

Date: March 3, 2009

To: Investment Review Committee (03/09) and Management Committee (03/24)

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

Subj: 4th Quarter Report on Investments (4Q2009)

The following items are attached for your review

1. Agenda
2. Minutes from Past Meeting
3. 4Q09 Report on Investments

If you have any questions between meetings, please call me (602-1436) or Allen Hoppe (602-1629).



Thank you.

Investment Review Committee

March 9, 2010 at 11:30 A.M., in Lower Level, Room B

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

Agenda

1. Minutes from Past Meeting — November 10, 2009 (3Q09).
2. Results from Bond Sale (2010A refunding & 2010B new money)
3. Discussion on Natural Gas
4. Presentation of 4Q09 Quarterly Report

Committee members:

Roger Scherer, *Treasurer & Council member*
Craig Peterson, *Council member*
Leon (Lee) Binger, *Appointee*
Walter (Bud) Meadley, *Appointee*
Wes Kooistra, *CFO*

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

Mary Bogie, *Deputy CFO*
Katie Shea, *Director Internal Audit*
Allen Hoppe, *Treasury Manager*
Mercy Ndungu, *Treasury Analyst*
Trudy Aldrich, *Executive Assistant*

Investment Review Committee

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

Minutes

November 10, 2009 at 11:30 a.m., in Room LL-A

Present

Committee members: Roger Scherer, Council Treasurer; Leon Binger, Appointee; Wes Kooistra, Chief Financial Officer.

Absent: Walter (Bud) Meadley, Appointee.

Reference staff: Mary Bogie, Deputy Chief Financial Officer; Allen Hoppe, Treasury Manager; Mercy Ndungu, Treasury Analyst; Katie Shea, Internal Audit.

Call to Order

A quorum being present, Council Treasurer Roger Scherer called the quarterly meeting (3Q09) of the Investment Review Committee to order at 11:32 a.m. on Tuesday, November 10, 2009.

Approval of Agenda and Minutes

It was moved by W. Kooistra, seconded by L. Binger to approve the agenda. *Motion carried.*

It was moved by L. Binger, seconded by W. Kooistra to approve the minutes of the August 11, 2009 quarterly meeting (2Q09). *Motion carried.*

Business

Update on Victoria Finance Security

The Wells Fargo purchase of the Victoria Finance Security from the Council is complete and has resulted in an approximate net dollar loss of \$129,000 to the Council. Wells Fargo currently provides the bulk of the Council's custodian service. Since we are no longer doing securites lending with Wells Fargo, Allen Hoppe, anticipates that it may be financially advantageous to move the Council's contracted custodian services from Wells Fargo to US Bank in the near future. He will report back to the Committee on this matter.

Results from Bond Sale (2009E & 2009F Refundings)

The Council sold two series of bond refundings on November 9, 2009. The approximate par issued was \$10.49 million for the 2009E General Obligation Transit Refunding bonds and \$6.72 million for the 2009F General Obligation Waste Water Refunding bonds, resulting in a net present value of savings of \$1.3 million for the former and \$0.5 million for the latter. The true interest cost is 2.0% for the Transit bonds and 1.59% for the Waste Water bonds. This item will go before the Management Committee on November 18th as an informational item, and Mr. Hoppe will provide a one-page summary for Committee members. There were a moderate number of bidders for each bond series and the importance of maintaining Aaa ratings was reiterated.

Discussion ensued regarding the impact of today's market environment on the Council's rating. We have one other potential refunding candidate, further research is needed before moving forward on this one.

Authorized Financial Institutions

In accordance with the Council's investment policy, all banks and brokerage companies doing business with the Council must be approved by the Council before they receive Council funds. For this reason, Mr. Hoppe presented the proposed 2010 List of Authorized Financial Institutions (Business Item 2009-424) to the Investment Review Committee for approval prior to going to the Management Committee on November 18, 2009, and the Council on December 9, 2009.

Discussion ensued about changes to the 2010 list from the 2009 list and a suggestion was made to research the feasibility of putting ATM machines next to ticket vending machines at light rail train stations, using the ATM fee revenue to offset credit card processing fees.

It was moved by L. Binger and seconded by W. Kooistra that the Investment Review Committee recommend that the Management Committee approve Business Item 2009-424 at their November 18, 2009 meeting and propose that the Metropolitan Council approve the List of Authorized Financial Institutions for 2010 attached thereto. *Motion carried.*

Annual Transaction-Based Financial Contracts

The Council has a number of financial processing needs that are served by contracts whose total dollar cost varies with changes in transaction volumes. Establishing fixed rates per transaction rather than a fixed dollar value for the contract ensures continuous services throughout the contract term but does not negate the need for obtaining periodic competitive quotes or documented sole source contracts as stated in the Council's procurement policies and procedures.

It was moved by W. Kooistra and seconded by L. Binger that the Investment Review Committee recommend that the Management Committee approve Business Item 2009-426 at their November 18, 2009 meeting and propose that the Metropolitan Council authorize the Regional Administrator to amend the terms of the following transaction-based financial contracts, as needed, so as to provide continued service through December 31, 2010:

1. General banking services from US Bank;
2. Credit card processing and managed payment services from Elavon;
3. Purchasing card services from Bank of America (BofA); and
4. Custodian and securities lending services from Wells Fargo and US Bank.

Motion carried.

Presentation of 3Q09 Quarterly Report

Allen Hoppe and Mercy Ndungu gave an overview of the 3Q09 Quarterly Report which included:

Economy:

- 3Q09 Economic Review
- Real GDP – Quarter-over-Quarter
- Non-Farm Payrolls & Unemployment Rate
- Housing Starts & Building Permits
- Case-Schiller Home Price Index
- Trend line of the S&P 500 Stock Index

Yields:

- Treasury yields
- TE Yield Curves, AAA and BBB 11/9/09
- TE Spread Changes, AAA vs. BBB Muni, 11/9/09 vs. 5/9/08

Portfolio Results:

- 3Q09 Total return
- Total Return, ST Port
- Short Term Yields
- Total Return, LT Port
- LT Port Returns vs. Benchmark (Duration)
- OPEB Port Results

Debt:

- Met Council, Refunding Bonds (Nov. 2009)

Hedging

- Price of Heating Oil (23 Years)
- Diesel Hedging Results – Budget vs. Actual
- Price of Natural Gas (19 years)
- Natural Gas Hedging Results – Budget vs. Actual
- Hedging Program (as of 3Q09)

Additional charts and details were shown in the PowerPoint presentation.


For further questions, please contact Mercy Ndungu directly at: 651-602-1436.

The next meeting is scheduled on March 9, 2010, 11:30 a.m. – 12:30 p.m., LLB.

Business completed, the meeting adjourned at 12:50 p.m.

Respectfully submitted,

Trudy M. Aldrich
Recording Secretary



Report on Investments

Fourth Quarter, 2009

Economic Review

Past. The healing of the global economy and the stabilization of financial markets continued in the fourth quarter of 2009, as unprecedented monetary and fiscal stimulus helped pull the economy out of a deep recession. Economic growth accelerated to 5.9% in the fourth quarter (versus 2.2% in the third quarter), the largest gain in six years. Although labor market conditions remained weak, leading employment indicators showed signs of improvement. Initial jobless claims at year end declined to a 17-month low of 432,000, while average hours worked increased (Dec and Nov at 33.2, Oct at 33.0). Manufacturing and service sectors continued to deliver mixed signals. The ISM manufacturing index reported 5 months of readings above 50. The index came in at 54.9 in December (versus 53.7 in Nov); a large improvement from a 28-year low of 32.9 a year ago. The ISM non-manufacturing index increased slightly to 50.1 in December (versus 48.7 in Nov). A reading above 50.0 indicates expansion.

Capital markets have improved. The S&P 500 index was up 6.0% in the fourth quarter and up 65% from its low in March 2009. The yield curve was steep by historical standards. The spread between the two-year U.S Treasury and the 10-year U.S Treasury was 270 basis points. The broad bond market, as measured by the Barclays Capital Aggregate Index returned 0.20% during the fourth quarter.

Present. Economic data releases during the month of January were mixed. Housing starts rose 2.8% (month-over month) to an annualized rate of 591,000 (versus -4.0% in Dec), while building permits which gauges future housing activity fell by 4.9% (versus 10.9% in Dec). Personal income edged up slightly by 0.1% in January (versus 0.3% in Dec), the smallest increase since September while personal spending jumped 0.5% in January (versus 0.3% in Dec). On the inflation front, the headline consumer price index (CPI) rose 0.2% (versus 0.2% in Dec) while core CPI, excluding food and energy, declined by 0.1% (versus a gain of 0.1% in Dec). This indicates that prices are remaining stable and inflation is well contained. While some macroeconomic data have improved and prospects for a sustained recovery are favorable, major uncertainties from high unemployment to significant economic slack persist. As such, we expect the Federal Reserve to continue to be accommodative and maintain the fed funds target rate at the current rate for an extended period of time.

Future. During 2009, the Fed (through monetary policy and other sponsored programs) pumped a tremendous amount of liquidity into the economy to counteract the effects of negative economic growth, elevating unemployment, slumping consumer spending and business investment, and a dismal housing market. One of the programs included the purchase of \$1.25 trillion in agency mortgage backed securities and \$175 billion of agency debt. The Fed plans to gradually complete the program this month. Unwinding the program will likely raise mortgage rates and impact housing prices and sales. There is some concern that once the Fed stops purchasing these securities, the housing sector could weaken further and cause the broader economic recovery to stall.

As the economic recovery matures, the Fed will need to increase its attention on intermediate term inflationary pressures. For now, the Fed seems to be in favor of supporting improving labor markets and growth over inflation. During the first half of 2010, the U.S economy should benefit heavily from fiscal stimulus and inventory rebuilding. The recovery could look like a V-shape but may not be sustainable. In the second half of 2010, we expect the U.S economy to experience slower growth as the impact from the fiscal stimulus begins to fade, small businesses and households suffer from lack of credit availability and the monetary stimulus begins to unwind.

Council Impact. The Federal reserve near term plans to initiate a withdrawal of liquidity further contributed to an overall increase in interest rates. Due to the inverse relationship between bond yields and prices, the longer dated maturities had the biggest losses as yields climbed the most in this range. The increase in yields caused our long term portfolio to depreciate in value. The portfolio underperformed the Merrill Lynch Agency Master index by 80 basis points.

