



QUARTERLY INVESTMENT REPORT

SEPTEMBER 30, 2016

**City of Houston, Texas
Office of the City Controller**

**Chris Brown
City Controller**

**Charisse Mosely
Deputy City Controller**

**Han Au
Investment Manager**



**OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS**

October 21, 2016

To Mayor Turner, City Council Members and
The Citizens of Houston:

I am pleased to submit to you the City of Houston's Quarterly Investment Report for the quarter ended September 30, 2016. This report presents the composition of investment pools the City Controller's Office manages.

The Report is organized as follows: Investment Portfolio Summary and Composition of all pools; an analysis of the General and Tax Exempt pools; security listings by maturity for the quarters ended September 30, 2016 and June 30, 2016.

I hope you find this data useful and informative.

Respectfully submitted,

Chris Brown
City Controller



OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

Quarterly Investment Report

We believe the data presented for the quarter ended September 30, 2016 is accurate in all material respects and presented in a manner that fairly sets forth the investment standing of the City of Houston.

This report was prepared in compliance with the City's Investment Policy and the Public Funds Investment Act of the State of Texas.

Chris Brown
City Controller

Charisse Mosely
Deputy City Controller
Treasury Division

Han Au
Investment Manager
Treasury Division

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CITY OF HOUSTON
QUARTERLY INVESTMENT REPORT
Executive Summary
For the Quarter Ended September 30, 2016

The accompanying Quarterly Investment Report lists in summary form and in detail the investment positions of the City of Houston investment pools as of September 30, 2016. As of that date, the City held total investments with a market value of \$3.4 billion. The majority of these funds, with the exception of about \$16 million that must be segregated per federal mandates, are held in the City's General Investment Pool. The General Investment Pool consists of working capital, construction funds, and debt service funds not subject to yield restriction under IRS arbitrage regulations. All investments are governed by state law and the City's Investment Policy, which dictates the following investment objectives, in order of priority:

1. Safety
2. Liquidity
3. Return on Investments
4. Other Legal Requirements

Approximately 50.2% of the City's holdings are currently invested in United States Treasuries. Other investment sectors include 35.6% allocation to US government-sponsored enterprises such as the Federal Home Loan Bank, Fannie Mae, and Freddie Mac, 8.9% to municipal notes and bonds, 2.8% to commercial paper, 2.4% to high grade money market funds, and 0.1% to Certificate Deposits.

The weighted average maturity of the City's investments has historically ranged from about one year up to two years. The weighted average maturity is currently 1.24 years. From an operating standpoint, 27% of the funds invested are designated to be spent on capital projects such as roads and bridges, the water and sewer system and the airport system. Investment maturities are targeted to coincide with planned expenditures. Other investment maturities are targeted to meet short-term obligations such as payroll and debt service payments.

Fitch Ratings has assigned its AA+ credit rating and S1 volatility rating to the General Pool. The AA+ credit quality rating is the highest rating available from Fitch Ratings and reflects the extremely strong protection that the Pool's portfolio investments provide against losses from credit defaults or credit deteriorations. The S1 volatility rating recognizes the Pool's sensitivity to changing market conditions as a result of its low market risk profile and conservative investment policies.

At September 30, 2016, the general pool was yielding 0.982% based on the amortized cost of the portfolio.

**Investment Portfolio Summary
Activity For Quarter Ended
September 30, 2016**

General Pool 9900

	<u>9/30/2016</u>	<u>6/30/2016</u>	<u>Last Quarter Net Change</u>	<u>9/30/2015</u>	<u>Last Year Net Change</u>
Book Value	\$3,366,707,146	\$3,474,334,421	-107,627,275	\$3,388,895,397	-22,188,251
Market Value	\$3,375,785,712	\$3,491,089,253	-115,303,541	\$3,399,957,188	-24,171,476
Market/Book Ratio	1.0027	1.0048	-0.0021	1.0033	-0.0006
Accrued Interest	\$15,626,211	\$7,268,252	8,357,959	\$11,061,792	4,564,419

The General Pool consists of all working capital, construction, and debt service funds which are not subject to yield restriction under IRS arbitrage regulations. Combining the net cash-flows of all funds allows the City to invest in longer-term, higher-yielding securities without sacrificing the ability to meet short-term cash needs. The General Pool strategy, as outlined in the City's Investment Policy, combines a variation on the traditional laddered maturity strategy which matches assets and liabilities, with more active management strategies, such as yield curve analysis and bond swaps.

For the quarter ending September 30, 2016, the 3-month average yield was 0.942%. The weighted average maturity (WAM) as of September 30 was 454 days.



Fitch Ratings has assigned its AA+ credit rating and S1 volatility rating to the General Pool. The AA+ credit quality rating is the highest rating available from Fitch Ratings and reflects the extremely strong protection that the Pool's portfolio investments provide against losses from credit defaults or credit deterioration. The S1 volatility rating recognizes the Pool's sensitivity to changing market conditions as a result of its low market risk profile and conservative investment policies.

Tax Exempt Pool 9901

	<u>9/30/2016</u>	<u>6/30/2016</u>	<u>Last Quarter Net Change</u>	<u>9/30/2015</u>	<u>Last Year Net Change</u>
Book Value	\$7,859,025	\$7,761,980	97,045	\$7,768,393	90,633
Market Value	\$7,848,157	\$7,768,081	80,077	\$7,772,021	76,136
Market/Book Ratio	0.9986	1.0008	-0.0022	1.0005	-0.0018
Accrued Interest	\$49,838	\$135,778	-85,940	\$101,178	-51,340

The Tax Exempt Pool consists of those funds which are subject to yield restriction and arbitrage regulation under the 1986 Tax Reform Act. This pool was created to do the following: demonstrate compliance with Internal Revenue Code regarding arbitrage, maximize the amount of interest earned and retained by the City from the investment of funds subject to the regulations, minimize the amount of rebate liability, and minimize the cost of administering the arbitrage tracking program. The Tax Exempt Pool strategy, as outlined in the City's Investment Policy, is to invest in high quality, short-term municipal bonds and one or more tax-exempt money market mutual funds in order to meet the liquidity demands of the City.

For the quarter ending September 30, 2016, the 3-month average yield was 0.696%. The WAM was 509 days at September 30, 2016.

