

# Port of Houston Authority Investment Report



For the Quarter Ended  
September 30, 2015

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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, 2015 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



R. Timothy Finley, Chief Financial Officer

November 16, 2015

# *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, 2015
  - General and Operating Funds \$ 422.8 Million
  - Promotion and Development Fund \$ 3.6
  - Debt Service Fund \$ 32.2
  - Construction and Bond Funds \$ 0.0

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  - Total \$ 458.6 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.)

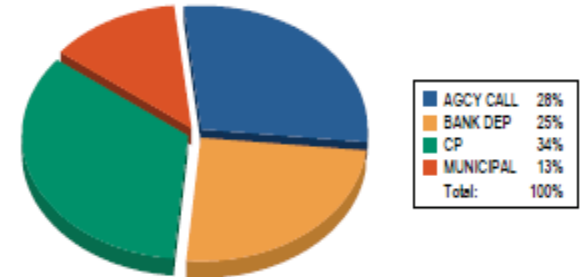
## Account Summary

## Allocation by Security Type

Beginning Values as of 06/30/15

Ending Values as of 09/30/15

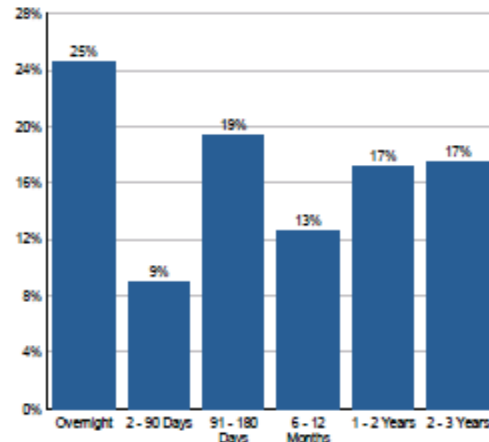
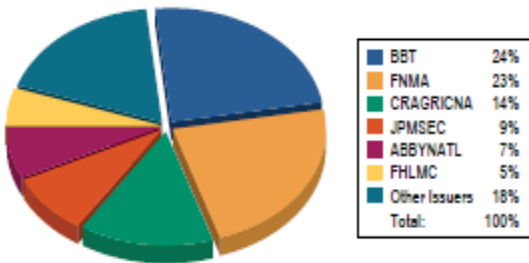
Par Value	457,785,783.47	458,631,853.95
Market Value	457,798,168.07	458,850,125.05
Book Value	458,029,598.29	458,684,529.02
Unrealized Gain /(Loss)	(231,430.22)	165,596.03
<b>Market Value %</b>	<b>99.95%</b>	<b>100.04%</b>
Weighted Avg. YTW	0.665%	0.685%
Weighted Avg. YTM	0.665%	0.685%



