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METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Administration Committee

DATE: July 7, 2010

FR: Executive Director

W.I.:

RE: Investment Report for May 2010

In accordance with the adopted investment policy, attached are the comprehensive investment holdings for MTC and all operating units.

Total funds under MTC management are just over $3.0 billion. A breakdown by fund is as follows:

Fund	Balance ($ million)	% of Total
BATA RM1*	$ 1,084.4	35.8%
BATA Debt Service Reserve	345.9	11.5%
BATA Seismic	567.3	18.8%
BATA Trustee Funds	16.6	0.5%
BATA RM2	421.6	13.9%
AB 1171	94.0	3.1%
BAIFA	173.6	5.7%
MTC	169.9	5.6%
FasTrak® (Customer Deposits)	48.6	1.6%
BART Car Exchange Program	93.9	3.1%
SAFE	8.3	0.3%
RAFC	2.0	0.1%
Portfolio Total	$ 3,026.1	100.0%

*includes rehab, reserves, capital

The Bay Area Infrastructure Financing Authority (BAIFA) funds include annual payments and reserve funds held by the trustee to retire the outstanding bonds. The BART Car Exchange fund is held in trust for future replacement of BART cars.

The portfolio consists mainly of Government Sponsored Enterprises (GSEs). The portfolio breakdown is as follows:

Security Holding	Portfolio Composite	Policy Limits
Fed Home Loan Bank	29.9%	No limit
Fed Home Loan Mortgage	20.5%	No limit
Fed National Mortgage Association	21.0%	No limit
Fed Farm Credit Bank	1.0%	No limit
Tennessee Valley Auth	0.3%	No limit
Cash	6.0%	No limit
Gov't Pools	0.1%	No limit
CA Asset Mgmt Program (CAMP)	8.1%	No limit
Municipal Bonds	9.7%	No limit
Mutual Funds	2.5%	20% Portfolio/10% One Fund
Blackrock (BATA Trustee)	0.9%	Trustee Funds – No limit
Goldman Sachs (BAIFA)	Less than 0.1%	Trustee Funds – No limit
Portfolio Total	100.0%	

Funds held by trustee are subject to permitted investments authorized in the approved issuing documents and are not subject to mutual fund limits as defined in the MTC Investment Policy.

The MTC portfolio holds $259.1 million (8.6%) in variable rate demand obligations (VRDO) issued by various California local agencies. The VRDOs are recognized as short term (30 days) investment bonds for accounting classification purposes even though the various securities have maturities up to 30 years. The classification as short term investments is possible because VRDOs have "liquidity instruments" that allow the bonds to be "put" to the liquidity bank at any time with seven days notice.

If there are any questions, please contact Brian Mayhew at (510) 817-5730.

Steve Heminger

SH:SW

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MTC
Summary by Type
May 31, 2010
Grouped by Fund

Security Type	Number of Investments	Par Value	Market Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: MTC CASH AND CASH EQUIVALENT						
Local Agency Investment Funds	2	913,060.52	913,060.52	0.03	0.759	1
MM Funds	2	11,182,984.81	11,182,984.81	0.37	0.098	1
Subtotal	**4**	**12,096,045.33**	**12,096,045.33**	**0.40**	**0.148**	**1**
Fund: AB 664						
Mutual Funds - Custodial	1	41,737.70	41,737.70	0.00	0.030	1
Municipal Bonds	3	370,000.00	370,120.99	0.01	0.672	30
Federal Agency Disc. -Amortizing	5	35,900,000.00	35,892,650.00	1.19	0.167	50
MM Funds	1	2,864,969.85	2,864,969.85	0.09	0.100	1
Subtotal	**10**	**39,176,707.55**	**39,169,478.54**	**1.29**	**0.167**	**46**
Fund: MTC TRANSIT RESERVES						
MM Funds	1	2,902,849.40	2,902,849.40	0.10	0.100	1
Subtotal	**1**	**2,902,849.40**	**2,902,849.40**	**0.10**	**0.100**	**1**
Fund: 90% RAIL RESERVE						
Mutual Funds - Custodial	1	50,441.42	50,441.42	0.00	0.030	1
Federal Agency Disc. -Amortizing	8	78,500,000.00	78,475,450.00	2.59	0.205	65
Municipal Bonds	1	12,400,000.00	12,400,655.67	0.41	0.120	30
MM Funds	1	8,726,117.97	8,726,117.97	0.29	0.100	1
Subtotal	**11**	**99,676,559.39**	**99,652,665.06**	**3.29**	**0.185**	**55**
Fund: MTC FEEDER BUS						
MM Funds	1	167,704.40	167,704.40	0.01	0.100	1
Subtotal	**1**	**167,704.40**	**167,704.40**	**0.01**	**0.100**	**1**
Fund: MTC EXCHANGE FUND						
MM Funds	1	6,503,032.05	6,503,032.05	0.21	0.100	1
Subtotal	**1**	**6,503,032.05**	**6,503,032.05**	**0.21**	**0.100**	**1**

MTC
Summary by Type
May 31, 2010
Grouped by Fund

Security Type	Number of Investments	Par Value	Market Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: BART CAR EXCHANGE PROGRAM						
Mutual Funds - Custodial	1	45,439.01	45,439.01	0.00	0.050	1
Federal Agency Coupon Securities	2	14,300,000.00	14,312,406.25	0.47	0.928	538
Federal Agency Disc. -Amortizing	9	73,523,000.00	73,510,650.00	2.43	0.183	46
Municipal Bonds	1	6,000,000.00	6,000,938.63	0.20	0.201	30
Subtotal	**13**	**93,868,439.01**	**93,869,433.89**	**3.10**	**0.298**	**120**
Fund: MTC CAPITAL PROJECTS						
MM Funds	1	9,388,880.22	9,388,880.22	0.31	0.100	1
Subtotal	**1**	**9,388,880.22**	**9,388,880.22**	**0.31**	**0.100**	**1**
Fund: SAFE						
Mutual Funds - Custodial	1	13,721.07	13,721.07	0.00	0.030	1
Federal Agency Disc. -Amortizing	1	1,500,000.00	1,500,000.00	0.05	0.149	1
Local Agency Investment Funds	1	105,151.77	105,151.77	0.00	0.560	1
MM Funds	1	3,660,142.83	3,660,142.83	0.12	0.100	1
Subtotal	**4**	**5,279,015.67**	**5,279,015.67**	**0.17**	**0.123**	**1**
Fund: SAFE CAPITAL PROJECTS						
MM Funds	1	3,042,853.46	3,042,853.46	0.10	0.100	1
Subtotal	**1**	**3,042,853.46**	**3,042,853.46**	**0.10**	**0.100**	**1**
Fund: RM2 OPERATING						
MM Funds	1	7,190,487.51	7,190,487.51	0.24	0.100	1
Subtotal	**1**	**7,190,487.51**	**7,190,487.51**	**0.24**	**0.100**	**1**
Fund: DEBT PAYMENT- TRUSTEE						
Mutual Funds - Trustee	1	16,639,874.32	16,639,874.32	0.55	0.030	1
Subtotal	**1**	**16,639,874.32**	**16,639,874.32**	**0.55**	**0.030**	**1**
Fund: DEBT SERVICE RESERVE						
Mutual Funds - Trustee	1	10,476,694.62	10,476,694.62	0.35	0.030	1
Federal Agency Coupon Securities	8	66,470,588.24	66,550,275.74	2.20	1.515	780
Federal Agency Disc. -Amortizing	8	269,000,000.00	268,918,900.00	8.89	0.189	71