**Investment Portfolio Summary
Activity For Quarter Ended
September 30, 2016**

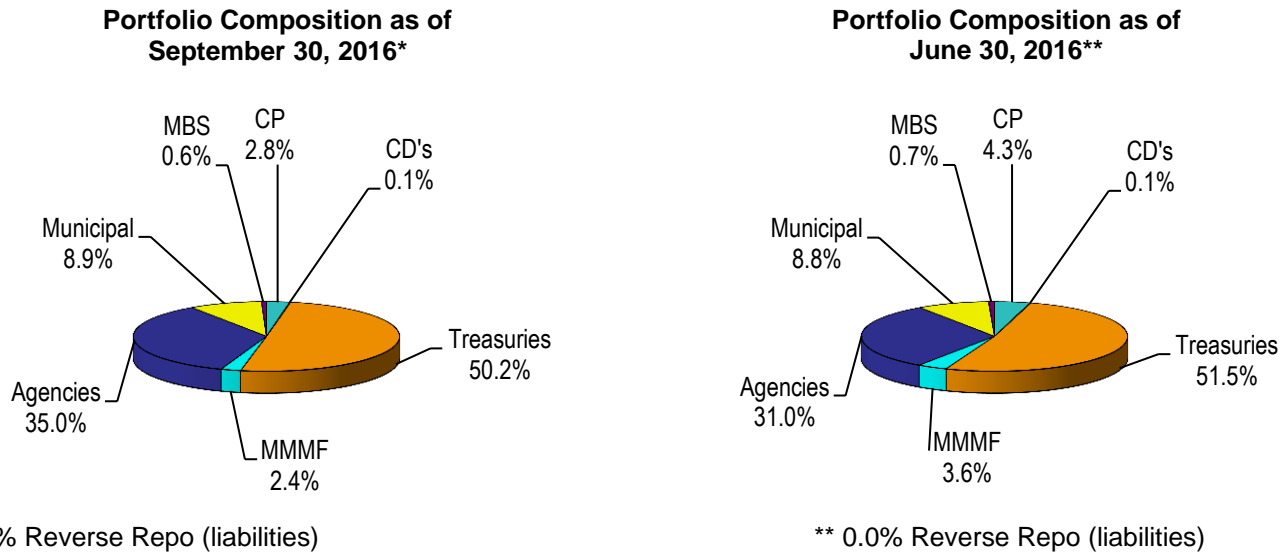
Housing Department Section 108 Pool 9902

	<u>9/30/2016</u>	<u>6/30/2016</u>	<u>Last Quarter Net Change</u>	<u>9/30/2015</u>	<u>Last Year Net Change</u>
Book Value	\$7,989,366	\$8,497,454	-508,087	\$8,491,467	-502,101
Market Value	\$7,992,299	\$8,498,704	-506,406	\$8,498,888	-506,590
Market/Book Ratio	1.0004	1.0001	0.0002	1.0009	-0.0005
Accrued Interest	\$0	\$0	0	\$0	0

The Housing Department Fund was created to comply with the U.S. Department of Housing and Urban Development (HUD), which requires a separate custodial account for HUD's benefit.

For the quarter ending September 30, 2016, the 3-month average yield was 0.413%. The WAM was 115 days at September 30, 2016.

Investment Portfolio Composition General Pool 9900 Percentages by Market Sector



Note: Adjustments were made to include the Reverse Repo.

FIGURE 2
Source: City of Houston Controller's Office

Investment Policy Limitations

Money Market Mutual Funds (MMMF)	≤25%
Repurchase Agreements (Repo)	≤15%
Commercial Paper/Banker Acceptances (CP/BA)	≤15%
US Treasury Bills/Notes/Bonds	≥15%
US Agencies	≤85%
Municipal Bonds	≤20%
Mortgage-Backed Securities (MBS) & Collateralized Mortgage Obligations (CMO)	≤20%

The portfolio composition graph for the General Pool (Figure 2) shows the percentage of the pool held in U.S. Treasuries, U.S. Agencies, Mortgage-Backed Securities, Municipal Bonds and liquidity investments (MMMF, Repo and CP) positions. All investments are in compliance with the objectives and restrictions set forth in the City's Investment Policy and the Public Funds Investment Act of the State of Texas.

Annual Portfolio Composition General Pool 9900 October 2015 through September 2016