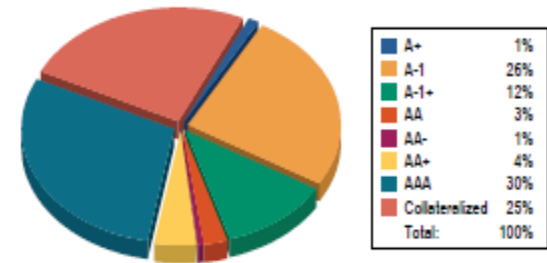
## Allocation by Issuer

## Maturity Distribution %

## Credit Quality

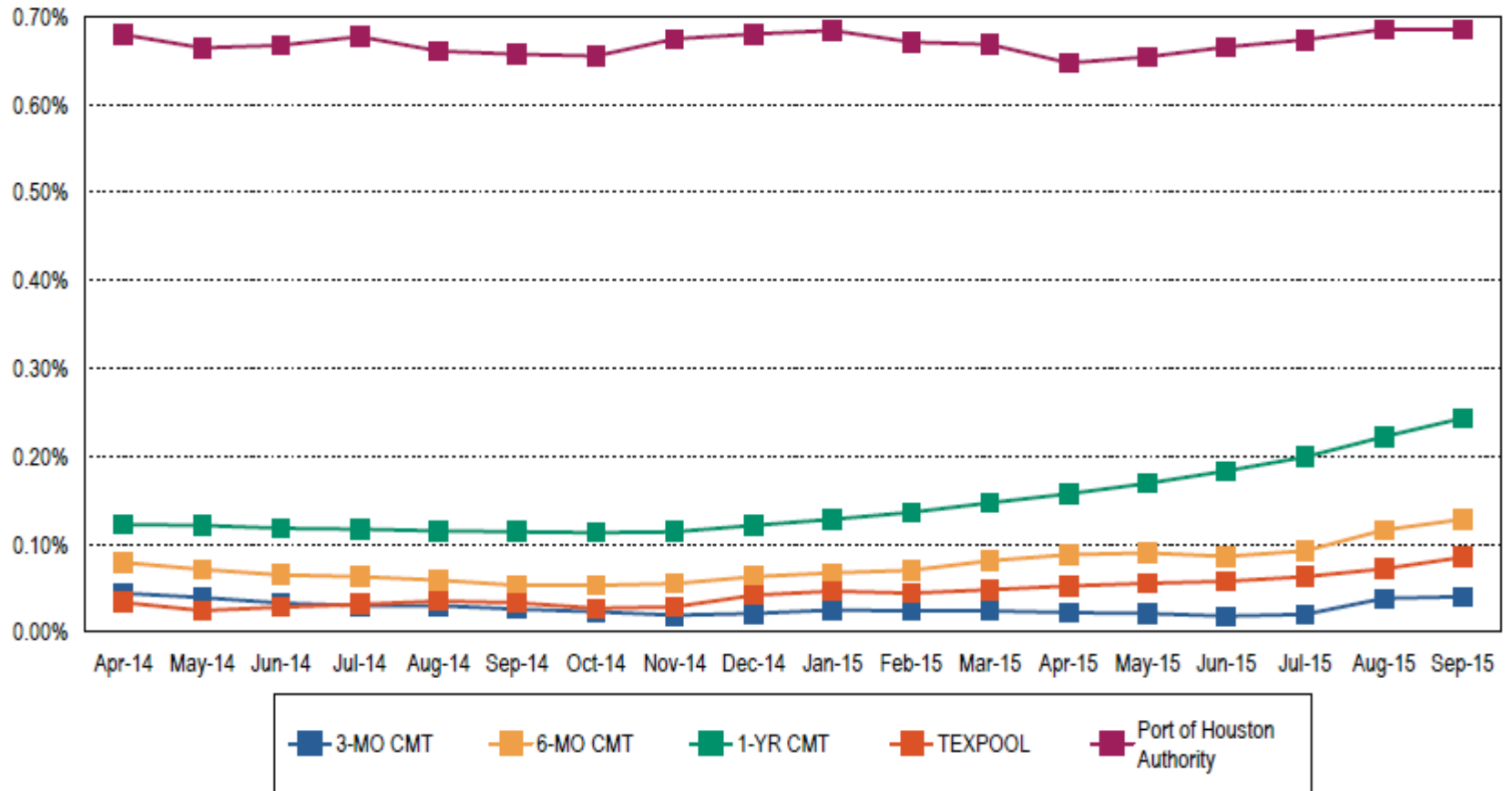


Weighted Average Days to Maturity: 325



# 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 September 30, 2015

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					32,172,537.60	100.000	32,172,537.60	32,172,537.60	100.000	32,172,537.60	1		0.380	0.380
<b>Total for Debt Service Fund</b>								<b>32,172,537.60</b>	<b>100.000</b>	<b>32,172,537.60</b>	<b>32,172,537.60</b>	<b>100.000</b>	<b>32,172,537.60</b>	<b>1</b>		<b>0.380</b>	<b>0.380</b>
<b>General Fund</b>																	
BBT-PTHOU		BANK DEP	BB&T					73,664,490.85	100.000	73,664,490.85	73,664,490.85	100.000	73,664,490.85	1		0.380	0.380
JPM-PHA		BANK DEP	JPM Chase Bk					3,510,794.27	100.000	3,510,794.27	3,510,794.27	100.000	3,510,794.27	1		0.000	0.000
730146AN7	10/27/14	MUNICIPAL	PMA Wl Levy & Aid	1.000	10/23/15			7,300,000.00	100.561	7,340,953.00	7,302,495.72	100.047	7,303,423.70	23		0.430	0.430
0027A1X53	01/29/15	CP - DISC	Abbey Natl N America		10/26/15			17,500,000.00	99.629	17,435,031.25	17,493,984.38	99.994	17,499,020.00	26		0.497	0.497
0027A1Y52	02/10/15	CP - DISC	Abbey Natl N America		11/05/15			15,000,000.00	99.598	14,939,700.00	14,992,125.00	99.990	14,998,575.00	36		0.542	0.542
467578FW5	05/31/14	MUNICIPAL	Jackson Cty, MO	3.000	12/01/15			1,050,000.00	102.593	1,077,230.05	1,053,044.42	100.422	1,054,429.95	62		1.249	1.249
22533TBC9	05/20/15	CP - DISC	Credit Agricole		02/12/16			25,000,000.00	99.576	24,893,916.67	24,946,958.25	99.856	24,963,900.00	135		0.572	0.572
64990EJD0	03/31/14	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	100.311	1,504,665.00	138		1.003	1.003
645918T37	02/05/15	MUNICIPAL	NJ State Econ Dev Auth	1.059	03/01/16			2,200,000.00	100.222	2,204,884.00	2,201,901.42	99.265	2,183,830.00	153		0.851	0.851
63873JC40	06/12/15	CP - DISC	Natixis Finance		03/04/16			20,000,000.00	99.560	19,912,072.22	19,948,763.80	99.804	19,960,740.00	156		0.598	0.598
