

# Port of Houston Authority Investment Report



For the Quarter Ended  
December 31, 2013

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## Distribution

Commissioners (7)


R. Guenther

T. Heidt

Controller (3)

# ***Certification***

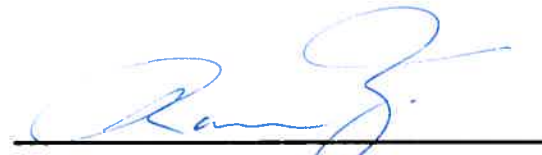
The undersigned have prepared this report for the Port of Houston Authority (the “Authority”) and certify that investment transactions entered into during the quarter ended December 31, 2013 were made in compliance with Chapter 2256 of the Texas Government Code (the “Public Funds Investment Act” or “PFIA”)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

Managing Director,  
Finance and Administration

# *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 December 31, 2013
  - General and Operating Funds \$ 366.3 Million
  - Promotion and Development Fund \$ 2.9
  - Debt Service Fund \$ 9.7
  - Construction and Bond Funds \$ 11.3

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  - Total \$ 390.2 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.)

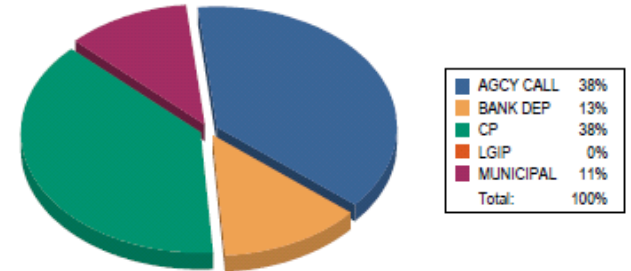
## Account Summary

## Allocation by Security Type

Beginning Values as of 09/30/13

Ending Values as of 12/31/13

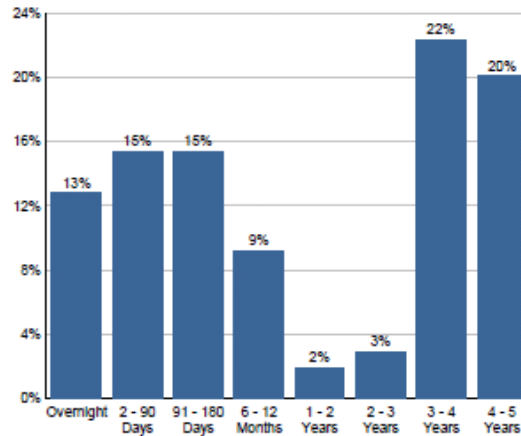
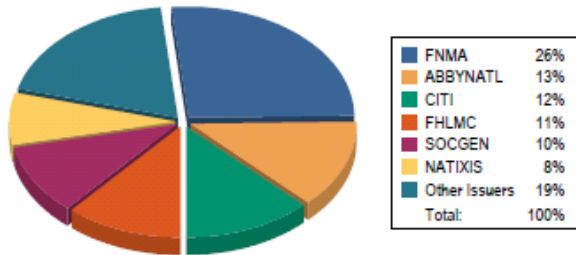
Par Value	434,664,124.76	392,529,096.92
Market Value	432,322,926.19	390,168,963.72
Book Value	435,184,903.74	393,119,775.39
Unrealized Gain / Loss	(2,861,977.55)	(2,950,811.67)
Market Value %	99.34%	99.25%
Weighted Avg. YTW	0.704%	0.722%
Weighted Avg. YTM	0.704%	0.722%