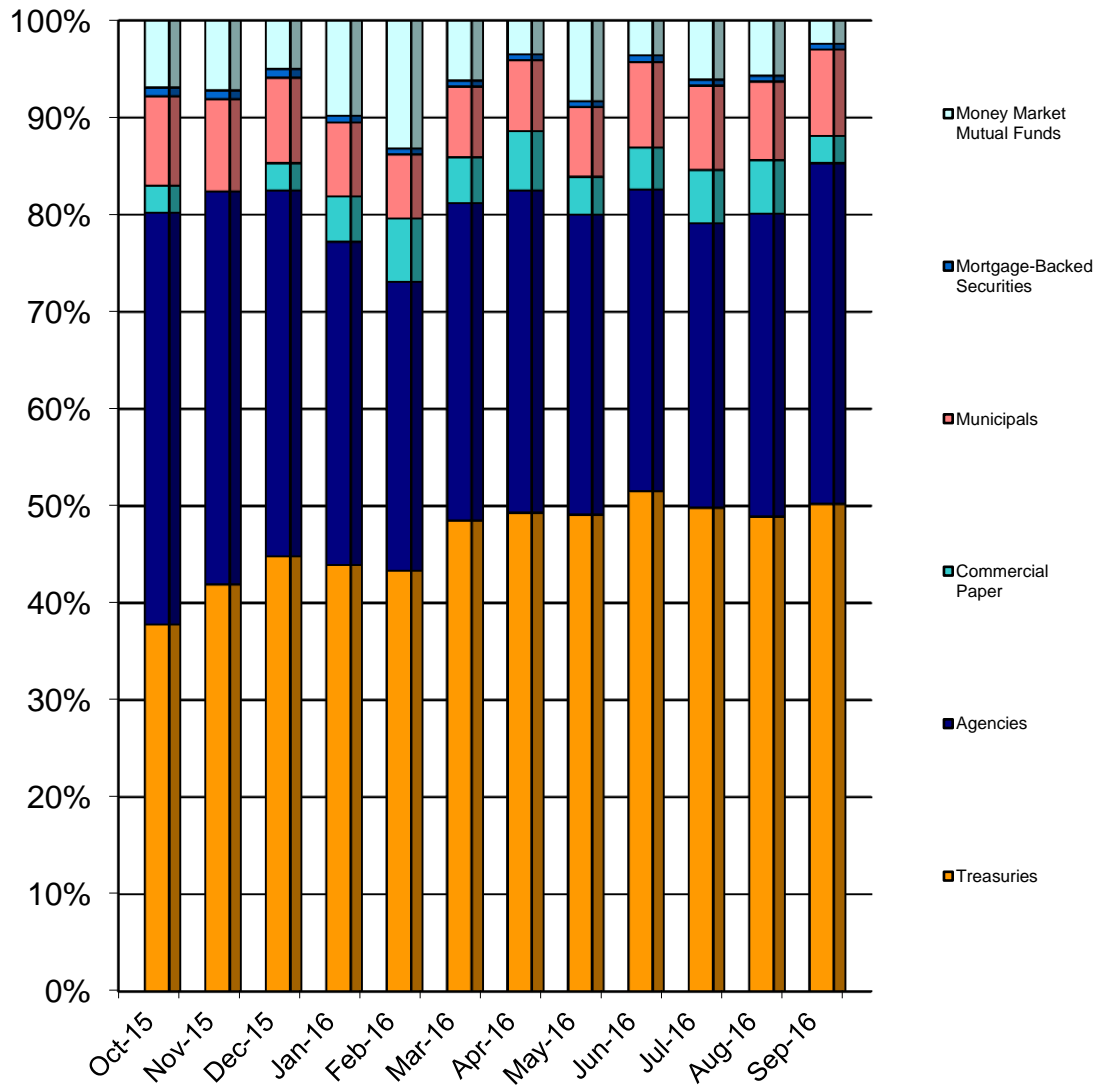


FIGURE 3
Source: City of Houston Controller's Office

**Investment Portfolio Composition
Tax Exempt Pool
Percentages by Market Sector**

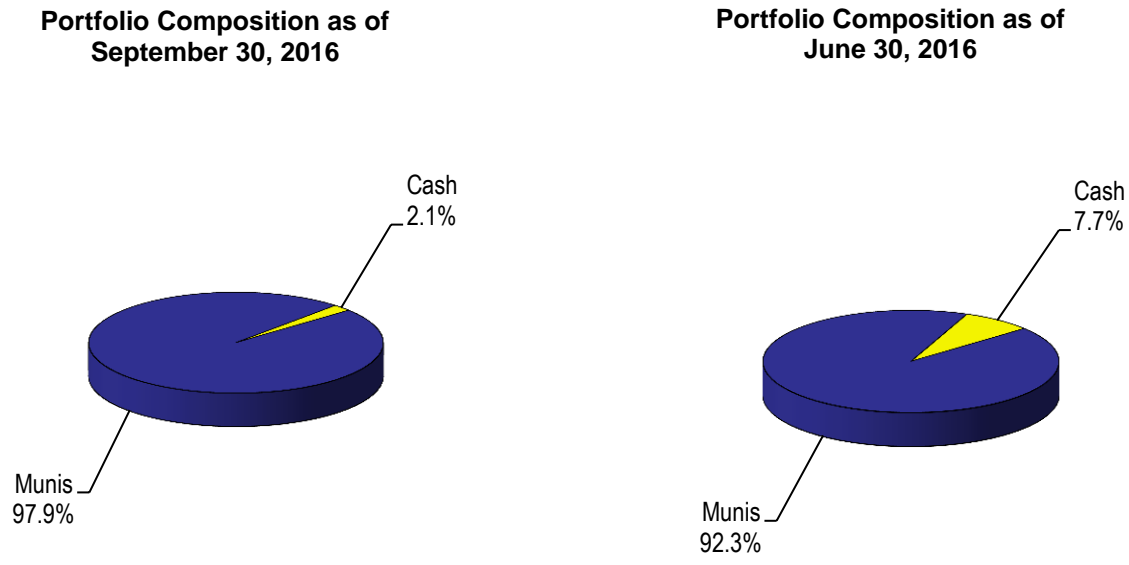


FIGURE 5
Source: City of Houston Controller's Office

Investment Policy Limitations

	<u>Maximum Level</u>
Money Market Mutual Funds (MMMF)	100%
Municipal Notes and Bonds (Including VRDSs)	100%

The portfolio composition graph for the Tax Exempt Pool (Figure 5) shows the percentage of the pool held in Municipal Notes/Bonds/VRDS's and Money Market Mutual Funds. All investments are in compliance with the objectives and restrictions set forth in the City's Investment Policy and the Public Funds Investment Act of the State of Texas.

