

Date: May 1, 2012

To: Investment Review Committee Meeting (05/07/12)

From: Mercy Ndungu (651-602-1436)
Principal Treasury Analyst

Subj: 1st Quarter Report on Investments (1Q2012)

The following items are attached for your review

1. Agenda
2. Minutes from Past Meeting
3. Investment Policy – Redline and Clean Copies
4. 1Q12 Report on Investments

If you have any questions, please call me at 651-602-1436 or Allen Hoppe at 651-602-1629.



Thank you.

Investment Review Committee

IRC Administrative Coordinator: Mercy Ndungu (651)-602-1436

Agenda

1. Minutes from Past Meeting — March 19, 2012 (4Q11)
2. Discussion on Conflict of Interest
3. Changes to Council's Investment Policy Statement
4. Presentation of 1Q12 Quarterly Report

Committee members:

Jon Commers, *Committee Chair & Council member*
Sandy Rummel, *Committee Vice Chair & Council member*
Jeannette Parr, *CFA, Appointee*
John Schweers, *Appointee*
Mary Bogie, *Chief Financial Officer*

Reference staff: *(not members of the IRC)*

Allen Hoppe, *CFA, Senior Manager, Treasury*
Mercy Ndungu, *Principal Treasury Analyst*
Robin Schmitt, *Executive Assistant*



Investment Review Committee

Minutes

March 19, 2012, 2:30 p.m. Conference Room LLA

Present

Committee members: Jon Commers, Chair; Sandy Rummel, Appointee; Jeannette Parr, Appointee; John Schweers, Appointee; Mary Bogie, Chief Financial Officer.

Reference staff: Allen Hoppe, Sr. Manager, Treasury; Mercy Ndungu, Treasury Analyst; Robbin Schmitt, Recording Secretary.

Absent: None

Mary Bogie addressed the group and Jon Commers, Chair, mentioned that the meeting can be an informal type of meeting.

Allen Hoppe noted that the Investment Review Committee will meet quarterly. Mr. Hoppe reviewed the process for the Investment Report given to the MCM and Council and gave an overview of the tasks and topics of the Investment Review Committee.

Policy - Investments

Mr. Hoppe provided a copy of the Metropolitan Council Policy Investments 3-4-4 to review with the Committee.

The Committee discussed protocol with reviewing policies and discussion ensued regarding investments.

Diesel Fuel Hedging

Mr. Hoppe reviewed the Diesel Fuel Hedging Program. He noted that the hedging program is treated like an insurance program. As prices continue to be volatile, the program allows for better budget planning.

Discussion ensued regarding diesel verses natural gas and the futures market correlation.

Economic Review: 4Q11

Ms. Ndungu reviewed the 4Q11 Economic Review including Consumer Spending, Employment, Inflation, Portfolio Results, and Short Term Yields.

Cash Management

Mr. Hoppe reviewed portfolio results/expectations for the long-term portfolio, OPEB results/expectations.

Investments

Mr. Hoppe reviewed several investment groups and types.

Business completed, the meeting adjourned at 4:00 p.m.

Respectfully submitted,

Robbin Schmitt
Recording Secretary

Report on Investments

First Quarter, 2012

Economic Review

Past. The U.S. economy continued to grow at a moderate pace. First quarter, Gross domestic product (GDP) increased at an annualized rate of 2.2%, down from 3% in the prior quarter. The major downside surprise was a decline in federal government spending (-5.6%), business investment (-2.1%) and state and local government spending (-1.2%). The biggest positive contributor to GDP growth was consumer spending, which grew at 2.9% on an annualized basis (vs. 2.1% in 4Q11); this was the largest increase since fourth quarter 2010. This indicates that the pace of consumer spending is clearly starting to pick up steam. The labor market continued to show signs of sustained recovery. Payroll gains averaged more than 210,000 per month during the first quarter versus 164,000 per month during the fourth quarter. The unemployment rate ticked down to 8.2% in March from 8.5% in December. The improvement was partially driven by a reduction in the number of unemployed individuals continuing to seek work. Initial jobless claims remained below the key 400,000 level but remained higher than expected. For week ended April 26th, jobless claims rose 2,000 to stand at 388,000, the highest level since November 2011. While we are encouraged by the recent development, the labor market will continue to have significant excess capacity unless jobless claims can hold solidly below the 400,000 level and monthly payrolls can generate consistent gains of 200,000 or more.

U.S. Treasuries underperformed credit and securitized fixed income products for the second quarter in a row as investors moved money out of cash and Treasuries and into higher yielding investment options. The broader Standard and Poor's 500 index delivered a stronger 12.6% total return for the quarter.

Present. Economic data continues to be mixed. News from the housing market were weaker than expected. March new housing starts were down 5.8% month-over-month to an annualized rate of 654,000 (vs. 698,000 in February), while expectations were calling for an increase of 1% over the same time period. Existing home sales were also expected to increase, but fell from an annualized rate of 4.6 million to 4.48 million. Overall conditions in the housing sector continue to languish. Manufacturing continued to expand for the 32nd consecutive month. The Institute for Supply Management (ISM) manufacturing index finished April at 54.8 (vs. 53.4 in March), while the Non-manufacturing index finished at 56.0 in March (vs. 57.3 in February). Both indices were above the 50 threshold level which indicates an expansionary mode. Consumer sentiment has improved as the economy and labor markets continue to recover. The University of Michigan Consumer Sentiment index rose to 76.4 in March vs. 76.2 in February. The improvement was driven by gains in the labor market and another strong quarter in equities.

Future. The Federal Reserve remains cautious and continues to note headwinds facing stronger economic growth. At the April 25th meeting, the FOMC voted to keep the fed funds rate at 0% and reaffirmed its expectations that the target rate would remain at “exceptionally low level” through late 2014. We believe bond yields will remain relatively low consistent with the Fed keeping rates exceptionally low, continuation of Operation Twist, moderate economic growth and relatively contained inflation expectations.

We expect U.S. growth to remain moderate over the next few quarters. Growth will be constrained by the high unemployment rate, slow global growth triggered by fiscal austerity in Europe, slower growth in China and subdued real income growth.

Council Impact. For the second consecutive quarter in a row, municipal bonds delivered strong performance. The flatter yield curve led to long bonds outperforming as maturities greater than 15 years posted higher returns than the overall market while shorter bonds underperformed. Our long term portfolio outperformed its benchmark due to our municipal bond holdings. About 50% of the portfolio is invested in municipal bonds, 40% in U.S. agencies and 10 % in cash and cash equivalents. On the short end of the curve, the Council’s investments continue to suffer from the low yield environment. Several of our agency bonds have been called away early which will result in a decrease in book yield and a further exposure to reinvestment risk in our long term portfolio.

On a positive note, the low yield environment is viewed as an opportunity for the Council to issue new money bonds to fund various capital improvement projects. Tentatively, on June 5th, the Council is planning to sell general obligation bonds in the amounts of \$65 million for Environmental Services division, \$52 million for Metro Transit and \$7 million for Parks. In addition, the Council will also refund \$6 million of Transit’s series 2004A bonds and \$97 million of the combined series 2003A, 2004B and 2005B of Wastewater bonds. The three refundings are expected to generate nearly \$9 million of cumulative net present value savings.

Investment Results & Strategy

MCOA—Short-Term

1Q12 Results: Total return for this portfolio was above the index by 3 basis points. This portfolio has averaged 29 bps per year more than its benchmark over the past 13 years. For the quarter, 60% of our cash was invested in top tier commercial paper pieces yielding an average of 30 bps, about 38% was invested in a government money market fund yielding 0.0% and 3% was invested in short taxable munis yielding an average of 70 bps. Overall, the commercial paper pieces and the munis contributed to the positive performance at quarter end.

2Q12 Strategy: We intend to stay liquid during the second quarter of 2012 until we receive proceeds from capital bond issuances.

Money market funds continued their gradual improvements due to an improved economic backdrop combined with the success of the European Central Bank (ECB) long term refinancing actions. We moved back to prime money market funds at end of March and are currently invested in the Federated prime funds, currently yielding about 20bps.

Longer Strategy (12-months): We continue to maintain a conservative strategy that places greater emphasis on liquidity and safety. We may extend duration slightly to pick up incremental yield. We will continue to invest in separately owned high quality commercial paper, prime money market funds and short maturing high quality municipal bonds.

MCOA—Long-Term

1Q12 Results: Total return of 0.48% was above the Merrill Lynch Agency Master index by 50 basis points. During the quarter, Treasury yields rose across the curve while most municipal bond yields declined. There is an inverse relationship between bond yields and prices. As municipal yields fell, our bonds experienced significant price appreciation which boosted our performance relative to the benchmark.

2Q12 Strategy: We will maintain our diligence from a credit perspective and look for taxable municipal issues in a very cautious and selective manner. Several of our agencies bonds have been called early; we intend to hold some cash in the portfolio in order to take advantage of any interest rate increases. We may also purchase some intermediate to long term agency and municipal bonds to enhance portfolio income. Government-backed mortgage securities may also be purchased.

Longer Strategy (12-months): Deploy cash into callable agencies, mortgage securities, munis and possibly some commercial paper. In our view, medium-quality (credits rated A) municipal revenue based credit tiers continue to offer compelling valuations relative to Treasuries, as measured by the ratios of quality municipal yields to Treasury yields.

EFPMs – Hedging Accounts

The energy forward pricing mechanisms (EFPMs) program manages the risk of swings in the cost of diesel fuel consumed by Metro Transit and Metro Mobility. The program continues to provide a high degree of budget certainty for very volatile commodity prices. Currently, we are hedged through April 2013. Due to regulatory changes related to sulphur content in heating oil contracts, the market place has not offered futures contracts beyond May 2013 for the past six months, but the situation has been rectified. Beginning in May, we will resume purchasing futures contract based on our rolling hedge strategy.

During the first quarter, diesel futures contracts generated \$1.1 million in net realized gains which were offset by a comparable rise in the price of fuel purchased. During the quarter, about \$1.6 million in net unrealized gains occurred.

MCOA--Margin Account

The margin account supports both the diesel fuel and natural gas hedging programs; it includes a money market balance, and a U.S. agency security.

Low Activity Portfolios

The HUD portfolio received limited activity. The HUD account is kept liquid for operating purposes.

OPEB

1Q12Results: Our OPEB portfolio is currently 100% invested in equities. At the end of first quarter 2012, the S&P 500 index and our OPEB portfolio posted returns of 13.0% and 12.6%, respectively. For the quarter, the portfolio incurred \$13.8 million of unrealized gains.

2Q12 Strategy: Corporate earnings growth remains solid due to slowly improving business fundamentals. Hence, we continue to hold a positive long-term view toward equities.

Longer Strategy (12-months): Continue allocating to equities with minor adjustments when markets become historically expensive.

March 31, 2012

Operating Account (MCOA)

	Short-Term	Futures Margin	Long-Term	Diesel & NG Hedging Accounts	HUD	OPEB
Compliance	OK	OK	OK	OK	OK	OK
Safety (Defaults)	None	None	None	None	None	None
Liquidity (Effective Duration Years)						
<u>Target Duration Range:</u>	<u>0-1</u>	<u>0-6</u>	<u>2-6</u>	n.a.	<u>0-1</u>	<u>0-1</u>
Result	0.15	0.04	3.69	n.a.	0.01	n.a.
Less: Index	0.12	0.04	3.59	n.a.	0.01	n.a.
Longer <Shorter> Index	0.04	0.00	0.10	n.a.	0.00	n.a.
<i>Note: Index Source:</i>	Crane Data (Prime Funds)	n.a.	ML Agy. Master	n.a.	n.a.	n.a.
Diversification						
Sectors	See Charts	n.a.	See Charts	n.a.	U.S. Bank	Mixed
Effective Duration	See Charts	n.a.	See Charts	n.a.	Acct.	n.a.

Rate of Return

Revenue by Component:

Accrued Interest	\$ 95,075	\$ 2,175	\$ 1,804,979	\$ -	\$ 431	\$ 527,400
Realized Gains/Losses	\$ 858	\$ (1,800)	\$ 22,693	\$ 1,082,038	\$ -	\$ -
Unrealized Gains/Losses	\$ (89,395)	\$ (6,959)	\$ 7,956,680	\$ 1,566,409	\$ -	\$ 13,319,845
Total Int. Rev.	\$ 6,539	\$ (6,584)	\$ 9,784,352	\$ 2,648,446	\$ 431	\$ 13,847,245
Total Investment Revenue, All Portfolios, Current Quarter						\$ 26,280,553

Book Yield: 0.22% 0.22% 3.27% n.a. 0.05% 1.77%

Total Return:

<u>Current Quarter, Council</u>	0.05%	n.a.	0.48%	n.a.	0.01%	12.97%
*Index	0.02%	n.a.	-0.02%	n.a.	0.01%	12.58%
Difference	0.03%	n.a.	0.50%	n.a.	0.00%	0.39%
<u>Last 12 Months, Council</u>	0.20%	n.a.	5.65%	n.a.	0.09%	8.91%
*Index	0.03%	n.a.	4.92%	n.a.	0.09%	8.52%
Difference	0.17%	n.a.	0.73%	n.a.	0.00%	0.38%
<u>Start Date:</u>	<u>12-31-99</u>	<u>05-01-04</u>	<u>12-31-99</u>	<u>05-01-04</u>	<u>03-31-01</u>	<u>07-03-06</u>
<u>Ave. Annual Rtn., Council</u>	2.86%	n.a.	5.52%	n.a.	1.95%	4.53%
*Index	2.57%	n.a.	4.93%	n.a.	1.95%	4.01%
Difference	0.29%	n.a.	0.59%	n.a.	0.00%	0.52%

*For subscription cost reduction purposes, we began using Crane Data effective 3Q2011.