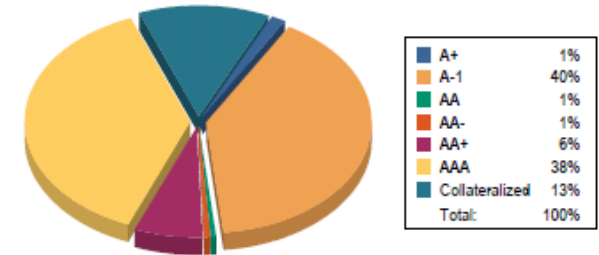
## Allocation by Issuer

## Maturity Distribution %

## Credit Quality

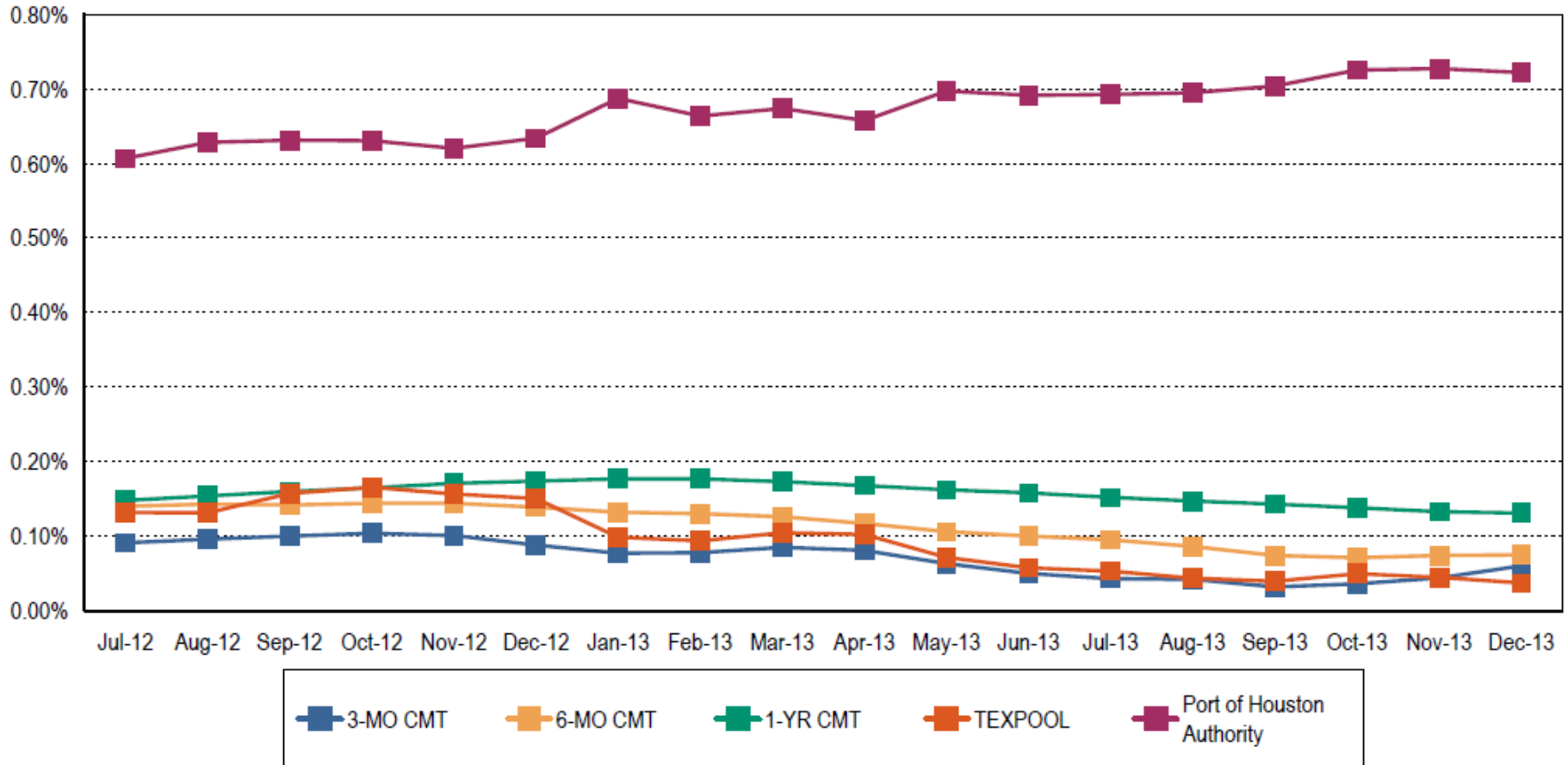


Weighted Average Days to Maturity: 672



# 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 CMTs 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 December 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	1,084,700.22	104.219	1,094,297.40	700		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	99.594	1,493,907.00	776		1.003	1.003
592112LG9	08/15/12	MUNICIPAL	Metro Nashville & Davidson City TN GO	1.007	07/01/16			2,000,000.00	100.000	2,000,000.00	2,000,000.00	98.969	1,979,376.00	913		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	2,041,665.62	104.281	2,038,699.42	944		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	99.734	997,344.00	1,019		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	99.109	1,471,774.59	1,050	5	0.986	0.986
<b>Total for 2010 D2 Bond Construction Fund</b>								<b>8,990,000.00</b>	<b>102.114</b>	<b>9,175,099.10</b>	<b>9,111,365.84</b>	<b>100.994</b>	<b>9,075,398.41</b>	<b>906</b>		<b>1.089</b>	<b>1.089</b>
<b>Debt Service Fund</b>																	
CB-PORHOU		BANK DEP	Citibank					9,671,884.88	100.000	9,671,884.88	9,671,884.88	100.000	9,671,884.88	1		0.370	0.370
<b>Total for Debt Service Fund</b>								<b>9,671,884.88</b>	<b>100.000</b>	<b>9,671,884.88</b>	<b>9,671,884.88</b>	<b>100.000</b>	<b>9,671,884.88</b>	<b>1</b>		<b>0.370</b>	<b>0.370</b>
<b>Promotion &amp; Development Fund 74</b>																	
CB-PORHOU		BANK DEP	Citibank					2,871,641.75	100.000	2,871,641.75	2,871,641.75	100.000	2,871,641.75	1		0.370	0.370
<b>Total for Promotion &amp; Development Fund 74</b>								<b>2,871,641.75</b>	<b>100.000</b>	<b>2,871,641.75</b>	<b>2,871,641.75</b>	<b>100.000</b>	<b>2,871,641.75</b>	<b>1</b>		<b>0.370</b>	<b>0.370</b>