46640PC76	06/12/15	CP - DISC	J.P.Morgan Sec		03/07/16			15,000,000.00	99.555	14,933,310.42	14,960,829.15	99.838	14,975,685.00	159		0.598	0.598
46640PCP6	07/02/15	CP - DISC	J.P.Morgan Sec		03/23/16			25,000,000.00	99.562	24,890,503.47	24,928,104.25	99.723	24,930,725.00	175		0.598	0.598
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	1,268,656.91	101.636	1,270,450.00	184		1.000	1.000
22533TE93	08/14/15	CP - DISC	Credit Agricole		05/09/16			20,000,000.00	99.488	19,897,630.56	19,915,897.20	99.627	19,925,380.00	222		0.689	0.689
22533TFH4	09/23/15	CP - DISC	Credit Agricole		06/17/16			20,000,000.00	99.498	19,899,500.00	19,902,500.00	99.500	19,899,960.00	261		0.678	0.678
040580GA4	05/15/15	MUNICIPAL	AZ School Facilities Board	0.812	07/01/16			3,235,000.00	100.350	3,246,322.50	3,242,537.36	100.400	3,247,940.00	275		0.500	0.500
34074GDF8	05/22/15	MUNICIPAL	FL Hurricane Catastrophe	1.298	07/01/16		CONT	7,215,000.00	100.769	7,270,483.35	7,252,584.16	100.484	7,249,920.60	275		0.601	0.601
592112LG9	02/28/14	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	100.272	2,005,440.00	275		1.007	1.007
14329NDR2	12/27/12	MUNICIPAL	City of Carmel, IN Redevel Auth	0.990	08/01/16			2,155,000.00	100.000	2,155,000.00	2,155,000.00	100.434	2,164,352.70	306		0.990	0.990
35824NCE7	05/31/14	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev	3.000	08/01/16			1,955,000.00	103.727	2,027,869.93	1,983,256.22	101.875	1,991,656.25	306		1.250	1.250
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	100.532	1,005,320.00	381		1.032	1.032
41389DM3	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	100.433	3,786,324.10	412		1.324	1.324
64985HHZ3	03/31/14	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	100.003	1,485,044.55	412	5	0.986	0.986
45462TDY5	09/15/15	MUNICIPAL	Indiana Bond Bk Rev	1.057	01/15/17			4,455,000.00	100.180	4,463,019.00	4,462,751.74	100.189	4,463,419.95	473		0.921	0.921
14329NDS0	12/27/12	MUNICIPAL	City of Carmel, IN Redevel 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	490		1.188	1.188