MTC
Summary by Type
May 31, 2010
Grouped by Fund

Security Type	Number of Investments	Par Value	Market Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Subtotal	**17**	**345,947,282.86**	**345,945,870.36**	**11.44**	**0.439**	**205**
Fund: RM2 CAPITAL						
Mutual Funds - Custodial	2	212,630.48	212,630.48	0.01	0.069	1
Federal Agency Disc. -Amortizing	12	315,040,000.00	314,988,470.00	10.41	0.175	49
MM Funds	1	16,357,368.83	16,357,368.83	0.54	0.100	1
Subtotal	**15**	**331,609,999.31**	**331,558,469.31**	**10.96**	**0.171**	**47**
Fund: RM1 CAPITAL PROJECTS						
Mutual Funds - Custodial	2	681,855.52	681,855.52	0.02	0.178	1
Federal Agency Disc. -Amortizing	7	123,300,000.00	123,283,410.00	4.07	0.151	34
Municipal Bonds	1	10,000,000.00	10,000,000.00	0.33	0.240	30
MM Funds	1	7,763,140.12	7,763,140.12	0.26	0.100	1
Subtotal	**11**	**141,744,995.64**	**141,728,405.64**	**4.68**	**0.154**	**31**
Fund: BATA REHAB RESERVE						
Mutual Funds - Custodial	1	263,099.53	263,099.53	0.01	0.030	1
Federal Agency Disc. -Amortizing	2	58,000,000.00	57,988,600.00	1.92	0.182	61
Municipal Bonds	1	15,900,000.00	15,900,000.00	0.53	0.814	30
Subtotal	**4**	**74,163,099.53**	**74,151,699.53**	**2.46**	**0.317**	**54**
Fund: BATA REHAB PROJECTS						
Mutual Funds - Custodial	2	71,035,449.31	71,035,449.31	2.35	0.198	1
Federal Agency Disc. -Amortizing	3	44,000,000.00	43,994,900.00	1.45	0.169	31
Municipal Bonds	5	46,750,000.00	46,758,553.47	1.54	0.467	32
MM Funds	1	2,006,517.36	2,006,517.36	0.07	0.100	1
Subtotal	**11**	**163,791,966.67**	**163,795,420.14**	**5.41**	**0.266**	**18**
Fund: BATA - SEISMIC CAPITAL						
Mutual Funds - Custodial	2	19,188,081.23	19,188,081.23	0.63	0.174	1
Federal Agency Disc. -Amortizing	7	215,000,000.00	214,992,000.00	7.10	0.161	18
MM Funds	1	31,397,536.94	31,397,536.94	1.04	0.100	1
Subtotal	**10**	**265,585,618.17**	**265,577,618.17**	**8.77**	**0.155**	**15**

MTC
Summary by Type
May 31, 2010
Grouped by Fund

Security Type	Number of Investments	Par Value	Market Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: BATA - SEISMIC RESERVES						
Mutual Funds - Custodial	2	35,325,927.90	35,325,927.90	1.17	0.200	1
Federal Agency Coupon Securities	7	85,000,000.00	85,087,500.00	2.81	1.106	623
Federal Agency Disc. -Amortizing	4	160,000,000.00	160,000,000.00	5.29	0.134	11
Municipal Bonds	2	20,000,000.00	20,001,605.48	0.66	1.050	36
Subtotal	**15**	**300,325,927.90**	**300,415,033.38**	**9.93**	**0.478**	**185**
Fund: AB 1171 PROJECTS						
Mutual Funds - Custodial	1	66,311.49	66,311.49	0.00	0.050	1
Federal Agency Disc. -Amortizing	5	93,900,000.00	93,861,280.00	3.10	0.214	79
Subtotal	**6**	**93,966,311.49**	**93,927,591.49**	**3.10**	**0.214**	**79**
Fund: RM1 BATA ADMIN - SELF INSURED						
Mutual Funds - Custodial	2	66,330,999.00	66,330,999.00	2.19	0.199	1
Federal Agency Coupon Securities	4	60,000,000.00	60,053,125.00	1.98	1.605	865
Federal Agency Disc. -Amortizing	6	135,000,000.00	134,962,000.00	4.46	0.192	66
Municipal Bonds	2	39,900,000.00	40,402,739.87	1.33	4.632	161
Subtotal	**14**	**301,230,999.00**	**301,748,863.87**	**9.96**	**1.069**	**223**
Fund: RM1 BATA ADMIN - O&M RESERVE						
Mutual Funds - Custodial	2	40,371,437.81	40,371,437.81	1.33	0.200	1
Municipal Bonds	2	5,305,000.00	5,316,554.26	0.18	0.946	30
Federal Agency Coupon Securities	3	24,411,764.71	24,776,349.71	0.82	3.793	635
Federal Agency Disc. -Amortizing	4	80,300,000.00	80,293,910.00	2.65	0.178	30
Subtotal	**11**	**150,388,202.52**	**150,758,251.78**	**4.98**	**0.798**	**120**
Fund: RM1 BATA ADMIN - PROJ COSTS						
Mutual Funds - Custodial	3	63,945,801.40	63,945,801.40	2.11	0.132	1
Federal Agency Disc. -Amortizing	6	155,000,000.00	154,991,500.00	5.12	0.146	19
Local Agency Investment Funds	1	229.07	229.07	0.00	0.560	1
Municipal Bonds	2	700,000.00	700,156.59	0.02	0.308	30
MM Funds	1	30,419,162.22	30,419,162.22	1.01	0.100	1