Yields remained low in the short end of the curve. A low yield environment is viewed as an opportunity for the Council to refund some of our bond issues. The Council recently refunded an outstanding loan from the PFA (series 1996). In addition, the Council issued new money bonds to fund various capital improvement projects for the Environment Services division. Both bond issues were rated AAA by Moody's and Standard & Poor's. Although low yields have presented favorable current refunding opportunities for the Council, they have negated advance refunding opportunities. Advance refundings need the issuer to reinvest proceeds at high yields (purchase Treasury State & Local Government series securities) for an extended period of time until the refunded bonds became eligible for repayment. According to a Bloomberg article, advance refunding for existing notes fell to 48.1 billion in 2009, from \$82.4 billion in 2003.

Investment Results & Strategy

MCOA—Short Term

4Q09 Results: Total return for this portfolio was above the index by 5 basis points. This portfolio has averaged 29 bps per year more than its benchmark over the past 11 years. Last November, US bank opted out of the Transaction Guarantee Program (TAGP) which was nationally extended through June 30, 2010. We invested out short term funds mostly in the Federated Prime fund (0.08%) and the Goldman Sachs Prime fund (0.07%). To enhance income, we purchased a \$10 million 10-year Federal Home Loan Bank floating rate bond with a current coupon of 2.0%.

1Q10 Strategy: The Fed continues to maintain short term rates near zero. This provides limited opportunities for our short term portfolio. We continue to stay liquid in order to fund our short term liabilities i.e debt service payments. We are looking at the possibility of purchasing a 3, 6, and 9 month agency note or taxable municipal bond that can provide better yields than money market funds.

Longer Strategy (12-months): We will continue to monitor the market environment and if opportunity arises, invest in high credit quality investments which may include Treasury bills, agency discos, commercial paper, bank CDs, and prime money market funds. The outlook for short term investment income does not look good. Recently the SEC released new money market fund reforms that are applicable to all money market funds covered under the 2a-7 rules. The reforms are effective May 5 and are aimed at reducing money market funds exposure to certain credit, interest rate, spread and liquidity risks. Overall, these changes will lower yield results.

MCOA—Long Term

4Q09 Results: Total return of -1.01% was below the Merrill Lynch Agency Master index by 80 basis points. We underperformed the index due to having a longer duration (4.36) than the index (3.39) when the long end of the curve rose higher versus the short end. Also, sector allocation may have played a part. About 43% of our portfolio is invested in municipal bonds. Muni bonds underperformed agencies during the fourth quarter. Hence our portfolio depreciated in value more than the benchmark.

1Q10 Strategy: Maintain duration within the 4 - 6 range. We will also continue to look for taxable municipal issues in a very cautious and selective manner. Some shorter maturity municipal bonds (1-3 years) may be added to keep our duration from going much higher. Our cash position (\$70 million) is helping hold down our duration but is also hurting us by earning less than 0.09%.

Longer Strategy (12-months): If interest rates rise in the near future, more investment opportunities will become available in the short end of the curve. We will also look at the possibility of investing in high quality mortgage backed securities in 2010 after the Feds reduce their purchases.

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 and natural gas consumed by Environmental Services and Metro Transit. During the fourth quarter 2009, diesel and natural gas contracts (combined) generated \$4.3 million in net realized losses which was offset by a comparable drop in the price of fuel purchased. About \$6.3 million in net unrealized gains occurred.

MCOA--Margin Account

The margin account supports both the diesel fuel and natural gas hedging programs; it includes cash, a money market balance, and an agency note yielding 1.25%.

Low Activity Portfolios

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

OPEB

4Q09 Results: Our OPEB portfolio is 100% invested in equities. At end of fourth quarter 2009, both the S&P 500 index and our OPEB portfolio posted returns of 6.0% and 5.96%, respectively. For the quarter, the portfolio had \$3.6 million of unrealized gains.

1Q10 Strategy: Equity markets continued their trend up. For the month of February, the S&P 500 index returned 3.1%. We believe our results will improve on both an absolute and relative basis as the economy continues to recover. The current market value of \$70 million reflects a cumulative unrealized loss of \$10.5 million since inception.

Longer Strategy (12-month): Much of the short term volatility is being caused by short term traders. Our portfolio is positioned to take advantage of the long term trend of the stock market. Once we achieve an average return close to 8% (from inception), we will reallocate our portfolio between equities and fixed income in preparation of making distributions to qualified retirees. Currently, the annual distributions are funded on a pay as you go basis.

METROPOLITAN COUNCIL--Report on Investments
Quantitative Policy Results for the Quarter Ending:

December 31, 2009

	Operating Account (MCOA)			Diesel & NG Hedging Accounts	HUD	OPEB
	Short- Term	Futures Margin	Long- Term			
Compliance	OK	OK	OK	OK	OK	OK
Safety (Defaults)	None	None	None	None	None	None
Liquidity (Effective Duration Years)						
Target Duration Range:	0-1	0-6	2-6	n.a.	0-1	0-1
Result	0.00	0.04	4.36	n.a.	0.01	n.a.
Less: Index	0.14	0.04	3.39	n.a.	0.01	n.a.
Longer <Shorter> Index	-0.14	0.00	0.97	n.a.	0.00	n.a.
Note: Index Source:	iMoneyNet (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						
<i>Revenue by Component:</i>						
Accrued Interest	\$ 82,157	\$ 3,869.5	\$ 2,021,949.4	\$ -	\$ 329.5	\$ 323,646.3
Realized Gains/Losses	\$ -	\$ -	\$ 96,388.3	\$ (4,275,576.0)	\$ -	\$ -
Unrealized Gains/Losses	\$ -	\$ 1,657.5	\$ (4,240,689.7)	\$ 6,326,972.8	\$ -	\$ 3,632,178.8
Total Int. Rev.	\$ 82,157	\$ 5,527	\$ (2,122,352)	\$ 2,051,397	\$ 329	\$ 3,955,825
Total Investment Revenue, All Portfolios, Current Quarter						\$ 3,973,007
<i>Book Yield:</i>	0.22%	0.13%	3.58%	n.a.	0.05%	1.43%

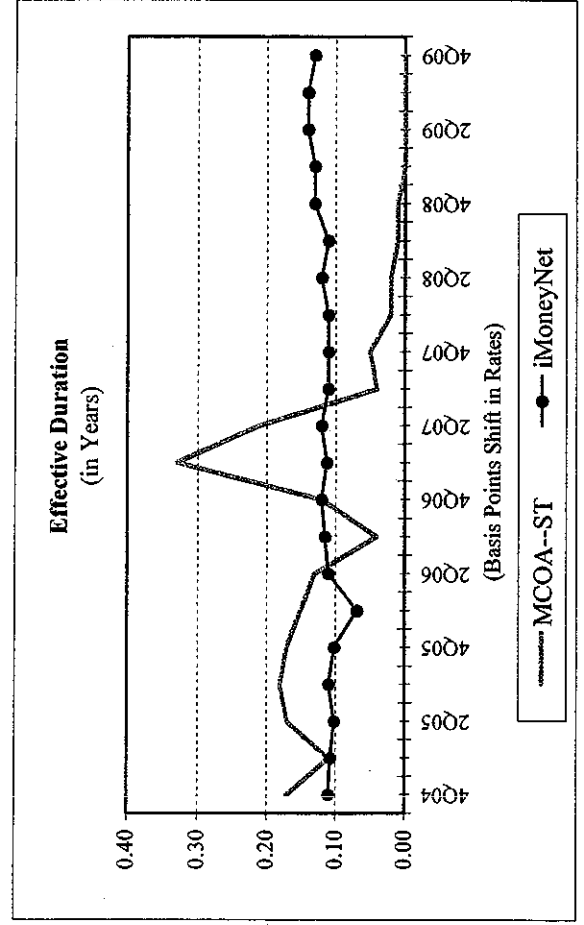
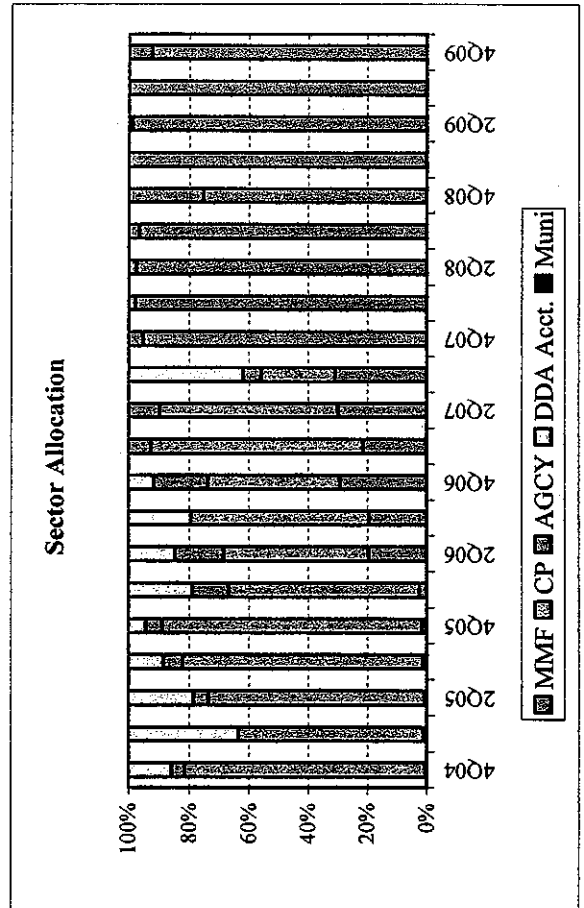
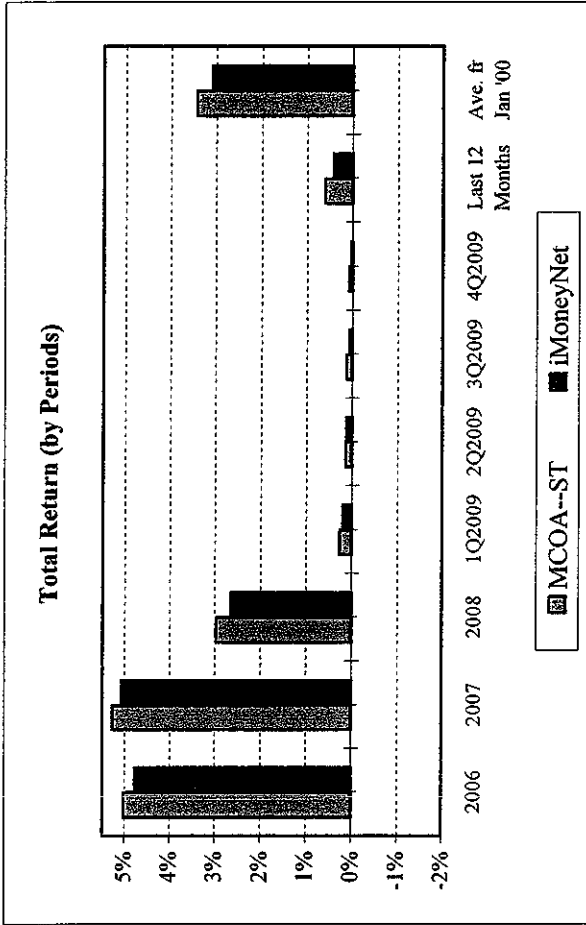
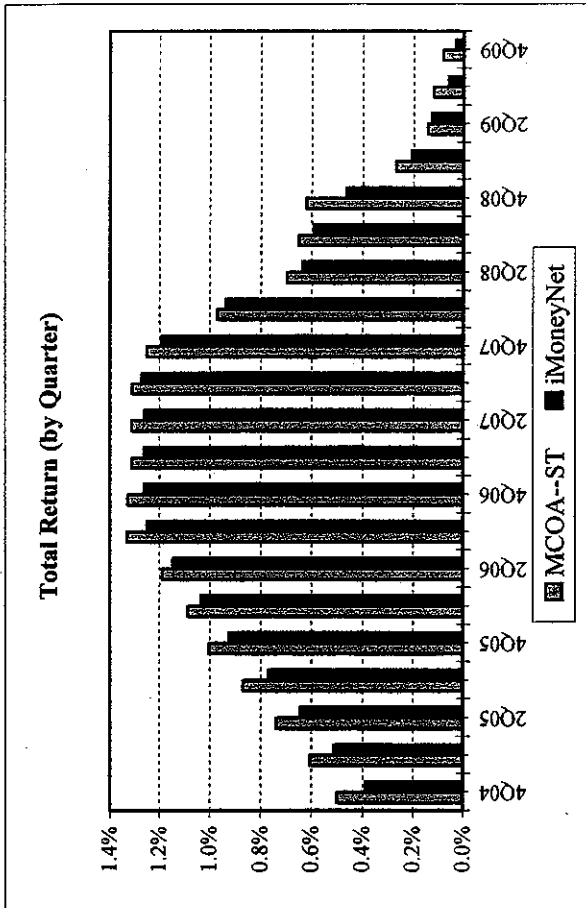
Total Return:

<u>Current Quarter, Council</u>	0.08%	n.a.	-1.01%	n.a.	0.01%	5.96%
Index	0.03%	n.a.	-0.20%	n.a.	0.01%	6.04%
Difference	0.05%	n.a.	-0.80%	n.a.	0.00%	-0.08%
<u>Last 12 Months, Council</u>	0.62%	n.a.	4.02%	n.a.	0.06%	25.65%
Index	0.43%	n.a.	0.90%	n.a.	0.06%	26.46%
Difference	0.19%	n.a.	3.12%	n.a.	0.00%	-0.81%
Start Date:	<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>	3.42%	n.a.	5.66%	n.a.	2.44%	-0.82%
Index	3.09%	n.a.	5.50%	n.a.	2.44%	-1.52%
Difference	0.33%	n.a.	0.15%	n.a.	0.00%	0.70%

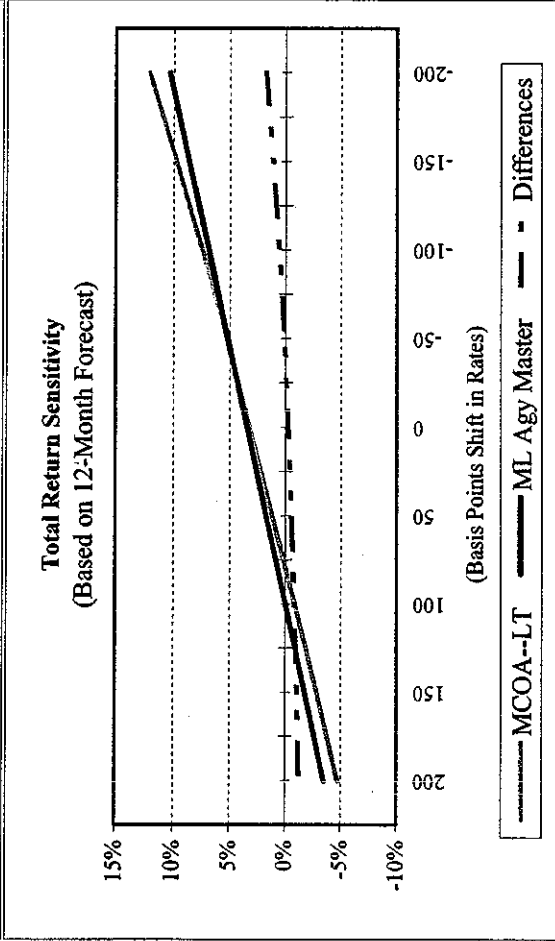
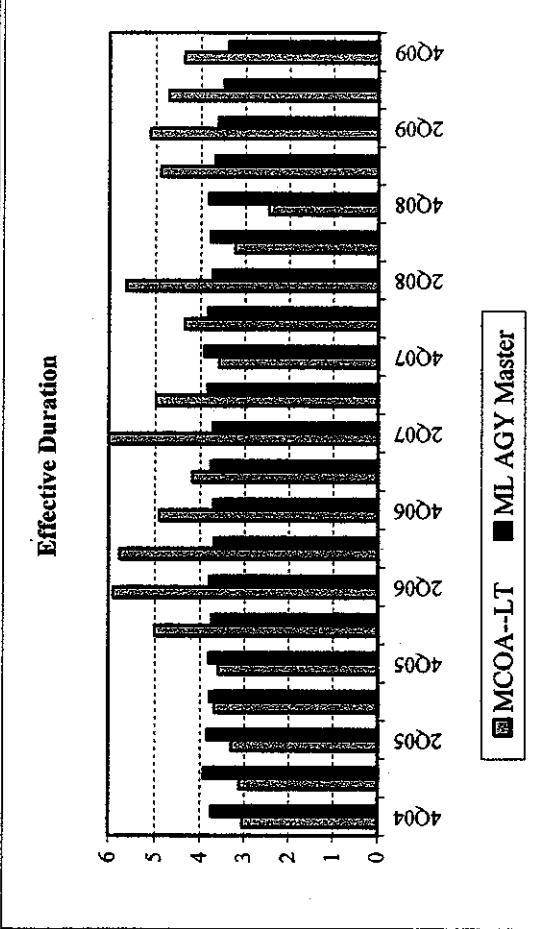
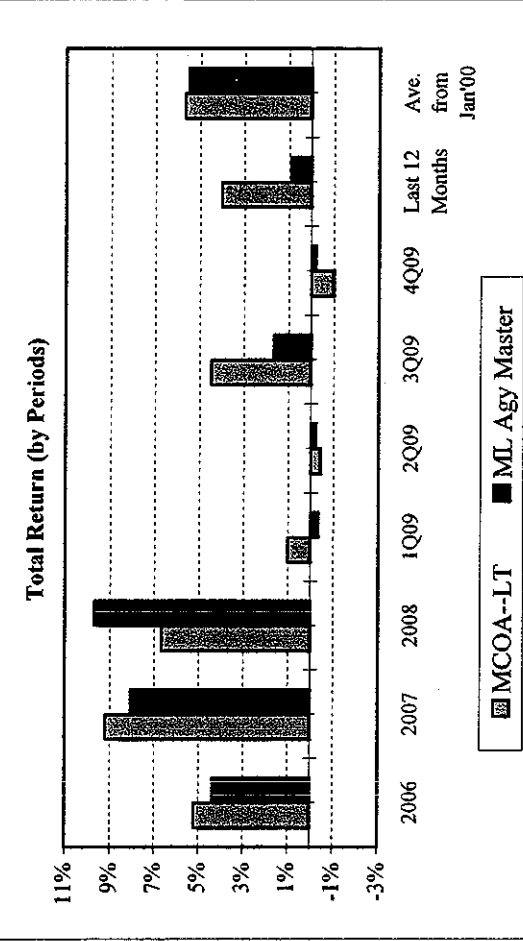
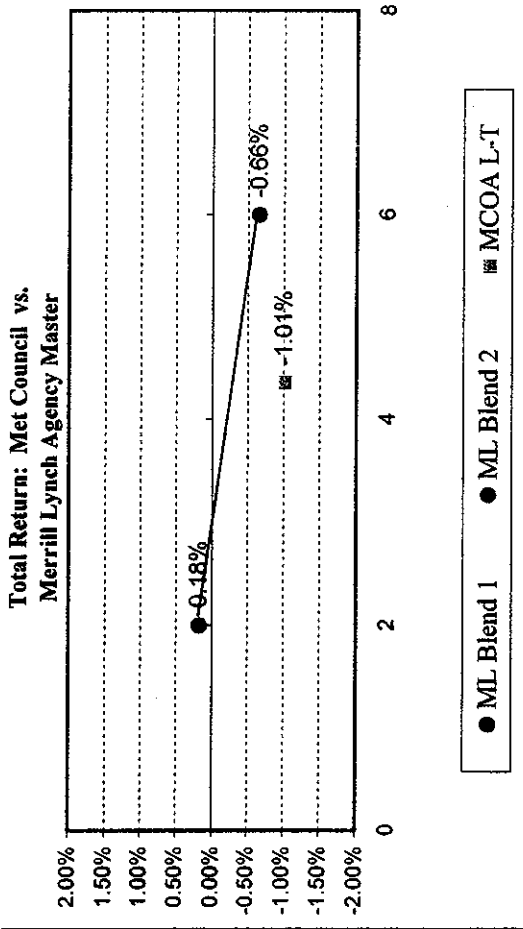
METROPOLITAN COUNCIL—Investment Review Committee
Historic Statistics—All Portfolios
 December 31, 2009