Note: Bank deposits at Citibank and JPMorgan Chase 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					35,969,726.10	100.000	35,969,726.10	35,969,726.10	100.000	35,969,726.10	1		0.370	0.370
JPM-PHA		BANK DEP	JPM Chase Bk					1,410,844.19	100.000	1,410,844.19	1,410,844.19	100.000	1,410,844.19	1		0.000	0.000
0027A1AA7	04/16/13	CP - DISC	Abbey Natl N America		01/10/14			15,000,000.00	99.574	14,936,112.50	14,997,862.50	99.997	14,999,505.00	10		0.572	0.572
0027A1AM1	04/26/13	CP - DISC	Abbey Natl N America		01/21/14			15,000,000.00	99.558	14,933,625.00	14,995,083.30	99.993	14,998,950.00	21		0.593	0.593
6323A1AM8	04/26/13	CP - DISC	Natixis Finance		01/21/14			20,000,000.00	99.573	19,914,500.00	19,993,666.60	99.993	19,998,600.00	21		0.572	0.572
6323A1AN6	04/29/13	CP - DISC	Natixis Finance		01/22/14			10,000,000.00	99.591	9,959,055.56	9,996,791.70	99.993	9,999,260.00	22		0.552	0.552
83365SDV2	08/02/13	CP - DISC	Societe Generale		04/29/14			25,000,000.00	99.603	24,900,625.00	24,956,569.50	99.921	24,980,250.00	119		0.532	0.532
0027A1E62	08/09/13	CP - DISC	Abbey Natl N America		05/06/14			20,000,000.00	99.595	19,919,000.00	19,962,500.00	99.906	19,981,240.00	126		0.542	0.542
83365SE90	08/12/13	CP - DISC	Societe Generale		05/09/14			15,000,000.00	99.595	14,939,250.00	14,971,200.00	99.910	14,986,455.00	129		0.542	0.542
058219RG3	09/14/12	MUNICIPAL	Baldwin Park USD, CA GO		08/01/14			1,750,000.00	98.233	1,719,077.50	1,740,443.78	99.281	1,737,422.75	213		0.953	0.953
058219RG3	08/17/12	MUNICIPAL	Baldwin Park USD, CA GO		08/01/14			4,310,000.00	98.163	4,230,825.30	4,286,491.54	99.281	4,279,024.03	213		0.953	0.953
22532CHF4	11/18/13	CP - DISC	Credit Agricole		08/15/14			10,000,000.00	99.648	9,964,750.00	9,970,494.40	99.672	9,967,210.00	227		0.472	0.472
22532CJ54	12/10/13	CP - DISC	Credit Agricole		09/05/14			10,000,000.00	99.641	9,964,133.33	9,967,066.70	99.642	9,964,180.00	248		0.482	0.482
22532CJ11	12/23/13	CP - DISC	Credit Agricole		09/19/14			10,000,000.00	99.640	9,964,000.00	9,965,200.00	99.622	9,962,160.00	262		0.482	0.482
454624W2	06/19/13	MUNICIPAL	Indiana Bond Bk Rev	0.661	01/15/15			5,000,000.00	100.000	5,000,000.00	5,000,000.00	99.797	4,989,845.00	380		0.661	0.661
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	99.891	1,498,359.00	411		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	1,333,216.81	106.266	1,328,320.00	822		1.000	1.000
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	99.094	2,135,471.39	944		0.990	0.990
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	98.031	2,641,943.54	1,128		1.188	1.188
3134G36K1	03/21/13	AGCY CALL	FHLMC	0.800	03/21/17	03/21/14	QRTLY	20,000,000.00	100.000	20,000,000.00	20,000,000.00	99.240	19,848,000.00	1,176	80	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	2,171,949.28	107.094	2,141,876.00	1,187		1.290	1.290
3135G0WU3	05/15/13	AGCY CALL	FNMA	0.750	05/15/17	02/15/14	QRTLY	35,000,000.00	100.000	35,000,000.00	35,000,000.00	98.580	34,503,000.00	1,231	46	0.750	0.750
3136G1GJ2	03/27/13	AGCY CALL	FNMA	0.850	06/27/17	03/27/14	QRTLY	20,000,000.00	100.000	20,000,000.00	20,000,000.00	98.680	19,736,000.00	1,274	86	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	97.891	2,745,831.33	1,309		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	99.484	4,228,087.00	1,309		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	97.906	1,223,828.75	1,309		1.686	1.686
3135G0TK9	01/30/13	AGCY CALL	FNMA	1.050	01/30/18	01/30/14	QRTLY	30,000,000.00	99.995	29,998,500.00	29,998,770.00	98.020	29,406,000.00	1,491	30	1.051	1.051
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	5,139,615.52	109.734	5,102,649.60	1,521		1.390	1.390
3134G43V8	05/15/13	AGCY CALL	FHLMC	1.050	05/15/18	02/15/14	QRTLY	25,000,000.00	100.000	25,000,000.00	25,000,000.00	97.440	24,360,000.00	1,596	46	1.050	1.050
3135G0XG3	05/21/13	AGCY CALL	FNMA	1.000	05/21/18	02/21/14	QRTLY	20,000,000.00	99.900	19,980,000.00	19,982,391.00	97.130	19,426,000.00	1,602	52	1.021	1.021
<b>Total for General Fund</b>								<b>370,995,570.29</b>	<b>100.070</b>	<b>371,165,610.48</b>	<b>371,464,882.92</b>	<b>99.359</b>	<b>368,550,038.68</b>	<b>689</b>		<b>0.725</b>	<b>0.725</b>
<b>Total for Port of Houston Authority</b>								<b>392,529,096.92</b>	<b>100.115</b>	<b>392,884,236.21</b>	<b>393,119,775.39</b>	<b>99.418</b>	<b>390,168,963.72</b>	<b>672</b>		<b>0.722</b>	<b>0.722</b>

