

# Port of Houston Authority Investment Report



For the Quarter Ended  
March 31, 2013

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## Distribution

Commissioners (7)

L. Waterworth

T. Heidt

Controller (3)

# ***Certification***

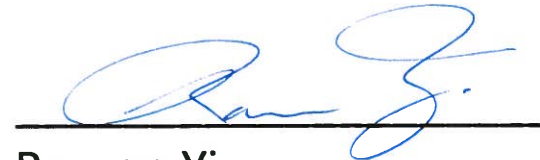
The undersigned have prepared this report for the Port of Houston Authority (the “Authority”) and certify that investment transactions entered into during the quarter ended March 31, 2013 were made in compliance with Chapter 2256 of the Texas Government Code (the “Public Funds Investment Act” or “PFIA”) and our Investment Policy guidelines. 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.



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Thomas J. Heidt

Deputy Executive Director,  
Finance and Administration



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Ramon Yi

Senior Director, Finance

# ***Executive Summary***

- The Port 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 March 31, 2013
  - General Funds
    - Operating Fund \$ 375.0 Million
  - Promotion & Development Fund \$ 3.8
  - Debt Service Fund \$ 52.1
  - General Obligation Bond Funds
    - Construction Fund \$ 32.3
  - Total \$ 463.2 Million

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

# Executive Summary (cont.)

## Account Summary

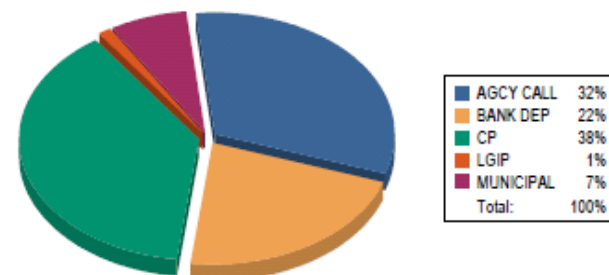
Beginning Values as of 12/31/12

Ending Values as of 03/31/13

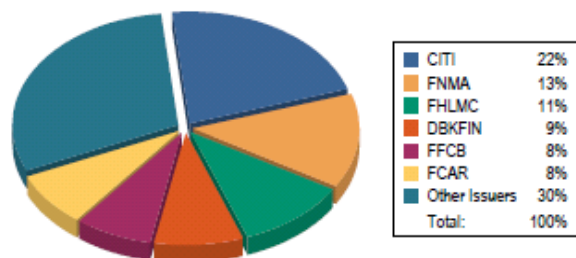
Par Value	399,125,417.84	459,932,895.06
Market Value	399,070,338.94	460,150,409.08
Book Value	398,786,851.05	460,001,150.38
Unrealized Gain / Loss	283,487.89	149,258.70
Market Value %	99.99%	100.05%