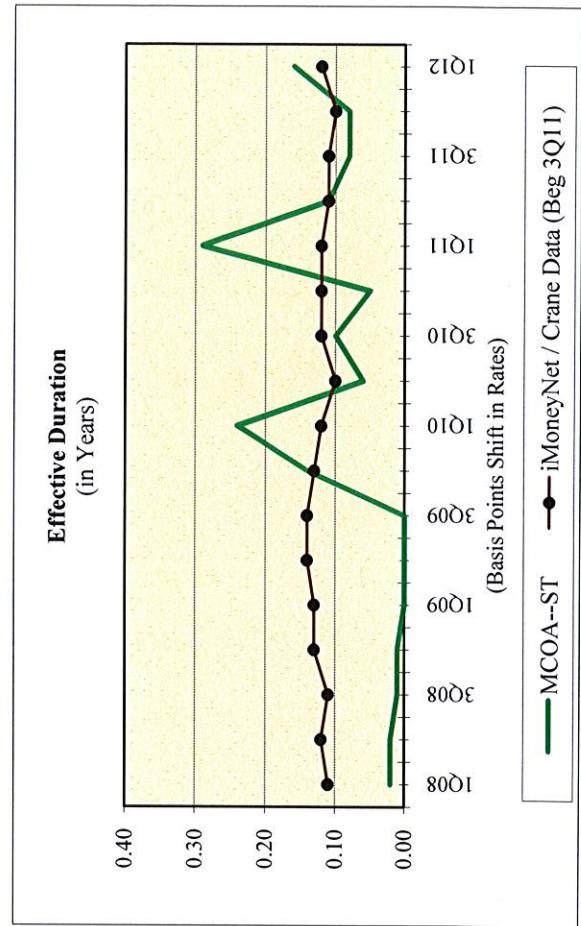
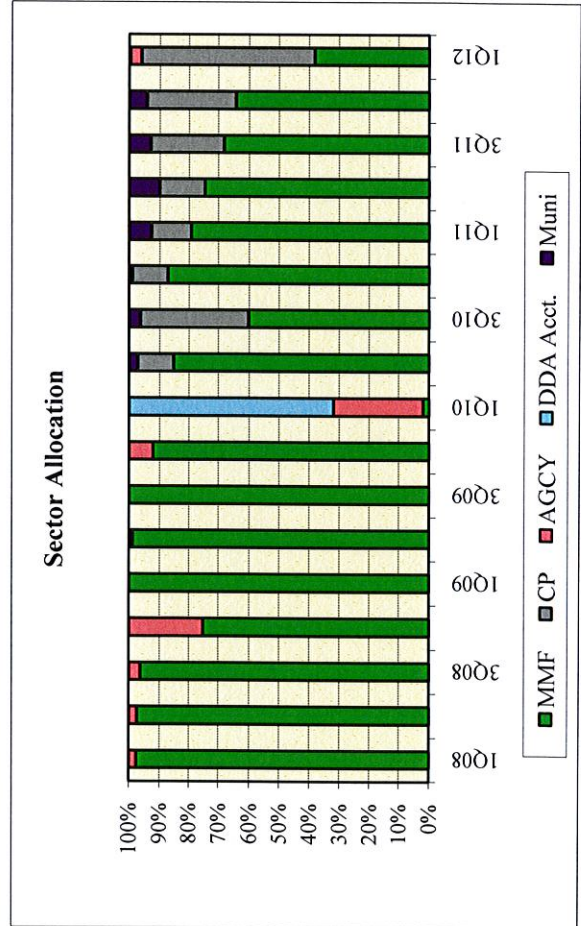
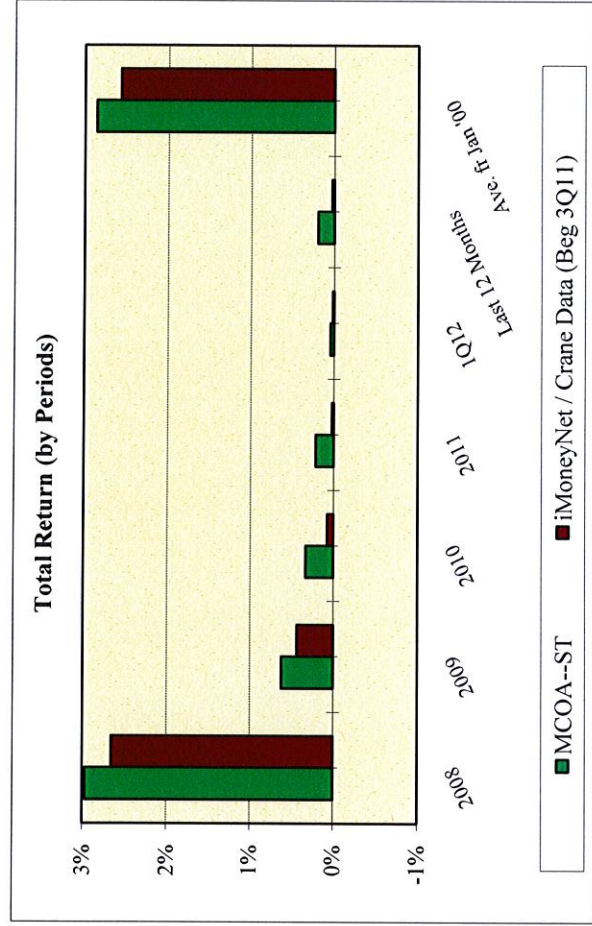
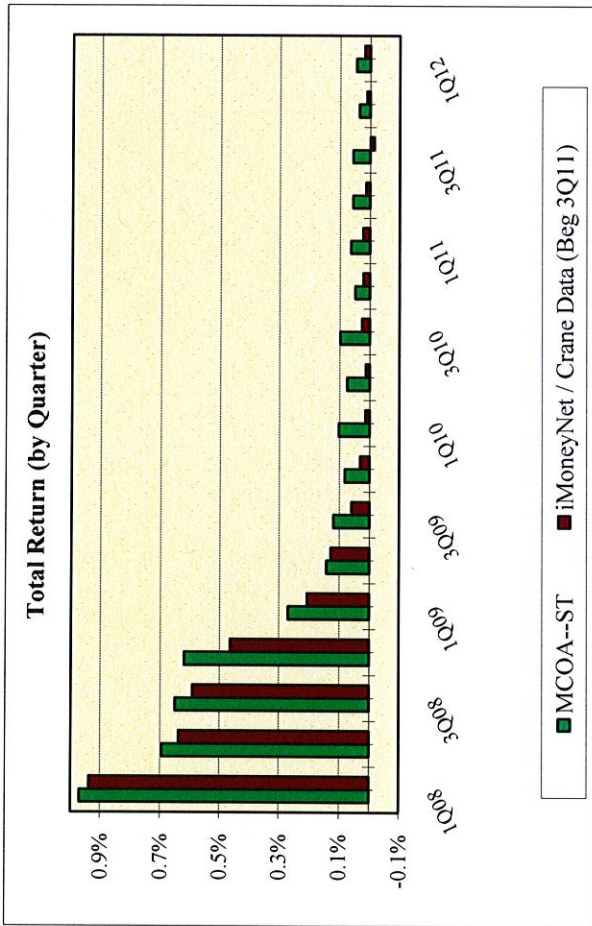
METROPOLITAN COUNCIL--Investment Review Committee
 Historic Statistics--All Portfolios
 March 31, 2012

Account Group	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12
<u>Total Return(%):</u>													
MCOA-Taxable, ST	0.27%	0.14%	0.12%	0.08%	0.10%	0.08%	0.10%	0.05%	0.06%	0.06%	0.06%	0.04%	0.05%
MCOA-Taxable, Margin, w/Cash	0.08%	0.03%	0.23%	0.04%	0.16%	0.01%	0.54%	0.22%	0.21%	0.58%	0.02%	0.02%	-0.08%
MCOA-Taxable, LT	1.02%	-0.44%	4.48%	-1.01%	1.43%	3.81%	1.62%	-1.89%	0.30%	1.71%	2.88%	0.48%	0.48%
MCOA-Taxable Combined	0.67%	-0.35%	3.33%	-0.59%	1.22%	2.78%	1.22%	-0.87%	0.18%	1.04%	1.59%	0.29%	0.29%
HUD-Savings Acct.	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.05%	0.05%	0.02%	0.05%	0.05%	0.05%	0.05%
OPEB @ MN SBI	-10.45%	15.25%	14.89%	5.96%	5.43%	-11.46%	11.42%	10.63%	-10.45%	0.11%	-13.76%	11.66%	12.97%
<u>Effective Duration (Yrs):</u>													
MCOA-Taxable, ST	0.01	0.00	0.00	0.00	0.24	0.02	0.10	0.05	0.29	0.11	0.08	0.08	0.16
MCOA-Taxable, Margin, w/Cash	0.00	0.00	0.02	0.02	0.04	0.06	0.04	0.04	0.24	0.18	0.76	0.02	3.69
MCOA-Taxable, LT	4.88	5.12	4.71	4.36	4.99	3.64	3.51	4.15	4.26	3.31	2.31	2.48	3.69
MCOA-Taxable Combined	3.76	4.08	3.75	2.69	4.22	2.71	2.61	2.01	2.30	2.00	1.31	1.46	2.16
HUD-Savings Acct.	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<u>Ave. Maturity (Yrs):</u>													
MCOA-Taxable, ST	0.01	0.01	0.01	0.01	0.05	0.04	0.10	0.05	0.08	0.11	0.08	0.08	0.16
MCOA-Taxable, Margin, w/Cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MCOA-Taxable, LT	9.79	6.86	5.72	5.78	6.37	4.48	3.75	4.59	4.71	3.34	2.42	2.39	3.64
MCOA-Taxable Combined	7.53	5.46	4.21	3.56	5.34	3.26	2.79	4.62	4.63	2.01	1.35	1.40	2.12
HUD-Savings Acct.	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<u>Qtrly Earnings (\$millions):</u>													
MCOA-Taxable, ST	\$ 0.3	\$ 0.3	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.0
MCOA-Taxable, Margin, w/Cash	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
MCOA-Taxable, LT	2.3	(0.8)	8.3	(2.1)	3.0	8.6	4.3	(4.6)	1.8	4.4	8.4	1.5	9.8
MCOA-Taxable Combined	\$ 2.6	\$ (0.6)	\$ 8.4	\$ (2.0)	\$ 3.1	\$ 8.7	\$ 4.4	\$ (4.5)	\$ 2.0	\$ 4.5	\$ 8.5	\$ 1.6	\$ 9.8
MT Futures Contracts, Realized	(3.0)	(2.0)	(2.6)	(4.3)	(2.6)	(1.0)	(0.4)	0.0	1.3	1.7	1.2	0.8	1.1
MT Futures Contracts, Unrealized	(0.0)	7.2	1.7	6.3	2.3	1.2	1.6	2.5	5.8	(3.8)	1.0	1.7	1.6
HUD-Savings Acct.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEB @ MN SBI	(5.7)	7.2	8.4	4.0	4.0	(8.9)	10.2	16.8	7.7	3.1	(12.0)	1.0	13.8
Aggregate (Less Combined)	\$ (6.2)	\$ 11.9	\$ 15.9	\$ 4.0	\$ 6.8	\$ (0.1)	\$ 15.8	\$ 14.8	\$ 16.7	\$ 5.5	\$ (1.3)	\$ 5.0	\$ 26.3
<u>Investment Balances (MV, \$millions):</u>													
MCOA-Taxable, ST	\$ 51.0	\$ 36.4	\$ 66.1	\$ 131.0	\$ 33.4	\$ 82.9	\$ 82.9	\$ 256.8	\$ 220.0	\$ 194.0	\$ 240.0	\$ 232.0	\$ 206.8
MCOA-Taxable, Margin, w/Cash	9.0	13.5	11.7	5.5	4.0	5.1	2.1	3.1	10.0	9.6	9.0	9.0	5.1
MCOA-Taxable, LT	199.0	195.0	215.6	219.0	193.0	231.3	239.7	237.0	236.6	292.0	297.6	324.0	275.2
MCOA-Taxable Combined	259.0	244.9	293.4	355.5	230.4	319.3	324.7	496.9	466.6	495.6	546.6	565.0	487.1
HUD-Savings Acct.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-
OPEB @ MN SBI	44.7	54.7	64.9	71.0	76.0	69.0	79.0	95.4	102.6	105.4	92.7	106.3	120.5
Aggregate (Less Combined)	\$ 303.7	\$ 299.6	\$ 358.3	\$ 426.5	\$ 306.4	\$ 388.3	\$ 403.7	\$ 592.3	\$ 569.2	\$ 601.0	\$ 639.3	\$ 671.3	\$ 607.6
<u>Market Yield (%):</u>													
MCOA-Taxable, ST	0.73%	0.61%	0.22%	0.22%	0.77%	0.14%	0.54%	0.20%	0.29%	0.52%	0.16%	0.23%	0.60%
MCOA-Taxable, Margin, w/Cash	1.05%	0.26%	0.13%	0.13%	0.80%	2.66%	2.66%	2.10%	0.43%	0.45%	0.48%	0.48%	0.22%
MCOA-Taxable, LT	3.56%	3.35%	3.09%	3.22%	3.58%	2.66%	2.39%	3.03%	3.08%	2.28%	1.62%	1.72%	2.19%
MCOA-Taxable Combined	2.92%	2.77%	2.33%	2.33%	3.12%	2.04%	1.92%	1.56%	1.71%	1.56%	0.96%	1.07%	1.49%
HUD-Savings Acct.	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
OPEB @ MN SBI	1.57%	1.51%	1.43%	1.53%	1.43%	1.55%	1.57%	1.76%	1.68%	1.87%	1.58%	1.81%	1.77%
<u>Book Yield (%):</u>													
MCOA-Taxable, ST	0.73%	0.56%	0.22%	0.29%	0.77%	0.28%	0.35%	0.20%	0.27%	0.24%	0.16%	0.15%	0.22%
MCOA-Taxable, Margin, w/Cash	1.05%	0.26%	0.13%	0.13%	0.80%	2.66%	2.66%	2.10%	0.43%	0.45%	0.45%	0.48%	0.22%
MCOA-Taxable, LT	4.08%	3.76%	3.42%	3.42%	3.85%	3.15%	2.97%	3.28%	3.31%	2.61%	2.19%	2.56%	3.27%
MCOA-Taxable Combined	3.32%	3.09%	2.57%	2.22%	3.35%	2.32%	2.30%	1.68%	1.81%	1.64%	1.27%	1.54%	1.94%
HUD-Savings Acct.	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
OPEB @ MN SBI	1.57%	1.51%	1.43%	1.53%	1.43%	1.55%	1.57%	1.76%	1.68%	1.87%	1.58%	1.81%	1.77%

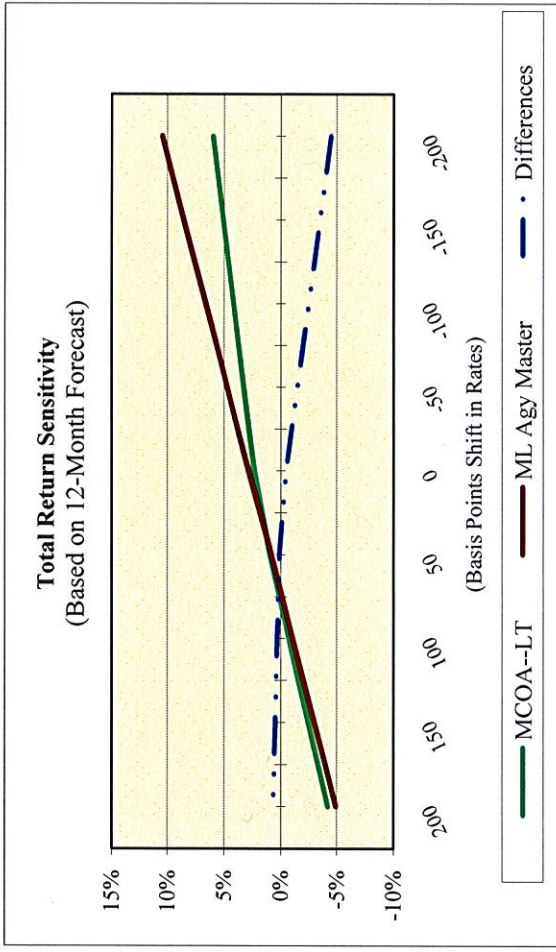
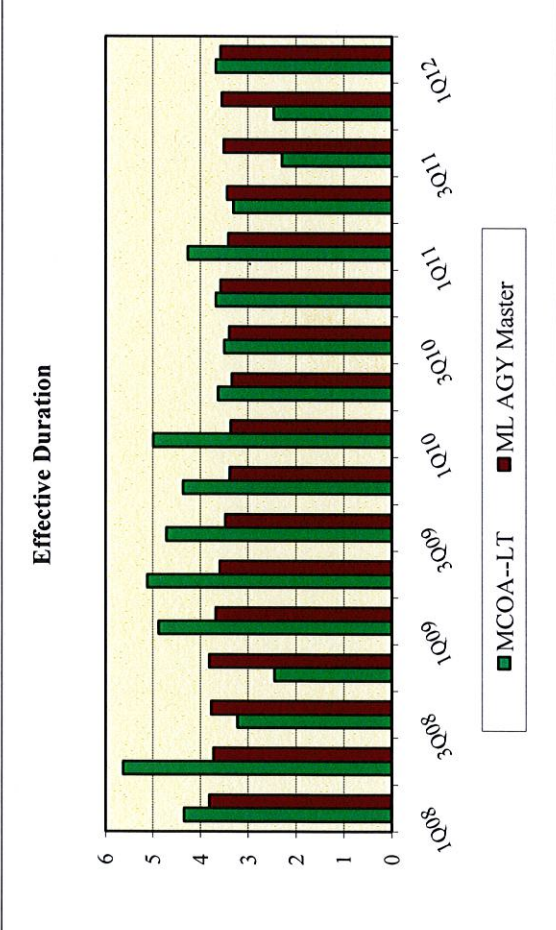
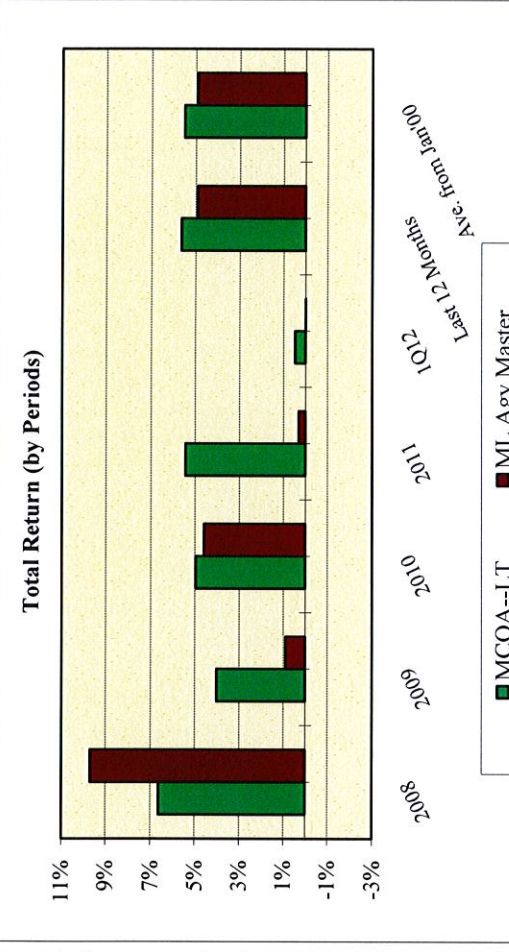
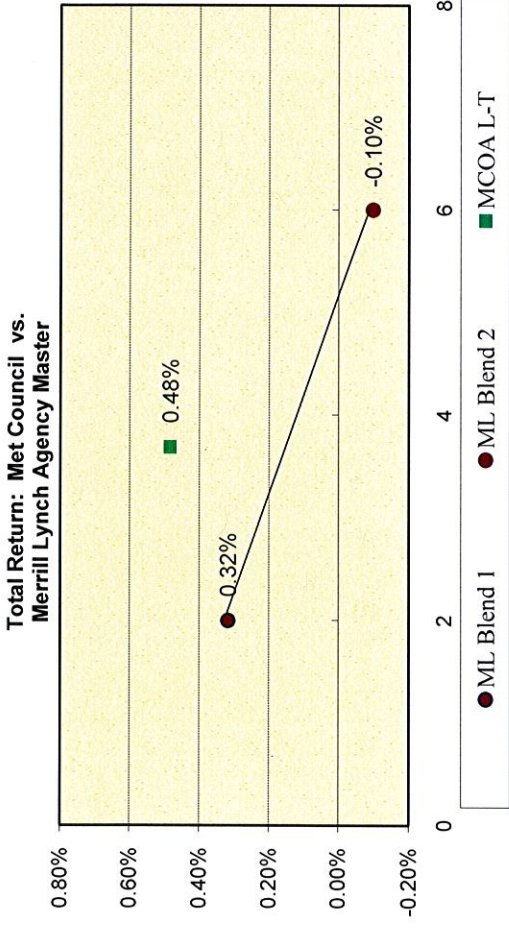
METROPOLITAN COUNCIL--Investments