Note: General Fund Bank Deposit balances include Construction Bond Funds



# Investment Transactions

## Quarter Ended December 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>															
<i>Income Payments</i>															
10/15/13	10/15/13	20772JKJ0	MUNICIPAL	State of CT GO	1.032	10/15/16				0.00	5,160.00	5,160.00			
11/15/13	11/15/13	64985HHZ3	MUNICIPAL	NY ST Envmntl Fac Rev	0.986	11/15/16				0.00	7,321.05	7,321.05			
12/02/13	12/01/13	467578FW5	MUNICIPAL	Jackson Cty, MO	3.000	12/01/15				0.00	15,750.00	15,750.00			
<b>Total for: Income Payments</b>										<b>0.00</b>	<b>28,231.05</b>	<b>28,231.05</b>			
<b>General Fund</b>															
<i>Maturities</i>															
11/18/13	11/18/13	25152JYJ4	CP - DISC	Deutsche Bk		11/18/13		20,000,000.00	100.000	20,000,000.00	0.00	20,000,000.00		0.552	
12/10/13	12/10/13	6323A0ZA9	CP - DISC	Natixis Finance		12/10/13		10,000,000.00	100.000	10,000,000.00	0.00	10,000,000.00		0.542	
12/23/13	12/23/13	0027A0ZP9	CP - DISC	Abbey Natl N America		12/23/13		15,000,000.00	100.000	15,000,000.00	0.00	15,000,000.00		0.583	
<b>Total for: Maturities</b>								<b>45,000,000.00</b>		<b>45,000,000.00</b>	<b>0.00</b>	<b>45,000,000.00</b>		<b>0.560</b>	
<i>Purchases</i>															
11/18/13	11/18/13	22532CHF4	CP - DISC	Credit Agricole		08/15/14		10,000,000.00	99.648	9,964,750.00	0.00	9,964,750.00		0.472	0.472
12/10/13	12/10/13	22532CJ54	CP - DISC	Credit Agricole		09/05/14		10,000,000.00	99.641	9,964,133.33	0.00	9,964,133.33		0.482	0.482
12/23/13	12/23/13	22532CJK1	CP - DISC	Credit Agricole		09/19/14		10,000,000.00	99.640	9,964,000.00	0.00	9,964,000.00		0.482	0.482
<b>Total for: Purchases</b>								<b>30,000,000.00</b>		<b>29,892,883.33</b>	<b>0.00</b>	<b>29,892,883.33</b>		<b>0.478</b>	<b>0.478</b>

# Investment Transactions (cont.)

Quarter Ended December 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>															
<i>Income Payments</i>															
10/01/13	10/01/13	791697DB8	MUNICIPAL	St. Louis MO Spl Admin Sch	4.000	04/01/16				0.00	31,805.56	31,805.56			
10/01/13	10/01/13	791697DC6	MUNICIPAL	St. Louis MO Spl Admin Sch	4.000	04/01/17				0.00	50,888.89	50,888.89			
11/15/13	11/15/13	3134G43V8	AGCY CALL	FHLMC	1.050	05/15/18				0.00	131,250.00	131,250.00			
11/15/13	11/15/13	3135G0WU3	AGCY CALL	FNMA	0.750	05/15/17				0.00	131,250.00	131,250.00			
11/21/13	11/21/13	3135G0XG3	AGCY CALL	FNMA	1.000	05/21/18				0.00	100,000.00	100,000.00			
<b>Total for: Income Payments</b>										<b>0.00</b>	<b>445,194.45</b>	<b>445,194.45</b>			