Weighted Avg. YTW	0.634%	0.674%
Weighted Avg. YTM	0.634%	0.674%

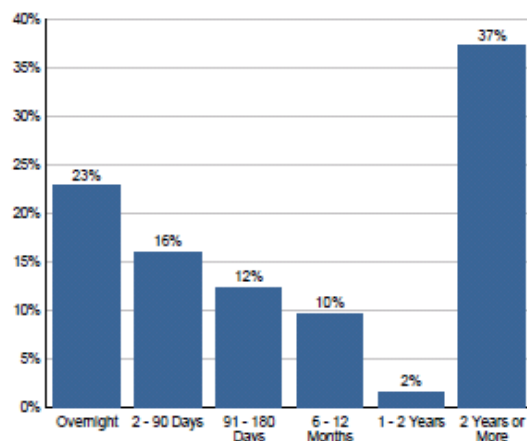
## Allocation by Security Type



## Allocation by Issuer

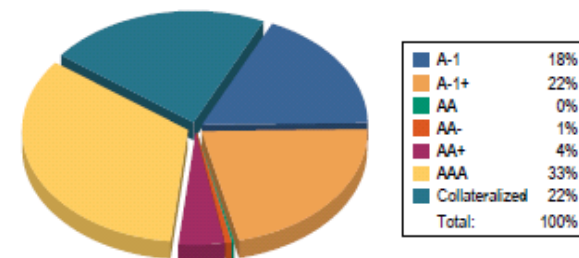


## Maturity Distribution %



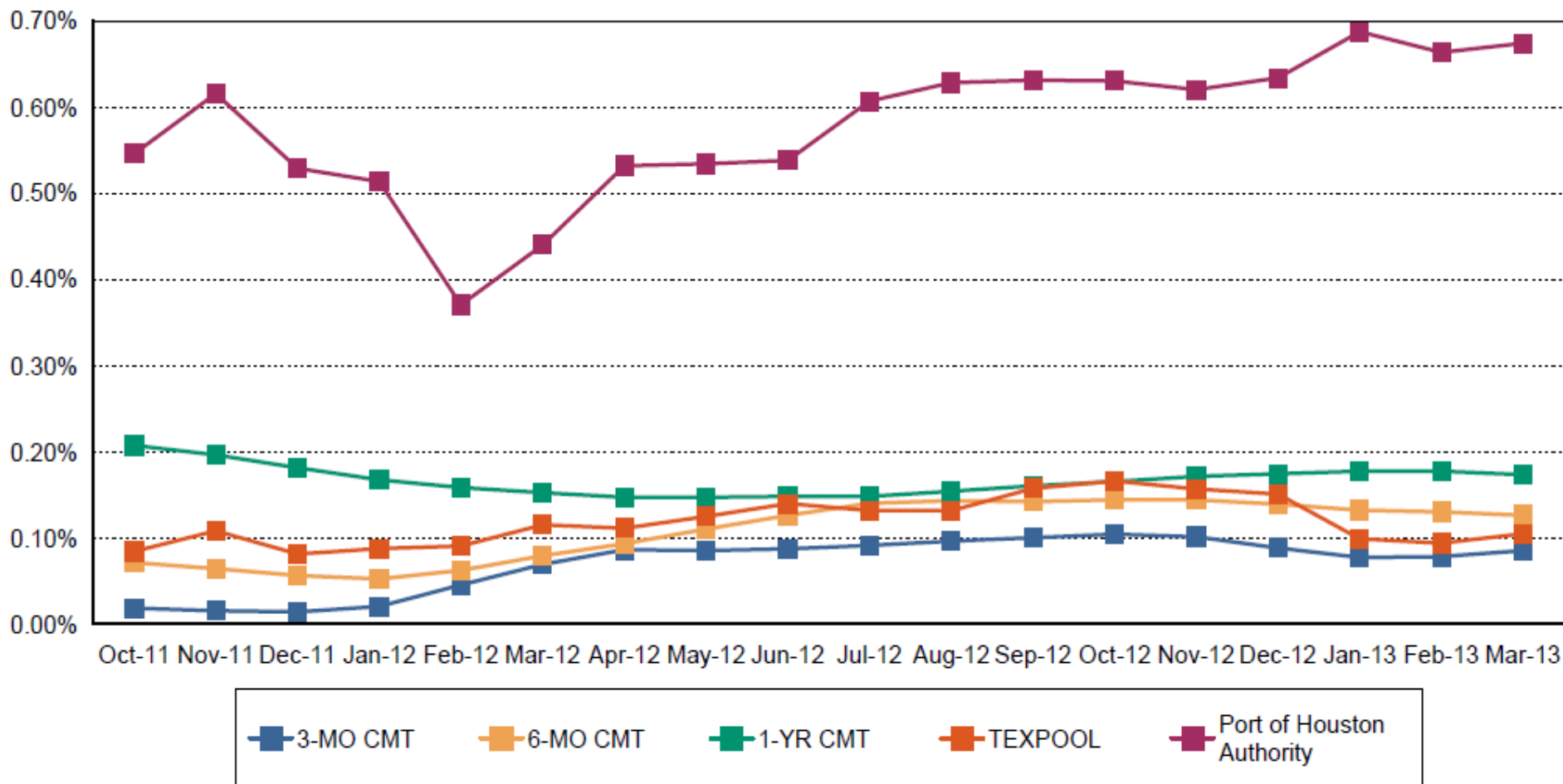
Weighted Average Days to Maturity: 609

## Credit Quality



# 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 March 31, 2013

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>2010 D2 Bond Construction Fund</b>																	
467578FW5	09/04/12	MUNICIPAL	Jackson Cty, MO	3.000	12/01/15			1,050,000.00	105.541	1,108,180.50	1,098,041.63	105.641	1,109,226.30	975		1.249	1.249
64990EJD0	10/18/12	MUNICIPAL	NY ST Dorm Auth Tax Rev	1.003	02/15/16			1,500,000.00	100.000	1,500,000.00	1,500,000.00	99.922	1,498,828.50	1,051		1.003	1.003
592112LG9	08/15/12	MUNICIPAL	Metro Nashville & Davidson Cty TN GO	1.007	07/01/16			2,000,000.00	100.000	2,000,000.00	2,000,000.00	99.797	1,995,938.00	1,188		1.007	1.007
35824NCE7	10/09/12	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev	3.000	08/01/16			1,955,000.00	106.492	2,081,918.60	2,066,306.05	105.250	2,057,637.50	1,219		1.251	1.251
20772JKJ0	11/16/12	MUNICIPAL	State of CT GO	1.032	10/15/16			1,000,000.00	100.000	1,000,000.00	1,000,000.00	100.563	1,005,625.00	1,294		1.032	1.032
64985HHZ3	11/15/12	MUNICIPAL	NY ST Envrnmntl Fac Rev	0.986	11/15/16	Anytime	CONT	1,485,000.00	100.000	1,485,000.00	1,485,000.00	100.141	1,487,087.91	1,325	5	0.986	0.986
<b>Total for 2010 D2 Bond Construction Fund</b>								<b>8,990,000.00</b>	<b>102.131</b>	<b>9,175,099.10</b>	<b>9,149,347.68</b>	<b>101.890</b>	<b>9,154,343.21</b>	<b>1,181</b>		<b>1.090</b>	<b>1.090</b>
<b>Debt Service Fund</b>																	
CB-PORH0U		BANK DEP	Citibank					52,112,226.60	100.000	52,112,226.60	52,112,226.60	100.000	52,112,226.60	1		0.420	0.420
<b>Total for Debt Service Fund</b>								<b>52,112,226.60</b>	<b>100.000</b>	<b>52,112,226.60</b>	<b>52,112,226.60</b>	<b>100.000</b>	<b>52,112,226.60</b>	<b>1</b>		<b>0.420</b>	<b>0.420</b>
<b>Promotion &amp; Development Fund 74</b>																	
CB-PORH0U		BANK DEP	Citibank					3,801,298.66	100.000	3,801,298.66	3,801,298.66	100.000	3,801,298.66	1		0.420	0.420
<b>Total for Promotion &amp; Development Fund 74</b>								<b>3,801,298.66</b>	<b>100.000</b>	<b>3,801,298.66</b>	<b>3,801,298.66</b>	<b>100.000</b>	<b>3,801,298.66</b>	<b>1</b>		<b>0.420</b>	<b>0.420</b>

Note: Bank deposits at Citibank are fully collateralized in accordance with Chapter 2257, Texas Government Code ("Public Funds Collateral Act").