Account Group	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Total Return(%):												
MCOA-Taxable, ST	1.31%	1.31%	1.31%	1.25%	0.97%	0.70%	0.65%	0.62%	0.27%	0.14%	0.12%	0.08%
MCOA-Taxable, Margin, w/Cash	0.73%	1.28%	1.39%	1.63%	1.69%	2.19%	1.74%	0.11%	0.08%	0.03%	0.23%	0.04%
MCOA-Taxable, LT	1.94%	-0.72%	3.94%	3.82%	3.08%	-1.17%	1.44%	2.39%	1.02%	-0.44%	4.48%	-1.01%
MCOA-Taxable Combined	1.75%	-0.23%	3.22%	2.92%	1.74%	0.03	1.12	1.69	0.67%	-0.35%	3.33%	-0.59%
MCOA-Tax Exempt, ST	0.78%	0.83%	0.76%	0.72%	0.65%	0.54%	0.37%	0.72%	0.48%	n.a.	n.a.	n.a.
HUD-Savings Acct.	1.29%	1.30%	1.31%	1.12%	0.70%	0.34%	0.31%	0.07%	0.02%	0.01%	0.01%	0.01%
OPEB @ MN SBI	0.61%	6.04%	2.09%	-3.16%	-9.15%	-2.77%	-8.13%	-20.82%	-10.45%	15.25%	14.89%	5.96%
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Effective Duration (Yrs):												
MCOA-Taxable, ST	0.33	0.21	0.04	0.05	0.02	0.02	0.01	0.01	0.01	0.00	0.00	0.00
MCOA-Taxable, Margin, w/Cash	0.26	0.38	0.28	0.11	0.04	0.02	-	-	0.00	0.00	0.02	0.02
MCOA-Taxable, LT	4.16	5.99	4.98	3.58	4.34	5.63	3.22	2.47	4.88	5.12	4.71	4.36
MCOA-Taxable Combined	3.21	4.88	3.59	2.33	1.55	2.20	1.80	1.51	3.76	4.08	3.75	2.69
MCOA-Tax Exempt, ST	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00
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
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.
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ave. Maturity (Yrs):												
MCOA-Taxable, ST	0.33	0.21	0.04	0.04	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.01
MCOA-Taxable, Margin, w/Cash	0.26	0.40	0.29	0.30	0.17	0.01	0.00	0.00	0.00	0.00	0.00	0.00
MCOA-Taxable, LT	10.96	12.08	10.84	7.82	4.58	5.03	6.71	8.07	9.79	6.86	5.72	5.78
MCOA-Taxable Combined	8.36	9.79	7.82	5.08	4.60	5.05	3.75	4.92	7.53	5.46	4.21	3.56
MCOA-Tax Exempt, ST	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00
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
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.
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Qtrly Earnings (\$millions):												
MCOA-Taxable, ST	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.4	\$ 1.4	\$ 0.9	\$ 0.3	\$ 0.3	\$ 0.1	\$ 0.1
MCOA-Taxable, Margin, w/Cash	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0	-	-	0.0	0.0
MCOA-Taxable, LT	3.7	(1.7)	8.5	7.9	7.3	(0.8)	2.2	4.0	2.3	(0.8)	8.3	(2.0)
MCOA-Taxable Combined	\$ 4.6	\$ (0.7)	\$ 9.5	\$ 9.0	\$ 8.5	\$ 0.7	\$ 3.6	\$ 4.9	\$ 2.6	\$ (0.6)	\$ 8.4	\$ (1.9)
MT Futures Contracts, Realized	(0.8)	(0.0)	0.03	0.60	1.4	3.3	2.4	(1.2)	(3.0)	(2.0)	(2.6)	(4.3)
MT Futures Contracts, Unrealized	2.5	0.4	0.5	3.0	2.9	13.2	(16.3)	(17.5)	(0.0)	7.2	1.7	6.3
MCOA-Tax Exempt, ST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
OPEB @ MN SBI	0.3	3.6	1.4	(2.2)	(6.4)	(1.8)	(5.3)	(12.9)	(5.7)	7.2	8.4	4.0
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aggregate (Less Combined)	\$ 6.6	\$ 3.4	\$ 11.5	\$ 10.4	\$ 6.4	\$ 15.4	\$ (15.6)	\$ (26.7)	\$ (6.2)	\$ 11.9	\$ 15.9	\$ 4.1
Investment Balances (MY, \$millions):												
MCOA-Taxable, ST	\$ 68.4	\$ 49.2	\$ 80.1	\$ 105.3	\$ 214.0	\$ 194.0	\$ 138.4	\$ 121.0	\$ 51.0	\$ 36.4	\$ 66.1	\$ 131.0
MCOA-Taxable, Margin, w/Cash	6.5	3.6	3.3	6.7	12.0	13.0	8.4	5.0	9.0	13.5	11.7	5.5
MCOA-Taxable, LT	228.5	220.7	212.1	204.5	123.0	132.0	185.4	196.2	199.0	195.0	215.6	219.0
MCOA-Taxable Combined	303.4	273.4	295.5	316.5	349.0	339.0	332.2	322.2	259.0	244.9	293.4	355.5
MCOA-Tax Exempt, ST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
OPEB @ MN SBI	58.0	64.9	68.4	67.5	63.2	64.0	60.0	49.3	44.7	54.7	64.9	71.0
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aggregate (Less Combined)	\$ 361.4	\$ 338.3	\$ 363.9	\$ 384.0	\$ 412.2	\$ 403.0	\$ 392.2	\$ 371.5	\$ 303.7	\$ 299.6	\$ 358.3	\$ 426.5
Market Yield (%):												
MCOA-Taxable, ST	5.31%	5.34%	5.10%	4.92%	3.25%	2.69%	2.34%	1.66%	0.73%	0.61%	0.22%	0.22%
MCOA-Taxable, Margin, w/Cash	4.92%	4.98%	4.92%	4.44%	3.05%	2.37%	2.16%	1.50%	1.05%	0.26%	0.13%	0.13%
MCOA-Taxable, LT	5.24%	5.55%	5.18%	4.69%	4.35%	5.11%	4.33%	3.02%	3.56%	3.35%	3.09%	3.22%
MCOA-Taxable Combined	5.25%	4.99%	4.16%	4.76%	3.63%	3.62%	3.45%	2.49%	2.92%	2.77%	2.33%	2.33%
MCOA-Tax Exempt, ST	3.22%	3.33%	3.34%	3.34%	2.12%	1.80%	1.51%	1.61%	0.00%	0.00%	0.00%	0.00%
HUD-Savings Acct.	5.21%	5.21%	4.93%	4.93%	2.14%	1.25%	1.25%	0.05%	0.05%	0.05%	0.05%	0.05%
OPEB @ MN SBI	2.42%	2.23%	2.56%	2.56%	2.05%	2.31%	2.23%	1.96%	1.57%	1.51%	1.43%	1.43%
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Yield (%):												
MCOA-Taxable, ST	5.28%	5.27%	5.11%	4.86%	3.26%	2.69%	2.36%	2.09%	0.73%	0.56%	0.22%	0.29%
MCOA-Taxable, Margin, w/Cash	4.92%	4.97%	4.89%	4.50%	3.05%	2.37%	2.16%	1.50%	1.05%	0.26%	0.13%	0.13%
MCOA-Taxable, LT	5.48%	5.59%	5.64%	5.64%	6.17%	5.11%	4.60%	4.59%	4.08%	3.76%	3.42%	3.42%
MCOA-Taxable Combined	5.42%	5.53%	5.49%	5.36%	4.00%	3.93%	3.61%	3.60%	3.32%	3.09%	2.57%	2.22%
MCOA-Tax Exempt, ST	3.22%	3.33%	3.34%	2.99%	2.12%	1.80%	1.51%	1.61%	0.00%	0.00%	0.00%	0.00%
HUD-Savings Acct.	5.21%	5.21%	4.93%	4.16%	2.14%	1.25%	1.25%	0.07%	0.05%	0.05%	0.05%	0.05%
OPEB @ MN SBI	2.42%	2.23%	2.56%	2.67%	2.05%	2.31%	2.23%	1.96%	1.57%	1.51%	1.43%	1.53%
ES-SAC-Taxable	na.	na.	na.	na.	na.	na.	na.	na.	na.	na.	na.	na.

METROPOLITAN COUNCIL--Investments
Operating Account--Short-Term Investments. (Analysis of Returns and Diversification)
 December 31, 2009