# Changes in Book and Market Values

CUSIP	Security Type	Security Description	09/30/13 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/13 Book Value	09/30/13 Market Value	12/31/13 Market Value	Change in Mkt Value
<b>2010 D2 Bond Construction Fund</b>											
467578FW5	MUNICIPAL	Jackson Cty, MO 3.000 12/01/15	1,089,163.78	0.00	0.00	(4,463.56)	0.00	1,084,700.22	1,097,413.80	1,094,297.40	(3,116.40)
64990EJDO	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	1,489,453.50	1,493,907.00	4,453.50
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	1,982,188.00	1,979,376.00	(2,812.00)
35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev 3.000	2,049,901.86	0.00	0.00	(8,236.24)	0.00	2,041,665.62	2,035,033.79	2,038,699.42	3,665.63
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	999,688.00	997,344.00	(2,344.00)
64985HHZ3	MUNICIPAL	NY ST Envrnmntl Fac Rev 0.986 11/15/16	1,485,000.00	0.00	0.00	0.00	0.00	1,485,000.00	1,474,558.97	1,471,774.59	(2,784.38)
<b>Total for 2010 D2 Bond Construction Fund</b>			<b>9,124,065.64</b>	<b>0.00</b>	<b>0.00</b>	<b>(12,699.80)</b>	<b>0.00</b>	<b>9,111,365.84</b>	<b>9,078,336.06</b>	<b>9,075,398.41</b>	<b>(2,937.65)</b>
<b>Debt Service Fund</b>											
CB-PORHOU	BANK DEP	Citibank	35,136,115.06	7,578,148.32	(33,042,378.50)	0.00	0.00	9,671,884.88	35,136,115.06	9,671,884.88	(25,464,230.18)
<b>Total for Debt Service Fund</b>			<b>35,136,115.06</b>	<b>7,578,148.32</b>	<b>(33,042,378.50)</b>	<b>0.00</b>	<b>0.00</b>	<b>9,671,884.88</b>	<b>35,136,115.06</b>	<b>9,671,884.88</b>	<b>(25,464,230.18)</b>
<b>Promotion &amp; Development Fund 74</b>											
CB-PORHOU	BANK DEP	Citibank	3,330,450.84	543,833.13	(1,002,642.22)	0.00	0.00	2,871,641.75	3,330,450.84	2,871,641.75	(458,809.09)
<b>Total for Promotion &amp; Development Fund 74</b>			<b>3,330,450.84</b>	<b>543,833.13</b>	<b>(1,002,642.22)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,871,641.75</b>	<b>3,330,450.84</b>	<b>2,871,641.75</b>	<b>(458,809.09)</b>
<b>General Fund</b>											
CB-PORHOU	BANK DEP	Citibank	37,060,121.72	7,318,908.17	(8,409,303.79)	0.00	0.00	35,969,726.10	37,060,121.72	35,969,726.10	(1,090,395.62)
JPM-PHA	BANK DEP	JPM Chase Bk	1,532,437.14	380,282.58	(501,875.53)	0.00	0.00	1,410,844.19	1,532,437.14	1,410,844.19	(121,592.95)