# Detail of Investment Holdings (cont.)

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>																	
CB-PORHOU		BANK DEP	Citibank					44,048,824.66	100.000	44,048,824.66	44,048,824.66	100.000	44,048,824.66	1		0.420	0.420
TEXPRIME		LGIP	TexPool Prime					3,970,265.45	100.000	3,970,265.45	3,970,265.45	100.000	3,970,265.45	1		0.135	0.135
TEXSTAR		LGIP	TexSTAR					1,295,279.69	100.000	1,295,279.69	1,295,279.69	100.000	1,295,279.69	1		0.113	0.113
8923A0R54	07/10/12	CP - DISC	Toyota Credit PR		04/05/13			25,000,000.00	99.589	24,897,256.94	24,998,472.25	99.998	24,999,550.00	5		0.552	0.552
3024A0RG2	07/20/12	CP - DISC	FCAR Owner Trust		04/16/13			15,000,000.00	99.558	14,933,625.00	14,996,312.55	99.991	14,998,605.00	16		0.593	0.593
3024A0RS6	07/31/12	CP - DISC	FCAR Owner Trust		04/26/13			20,000,000.00	99.559	19,911,827.78	19,991,805.60	99.984	19,996,820.00	26		0.593	0.593
3024A6RS3	07/31/12	CP - DISC	FCAR Owner Trust II		04/26/13			14,000,000.00	99.552	13,937,233.33	13,994,166.62	99.983	13,997,676.00	26		0.603	0.603
4497W0V21	11/13/12	CP - DISC	ING Funding LLC		08/02/13			22,000,000.00	99.563	21,903,933.33	21,954,900.00	99.893	21,976,504.00	124		0.603	0.603
25153JV98	11/14/12	CP - DISC	Deutsche Bk		08/09/13			20,000,000.00	99.583	19,916,622.22	19,959,555.60	99.847	19,969,440.00	131		0.562	0.562
3024A6V90	11/14/12	CP - DISC	FCAR Owner Trust II		08/09/13			15,000,000.00	99.620	14,943,050.00	14,972,374.95	99.891	14,983,620.00	131		0.512	0.512
25152JYJ4	02/21/13	CP - DISC	Deutsche Bk		11/18/13			20,000,000.00	99.588	19,917,500.00	19,929,416.60	99.620	19,923,960.00	232		0.552	0.552
6323A0ZA9	03/28/13	CP - DISC	Natixis Finance		12/10/13			10,000,000.00	99.615	9,961,450.00	9,962,050.00	99.555	9,955,550.00	254		0.542	0.542
0027A0ZP9	03/28/13	CP - DISC	Abbey Natl N America		12/23/13			15,000,000.00	99.565	14,934,750.00	14,935,716.60	99.518	14,927,685.00	267		0.583	0.583
058219RG3	08/17/12	MUNICIPAL	Baldwin Park USD, CA GO		08/01/14			4,310,000.00	98.163	4,230,825.30	4,255,997.08	98.344	4,238,617.78	488		0.953	0.953
058219RG3	09/14/12	MUNICIPAL	Baldwin Park USD, CA GO		08/01/14			1,750,000.00	98.233	1,719,077.50	1,728,047.74	98.344	1,721,016.50	488		0.953	0.953
64990EJC2	10/18/12	MUNICIPAL	NY ST Dorm Auth Tax Rev	0.705	02/15/15			1,500,000.00	100.000	1,500,000.00	1,500,000.00	99.906	1,498,594.50	686		0.705	0.705
791697DB8	02/12/13	MUNICIPAL	St. Louis MO Spl Admin Sch Dist	4.000	04/01/16			1,250,000.00	109.238	1,365,475.00	1,360,529.21	109.135	1,364,187.50	1,097		1.000	1.000
3135G0MX8	08/06/12	AGCY CALL	FNMA	0.750	07/26/16	07/26/13	QRTLY	12,000,000.00	100.000	12,000,000.00	12,000,000.00	100.150	12,018,000.00	1,213	117	0.750	0.750
14329NDR2	12/27/12	MUNICIPAL	City of Carmel, IN Redev Auth	0.990	08/01/16			2,155,000.00	100.000	2,155,000.00	2,155,000.00	100.359	2,162,745.07	1,219		0.990	0.990
3133EAJ33	08/15/12	AGCY CALL	FFCB	0.730	08/15/16	08/15/13	CONT	35,000,000.00	99.900	34,965,000.00	34,970,425.00	100.180	35,063,000.00	1,233	137	0.755	0.755
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	100.250	2,701,737.50	1,403		1.188	1.188
3134G36K1	03/21/13	AGCY CALL	FHLMC	0.800	03/21/17	06/21/13	QRTLY	20,000,000.00	100.000	20,000,000.00	20,000,000.00	99.947	19,989,400.00	1,451	82	0.800	0.800
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	2,210,588.04	111.002	2,220,040.00	1,462		1.290	1.290
3136G1GJ2	03/27/13	AGCY CALL	FNMA	0.850	06/27/17	09/27/13	QRTLY	20,000,000.00	100.000	20,000,000.00	20,000,000.00	99.963	19,992,600.00	1,549	180	0.850	0.850
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	100.203	2,810,696.96	1,584		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	100.050	4,252,125.00	1,584		1.240	1.240
3134G34V9	01/29/13	AGCY CALL	FHLMC	1.070	01/29/18	04/29/13	QRTLY	30,000,000.00	100.000	30,000,000.00	30,000,000.00	99.870	29,961,000.00	1,765	29	1.070	1.070
3135G0TK9	01/30/13	AGCY CALL	FNMA	1.050	01/30/18	07/30/13	QRTLY	30,000,000.00	99.995	29,998,500.00	29,998,549.80	100.150	30,045,000.00	1,766	121	1.051	1.051
<b>Total for General Fund</b>								<b>395,029,369.80</b>	<b>99.868</b>	<b>394,473,076.20</b>	<b>394,938,277.44</b>	<b>100.022</b>	<b>395,082,540.61</b>	<b>683</b>		<b>0.700</b>	<b>0.700</b>
<b>Total for Port of Houston Authority</b>								<b>459,832,895.06</b>	<b>99.929</b>	<b>459,561,700.56</b>	<b>460,001,150.38</b>	<b>100.057</b>	<b>460,150,409.08</b>	<b>610</b>		<b>0.674</b>	<b>0.674</b>