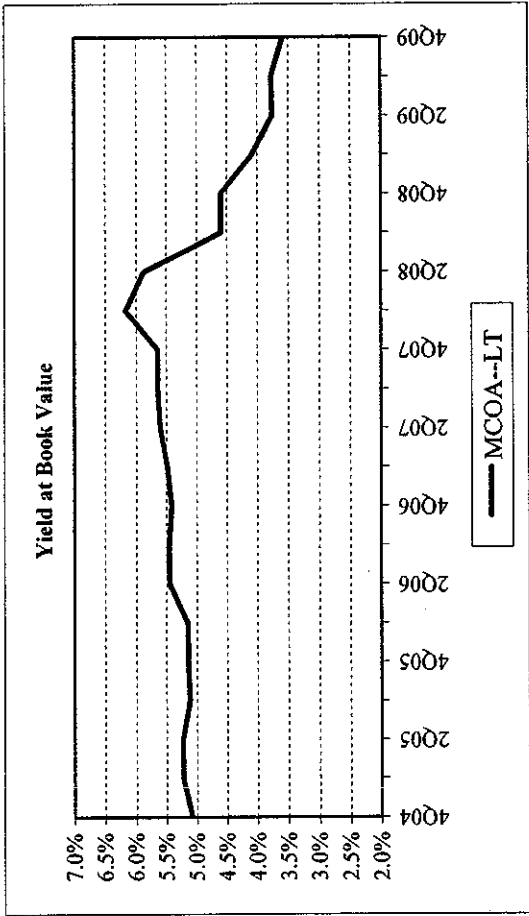
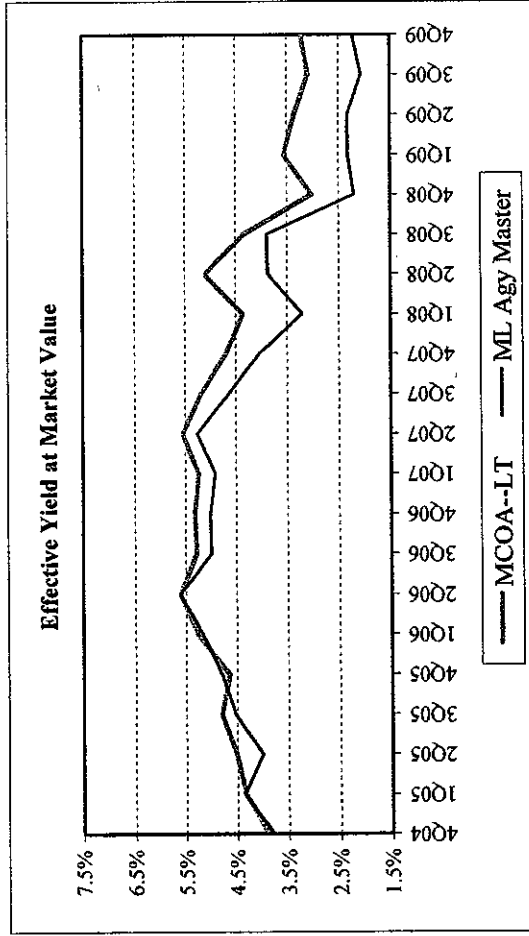
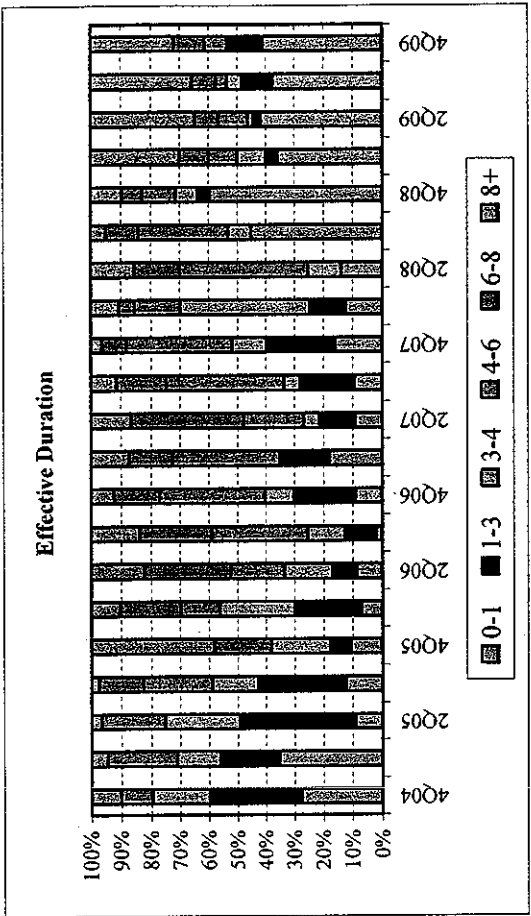
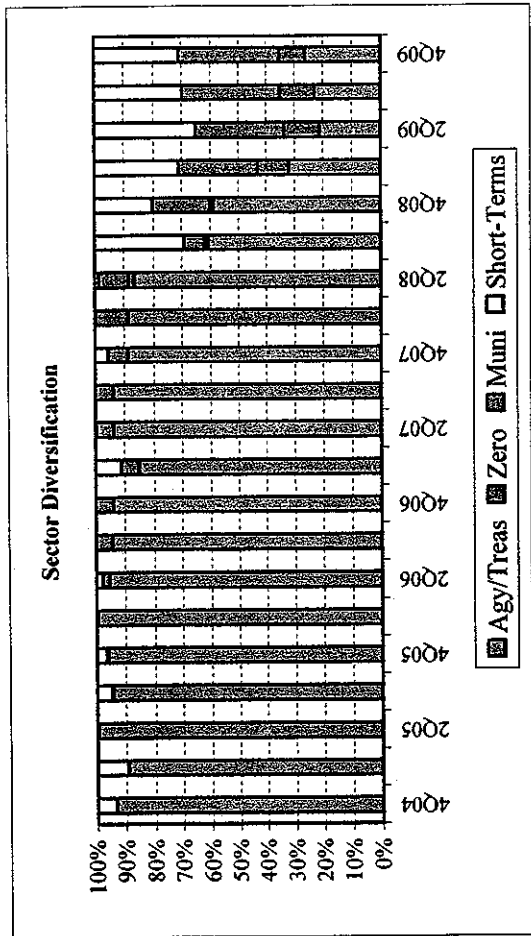


METROPOLITAN COUNCIL--Investments
Operating Account--Long Term Investments, (Analysis of Returns)
 December 31, 2009



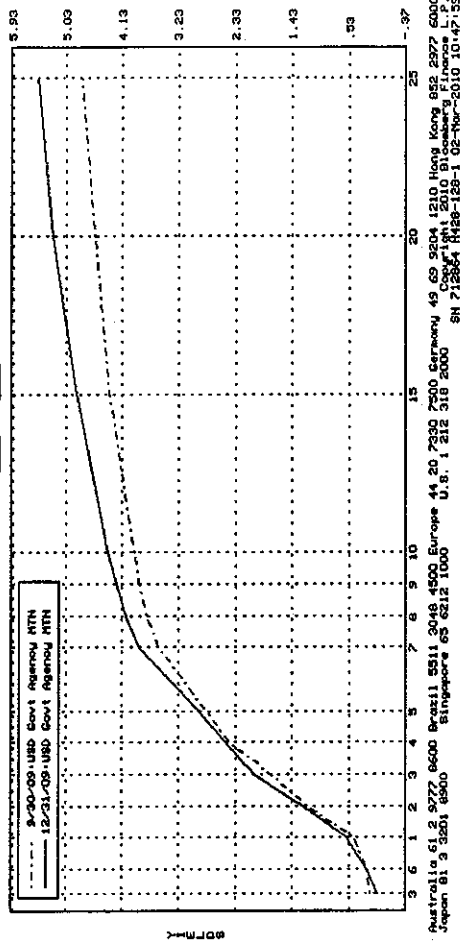
METROPOLITAN COUNCIL--Investments
 Operating Account--Long Term Investments. (Selected Data)

December 31, 2009



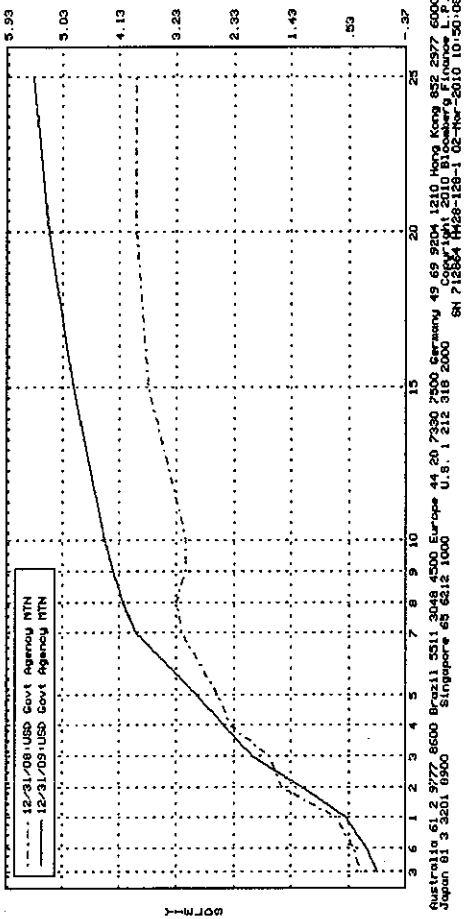
METROPOLITAN COUNCIL—Investment Review Committee
U.S. Agency & Treasury Charts
 December 31, 2009

1 Hit <PAGE> for more info or <MENU> for list of curves.
FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 3MO - 30Y



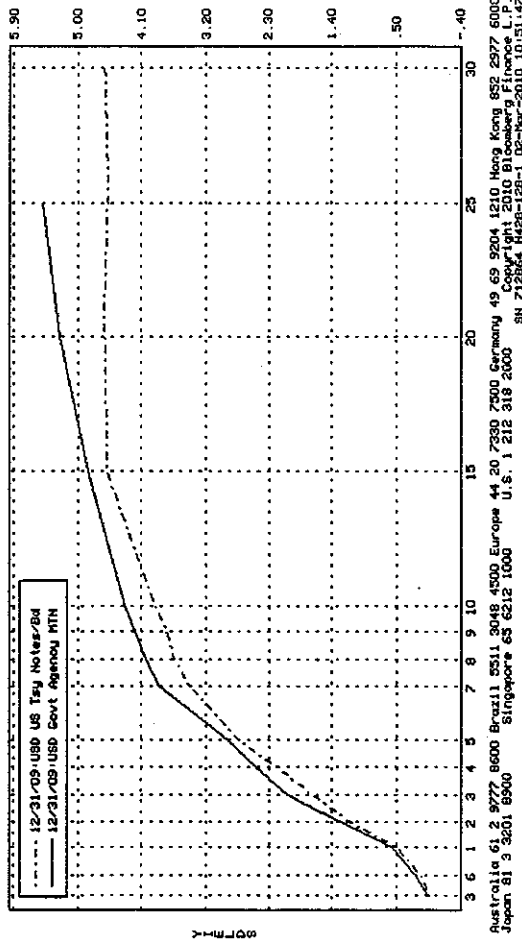
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 Japan 81 3 3201 6900 Singapore 65 6212 1000 U.S. 1 212 318 2000 SN 712864 H428-128-1 02-Mar-2010 10:47:59

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FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 3MO - 30Y



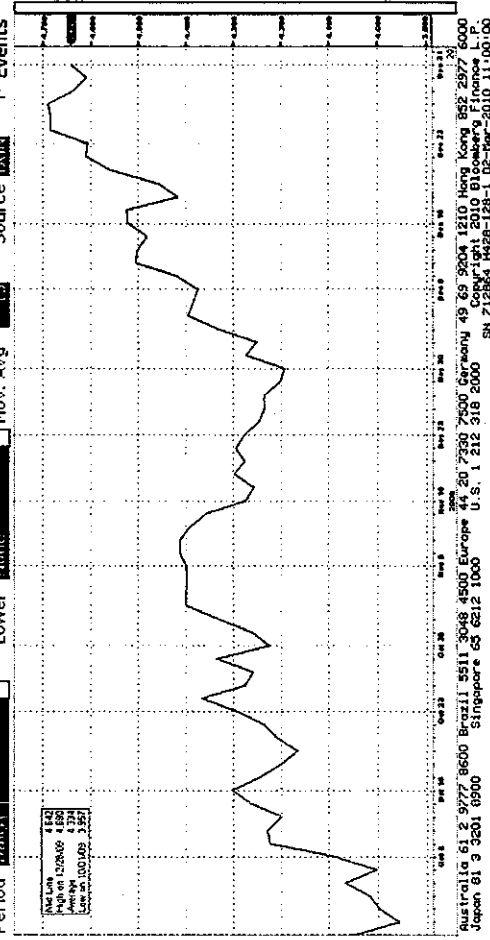
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 Japan 81 3 3201 6900 Singapore 65 6212 1000 U.S. 1 212 318 2000 SN 712864 H428-128-1 02-Mar-2010 10:50:08