# Changes in Book and Market Values (cont.)

CUSIP	Security Type	Security Description	09/30/13 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/13 Book Value	09/30/13 Market Value	12/31/13 Market Value	Change in Mkt Value
<b>General Fund</b>											
25152JYJ4	CP - DISC	Deutsche Bk 0.000 11/18/13	19,985,333.40	0.00	(20,000,000.00)	14,666.60	0.00	0.00	19,993,200.00	0.00	(19,993,200.00)
6323A0ZA9	CP - DISC	Natixis Finance 0.000 12/10/13	9,989,500.00	0.00	(10,000,000.00)	10,500.00	0.00	0.00	9,994,280.00	0.00	(9,994,280.00)
0027A0ZP9	CP - DISC	Abbey Nat'l N America 0.000 12/23/13	14,979,941.70	0.00	(15,000,000.00)	20,058.30	0.00	0.00	14,990,205.00	0.00	(14,990,205.00)
0027A1AA7	CP - DISC	Abbey Nat'l N America 0.000 01/10/14	14,976,012.45	0.00	0.00	21,850.05	0.00	14,997,862.50	14,987,250.00	14,999,505.00	12,255.00
0027A1AM1	CP - DISC	Abbey Nat'l N America 0.000 01/21/14	14,972,466.60	0.00	0.00	22,616.70	0.00	14,995,083.30	14,985,870.00	14,998,950.00	13,080.00
6323A1AM8	CP - DISC	Natixis Finance 0.000 01/21/14	19,964,533.40	0.00	0.00	29,133.20	0.00	19,993,666.60	19,981,800.00	19,998,600.00	16,800.00
6323A1AN6	CP - DISC	Natixis Finance 0.000 01/22/14	9,982,736.10	0.00	0.00	14,055.60	0.00	9,996,791.70	9,990,820.00	9,999,260.00	8,440.00
83365SDV2	CP - DISC	Societe Generale 0.000 04/29/14	24,922,708.25	0.00	0.00	33,861.25	0.00	24,956,569.50	24,926,725.00	24,980,250.00	53,525.00
0027A1E62	CP - DISC	Abbey Nat'l N America 0.000 05/06/14	19,934,900.00	0.00	0.00	27,600.00	0.00	19,962,500.00	19,932,180.00	19,981,240.00	49,060.00
83365SE90	CP - DISC	Societe Generale 0.000 05/09/14	14,950,500.00	0.00	0.00	20,700.00	0.00	14,971,200.00	14,953,965.00	14,986,455.00	32,490.00
058219RG3	MUNICIPAL	Baldwin Park USD, CA GO 0.000 08/01/14	6,012,586.50	0.00	0.00	14,348.82	0.00	6,026,935.32	5,989,934.28	6,016,446.78	26,512.50
22532CHF4	CP - DISC	Credit Agricole 0.000 08/15/14	0.00	9,964,750.00	0.00	5,744.40	0.00	9,970,494.40	0.00	9,967,210.00	9,967,210.00
22532CJ54	CP - DISC	Credit Agricole 0.000 09/05/14	0.00	9,964,133.33	0.00	2,933.37	0.00	9,967,066.70	0.00	9,964,180.00	9,964,180.00
22532CJ1	CP - DISC	Credit Agricole 0.000 09/19/14	0.00	9,964,000.00	0.00	1,200.00	0.00	9,965,200.00	0.00	9,962,160.00	9,962,160.00
4546246W2	MUNICIPAL	Indiana Bond Bk Rev 0.661 01/15/15	5,000,000.00	0.00	0.00	0.00	0.00	5,000,000.00	4,988,280.00	4,989,845.00	1,565.00
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	1,497,421.50	1,498,359.00	937.50
791697DB8	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/	1,342,361.01	0.00	0.00	(9,144.20)	0.00	1,333,216.81	1,339,257.50	1,328,320.00	(10,937.50)
14329NDR2	MUNICIPAL	City of Carmel, IN Redev Auth 0.990 08/01/	2,155,000.00	0.00	0.00	0.00	0.00	2,155,000.00	2,102,471.88	2,135,471.39	32,999.51
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	2,622,151.46	2,641,943.54	19,792.08
3134G36K1	AGCY CALL	FHLMC 0.800 03/21/17	20,000,000.00	0.00	0.00	0.00	0.00	20,000,000.00	19,814,000.00	19,848,000.00	34,000.00
791697DC6	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/	2,184,903.30	0.00	0.00	(12,954.02)	0.00	2,171,949.28	2,156,876.00	2,141,876.00	(15,000.00)
3135G0WU3	AGCY CALL	FNMA 0.750 05/15/17	35,000,000.00	0.00	0.00	0.00	0.00	35,000,000.00	34,450,500.00	34,503,000.00	52,500.00
3136G1GJ2	AGCY CALL	FNMA 0.850 06/27/17	20,000,000.00	0.00	0.00	0.00	0.00	20,000,000.00	19,718,000.00	19,736,000.00	18,000.00
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	2,718,659.30	2,745,831.33	27,172.03
661334DR0	MUNICIPAL	N Orange City CA CC Dist 1.240 08/01/17	4,250,000.00	0.00	0.00	0.00	0.00	4,250,000.00	4,176,288.00	4,228,087.00	51,799.00
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	1,232,031.25	1,223,828.75	(8,202.50)
3135G0TK9	AGCY CALL	FNMA 1.050 01/30/18	29,998,696.50	0.00	0.00	73.50	0.00	29,998,770.00	29,532,000.00	29,406,000.00	(126,000.00)
67868UDN0	MUNICIPAL	OK Cty Fina Auth Ed Rev 4.000 03/01/18	5,168,122.53	0.00	0.00	(28,507.01)	0.00	5,139,615.52	5,090,299.20	5,102,649.60	12,350.40
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	24,515,000.00	24,360,000.00	(155,000.00)
3135G0XG3	AGCY CALL	FNMA 1.000 05/21/18	19,981,411.60	0.00	0.00	979.40	0.00	19,982,391.00	19,506,000.00	19,426,000.00	(80,000.00)
<b>Total for General Fund</b>			<b>387,594,272.20</b>	<b>37,592,074.08</b>	<b>(53,911,179.32)</b>	<b>189,715.96</b>	<b>0.00</b>	<b>371,464,882.92</b>	<b>384,778,024.23</b>	<b>368,550,038.68</b>	<b>(16,227,985.55)</b>
<b>Total for Port of Houston Authority</b>			<b>435,184,903.74</b>	<b>45,714,055.53</b>	<b>(87,956,200.04)</b>	<b>177,016.16</b>	<b>0.00</b>	<b>393,119,775.39</b>	<b>432,322,926.19</b>	<b>390,168,963.72</b>	<b>(42,153,962.47)</b>