Note: General Fund Bank Deposit balance includes Construction Bond Funds



# Investment Transactions

## Quarter Ended March 31, 2013

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>2010 D2 Bond Construction Fund</b>															
<b>Income Payments</b>															
01/02/13	01/01/13	592112LG9	MUNICIPAL	Metro Nashville & Davidson	1.007	07/01/16				0.00	7,608.44	7,608.44			
02/01/13	02/01/13	35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Le	3.000	08/01/16				0.00	18,246.67	18,246.67			
<b>Total for: Income Payments</b>										<b>0.00</b>	<b>25,855.11</b>	<b>25,855.11</b>			
<b>General Fund</b>															
<b>Sales</b>															
01/29/13	01/29/13	313378TU5	AGCY CALL	FHLB	1.115	04/11/16	04/11/13	15,000,000.00	100.161	15,024,150.00	50,175.00	15,074,325.00	24,150.00	1.115	0.308
03/20/13	03/21/13	3133805K9	AGCY CALL	FHLB	0.720	08/08/16		20,000,000.00	100.000	20,000,000.00	17,200.00	20,017,200.00	23,224.80	0.755	0.720
03/26/13	03/27/13	3133EAJ33	AGCY CALL	FFCB	0.730	08/15/16	08/15/13	15,000,000.00	100.082	15,012,300.00	12,775.00	15,025,075.00	25,016.25	0.755	0.515
<b>Total for: Sales</b>								<b>50,000,000.00</b>		<b>50,036,450.00</b>	<b>80,150.00</b>	<b>50,116,600.00</b>	<b>72,391.05</b>	<b>0.863</b>	<b>0.535</b>
<b>Maturities</b>															
02/04/13	02/04/13	89233GP42	CP - DISC	Toyota Mtr Cr		02/04/13		22,750,000.00	100.000	22,750,000.00	0.00	22,750,000.00		0.593	
02/11/13	02/11/13	89233GPB6	CP - DISC	Toyota Mtr Cr		02/11/13		25,000,000.00	100.000	25,000,000.00	0.00	25,000,000.00		0.643	
<b>Total for: Maturities</b>								<b>47,750,000.00</b>		<b>47,750,000.00</b>	<b>0.00</b>	<b>47,750,000.00</b>		<b>0.619</b>	
<b>Purchases</b>															
01/14/13	01/29/13	3134G34V9	AGCY CALL	FHLMC	1.070	01/29/18	04/29/13	30,000,000.00	100.000	30,000,000.00	0.00	30,000,000.00		1.070	1.070
01/14/13	01/30/13	3135G0TK9	AGCY CALL	FNMA	1.050	01/30/18	07/30/13	30,000,000.00	99.995	29,998,500.00	0.00	29,998,500.00		1.051	1.051
01/25/13	02/14/13	661334DR0	MUNICIPAL	N Orange Cty CA CC Dist	1.240	08/01/17		4,250,000.00	100.000	4,250,000.00	0.00	4,250,000.00		1.240	1.240
01/30/13	02/12/13	791697DB8	MUNICIPAL	St. Louis MO Spl Admin Sch	4.000	04/01/16		1,250,000.00	109.238	1,365,475.00	0.00	1,365,475.00		1.000	1.000
01/30/13	02/12/13	791697DC6	MUNICIPAL	St. Louis MO Spl Admin Sch	4.000	04/01/17		2,000,000.00	110.879	2,217,580.00	0.00	2,217,580.00		1.290	1.290
02/21/13	02/21/13	25152JYJ4	CP - DISC	Deutsche Bk		11/18/13		20,000,000.00	99.588	19,917,500.00	0.00	19,917,500.00		0.552	0.552
03/21/13	03/21/13	3134G36K1	AGCY CALL	FHLMC	0.800	03/21/17	06/21/13	20,000,000.00	100.000	20,000,000.00	0.00	20,000,000.00		0.800	0.800
03/27/13	03/27/13	3136G1GJ2	AGCY CALL	FNMA	0.850	06/27/17	09/27/13	20,000,000.00	100.000	20,000,000.00	0.00	20,000,000.00		0.850	0.850
03/28/13	03/28/13	0027A0ZP9	CP - DISC	Abbey Nat'l N America		12/23/13		15,000,000.00	99.565	14,934,750.00	0.00	14,934,750.00		0.583	0.583
03/28/13	03/28/13	6323A0ZA9	CP - DISC	Natixis Finance		12/10/13		10,000,000.00	99.615	9,961,450.00	0.00	9,961,450.00		0.542	0.542