Operating Account--Short-Term Investments, (Analysis of Returns and Diversification)

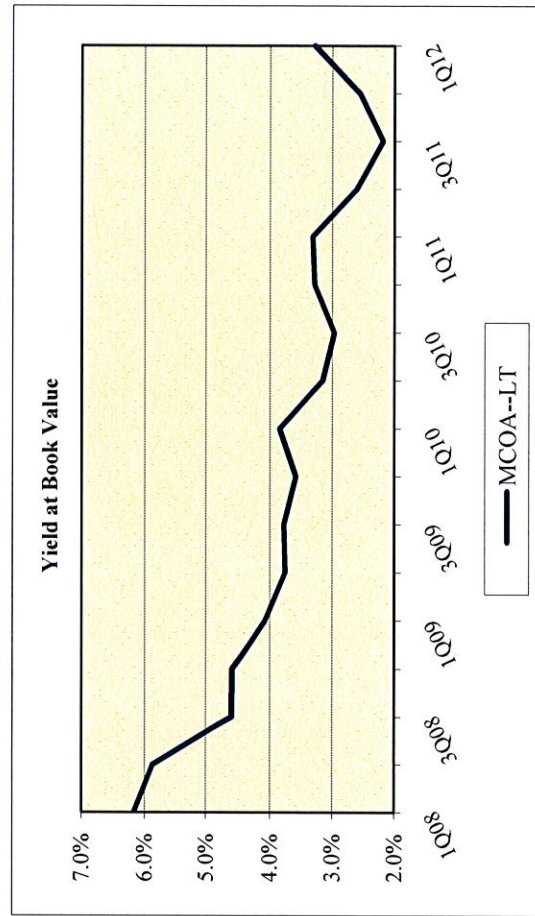
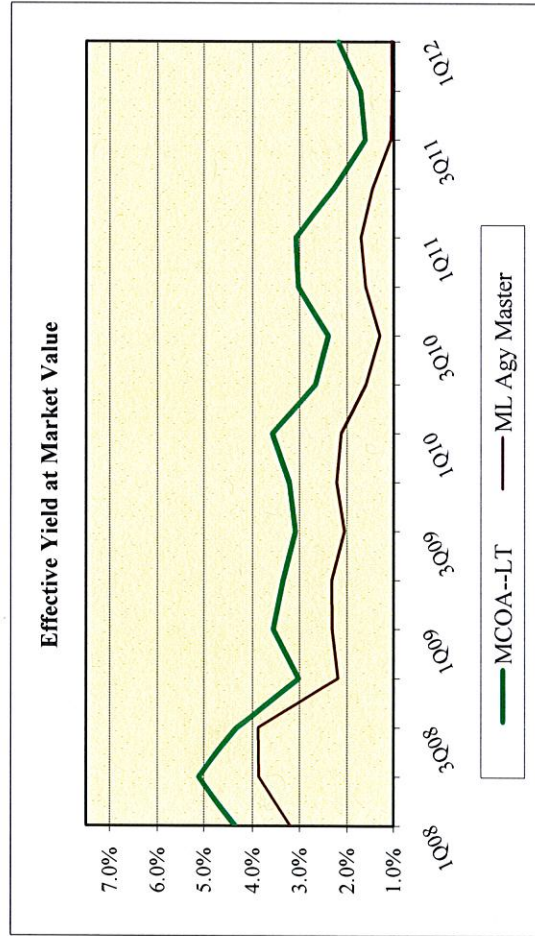
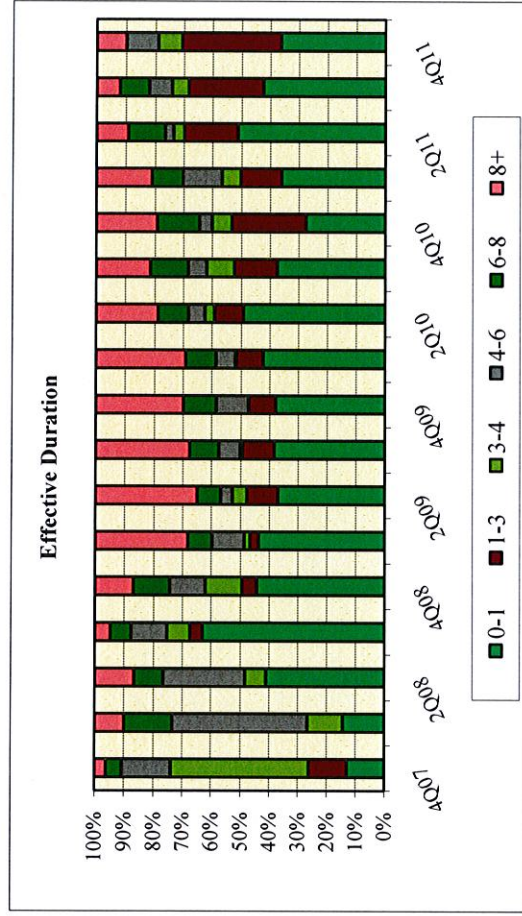
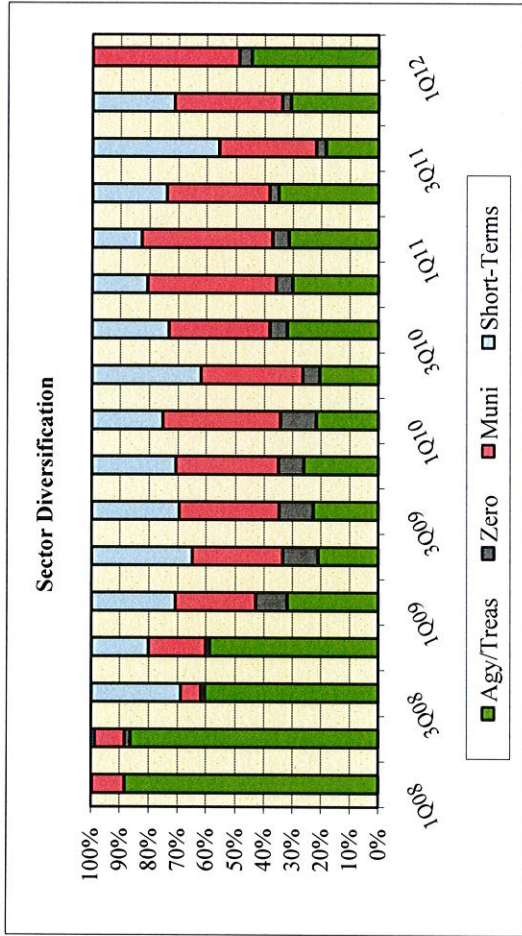
March 31, 2012



METROPOLITAN COUNCIL--Investments
 Operating Account--Long Term Investments. (Analysis of Returns)
 March 31, 2012



METROPOLITAN COUNCIL--Investments
Operating Account--Long Term Investments. (Selected Data)
 March 31, 2012

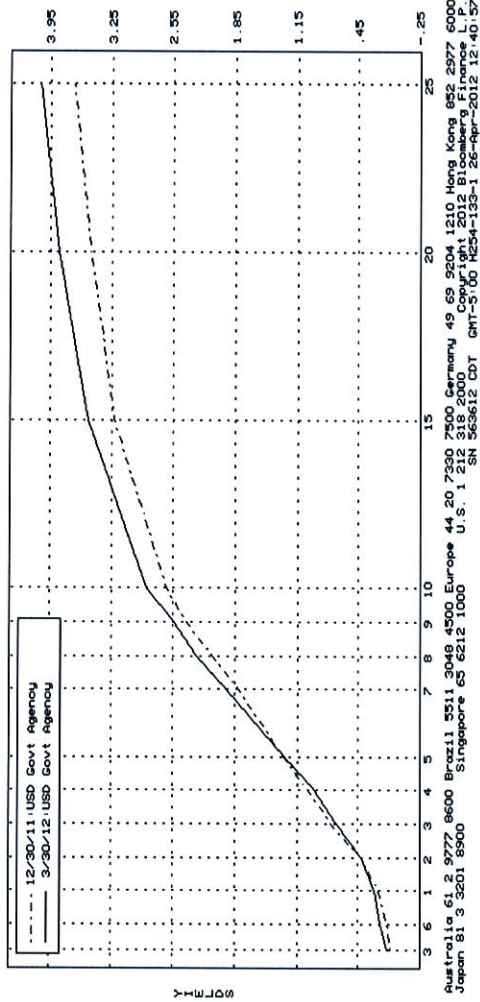


METROPOLITAN COUNCIL—Investment Review Committee

U.S. Agency & Treasury Charts

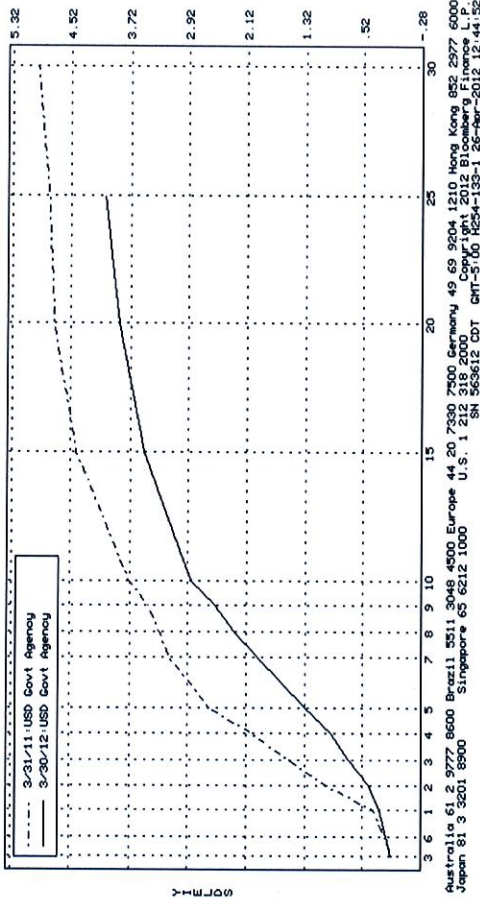
March 31, 2012

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Govt **FMCH**
FAIR MARKET YIELD CURVES - HISTORY
MATURITY RANGE **3M0 - 30Y**



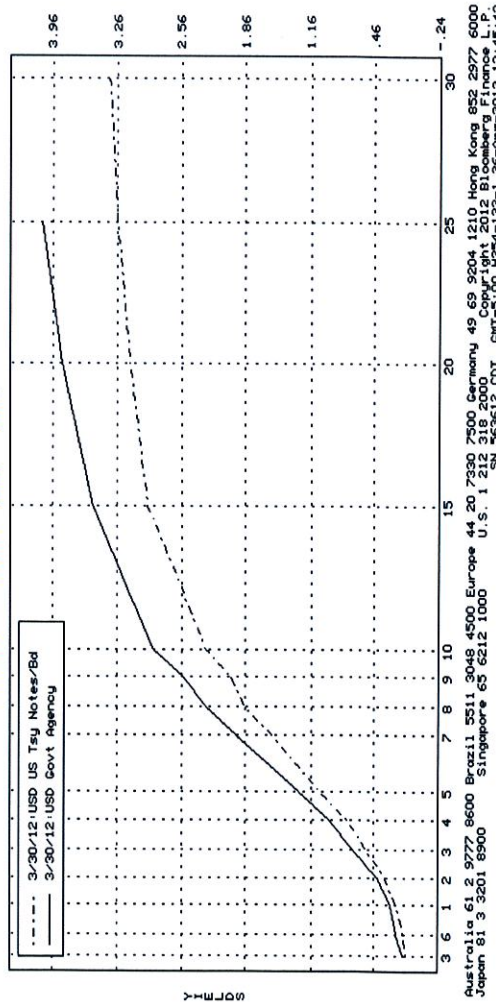
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Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
Copyright 2012 Bloomberg Finance L.P.
SN 563612 CDT CH1-5:00 H254-133-1 26-Apr-2012 12:40:57

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FAIR MARKET YIELD CURVES - HISTORY
MATURITY RANGE **3M0 - 30Y**



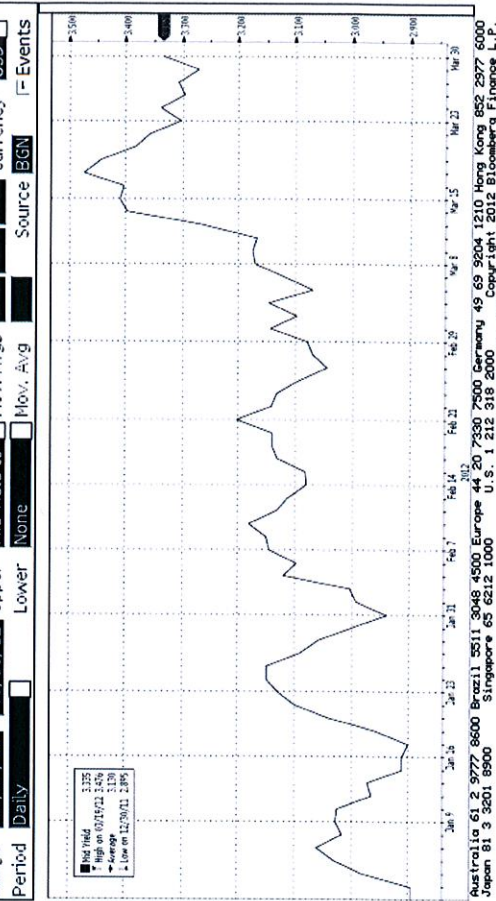
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Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
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1
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Govt **FMCH**
FAIR MARKET YIELD CURVES - HISTORY
MATURITY RANGE **3M0 - 30Y**



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
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SN 563612 CDT CH1-5:00 H254-133-1 26-Apr-2012 12:45:42

Govt **GY**
US TREASURY N/B T 3 1 11/15/41 99-24 / 99-25+ (3.14 / 14) BGN @12:46
T 3 1 11/15/41 GOVT Save Chart Hide GY - Yield Chart Page 1/3
Range 12/30/11 - 03/30/12 Upper Mid Yield to Lower None Mov. Avgs Mov. Avg Currency USD
Period Daily Source BGN Events



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
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METROPOLITAN COUNCIL—Investment Review Committee