Appendix I

Investments by Sector and Maturity as of September 30, 2016

Description	CUSIP	Coupon	Par Value	Maturity Date	Call Date Avg Life	Mod DTW	Purchase Date	Accrued Interest	Book Value	YTC	Current Yield	Market Value
T 1.25 11-15-18	912828M64	1.250%	25,000,000.00	11/15/2018		2.094	2/16/2016	118,036.68	25,197,953.02	0	0.872	25,228,525.00
T 1.25 11-15-18	912828M64	1.250%	25,000,000.00	11/15/2018		2.094	2/17/2016	118,036.68	25,178,486.79	0	0.909	25,228,525.00
T 1.25 11-15-18	912828M64	1.250%	25,000,000.00	11/15/2018		2.094	3/28/2016	118,036.68	25,143,369.93	0	0.976	25,228,525.00
T 1.625 6-30-19	912828WS5	1.625%	25,000,000.00	6/30/2019		2.691	2/2/2016	102,666.44	25,390,537.07	0	1.045	25,508,800.00
T 1.625 6-30-19	912828WS5	1.625%	25,000,000.00	6/30/2019		2.691	2/23/2016	102,666.44	25,421,269.75	0	1.000	25,508,800.00
T 1.625 6-30-19	912828WS5	1.625%	25,000,000.00	6/30/2019		2.691	3/10/2016	102,666.44	25,305,127.64	0	1.171	25,508,800.00
T 1.625 6-30-20	912828XH8	1.625%	25,000,000.00	6/30/2020		3.640	8/31/2016	102,666.44	25,504,567.99	0	1.074	25,544,925.00
Subtotal Treasury Notes		1.679%	1,680,000,000.00	12/1/2017		1.158		8,968,672.86	1,687,496,673.39		0.914	1,691,991,070.00
Commercial Paper												
TOYCC 0.67 10-28-16	89233GKU9	0.67%	45,000,000.00	10/28/2016		0.077	7/7/2016	0	44,977,136.25	0	0.671	44,986,950.00
TOYCC .80 11-15-16	89233GLF1	0.80%	50,000,000.00	11/15/2016		0.126	5/17/2016	0	49,949,700.60	0	0.803	49,973,000.00
Subtotal Commercial Paper		0.738%	95,000,000.00	11/6/2016		0.103		0.00	94,926,836.85		0.741	94,959,950.00
Agency Discount Notes												
FAMCDN 0.375 10-3-16	31315KJ35	0.375%	20,000,000.00	10/3/2016		0.008	10/19/2015	0.00	19,999,582.10	0	0.376	20,000,000.00
FCDN 0.49 11-2-16	313312M98	0.490%	20,000,000.00	11/2/2016		0.090	11/4/2015	0.00	19,991,263.04	0	0.492	19,996,340.00
FAMCDN 0.62 11-10-16	31315KN97	0.620%	20,000,000.00	11/10/2016		0.112	11/12/2015	0.00	19,986,182.29	0	0.624	19,995,360.00
FRMDN 0.625 11-10-16	31315KN97	0.625%	20,000,000.00	11/10/2016		0.112	11/13/2015	0.00	19,986,070.86	0	0.629	19,995,360.00
FRMDN 0.54 6-23-17	31315LHF8	0.540%	30,000,000.00	6/23/2017		0.728	6/24/2016	0.00	29,880,415.97	0	0.543	29,894,790.00
Subtotal Agency Discount Notes		0.531%	110,000,000.00	1/1/2017		0.257		0.00	109,843,514.26		0.534	109,881,850.00
Certificates of Deposit												
Western Alliance Ban	107831836	0.500%	241,000.00	10/6/2016		0.016	10/8/2015	1,201.65	241,000.00	0	0.500	241,000.00
Iberiabank .50	107831828	0.500%	241,000.00	10/6/2016		0.016	10/8/2015	1,201.65	241,000.00	0	0.500	241,000.00
Metropolitan Bank .5	107831836	0.500%	241,000.00	10/6/2016		0.016	10/8/2015	1,201.65	241,000.00	0	0.500	241,000.00
Waterford Bank N.A.	107831828	0.500%	241,000.00	10/6/2016		0.016	10/8/2015	1,201.65	241,000.00	0	0.500	241,000.00
SpiritBank .50	107831828	0.500%	241,000.00	10/6/2016		0.016	10/8/2015	1,201.65	241,000.00	0	0.500	241,000.00
BOKF National Associ	107831828	0.500%	241,000.00	10/6/2016		0.016	10/8/2015	1,201.65	241,000.00	0	0.500	241,000.00
First Freedom Bank .	107831836	0.500%	241,000.00	10/6/2016		0.016	10/8/2015	1,201.65	241,000.00	0	0.500	241,000.00
LegacyTexas Bank .50	107831836	0.500%	72,000.00	10/6/2016		0.016	10/8/2015	359.00	72,000.00	0	0.500	72,000.00
Independent Bank .50	107831828	0.500%	241,000.00	10/6/2016		0.016	10/8/2015	1,201.65	241,000.00	0	0.500	241,000.00
Subtotal Certificates of Deposit		0.500%	2,000,000.00	10/6/2016		0.016		9,972.20	2,000,000.00		0.500	2,000,000.00
Mortgage-Backed Securities												
FGCI 6.00 11/01/16	31294KFM2	6.000%	1,250.24	11/1/2016		0.133	12/18/2001	6.25	1,250.24	0	5.733	1,252.15
FN 616072 6.00 11-01	31388VMV7	6.000%	1,076.43	11/1/2016		0.150	4/21/2003	5.38	1,076.43	0	4.657	1,077.33
GNJO 6.5 11/15/16	36225BQ50	6.500%	2,282.29	11/15/2016		0.145	4/16/2002	22.48	2,282.29	0	5.988	2,283.95
FGCI 6.50 02/01/17	31294KHC2	6.500%	5,048.72	2/1/2017		0.260	3/18/2002	27.35	5,048.72	0	5.769	5,082.40
FN15 254684 5.0 02-0	31371K2R1	5.000%	175,098.60	2/25/2017		0.699	2/19/2003	729.58	175,098.60	0	4.551	179,926.63
FNCI 6.50 03/01/17	31371KLR0	6.500%	4,585.90	3/1/2017		0.292	3/18/2002	24.84	4,585.90	0	5.720	4,617.71
FNCI 6.50 03/01/17	31371KMJ7	6.500%	9,968.24	4/1/2017		0.328	3/18/2002	53.99	9,968.24	0	5.711	10,052.44
FNCI 6.50 7-1-17	31371KQ20	6.500%	24,756.90	7/1/2017		0.411	6/18/2002	134.20	24,756.90	0	6.075	25,051.96
FGE01280 5.00 12-1-1	31294KM51	5.000%	40,683.79	12/1/2017		0.600	12/17/2002	169.52	40,683.79	0	4.737	41,792.54
FN 702860 5.00 04-01	31401AZZ3	5.000%	89,011.90	4/1/2018		0.739	4/21/2003	370.88	89,011.90	0	4.441	91,466.24
FN 254721 5.00 4-1-1	31371K4E8	5.000%	61,575.25	4/21/2018		0.760	4/21/2003	256.56	61,575.25	0	4.366	63,273.08
FNCI 5.00 05-01-18	31371K5V9	5.000%	139,008.70	5/1/2018		0.771	5/19/2003	579.20	139,008.70	0	4.428	142,841.62
FNCI 5.00 LLB 05-01-	31400SDP1	5.000%	90,175.10	5/1/2018		0.755	5/19/2003	375.73	90,175.10	0	4.094	92,661.52
FG E97045 4.5 06-01-	3128H4ZJ1	4.500%	44,426.88	6/1/2018		0.770	7/17/2003	166.60	44,426.88	0	3.874	45,518.61
FGE01425 4.5 08-01-1	31294KSN6	4.500%	286,561.50	8/1/2018		0.836	8/18/2003	1,074.61	286,561.50	0	4.315	293,603.21
FN254942 4.00 09-01-	31371LEP0	4.000%	237,012.30	9/1/2018		0.907	9/18/2003	790.04	237,012.30	0	3.920	244,605.94
FN255077 5.00 01-01-	31371LJW0	5.000%	89,404.65	1/1/2019		0.988	3/17/2005	372.52	89,404.65	0	4.687	92,081.14
FGG18008 4.5 09-01-1	3128MMAJ2	4.500%	142,660.45	9/1/2019		1.212	12/21/2004	534.98	142,660.45	0	4.478	146,455.42
FGG18065 5.00 07-01	3128MMCB7	5.000%	184,098.30	7/1/2020		1.454	7/19/2005	767.08	184,098.30	0	4.838	192,967.48
FGB19758 5.00 08-01-	312972ZX3	5.000%	172,767.40	8/1/2020		1.525	8/16/2005	719.86	172,767.40	0	4.893	177,623.48
FGG18073 5.00 09-01-	3128MMCK7	5.000%	191,738.66	9/1/2020		1.519	10/18/2005	798.91	191,738.66	0	4.989	201,586.39
FGG18079 5.50 10-01-	3128MMCR2	5.500%	269,983.61	10/1/2020		1.514	11/17/2005	1,237.42	269,983.61	0	5.366	286,687.29
FGG11807 5.5 10-01-2	31336WAF6	5.500%	311,983.62	10/1/2020		1.508	12/15/2005	1,429.92	311,983.62	0	5.388	331,635.91
FGG11810 5.5 12-01-2	31336WAJ8	5.500%	254,793.15	12/1/2020		1.414	12/15/2005	1,167.80	254,793.15	0	5.419	269,431.47
FGG18096 5.5 1-1-21	3128MMDA8	5.500%	203,095.92	1/1/2021		1.622	2/16/2006	930.86	203,095.92	0	5.373	216,338.73
FGG18101 5.5 02-01-2	3128MMDF7	5.500%	168,110.10	2/1/2021		1.649	2/16/2006	770.50	168,110.10	0	5.369	179,154.25
FN865183 5.5 02-01-2	31409AFY0	5.500%	340,594.96	2/1/2021		1.591	3/16/2006	1,561.06	340,594.96	0	5.403	357,736.30
FGG18106 5.5 03-01-2	3128MMDL4	5.500%	254,522.08	3/1/2021		1.666	3/16/2006	1,166.56	254,418.36	0	5.470	272,299.10
FNCI 5.5 04-01-21	31407HVV5	5.500%	283,808.96	4/1/2021		1.798	4/18/2006	1,300.79	283,666.42	0	5.475	304,105.78
FGG18115 6.0 05-01-2	3128MMDV2	6.000%	229,305.23	5/1/2021		1.681	5/16/2006	1,146.53	229,305.23	0	5.811	245,120.29