# Investment Transactions (cont.)

**Quarter Ended March 31, 2013**

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>Total for: Purchases</b>								152,500,000.00		152,645,255.00	0.00	152,645,255.00		0.859	0.859
<b>Income Payments</b>															
01/28/13	01/26/13	3135G0MX8	AGCY CALL	FNMA	0.750	07/26/16				0.00	45,000.00	45,000.00			
02/08/13	02/08/13	3133805K9	AGCY CALL	FHLB	0.720	08/08/16				0.00	72,000.00	72,000.00			
02/15/13	02/15/13	3133EAJ33	AGCY CALL	FFCB	0.730	08/15/16				0.00	182,500.00	182,500.00			
<b>Total for: Income Payments</b>										0.00	299,500.00	299,500.00			

# Changes in Book and Market Values

CUSIP	Security Type	Security Description	12/31/12 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	03/31/13 Book Value	12/31/12 Market Value	03/31/13 Market Value	Change in Mkt Value
<b>2010 D2 Bond Construction Fund</b>											
467578FW5	MUNICIPAL	Jackson Cty, MO 3.000 12/01/15	1,102,449.83	0.00	0.00	(4,408.20)	0.00	1,098,041.63	1,095,045.00	1,109,226.30	14,181.30
64990EJD0	MUNICIPAL	NY ST Dorm Auth Tax Rev 1.003 02/15/16	1,500,000.00	0.00	0.00	0.00	0.00	1,500,000.00	1,506,195.00	1,498,828.50	(7,366.50)
592112LG9	MUNICIPAL	Metro Nashville & Davidson Cty TN GO 1.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00	1,989,840.00	1,995,938.00	6,098.00
35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev 3.000 1	2,074,483.07	0.00	0.00	(8,177.02)	0.00	2,066,306.05	2,098,340.60	2,057,637.50	(40,703.10)
20772JKJ0	MUNICIPAL	State of CT GO 1.032 10/15/16	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00	998,906.00	1,005,625.00	6,719.00
64985HHZ3	MUNICIPAL	NY ST Envmntl Fac Rev 0.986 11/15/16	1,485,000.00	0.00	0.00	0.00	0.00	1,485,000.00	1,483,099.20	1,487,087.91	3,988.71
<b>Total for 2010 D2 Bond Construction Fund</b>			<b>9,161,932.90</b>	<b>0.00</b>	<b>0.00</b>	<b>(12,585.22)</b>	<b>0.00</b>	<b>9,149,347.68</b>	<b>9,171,425.80</b>	<b>9,154,343.21</b>	<b>(17,082.59)</b>
<b>Debt Service Fund</b>											
CB-PORHOU	BANK DEP	Citibank	8,780,908.97	43,331,317.63	0.00	0.00	0.00	52,112,226.60	8,780,908.97	52,112,226.60	43,331,317.63
<b>Total for Debt Service Fund</b>			<b>8,780,908.97</b>	<b>43,331,317.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>52,112,226.60</b>	<b>8,780,908.97</b>	<b>52,112,226.60</b>	<b>43,331,317.63</b>
<b>Promotion &amp; Development Fund 74</b>											
CB-PORHOU	BANK DEP	Citibank	4,052,195.00	346,989.58	(597,885.92)	0.00	0.00	3,801,298.66	4,052,195.00	3,801,298.66	(250,896.34)
<b>Total for Promotion &amp; Development Fund 74</b>			<b>4,052,195.00</b>	<b>346,989.58</b>	<b>(597,885.92)</b>	<b>0.00</b>	<b>0.00</b>	<b>3,801,298.66</b>	<b>4,052,195.00</b>	<b>3,801,298.66</b>	<b>(250,896.34)</b>
<b>General Fund</b>											
CB-PORHOU	BANK DEP	Citibank	81,073,339.51	26,531,173.87	(63,555,688.72)	0.00	0.00	44,048,824.66	81,073,339.51	44,048,824.66	(37,024,514.85)
TEXPRIME	LGIP	TexPool Prime	3,969,038.67	1,226.78	0.00	0.00	0.00	3,970,265.45	3,969,038.67	3,970,265.45	1,226.78
TEXSTAR	LGIP	TexSTAR	1,294,935.69	344.00	0.00	0.00	0.00	1,295,279.69	1,294,935.69	1,295,279.69	344.00
89233GP42	CP - DISC	Toyota Mtr Cr 0.000 02/04/13	22,737,323.25	0.00	(22,750,000.00)	12,676.75	0.00	0.00	22,746,018.75	0.00	(22,746,018.75)
89233GPB6	CP - DISC	Toyota Mtr Cr 0.000 02/11/13	24,981,777.75	0.00	(25,000,000.00)	18,222.25	0.00	0.00	24,994,750.00	0.00	(24,994,750.00)

