cty Fina Auth Ed Rev	4.000	03/01/18			4,650,000.00	112.334	5,223,531.00	4,819,636.28	104.033	4,837,534.50	517		1.390	1.390
442368KU9	08/22/16	MUNICIPAL	Houston TX Cmty Clg Rev	1.860	04/15/18			1,295,000.00	101.483	1,314,204.85	1,312,954.73	101.328	1,312,197.60	562		0.950	0.950
3134G43V8	05/15/13	AGCY CALL	FHLMC	1.050	05/15/18	11/15/16	QRTLY	25,000,000.00	100.000	25,000,000.00	25,000,000.00	100.008	25,002,100.00	592	46	1.050	1.050
3135G0XG3	05/21/13	AGCY CALL	FNMA	1.000	05/21/18	11/21/16	QRTLY	20,000,000.00	99.900	19,980,000.00	19,993,333.00	100.003	20,000,540.00	598	52	1.021	1.021
3135G0G31	11/04/15	AGCY CALL	FNMA	1.200	01/29/19	10/29/16	QRTLY	15,000,000.00	99.750	14,962,500.00	14,972,827.95	99.969	14,995,335.00	851	29	1.279	1.279
341271AA2	06/10/16	MUNICIPAL	FL SBA Rev	2.163	07/01/19		CONT	10,000,000.00	102.094	10,209,400.00	10,188,683.90	101.873	10,187,300.00	1,004		1.460	1.460
<b>Total for General Fund</b>								<b>407,005,694.17</b>	<b>100.000</b>	<b>406,965,753.18</b>	<b>406,662,323.41</b>	<b>99.943</b>	<b>406,753,988.63</b>	<b>229</b>		<b>1.015</b>	<b>1.015</b>
<b>Promotion &amp; Development Fund 74</b>																	
BBT-PTHOU		BANK DEP	BB&T					4,001,071.73	100.000	4,001,071.73	4,001,071.73	100.000	4,001,071.73	1		0.380	0.380
<b>Total for Promotion &amp; Development Fund 74</b>								<b>4,001,071.73</b>	<b>100.000</b>	<b>4,001,071.73</b>	<b>4,001,071.73</b>	<b>100.000</b>	<b>4,001,071.73</b>	<b>1</b>		<b>0.380</b>	<b>0.380</b>
<b>Total for Port of Houston Authority</b>								<b>444,672,125.54</b>	<b>100.000</b>	<b>444,632,184.55</b>	<b>444,328,754.78</b>	<b>99.948</b>	<b>444,420,420.00</b>	<b>210</b>		<b>0.961</b>	<b>0.961</b>

Note: Bank deposits at BB&T and JPMorgan Chase are fully collateralized in accordance with Chapter 2257, Texas Government Code ("Public Funds Collateral Act").

# Investment Transactions

Quarter Ended September 30, 2016

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mfy Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
<b>General Fund</b>															
<b>Calls</b>															
08/14/16	08/15/16	3135G0WU3	AGCY CALL	FNMA	0.750	05/15/17	08/15/16	35,000,000.00	100.000	35,000,000.00	65,625.00	35,065,625.00		0.750	0.750
09/26/16	09/27/16	3136G1GJ2	AGCY CALL	FNMA	0.850	06/27/17	09/27/16	20,000,000.00	100.000	20,000,000.00	0.00	20,000,000.00		0.850	0.850
<b>Total for: Calls</b>								<b>55,000,000.00</b>		<b>55,000,000.00</b>	<b>65,625.00</b>	<b>55,065,625.00</b>		<b>0.786</b>	<b>0.786</b>
<b>Maturities</b>															
07/01/16	07/01/16	040580GA4	MUNICIPAL	AZ School Facilities Board	0.812	07/01/16		3,235,000.00	100.000	3,235,000.00	0.00	3,235,000.00		0.500	
07/01/16	07/01/16	34074GDF8	MUNICIPAL	FL Hurricane Catastrophe	1.298	07/01/16		7,215,000.00	100.000	7,215,000.00	0.00	7,215,000.00		0.601	
07/01/16	07/01/16	592112LG9	MUNICIPAL	Metro Nashville & Davidson	1.007	07/01/16		2,000,000.00	100.000	2,000,000.00	0.00	2,000,000.00		1.007	
07/22/16	07/22/16	22533TGN0	CP - DISC	Credit Agricole		07/22/16		10,000,000.00	100.000	10,000,000.00	0.00	10,000,000.00		0.689	
07/22/16	07/22/16	63873JGN4	CP - DISC	Natixis Finance		07/22/16		15,000,000.00	100.000	15,000,000.00	0.00	15,000,000.00		0.699	
08/01/16	08/01/16	14329NDR2	MUNICIPAL	City of Carmel, IN Redev Au	0.990	08/01/16		2,155,000.00	100.000	2,155,000.00	0.00	2,155,000.00		0.990	
08/01/16	08/01/16	35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Le	3.000	08/01/16		1,955,000.00	100.000	1,955,000.00	0.00	1,955,000.00		1.250	
09/23/16	09/23/16	63873JJP6	CP - DISC	Natixis Finance		09/23/16		10,000,000.00	100.000	10,000,000.00	0.00	10,000,000.00		0.901	
09/26/16	09/26/16	730146AU1	MUNICIPAL	PMA Levy & Aid WI	1.000	09/26/16		8,250,000.00	100.000	8,250,000.00	0.00	8,250,000.00		0.680	
<b>Total for: Maturities</b>								<b>59,810,000.00</b>		<b>59,810,000.00</b>	<b>0.00</b>	<b>59,810,000.00</b>		<b>0.745</b>	
<b>Purchases</b>															
07/07/16	07/07/16	46640PR39	CP - DISC	J.P.Morgan Sec		04/03/17		15,000,000.00	99.246	14,886,937.50	0.00	14,886,937.50		1.013	1.013
07/26/16	07/27/16	56108JKU4	CP - DISC	Malayan Banking BHD		10/28/16		5,000,000.00	99.793	4,989,666.67	0.00	4,989,666.67		0.802	0.802
07/27/16	07/27/16	06538BRM7	CP - DISC	Bk of Tokyo Mitsubishi NY		04/21/17		20,000,000.00	99.192	19,838,455.56	0.00	19,838,455.56		1.094	1.094
07/29/16	08/05/16	094171JD8	MUNICIPAL	Township of Bloomfield, NJ	1.500	08/04/17		1,072,000.00	100.444	1,076,759.68	0.00	1,076,759.68		1.050	1.050
08/17/16	08/22/16	442368KU9	MUNICIPAL	Houston TX Cmty Clg Rev	1.860	04/15/18		1,295,000.00	101.483	1,314,204.85	8,497.36	1,322,702.21		0.950	0.950
08/17/16	08/17/16	00280NSC5	CP - DISC	Abbey Natl Treas Svc		05/12/17		20,000,000.00	99.021	19,804,211.11	0.00	19,804,211.11		1.328	1.328
08/17/16	08/17/16	09659JSC8	CP - DISC	BNP Paribas Fortis SA/NY		05/12/17		15,000,000.00	99.006	14,850,925.00	0.00	14,850,925.00		1.348	1.348
09/27/16	09/27/16	63873JTP5	CP - DISC	Natixis NY		06/23/17		15,000,000.00	99.002	14,850,368.75	0.00	14,850,368.75		1.348	1.348
09/27/16	09/27/16	63873JTP5	CP - DISC	Natixis NY		06/23/17		10,000,000.00	99.002	9,900,245.83	0.00	9,900,245.83		1.348	1.348
<b>Total for: Purchases</b>								<b>102,367,000.00</b>		<b>101,511,774.95</b>	<b>8,497.36</b>	<b>101,520,272.31</b>		<b>1.211</b>	<b>1.211</b>