OPEB and Hedging Reference Charts

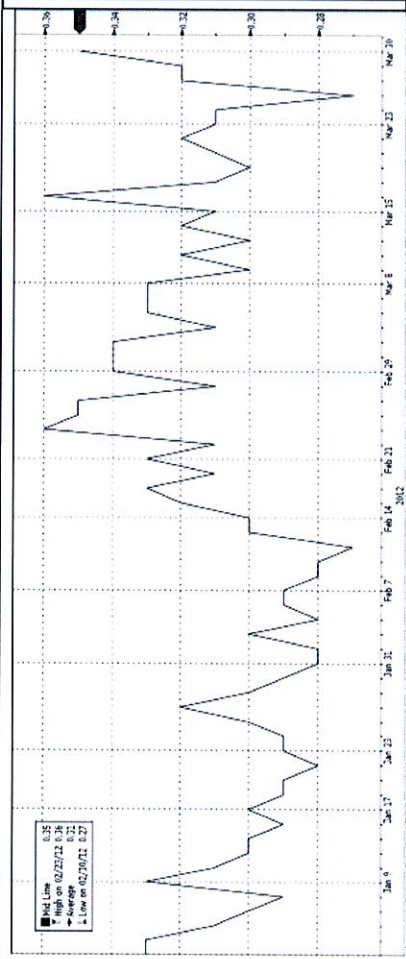
March 31, 2012

30 Day Commercial Paper History

DCPB030D ↑ **.33** + **-04**

At 07:48 Op .33 Hi .33 Lo .33

DCPB030D INDEX Save Chart Hide GP - Line Chart Page 1/3
 Range 12/30/11 - 03/30/12 Upper Mid Line Mov. Avgs Currency USD
 Lower None Mov. Avg
 Period Daily



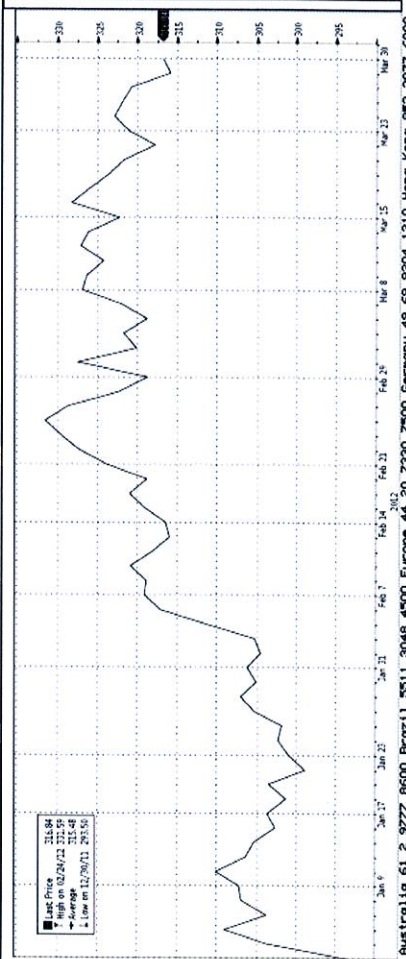
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 Japan 81.3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
 SN 563612 CDT CRT-S100 H254-133-1 26-Apr-2012 12:52:18

Heating Oil, Nearest Futures Contract

H01 ↑ **319.81** + **3.70** S **319.89/319.98** S

DELAY 12:41 Vol 10,640 Op 316.23 Hi 320.45 Lo 315.31 Prev 316.11

H01 COMB COMDIT Save Chart Hide GP - Line Chart Page 1/3
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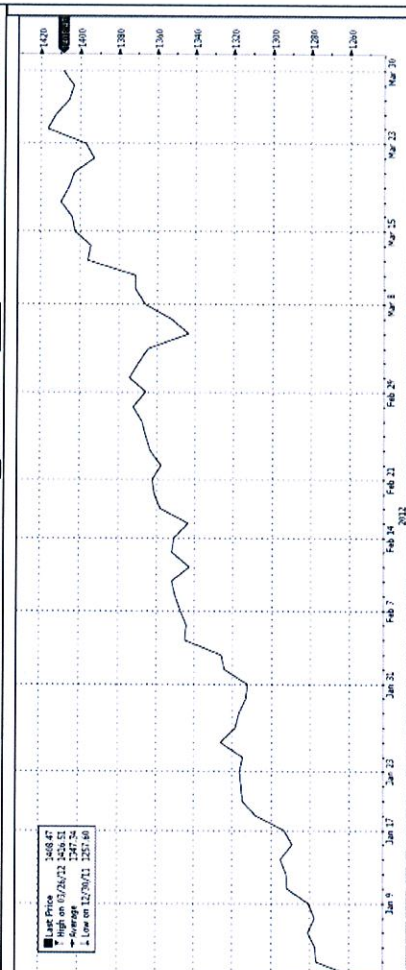
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 Japan 81.3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
 SN 563612 CDT CRT-S100 H254-133-1 26-Apr-2012 12:52:18

S & P 500 Stock Index

SPX ↑ **1397.53** + **6.84**

At 12:51 Op 1390.64 Hi 1397.74 Lo 1387.28 Prev 1390.69

SPX INDEX Save Chart Hide GP - Line Chart Page 1/3
 Range 12/30/11 - 03/30/12 Upper Line Chart Mov. Avgs Currency USD
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 Period Daily



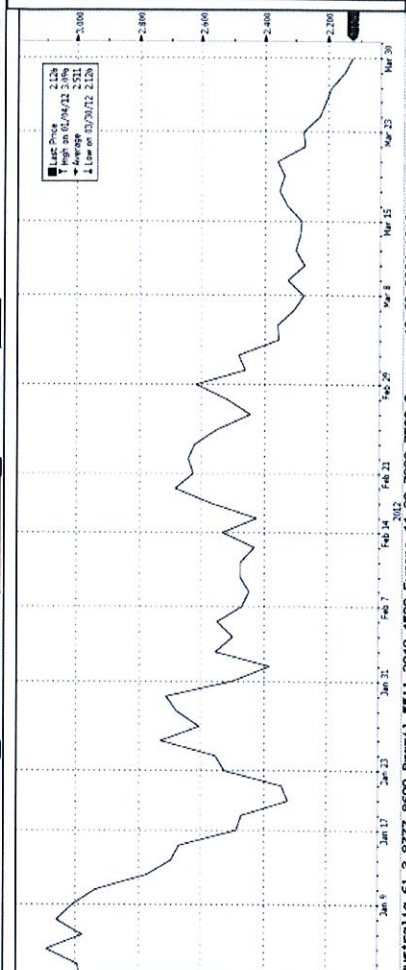
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 Japan 81.3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
 SN 563612 CDT CRT-S100 H254-133-1 26-Apr-2012 12:52:18

Natural Gas, Nearest Futures Contract

NG1 ↑ **2.094** + **.026** 2.095/2.099 S

DELAY 12:42 Vol 8,169 Op 2.094 Hi 2.187 Lo 2.042 Prev 2.068

NG1 COMB COMDIT Save Chart Hide GP - Line Chart Page 1/3
 Range 12/30/11 - 03/30/12 Upper Line Chart Mov. Avgs Currency USD
 Lower None Mov. Avg
 Period Daily



Australia 61.2 9777 8600 Brazil 5511 3048 4500 Europe 44.20 7330 7500 Germany 49.69 9204 1210 Hong Kong 852 2577 6000
 Japan 81.3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
 SN 563612 CDT CRT-S100 H254-133-1 26-Apr-2012 12:52:18

Economic Forecast

Updated 4/27/12

 Full year to full year
percent change,
unless otherwise indicated

Quarterly percent change, unless otherwise indicated

	2011				2012				2013				2014				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Growth indicators																	
GDP	3.0	2.2	1.1	2.0	2.1	1.3	2.3	2.4	2.2	2.5	1.7	2.0	2.0	1.7	2.5	1.9	1.9
Final sales	1.1	1.6	1.7	2.3	2.3	1.5	2.2	2.3	2.3	2.4	2.0	1.9	1.9	2.0	2.4	2.0	2.0
Consumer spending	2.1	2.9	2.0	2.5	2.8	3.0	3.0	3.0	3.0	3.0	2.2	2.2	2.2	2.2	3.0	2.2	2.8
Fixed investment	6.3	1.4	5.9	5.6	5.6	6.2	6.5	6.7	6.8	6.8	6.8	5.8	5.8	6.8	6.8	6.4	6.4
Nonresidential	5.2	-2.1	5.9	5.2	5.6	5.8	5.9	6.0	5.9	5.9	8.8	8.8	5.0	8.8	5.9	5.0	5.8
Structures	-1.0	-12.0	8.2	8.2	8.1	8.6	9.2	9.7	9.4	9.4	4.6	4.6	2.5	4.6	9.4	8.7	8.7
Equipment	7.5	1.7	4.2	4.4	4.4	5.0	5.0	5.0	5.0	4.9	10.4	10.4	5.8	10.4	4.9	4.9	4.9
Residential	11.7	19.0	4.7	7.2	8.6	9.4	9.8	10.0	10.1	10.2	-1.3	-1.3	5.8	-1.3	10.2	5.9	5.9
Inventory investment (\$bn)	52.2	69.5	50.0	40.0	35.0	30.0	35.0	40.0	35.0	40.0	34.6	48.6	48.6	34.6	40.0	35.0	35.0
Foreign trade (\$bn)	-410.8	-410.1	-418.7	-431.8	-447.3	-465.3	-481.3	-495.1	-506.9	-518.8	-413.6	-427.0	-427.0	-413.6	-518.8	-487.2	-487.2
Government spending	-4.1	-3.0	-1.0	1.0	0.0	-5.0	-2.0	-2.0	-2.0	-2.0	-2.1	-1.7	-1.7	-2.1	-2.0	-2.0	-2.0
Treasury budget (fiscal yr, \$bn)	-326.3	-321.7	-457.3	-129.2	-321.6	-265.7	-402.3	-68.8	-274.1	-216.2	-1.297	-1.230	-1.230	-1.297	-216.2	-1,010	-1,010
Housing starts, (thousands)	670	687	688	695	700	710	715	722	730	750	608	693	693	608	750	730	730
Unemployment rate (qtr avg)	8.7	8.2	8.1	7.9	7.8	7.8	7.8	7.7	7.7	7.6	8.5	7.8	7.8	8.5	7.6	7.7	7.7
Inflation indicators (quarter on previous year's same quarter, at an annual rate. Annual figures are Dec. change from prior Dec.)																	
PCE	2.7	2.3	2.0	1.8	2.0	1.8	1.8	1.8	1.8	1.8	2.5	2.1	2.1	2.5	1.8	1.8	1.8
Core PCE	1.9	1.9	1.7	1.7	1.5	1.3	1.2	1.2	1.2	1.2	1.9	1.7	1.7	1.9	1.2	1.2	1.2
PPI	4.8	2.8	2.2	1.3	2.2	2.5	3.0	3.0	3.0	3.0	4.8	2.2	2.2	4.8	3.0	3.0	3.0
Core PPI	3.0	2.9	2.6	2.3	2.7	2.4	2.4	2.4	2.4	2.4	3.0	2.4	2.4	3.0	2.4	2.4	2.4
Interest rates (end of period)																	
Federal funds rate (hist. is qtr avg)	0.08	0.14	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.08	0.10	0.10	0.08	0.10	0.10	0.10
Interest paid on excess reserves	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
3-month LIBOR	0.58	0.47	0.50	0.50	0.50	0.45	0.40	0.40	0.40	0.40	0.58	0.50	0.50	0.58	0.40	0.40	0.40
3-mo Treasury bills	0.02	0.07	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.02	0.05	0.05	0.02	0.05	0.05	0.05
2-yr Treasury notes	0.28	0.33	0.25	0.30	0.35	0.40	0.40	0.45	0.50	0.55	0.28	0.35	0.35	0.28	0.55	0.50	0.50
5-yr Treasury notes	0.88	1.04	0.80	0.75	0.70	0.90	0.75	0.85	0.95	1.15	0.88	0.88	0.70	0.88	0.70	0.95	0.95
10-yr Treasury notes	1.91	2.23	1.93	1.90	1.85	2.20	2.10	2.25	2.50	2.75	1.91	1.85	1.85	1.91	2.75	2.50	2.50
Fed primary credit (discount rate)	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Prime bank rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Avg. fixed mortgage rate	3.95	3.99	3.68	3.65	3.60	3.95	3.85	4.00	4.25	4.50	3.95	3.60	3.60	3.95	4.50	4.25	4.25

Actual values in red italics.

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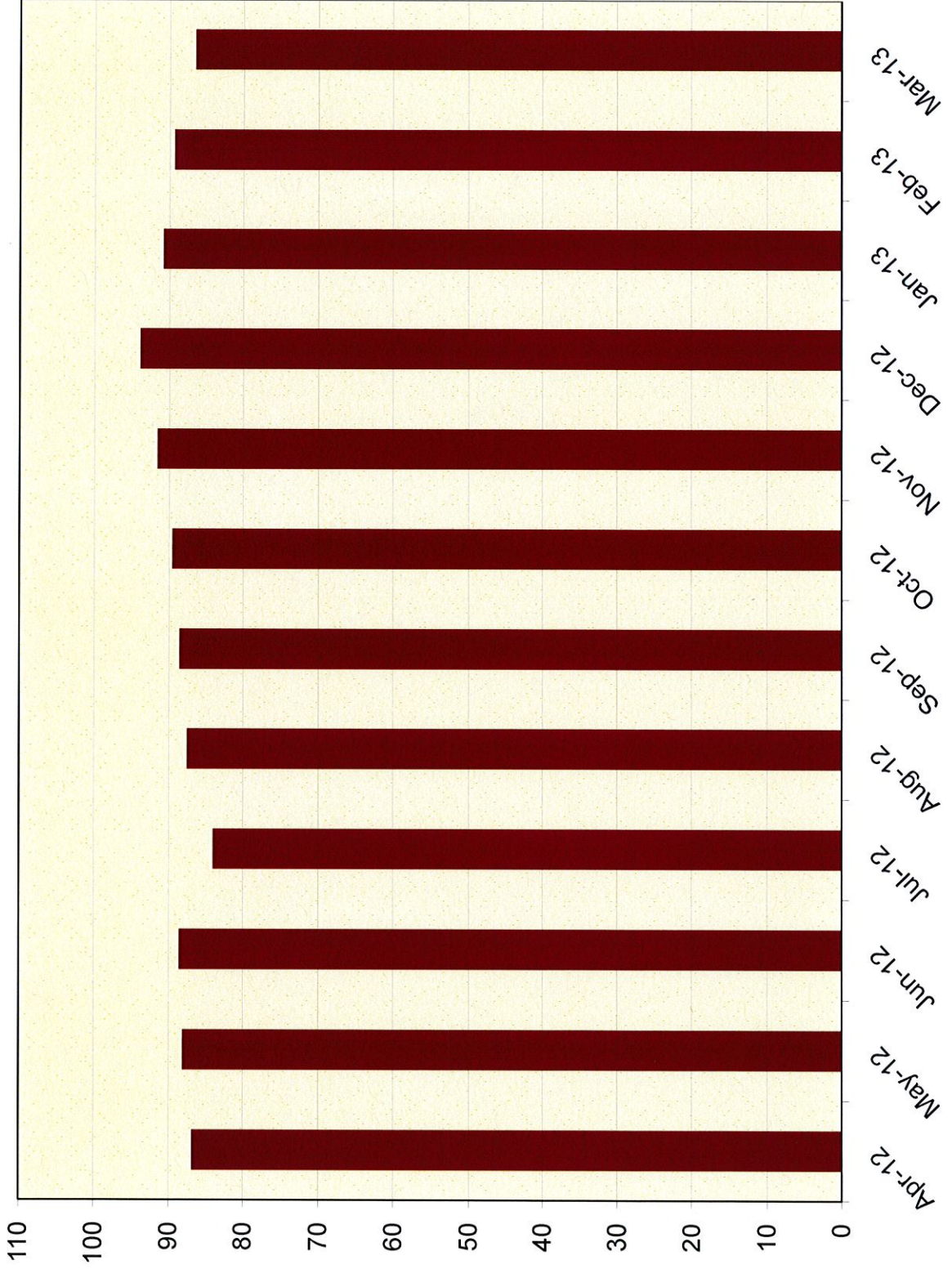
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METROPOLITAN COUNCIL--Prospective Analysis