# Changes in Book and Market Values (cont.)

CUSIP	Security Type	Security Description	12/31/12 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	03/31/13 Book Value	12/31/12 Market Value	03/31/13 Market Value	Change in Mkt Value
8923A0R54	CP - DISC	Toyota Credit PR 0.000 04/05/13	24,964,097.25	0.00	0.00	34,375.00	0.00	24,998,472.25	24,984,825.00	24,999,550.00	14,725.00
3024A0RG2	CP - DISC	FCAR Owner Trust 0.000 04/16/13	14,974,187.55	0.00	0.00	22,125.00	0.00	14,996,312.55	14,985,420.00	14,998,605.00	13,185.00
3024A0RS6	CP - DISC	FCAR Owner Trust 0.000 04/26/13	19,962,305.60	0.00	0.00	29,500.00	0.00	19,991,805.60	19,978,740.00	19,996,820.00	18,080.00
3024A6RS3	CP - DISC	FCAR Owner Trust II 0.000 04/26/13	13,973,166.62	0.00	0.00	21,000.00	0.00	13,994,166.62	13,983,760.00	13,997,676.00	13,916.00
4497W0V21	CP - DISC	ING Funding LLC 0.000 08/02/13	21,921,900.00	0.00	0.00	33,000.00	0.00	21,954,900.00	21,964,690.00	21,976,504.00	11,814.00
25153JV98	CP - DISC	Deutsche Bk 0.000 08/09/13	19,931,555.60	0.00	0.00	28,000.00	0.00	19,959,555.60	19,918,960.00	19,969,440.00	50,480.00
3024A6V90	CP - DISC	FCAR Owner Trust II 0.000 08/09/13	14,953,249.95	0.00	0.00	19,125.00	0.00	14,972,374.95	14,955,795.00	14,983,620.00	27,825.00
25152JYJ4	CP - DISC	Deutsche Bk 0.000 11/18/13	0.00	19,917,500.00	0.00	11,916.60	0.00	19,929,416.60	0.00	19,923,960.00	19,923,960.00
6323A0ZA9	CP - DISC	Natixis Finance 0.000 12/10/13	0.00	9,961,450.00	0.00	600.00	0.00	9,962,050.00	0.00	9,955,550.00	9,955,550.00
0027A0ZP9	CP - DISC	Alkerm Nat'l N America 0.000 12/23/13	0.00	14,934,750.00	0.00	966.60	0.00	14,935,716.60	0.00	14,927,685.00	14,927,685.00
058219RG3	MUNICIPAL	Baldwin Park USD, CA GO 0.000 08/01/14	5,970,007.94	0.00	0.00	14,036.88	0.00	5,984,044.82	5,906,924.40	5,959,634.28	52,709.88
64990EJC2	MUNICIPAL	NY ST Dorm Auth Tax Rev 0.705 02/15/15	1,500,000.00	0.00	0.00	0.00	0.00	1,500,000.00	1,501,365.00	1,498,594.50	(2,770.50)
791697DB8	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/16/13	0.00	1,365,475.00	0.00	(4,945.79)	0.00	1,360,529.21	0.00	1,364,187.50	1,364,187.50
313378TU5	AGCY CALL	FHLB 1.115 04/11/16	15,000,000.00	0.00	(15,024,150.00)	0.00	24,150.00	0.00	15,042,000.00	0.00	(15,042,000.00)
3135G0MX8	AGCY CALL	FNMA 0.750 07/26/16	12,000,000.00	0.00	0.00	0.00	0.00	12,000,000.00	12,026,400.00	12,018,000.00	(8,400.00)
14329NDR2	MUNICIPAL	City of Carmel, IN Redev Auth 0.990 08/01/17	2,155,000.00	0.00	0.00	0.00	0.00	2,155,000.00	2,140,949.40	2,162,745.07	21,795.67
3133805K9	AGCY CALL	FHLB 0.720 08/08/16	19,975,268.80	0.00	(20,000,000.00)	1,506.40	23,224.80	0.00	20,002,000.00	0.00	(20,002,000.00)
3133EAJ33	AGCY CALL	FFCB 0.730 08/15/16	49,954,660.00	0.00	(15,012,300.00)	3,048.75	25,016.25	34,970,425.00	50,135,000.00	35,063,000.00	(15,072,000.00)
14329NDS0	MUNICIPAL	City of Carmel, IN Redev Auth 1.188 02/01/17	2,695,000.00	0.00	0.00	0.00	0.00	2,695,000.00	2,681,956.20	2,701,737.50	19,781.30
3134G36K1	AGCY CALL	FHLMC 0.800 03/21/17	0.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00	0.00	19,989,400.00	19,989,400.00
791697DC6	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/16/13	0.00	2,217,580.00	0.00	(6,991.96)	0.00	2,210,588.04	0.00	2,220,040.00	2,220,040.00
3136G1GJ2	AGCY CALL	FNMA 0.850 06/27/17	0.00	20,000,000.00	0.00	0.00	0.00	20,000,000.00	0.00	19,992,600.00	19,992,600.00
14329NDT8	MUNICIPAL	City of Carmel, IN Redev Auth 1.238 08/01/17	2,805,000.00	0.00	0.00	0.00	0.00	2,805,000.00	2,778,941.55	2,810,696.96	31,755.41
661334DR0	MUNICIPAL	N Orange Cty CA CC Dist 1.240 08/01/17	0.00	4,250,000.00	0.00	0.00	0.00	4,250,000.00	0.00	4,252,125.00	4,252,125.00
3134G34V9	AGCY CALL	FHLMC 1.070 01/29/18	0.00	30,000,000.00	0.00	0.00	0.00	30,000,000.00	0.00	29,961,000.00	29,961,000.00
3135G0TK9	AGCY CALL	FNMA 1.050 01/30/18	0.00	29,998,500.00	0.00	49.80	0.00	29,998,549.80	0.00	30,045,000.00	30,045,000.00
<b>Total for General Fund</b>			<b>376,791,814.18</b>	<b>179,177,999.85</b>	<b>(161,342,138.72)</b>	<b>238,211.28</b>	<b>72,391.05</b>	<b>384,938,277.44</b>	<b>377,065,809.17</b>	<b>395,082,540.61</b>	<b>18,016,731.44</b>
<b>Total for Port of Houston Authority</b>			<b>398,786,851.05</b>	<b>222,856,306.86</b>	<b>(161,940,024.64)</b>	<b>225,626.06</b>	<b>72,391.05</b>	<b>480,001,150.38</b>	<b>399,070,338.94</b>	<b>480,150,409.08</b>	<b>81,080,070.14</b>