# Detail of Investment Holdings (cont.)

As of September 30, 2015

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>																	
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	2,080,264.24	103.920	2,078,400.00	549		1.290	1.290
3135G0WU3	05/15/13	AGCY CALL	FNMA	0.750	05/15/17	11/15/15	QRTLY	35,000,000.00	100.000	35,000,000.00	35,000,000.00	100.075	35,026,145.00	593	46	0.750	0.750
3136G1GJ2	03/27/13	AGCY CALL	FNMA	0.850	06/27/17	12/27/15	QRTLY	20,000,000.00	100.000	20,000,000.00	20,000,000.00	100.030	20,005,900.00	636	88	0.850	0.850
14329NDT8	12/27/12	MUNICIPAL	City of Carmel, IN Redevel Auth	1.238	08/01/17			2,805,000.00	100.000	2,805,000.00	2,805,000.00	100.422	2,816,834.30	671		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	100.598	4,275,415.00	671		1.240	1.240
796720JG6	05/02/13	MUNICIPAL	San Bernardino CA Cmty Cig	1.686	08/01/17			1,250,000.00	100.000	1,250,000.00	1,250,000.00	100.609	1,257,617.50	671		1.686	1.686
3135G0TK9	01/30/13	AGCY CALL	FNMA	1.050	01/30/18	10/30/15	QRTLY	30,000,000.00	99.995	29,998,500.00	29,999,291.10	100.071	30,021,330.00	853	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	4,937,411.15	106.300	4,942,950.00	883		1.390	1.390
3134G43V8	05/15/13	AGCY CALL	FHLMC	1.050	05/15/18	11/15/15	QRTLY	25,000,000.00	100.000	25,000,000.00	25,000,000.00	100.030	25,007,500.00	958	46	1.050	1.050
3135G0XG3	05/21/13	AGCY CALL	FNMA	1.000	05/21/18	11/21/15	QRTLY	20,000,000.00	99.900	19,980,000.00	19,989,318.60	99.671	19,934,240.00	964	52	1.021	1.021
<b>Total for General Fund</b>								<b>422,895,285.12</b>	<b>100.108</b>	<b>423,302,797.54</b>	<b>422,947,960.19</b>	<b>100.057</b>	<b>423,113,556.22</b>	<b>352</b>		<b>0.710</b>	<b>0.710</b>
<b>Promotion &amp; Development Fund 74</b>																	
BBT-PTHOU		BANK DEP	BB&T					3,564,031.23	100.000	3,564,031.23	3,564,031.23	100.000	3,564,031.23	1		0.380	0.380
<b>Total for Promotion &amp; Development Fund 74</b>								<b>3,564,031.23</b>	<b>100.000</b>	<b>3,564,031.23</b>	<b>3,564,031.23</b>	<b>100.000</b>	<b>3,564,031.23</b>	<b>1</b>		<b>0.380</b>	<b>0.380</b>
<b>Total for Port of Houston Authority</b>								<b>458,631,853.95</b>	<b>100.100</b>	<b>459,039,366.37</b>	<b>458,684,529.02</b>	<b>100.053</b>	<b>458,850,125.05</b>	<b>325</b>		<b>0.685</b>	<b>0.685</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, 2015

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>Calls</b>															
09/20/15	09/21/15	3134G36K1	AGCY CALL	FHLMC	0.800	03/21/17	09/21/15	20,000,000.00	100.000	20,000,000.00	0.00	20,000,000.00		0.800	0.800