# Investment Income

## Quarter Ended December 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	10,500.00	7,875.00	15,750.00	0.00	2,625.00	(4,463.56)	3,411.44
64990EJD0	MUNICIPAL	NY ST Dorm Auth Tax Rev 1.003 02/15/16	1,922.42	3,761.25	0.00	0.00	5,683.67	0.00	3,761.25
592112LG9	MUNICIPAL	Metro Nashville & Davidson Cty TN GO 1.007 07/01/16	5,035.00	5,035.00	0.00	0.00	10,070.00	0.00	5,035.00
35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev 3.000 08/01/16	9,775.00	14,662.50	0.00	0.00	24,437.50	(8,236.24)	6,426.26
20772JKJ0	MUNICIPAL	State of CT GO 1.032 10/15/16	4,758.67	2,580.00	5,160.00	0.00	2,178.67	0.00	2,580.00
64985HHZ3	MUNICIPAL	NY ST Envrnmntl Fac Rev 0.986 11/15/16	5,531.46	3,660.53	7,321.05	0.00	1,870.94	0.00	3,660.53
<b>Total for 2010 D2 Bond Construction Fund</b>			<b>37,522.55</b>	<b>37,574.28</b>	<b>28,231.05</b>	<b>0.00</b>	<b>46,865.78</b>	<b>(12,699.80)</b>	<b>24,874.48</b>
<b>Debt Service Fund</b>									
CB-PORHOU	BANK DEP	Citibank	0.00	12,987.23	12,987.23	0.00	0.00	0.00	12,987.23
<b>Total for Debt Service Fund</b>			<b>0.00</b>	<b>12,987.23</b>	<b>12,987.23</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12,987.23</b>
<b>Promotion &amp; Development Fund 74</b>									
CB-PORHOU	BANK DEP	Citibank	0.00	2,383.36	2,383.36	0.00	0.00	0.00	2,383.36
<b>Total for Promotion &amp; Development Fund 74</b>			<b>0.00</b>	<b>2,383.36</b>	<b>2,383.36</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,383.36</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	32,195.78	32,195.78	0.00	0.00	0.00	32,195.78
25152JYJ4	CP - DISC	Deutsche Bk 0.000 11/18/13	0.00	0.00	0.00	0.00	0.00	14,666.60	14,666.60
6323A0ZA9	CP - DISC	Natixis Finance 0.000 12/10/13	0.00	0.00	0.00	0.00	0.00	10,500.00	10,500.00
0027A0ZP9	CP - DISC	Abbey Natl N America 0.000 12/23/13	0.00	0.00	0.00	0.00	0.00	20,058.30	20,058.30
0027A1AA7	CP - DISC	Abbey Natl N America 0.000 01/10/14	0.00	0.00	0.00	0.00	0.00	21,850.05	21,850.05
0027A1AM1	CP - DISC	Abbey Natl N America 0.000 01/21/14	0.00	0.00	0.00	0.00	0.00	22,616.70	22,616.70
6323A1AM8	CP - DISC	Natixis Finance 0.000 01/21/14	0.00	0.00	0.00	0.00	0.00	29,133.20	29,133.20
6323A1AN6	CP - DISC	Natixis Finance 0.000 01/22/14	0.00	0.00	0.00	0.00	0.00	14,055.60	14,055.60
83365SDV2	CP - DISC	Societe Generale 0.000 04/29/14	0.00	0.00	0.00	0.00	0.00	33,861.25	33,861.25
0027A1E62	CP - DISC	Abbey Natl N America 0.000 05/06/14	0.00	0.00	0.00	0.00	0.00	27,600.00	27,600.00
83365SE90	CP - DISC	Societe Generale 0.000 05/09/14	0.00	0.00	0.00	0.00	0.00	20,700.00	20,700.00
058219RG3	MUNICIPAL	Baldwin Park USD, CA GO 0.000 08/01/14	0.00	0.00	0.00	0.00	0.00	14,348.82	14,348.82
22532CHF4	CP - DISC	Credit Agricole 0.000 08/15/14	0.00	0.00	0.00	0.00	0.00	5,744.40	5,744.40
22532CJ54	CP - DISC	Credit Agricole 0.000 09/05/14	0.00	0.00	0.00	0.00	0.00	2,933.37	2,933.37
22532CJK1	CP - DISC	Credit Agricole 0.000 09/19/14	0.00	0.00	0.00	0.00	0.00	1,200.00	1,200.00
4546246W2	MUNICIPAL	Indiana Bond Bk Rev 0.661 01/15/15	6,977.22	8,262.50	0.00	0.00	15,239.72	0.00	8,262.50
64990EJC2	MUNICIPAL	NY ST Dorm Auth Tax Rev 0.705 02/15/15	1,351.25	2,643.75	0.00	0.00	3,995.00	0.00	2,643.75