# Investment Income

## Quarter Ended March 31, 2013

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>2010 D2 Bond Construction Fund</b>									
467578FW5	MUNICIPAL	Jackson Cty, MO 3.000 12/01/15	10,237.50	7,875.00	0.00	0.00	18,112.50	(4,408.20)	3,466.80
64990EJD0	MUNICIPAL	NY ST Dorm Auth Tax Rev 1.003 02/15/16	3,050.79	3,761.25	0.00	0.00	6,812.04	0.00	3,761.25
592112LG9	MUNICIPAL	Metro Nashville & Davidson Cty TN GO 1.007 07/01/16	7,608.44	5,035.00	7,608.44	0.00	5,035.00	0.00	5,035.00
35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev 3.000 08/01/16	13,359.17	14,662.50	18,246.67	0.00	9,775.00	(8,177.02)	6,485.48
20772JKJ0	MUNICIPAL	State of CT GO 1.032 10/15/16	1,290.00	2,580.00	0.00	0.00	3,870.00	0.00	2,580.00
64985HHZ3	MUNICIPAL	NY ST Envmntl Fac Rev 0.986 11/15/16	1,870.94	3,660.52	0.00	0.00	5,531.46	0.00	3,660.52
<b>Total for 2010 D2 Bond Construction Fund</b>			<b>37,416.84</b>	<b>37,574.27</b>	<b>25,855.11</b>	<b>0.00</b>	<b>49,136.00</b>	<b>(12,585.22)</b>	<b>24,989.05</b>
<b>Debt Service Fund</b>									
CB-PORH0U	BANK DEP	Citibank	0.00	23,476.39	23,476.39	0.00	0.00	0.00	23,476.39
<b>Total for Debt Service Fund</b>			<b>0.00</b>	<b>23,476.39</b>	<b>23,476.39</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>23,476.39</b>
<b>Promotion &amp; Development Fund 74</b>									
CB-PORH0U	BANK DEP	Citibank	0.00	4,221.41	4,221.41	0.00	0.00	0.00	4,221.41
<b>Total for Promotion &amp; Development Fund 74</b>			<b>0.00</b>	<b>4,221.41</b>	<b>4,221.41</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,221.41</b>