Monthly Percentage Hedged Snapshot (Futures Contracts)

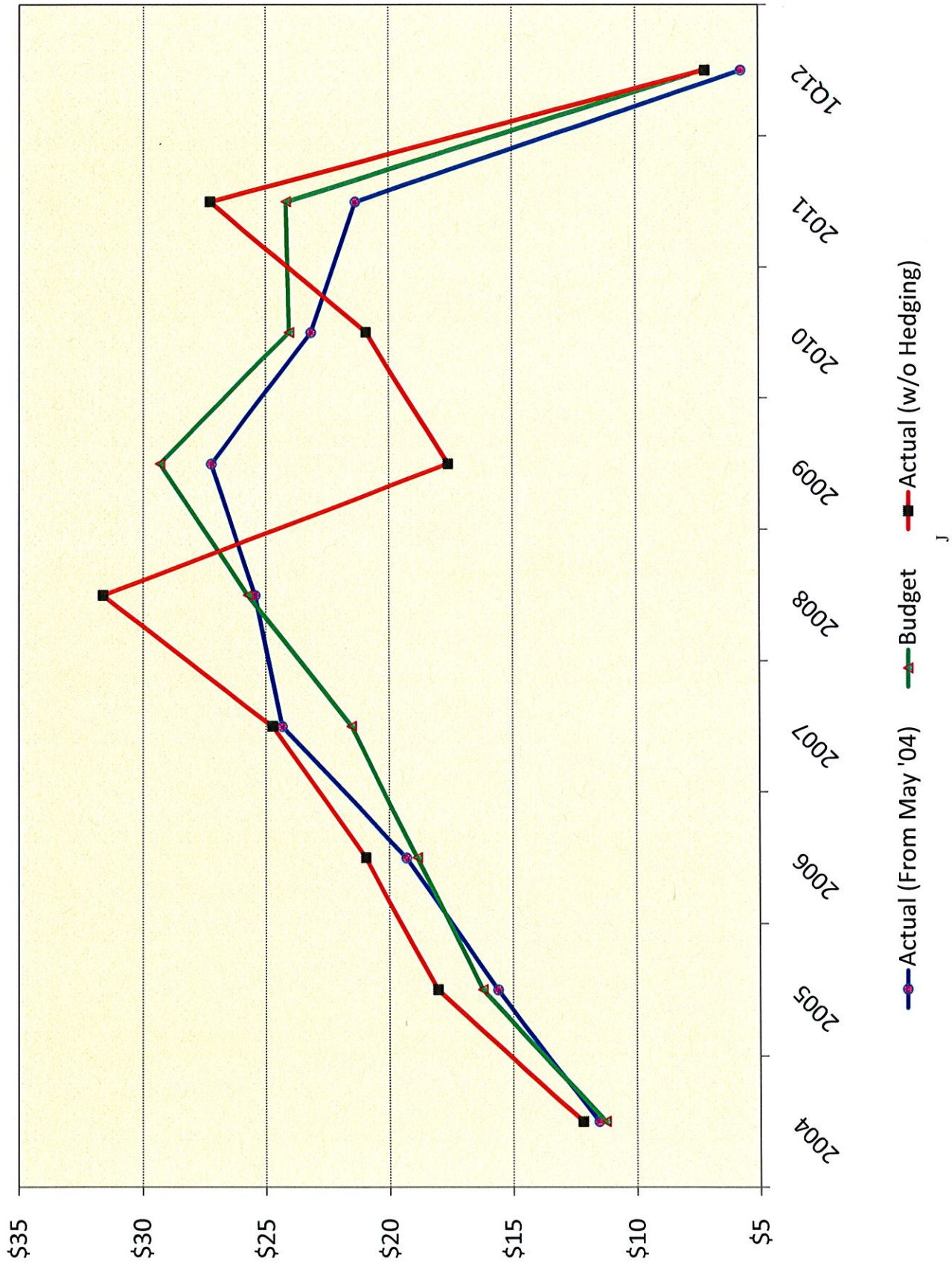
Diesel (Heating Oil)

March 31, 2012



DIESEL HEDGING IMPACT ON BUDGET, (in Millions)

Through YTD March 31, 2012



METROPOLITAN COUNCIL

Metropolitan Council
 Fiscal Services--Treasury Ops.
 390 Robert Street North
 St. Paul, MN 551
 (651)602-1629

**005B-EOM, Aggregate Portfolio
 Portfolio Management
 Portfolio Summary
 March 31, 2012**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Money Market Fund, LA1 Type	87,901,669.00	87,901,669.00	87,901,669.00	14.99	1	1	0.043
CP--Discount	140,000,000.00	139,744,800.00	139,873,065.14	23.85	138	96	0.319
U.S. Agencies--Coupon	109,398,000.00	109,602,843.32	109,669,716.38	18.70	3,831	3,646	3.027
Collateralized Mige Oblig (CMO's)	3,805,082.16	3,895,557.83	3,858,420.20	0.66	9,478	9,378	1.747
Pass Thru Securities (MBS)	4,387,155.99	4,791,081.44	4,792,967.91	0.82	5,731	5,631	2.053
Municipals--Coupon	120,491,000.00	129,686,165.62	122,340,063.91	20.86	3,746	3,014	3.827
Zero Coupon Bonds	14,305,000.00	11,449,453.85	10,775,342.76	1.84	2,716	1,798	5.191
Managed Pool Accounts -2	107,143,804.35	120,463,649.56	107,143,804.35	18.27	1	1	1.767
Investments	587,431,711.50	607,535,220.62	586,355,049.65	100.00%	1,691	1,475	1.894

Cash and Accrued Interest							
Passbook/Checking (not included in yield calculations)	-1,915,845.87	-1,915,845.87	-1,915,845.87		0	0	0.000
Accrued Interest at Purchase		206,043.12	206,043.12				
Ending Accrued Interest		2,214,946.12	2,214,946.12				
Subtotal		505,143.37	505,143.37				
Total Cash and Investments Value	585,515,865.63	608,040,363.99	586,860,193.02		1,691	1,475	1.894

Total Earnings	March 31	Month Ending	Fiscal Year To Date
Current Year	783,142.89		2,430,060.85

Allen Hoppe, Sr. Manager, Treasury

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
March 31, 2012

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
Interest Earning DDA											
A=ST=DDA	2271	U.S. Bank	01/01/2012	0.00	0.00	0.00	0.250	1	1	0.250	
A=LT=DDA	2946	U.S. Bank	01/01/2012	0.00	0.00	0.00	0.250	1	1	0.250	
				0.00	0.00	0.00		0	0	0.000	
Subtotal and Average											
Money Market Fund, LA1 Type											
A=ST=BANKMMF	1386	First American MMF		2,398,061.57	2,398,061.57	2,398,061.57	0.020	1	1	0.020	
SYS2522	2522	Federated		0.00	0.00	0.00	5.220	1	1	5.220	
SYS2725	2725	Federated		3,068,895.45	3,068,895.45	3,068,895.45	0.010	1	1	0.010	
60934N203	2949	Federated	01/01/2012	0.00	0.00	0.00	0.170	1	1	0.170	
SYS3144	3144	Goldman, Sachs & Co.		66,707,793.85	66,707,793.85	66,707,793.85	0.040	1	1	0.040	
38141W273	3145	Goldman, Sachs & Co.	01/01/2012	0.00	0.00	0.00	0.100	1	1	0.100	
38141W364	2973	Goldman Sachs Government Fund	01/01/2012	0.00	0.00	0.00	0.100	1	1	0.100	
61747C848	3163	Morgan Stanley		0.00	0.00	0.00	0.010	1	1	0.010	
61747C715	3218	Morgan Stanley		5,719,958.10	5,719,958.10	5,719,958.10	0.170	1	1	0.170	
A=104756184180	2083	U.S. Bank	03/22/2012	8,848.92	8,848.92	8,848.92	0.050	1	1	0.050	
SYS2384	2384	Voyageurs Tamarack Prime Inst		0.00	0.00	0.00	3.250	1	1	3.250	
A=ST=CUST=WELLS	2708	Wells Fargo--Sweep		9,998,111.11	9,998,111.11	9,998,111.11	0.010	1	1	0.010	
A=LT=CUST=WELLS	2709	Wells Fargo--Sweep		0.00	0.00	0.00	0.010	1	1	0.010	
				87,901,669.00	87,901,669.00	87,901,669.00		1	1	0.043	
Subtotal and Average											
CP--Discount											
02581RFC2	3214	American Express Credit	03/13/2012	5,000,000.00	4,994,500.00	4,998,918.14	0.110	91	72	0.110	06/12/2012
06416JJA2	3212	Bank of Nova Scotia, NY	03/13/2012	10,000,000.00	9,963,300.00	9,986,792.19	0.300	181	162	0.300	09/10/2012
06538BEE9	3213	Bank Tokyo-MIT UFJ NY	03/13/2012	10,000,000.00	9,995,100.00	9,997,401.88	0.220	62	43	0.220	05/14/2012
3024A6JE3	3176	FCAR II (Ford)	12/20/2011	10,000,000.00	9,962,400.00	9,970,162.65	0.650	269	166	0.664	09/14/2012
36959HGX9	3205	General Electric Capital Corp	02/29/2012	10,000,000.00	9,978,700.00	9,990,692.08	0.280	153	121	0.280	07/31/2012
4497W0GG7	3216	ING (US) Funding LLC	03/13/2012	10,000,000.00	9,981,300.00	9,986,316.30	0.470	125	106	0.471	07/16/2012
4662J0FC1	3215	JP Morgan Chase & Co	03/13/2012	10,000,000.00	9,989,000.00	9,997,049.60	0.150	91	72	0.150	06/12/2012
59157TKG6	3220	Melife Short Term Fund	03/29/2012	10,000,000.00	9,951,200.00	9,978,350.07	0.400	197	194	0.409	10/12/2012
60682WE20	3202	Mitsubishi	02/16/2012	10,000,000.00	9,997,100.00	9,996,594.52	0.400	76	31	0.400	05/02/2012
6555P0HQ5	3219	Nordea North America Inc	03/27/2012	10,000,000.00	9,971,200.00	9,988,050.61	0.300	150	145	0.300	08/24/2012
69349JFE8	3204	PNC Bank NA	02/16/2012	5,000,000.00	4,994,300.00	4,998,180.39	0.180	119	74	0.180	06/14/2012
74433GEJ1	3196	Prudential Funding LLC	01/19/2012	10,000,000.00	9,994,000.00	9,997,417.48	0.200	120	47	0.200	05/18/2012
86561ADL8	3198	Sumitomo Corp of America	01/26/2012	10,000,000.00	9,998,500.00	9,998,131.41	0.360	85	19	0.360	04/20/2012
89233GGL4	3206	Toyota Motor Credit Corp	03/01/2012	10,000,000.00	9,980,600.00	9,993,956.16	0.200	141	110	0.200	07/20/2012
9033E0EM4	3167	U.S. Bank	11/22/2011	10,000,000.00	9,993,600.00	9,995,051.66	0.360	181	50	0.361	05/21/2012

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
March 31, 2012

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to		YTM	Maturity Date
								Term	Maturity		
U.S. Agencies--Coupon				140,000,000.00	139,744,800.00	139,873,065.14		138	96	0.319	
3136FHLH6	3089	Federal Natl Mitg Assn.	03/07/2011	3,000,000.00	3,003,870.00	3,040,774.44	2.375	2,976	2,585	2.164	04/30/2019
313376S30	3221	Fed. Home Loan Bank	03/29/2012	10,000,000.00	10,047,200.00	9,995,001.87	3.470	5,415	5,412	3.474	01/25/2027
313376S30	3222	Fed. Home Loan Bank	03/29/2012	10,000,000.00	10,047,200.00	9,994,901.91	3.470	5,415	5,412	3.474	01/25/2027
3134G3AU4	3169	Fed. Home Loan Mitge. Corp.	12/15/2011	9,688,000.00	9,602,164.32	9,654,757.60	3.250	5,479	5,371	3.933	12/15/2026
3134G3ET3	3180	Fed. Home Loan Mitge. Corp.	12/28/2011	5,000,000.00	4,967,700.00	4,986,486.81	3.000	5,479	5,384	3.778	12/28/2026
3134G3NL0	3200	Fed. Home Loan Mitge. Corp.	02/24/2012	2,000,000.00	1,990,240.00	1,997,199.35	3.000	1,096	1,059	0.549	02/24/2015
3136FPAH0	3004	Federal Natl Mitge. Assn.	08/24/2010	5,000,000.00	5,058,550.00	5,000,000.00	1.250	1,218	632	1.250	12/24/2013
31359M7M9	3070	Federal Natl Mitge. Assn.	01/20/2011	5,000,000.00	5,005,950.00	5,225,971.17	5.375	4,099	3,662	4.786	04/11/2022
3136FTHW2	3160	Federal Natl Mitge. Assn.	11/10/2011	10,000,000.00	10,003,000.00	9,975,652.78	1.250	5,479	5,336	4.658	11/10/2026
3136FTJG5	3190	Federal Natl Mitge. Assn.	12/28/2011	11,200,000.00	11,213,440.00	11,231,651.10	1.500	1,504	1,409	1.419	02/09/2016
3136FTHB8	3191	Federal Natl Mitge. Assn.	12/28/2011	14,500,000.00	14,520,735.00	14,563,835.93	1.750	1,778	1,683	1.650	11/09/2016
3136FRC43	3192	Federal Natl Mitge. Assn.	12/28/2011	1,000,000.00	1,005,020.00	1,009,436.02	2.050	1,673	1,578	1.821	07/27/2016
3136FTTJ8	3193	Federal Natl Mitge. Assn.	12/28/2011	5,000,000.00	5,002,700.00	5,000,000.00	0.750	1,826	1,731	2.698	12/27/2016
3136FTX4	3223	Federal Natl Mitge. Assn.	03/29/2012	5,000,000.00	4,999,150.00	4,994,602.40	3.000	4,565	4,562	3.010	09/27/2024
3136FTX4	3224	Federal Natl Mitge. Assn.	03/29/2012	10,000,000.00	9,998,300.00	9,990,004.45	3.000	4,565	4,562	3.010	09/27/2024
19647TAA3	1682-B	U.S. GSA, COP's	04/01/2005	3,010,000.00	3,137,624.00	3,009,440.55	6.600	5,402	2,845	6.602	01/15/2020
Subtotal and Average				109,398,000.00	109,602,843.32	109,669,716.38		3,831	3,646	3.027	
Collateralized Mitge Oblig (CMO's)											
3136A2GQ0	3185	Federal Natl Mitg Assn.	12/23/2011	946,740.03	954,266.61	951,843.55	2.000	5,451	5,351	1.746	11/25/2026
3137AGAD2	3186	Fed. Home Loan Mitge. Corp.	12/23/2011	2,858,342.13	2,941,291.22	2,906,576.65	2.500	10,797	10,697	1.748	07/15/2041
Subtotal and Average				3,805,082.16	3,895,557.83	3,858,420.20		9,478	9,378	1.747	
Pass Thru Securities (MBS)											
31371NKH7	3187	Federal Natl Mitge. Assn.	12/23/2011	4,387,155.99	4,791,081.44	4,792,967.91	5.500	5,731	5,631	2.053	09/01/2027
Subtotal and Average				4,387,155.99	4,791,081.44	4,792,967.91		5,731	5,631	2.053	
Municipals--Coupon											
036519MB9	3182	Ansonia, CT	12/30/2011	1,120,000.00	1,134,884.80	1,135,339.21	3.000	290	197	0.452	10/15/2012
036519MD5	3183	Ansonia, CT	12/30/2011	570,000.00	587,100.00	586,406.98	2.000	1,020	927	0.851	10/15/2014
036519ME3	3184	Ansonia, CT	12/30/2011	690,000.00	736,057.50	732,832.44	3.000	1,385	1,292	1.201	10/15/2015
057813EV5	3172	Baldwin City, KS	12/22/2011	800,000.00	800,416.00	803,919.21	1.500	619	518	1.147	09/01/2013
084154UB7	3106	Berkeley USD, Calif	05/26/2011	1,065,000.00	1,185,792.30	1,075,156.18	5.500	5,454	5,143	5.399	05/01/2026
088518CK9	2845	Bexar Cnty, TX	10/15/2008	3,420,000.00	3,982,145.40	3,476,451.66	6.360	5,417	4,153	6.136	08/15/2023