Description	CUSIP	Coupon	Par Value	Maturity Date	Call Date Avg Life	Mod DTW	Purchase Date	Accrued Interest	Book Value	YTC	Current Yield	Market Value
ARLSCD 1.393 2-15-20	0418262C1	1.393%	3,000,000.00	2/15/2020		3.321	7/26/2016	7,545.42	3,000,000.00	0	1.393	3,020,970.00
CTS 2.294 3-15-20	20772JZL9	2.294%	1,085,000.00	3/15/2020		3.343	4/21/2015	1,106.22	1,101,288.42	0	1.838	1,113,936.95
CTS 2.534 4-15-20	20772JEK4	2.534%	1,650,000.00	4/15/2020		3.375	9/20/2016	19,279.52	1,714,405.86	0	1.400	1,702,783.50
NYC 2.15 6-1-20	64966LN56	2.150%	1,425,000.00	6/1/2020		3.525	3/1/2016	10,212.51	1,450,603.16	0	1.640	1,463,218.50
ENEPWR 2.653 7-1-20	29270CYN9	2.653%	1,500,000.00	7/1/2020		3.579	7/1/2016	9,948.75	1,568,301.56	0	1.400	1,559,520.00
CHAPWR 2.3 9-1-20	162393EY4	2.300%	1,000,000.00	9/1/2020		3.765	10/20/2015	1,916.66	1,016,035.70	0	1.870	1,033,700.00
Subtotal Municipal Bonds		2.117%	298,485,000.00	1/15/2018		1.268		1,811,483.81	301,454,030.65		1.215	302,426,365.05
Money Market Mutual Funds												
CHASE MONEY MARKET F		0.010%	0.00	10/1/2016		0.000	2/1/2008	0.00	0.00	0	0.010	0.00
TexStar960 Cash Rese		0.410%	82,059,711.23	10/1/2016		0.003	7/1/2011	0.00	82,059,711.23	0	0.410	82,059,711.23
Subtotal Money Market Mutual Funds		0.410%	82,059,711.23	10/1/2016		0.003		0.00	82,059,711.23		0.410	82,059,711.23
TOTAL FUND 9900		1.605%	3,351,179,909.18	1/20/2018		1.272		15,626,210.68	3,366,707,145.98		0.982	3,375,785,712.27

**INVESTMENT BY SECTOR AND MATURITY - TAX EXEMPT FUND 9901
AS OF September 30, 2016**

Description	CUSIP	Coupon	Par Value	Maturity Date	Call Date	Mod DTW	Purchase Date	Accrued Interest	Book Value	YTC	Current Yield	Market Value
Municipal Bonds												
GAS 5.0 7-1-17	373384YG5	5.000%	1,435,000.00	7/1/2017		0.741	4/25/2016	17,937.50	1,482,093.34	0	0.601	1,479,614.15
MAS 5.25 8-1-25 Pre-	57582PFQ8	5.250%	2,360,000.00	8/1/2017		0.824	4/2/2015	20,650.00	2,448,884.19	0	0.700	2,445,266.80
FNYS CD 5.0 8-15-33 P	346424ZP2	5.000%	1,050,000.00	8/15/2017		0.863	4/26/2016	6,708.33	1,089,304.21	0	0.680	1,087,485.00
HORSCD 5.0 3-1-19	440673A76	5.000%	1,000,000.00	3/1/2019		2.307	4/4/2016	4,166.67	1,097,059.69	0	0.920	1,097,850.00
DAN 3.0 6-1-19	2360917D0	3.000%	1,500,000.00	6/1/2019		2.587	9/28/2016	375.00	1,582,882.51	0	0.901	1,579,140.00
Subtotal Municipal Bonds		4.672%	7,345,000.00	3/4/2018		1.387		49,837.50	7,700,223.94		0.751	7,689,355.95
TOTAL FUND 9901		4.672%	7,345,000.00	3/4/2018		1.39		49,837.50	7,700,223.94		0.75	7,689,355.95