# Investment Income (cont.)

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>									
CB-PORHOU	BANK DEP	Citibank	0.00	111,471.90	111,471.90	0.00	0.00	0.00	111,471.90
TEXPRIME	LGIP	TexPool Prime	0.00	1,226.78	1,226.78	0.00	0.00	0.00	1,226.78
TEXSTAR	LGIP	TexSTAR	0.00	344.00	344.00	0.00	0.00	0.00	344.00
89233GP42	CP - DISC	Toyota Mtr Cr 0.000 02/04/13	0.00	0.00	0.00	0.00	0.00	12,676.75	12,676.75
89233GPB6	CP - DISC	Toyota Mtr Cr 0.000 02/11/13	0.00	0.00	0.00	0.00	0.00	18,222.25	18,222.25
8923A0R54	CP - DISC	Toyota Credit PR 0.000 04/05/13	0.00	0.00	0.00	0.00	0.00	34,375.00	34,375.00
3024A0RG2	CP - DISC	FCAR Owner Trust 0.000 04/16/13	0.00	0.00	0.00	0.00	0.00	22,125.00	22,125.00
3024A0RS6	CP - DISC	FCAR Owner Trust 0.000 04/26/13	0.00	0.00	0.00	0.00	0.00	29,500.00	29,500.00
3024A6RS3	CP - DISC	FCAR Owner Trust II 0.000 04/26/13	0.00	0.00	0.00	0.00	0.00	21,000.00	21,000.00
4497W0V21	CP - DISC	ING Funding LLC 0.000 08/02/13	0.00	0.00	0.00	0.00	0.00	33,000.00	33,000.00
25153JV98	CP - DISC	Deutsche Bk 0.000 08/09/13	0.00	0.00	0.00	0.00	0.00	28,000.00	28,000.00
3024A6V90	CP - DISC	FCAR Owner Trust II 0.000 08/09/13	0.00	0.00	0.00	0.00	0.00	19,125.00	19,125.00
25152JYJ4	CP - DISC	Deutsche Bk 0.000 11/18/13	0.00	0.00	0.00	0.00	0.00	11,916.60	11,916.60
6323A0ZA9	CP - DISC	Natixis Finance 0.000 12/10/13	0.00	0.00	0.00	0.00	0.00	600.00	600.00
0027A0ZP9	CP - DISC	Abbey Nat'l N America 0.000 12/23/13	0.00	0.00	0.00	0.00	0.00	966.60	966.60
058219RG3	MUNICIPAL	Baldwin Park USD, CA GO 0.000 08/01/14	0.00	0.00	0.00	0.00	0.00	14,036.88	14,036.88
64990EJC2	MUNICIPAL	NY ST Dorm Auth Tax Rev 0.705 02/15/15	2,144.38	2,643.75	0.00	0.00	4,788.13	0.00	2,643.75
791697DB8	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/01/16	0.00	6,805.56	0.00	0.00	6,805.56	(4,945.79)	1,859.77
313378TU5	AGCY CALL	FHLB 1.115 04/11/16	37,166.67	13,008.33	50,175.00	0.00	0.00	0.00	13,008.33
3135G0MX8	AGCY CALL	FNMA 0.750 07/26/16	38,750.00	22,500.00	45,000.00	0.00	16,250.00	0.00	22,500.00
14329NDR2	MUNICIPAL	City of Carmel, IN Redev Auth 0.990 08/01/16	237.05	5,333.63	0.00	0.00	5,570.68	0.00	5,333.63
3133805K9	AGCY CALL	FHLB 0.720 08/08/16	57,200.00	32,000.00	89,200.00	0.00	0.00	1,506.40	33,506.40
3133EAJ33	AGCY CALL	FFCB 0.730 08/15/16	137,888.89	90,033.33	195,275.00	0.00	32,647.22	3,048.75	93,082.08
14329NDS0	MUNICIPAL	City of Carmel, IN Redev Auth 1.188 02/01/17	355.74	8,004.15	0.00	0.00	8,359.89	0.00	8,004.15
3134G36K1	AGCY CALL	FHLMC 0.800 03/21/17	0.00	4,444.44	0.00	0.00	4,444.44	0.00	4,444.44
791697DC6	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/01/17	0.00	10,888.89	0.00	0.00	10,888.89	(6,991.96)	3,896.93
3136G1GJ2	AGCY CALL	FNMA 0.850 06/27/17	0.00	1,888.89	0.00	0.00	1,888.89	0.00	1,888.89
14329NDT8	MUNICIPAL	City of Carmel, IN Redev Auth 1.238 08/01/17	385.84	8,681.48	0.00	0.00	9,067.32	0.00	8,681.48
661334DR0	MUNICIPAL	N Orange Cty CA CC Dist 1.240 08/01/17	0.00	6,880.28	0.00	0.00	6,880.28	0.00	6,880.28
3134G34V9	AGCY CALL	FHLMC 1.070 01/29/18	0.00	55,283.33	0.00	0.00	55,283.33	0.00	55,283.33
3135G0TK9	AGCY CALL	FNMA 1.050 01/30/18	0.00	53,375.00	0.00	0.00	53,375.00	49.80	53,424.80
<b>Total for General Fund</b>			<b>274,128.57</b>	<b>434,813.74</b>	<b>492,692.68</b>	<b>0.00</b>	<b>216,249.63</b>	<b>238,211.28</b>	<b>673,025.02</b>
<b>Total for Port of Houston Authority</b>			<b>311,545.41</b>	<b>500,085.81</b>	<b>546,245.59</b>	<b>0.00</b>	<b>265,385.63</b>	<b>225,626.06</b>	<b>725,711.87</b>



# ***Compliance***

## **Requirement**

### ***4.5 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

### ***4.6 Diversification***

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

## **Actual Performance**

### ***4.5 Maturity***

- Compliant (weighted average days to call of 155 days, and weighted average final maturity of 609 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)

### ***4.6 Diversification***

- Compliant (maturities through 2018, with call dates through Sep 2013)
- Compliant (\$111 million in MMF, LGIP and bank deposits, \$176 million in CP)

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

## **Requirement**

### ***4.6 Diversification Limitations***

- No more than 40% of operating funds (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**

### ***4.6 Diversification Limitations***

- Compliant (only 37% of operating and construction funds are actually invested beyond 24 months)
- Compliant (weighted average maturity of 609 days, or 155 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 13% 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. 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 and found to be in compliance with statute. As with all other expenditures, the Harris County Auditor’s Office reviews and approves expenditures from the P&D Fund.

## **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, governmental or 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>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>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 Corporation
<b>FSC or FSW</b>	First Southwest Company
<b>FSN</b>	FHLMC Step Note
<b>GECC</b>	General Electric Capital Corp.
<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., a Netherlands entity and one of the world’s largest financial institutions
<b>JPM US Gov MM Cap</b>	JPMorgan US Govt Money Market – Capital Class
<b>LGIP</b>	Local Government Investment Pool (e.g., TexSTAR, TexPool, TexPool Prime)
<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>Rev</b>	Revenue bonds
<b>SLMA or Sallie Mae</b>	Student Loan Marketing Association
<b>TexPool Prime</b>	A local government investment pool
<b>TexSTAR</b>	A local government investment pool
<b>Toyota Credit PR</b>	Toyota Credit de Puerto Rico Corp.
<b>Toyota Mtr Cr</b>	Toyota Motor Credit Corporation
<b>USTB</b>	U.S. Treasury Bill
<b>USTN</b>	U.S. Treasury Note