<b>Total for: Calls</b>								<b>20,000,000.00</b>		<b>20,000,000.00</b>	<b>0.00</b>	<b>20,000,000.00</b>		<b>0.800</b>	<b>0.800</b>
<b>Maturities</b>															
07/07/15	07/07/15	22533UU76	CP - DISC	Credit Agricole		07/07/15		25,000,000.00	100.000	25,000,000.00	0.00	25,000,000.00		0.431	
08/14/15	08/14/15	0027A1VE6	CP - DISC	Abbey Natl N America		08/14/15		20,000,000.00	100.000	20,000,000.00	0.00	20,000,000.00		0.431	
<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>0.431</b>	
<b>Purchases</b>															
07/01/15	07/02/15	46640PCP6	CP - DISC	J.P.Morgan Sec		03/23/16		25,000,000.00	99.562	24,890,503.47	0.00	24,890,503.47		0.598	0.598
08/13/15	08/14/15	22533TE93	CP - DISC	Credit Agricole		05/09/16		20,000,000.00	99.488	19,897,630.56	0.00	19,897,630.56		0.689	0.689
08/21/15	09/15/15	45462TDYS	MUNICIPAL	Indiana Bond Bk Rev	1.057	01/15/17		4,455,000.00	100.180	4,463,019.00	0.00	4,463,019.00		0.921	0.921
09/23/15	09/23/15	22533TFH4	CP - DISC	Credit Agricole		06/17/16		20,000,000.00	99.498	19,899,500.00	0.00	19,899,500.00		0.678	0.678
<b>Total for: Purchases</b>								<b>69,455,000.00</b>		<b>69,150,653.03</b>	<b>0.00</b>	<b>69,150,653.03</b>		<b>0.668</b>	<b>0.668</b>
<b>Income Payments</b>															
07/01/15	07/01/15	040580GA4	MUNICIPAL	AZ School Facilities Board	0.812	07/01/16				0.00	13,134.10	13,134.10			
07/01/15	07/01/15	34074GDF8	MUNICIPAL	FL Hurricane Catastrophe	1.298	07/01/16				0.00	46,825.35	46,825.35			
07/01/15	07/01/15	592112LG9	MUNICIPAL	Metro Nashville & Davidson	1.007	07/01/16				0.00	10,070.00	10,070.00			
07/30/15	07/30/15	3135G0TK9	AGCY CALL	FNMA	1.050	01/30/18				0.00	157,500.00	157,500.00			
08/03/15	08/01/15	14329NDR2	MUNICIPAL	City of Carmel, IN Redevelop	0.990	08/01/16				0.00	10,667.25	10,667.25			
08/03/15	08/01/15	14329NDS0	MUNICIPAL	City of Carmel, IN Redevelop	1.188	02/01/17				0.00	16,008.30	16,008.30			
08/03/15	08/01/15	14329NDT8	MUNICIPAL	City of Carmel, IN Redevelop	1.238	08/01/17				0.00	17,362.95	17,362.95			
08/03/15	08/01/15	35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Le	3.000	08/01/16				0.00	29,325.00	29,325.00			
08/03/15	08/01/15	661334DR0	MUNICIPAL	N Orange Cty CA CC Dist	1.240	08/01/17				0.00	26,350.00	26,350.00			
08/03/15	08/01/15	796720JG6	MUNICIPAL	San Bernardino CA Cmty Ct	1.686	08/01/17				0.00	10,537.50	10,537.50			
08/17/15	08/15/15	64990EJD0	MUNICIPAL	NY ST Dorm Auth Tax Rev	1.003	02/15/16				0.00	7,522.50	7,522.50			
09/01/15	09/01/15	645918T37	MUNICIPAL	NJ State Econ Dev Auth	1.059	03/01/16				0.00	11,649.00	11,649.00			
09/01/15	09/01/15	67868UDN0	MUNICIPAL	OK Cty Fina Auth Ed Rev	4.000	03/01/18				0.00	93,000.00	93,000.00			