# Investment Transactions (cont.)

Quarter Ended September 30, 2016

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
<b>General Fund</b>															
<b>Income Payments</b>															
07/01/16	07/01/16	040580GA4	MUNICIPAL	AZ School Facilities Board	0.812	07/01/16				0.00	13,134.10	13,134.10			
07/01/16	07/01/16	34074GDF8	MUNICIPAL	FL Hurricane Catastrophe	1.298	07/01/16				0.00	46,825.35	46,825.35			
07/01/16	07/01/16	341271AA2	MUNICIPAL	FL SBA Rev	2.163	07/01/19				0.00	67,894.17	67,894.17			
07/01/16	07/01/16	592112LG9	MUNICIPAL	Metro Nashville & Davidson	1.007	07/01/16				0.00	10,070.00	10,070.00			
07/15/16	07/15/16	45462TDY5	MUNICIPAL	IN Bond Bk Rev	1.057	01/15/17				0.00	23,544.68	23,544.68			
07/29/16	07/29/16	3135G0G31	AGCY CALL	FNMA	1.200	01/29/19				0.00	90,000.00	90,000.00			
08/01/16	08/01/16	14329NDR2	MUNICIPAL	City of Carmel, IN Redev Au	0.990	08/01/16				0.00	10,667.25	10,667.25			
08/01/16	08/01/16	14329NDS0	MUNICIPAL	City of Carmel, IN Redev Au	1.188	02/01/17				0.00	16,008.30	16,008.30			
08/01/16	08/01/16	14329NDT8	MUNICIPAL	City of Carmel, IN Redev Au	1.238	08/01/17				0.00	17,362.95	17,362.95			
08/01/16	08/01/16	35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Le	3.000	08/01/16				0.00	29,325.00	29,325.00			
08/01/16	08/01/16	661334DR0	MUNICIPAL	N Orange Cty CA CC Dist	1.240	08/01/17				0.00	26,350.00	26,350.00			
08/01/16	08/01/16	796720JG6	MUNICIPAL	San Bernardino CA Cmty Cl	1.686	08/01/17				0.00	10,537.50	10,537.50			
09/01/16	09/01/16	67868UDN0	MUNICIPAL	OK Cty Fina Auth Ed Rev	4.000	03/01/18				0.00	93,000.00	93,000.00			
09/26/16	09/26/16	730146AU1	MUNICIPAL	PMA Levy & Aid WI	1.000	09/26/16				0.00	79,750.00	79,750.00			
09/27/16	09/27/16	3136G1GJ2	AGCY CALL	FNMA	0.850	06/27/17				0.00	85,000.00	85,000.00			
<b>Total for: Income Payments</b>										<b>0.00</b>	<b>619,469.30</b>	<b>619,469.30</b>			