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Municipals--Coupon												
213185DU2	3159	Cook Cnty, IL	10/27/2011	3,000,000.00	3,102,330.00	3,075,635.12	2.503	750	593	0.930	11/15/2013	
240685HB6	3095	DeKalb, IL	04/25/2011	925,000.00	942,001.50	935,649.41	2.736	617	275	1.181	01/01/2013	
263867C43	3094	Dubuque, IA	03/30/2011	465,000.00	475,332.30	469,918.76	2.375	794	426	1.450	06/01/2013	
278445FK2	2945	Eau Claire ASD, WI	08/03/2009	520,000.00	520,036.40	520,000.00	2.600	972	0	2.599	04/01/2012	
280455CL8	2968	Edgewood Sch Dist, OH	11/12/2009	4,000,000.00	4,682,960.00	4,103,681.24	7.500	10,246	9,375	7.261	12/01/2037	
311315SB2	3174	Farmington ISD #192, MN	12/27/2011	1,315,000.00	1,376,765.55	1,367,476.87	3.000	767	671	0.800	02/01/2014	
355748PX6	3177	Frederick, MD	12/28/2011	2,125,000.00	2,170,156.25	2,167,076.84	2.000	704	609	0.801	12/01/2013	
355748PY4	3178	Frederick, MD	12/28/2011	1,100,000.00	1,130,283.00	1,128,831.91	2.000	1,069	974	1.000	12/01/2014	
355748PZ1	3179	Frederick, MD	12/28/2011	920,000.00	947,011.20	946,273.32	2.000	1,434	1,339	1.200	12/01/2015	
392643PJ5	2482-B	Green Bay School District, WI	04/01/2005	1,000,000.00	1,098,670.00	999,625.09	5.000	4,383	1,826	5.009	04/01/2017	
4255064T6	3162	Hennepin Cnty, MN	11/15/2011	1,065,000.00	1,113,670.50	1,109,999.14	3.000	747	609	0.450	12/01/2013	
461225CU6	2869	Inver Grove Heights MN ISD # 1	01/06/2009	2,175,000.00	2,346,237.75	2,174,875.02	6.700	6,600	5,419	6.700	02/01/2027	
483856FD7	3050	Kane County, IL	12/29/2010	615,000.00	618,794.55	615,000.00	1.500	717	258	1.497	12/15/2012	
483856FE5	3051	Kane County, IL	12/29/2010	630,000.00	639,412.20	630,000.00	2.150	1,082	623	2.146	12/15/2013	
483856FF2	3052	Kane County, IL	12/29/2010	645,000.00	661,989.30	645,000.00	2.600	1,447	988	2.596	12/15/2014	
483856FG0	3053	Kane County, IL	12/29/2010	660,000.00	691,119.00	660,000.00	3.100	1,812	1,353	3.095	12/15/2015	
483856FH8	3054	Kane County, IL	12/29/2010	680,000.00	717,910.00	680,000.00	3.600	2,178	1,719	3.595	12/15/2016	
483856FJ4	3055	Kane County, IL	12/29/2010	705,000.00	756,754.05	705,000.00	4.000	2,543	2,084	3.994	12/15/2017	
489836MM5	2941	Kenosha SCD, WI	07/15/2009	2,400,000.00	3,123,840.00	2,458,185.57	8.000	5,739	4,748	7.671	04/01/2025	
494791PH3	3164	King Cnty WA Public Hosp	11/29/2011	500,000.00	507,720.00	507,120.44	3.000	368	244	0.850	12/01/2012	
494791PK6	3165	King Cnty WA Public Hosp	11/29/2011	500,000.00	524,930.00	520,282.44	3.000	1,098	974	1.440	12/01/2014	
494791PL4	3166	King Cnty WA Public Hosp	11/29/2011	1,015,000.00	1,111,343.80	1,094,774.78	4.000	1,463	1,339	1.770	12/01/2015	
518516PF0	2623	Meridian, MS	07/24/2006	565,000.00	612,889.40	562,038.26	6.000	5,821	3,743	6.399	07/01/2022	
518516PG8	2624	Meridian, MS	07/24/2006	445,000.00	479,095.90	440,968.07	6.000	6,186	4,108	6.441	07/01/2023	
518516PJ2	2630	Meridian, MS	07/31/2006	790,000.00	837,218.30	774,738.66	6.000	6,910	4,839	6.549	07/01/2025	
518516PH6	2631	Meridian, MS	07/31/2006	740,000.00	790,142.40	729,111.88	6.000	6,545	4,474	6.505	07/01/2024	
581391FR5	3077	McKeesport, PA	02/10/2011	610,000.00	644,263.70	632,124.92	4.650	934	518	2.010	09/01/2013	
581391FS3	3078	McKeesport, PA	02/10/2011	640,000.00	698,284.80	673,090.70	4.750	1,299	883	2.500	09/01/2014	
608557WU4	3207	Moline, IL	03/20/2012	655,000.00	651,528.50	655,000.00	1.750	1,687	1,675	1.750	11/01/2016	
608557WV2	3208	Moline, IL	03/20/2012	815,000.00	809,759.55	815,000.00	2.150	2,052	2,040	2.150	11/01/2017	
608557WV0	3209	Moline, IL	03/20/2012	790,000.00	780,907.10	790,000.00	2.400	2,417	2,405	2.400	11/01/2018	
608557WX8	3210	Moline, IL	03/20/2012	990,000.00	979,248.60	990,000.00	2.700	2,782	2,770	2.700	11/01/2019	
608557WY6	3211	Moline, IL	03/20/2012	760,000.00	748,630.40	760,000.00	2.950	3,148	3,136	2.950	11/01/2020	
611424JW3	3072	Monroe SD, WI	02/03/2011	1,000,000.00	1,000,040.00	1,000,000.00	2.000	423	0	1.050	04/01/2012	
613035XA7	2858	Montgomery, ALA	12/01/2008	500,000.00	526,515.00	458,884.42	5.190	6,330	5,113	6.153	04/01/2026	
613579YE5	3038	Montgomery Cnty, PA	12/29/2010	1,740,000.00	1,890,266.40	1,740,000.00	3.800	3,198	2,739	3.801	10/01/2019	

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Municipals--Coupon												
613579YH8	3039	Montgomery Cnty, PA	12/29/2010	1,500,000.00	1,692,360.00	1,500,000.00	4.400	4,294	3,835	4.401	10/01/2022	
649791GN4	3171	New York St	12/15/2011	1,000,000.00	1,011,560.00	1,005,065.50	1.000	731	623	0.700	12/15/2013	
686053GG8	2859	Oregon School Bnd	12/01/2008	500,000.00	543,795.00	437,672.35	4.759	7,151	5,934	6.082	06/30/2028	
68825VAC5	3014	Oshkosh WI Swr Sys Rev	10/14/2010	180,000.00	180,745.20	180,000.00	1.250	930	395	1.250	05/01/2013	
68825VAD3	3015	Oshkosh WI Swr Sys Rev	10/14/2010	185,000.00	186,727.90	185,000.00	1.500	1,295	760	1.500	05/01/2014	
68825VAE1	3016	Oshkosh WI Swr Sys Rev	10/14/2010	195,000.00	197,527.20	195,000.00	1.850	1,660	1,125	1.850	05/01/2015	
68825VAF8	3017	Oshkosh WI Swr Sys Rev	10/14/2010	200,000.00	204,278.00	200,000.00	2.150	2,026	1,491	2.150	05/01/2016	
68825VAG6	3018	Oshkosh WI Swr Sys Rev	10/14/2010	205,000.00	209,415.70	205,000.00	2.550	2,391	1,856	2.550	05/01/2017	
68825VAH4	3019	Oshkosh WI Swr Sys Rev	10/14/2010	210,000.00	218,643.60	211,714.68	2.950	2,756	2,221	2.800	05/01/2018	
68825VAJ0	3020	Oshkosh WI Swr Sys Rev	10/14/2010	220,000.00	230,876.80	222,681.93	3.600	3,121	2,586	3.400	05/01/2019	
68825VAK7	3021	Oshkosh WI Swr Sys Rev	10/14/2010	225,000.00	234,254.25	228,051.82	3.800	3,487	2,952	3.600	05/01/2020	
68825VAL5	3022	Oshkosh WI Swr Sys Rev	10/14/2010	235,000.00	241,255.70	235,000.00	3.800	3,852	3,317	3.800	05/01/2021	
68825VAM3	3023	Oshkosh WI Swr Sys Rev	10/14/2010	245,000.00	252,041.30	245,000.00	4.000	4,217	3,682	4.000	05/01/2022	
68825VAN1	3024	Oshkosh WI Swr Sys Rev	10/14/2010	255,000.00	261,675.90	255,000.00	4.150	4,582	4,047	4.150	05/01/2023	
68825VAP6	3025	Oshkosh WI Swr Sys Rev	10/14/2010	270,000.00	275,081.40	270,000.00	4.350	4,948	4,413	4.350	05/01/2024	
68825VAQ4	3026	Oshkosh WI Swr Sys Rev	10/14/2010	280,000.00	286,857.20	280,000.00	4.500	5,313	4,778	4.500	05/01/2025	
68825VAR2	3027	Oshkosh WI Swr Sys Rev	10/14/2010	295,000.00	302,180.30	295,000.00	4.650	5,678	5,143	4.650	05/01/2026	
68825VAS0	3028	Oshkosh WI Swr Sys Rev	10/14/2010	310,000.00	317,316.00	310,000.00	4.850	6,043	5,508	4.850	05/01/2027	
68825VAT8	3029	Oshkosh WI Swr Sys Rev	10/14/2010	325,000.00	333,567.00	325,000.00	4.950	6,409	5,874	4.950	05/01/2028	
727890ED3	3071	Platteville SD, WI	02/03/2011	890,000.00	910,300.90	905,195.44	3.000	757	334	1.110	03/01/2013	
750046GW8	2943	Racine USD, WI	07/28/2009	1,000,000.00	1,000,060.00	1,000,000.00	2.600	978	0	2.601	04/01/2012	
750046GX6	2944	Racine USD, WI	07/28/2009	865,000.00	885,180.45	865,000.00	3.100	1,343	365	3.101	04/01/2013	
759911S76	3093	Regional Trans Auth, IL	03/21/2011	3,000,000.00	3,017,730.00	3,009,931.30	2.843	468	91	1.500	07/01/2012	
772346AB8	2983	Rock Is Cnty IL Met Mass Tran	06/24/2010	535,000.00	538,065.55	535,000.00	2.350	922	275	2.350	01/01/2013	
772346AC6	2984	Rock Is Cnty IL Met Mass Tran	06/24/2010	550,000.00	559,157.50	550,000.00	2.750	1,287	640	2.750	01/01/2013	
772346AD4	2985	Rock Is Cnty IL Met Mass Tran	06/24/2010	565,000.00	580,153.30	565,000.00	3.200	1,652	1,005	3.200	01/01/2015	
772346AE2	2986	Rock Is Cnty IL Met Mass Tran	06/24/2010	585,000.00	611,991.90	585,000.00	3.550	2,017	1,370	3.550	01/01/2016	
772346AF9	2987	Rock Is Cnty IL Met Mass Tran	06/24/2010	605,000.00	638,456.50	605,000.00	4.000	2,383	1,736	4.000	01/01/2017	
778102L76	2867	Roseville, MN ISD # 623	01/07/2009	3,540,000.00	4,080,133.20	3,540,000.00	7.250	7,330	6,150	7.247	02/01/2029	
786106GN8	2871	Sacramento Cnty, CA	12/26/2008	3,500,000.00	4,281,095.00	3,852,011.52	7.680	4,615	3,423	6.122	08/15/2021	
794879DC7	2870	Salinas Schools, CA	12/26/2008	2,815,000.00	3,527,898.75	3,064,754.30	7.350	8,953	7,761	6.505	07/01/2033	
794879DC7	2927	Salinas Schools, CA	05/14/2009	2,500,000.00	313,312.50	255,521.53	7.350	8,814	7,761	7.128	07/01/2033	
797398EG5	2850	San Diego Pension	11/13/2008	3,000,000.00	3,362,220.00	2,966,075.23	5.728	3,197	1,962	6.000	08/15/2017	
806415ZU2	3058	Schenectady Cnty, NY	12/30/2010	611,000.00	614,892.07	611,211.33	1.300	716	258	1.250	12/15/2012	
806415ZV0	3059	Schenectady Cnty, NY	12/30/2010	770,000.00	782,358.50	771,269.63	1.850	1,081	623	1.750	12/15/2013	
806415ZW8	3060	Schenectady Cnty, NY	12/30/2010	790,000.00	812,902.10	793,061.64	2.200	1,446	988	2.050	12/15/2014	

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Municipals--Coupon												
806415ZX6	3061	Schenectady Cnty, NY	12/30/2010	790,000.00	832,272.90	795,431.66	2.950	1,811	1,353	2.750	12/15/2015	
806415ZY4	3062	Schenectady Cnty, NY	12/30/2010	275,000.00	293,793.50	277,347.71	3.250	2,177	1,719	3.050	12/15/2016	
806415ZZ1	3063	Schenectady Cnty, NY	12/30/2010	250,000.00	272,102.50	253,074.85	3.750	2,542	2,084	3.505	12/15/2017	
806415A21	3064	Schenectady Cnty, NY	12/30/2010	250,000.00	275,950.00	253,583.08	4.050	2,907	2,449	3.801	12/15/2018	
806415A39	3065	Schenectady Cnty, NY	12/30/2010	250,000.00	278,485.00	253,973.92	4.450	3,272	2,814	4.201	12/15/2019	
849067J79	2857	Spokane, WA	12/01/2008	2,000,000.00	2,063,620.00	1,806,079.65	5.340	6,939	5,722	6.420	12/01/2027	
849765DW9	3173	Spring Lake School, MI	12/16/2011	1,130,000.00	1,232,095.50	1,225,019.12	5.000	867	760	0.910	05/01/2014	
85227XCT0	2989	St Clair IL Comm College Dist	07/01/2010	2,040,000.00	2,053,708.80	2,043,309.02	2.000	884	244	2.419	12/01/2012	
85227XCJ7	2990	St Clair IL Comm College Dist	07/01/2010	1,070,000.00	1,090,822.20	1,073,403.12	2.500	1,249	609	2.810	12/01/2013	
930353HNO	2954	Wadsworth Sch Dist, OH	09/28/2009	2,880,000.00	3,192,681.60	3,060,818.68	7.000	10,291	9,375	6.466	12/01/2037	
954685PE7	3170	West New York, NJ	12/09/2011	755,000.00	811,776.00	805,589.30	5.120	858	744	1.939	04/15/2014	
969788FQ6	2951	Williamson Cnty Schl, IL	07/30/2009	3,500,000.00	4,122,755.00	3,695,580.62	8.250	13,304	12,328	7.752	01/01/2046	
970856CS7	3201	Willmar, MN G.O. Hosp.	02/28/2012	1,405,000.00	1,511,864.30	1,521,402.61	3.000	1,434	1,401	0.800	02/01/2016	
974603QL9	2958	Winnbago Cnty, WI	11/10/2009	355,000.00	355,017.75	355,000.00	2.150	873	0	2.150	04/01/2012	
974603QM7	2959	Winnbago Cnty, WI	11/10/2009	365,000.00	371,781.70	365,000.00	2.400	1,238	365	2.400	04/01/2013	
974603QN5	2960	Winnbago Cnty, WI	11/10/2009	370,000.00	386,139.40	370,000.00	3.000	1,603	730	3.000	04/01/2014	
974603QP0	2961	Winnbago Cnty, WI	11/10/2009	385,000.00	409,285.80	385,000.00	3.200	1,968	1,095	3.200	04/01/2015	
974603QQ8	2962	Winnbago Cnty, WI	11/10/2009	395,000.00	431,857.45	395,000.00	3.700	2,334	1,461	3.701	04/01/2016	
974603QR6	2963	Winnbago Cnty, WI	11/10/2009	405,000.00	448,671.15	405,000.00	4.000	2,699	1,826	4.001	04/01/2017	
974603QS4	2964	Winnbago Cnty, WI	11/10/2009	420,000.00	465,725.40	420,000.00	4.250	3,064	2,191	4.251	04/01/2018	
974603QT2	2965	Winnbago Cnty, WI	11/10/2009	435,000.00	477,447.30	435,000.00	4.450	3,429	2,556	4.451	04/01/2019	
977100AC0	2844	Worcester Gen Rev	10/07/2008	555,000.00	628,315.50	541,971.93	5.700	6,415	5,143	5.971	05/01/2026	
981306AD5	3161	Worcester, MA	11/03/2011	1,000,000.00	1,098,730.00	1,082,253.20	4.000	1,459	1,309	1.620	11/01/2015	
987830KW5	2622	Ypsilanti, MI	07/24/2006	2,000,000.00	2,288,520.00	2,016,128.26	6.150	7,221	5,143	6.051	05/01/2026	
55844RDL5	3085	Madison, WI	03/01/2011	1,050,000.00	1,059,744.00	1,042,299.77	1.000	945	548	1.500	10/01/2013	
55844RFB5	3152	Madison, WI	10/19/2011	1,315,000.00	1,317,367.00	1,315,000.00	0.500	713	548	0.500	10/01/2013	
60415NE24	2625	Minnesota HFA	07/27/2006	2,740,000.00	2,938,622.60	2,767,023.22	6.300	6,183	4,108	6.158	07/01/2023	
780753BW8	3032	Royall SCD, WI	11/03/2010	485,000.00	486,173.70	485,000.00	1.550	880	365	1.550	04/01/2013	
780753BX6	3033	Royall SCD, WI	11/03/2010	845,000.00	851,388.20	845,000.00	1.800	1,245	730	1.800	04/01/2014	
835574BM5	2938	Sonoma Cnty Pension, CA	06/23/2009	3,600,000.00	3,671,244.00	3,598,429.73	4.210	1,257	244	4.280	12/01/2012	
840058SV4	3118	S. San Francisco USD, CA	06/03/2011	3,000,000.00	3,009,060.00	3,005,701.68	2.000	364	61	0.850	06/01/2012	
840058SV4	3119	S. San Francisco USD, CA	06/03/2011	1,000,000.00	1,003,020.00	1,001,900.56	2.000	364	61	0.850	06/01/2012	
840058SV4	3217	S. San Francisco USD, CA	03/22/2012	2,000,000.00	2,006,040.00	2,005,634.78	2.000	71	61	0.304	06/01/2012	
915489TA6	3124	Upper Arlington, OH	06/28/2011	1,450,000.00	1,452,015.50	1,451,384.08	1.000	366	88	0.607	06/28/2012	
981305SA4	2890	City of Worcester, MA	02/26/2009	3,355,000.00	3,667,551.80	3,383,036.62	6.250	6,883	5,753	6.159	01/01/2028	
Subtotal and Average				120,491,000.00	129,686,165.62	122,340,063.91		3,746	3,014	3.827		