**INVESTMENT BY SECTOR AND MATURITY - HOUSING DEPARTMENT SECTION 108 FUND 9902
AS OF September 30, 2016**

Description	CUSIP	Coupon	Par Value	Maturity Date	Call Date	Mod DTW	Purchase Date	Accrued Interest	Book Value	YTC	Current Yield	Market Value
Treasury Bills												
B 0.4 1-5-17	912796HV4	0.400%	4,500,000.00	1/5/2017		0.266	7/22/2016	0.00	4,495,169.81	0	0.401	4,496,796.00
B 0.43 2-15-17	912796KH1	0.430%	3,500,000.00	2/16/2017		0.381	8/19/2016	0.00	3,494,196.49	0	0.431	3,495,502.50
Subtotal Treasury Bills		0.413%	8,000,000.00	1/23/2017		0.316		0.00	7,989,366.30		0.414	7,992,298.50
TOTAL FUND 9902		0.413%	8,000,000.00	1/23/2017		0.316		0.00	7,989,366.30		0.414	7,992,298.50
GRAND TOTALS		1.609%	3,366,524,909.18	12/26/2017		1.270		15,676,048.18	3,382,396,736.22		0.980	3,391,467,366.72

Appendix II

Investments by Sector and Maturity as of June 30, 2016

Description	CUSIP	Coupon	Par Value	Maturity Date	Call Date Avg Life	Mod DTW	Purchase Date	Accrued Interest	Book Value	YTC	Current Yield	Market Value
T 2.375 6-30-18	912828QT0	2.375%	25,000,000.00	6/30/2018		1.966	9/8/2015	1,613.45	25,675,370.07	0	1.001	25,877,925.00
T 1.5 8-31-18	912828RE2	1.500%	25,000,000.00	8/31/2018		2.130	11/3/2015	125,339.67	25,236,827.78	0	1.055	25,471,675.00
T 1.0 9-15-18	912828L40	1.000%	25,000,000.00	9/15/2018		2.184	1/13/2016	73,369.57	24,936,210.26	0	1.118	25,203,125.00
T 1.0 9-15-18	912828L40	1.000%	25,000,000.00	9/15/2018		2.184	1/19/2016	73,369.57	24,976,438.67	0	1.043	25,203,125.00
T 1.25 11-15-18	912828M64	1.250%	25,000,000.00	11/15/2018		2.344	2/4/2016	39,911.68	25,227,155.17	0	0.862	25,351,550.00
T 1.25 11-15-18	912828M64	1.250%	25,000,000.00	11/15/2018		2.344	2/16/2016	39,911.68	25,221,421.68	0	0.872	25,351,550.00
T 1.25 11-15-18	912828M64	1.250%	25,000,000.00	11/15/2018		2.344	2/17/2016	39,911.68	25,199,647.59	0	0.909	25,351,550.00
T 1.25 11-15-18	912828M64	1.250%	25,000,000.00	11/15/2018		2.344	3/28/2016	39,911.68	25,160,367.40	0	0.976	25,351,550.00
T 1.625 6-30-19	912828WS5	1.625%	25,000,000.00	6/30/2019		2.941	2/2/2016	1,103.94	25,426,359.02	0	1.045	25,667,000.00
T 1.625 6-30-19	912828WS5	1.625%	25,000,000.00	6/30/2019		2.941	2/23/2016	1,103.94	25,459,910.64	0	1.000	25,667,000.00
T 1.625 6-30-19	912828WS5	1.625%	25,000,000.00	6/30/2019		2.941	3/10/2016	1,103.94	25,333,115.42	0	1.171	25,667,000.00
Subtotal Treasury Notes		1.641%	1,775,000,000.00	10/18/2017		1.290		3,392,351.81	1,785,247,362.46		0.892	1,793,726,345.00
Commercial Paper												
XON 0.44 9-1-16	30229AJ18	0.44%	50,000,000.00	9/1/2016		0.172	6/8/2016	0	49,961,500.00	0	0.44	49,952,500.00
XON 0.46 9-1-16	30229AJ18	0.46%	50,000,000.00	9/1/2016		0.172	6/14/2016	0	49,959,750.00	0	0.46	49,952,500.00
TOYCC .80 11-15-16	89233GLF1	0.80%	50,000,000.00	11/15/2016		0.378	5/17/2016	0	49,846,866.27	0	0.803	49,870,500.00
Subtotal Commercial Paper		0.567%	150,000,000.00	9/25/2016		0.241		0.00	149,768,116.27		0.568	149,775,500.00
Agency Discount Notes												
FRMDN 0.350 7-1-16	31315KYV6	0.350%	25,000,000.00	7/1/2016		0.003	9/24/2015	0.00	25,000,000.00	0	0.351	25,000,000.00
FRMDN 0.380 7-1-16	31315KYV6	0.380%	25,000,000.00	7/1/2016		0.003	9/28/2015	0.00	25,000,000.00	0	0.381	25,000,000.00
FRMDN 0.63 8-31-16	31315KE22	0.630%	25,000,000.00	8/31/2016		0.170	1/7/2016	0.00	24,972,929.21	0	0.639	24,989,400.00
FRMDN 0.345 9-23-16	31315KG95	0.345%	20,000,000.00	9/23/2016		0.233	10/15/2015	0.00	19,983,850.91	0	0.346	19,986,940.00
FAMCDN 0.375 10-3-16	31315KJ35	0.375%	20,000,000.00	10/3/2016		0.260	10/19/2015	0.00	19,980,358.72	0	0.376	19,981,200.00
FCDN 0.49 11-2-16	313312M98	0.490%	20,000,000.00	11/2/2016		0.342	11/4/2015	0.00	19,966,144.28	0	0.492	19,973,820.00
FAMCDN 0.62 11-10-16	31315KN97	0.620%	20,000,000.00	11/10/2016		0.364	11/12/2015	0.00	19,954,401.55	0	0.624	19,972,140.00