# Changes in Book and Market Values

CUSIP	Security Type	Security Description	06/30/16 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	09/30/16 Book Value	06/30/16 Market Value	09/30/16 Market Value	Change in Mkt Value
<b>Debt Service Fund</b>											
BBT-PTHOU	BANK DEP	BB&T	32,559,326.39	1,106,033.25	0.00	0.00	0.00	33,665,359.64	32,559,326.39	33,665,359.64	1,106,033.25
CB-PORHOU	BANK DEP	Citibank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total for Debt Service Fund</b>			<b>32,559,326.39</b>	<b>1,106,033.25</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>33,665,359.64</b>	<b>32,559,326.39</b>	<b>33,665,359.64</b>	<b>1,106,033.25</b>
<b>General Fund</b>											
BBT-PTHOU	BANK DEP	BB&T	46,929,542.06	10,276,862.74	(5,423,818.54)	0.00	0.00	51,782,586.26	46,929,542.06	51,782,586.26	4,853,044.20
CB-PORHOU	BANK DEP	Citibank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JPM-PHA	BANK DEP	JPM Chase Bk	1,406,926.92	86,408.50	(301,837.51)	0.00	0.00	1,191,497.91	1,406,926.92	1,191,497.91	(215,429.01)
040580GA4	MUNICIPAL	AZ School Facilities Board 0.812 07/01/16	3,235,000.00	0.00	(3,235,000.00)	0.00	0.00	0.00	3,235,000.00	0.00	(3,235,000.00)
34074GDF8	MUNICIPAL	FL Hurricane Catastrophe 1.298 07/01/16	7,215,000.00	0.00	(7,215,000.00)	0.00	0.00	0.00	7,215,000.00	0.00	(7,215,000.00)
592112LG9	MUNICIPAL	Metro Nashville & Davidson Cty TN GO 1.00	2,000,000.00	0.00	(2,000,000.00)	0.00	0.00	0.00	2,000,000.00	0.00	(2,000,000.00)
22533TGN0	CP - DISC	Credit Agricole 0.000 07/22/16	9,996,004.20	0.00	(10,000,000.00)	3,995.80	0.00	0.00	9,997,640.00	0.00	(9,997,640.00)
63873JGN4	CP - DISC	Natixis Finance 0.000 07/22/16	14,993,918.70	0.00	(15,000,000.00)	6,081.30	0.00	0.00	14,996,355.00	0.00	(14,996,355.00)
14329NDR2	MUNICIPAL	City of Carmel, IN Redev Auth 0.990 08/01/	2,155,000.00	0.00	(2,155,000.00)	0.00	0.00	0.00	2,155,862.00	0.00	(2,155,862.00)
35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev 3.000 11/15/16	1,957,832.66	0.00	(1,955,000.00)	(2,832.66)	0.00	0.00	1,958,055.67	0.00	(1,958,055.67)
63873JJP6	CP - DISC	Natixis Finance 0.000 09/23/16	9,979,116.70	0.00	(10,000,000.00)	20,883.30	0.00	0.00	9,986,000.00	0.00	(9,986,000.00)
730146AU1	MUNICIPAL	PMA Levy & Aid WI 1.000 09/26/16	8,256,224.54	0.00	(8,250,000.00)	(6,224.54)	0.00	0.00	8,256,187.50	0.00	(8,256,187.50)
20772JKJ0	MUNICIPAL	State of CT GO 1.032 10/15/16	1,000,000.00	0.00	0.00	0.00	1,000,000.00	1,000,950.00	1,000,120.00	1,000,120.00	(830.00)
730146AV9	MUNICIPAL	PMA Levy & Aid WI 1.000 10/21/16	3,002,730.54	0.00	0.00	(2,242.95)	0.00	3,000,487.59	3,001,407.00	3,000,000.00	(1,407.00)
56108JKU4	CP - DISC	Malayan Banking BHD 0.000 10/28/16	24,914,055.50	4,989,666.67	0.00	73,777.83	0.00	29,977,500.00	24,940,825.00	29,987,610.00	5,046,785.00
59447PN56	MUNICIPAL	MI Finance Auth Rev 5.000 11/01/16	1,165,060.64	0.00	0.00	(11,295.48)	0.00	1,153,765.16	1,163,121.50	1,153,093.50	(10,028.00)
443728EF3	MUNICIPAL	Hudson Cty NJ Imprv Auth Rev 1.500 11/11	10,852,295.56	0.00	0.00	(18,881.07)	0.00	10,833,414.49	10,847,299.50	10,828,788.75	(18,510.75)
413890DM3	MUNICIPAL	Houston Sports Auth Rev 1.324 11/15/16	3,770,000.00	0.00	0.00	0.00	0.00	3,770,000.00	3,772,412.80	3,770,452.40	(1,960.40)
64985HHZ3	MUNICIPAL	NY ST Envmntl Fac Rev 0.986 11/15/16	895,000.00	0.00	0.00	0.00	0.00	895,000.00	895,008.95	894,758.35	(250.60)
00280NLR9	CP - DISC	Abbey Nat'l N America 0.000 11/25/16	19,917,925.00	0.00	0.00	51,366.60	0.00	19,969,291.60	19,933,980.00	19,980,440.00	46,460.00
64966HTM2	MUNICIPAL	New York City, NY GO 4.000 12/01/16	1,923,631.44	0.00	0.00	(14,178.86)	0.00	1,909,452.58	1,923,997.00	1,909,557.00	(14,440.00)
476576JX2	MUNICIPAL	City of Jersey City, NJ GO 1.500 12/09/16	10,021,756.80	0.00	0.00	(12,432.50)	0.00	10,009,324.30	10,018,100.00	10,005,800.00	(12,300.00)
702725VF6	MUNICIPAL	Passaic Cty, NJ GO 1.500 12/13/16	13,000,578.07	0.00	0.00	(16,987.84)	0.00	12,983,590.23	13,010,531.25	12,984,189.18	(26,342.07)
22533TMP8	CP - DISC	Credit Agricole 0.000 12/23/16	9,948,715.30	0.00	0.00	26,961.10	0.00	9,975,676.40	9,954,780.00	9,980,730.00	25,950.00
89233GMP8	CP - DISC	Toyota Mtr Cr 0.000 12/23/16	14,928,541.65	0.00	0.00	37,566.75	0.00	14,966,108.40	14,940,900.00	14,975,145.00	34,245.00
45462TDY5	MUNICIPAL	IN Bond Bk Rev 1.057 01/15/17	4,458,247.47	0.00	0.00	(1,505.97)	0.00	4,456,741.50	4,468,944.15	4,460,390.55	(8,553.60)
14329NDS0	MUNICIPAL	City of Carmel, IN Redev Auth 1.188 02/01/	2,695,000.00	0.00	0.00	0.00	0.00	2,695,000.00	2,704,136.05	2,698,799.95	(5,336.10)