# Investment Transactions (cont.)

**Quarter Ended September 30, 2015**

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>															
09/21/15	09/21/15	3134G36K1	AGCY CALL	FHLMC	0.800	03/21/17				0.00	80,000.00	80,000.00			
09/27/15	09/27/15	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>614,951.95</b>	<b>614,951.95</b>			

# Changes in Book and Market Values

CUSIP	Security Type	Security Description	06/30/15 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	09/30/15 Book Value	06/30/15 Market Value	09/30/15 Market Value	Change in Mkt Value
<b>Debt Service Fund</b>											
BBT-PTHOU	BANK DEP	BB&T	34,268,780.57	311,272.02	(2,407,514.99)	0.00	0.00	32,172,537.60	34,268,780.57	32,172,537.60	(2,096,242.97)
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>34,268,780.57</b>	<b>311,272.02</b>	<b>(2,407,514.99)</b>	<b>0.00</b>	<b>0.00</b>	<b>32,172,537.60</b>	<b>34,268,780.57</b>	<b>32,172,537.60</b>	<b>(2,096,242.97)</b>
<b>General Fund</b>											
BBT-PTHOU	BANK DEP	BB&T	75,046,083.15	2,578,343.65	(3,959,935.95)	0.00	0.00	73,664,490.85	75,046,083.15	73,664,490.85	(1,381,592.30)
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	3,577,002.90	289,093.26	(355,301.89)	0.00	0.00	3,510,794.27	3,577,002.90	3,510,794.27	(66,208.63)
22533UU76	CP - DISC	Credit Agricole 0.000 07/07/15	24,998,208.25	0.00	(25,000,000.00)	1,791.75	0.00	0.00	24,999,950.00	0.00	(24,999,950.00)
0027A1VE6	CP - DISC	Abbey Nat'l N America 0.000 08/14/15	19,989,488.80	0.00	(20,000,000.00)	10,511.20	0.00	0.00	19,996,620.00	0.00	(19,996,620.00)
730145AN7	MUNICIPAL	PMA Wl Levy & Aid 1.000 10/23/15	7,312,932.53	0.00	0.00	(10,436.81)	0.00	7,302,495.72	7,314,826.30	7,303,423.70	(11,402.60)
0027A1XS3	CP - DISC	Abbey Nat'l N America 0.000 10/26/15	17,471,846.88	0.00	0.00	22,137.50	0.00	17,493,984.38	17,483,882.50	17,499,020.00	15,137.50
0027A1Y52	CP - DISC	Abbey Nat'l N America 0.000 11/05/15	14,971,425.00	0.00	0.00	20,700.00	0.00	14,992,125.00	14,982,405.00	14,998,575.00	16,170.00
467578FW5	MUNICIPAL	Jackson Cty, MO 3.000 12/01/15	1,057,611.06	0.00	0.00	(4,566.64)	0.00	1,053,044.42	1,061,156.25	1,054,429.95	(6,726.30)
22533TBC9	CP - DISC	Credit Agricole 0.000 02/12/16	24,910,541.75	0.00	0.00	36,416.50	0.00	24,946,958.25	24,914,875.00	24,963,900.00	49,025.00
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	1,505,859.00	1,504,665.00	(1,194.00)
645918T37	MUNICIPAL	NJ State Econ Dev Auth 1.059 03/01/16	2,203,039.06	0.00	0.00	(1,137.64)	0.00	2,201,901.42	2,192,781.80	2,183,830.00	(8,951.80)
63873JC40	CP - DISC	Natixis Finance 0.000 03/04/16	19,918,352.80	0.00	0.00	30,411.00	0.00	19,948,763.80	19,925,600.00	19,960,740.00	35,140.00
46640PC76	CP - DISC	J.P.Morgan Sec 0.000 03/07/16	14,938,020.90	0.00	0.00	22,808.25	0.00	14,960,829.15	14,932,020.00	14,975,685.00	43,665.00
46640PCP6	CP - DISC	J.P.Morgan Sec 0.000 03/23/16	0.00	24,890,503.47	0.00	37,600.78	0.00	24,928,104.25	0.00	24,930,725.00	24,930,725.00
791697DB8	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/16	1,277,938.96	0.00	0.00	(9,282.05)	0.00	1,268,656.91	1,278,516.25	1,270,450.00	(8,066.25)
22533TE93	CP - DISC	Credit Agricole 0.000 05/09/16	0.00	19,897,630.56	0.00	18,266.64	0.00	19,915,897.20	0.00	19,925,380.00	19,925,380.00
22533TRH4	CP - DISC	Credit Agricole 0.000 06/17/16	0.00	19,899,500.00	0.00	3,000.00	0.00	19,902,500.00	0.00	19,899,960.00	19,899,960.00
040580GA4	MUNICIPAL	AZ School Facilities Board 0.812 07/01/16	3,245,045.61	0.00	0.00	(2,508.25)	0.00	3,242,537.36	3,244,100.06	3,247,940.00	3,839.94
34074GDF8	MUNICIPAL	FL Hurricane Catastrophe 1.298 07/01/16	7,265,087.18	0.00	0.00	(12,503.02)	0.00	7,252,584.16	7,249,949.46	7,249,920.60	(28.86)
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	2,002,188.00	2,005,440.00	3,252.00
14329NDR2	MUNICIPAL	City of Carmel, IN Redev Auth 0.990 08/01/16	2,155,000.00	0.00	0.00	0.00	0.00	2,155,000.00	2,161,062.02	2,164,352.70	3,290.68
35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev 3.000 10/01/16	1,991,683.93	0.00	0.00	(8,427.71)	0.00	1,983,256.22	1,999,599.42	1,991,656.25	(7,943.17)
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	1,003,438.00	1,005,320.00	1,882.00
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	3,783,549.38	3,786,324.10	2,774.72
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	1,480,127.72	1,485,044.55	4,916.83
45462TDY5	MUNICIPAL	Indiana Bond Bk Rev 1.057 01/15/17	0.00	4,463,019.00	0.00	(267.26)	0.00	4,462,751.74	0.00	4,463,419.95	4,463,419.95