FRMDN 0.625 11-10-16	31315KN97	0.625%	20,000,000.00	11/10/2016		0.364	11/13/2015	0.00	19,954,033.82	0	0.629	19,972,140.00
FRMDN 0.54 6-23-17	31315LHF8	0.540%	30,000,000.00	6/23/2017		0.980	6/24/2016	0.00	29,838,900.00	0	0.543	29,836,380.00
Subtotal Agency Discount Notes		0.484%	205,000,000.00	10/23/2016		0.317		0.00	204,650,618.49		0.487	204,712,020.00
Certificates of Deposit												
Western Alliance Ban	107831836	0.500%	241,000.00	10/6/2016		0.268	10/8/2015	893.71	241,000.00	0	0.500	241,000.00
Iberiabank .50	107831828	0.500%	241,000.00	10/6/2016		0.268	10/8/2015	893.71	241,000.00	0	0.500	241,000.00
Metropolitan Bank .5	107831836	0.500%	241,000.00	10/6/2016		0.268	10/8/2015	893.71	241,000.00	0	0.500	241,000.00
Waterford Bank N.A.	107831828	0.500%	241,000.00	10/6/2016		0.268	10/8/2015	893.71	241,000.00	0	0.500	241,000.00
SpiritBank .50	107831828	0.500%	241,000.00	10/6/2016		0.268	10/8/2015	893.71	241,000.00	0	0.500	241,000.00
BOKF National Associ	107831828	0.500%	241,000.00	10/6/2016		0.268	10/8/2015	893.71	241,000.00	0	0.500	241,000.00
First Freedom Bank .	107831836	0.500%	241,000.00	10/6/2016		0.268	10/8/2015	893.71	241,000.00	0	0.500	241,000.00
LegacyTexas Bank .50	107831836	0.500%	72,000.00	10/6/2016		0.268	10/8/2015	267.00	72,000.00	0	0.500	72,000.00
Independent Bank .50	107831828	0.500%	241,000.00	10/6/2016		0.268	10/8/2015	893.71	241,000.00	0	0.500	241,000.00
Subtotal Certificates of Deposit		0.500%	2,000,000.00	10/6/2016		0.268		7,416.68	2,000,000.00		0.500	2,000,000.00
Mortgage-Backed Securities												
FGCI 6.00 09/01/16	31294KEW1	6.000%	1,813.42	9/1/2016		0.123	10/18/2001	9.07	1,813.42	0	5.461	1,819.14
FGCI 6.00 11/01/16	31294KFM2	6.000%	5,429.84	11/1/2016		0.204	12/18/2001	27.15	5,429.84	0	5.733	5,456.11
FN 616072 6.00 11-01	31388VMV7	6.000%	4,818.83	11/1/2016		0.229	4/21/2003	24.09	4,818.83	0	4.657	4,845.96
GNJO 6.5 11/15/16	36225BQ50	6.500%	7,356.55	11/15/2016		0.204	4/16/2002	10.77	7,356.55	0	5.988	7,370.74
FGCI 6.50 02/01/17	31294KHC2	6.500%	9,744.80	2/1/2017		0.316	3/18/2002	52.78	9,744.80	0	5.769	9,848.93
FN15 254684 5.0 02-0	31371K2R1	5.000%	222,121.20	2/25/2017		0.344	2/19/2003	925.51	222,121.20	0	4.551	228,224.45
FNCI 6.50 03/01/17	31371KLR0	6.500%	8,438.55	3/1/2017		0.375	3/18/2002	45.71	8,438.55	0	5.720	8,533.88
FNCI 6.50 03/01/17	31371KMJ7	6.500%	17,230.64	4/1/2017		0.409	3/18/2002	93.33	17,230.64	0	5.711	17,450.77
FNCI 6.50 7-1-17	31371KQ20	6.500%	38,031.10	7/1/2017		0.513	6/18/2002	206.10	38,031.10	0	6.075	38,708.84
FGE01280 5.00 12-1-1	31294KM51	5.000%	52,506.79	12/1/2017		0.675	12/17/2002	218.78	52,506.79	0	4.737	53,859.38
FN 702860 5.00 04-01	31401AZZ3	5.000%	112,216.00	4/1/2018		0.824	4/21/2003	467.57	112,216.00	0	4.441	115,450.70
FN 254721 5.00 4-1-1	31371K4E8	5.000%	77,116.90	4/21/2018		0.844	4/21/2003	321.32	77,116.90	0	4.366	79,338.57
FNCI 5.00 05-01-18	31371KS9	5.000%	169,789.60	5/1/2018		0.879	5/19/2003	707.46	169,789.60	0	4.428	174,555.68
FNCI 5.00 LLB 05-01-	31400SDP1	5.000%	112,306.40	5/1/2018		0.882	5/19/2003	467.94	112,306.40	0	4.094	115,499.63
FG E97045 4.5 06-01-	3128H4ZJ1	4.500%	55,200.76	6/1/2018		0.878	7/17/2003	207.00	55,200.76	0	3.874	56,472.05
FGE01425 4.5 08-01-1	31294KSN6	4.500%	348,477.90	8/1/2018		0.990	8/18/2003	1,306.79	348,477.90	0	4.315	356,614.22
FN254942 4.00 09-01-	31371LEP0	4.000%	284,972.90	9/1/2018		1.054	9/18/2003	949.91	284,972.90	0	3.920	295,116.88
FN255077 5.00 01-01-	31371LJW0	5.000%	105,737.95	1/1/2019		1.124	3/17/2005	440.57	105,737.95	0	4.687	109,147.06
FGG18008 4.5 09-01-1	3128MMAJ2	4.500%	161,900.50	9/1/2019		1.456	12/21/2004	607.13	161,900.50	0	4.478	165,944.70
FGG18065 5.00 07-01	3128MMCB7	5.000%	206,314.90	7/1/2020		1.878	7/19/2005	859.65	206,314.90	0	4.838	216,874.04
FGB19758 5.00 08-01-	31292ZXC3	5.000%	185,318.60	8/1/2020		2.012	8/16/2005	772.16	185,318.60	0	4.893	190,331.07