# Changes in Book and Market Values (cont.)

CUSIP	Security Type	Security Description	06/30/16 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	09/30/16 Book Value	06/30/16 Market Value	09/30/16 Market Value	Change in Mkt Value
<b>General Fund</b>											
63873JQ29	CP - DISC	Natixis NY 0.000 03/02/17	9,923,750.00	0.00	0.00	28,750.00	0.00	9,952,500.00	9,925,140.00	9,950,700.00	25,560.00
22533TQ33	CP - DISC	Credit Agricole 0.000 03/03/17	9,926,500.00	0.00	0.00	27,600.00	0.00	9,954,100.00	9,924,150.00	9,951,790.00	27,640.00
791697DC6	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/	2,040,304.12	0.00	0.00	(13,377.18)	0.00	2,026,926.94	2,045,780.00	2,031,120.00	(14,660.00)
46640PR39	CP - DISC	J.P.Morgan Sec 0.000 04/03/17	0.00	14,886,937.50	0.00	36,012.45	0.00	14,922,949.95	0.00	14,919,060.00	14,919,060.00
443728EH9	MUNICIPAL	Hudson Cty NJ Imprv Auth Rev 2.000 04/19	12,229,277.76	0.00	0.00	(28,524.30)	0.00	12,200,753.46	12,240,420.44	12,194,902.94	(45,517.50)
06538BRM7	CP - DISC	Bk of Tokyo Mitsubishi NY 0.000 04/21/17	0.00	19,838,455.56	0.00	39,783.24	0.00	19,878,238.80	0.00	19,874,820.00	19,874,820.00
00280NSC5	CP - DISC	Abbey Nat'l Treas Svc 0.000 05/12/17	0.00	19,804,211.11	0.00	32,875.09	0.00	19,837,086.20	0.00	19,838,220.00	19,838,220.00
09659JSC8	CP - DISC	BNP Paribas Fortis SA/NY 0.000 05/12/17	0.00	14,850,925.00	0.00	25,031.30	0.00	14,875,956.30	0.00	14,890,800.00	14,890,800.00
3135G0WU3	AGCY CALL	FNMA 0.750 05/15/17	35,000,000.00	0.00	(35,000,000.00)	0.00	0.00	0.00	35,006,125.00	0.00	(35,006,125.00)
682455AR1	MUNICIPAL	County of Oneida NY GO 1.500 05/18/17	1,922,450.32	0.00	0.00	(3,077.69)	0.00	1,919,372.63	1,923,328.17	1,917,285.57	(6,042.60)
187468JG9	MUNICIPAL	Clinton Cty NY BANS 2.500 06/09/17	10,139,329.00	0.00	0.00	(37,099.50)	0.00	10,102,229.50	10,141,500.00	10,087,500.00	(54,000.00)
63873JTP5	CP - DISC	Natixis NY 0.000 06/23/17	0.00	24,750,614.58	0.00	3,708.42	0.00	24,754,323.00	0.00	24,743,225.00	24,743,225.00
3136G1GJ2	AGCY CALL	FNMA 0.850 06/27/17	20,000,000.00	0.00	(20,000,000.00)	0.00	0.00	0.00	20,031,620.00	0.00	(20,031,620.00)
14329NDT8	MUNICIPAL	City of Carmel, IN Redev Auth 1.238 08/01/	2,805,000.00	0.00	0.00	0.00	0.00	2,805,000.00	2,820,340.55	2,811,535.65	(8,804.90)
661334DR0	MUNICIPAL	N Orange Cty CA CC Dist 1.240 08/01/17	4,250,000.00	0.00	0.00	0.00	0.00	4,250,000.00	4,285,317.50	4,271,462.50	(13,855.00)
796720JG6	MUNICIPAL	San Bernardino CA Cmty Clg 1.686 08/01/1	1,250,000.00	0.00	0.00	0.00	0.00	1,250,000.00	1,258,007.50	1,255,337.50	(2,670.00)
094171JD8	MUNICIPAL	Township of Bloomfield, NJ GO 1.500 08/04	0.00	1,076,759.68	0.00	(745.33)	0.00	1,076,014.35	0.00	1,077,263.52	1,077,263.52
67868UDN0	MUNICIPAL	OK Cty Fina Auth Ed Rev 4.000 03/01/18	4,849,216.14	0.00	0.00	(29,579.86)	0.00	4,819,636.28	4,889,056.50	4,837,534.50	(51,522.00)
442368KU9	MUNICIPAL	Houston TX Cmty Clg Rev 1.860 04/15/18	0.00	1,314,204.85	0.00	(1,250.12)	0.00	1,312,954.73	0.00	1,312,197.60	1,312,197.60
3134G43V8	AGCY CALL	FHLMC 1.050 05/15/18	25,000,000.00	0.00	0.00	0.00	0.00	25,000,000.00	25,005,750.00	25,002,100.00	(3,650.00)
3135G0XG3	AGCY CALL	FNMA 1.000 05/21/18	19,992,325.40	0.00	0.00	1,007.60	0.00	19,993,333.00	20,003,640.00	20,000,540.00	(3,100.00)
3135G0G31	AGCY CALL	FNMA 1.200 01/29/19	14,969,955.30	0.00	0.00	2,872.65	0.00	14,972,827.95	15,003,135.00	14,995,335.00	(7,800.00)
341271AA2	MUNICIPAL	FL SBA Rev 2.163 07/01/19	10,205,498.90	0.00	0.00	(16,815.00)	0.00	10,188,683.90	10,263,800.00	10,187,300.00	(76,500.00)
<b>Total for General Fund</b>			<b>415,121,710.69</b>	<b>111,875,046.19</b>	<b>(120,535,656.05)</b>	<b>201,222.58</b>	<b>0.00</b>	<b>406,662,323.41</b>	<b>415,480,073.01</b>	<b>406,753,988.63</b>	<b>(8,726,084.38)</b>
<b>Promotion &amp; Development Fund 74</b>											
BBT-PTHOU	BANK DEP	BB&T	3,722,648.28	773,996.63	(495,573.18)	0.00	0.00	4,001,071.73	3,722,648.28	4,001,071.73	278,423.45
CB-PORHOU	BANK DEP	Citibank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total for Promotion &amp; Development Fund 74</b>			<b>3,722,648.28</b>	<b>773,996.63</b>	<b>(495,573.18)</b>	<b>0.00</b>	<b>0.00</b>	<b>4,001,071.73</b>	<b>3,722,648.28</b>	<b>4,001,071.73</b>	<b>278,423.45</b>
<b>Total for Port of Houston Authority</b>			<b>451,403,685.36</b>	<b>113,755,076.07</b>	<b>(121,031,229.23)</b>	<b>201,222.58</b>	<b>0.00</b>	<b>444,328,754.78</b>	<b>451,762,047.68</b>	<b>444,420,420.00</b>	<b>(7,341,627.68)</b>