MTC
Summary by Type
May 31, 2010
Grouped by Fund

Security Type	Number of Investments	Par Value	Market Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Subtotal	**13**	**250,065,192.69**	**250,056,849.28**	**8.26**	**0.137**	**12**
Fund: RM2 ADMIN RESERVES						
Mutual Funds - Custodial	1	2,165,664.74	2,165,664.74	0.07	0.030	1
Federal Agency Disc. -Amortizing	7	75,300,000.00	75,287,870.00	2.49	0.173	46
MM Funds	1	5,298,998.67	5,298,998.67	0.18	0.100	1
Subtotal	**9**	**82,764,663.41**	**82,752,533.41**	**2.74**	**0.165**	**42**
Fund: UNDISTRIBUTED FUNDS						
MM Funds	1	3,044,193.18	3,044,193.18	0.10	0.050 *	1
Subtotal	**1**	**3,044,193.18**	**3,044,193.18**	**0.10**	**0.050**	**1**
Fund: SEISMIC ADMIN						
Mutual Funds - Custodial	1	69,311.68	69,311.68	0.00	0.050	1
MM Funds	1	1,319,940.81	1,319,940.81	0.04	0.100	1
Subtotal	**2**	**1,389,252.49**	**1,389,252.49**	**0.04**	**0.098**	**1**
Fund: FASTRAK						
MM Funds	6	48,573,554.03	48,573,554.03	1.60	0.199 **	1
Subtotal	**6**	**48,573,554.03**	**48,573,554.03**	**1.60**	**0.199**	**1**
Fund: RAFC						
Local Agency Investment Funds	1	686,924.97	686,924.97	0.02	0.560	1
MM Funds	1	1,265,751.60	1,265,751.60	0.04	0.100	1
Subtotal	**2**	**1,952,676.57**	**1,952,676.57**	**0.06**	**0.262**	**1**
Fund: BAIFA RESERVE FUND						
Municipal Bonds	4	25,350,000.00	25,388,030.15	0.84	2.731	168
Federal Agency Coupon Securities	2	23,200,000.00	23,196,067.20	0.77	2.900	981
Mutual Funds - Trustee	1	66,000.00	66,000.00	0.00	0.080	1
Subtotal	**7**	**48,616,000.00**	**48,650,097.35**	**1.61**	**2.808**	**556**
Fund: BAIFA PLG REV NON-QUAL						
Federal Agency Disc. -Amortizing	1	6,800,000.00	6,800,000.00	0.22	0.134	15

* Earnings Credit Rate
** Earnings / Allowance Rate

MTC
Summary by Type
May 31, 2010
Grouped by Fund

Security Type	Number of Investments	Par Value	Market Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: BAIFA PLG REV NON-QUAL						
Mutual Funds - Trustee	1	95,700.92	95,700.92	0.00	0.080	1
Municipal Bonds	2	15,430,000.00	15,432,880.17	0.51	0.234	32
Subtotal	4	22,325,700.92	22,328,581.09	0.73	0.203	27
Fund: BAIFA DSRF - QUAL PLG REV FUND						
Municipal Bonds-Discounted	1	8,455,000.00	8,037,153.90	0.27	4.658	548
Municipal Bonds	2	38,700,000.00	38,713,122.41	1.28	1.048	30
Federal Agency Disc. -Amortizing	1	7,700,000.00	7,700,000.00	0.25	0.103	14
Mutual Funds - Trustee	1	78,088.41	78,088.41	0.00	0.080	1
Subtotal	5	54,933,088.41	54,528,364.72	1.80	1.438	103
Fund: BAIFA PLEDGED DEBT						
Mutual Funds - Trustee	1	443,494.24	443,494.24	0.01	0.080	1
Municipal Bonds	5	47,300,000.00	47,334,560.11	1.56	0.885	27
Subtotal	6	47,743,494.24	47,778,054.35	1.57	0.877	27
Total and Average	218	3,026,094,667.34	3,026,563,699.99	100.00	0.437	102