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FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 3MO - 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 6900 Singapore 65 6212 1000 U.S. 1 212 318 2000 SN 712864 H428-128-1 02-Mar-2010 10:51:47

GP
 US TREASURY N/B T 4 5/2 02/15/40 100-19+ /100-20+ (4.59 /59) BGN @10.59
 Range 09/30/09 - 12/31/09 Upper Hide Lower Hide
 Period 2010/1/1 - 2010/1/15 Source BGN F Events
 Currency USD
 GP - Line Chart Page 1/3



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 6900 Singapore 65 6212 1000 U.S. 1 212 318 2000 SN 712864 H428-128-1 02-Mar-2010 11:00:00

Full year to full year
 percent change,
 unless otherwise indicated

Quarterly percent change, unless otherwise indicated

	2009				2010				2011								
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2009	2010	2011
Growth indicators																	
GDP	2.2	5.7	5.1	4.0	4.1	2.2	2.7	1.9	2.6	2.6	2.7	1.9	2.6	2.6	0.4	-2.4	4.0
Final sales	1.5	2.2	2.7	2.3	3.5	3.6	3.4	2.8	2.5	2.5	3.4	2.8	2.5	2.5	0.8	-1.7	2.4
Consumer spending	2.8	2.0	3.0	2.4	1.3	1.5	2.5	2.0	2.0	2.0	2.5	2.0	2.0	2.0	-0.2	-0.6	2.1
Fixed investment	-1.3	3.5	6.6	7.8	10.6	11.4	7.5	8.0	8.1	8.2	7.5	8.0	8.1	8.2	-5.1	-18.4	4.7
Nonresidential	-5.9	2.9	4.1	4.4	8.7	10.3	6.8	7.4	7.6	7.6	6.8	7.4	7.6	7.6	1.6	-17.9	2.7
Structures	-18.4	-15.4	-10.0	-7.0	-5.0	0.0	0.0	2.0	2.5	2.5	0.0	2.0	2.5	2.5	10.3	-19.7	-11.0
Equipment	1.5	13.3	10.0	10.0	15.0	15.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	-2.6	-16.9	9.5
Residential	18.9	5.7	15.0	20.0	17.0	15.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	-22.9	-20.4	12.0
Inventory investment (\$bn)	-139.2	-33.5	45.0	100.0	120.0	75.0	50.0	20.0	25.0	30.0	50.0	20.0	25.0	30.0	-25.9	-111.7	85.0
Foreign trade (\$bn)	-357.4	-341.1	-362.0	-370.7	-324.0	-288.3	-271.4	-271.2	-284.4	-298.0	-271.4	-271.2	-284.4	-298.0	-494.3	-353.9	-336.2
Government spending	2.7	-0.2	2.0	-0.5	-0.5	0.0	1.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0	3.1	1.9	1.0
Treasury budget (fiscal yr, \$bn)	-304.9	-329.4	-388.5	-556.3	-297.5	-398.9	-551.8	-448.8	-240.6	-330.9	-551.8	-448.8	-240.6	-330.9	-1,416	-1,641	-1,572
Housing starts, (thousands)	587	554	570	594	620	650	682	715	750	787	682	715	750	787	552	609	734
Unemployment rate (qtr end)	9.8	10.0	9.6	9.3	9.0	8.7	8.5	8.3	8.1	8.0	8.5	8.3	8.1	8.0	10.0	8.7	8.0
Inflation indicators (quarter on previous yr's same quarter, at an annual rate. Annual figures are Dec. change from prior Dec.)																	
PCE	-0.7	1.3	2.0	2.0	1.8	1.6	1.7	1.8	1.8	1.8	1.6	1.7	1.8	1.8	2.1	1.6	1.8
Core PCE	1.3	1.4	1.3	1.0	1.2	1.3	1.6	1.8	1.8	1.8	1.3	1.6	1.8	1.8	1.5	1.4	1.8
PPI	-5.2	1.8	1.3	1.0	1.0	1.2	1.4	1.5	1.7	1.9	1.2	1.4	1.5	1.7	4.4	1.5	1.8
Core PPI	2.2	0.9	1.0	1.0	1.1	1.2	1.2	1.3	1.3	1.4	1.2	1.2	1.3	1.4	0.9	1.1	1.4
Interest rates: end of period																	
Federal funds rate	0.07	0.05	0.10	0.12	0.25	0.50	1.00	1.50	2.00	2.50	0.50	1.00	2.00	2.50	0.25	0.05	0.50
3-month LIBOR	0.29	0.25	0.25	0.26	0.38	0.60	1.03	1.58	2.08	2.58	0.60	1.03	1.58	2.08	1.43	0.25	0.60
3-mo Treasury bills	0.14	0.06	0.15	0.15	0.25	0.45	0.80	1.40	1.90	2.40	0.45	0.80	1.40	1.90	0.11	0.06	0.45
2-yr Treasury notes	0.95	1.14	0.85	1.10	1.25	1.50	1.90	2.20	2.50	2.75	1.50	1.90	2.20	2.50	0.76	1.14	1.50
5-yr Treasury notes	2.31	2.69	2.35	2.35	2.50	2.80	3.00	3.20	3.40	3.60	2.80	3.00	3.40	3.60	1.55	2.69	2.80
10-yr Treasury notes	3.31	3.85	3.60	3.70	3.80	3.90	4.00	4.10	4.20	4.25	3.90	4.00	4.10	4.25	2.25	3.85	3.90
Fed primary credit (discount rate)	0.50	0.50	0.50	0.37	0.50	0.75	1.25	1.75	2.25	2.75	0.75	1.25	1.75	2.25	0.50	0.50	0.75
Prime bank rate	3.25	3.25	3.25	3.12	3.25	3.50	4.00	4.50	5.00	5.50	3.50	4.00	4.50	5.00	3.25	3.25	3.50
Avg. fixed mortgage rate	4.94	5.14	5.00	5.20	5.20	5.30	5.40	5.50	5.60	5.65	5.30	5.40	5.50	5.65	5.10	5.14	5.30

Actual values in blue italics.

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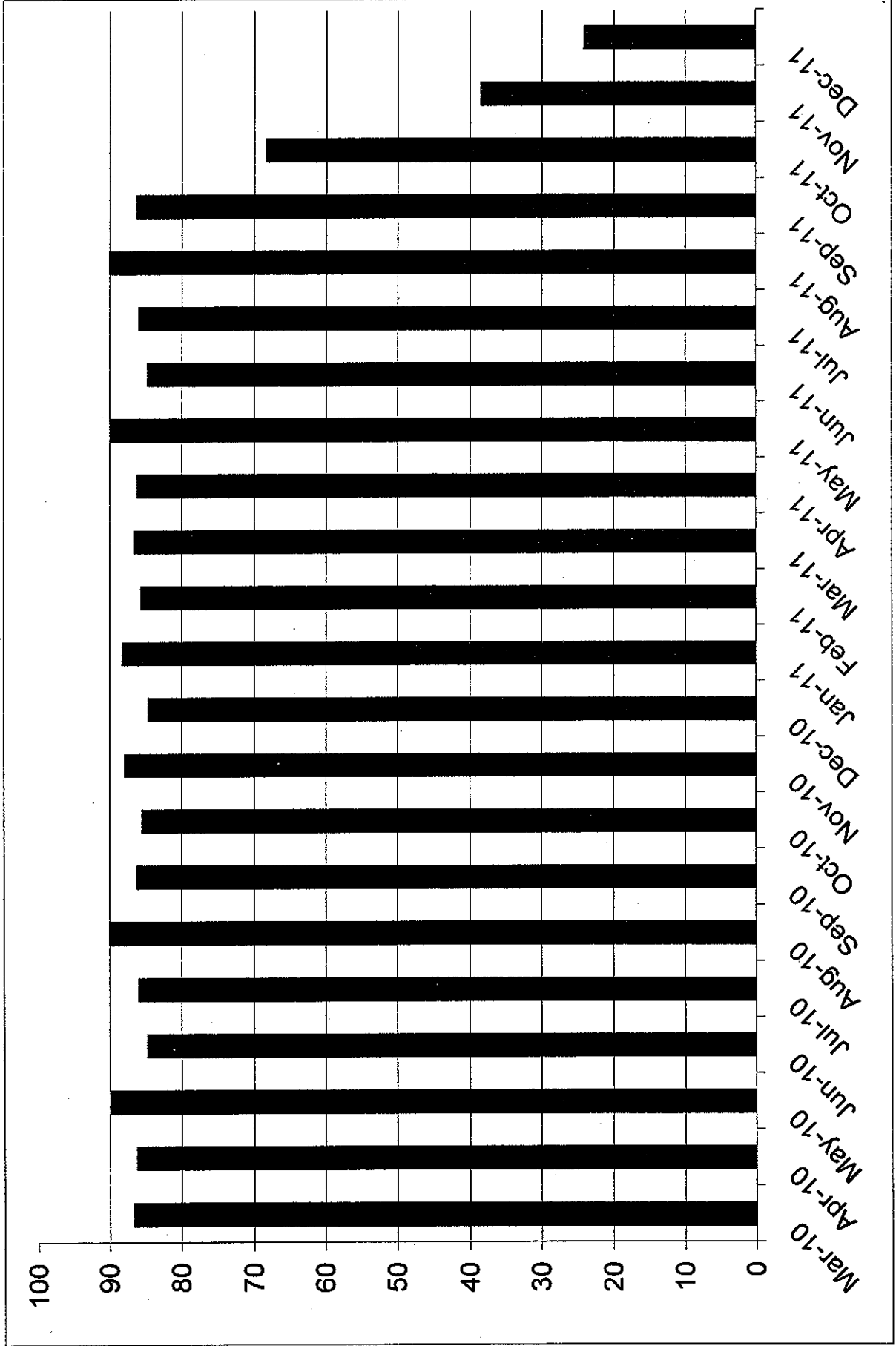
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METROPOLITAN COUNCIL--Prospective Analysis (Futures Contracts)

Monthly Percentage Hedged Snapshot

Diesel (Heating Oil)