# Investment Income

## Quarter Ended September 30, 2016

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
<b>Debt Service Fund</b>									
BBT-PTHOU	BANK DEP	BB&T	0.00	28,247.96	28,247.96	0.00	0.00	0.00	28,247.96
<b>Total for Debt Service Fund</b>			<b>0.00</b>	<b>28,247.96</b>	<b>28,247.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>28,247.96</b>
<b>General Fund</b>									
BBT-PTHOU	BANK DEP	BB&T	0.00	40,334.90	40,334.90	0.00	0.00	0.00	40,334.90
040580GA4	MUNICIPAL	AZ School Facilities Board 0.812 07/01/16	13,134.10	0.00	13,134.10	0.00	0.00	0.00	0.00
34074GDF8	MUNICIPAL	FL Hurricane Catastrophe 1.298 07/01/16	46,825.35	0.00	46,825.35	0.00	0.00	0.00	0.00
592112LG9	MUNICIPAL	Metro Nashville & Davidson Cty TN GO 1.007 07/01/16	10,070.00	0.00	10,070.00	0.00	0.00	0.00	0.00
22533TGN0	CP - DISC	Credit Agricole 0.000 07/22/16	0.00	0.00	0.00	0.00	0.00	3,995.80	3,995.80
63873JGN4	CP - DISC	Natixis Finance 0.000 07/22/16	0.00	0.00	0.00	0.00	0.00	6,081.30	6,081.30
14329NDR2	MUNICIPAL	City of Carmel, IN Redev Auth 0.990 08/01/16	8,889.38	1,777.87	10,667.25	0.00	0.00	0.00	1,777.87
35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev 3.000 08/01/16	24,437.50	4,887.50	29,325.00	0.00	0.00	(2,832.66)	2,054.84
63873JUP6	CP - DISC	Natixis Finance 0.000 09/23/16	0.00	0.00	0.00	0.00	0.00	20,883.30	20,883.30
730146AU1	MUNICIPAL	PMA Levy & Aid WI 1.000 09/26/16	60,270.83	19,479.17	79,750.00	0.00	0.00	(6,224.54)	13,254.63
20772JKJ0	MUNICIPAL	State of CT GO 1.032 10/15/16	2,178.67	2,580.00	0.00	0.00	4,758.67	0.00	2,580.00
730146AV9	MUNICIPAL	PMA Levy & Aid WI 1.000 10/21/16	21,916.67	7,500.00	0.00	0.00	29,416.67	(2,242.95)	5,257.05
56108JKU4	CP - DISC	Malayan Banking BHD 0.000 10/28/16	0.00	0.00	0.00	0.00	0.00	73,777.83	73,777.83
59447PNS6	MUNICIPAL	MI Finance Auth Rev 5.000 11/01/16	9,583.33	14,375.00	0.00	0.00	23,958.33	(11,295.48)	3,079.52
443728EF3	MUNICIPAL	Hudson Cty NJ Imprv Auth Rev 1.500 11/11/16	103,288.54	40,593.75	0.00	0.00	143,882.29	(18,881.07)	21,712.68
413890DM3	MUNICIPAL	Houston Sports Auth Rev 1.324 11/15/16	6,378.00	12,478.70	0.00	0.00	18,856.70	0.00	12,478.70
64985HHZ3	MUNICIPAL	NY ST Envmntl Fac Rev 0.966 11/15/16	1,127.60	2,206.18	0.00	0.00	3,333.78	0.00	2,206.18
00280NLR9	CP - DISC	Abbey Natl N America 0.000 11/25/16	0.00	0.00	0.00	0.00	0.00	51,366.60	51,366.60
64966HTM2	MUNICIPAL	New York City, NY GO 4.000 12/01/16	6,333.33	19,000.00	0.00	0.00	25,333.33	(14,178.86)	4,821.14
476576JX2	MUNICIPAL	City of Jersey City, NJ GO 1.500 12/09/16	83,333.33	37,500.00	0.00	0.00	120,833.33	(12,432.50)	25,067.50
702725VF6	MUNICIPAL	Passaic Cty, NJ GO 1.500 12/13/16	106,462.08	48,637.50	0.00	0.00	155,099.58	(16,987.84)	31,649.66
22533TMP8	CP - DISC	Credit Agricole 0.000 12/23/16	0.00	0.00	0.00	0.00	0.00	26,961.10	26,961.10
89233GMP8	CP - DISC	Toyota Mtr Cr 0.000 12/23/16	0.00	0.00	0.00	0.00	0.00	37,586.75	37,586.75
45462TDY5	MUNICIPAL	IN Bond Bk Rev 1.057 01/15/17	21,713.42	11,772.35	23,544.68	0.00	9,941.09	(1,505.97)	10,266.38
14329NDS0	MUNICIPAL	City of Carmel, IN Redev Auth 1.188 02/01/17	13,340.25	8,004.15	16,008.30	0.00	5,336.10	0.00	8,004.15
63873JQ29	CP - DISC	Natixis NY 0.000 03/02/17	0.00	0.00	0.00	0.00	0.00	28,750.00	28,750.00
22533TQ33	CP - DISC	Credit Agricole 0.000 03/03/17	0.00	0.00	0.00	0.00	0.00	27,600.00	27,600.00
791697DC6	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/01/17	20,000.00	20,000.00	0.00	0.00	40,000.00	(13,377.18)	6,622.82