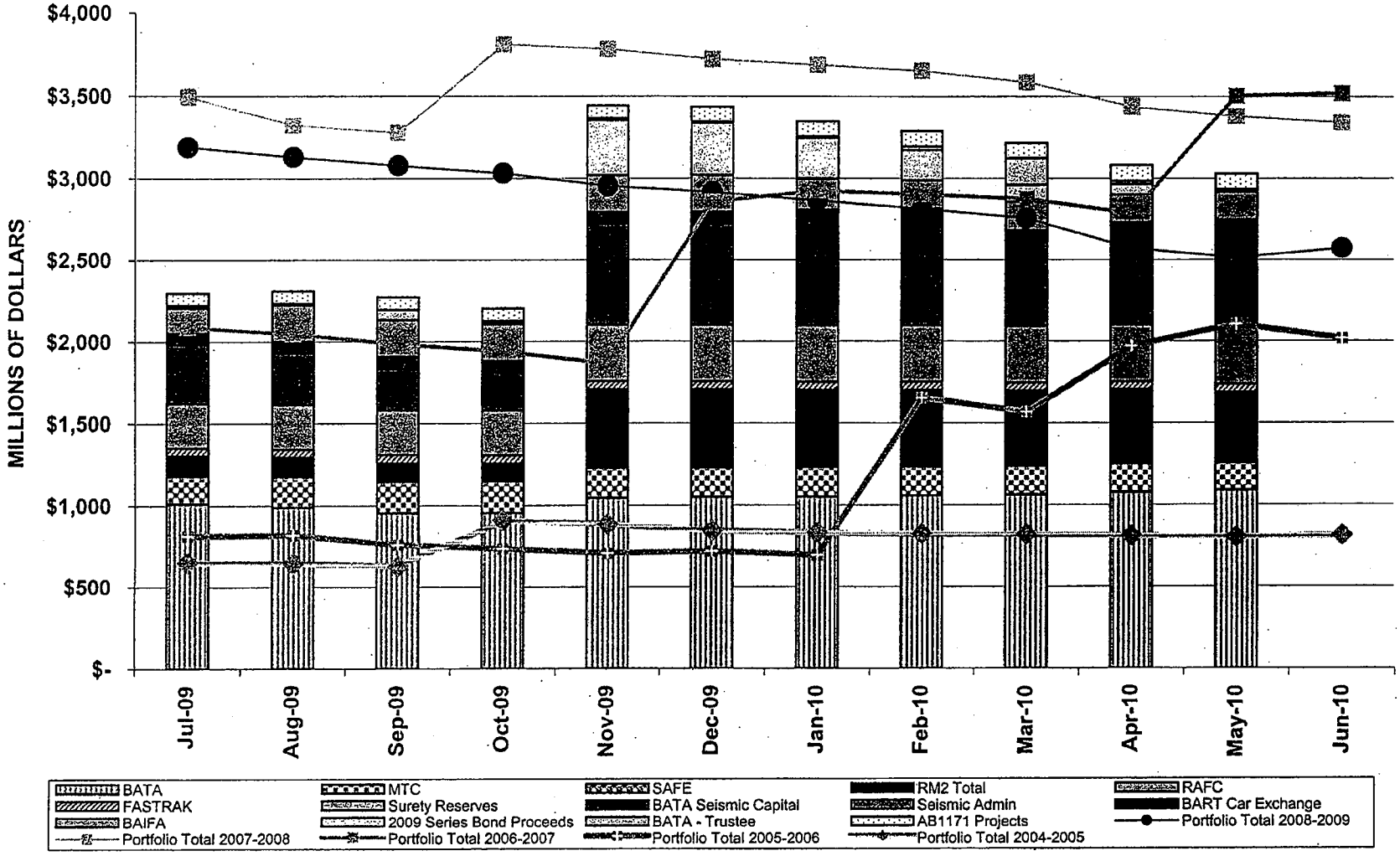
MTC
Summary by Issuer
May 31, 2010

Issuer	Number of Investments	Par Value	Remaining Cost	% of Portfolio	Average YTM 365	Average Days to Maturity
ALAMEDA CNTY CA PENSION OBLIG	1	8,455,000.00	7,485,549.70	0.25	4.658	548
FASTRAK - PREPAID	1	25,078,259.98	25,078,259.98	0.83	0.350	1
BLK ROCK T-FUND TRUSTEE	2	27,116,568.94	27,116,568.94	0.90	0.030	1
BLK ROCK T-FUND CUSTODY	11	9,883,577.05	9,883,577.05	0.33	0.030	1
FASTRAK-BOA GOVT RES FUND	1	21,581,547.91	21,581,547.91	0.71	0.010	1
FASTRAK - PARKING FEES	1	38,435.29	38,435.29	0.00	0.350	1
FASTRAK - VIOLATONS	1	507,723.53	507,723.53	0.02	0.350	1
FASTRAK - REFUND	1	608,829.65	608,829.65	0.02	0.350	1
FASTRAK - FEE ACCOUNT	1	758,757.67	758,757.67	0.03	0.350	1
CALIFORNIA ASSET MANAGEMENT PR	8	243,817,379.73	243,817,379.73	8.06	0.200	1
CALIFORNIA ST RANS	2	25,000,000.00	25,271,250.00	0.84	1.500	22
CALIFORNIA ST SER B	1	175,000.00	175,000.00	0.01	0.348	30
CALIFORNIA ST DEPT WTR	2	4,350,000.00	4,350,000.00	0.14	1.125	30
COUNTY OF ALAMEDA	1	699,941.08	699,941.08	0.02	0.820	1
DREYFUS GOVT CASH MGMT INST	5	3,631,651.59	3,631,651.59	0.12	0.050	1
EASTERN MUN WTR DIST CA	5	34,750,000.00	34,750,000.00	1.15	0.229	30
EAST BAY CA MUNICIPAL UTILITY	3	56,750,000.00	56,750,000.00	1.88	4.443	183
FED FARM CREDIT BANK	2	30,000,000.00	30,000,000.00	0.99	2.423	889
FED HOME LOAN BANK	48	905,182,352.95	904,982,249.15	29.93	0.337	135
FED HOME LOAN MTG CORP	33	620,320,000.00	619,897,136.38	20.50	0.183	57
FED NATIONAL MTG ASSN	38	635,643,000.00	635,304,855.71	21.01	0.386	159
GS GOVERNMENT FUND INST	4	683,283.57	683,283.57	0.02	0.080	1
LAIF	4	1,005,425.25	1,005,425.25	0.03	0.560	1