December 31, 2009

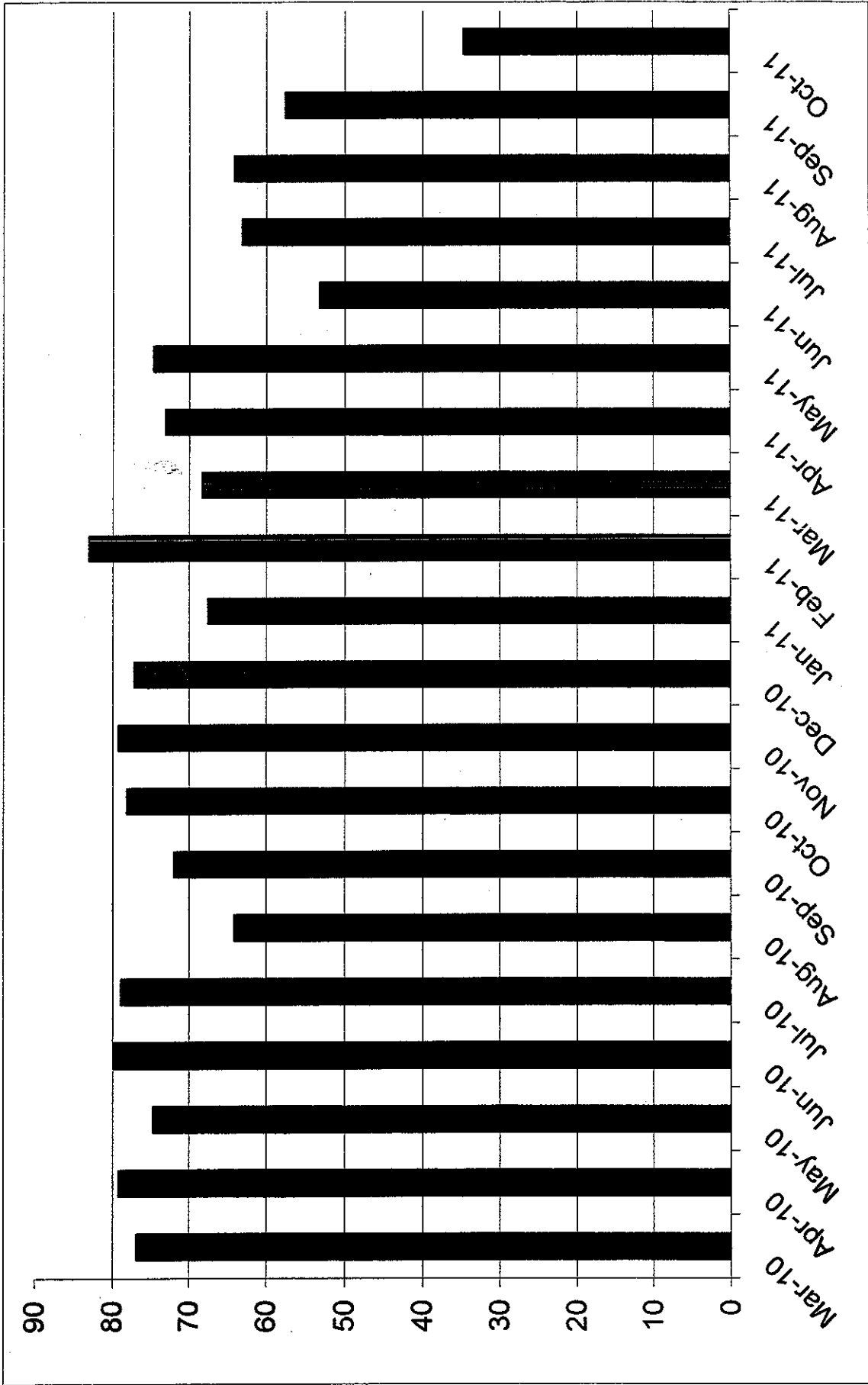


METROPOLITAN COUNCIL--Prospective Analysis (Futures Contracts)

Monthly Percentage Hedged Snapshot

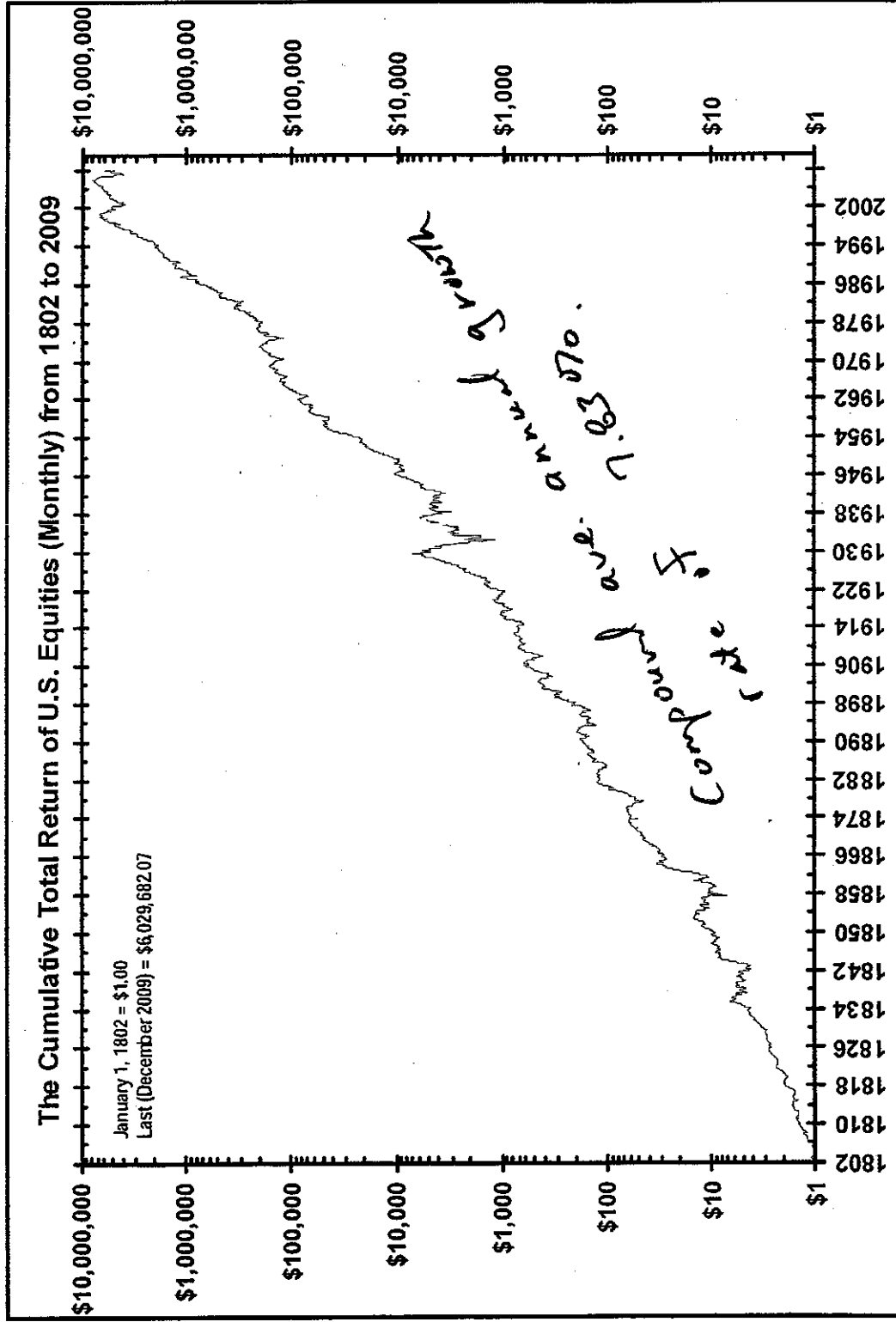
Natural Gas

December 31, 2009



The Cumulative Total Return of Equities from 1802 to 2009

From Our Collection of Long-Term Charts



$$(\$6,029,682.07^{1/207}) - 1 = .07834 = 7.83\%$$

METROPOLITAN COUNCIL

Metropolitan Council
 Fiscal Services--Treasury Ops.
 390 Robert Street North
 St. Paul, MN 55101-1805
 (651)602-1629

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Summary
December 31, 2009

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Money Market Fund, LA1 Type	191,234,054.06	191,234,054.06	191,234,054.06	43.34	1	1	0.141
Treasuries--Coupon	13,000,000.00	12,916,880.00	13,806,880.55	3.13	6,105	5,982	2.560
U.S. Agencies--Coupon	56,160,000.00	56,517,722.90	56,804,588.53	12.87	3,120	2,846	3.458
Municipals--Coupon	78,145,000.00	78,388,283.45	78,348,782.90	17.75	6,113	5,656	5.868
Zero Coupon Bonds	38,465,000.00	19,606,914.35	19,830,144.37	4.49	4,104	3,788	5.668
Managed Pool Accounts -2	81,254,959.65	70,759,372.08	81,254,959.65	18.41	1	1	1.526
Investments	458,259,013.71	429,421,226.84	441,279,410.06	100.00%	1,863	1,728	2.164

Cash and Accrued Interest							
Passbook/Checking	2,211,538.16	2,211,538.16	2,211,538.16		1	1	0.000
(not included in yield calculations)							
Accrued Interest at Purchase	0.00	0.00	0.00				
Ending Accrued Interest	2,323,566.97	2,323,566.97	2,323,566.97				
Subtotal	4,535,105.13	4,535,105.13	4,535,105.13				
Total Cash and Investments Value	460,470,551.87	433,956,331.97	445,814,515.19		1,863	1,728	2.164

Total Earnings	December 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	787,154.15	9,492,776.38	9,492,776.38