# Investment Income (cont.)

Quarter Ended September 30, 2016

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
<b>General Fund</b>									
46640PR39	CP - DISC	J.P.Morgan Sec 0.000 04/03/17	0.00	0.00	0.00	0.00	0.00	36,012.45	36,012.45
443728EH9	MUNICIPAL	Hudson Cty NJ Imprv Auth Rev 2.000 04/19/17	48,552.00	60,690.00	0.00	0.00	109,242.00	(28,524.30)	32,165.70
06538BRM7	CP - DISC	Bk of Tokyo Mitsubishi NY 0.000 04/21/17	0.00	0.00	0.00	0.00	0.00	39,783.24	39,783.24
00280NSC5	CP - DISC	Abbey Natl Treas Srvc 0.000 05/12/17	0.00	0.00	0.00	0.00	0.00	32,875.09	32,875.09
09659JSC8	CP - DISC	BNP Paribas Fortis SA/NY 0.000 05/12/17	0.00	0.00	0.00	0.00	0.00	25,031.30	25,031.30
3135G0WU3	AGCY CALL	FNMA 0.750 05/15/17	33,541.67	32,083.33	65,625.00	0.00	0.00	0.00	32,083.33
682455AR1	MUNICIPAL	County of Oneida NY GO 1.500 05/18/17	3,424.97	7,168.54	0.00	0.00	10,593.51	(3,077.69)	4,090.85
187468JG9	MUNICIPAL	Clinton Cty NY BANS 2.500 06/09/17	14,583.33	62,500.00	0.00	0.00	77,083.33	(37,099.50)	25,400.50
63873JTP5	CP - DISC	Natixis NY 0.000 06/23/17	0.00	0.00	0.00	0.00	0.00	3,708.42	3,708.42
3136G1GJ2	AGCY CALL	FNMA 0.850 06/27/17	44,388.89	40,611.11	85,000.00	0.00	0.00	0.00	40,611.11
14329NDT8	MUNICIPAL	City of Carmel, IN Redev Auth 1.238 08/01/17	14,469.13	8,681.47	17,362.95	0.00	5,787.65	0.00	8,681.47
661334DR0	MUNICIPAL	N Orange Cty CA CC Dist 1.240 08/01/17	21,958.33	13,175.00	26,350.00	0.00	8,783.33	0.00	13,175.00
796720JG6	MUNICIPAL	San Bernardino CA Cmty Clg 1.686 08/01/17	8,781.25	5,268.75	10,537.50	0.00	3,512.50	0.00	5,268.75
094171JD8	MUNICIPAL	Township of Bloomfield, NJ GO 1.500 08/04/17	0.00	2,501.33	0.00	0.00	2,501.33	(745.33)	1,756.00
67868JDNO	MUNICIPAL	OK Cty Fina Auth Ed Rev 4.000 03/01/18	62,000.00	46,500.00	93,000.00	0.00	15,500.00	(29,579.86)	16,920.14
442368KU9	MUNICIPAL	Houston TX Cmty Clg Rev 1.860 04/15/18	0.00	2,609.42	0.00	(8,497.36)	11,106.78	(1,250.12)	1,359.30
3134G43V8	AGCY CALL	FHLMC 1.050 05/15/18	33,541.67	65,625.00	0.00	0.00	99,166.67	0.00	65,625.00
3135G0XG3	AGCY CALL	FNMA 1.000 05/21/18	22,222.22	50,000.00	0.00	0.00	72,222.22	1,007.60	51,007.60
3135G0G31	AGCY CALL	FNMA 1.200 01/29/19	76,000.00	45,000.00	90,000.00	0.00	31,000.00	2,872.65	47,872.65
341271AA2	MUNICIPAL	FL SBA Rev 2.163 07/01/19	67,894.17	54,075.00	67,894.17	0.00	54,075.00	(16,815.00)	37,260.00
<b>Total for General Fund</b>			<b>1,010,640.01</b>	<b>787,616.02</b>	<b>725,429.20</b>	<b>(8,497.36)</b>	<b>1,081,324.19</b>	<b>201,222.58</b>	<b>988,838.60</b>
<b>Promotion &amp; Development Fund 74</b>									
BBT-PTHOU	BANK DEP	BB&T	0.00	3,467.67	3,467.67	0.00	0.00	0.00	3,467.67
<b>Total for Promotion &amp; Development Fund 74</b>			<b>0.00</b>	<b>3,467.67</b>	<b>3,467.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,467.67</b>
<b>Total for Port of Houston Authority</b>			<b>1,010,640.01</b>	<b>819,331.65</b>	<b>757,144.83</b>	<b>(8,497.36)</b>	<b>1,081,324.19</b>	<b>201,222.58</b>	<b>1,020,554.23</b>