791697DB8	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/01/16	31,805.56	12,500.00	31,805.56	0.00	12,500.00	(9,144.20)	3,355.80
14329NDR2	MUNICIPAL	City of Carmel, IN Redevel Auth 0.990 08/01/16	3,555.75	5,333.63	0.00	0.00	8,889.38	0.00	5,333.63
14329NDS0	MUNICIPAL	City of Carmel, IN Redevel Auth 1.188 02/01/17	5,336.10	8,004.15	0.00	0.00	13,340.25	0.00	8,004.15
3134G36K1	AGCY CALL	FHLMC 0.800 03/21/17	4,444.44	40,000.00	0.00	0.00	44,444.44	0.00	40,000.00
791697DC6	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/01/17	50,888.89	20,000.00	50,888.89	0.00	20,000.00	(12,954.02)	7,045.98
3135G0WU3	AGCY CALL	FNMA 0.750 05/15/17	99,166.67	65,625.00	131,250.00	0.00	33,541.67	0.00	65,625.00
3136G1GJ2	AGCY CALL	FNMA 0.850 06/27/17	1,888.89	42,500.00	0.00	0.00	44,388.89	0.00	42,500.00
14329NDT8	MUNICIPAL	City of Carmel, IN Redevel Auth 1.238 08/01/17	5,787.65	8,681.48	0.00	0.00	14,469.13	0.00	8,681.48
661334DR0	MUNICIPAL	N Orange Cty CA CC Dist 1.240 08/01/17	8,783.33	13,175.00	0.00	0.00	21,958.33	0.00	13,175.00
796720JG6	MUNICIPAL	San Bernardino CA Cmty Clg 1.686 08/01/17	3,512.50	5,268.75	0.00	0.00	8,781.25	0.00	5,268.75
3135G0TK9	AGCY CALL	FNMA 1.050 01/30/18	53,375.00	78,750.00	0.00	0.00	132,125.00	73.50	78,823.50
67868UDN0	MUNICIPAL	OK Cty Fina Auth Ed Rev 4.000 03/01/18	15,500.00	46,500.00	0.00	0.00	62,000.00	(28,507.01)	17,992.99
3134G43V8	AGCY CALL	FHLMC 1.050 05/15/18	99,166.67	65,625.00	131,250.00	0.00	33,541.67	0.00	65,625.00
3135G0XG3	AGCY CALL	FNMA 1.000 05/21/18	72,222.22	50,000.00	100,000.00	0.00	22,222.22	979.40	50,979.40
<b>Total for General Fund</b>			<b>463,762.14</b>	<b>505,065.04</b>	<b>477,390.23</b>	<b>0.00</b>	<b>491,436.95</b>	<b>189,715.96</b>	<b>694,781.00</b>
<b>Total for Port of Houston Authority</b>			<b>501,284.69</b>	<b>558,009.91</b>	<b>520,991.87</b>	<b>0.00</b>	<b>538,302.73</b>	<b>177,016.16</b>	<b>735,026.07</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 672 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 May 2018, with call dates through March 2014)
- Compliant (\$50 million in bank deposits, and \$150 million in CP)

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

## **Requirement**

### ***4.6 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**

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

- Compliant (excluding construction bond funds designated for capex, 39% of the portfolio is invested beyond 24 months)
- Compliant (weighted average final maturity of 672 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 13% of the portfolio)
- Compliant (highest concentration is 26% 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 and found to be in compliance with statute.

## 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>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 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 Chase Bk</b>	JPMorgan Chase Bank
<b>JPM US Gov MM Cap</b>	JPMorgan US Govt Money Market – Capital Class
<b>LGIP</b>	Local Government Investment Pool (e.g., TexSTAR,

<b>MM or MMF</b>	TexPool, TexPool Prime)
<b>Muni or Municipal</b>	Money Market Fund 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>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 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