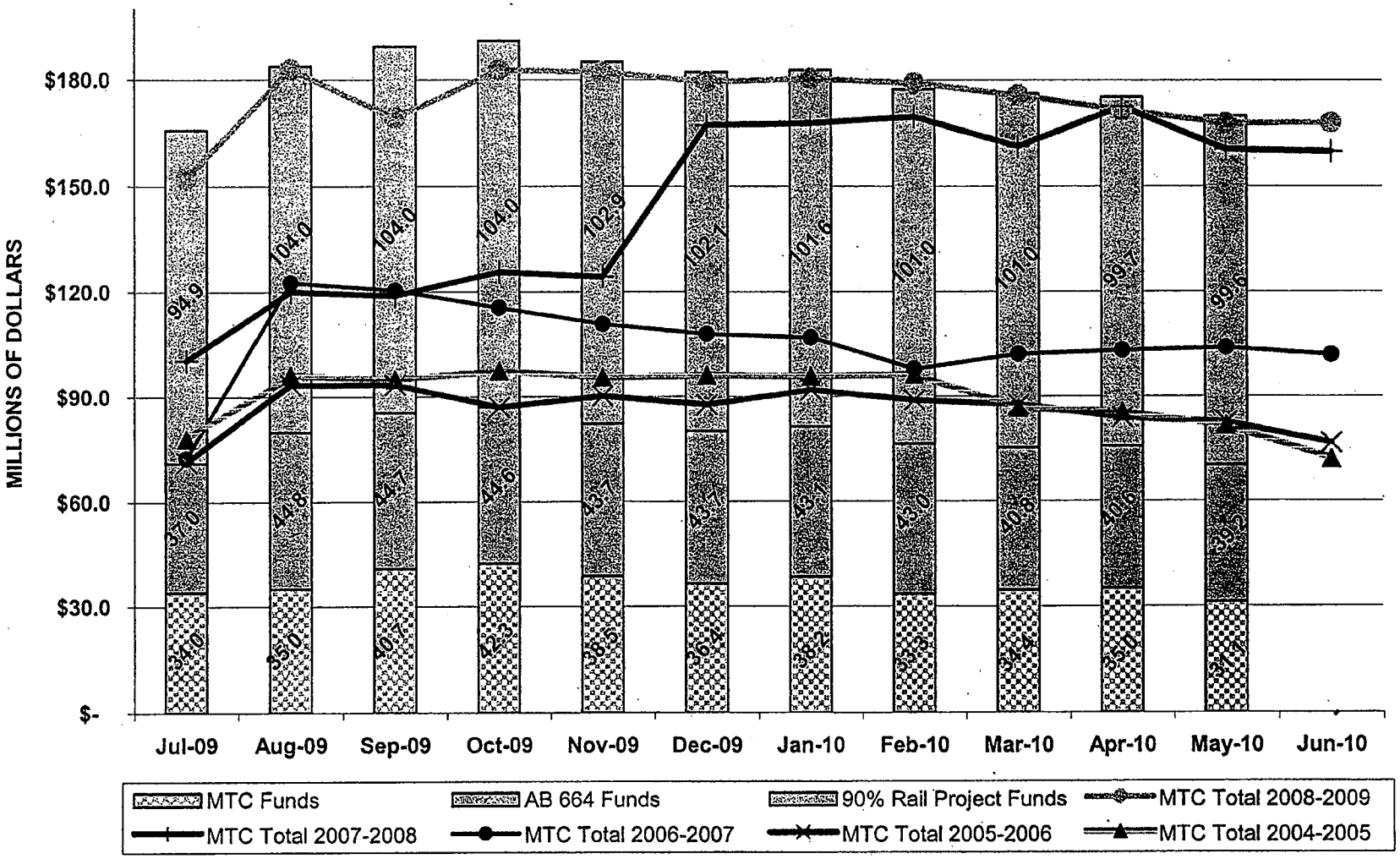
MTC
Summary by Issuer
May 31, 2010

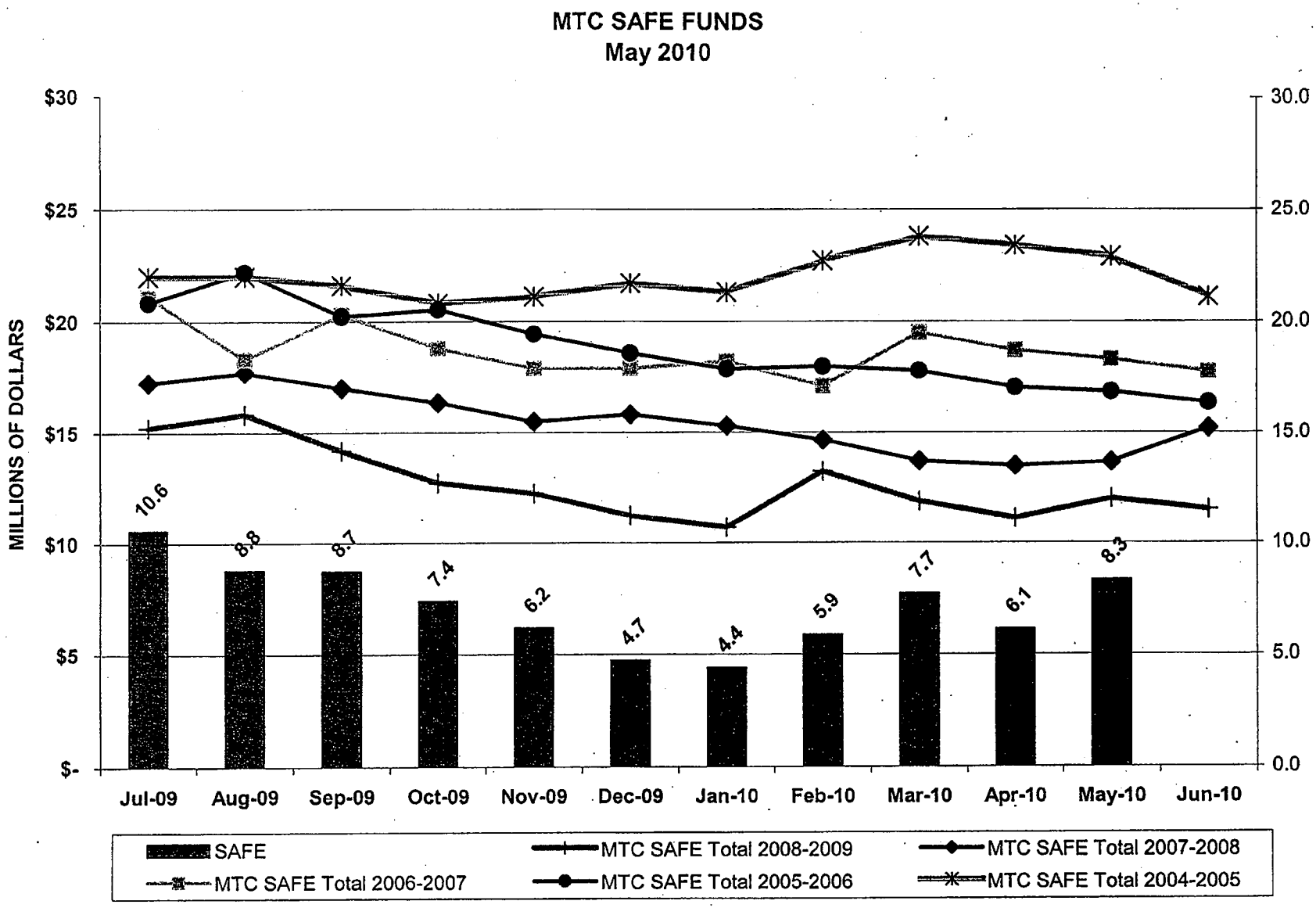
Issuer	Number of Investments	Par Value	Remaining Cost	% of Portfolio	Average YTM 365	Average Days to Maturity
LOS ANGELES CA DEPT WTR & PWR	5	37,000,000.00	37,000,000.00	1.22	0.183	30
LOS ANGELES CA WASTEWTR	1	6,000,000.00	6,000,000.00	0.20	0.201	30
METROPOLITAN WTR DIST SOCAL SE	6	50,750,000.00	50,750,000.00	1.68	1.080	30
ORANGE CNTY CA WTR DIST	3	25,000,000.00	25,000,000.00	0.83	0.173	36
PFM FUNDS GOVERNMENT SERIES	1	42,475,300.92	42,475,300.92	1.40	0.120	1
SACRAMENTO CA SUBN WATER DIST	2	15,430,000.00	15,430,000.00	0.51	1.344	36
SANTA CLARA VY TRANS AUTH	1	15,900,000.00	15,900,000.00	0.53	0.814	30
TENNESEE VALLEY AUTHORITY	1	10,000,000.00	9,686,800.00	0.32	6.060	231
UBOC CHECKING	2	1,802,005.86	1,802,005.86	0.06	0.085	1
UBOC DISTRICT 4 AND CHANGE FUN	1	3,044,193.18	3,044,193.18	0.10	0.050	1
UBOC INTEREST ON CHECKING	17	149,656,433.19	149,656,433.19	4.95	0.100	1
WEST BASIN CA MUN WTR DIST	2	13,000,000.00	13,000,000.00	0.43	0.237	36
Total and Average	**218**	**3,026,094,667.34**	**3,024,122,155.33**	**100.00**	**0.437**	**102**