# Compliance

## Requirement

### **4.6 Maturity**

- Weighted average maturity excluding construction, debt service and bond reserve funds  $\leq 2$  years
- Bond reserve funds  $\leq$  maturity date of the bonds
- Operating funds  $\leq 5$  years, Debt service funds  $\leq 1$  year, and Construction funds  $\leq 5$  years

### **4.7 Diversification**

- Avoid undue concentration of assets by staggering maturities
- Select maturities to provide stability of income and reasonable liquidity

## Actual Performance

### **4.6 Maturity**

- Compliant (weighted average days to call of 127 days, and weighted average final maturity of 210 days)
- Compliant (no investments in bond reserve funds currently)
- Compliant (operating and construction funds mature in less than 5 years; debt service funds invested in overnight bank deposits)

### **4.7 Diversification**

- Compliant (maturities through Jul 2019, with some call dates through Nov 2016)
- Compliant (\$90.6 million in overnight bank deposits, and \$190.0 million in CP maturing within 270 days)

# ***Compliance (cont.)***

## **Requirement**

### ***4.7 Diversification Limitations***

- No more than 40% of the portfolio (excluding major capex, debt service, bond reserve and capitalized interest) invested beyond 24 months
- Average maturity of portfolio shall not exceed two years
- Maximum 25% of portfolio invested in time deposits of a single issuer
- Maximum 20% of portfolio invested in a single municipal or Commercial Paper issuer
- Maximum 30% of portfolio invested in a single Federal agency issuer

## **Actual Performance**

### ***4.7 Diversification Limitations***

- Compliant (only 6% of the portfolio is invested beyond 24 months)
- Compliant (weighted average final maturity of 210 days, or 127 days to the call/put dates)
- Compliant (there are no investments in time deposits or CD's presently)
- Compliant (highest concentration for any single CP issuer is currently 9% of the portfolio)
- Compliant (highest concentration is 8% in FNMA)

# ***Glossary***

- Funds
- Terms
- Investment Types

## Glossary - Funds

<b>Bond Reserve Fund</b>	A restricted fund where monies are set aside to meet covenants under revenue bond indentures, and the total amount is typically equivalent to the one year average of principal and interest due on all outstanding revenue bonds.
<b>Construction Fund</b>	A restricted fund where proceeds of bond issuances are designated for construction projects, and which may be invested in longer-dated maturities structured to meet the timing of the construction projects.
<b>Debt Service Fund</b>	Also referred to as an Interest and Redemption (“I&R”) Fund, as monies in this fund are used to cover principal and interest payments due on our outstanding General Obligations tax bonds. Monies are received from the Harris County Tax Assessor-Collector representing ad valorem taxes levied and collected annually from Harris County taxpayers, net of collection fees. Any shortfalls due to timing differences may be met from temporary transfers from the Operating Fund, but Harris County should be contacted to resolve the issue.
<b>General Fund</b>	An unrestricted fund.
<b>General Obligations Fund</b>	Another term for a Construction Fund which is funded from proceeds of General Obligations bond issuances.
<b>Operating Fund</b>	A highly liquid General Fund used to meet current spending needs.
<b>P &amp; D Fund #74</b>	The Promotion and Development Fund was created by action of the Port Commission in accordance with Section 60.201 of the Texas Water Code, and is maintained pursuant to Section 5007.219 of the Texas Special District Local Laws Code. A navigation district may set aside up to 5% of gross income from operations to pay expenses connected with (1) any activity or matter incidental to the advertising, development, or promotion of the district or its ports, waterways, harbors or terminals; (2) furthering the general welfare of the district and its facilities; and/or (3) the betterment of the district's relations with steamship and rail lines, shippers, governmental officials, or others interested in ports, waterways, harbors or terminals. The P&D Fund has been audited by the State Auditor’s Office in the past and found to be in compliance with the statutes. On an ongoing basis, the Port Authority’s Internal Audit department monitors the P&D Fund for compliance with statutory and internal policy requirements.