# Changes in Book and Market Values (cont.)

CUSIP	Security Type	Security Description	09/30/15 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	09/30/15 Book Value	09/30/15 Market Value	09/30/15 Market Value	Change in Mkt Value
<b>General Fund</b>											
14329ND50	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	2,699,212.29	2,701,737.50	2,525.21
3134G36K1	AGCY CALL	FHLMC 0.800 03/21/17	20,000,000.00	0.00	(20,000,000.00)	0.00	0.00	0.00	20,024,000.00	0.00	(20,024,000.00)
791697DC6	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/	2,093,470.52	0.00	0.00	(13,206.28)	0.00	2,080,264.24	2,086,876.00	2,078,400.00	(8,476.00)
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	35,003,500.00	35,026,145.00	22,645.00
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	19,986,000.00	20,005,900.00	19,900.00
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	2,813,328.05	2,816,834.30	3,506.25
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	4,268,593.75	4,275,415.00	6,821.25
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	1,256,250.00	1,257,617.50	1,367.50
3135G0TK9	AGCY CALL	FNMA 1.050 01/30/18	29,999,216.10	0.00	0.00	75.00	0.00	29,999,291.10	29,886,000.00	30,021,330.00	135,330.00
67868UDN0	MUNICIPAL	OK Cty Fina Auth Ed Rev 4.000 03/01/18	4,966,584.09	0.00	0.00	(29,172.94)	0.00	4,937,411.15	4,948,618.35	4,942,950.00	(5,668.35)
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	24,942,500.00	25,007,500.00	65,000.00
3135G0XG3	AGCY CALL	FNMA 1.000 05/21/18	19,988,321.40	0.00	0.00	997.20	0.00	19,989,318.60	19,850,000.00	19,934,240.00	84,240.00
<b>Total for General Fund</b>			<b>420,131,900.87</b>	<b>72,018,089.94</b>	<b>(69,315,237.84)</b>	<b>113,207.22</b>	<b>0.00</b>	<b>422,947,960.19</b>	<b>419,900,470.65</b>	<b>423,113,556.22</b>	<b>3,213,085.57</b>
<b>Promotion &amp; Development Fund 74</b>											
BBT-PTHOU	BANK DEP	BB&T	3,628,916.85	568,043.96	(632,929.58)	0.00	0.00	3,564,031.23	3,628,916.85	3,564,031.23	(64,885.62)
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>3,628,916.85</b>	<b>568,043.96</b>	<b>(632,929.58)</b>	<b>0.00</b>	<b>0.00</b>	<b>3,564,031.23</b>	<b>3,628,916.85</b>	<b>3,564,031.23</b>	<b>(64,885.62)</b>
<b>Total for Port of Houston Authority</b>			<b>458,029,598.29</b>	<b>72,897,405.92</b>	<b>(72,355,682.41)</b>	<b>113,207.22</b>	<b>0.00</b>	<b>458,684,529.02</b>	<b>457,798,168.07</b>	<b>458,850,125.05</b>	<b>1,051,956.98</b>