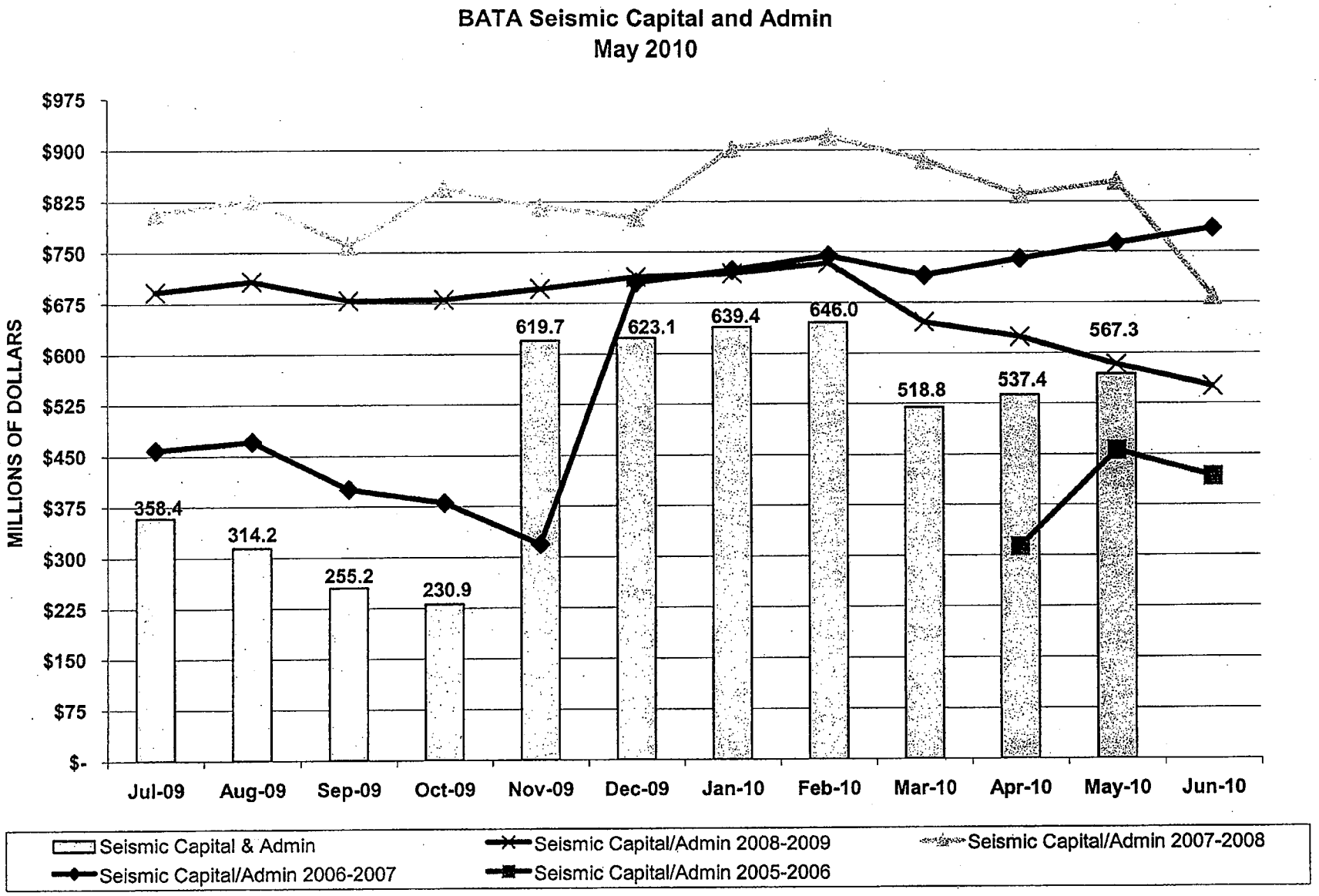
TOTAL PORTFOLIO
(May 2010)