## **Glossary - Terms**

<b>Basis Points</b>	One basis point is equal to 0.01% per annum. One hundred basis points is the equivalent of 1.00% per annum.
<b>Book Value</b>	The cost basis of an investment, plus or minus any discount or premium paid.
<b>Bullet Maturity</b>	An investment with no (further) calls or put options prior to the final maturity date.
<b>Call or Call Option</b>	An instrument which may be “called” (i.e., redeemed) at the option of the issuer.
<b>Coupon Rate</b>	The interest rate specified in the debt instrument.
<b>Discount</b>	The difference between the par value of an investment and the price at which it is issued, when issued at a price below par.
<b>Effective Maturity</b>	The date used in place of the final stated maturity date of a security issued with call, put or prepayment features. Effective maturity takes into consideration the effect of such optional call, put or prepayment dates relative to the prevailing interest rate environment. For example, during periods of declining interest rates, bonds with call features tend to have shorter lifespans as the issuers have opportunity to refinance those bonds at lower rates.
<b>Effective Rate</b>	Another term for Yield.
<b>Face Value</b>	Another term for Par Value.
<b>In the Money</b>	For a callable security, when the market price is greater than the call price, it is referred to as “in the money”, indicating that the holder of the security should be able to sell the security at a premium (i.e., profit) as it is worth more than comparable securities or investments available at that time.
<b>Market Price or Market Value</b>	The price a willing buyer is willing to pay for an instrument.
<b>Muni or Municipal</b>	A debt security (bond or note) issued by a State, local government, political subdivision or municipality.
<b>Par Value</b>	The face amount or principal amount of an investment which the borrower agrees to repay at maturity and the amount on which interest payments are based. Par is often shown as a price of 100.00.

<b>Premium</b>	The difference between the par value of an investment and the price at which it is issued, when issued at a price above par.
<b>Put or Put Option</b>	An instrument which may be “put” back to the issuer (i.e., redeemed) at the option of the holder.
<b>Stated Rate</b>	Another term for Coupon Rate.
<b>Step Up or Step Note</b>	Investments which offer one or more increases in the Coupon Rate if the instruments are not called by specific date(s).
<b>Swap Transaction</b>	Exchanging one security or investment for another. This may include selling a security and purchasing another security that may have similar or different features (e.g., principal amount, call features, final maturity date, etc.).
<b>Yield, YTW, YTM</b>	The true interest rate (i.e., total interest received divided by the cost of the investment) on an annualized basis, often expressed as “Yield to Worst (call/put date)” and “Yield to Maturity”.

## **Glossary – Investment Types**

<b>Abbey Nat'l N America</b>	CP notes issued by Abbey National North America LLC, a Delaware limited liability company, guaranteed by parent company Santander UK plc
<b>AGCY</b>	Federal agency paper (may be callable, have bullet maturity and/or offer “step up” in interest rate)
<b>AGCY CALL</b>	Federal agency paper, callable at the agency’s option
<b>BANK DEP</b>	Bank deposit (generally collateralized or insured by FDIC)
<b>BB&amp;T</b>	Branch Banking and Trust Company
<b>Bk of Tokyo Mitsubishi</b>	CP notes issued by Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch
<b>Citibank or Citi</b>	Citibank, N.A.
<b>CMO</b>	Collateralized Mortgage Obligations
<b>CP</b>	Commercial Paper
<b>CP-DISC or DCP</b>	Commercial Paper purchased at a discount
<b>CRAGRICNA or Credit Agricole</b>	CP notes issued by Credit Agricole North America, Inc, a Delaware corporation, guaranteed by Credit Agricole Corporate and Investment Bank, a multinational French banking institution
<b>Deutsche Bk or DBKFIN</b>	CP notes issued by Deutsche Bank Financial LLC, a Delaware limited liability company, guaranteed by Deutsche Bank AG New York Branch
<b>FAMC or Farmer Mac</b>	Federal Agriculture Mortgage Corporation
<b>FCAR Owner Trust</b>	CP notes backed by Ford Motor retail sale contracts
<b>FDIC</b>	Federal Deposit Insurance Corporation
<b>FFCB</b>	Federal Farm Credit Bureau
<b>FHLB</b>	Federal Home Loan Bank
<b>FHLMC or Freddie Mac</b>	Federal Home Loan Mortgage Corporation
<b>FMCC</b>	Ford Motor Credit Company
<b>FNMA or Fannie Mae</b>	Federal National Mortgage Association
<b>FSN</b>	FHLMC Step Note

<b>GMAC</b>	General Motors Acceptance Corp.
<b>GO or GOB</b>	General Obligation Bond
<b>ING Funding LLC</b>	CP notes issued by ING (U.S.) Funding LLC, a Delaware limited liability company, guaranteed by ING Bank N.V., one of the world's largest financial institutions
<b>JPM Chase Bk</b>	JPMorgan Chase Bank
<b>LGIP</b>	Local Government Investment Pool (e.g., TexSTAR, TexPool, TexPool Prime)
<b>Malayan Banking BHD</b>	CP issued by Malayan Banking Berhad, New York Branch, which are guaranteed by a letter of credit from Wells Fargo Bank, N.A.
<b>MM or MMF</b>	Money Market Fund
<b>Muni or Municipal</b>	Notes, bonds and other debt obligations issued by municipalities, state and local governments
<b>Natixis Finance</b>	CP notes issued by Natixis U.S. Finance Company, LLC, a Delaware limited liability company, guaranteed by Natixis, a French banking institution
<b>PMA WI Levy Aid</b>	Taxable Note Participations issued under the Wisconsin PMA Levy and Aid Participation Notes Program, payable from taxes and other revenues of participating school districts
<b>Rev</b>	Revenue bonds
<b>SLMA or Sallie Mae</b>	Student Loan Marketing Association
<b>Societe Generale</b>	CP notes issued by Societe Generale North America, Inc., a Delaware limited liability company, guaranteed by Societe Generale, a multinational French banking institution, also known as "Soc Gen"
<b>TexPool Prime</b>	A local government investment pool
<b>TexSTAR</b>	A local government investment pool
<b>Toyota Mtr Cr</b>	Toyota Motor Credit Corporation
<b>USTB</b>	U.S. Treasury Bill
<b>USTN</b>	U.S. Treasury Note