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
March 31, 2012

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date	
Zero Coupon Bonds												
011112AV1	2920	Alameda Cnty., CA Pension	04/28/2009	5,000,000.00	4,665,600.00	4,268,082.82	4.978	2,043	974	6.024	12/01/2014	
214201FX8	3181	Cook Cnty IL Sch Dist #89	12/27/2011	895,000.00	890,050.65	884,704.97	1.698	340	244	1.743	12/01/2012	
672319BA7	2837	Oakland, CA	10/02/2008	6,000,000.00	3,692,220.00	3,586,457.17	4.151	4,457	3,180	6.000	12/15/2020	
489818L51	3100	Kenosha, WI	05/11/2011	2,410,000.00	2,201,583.20	2,036,097.80	3.113	2,093	1,767	3.517	02/01/2017	
		Subtotal and Average		14,305,000.00	11,449,453.85	10,775,342.76		2,716	1,798	5.191		
Managed Pool Accounts -2												
SYS1-OPEB-RA	OPEB-1-RA	State Board of Investment		2,960,591.34	3,328,644.52	2,960,591.34	1.767	1	1	1.767		
SYS2-OPEB-ES	OPEB-2-ES	State Board of Investment		42,821,362.75	48,144,805.64	42,821,362.75	1.767	1	1	1.767		
SYS3-OPEB-MT	OPEB-3-MT	State Board of Investment		61,361,850.26	68,990,199.40	61,361,850.26	1.767	1	1	1.767		
		Subtotal and Average		107,143,804.35	120,463,649.56	107,143,804.35		1	1	1.767		
		Total and Average		587,431,711.50	607,535,220.62	586,355,049.65		1,691	1,475	1.894		

Portfolio METC
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PM (PRF_PM2) 7.3.0

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Cash
March 31, 2012

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Days to Term Maturity	YTM	
Non-Interest Bearing Acct.										
SYS2394	2385	RBC/Dain-Hedging, Cash, Diesel	01/01/2012	3,818,980.38	3,818,980.38	3,818,980.38	0.00	1	0.000	
SYSBank-024	Bank-024	MT-Admin (Mears Park)	01/01/2012	0.00	0.00	0.00	0.00	1	0.000	
MT-TVM	Bank-0022	MT-TVM Coin and Currency	01/01/2012	0.00	0.00	0.00	0.00	1	0.000	
SYS2643	2643	RBC/Dain-Hedging, Cash, NGas	01/01/2012	-5,734,826.25	-5,734,826.25	-5,734,826.25	0.00	1	0.000	
1047-5623-0983	Bank-0020	U.S. Bank	01/01/2012	0.00	0.00	0.00	0.00	1	0.000	
SYSBank-0021	Bank-0021	U.S. Bank	01/01/2012	0.00	0.00	0.00	0.00	1	0.000	
1047-5623-0975	Bank-18A	U.S. Bank	01/01/2012	0.00	0.00	0.00	0.00	1	0.000	
Subtotal and Average				206,043.12	206,043.12	206,043.12		0		
Ending Accrued Interest				2,214,946.12	2,214,946.12	2,214,946.12				
Subtotal				505,143.37	505,143.37	505,143.37				
Total Cash and Investment Value				585,515,865.63	608,040,363.99	586,860,193.02		1,691	1,475	1.894

Portfolio METC
AP
PM (PRF_PM2) 7.3.0

METROPOLITAN COUNCIL

**005B-EOM, Aggregate Portfolio
Purchases Report
Sorted by Purchase Date - Maturity Date
January 1, 2012 - March 31, 2012**

Metropolitan Council
Fiscal Services--Treasury Ops.
390 Robert Street North
St. Paul, St. Paul, MN 551
(651)602-1629

CUSIP	Investment #	Port	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
60934N203	2949	MCTXLT	LA1	FEDERA	0.00	01/01/2012	08/01 - Monthly	0.00		0.170	04/20/2012	0.170	0.00
38141W273	3145	MCTXLT	LA1	GOLD	0.00	01/01/2012	09/01 - Monthly	0.00		0.010	05/07/2012	0.010	0.00
38141W364	2973	MCTXST	LA1	GS	0.00	01/01/2012	01/01 - Monthly	0.00		0.100	05/18/2012	0.100	0.00
SYBank-024	Bank-024	MCTXST	PA1	MT-ADM	0.00	01/01/2012	01/01 - Monthly	0.00					0.00
MT-TVM	Bank-0022	MCTXST	PA1	MT-TVM	0.00	01/01/2012	01/01 - Monthly	0.00					0.00
A=ST=DDA	2271	MCTXST	PA4	USBANK	0.00	01/01/2012	09/01 - Monthly	0.00		0.250	08/24/2015	0.250	0.00
A=LT=DDA	2946	MCTXLT	PA4	USBANK	0.00	01/01/2012	08/01 - Monthly	0.00		0.250	05/02/2012	0.250	0.00
1047-5623-0983	Bank-0020	MCTXST	PA1	USBANK	0.00	01/01/2012	01/01 - Monthly	0.00					0.00
SYBank-0021	Bank-0021	MCTXST	PA1	USBANK	0.00	01/01/2012	01/01 - Monthly	0.00					0.00
1047-5623-0975	Bank-18A	MCTXST	PA1	USBANK	0.00	01/01/2012	01/01 - Monthly	0.00					0.00
86561ADL8	3196	MCTXST	ACP	86561A	10,000,000.00	01/26/2012	04/20 - At Maturity	9,991,500.00		0.360	04/20/2012	0.360	9,998,131.41
74830RE72	3197	MCTXST	ACP	74830R	10,000,000.00	01/19/2012	03/28 - At Maturity	9,992,430.56		0.200	05/07/2012	0.250	0.00
74433GEJ1	3196	MCTXST	ACP	74433G	10,000,000.00	01/19/2012	05/18 - At Maturity	9,993,333.33		0.200	05/18/2012	0.200	9,997,417.48
69830JCK3	3203	MCTXST	ACP	69830J	10,000,000.00	02/16/2012	03/19 - At Maturity	9,997,422.22		0.290	03/19/2012	0.290	0.00
60682WE20	3202	MCTXST	ACP	60682W	10,000,000.00	02/16/2012	05/02 - At Maturity	9,991,555.56		0.400	05/02/2012	0.400	9,996,594.52
69349JFE8	3204	MCTXST	ACP	69349J	5,000,000.00	02/16/2012	06/14 - At Maturity	4,997,025.00		0.180	06/14/2012	0.180	4,998,180.39
36959HGX9	3205	MCTXST	ACP	36959H	10,000,000.00	02/29/2012	07/31 - At Maturity	9,988,100.00		0.280	07/31/2012	0.280	9,990,692.08
3134G3NL0	3200	MCTXEF	FAC	FHLMC	2,000,000.00	02/24/2012	08/24 - 02/24	1,997,100.00		0.500	02/24/2015	0.549	1,997,199.35
970856CS7	3201	MCTXLT	MUN	970856	1,405,000.00	02/28/2012	08/01 - 02/01	1,524,186.15		3.000	02/01/2016	0.800	1,521,402.61
61747C715	3218	MCTXLT	LA1	MORGAN	25,000,000.00	03/22/2012	04/01 - Monthly	25,000,000.00		0.170	05/14/2012	0.170	5,719,958.10
06538BEE9	3213	MCTXST	ACP	06538B	10,000,000.00	03/13/2012	05/14 - At Maturity	9,996,211.11		0.220	05/14/2012	0.220	9,997,401.88
840058SV4	3217	MCTXST	MUN	SSFSCD	2,000,000.00	03/22/2012	06/01 - Final Pmt	2,006,480.00	32,111.11	2.000	06/01/2012	0.304	2,005,634.78
02581RFC2	3214	MCTXST	ACP	02581R	5,000,000.00	03/13/2012	06/12 - At Maturity	4,998,609.72		0.110	06/12/2012	0.110	4,998,918.14
4662J0FC1	3215	MCTXST	ACP	4662J0	10,000,000.00	03/13/2012	06/12 - At Maturity	9,996,208.33		0.150	06/12/2012	0.150	9,997,049.60
4497W0GG7	3216	MCTXST	ACP	4497W0	10,000,000.00	03/13/2012	07/16 - At Maturity	9,983,680.56		0.470	07/16/2012	0.471	9,986,316.30
89233GGL4	3206	MCTXST	ACP	89233G	10,000,000.00	03/01/2012	07/20 - At Maturity	9,992,166.67		0.200	07/20/2012	0.200	9,993,956.16
6555P0HQ5	3219	MCTXST	ACP	6555P0	10,000,000.00	03/27/2012	08/24 - At Maturity	9,987,500.00		0.300	08/24/2012	0.300	9,988,050.61
06416JAJ2	3212	MCTXST	ACP	06416J	10,000,000.00	03/13/2012	09/10 - At Maturity	9,984,916.67		0.300	09/10/2012	0.300	9,986,792.19
59157TKC6	3220	MCTXLT	ACP	59157T	10,000,000.00	03/29/2012	10/12 - At Maturity	9,978,111.11		0.400	10/12/2012	0.409	9,978,350.07
608557WU4	3207	MCTXLT	MUN	608557	655,000.00	03/20/2012	11/01 - 05/01	655,000.00		1.750	11/01/2016	1.750	655,000.00
608557WW2	3208	MCTXLT	MUN	608557	815,000.00	03/20/2012	11/01 - 05/01	815,000.00		2.150	11/01/2017	2.150	815,000.00
608557VWU0	3209	MCTXLT	MUN	608557	790,000.00	03/20/2012	11/01 - 05/01	790,000.00		2.400	11/01/2018	2.400	790,000.00

Portfolio METC
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Report Ver. 7.3.3b

005B-EOM, Aggregate Portfolio
Purchases Report
January 1, 2012 - March 31, 2012

CUSIP	Investment #	Port	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
608557WX8	3210	MCTXLT	MUN	608557	990,000.00	03/20/2012	11/01 - 05/01	990,000.00		2.700	11/01/2019	2.700	990,000.00
608557WY6	3211	MCTXLT	MUN	608557	760,000.00	03/20/2012	11/01 - 05/01	760,000.00		2.950	11/01/2020	2.950	760,000.00
3136FT4X4	3223	MCTXLT	FAC	FNMA	5,000,000.00	03/29/2012	09/27 - 03/27	4,994,600.00	833.33	3.000	09/27/2024	3.010	4,994,602.40
3136FT4X4	3224	MCTXLT	FAC	FNMA	10,000,000.00	03/29/2012	09/27 - 03/27	9,990,000.00	1,666.67	3.000	09/27/2024	3.010	9,990,004.45
313376S30	3221	MCTXLT	FAC	FHLB	10,000,000.00	03/29/2012	07/25 - 01/25	9,995,000.00	61,688.89	3.470	01/25/2027	3.474	9,995,001.87
313376S30	3222	MCTXLT	FAC	FHLB	10,000,000.00	03/29/2012	07/25 - 01/25	9,994,900.00	61,688.89	3.470	01/25/2027	3.474	9,994,901.91
Total Purchases								209,415,000.00	209,381,036.99	157,988.89			170,136,556.30

METROPOLITAN COUNCIL

**005B-EOM, Aggregate Portfolio
Sales/Call Report
Sorted by Maturity Date - Port
January 1, 2012 - March 31, 2012**

Metropolitan Council
Fiscal Services--Treasury Ops.
390 Robert Street North
St. Paul, MN 551
(651)602-1629

CUSIP	Investment #	Port	Issuer Sec. Type	Purchase Date	Redem. Date	Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
05/07/2012													
74830RE72	3197	MCTXST	74830R ACP	01/19/2012	03/28/2012	05/07/2012	10,000,000.00		9,997,252.76	9,998,111.11	0.00	9,998,111.11	858.35
					Subtotal		10,000,000.00		9,997,252.76	9,998,111.11	0.00	9,998,111.11	858.35
09/01/2012													
344442JP4	3075	MCTXLT	FOND MUN	02/01/2011	03/01/2012	09/01/2012	575,000.00	2.375	578,175.82	575,000.00	6,828.13	581,828.13	3,652.31
					Subtotal		575,000.00		578,175.82	575,000.00	6,828.13	581,828.13	3,652.31
01/24/2014													
31398A7L0	3069	MCTXEF	FNMA FAC	01/24/2011	01/24/2012	01/24/2014	3,000,000.00	1.450	3,001,800.00	3,000,000.00	21,750.00	3,021,750.00	19,950.00
					Subtotal		3,000,000.00		3,001,800.00	3,000,000.00	21,750.00	3,021,750.00	19,950.00
01/15/2020													
19647TAA3	1682-B	MCTXLT	GSA FAC	04/01/2005	01/15/2012	01/15/2020	135,000.00	6.600	134,974.23	135,000.00	103,785.00	238,785.00	103,810.77
					Subtotal		135,000.00		134,974.23	135,000.00	103,785.00	238,785.00	103,810.77
07/01/2023													
60415NE24	2625	MCTXLT	MN HFA MUN	07/27/2006	01/01/2012	07/01/2023	60,000.00	6.300	60,604.90	60,000.00	88,200.00	148,200.00	87,595.10
					Subtotal		60,000.00		60,604.90	60,000.00	88,200.00	148,200.00	87,595.10
07/13/2026													
3136FRYW7	3133	MCTXLT	FNMA FAC	07/13/2011	01/13/2012	07/13/2026	8,550,000.00	2.250V	8,523,552.00	8,550,000.00	96,187.50	8,646,187.50	122,635.50
					Subtotal		8,550,000.00		8,523,552.00	8,550,000.00	96,187.50	8,646,187.50	122,635.50
08/24/2026													
3136FRN82	3141	MCTXLT	31364D FAC	08/24/2011	02/24/2012	08/24/2026	10,000,000.00	2.000V	10,000,000.00	10,000,000.00	100,000.00	10,100,000.00	100,000.00
3136FRL92	3142	MCTXLT	FNMA FAC	08/24/2011	02/24/2012	08/24/2026	5,000,000.00	3.000V	5,000,000.00	5,000,000.00	75,000.00	5,075,000.00	75,000.00
					Subtotal		15,000,000.00		15,000,000.00	15,000,000.00	175,000.00	15,175,000.00	175,000.00

V - Security with variable rate change.