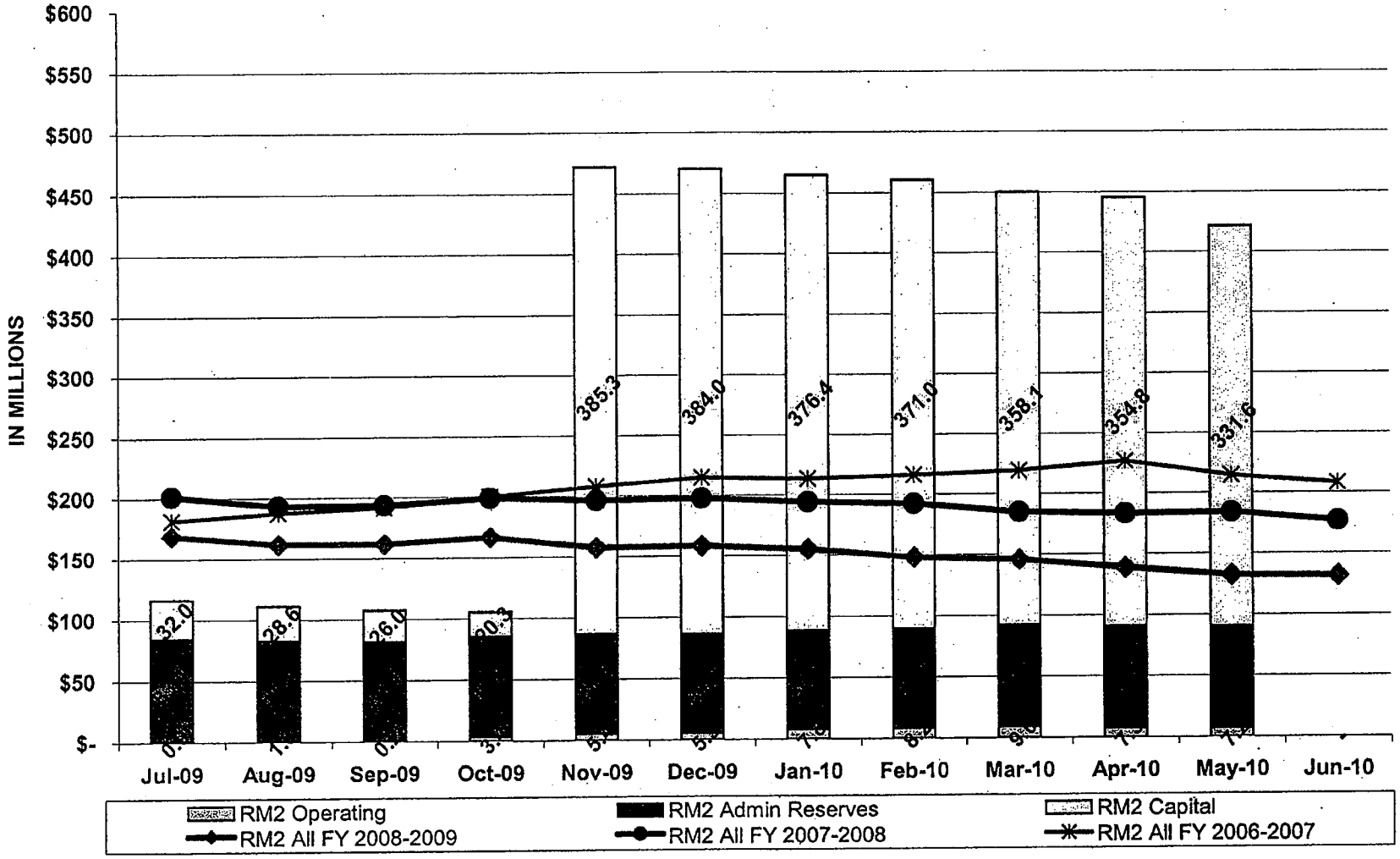
MTC FUNDS
May 2010



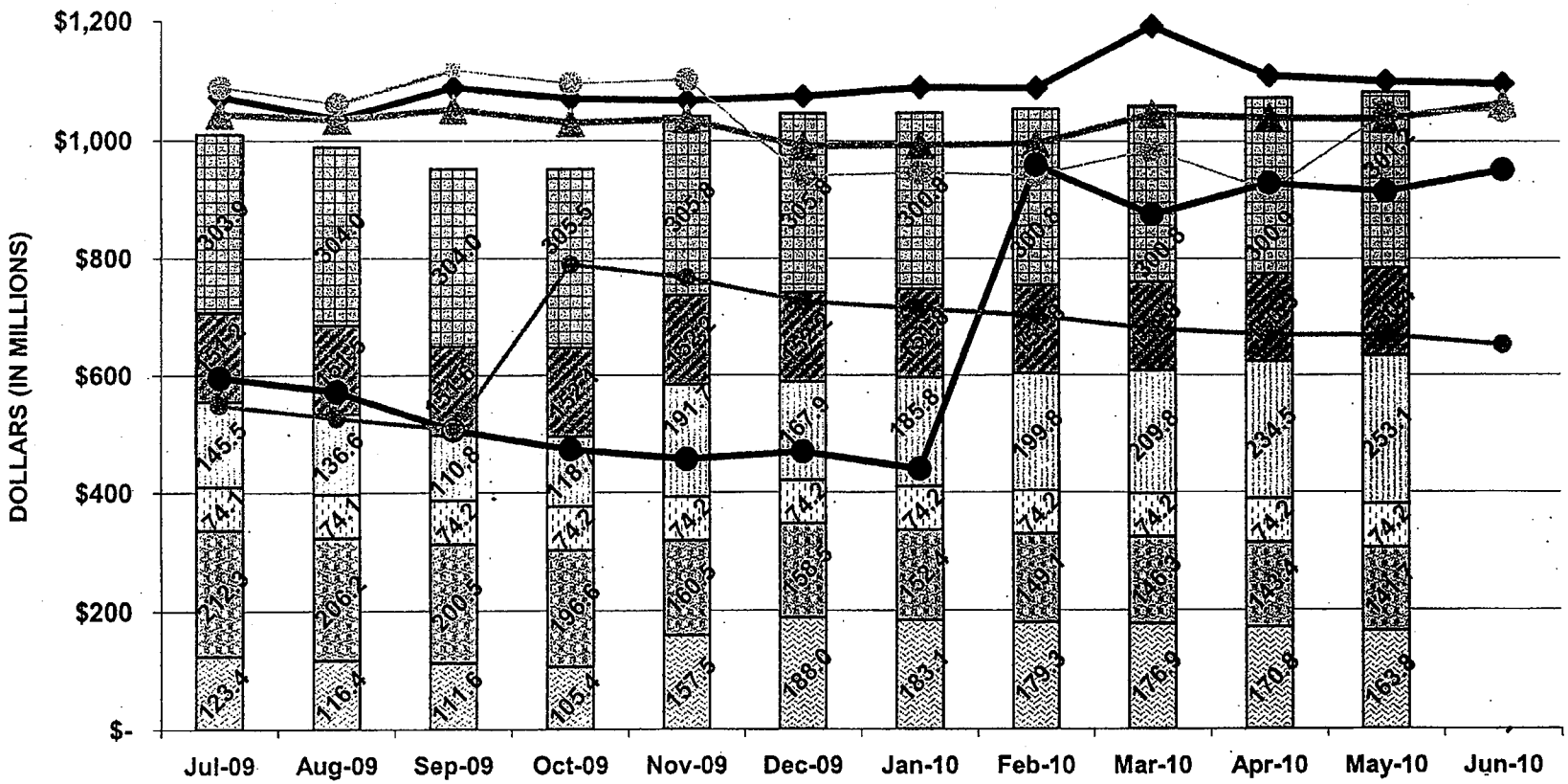

MTC SAFE FUNDS
May 2010
MILLIONS OF DOLLARS
$30
$25
$20
$15
$10
$5
$-
30.0
25.0
20.0
15.0
10.0
5.0
0.0
10.6
8.8
8.7
7.4
6.2
4.7
4.4
5.9
7.7
6.1
8.3
Jul-09
Aug-09
Sep-09
Oct-09
Nov-09
Dec-09
Jan-10
Feb-10
Mar-10
Apr-10
May-10
Jun-10
SAFE
MTC SAFE Total 2008-2009
MTC SAFE Total 2007-2008
MTC SAFE Total 2006-2007
MTC SAFE Total 2005-2006
MTC SAFE Total 2004-2005