# Investment Income

## Quarter Ended September 30, 2015

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	28,936.15	28,936.15	0.00	0.00	0.00	28,936.15
<b>Total for Debt Service Fund</b>			<b>0.00</b>	<b>28,936.15</b>	<b>28,936.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>28,936.15</b>
<b>General Fund</b>									
BBT-PTHOU	BANK DEP	BB&T	0.00	64,506.94	64,506.94	0.00	0.00	0.00	64,506.94
22533UU76	CP - DISC	Credit Agricole 0.000 07/07/15	0.00	0.00	0.00	0.00	0.00	1,791.75	1,791.75
0027A1VE6	CP - DISC	Abbey Natl N America 0.000 08/14/15	0.00	0.00	0.00	0.00	0.00	10,511.20	10,511.20
730146AN7	MUNICIPAL	PMA Wt Levy & Aid 1.000 10/23/15	49,477.78	18,250.00	0.00	0.00	67,727.78	(10,436.81)	7,813.19
0027A1XS3	CP - DISC	Abbey Natl N America 0.000 10/25/15	0.00	0.00	0.00	0.00	0.00	22,137.50	22,137.50
0027A1Y52	CP - DISC	Abbey Natl N America 0.000 11/05/15	0.00	0.00	0.00	0.00	0.00	20,700.00	20,700.00
467578FW5	MUNICIPAL	Jackson Cty, MO 3.000 12/01/15	2,625.00	7,875.00	0.00	0.00	10,500.00	(4,566.64)	3,308.36
22533TBC9	CP - DISC	Credit Agricole 0.000 02/12/16	0.00	0.00	0.00	0.00	0.00	36,416.50	36,416.50
64990EJD0	MUNICIPAL	NY ST Dorm Auth Tax Rev 1.003 02/15/16	5,683.67	3,761.25	7,522.50	0.00	1,922.42	0.00	3,761.25
645918T37	MUNICIPAL	NJ State Econ Dev Auth 1.059 03/01/16	7,766.00	5,824.50	11,649.00	0.00	1,941.50	(1,137.64)	4,686.86
63873JC40	CP - DISC	Natixis Finance 0.000 03/04/16	0.00	0.00	0.00	0.00	0.00	30,411.00	30,411.00
46640PC76	CP - DISC	J.P.Morgan Sec 0.000 03/07/16	0.00	0.00	0.00	0.00	0.00	22,808.25	22,808.25
46640PCP6	CP - DISC	J.P.Morgan Sec 0.000 03/23/16	0.00	0.00	0.00	0.00	0.00	37,600.78	37,600.78
791697DB8	MUNICIPAL	St. Louis MO Spl Admin Sch Dist 4.000 04/01/16	12,500.00	12,500.00	0.00	0.00	25,000.00	(9,282.05)	3,217.95
22533TE93	CP - DISC	Credit Agricole 0.000 05/09/16	0.00	0.00	0.00	0.00	0.00	18,266.64	18,266.64
22533TFH4	CP - DISC	Credit Agricole 0.000 06/17/16	0.00	0.00	0.00	0.00	0.00	3,000.00	3,000.00
040580GA4	MUNICIPAL	AZ School Facilities Board 0.812 07/01/16	13,134.10	6,567.05	13,134.10	0.00	6,567.05	(2,508.25)	4,058.80
34074GOF8	MUNICIPAL	FL Hurricane Catastrophe 1.298 07/01/16	46,825.35	23,412.68	46,825.35	0.00	23,412.68	(12,503.02)	10,909.66
592112LG9	MUNICIPAL	Metro Nashville & Davidson Cty TN GO 1.007 07/01/16	10,070.00	5,035.00	10,070.00	0.00	5,035.00	0.00	5,035.00
14329NDR2	MUNICIPAL	City of Carmel, IN Redevel Auth 0.990 08/01/16	8,889.38	5,333.62	10,667.25	0.00	3,555.75	0.00	5,333.62
35824NCE7	MUNICIPAL	Fresno Cty CA Fina Auth Lease Rev 3.000 08/01/16	24,437.50	14,662.50	29,325.00	0.00	9,775.00	(8,427.71)	6,234.79
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
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
64985HZ3	MUNICIPAL	NY ST Envrnmtl 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
45462TDY5	MUNICIPAL	Indiana Bond Bk Rev 1.057 01/15/17	0.00	2,092.86	0.00	0.00	2,092.86	(267.26)	1,825.60
14329NDS0	MUNICIPAL	City of Carmel, IN Redevel 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
3134G36K1	AGCY CALL	FHLMC 0.800 03/21/17	44,444.44	35,555.56	80,000.00	0.00	0.00	0.00	35,555.56
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	(13,206.28)	6,793.72

# Investment Income (cont.)

Quarter Ended September 30, 2015

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>									
3135G0WU3	AGCY CALL	FNMA 0.750 05/15/17	33,541.67	65,625.00	0.00	0.00	99,166.67	0.00	65,625.00
3136G1GJ2	AGCY CALL	FNMA 0.850 06/27/17	44,388.89	42,500.00	85,000.00	0.00	1,888.89	0.00	42,500.00
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 Cig 1.686 08/01/17	8,781.25	5,268.75	10,537.50	0.00	3,512.50	0.00	5,268.75
3135G0TK9	AGCY CALL	FNMA 1.050 01/30/18	132,125.00	78,750.00	157,500.00	0.00	53,375.00	75.00	78,825.00
67868UDN0	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	(29,172.94)	17,327.06
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	997.20	50,997.20
<b>Total for General Fund</b>			<b>642,649.24</b>	<b>628,225.55</b>	<b>679,458.89</b>	<b>0.00</b>	<b>591,415.90</b>	<b>113,207.22</b>	<b>741,432.77</b>
<b>Promotion &amp; Development Fund 74</b>									
BBT-PTHOU	BANK DEP	BB&T	0.00	3,204.47	3,204.47	0.00	0.00	0.00	3,204.47
<b>Total for Promotion &amp; Development Fund 74</b>			<b>0.00</b>	<b>3,204.47</b>	<b>3,204.47</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,204.47</b>
<b>Total for Port of Houston Authority</b>			<b>642,649.24</b>	<b>660,366.17</b>	<b>711,599.51</b>	<b>0.00</b>	<b>591,415.90</b>	<b>113,207.22</b>	<b>773,573.39</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 115 days, and weighted average final maturity of 325 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 May 2018, with some call dates through December 2015)
- Compliant (\$112.9 million in overnight bank deposits, and \$157.5 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 17% of the portfolio is invested beyond 24 months)
- Compliant (weighted average final maturity of 325 days, or 115 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 14% of the portfolio)
- Compliant (highest concentration is 23% 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>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>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, 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>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 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