Description	CUSIP	Coupon	Par Value	Maturity Date	Call Date Avg Life	Mod DTW	Purchase Date	Accrued Interest	Book Value	YTC	Current Yield	Market Value
WIL 1.588 2-15-19	969887S33	1.588%	2,500,000.00	2/15/2019		2.567	4/23/2015	14,997.78	2,500,000.00	0	1.588	2,545,200.00
TXS 3.203 4-1-19	882722VF5	3.203%	3,000,000.00	4/1/2019		2.640	10/28/2014	24,022.50	3,107,696.49	0	1.840	3,187,980.00
MIS 2.6 5-15-19	5946107V3	2.600%	1,000,000.00	5/15/2019		2.782	2/5/2016	3,322.22	1,034,192.38	0	1.380	1,043,810.00
PAL 5.898 6-1-19 sin	696497TR7	5.898%	1,000,000.00	6/1/2019		2.724	4/29/2014	4,915.00	1,093,599.97	0	2.471	1,099,280.00
CTS 2.25 8-1-19	20772JL42	2.250%	1,000,000.00	8/1/2019		2.975	8/19/2015	9,375.00	1,006,193.01	0	2.040	1,031,940.00
RIVHGR 2.345 8-1-19	76886PFA6	2.345%	1,125,000.00	8/1/2019		2.969	3/7/2016	10,992.19	1,153,464.80	0	1.500	1,166,355.00
LEXUTL 5.0 9-1-19	528902JY6	5.000%	1,005,000.00	9/1/2019		2.936	11/18/2014	16,749.99	1,089,310.53	0	2.201	1,120,474.50
PTMTRN 2.12 9-1-19	73474TAE0	2.120%	6,690,000.00	9/1/2019		3.062	8/26/2015	47,276.00	6,734,726.95	0	1.900	6,879,795.30
MIS 6.85 11-1-19 sin	5946103R6	6.850%	1,000,000.00	11/1/2019		3.034	3/29/2016	11,416.67	1,148,609.69	0	2.189	1,158,640.00
COO 2.28 11-15-19	213185JL6	2.280%	1,850,000.00	11/15/2019		3.260	1/23/2015	5,389.67	1,867,767.70	0	1.980	1,894,622.00
COOHGR 2.125 12-1-19	216129DS2	2.125%	1,000,000.00	12/1/2019		3.312	4/27/2015	1,770.83	1,010,627.86	0	1.800	1,022,630.00
CINWTR 1.955 12-1-19	172311JZ6	1.955%	4,380,000.00	12/1/2019		3.320	8/12/2015	7,135.75	4,400,746.77	0	1.811	4,519,503.00
WAS 3.95 2-1-20	93974CXE5	3.950%	1,000,000.00	2/1/2020		3.340	6/24/2016	16,458.34	1,090,698.47	0	1.350	1,094,070.00
CTS 2.294 3-15-20	20772JZL9	2.294%	1,085,000.00	3/15/2020		3.555	4/21/2015	7,328.69	1,102,479.93	0	1.838	1,117,311.30
NYC 2.15 6-1-20	64966LN56	2.150%	1,425,000.00	6/1/2020		3.775	3/1/2016	2,553.14	1,452,368.22	0	1.640	1,473,535.50
CHAPWR 2.3 9-1-20	162393EY4	2.300%	1,000,000.00	9/1/2020		3.972	10/20/2015	7,666.66	1,017,070.63	0	1.870	1,037,410.00
Subtotal Municipal Bonds		2.091%	299,900,000.00	10/3/2017		1.238		1,887,735.92	302,689,457.48		1.188	304,594,142.85
Money Market Mutual Funds												
CHASE MONEY MARKET F		0.010%	0.00	7/1/2016		0.000	2/1/2008	(0.05)	0.00	0	0.010	0.00
TexStar960 Cash Rese		0.386%	123,864,134.75	7/1/2016		0.003	7/1/2011	1,423.92	123,864,134.75	0	0.386	123,864,134.75
Subtotal Money Market Mutual Funds		0.386%	123,864,134.75	7/1/2016		0.003		1,423.87	123,864,134.75		0.386	123,864,134.75
TOTAL FUND 9900		1.530%	3,456,750,840.31	9/27/2017		1.208		7,268,251.55	3,474,334,421.06		0.920	3,491,089,252.89

**INVESTMENT BY SECTOR AND MATURITY - TAX EXEMPT FUND 9901
AS OF June 30, 2016**

Description	Coupon	Par Value	Maturity Date	Call Date	Mod DTW	Purchase Date	Accrued Interest	Book Value	YTC	Current Yield	Market Value	
Municipal Bonds												
OHS 4.0 9-15-16	677521RW8	4.000%	1,000,000.00	9/15/2016		0.211	10/22/2014	11,777.78	1,007,480.47	0	0.400	1,007,130.00
GAS 5.0 7-1-17	373384YG5	5.000%	1,435,000.00	7/1/2017		0.968	4/25/2016	35,875.00	1,497,965.53	0	0.601	1,498,154.35
MAS 5.25 8-1-25 Pre-	57582PFQ8	5.250%	2,360,000.00	8/1/2017		1.049	4/2/2015	51,625.00	2,475,845.73	0	0.700	2,476,017.60
FNYS CD 5.0 8-15-33 P	346424ZP2	5.000%	1,050,000.00	8/15/2017		1.090	4/26/2016	19,833.34	1,100,694.93	0	0.680	1,101,187.50
HORSCD 5.0 3-1-19	440673A76	5.000%	1,000,000.00	3/1/2019		2.504	4/4/2016	16,666.66	1,107,211.91	0	0.920	1,112,810.00
Subtotal Municipal Bonds		4.940%	6,845,000.00	9/9/2017		1.062		135,777.78	7,189,198.57		0.668	7,195,299.45
TOTAL FUND 9901		4.940%	6,845,000.00	9/9/2017		1.06		135,777.78	7,189,198.57		0.67	7,195,299.45

**INVESTMENT BY SECTOR AND MATURITY - HOUSING DEPARTMENT SECTION 108 FUND 9902
AS OF June 30, 2016**

Description	Coupon	Par Value	Maturity Date	Call Date	Mod DTW	Purchase Date	Accrued Interest	Book Value	YTC	Current Yield	Market Value	
Treasury Bills												
B 0.3154 7-14-16	912796JB6	0.315%	5,000,000.00	7/14/2016		0.038	3/17/2016	0.00	4,999,425.05	0	0.316	4,999,775.00
B 0.42 8-18-16	912796HA0	0.420%	3,500,000.00	8/18/2016		0.134	2/18/2016	0.00	3,498,028.48	0	0.421	3,498,929.00
Subtotal Treasury Bills		0.359%	8,500,000.00	7/28/2016		0.078		0.00	8,497,453.53		0.359	8,498,704.00
TOTAL FUND 9902		0.359%	8,500,000.00	7/28/2016		0.078		0.00	8,497,453.53		0.359	8,498,704.00
GRAND TOTALS		1.534%	3,472,095,840.31	9/26/2017		1.209		7,404,029.33	3,490,021,073.16		0.918	3,506,783,256.34