BATA Seismic Capital and Admin
May 2010
MILLIONS OF DOLLARS
$975
$900
$825
$750
$675
$600
$525
$450
$375
$300
$225
$150
$75
$-
358.4
314.2
255.2
230.9
619.7
623.1
639.4
646.0
518.8
537.4
567.3
Jul-09
Aug-09
Sep-09
Oct-09
Nov-09
Dec-09
Jan-10
Feb-10
Mar-10
Apr-10
May-10
Jun-10
Seismic Capital & Admin
Seismic Capital/Admin 2008-2009
Seismic Capital/Admin 2007-2008
Seismic Capital/Admin 2006-2007
Seismic Capital/Admin 2005-2006

REGIONAL MEASURE 2 FUNDS
May 2010

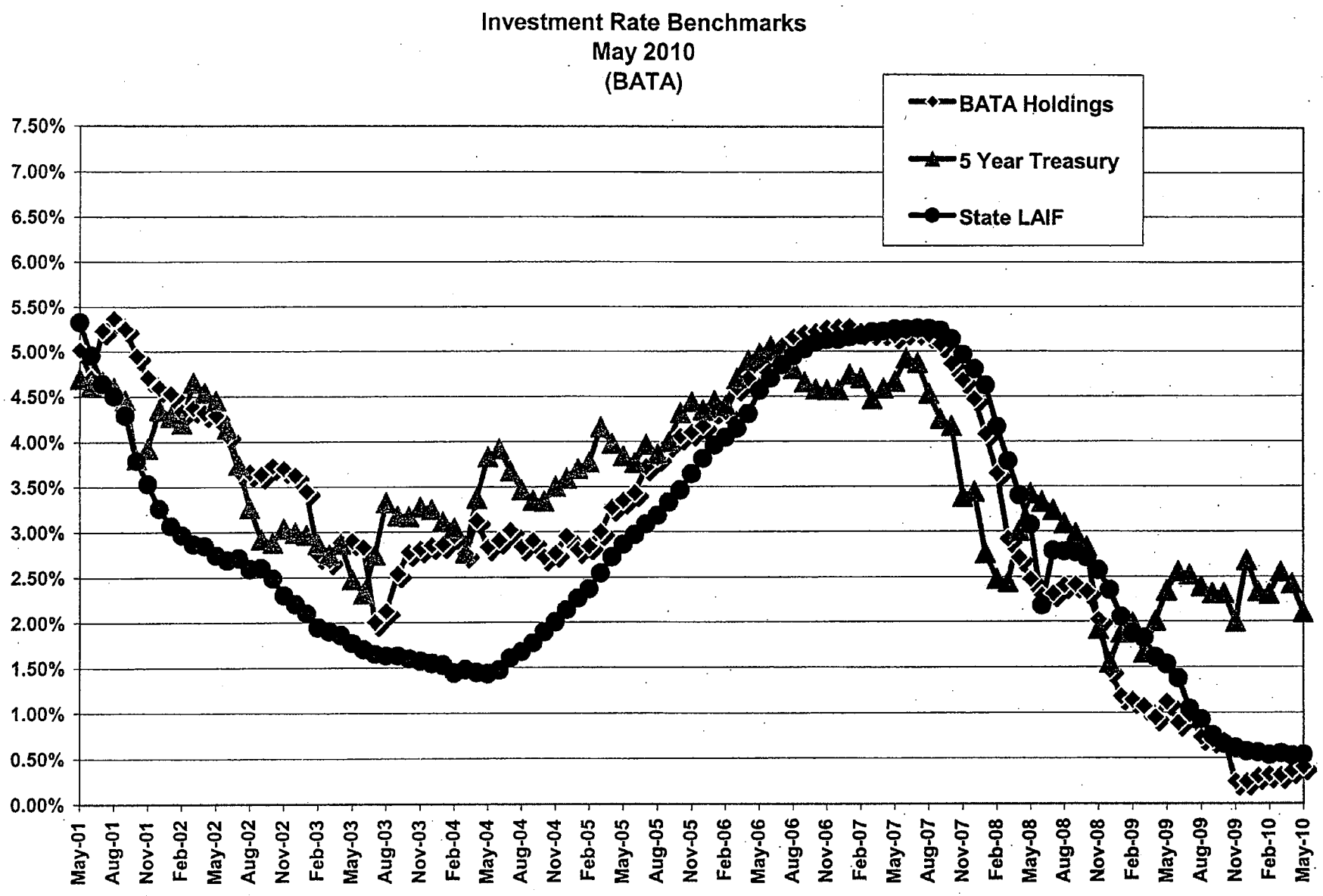


Regional Measure 1 (BATA)*
May 2010



* Funds include undistributed funds

BATA Project Reserves | BATA Capital Projects | BATA Rehab Reserves | BATA Admin
BATA Admin - O & M Reserves | BATA Admin - Self Insured Reserves | BATA Total - 2008-2009 | BATA Total - 2007-2008
BATA Total - 2006-2007 | BATA Total - 2005-2006 | BATA Total - 2004-2005


Investment Rate Benchmarks
May 2010
(BATA)
BATA Holdings
5 Year Treasury
State LAIF
7.50%
7.00%
6.50%
6.00%
5.50%
5.00%
4.50%
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
May-01
Aug-01
Nov-01
Feb-02
May-02
Aug-02
Nov-02
Feb-03
May-03
Aug-03
Nov-03
Feb-04
May-04
Aug-04
Nov-04
Feb-05
May-05
Aug-05
Nov-05
Feb-06
May-06
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Aug-09
Nov-09
Feb-10
May-10