Data Updated: SET_005B: 05/01/2012 12:58
Run Date: 05/01/2012 - 12:58

Portfolio METC
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SA (PRF_SA) 7.1.1
Report Ver. 7.3.3b

005B-EOM, Aggregate Portfolio
 Sales/Call Report
 January 1, 2012 - March 31, 2012

CUSIP	Investment #	Port	Issuer Sec. Type	Purchase Date	Redem. Date	Rate at Redem.	Par Value	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
							37,320,000.00	37,296,359.71	37,318,111.11	491,750.63	37,809,861.74	513,502.03
			Total Sales									



POLICY - INVESTMENTS

Section/Number: 3-4-4	Total Pages: 4
Dept. Responsible: Finance	Effective Date: 9/11/98
Special Note: Rearranged from doc. adopted June 1997	Revision No. (32) 12/15/042/1/12

I. Policy:

The Metropolitan Council will direct the investment of all public funds under its care through prudent financial management practices and in conformity with applicable laws, regulations and statutes.

Objectives

The following objectives are to be taken into consideration, in the order listed, for implementation of the investment program:

1. **Compliance.** Investments shall be made in a manner such that they comply with the rules and regulations of applicable governing and regulatory bodies.
2. **Safety:** Safety of principal is the primary objective of the investment program. Investments of the Council shall be purchased and managed in a manner that ensures the preservation of capital in the overall portfolio.
3. **Liquidity:** To meet its short-term cashflow needs, the Council's investment portfolio will remain sufficiently liquid to enable the Council to meet anticipated cash requirements without the occurrence of significant investment losses. To meet the Council's long-term cashflow needs, the average duration of the investment portfolio should match the average duration of liabilities, subject to regulatory requirements.
4. **Diversification:** The investment portfolio will be diversified to avoid the risk of losses resulting from an over-concentration of assets in a specific maturity, issuer, or class of securities.
5. **Rate of Return:** The Council will seek the highest possible rate of return on its invested assets (net of expenses) after meeting its objectives for compliance, safety, liquidity and diversification.

Allowable Investments

Investment instruments purchased by the Council must comply with Minnesota Statute 118A, as amended, and, to a further degree, Council-defined criteria. The Council has authorized investments to be made in the following asset classes:

1. Obligations of the U.S. Treasury.
2. Obligations of the U.S. government agencies, instrumentalities, or any organization created by an Act of Congress.

3. Any State or local government obligation that is rated by at least one national rating agency with a rating level of at least the following rating:
 - a. general obligation rated "A" or better
 - b. revenue obligation rated "AA" or better
 - c. general obligations of the Minnesota Housing Finance Agency rated "A" or better.
4. Bankers Acceptances of a United State bank.
5. Commercial Paper issued by U.S. corporations or their Canadian subsidiaries rated in the highest category by two rating agencies and maturing in 270 days or less.
6. Repurchase Agreements.
7. Guaranteed Investment Contracts (GICs) issued or guaranteed by U.S. banks, domestic branches of foreign banks and U.S. insurance companies or their Canadian subsidiaries which are rated in the two highest rating categories.
8. Mortgage-Backed Securities (MBS) that are direct obligations, guaranteed, or insured by the United States government, its agencies, its instrumentalities, or any organization created by an Act of Congress and are not classified by the Investment Review Committee (IRC) as high risk securities.
9. Mutual funds investing only in securities allowable for direct investment by the Council.
10. Time Deposits fully insured by the FDIC, secured by a surety bond or collateralized with U.S. treasury or agency securities or allowable municipal bonds.
11. Energy Forward Pricing Mechanisms (EFPs), including futures, options, etc., as a budget risk tool (pursuant to M.S. 473.1293) for purchases of Council-consumed commodities, (e.g. diesel fuel and natural gas), when they have a holding period and expiration of not more than 24 months from their trade date.

The Council will not invest in Reverse Repurchase Agreements.

Variances to the preceding allowed and disallowed investments must be approved in advance by two members of the IRC. The IRC may implement additional restrictions to allowable investments.

Investments are purchased on a hold to maturity basis (vis-à-vis, held for trading basis). Notwithstanding this strategy, securities may be sold before their maturity or call date to meet immediate cash needs or to improve the overall net present value of the portfolio.

Standard of Conduct

The standard of conduct to be followed by investment staff and IRC shall be the "Prudent Person Standard" and shall be applied in the context of managing an overall portfolio. The Council's investment purchases and sales shall be made with judgment and care under the then-prevailing circumstances. All investment transactions shall be made just as personal transactions would be made by individuals of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable

income to be derived. Investment staff acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Safekeeping and Custody

All securities purchased by the Council will be held by a third party safekeeping agent appointed as custodian by the Council. The custodian shall issue a safekeeping receipt to the Council for each transaction detailing all pertinent aspects of the specific security and the name and account in which the security is held.

All security transactions entered into by the Council shall be conducted on a delivery versus payment basis except for money market mutual funds, fixed income mutual funds, overnight repurchase agreements, and Energy Forward Pricing Mechanisms.

Safekeeping and custody of EFPs, and the cash directly supporting such mechanisms, shall follow industry practices including maintenance of accounts at brokerage companies. Notwithstanding this authorization, the Council will seek the highest level of safety available in establishing accounts and procedures to support this program. The Council may establish secure alternatives to broker standards for cash or securities being held in a brokerage account. Alternatives include establishment of escrow and custody accounts, letters of credit by the broker, collateral accounts, third-party agreements, etc.

Securities Lending

The Council authorizes the practice of lending its investment security holdings for the purpose of generating additional investment income from its financial assets. ~~The IRC is delegated the responsibility of establishing a written agreement with the Council's custodial agent(s) to ensure the safety of the Council's assets and to delineate each party's rights and responsibilities.~~

Comment [B1]: Not sure this is IRC responsibility – who would sign such agreement?

Internal Controls

The ~~Controller Chief Financial Officer~~ shall establish a system of internal controls and monitoring procedures. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Council. The ~~Controller Chief Financial Officer~~ will oversee designated staff who manage the portfolio on a day-to-day basis. The ~~Controller Chief Financial Officer~~ will establish management controls specific to EFPs.

Bank and Securities Broker Relationships

All banks and brokerage companies doing business with the Council, whether they are receiving funds as deposits or for investments, must be approved by the Council before they receive Council funds.

To comply with State Statutes, the Council, prior to completing an initial transaction with a broker, shall receive from said brokerage company a fully executed "Notification to Broker and Certification by Broker" form.

The current list of Authorized Financial Institutions is maintained on file in ~~the Office of Finance Treasury.~~

Reporting

A report is to be prepared by ~~the~~ treasury staff on a quarterly basis which provides summary portfolio characteristics of the Council's investment holdings and transactions relative to the objectives of compliance, safety, liquidity, diversification and rate of return. An economic summary as it relates to the Council's holdings will also be prepared. The Council's quarterly Report On Investments will report on EFPM holdings and activity.

External Registered Investment Advisors

To the extent the Council employs any external registered investment advisor for the purpose of investing Council funds, such advisor must comply with the Policy.

Audits

The internal auditors will conduct ~~annual-periodic~~ reviews of the Council's investment program. Such audit will focus on verifying previously reported investment information and compliance with policies and procedures and the system of internal control. External auditors may also conduct independent audit review of the investment function. The Council's external auditor ~~shall may~~ audit the Energy Forward Pricing Program ~~annually in conjunction with the Council's annual financial audit~~. Internal auditors shall audit EFPMs in conjunction with reviews of the Council's investment program.

II. Purpose of policy:

This Policy is designed to guide the Council, its Investment Review Committee and associated staff in the investment and management of these funds so as to meet the compliance, safety, liquidity, diversification and rate of return needs of the Council.

III. Background and reasons for policy:

The general authority and approach to managing the Council's investment program is derived from Minnesota Statute 118A.

IV. Implementation/Accountability:

~~The Management Committee of the Council has designated that the IRC Investment Review Committee (IRC) will~~ provide on-going oversight and review of the Council's investment program. The IRC will establish policies, procedures and objectives as they relate to investments and monitor compliance thereto. The IRC consists of two Council members ~~designated by the Management Committee~~; two members with strong relevant financial background who are not Council employees/members ~~and who are appointed by the Council Treasurer~~; and the Chief Financial Officer. Prospective external members will be required to disclose any potential conflicts before appointment. ~~Members shall be appointed by the Council Chair and approved by the full Council.~~

The IRC will be supported by the ~~Controller Treasury Director~~ and related staff and will meet ~~quarterly, or as needed but~~ at least twice per year. ~~Further responsibility for daily management and administration of the investment program and investment transactions is delegated to staff in the form of a written addendum from the Regional Administrator of the Council.~~ This Policy applies to all financial assets, funds and transactions of the Council and its divisions.

Comment [B2]: Do we really need this?

POLICY - INVESTMENTS

Section/Number: 3-4-4
Dept. Responsible: Finance
Revision No. (3) 2/1/12

Total Pages: 4
Effective Date: 9/11/98

I. Policy:

The Metropolitan Council will direct the investment of all public funds under its care through prudent financial management practices and in conformity with applicable laws, regulations and statutes.

Objectives

The following objectives are to be taken into consideration, in the order listed, for implementation of the investment program:

1. Compliance. Investments shall be made in a manner such that they comply with the rules and regulations of applicable governing and regulatory bodies.
2. Safety: Safety of principal is the primary objective of the investment program. Investments of the Council shall be purchased and managed in a manner that ensures the preservation of capital in the overall portfolio.
3. Liquidity: To meet its short-term cashflow needs, the Council's investment portfolio will remain sufficiently liquid to enable the Council to meet anticipated cash requirements without the occurrence of significant investment losses. To meet the Council's long-term cashflow needs, the average duration of the investment portfolio should match the average duration of liabilities, subject to regulatory requirements.
4. Diversification: The investment portfolio will be diversified to avoid the risk of losses resulting from an over-concentration of assets in a specific maturity, issuer, or class of securities.
5. Rate of Return: The Council will seek the highest possible rate of return on its invested assets (net of expenses) after meeting its objectives for compliance, safety, liquidity and diversification.

Allowable Investments

Investment instruments purchased by the Council must comply with Minnesota Statute 118A, as amended, and, to a further degree, Council-defined criteria. The Council has authorized investments to be made in the following asset classes:

1. Obligations of the U.S. Treasury.
2. Obligations of the U.S. government agencies, instrumentalities, or any organization created by an Act of Congress.

3. Any State or local government obligation that is rated by at least one national rating agency with a rating level of at least the following rating:
 - a. general obligation rated “A” or better
 - b. revenue obligation rated “AA” or better
 - c. general obligations of the Minnesota Housing Finance Agency rated “A” or better.
4. Bankers Acceptances of a United State bank.
5. Commercial Paper issued by U.S. corporations or their Canadian subsidiaries rated in the highest category by two rating agencies and maturing in 270 days or less.
6. Repurchase Agreements.
7. Guaranteed Investment Contracts (GICs) issued or guaranteed by U.S. banks, domestic branches of foreign banks and U.S. insurance companies or their Canadian subsidiaries which are rated in the two highest rating categories.
8. Mortgage-Backed Securities (MBS) that are direct obligations, guaranteed, or insured by the United States government, its agencies, its instrumentalities, or any organization created by an Act of Congress and are not classified by the Investment Review Committee (IRC) as high risk securities.
9. Mutual funds investing only in securities allowable for direct investment by the Council.
10. Time Deposits fully insured by the FDIC, secured by a surety bond or collateralized with U.S. treasury or agency securities or allowable municipal bonds.
11. Energy Forward Pricing Mechanisms (EFPs), including futures, options, etc., as a budget risk tool (pursuant to M.S. 473.1293) for purchases of Council-consumed commodities,(e.g. diesel fuel and natural gas), when they have a holding period and expiration of not more than 24 months from their trade date.

The Council will not invest in Reverse Repurchase Agreements.

Variances to the preceding allowed and disallowed investments must be approved in advance by two members of the IRC. The IRC may implement additional restrictions to allowable investments.

Investments are purchased on a hold to maturity basis (vis-à-vis, held for trading basis). Notwithstanding this strategy, securities may be sold before their maturity or call date to meet immediate cash needs or to improve the overall net present value of the portfolio.

Standard of Conduct

The standard of conduct to be followed by investment staff and IRC shall be the “Prudent Person Standard” and shall be applied in the context of managing an overall portfolio. The Council’s investment purchases and sales shall be made with judgment and care under the then-prevailing circumstances. All investment transactions shall be made just as personal transactions would be made by individuals of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable

income to be derived. Investment staff acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Safekeeping and Custody

All securities purchased by the Council will be held by a third party safekeeping agent appointed as custodian by the Council. The custodian shall issue a safekeeping receipt to the Council for each transaction detailing all pertinent aspects of the specific security and the name and account in which the security is held.

All security transactions entered into by the Council shall be conducted on a delivery versus payment basis except for money market mutual funds, fixed income mutual funds, overnight repurchase agreements, and Energy Forward Pricing Mechanisms.

Safekeeping and custody of EFPs, and the cash directly supporting such mechanisms, shall follow industry practices including maintenance of accounts at brokerage companies. Notwithstanding this authorization, the Council will seek the highest level of safety available in establishing accounts and procedures to support this program. The Council may establish secure alternatives to broker standards for cash or securities being held in a brokerage account. Alternatives include establishment of escrow and custody accounts, letters of credit by the broker, collateral accounts, third-party agreements, etc.

Securities Lending

The Council authorizes the practice of lending its investment security holdings for the purpose of generating additional investment income from its financial assets.

Internal Controls

The Chief Financial Officer shall establish a system of internal controls and monitoring procedures. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Council. The Chief Financial Officer will oversee designated staff who manage the portfolio on a day-to-day basis. The Chief Financial Officer will establish management controls specific to EFPs.

Bank and Securities Broker Relationships

All banks and brokerage companies doing business with the Council, whether they are receiving funds as deposits or for investments, must be approved by the Council before they receive Council funds.

To comply with State Statutes, the Council, prior to completing an initial transaction with a broker, shall receive from said brokerage company a fully executed "Notification to Broker and Certification by Broker" form.

The current list of Authorized Financial Institutions is maintained on file in Treasury.

Reporting

A report is to be prepared by Treasury staff on a quarterly basis which provides summary portfolio characteristics of the Council's investment holdings and transactions relative to

the objectives of compliance, safety, liquidity, diversification and rate of return. An economic summary as it relates to the Council's holdings will also be prepared. The Council's quarterly Report On Investments will report on EFPM holdings and activity.

External Registered Investment Advisors

To the extent the Council employs any external registered investment advisor for the purpose of investing Council funds, such advisor must comply with the Policy.

Audits

The internal auditors will conduct periodic reviews of the Council's investment program. Such audit will focus on verifying previously reported investment information and compliance with policies and procedures and the system of internal control. External auditors may also conduct independent audit review of the investment function. The Council's external auditor may audit the Energy Forward Pricing Program in conjunction with the Council's annual financial audit. Internal auditors shall audit EFPMs in conjunction with reviews of the Council's investment program.

II. Purpose of policy:

This Policy is designed to guide the Council, its Investment Review Committee and associated staff in the investment and management of these funds so as to meet the compliance, safety, liquidity, diversification and rate of return needs of the Council.

III. Background and reasons for policy:

The general authority and approach to managing the Council's investment program is derived from Minnesota Statute 118A.

IV. Implementation/Accountability:

The Investment Review Committee (IRC) will provide on-going oversight and review of the Council's investment program. The IRC will establish policies, procedures and objectives as they relate to investments and monitor compliance thereto. The IRC consists of two Council members; two members with strong relevant financial background who are not Council employees/members; and the Chief Financial Officer. Prospective external members will be required to disclose any potential conflicts before appointment. Members shall be appointed by the Council Chair and approved by the full Council.

The IRC will be supported by the Treasury Director and related staff and will meet quarterly, or as needed but at least twice per year. This Policy applies to all financial assets, funds and transactions of the Council and its divisions.