Allen Hoppe, Sr. Manager, Treasury

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
December 31, 2009

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	01/01/2009	0.00	0.00	0.00	0.250	1	1	0.250	
A=LT=DDA	2946	U.S. Bank	07/13/2009	0.00	0.00	0.00	0.250	1	1	0.250	
				0.00	0.00	0.00		0	0	0.000	
Money Market Fund, LA1 Type											
A=ST=BANKMMF	1386	First American MMF		3,142,041.59	3,142,041.59	3,142,041.59	0.020	1	1	0.020	
A=TE=CUSTODYMMF	2551	First American MMF		0.00	0.00	0.00	2.000	1	1	2.000	
SYS2739	2739	Credit Suisse Institutional Fu		0.00	0.00	0.00	0.690	1	1	0.690	
A=11211422-TE	1896	Federated		0.00	0.00	0.00	1.310	1	1	1.310	
A=7002237977	2521	Federated		0.00	0.00	0.00	5.220	1	1	5.220	
SYS2522	2522	Federated		0.00	0.00	0.00	5.220	1	1	5.220	
SYS2725	2725	Federated		2,970,732.56	2,970,732.56	2,970,732.56	0.120	1	1	0.120	
TBIXX	2933	Federated	06/01/2009	0.00	0.00	0.00	0.150	1	1	0.150	
60934N401	2934	Federated	06/01/2009	0.00	0.00	0.00	0.310	1	1	0.310	
60934N203	2942	Federated	06/25/2009	27,002,128.54	27,002,128.54	27,002,128.54	0.110	1	1	0.110	
60934N203	2949	Federated	07/09/2009	63,646,105.29	63,646,105.29	63,646,105.29	0.110	1	1	0.110	
SYS2874	2874	Goldman Sachs Government Fund		0.00	0.00	0.00	0.030	1	1	0.030	
SYS2875	2875	Goldman Sachs Government Fund		0.00	0.00	0.00	0.200	1	1	0.200	
38141W364	2973	Goldman Sachs Government Fund	12/17/2009	90,500,000.00	90,500,000.00	90,500,000.00	0.180	1	1	0.180	
A=756004008	2487	Morgan Stanley		0.00	0.00	0.00	0.260	1	1	0.260	
A=104756184180	2083	U.S. Bank		3,961,148.58	3,961,148.58	3,961,148.58	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		0.00	0.00	0.00	0.010	1	1	0.010	
A=LT=CUST=WELLS	2709	Wells Fargo--Sweep		11,897.50	11,897.50	11,897.50	0.010	1	1	0.010	
W-LT SEC. LENDG	2711	Wells Fargo--Sweep	01/01/2009	0.00	0.00	0.00	0.000	1	1	0.000	
W-ST SEC. LENDG	2712	Wells Fargo--Sweep	01/01/2009	0.00	0.00	0.00	0.000	1	1	0.000	
				191,234,054.06	191,234,054.06	191,234,054.06		1	1	0.141	
Treasuries--Coupon											
3133XW4N6	2971	Fed. Home Loan Bank	12/23/2009	9,000,000.00	9,000,000.00	9,000,000.00	2.125	3,652	3,643	2.125	12/23/2019
912810PX0	2880	U.S. TREASURY	01/29/2009	2,000,000.00	1,958,440.00	2,378,319.84	4.500	10,898	10,361	3.437	05/15/2038
912810PX0	2881	U.S. TREASURY	01/29/2009	2,000,000.00	1,958,440.00	2,428,560.71	4.500	10,898	10,361	3.314	05/15/2038
				13,000,000.00	12,916,880.00	13,806,880.55		6,105	5,982	2.560	
Subtotal and Average											

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
December 31, 2009

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
U.S. Agencies--Coupon											
3133XVNG2	2986	Federal Home Loan	12/02/2009	2,500,000.00	2,502,157.50	2,500,005.76	1.250	730	700	1.250	12/02/2011
3133XUR47	2953	Fed. Home Loan Bank	09/24/2009	10,000,000.00	10,037,500.00	10,000,000.00	2.000	1,096	997	2.000	09/24/2012
3133XSF29	2836	Fed. Home Loan Bank	10/15/2008	5,000,000.00	5,051,550.00	5,000,000.00	4.050	1,843	1,200	4.050	04/15/2013
3128X83D2	2940	Fed. Home Loan Mgt. Corp.	07/21/2009	5,000,000.00	5,006,900.00	5,000,000.00	3.000	1,826	1,662	3.000	07/21/2014
3136FJUF6	2970	Federal Natl. Mgt. Assn.	12/07/2009	5,000,000.00	4,918,750.00	4,999,257.14	3.400	2,557	2,532	3.402	12/07/2016
3133XVXM8	2969	Fed. Home Loan Bank	11/25/2009	10,000,000.00	10,000,000.00	10,000,000.00	2.000	3,652	3,615	2.000	11/25/2019
18627TAA3	1852-B	U.S. GSA, COPs	04/01/2005	3,590,000.00	3,472,212.10	3,589,140.00	6.800	5,402	3,666	6.602	04/15/2020
19647TAA3	1764-B	U.S. GSA, COPs	04/01/2005	70,000.00	67,703.30	70,000.00	6.800	5,402	3,666	6.599	04/15/2020
3133XLP2	2917	Fed. Home Loan Bank	04/17/2009	5,000,000.00	5,435,950.00	5,553,889.44	5.750	4,802	4,543	4.566	06/10/2022
31398ALF7	2885	Federal Natl. Mgt. Assn.	02/18/2009	10,000,000.00	10,025,000.00	10,092,286.19	5.210	5,089	4,772	5.110	01/25/2023
				56,160,000.00	56,517,722.90	56,804,588.53		3,120	2,846	3.458	
Municipals--Coupon											
974603QJ4	2956	Winnebago Cnty, WI	11/10/2009	655,000.00	654,960.70	655,000.00	1.000	142	90	1.000	04/01/2010
12145RAD3	2924	Burlingame, CA Pension	05/07/2009	915,000.00	929,685.75	926,386.02	5.235	390	151	2.201	06/01/2010
492279AL8	2931	Kern Cnty, CA	05/29/2009	2,090,000.00	2,152,010.30	2,151,333.26	7.020	443	226	2.210	08/15/2010
167485E49	2846	Chicago, IL G.O. Taxable	11/16/2008	3,020,000.00	3,131,589.00	3,046,530.42	5.011	807	365	4.080	01/01/2011
974603QK1	2957	Winnebago Cnty, WI	11/10/2009	40,000.00	39,960.80	40,000.00	1.300	507	455	1.300	04/01/2011
278445FK2	2945	Eau Claire ASD, WI	08/03/2009	520,000.00	531,731.20	520,000.00	2.600	972	821	2.599	04/01/2012
750046GW8	2943	Racine USD, WI	07/28/2009	1,000,000.00	1,022,560.00	1,000,000.00	2.600	978	821	2.601	04/01/2012
974603QL9	2958	Winnebago Cnty, WI	11/10/2009	355,000.00	354,630.80	355,000.00	2.150	873	821	2.150	04/01/2012
835574BM5	2938	Sonoma Cnty Pension, CA	06/23/2009	3,600,000.00	3,740,436.00	3,593,130.05	4.210	1,257	1,065	4.280	12/01/2012
750046GX6	2944	Racine USD, WI	07/28/2009	865,000.00	889,349.75	865,000.00	3.100	1,343	1,186	3.101	04/01/2013
974603QM7	2959	Winnebago Cnty, WI	11/10/2009	365,000.00	364,007.20	365,000.00	2.400	1,238	1,186	2.400	04/01/2013
974603QN5	2960	Winnebago Cnty, WI	11/10/2009	370,000.00	367,202.80	370,000.00	3.000	1,603	1,551	3.000	04/01/2014
974603QP0	2961	Winnebago Cnty, WI	11/10/2009	385,000.00	382,339.65	385,000.00	3.200	1,968	1,916	3.200	04/01/2015
974603QQ8	2962	Winnebago Cnty, WI	11/10/2009	395,000.00	389,236.95	395,000.00	3.700	2,334	2,282	3.701	04/01/2016
392643PJ5	2492-B	Green Bay School District, WI	04/01/2005	1,000,000.00	907,800.00	999,456.38	5.000	4,383	2,647	5.009	04/01/2017
974603QR6	2963	Winnebago Cnty, WI	11/10/2009	405,000.00	395,506.80	405,000.00	4.000	2,699	2,647	4.001	04/01/2017
797398EG5	2850	San Diego Pension	11/13/2008	3,000,000.00	3,117,570.00	2,951,866.83	5.728	3,197	2,783	6.000	08/15/2017
974603QS4	2964	Winnebago Cnty, WI	11/10/2009	420,000.00	409,978.80	420,000.00	4.250	3,064	3,012	4.251	04/01/2018
974603QT2	2965	Winnebago Cnty, WI	11/10/2009	435,000.00	425,295.15	435,000.00	4.450	3,429	3,377	4.451	04/01/2019
649666HA1	2902	New York, NY	03/13/2009	1,000,000.00	1,082,650.00	1,017,486.52	6.491	4,371	4,077	6.266	03/01/2021
786106GN8	2871	Sacramento Cnty, CA	12/26/2006	3,500,000.00	3,819,235.00	3,936,519.32	7.680	4,615	4,244	6.122	08/15/2021
518516PF0	2623	Meridian, MS	07/24/2006	565,000.00	578,407.45	561,388.12	6.000	5,821	4,564	6.399	07/01/2022
518516PG8	2624	Meridian, MS	07/24/2006	445,000.00	453,619.65	440,161.68	6.000	6,186	4,929	6.441	07/01/2023

005B-EOM, Aggregate Portfolio
Portfolio Management
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CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Rated	Term	Days to Maturity	YTM	Maturity Date	
Municipals--Coupon												
60415NE24	2625	Minnesota HFA	07/27/2006	2,985,000.00	3,039,327.00	3,020,327.43	6.300	6,183	4,929	6.158	07/01/2023	
088518CK9	2845	Bexar Cnty, TX	10/15/2008	3,420,000.00	3,596,061.60	3,487,620.65	6.360	5,417	4,974	6.136	08/15/2023	
518516PH6	2631	Meridian, MS	07/31/2006	740,000.00	743,751.80	727,112.02	6.000	6,545	5,295	6.505	07/01/2024	
489636MM5	2941	Kenosha SCD, WI	07/15/2009	2,400,000.00	2,435,160.00	2,468,256.15	8.000	5,739	5,569	7.671	04/01/2025	
518516PJ2	2630	Meridian, MS	07/31/2006	790,000.00	785,275.80	772,147.11	6.000	6,910	5,660	6.549	07/01/2025	
60374AW39	2810	Minneapolis, MN	04/11/2006	2,000,000.00	1,959,520.00	2,027,561.37	6.000	7,236	5,875	5.853	02/01/2026	
613035XA7	2858	Montgomery, ALA	12/01/2008	500,000.00	473,165.00	452,276.56	5.190	6,330	5,934	6.153	04/01/2026	
977100AC0	2844	Wisconsin Gen Rev	10/07/2008	555,000.00	538,316.70	539,890.52	5.700	6,415	5,964	5.971	05/01/2026	
987830KW5	2622	Ypsilanti, MI	07/24/2006	2,000,000.00	1,949,580.00	2,018,704.96	6.150	7,221	5,964	6.051	05/01/2026	
274407SS5	2894	East Peoria, IL	03/10/2009	3,930,000.00	3,375,673.50	3,566,506.08	5.500	6,506	6,209	6.420	01/01/2027	
461225CU6	2869	Inver Grove Heights MN ISD # 1	01/06/2009	2,175,000.00	2,153,054.25	2,174,856.06	6.700	6,600	6,240	6.700	02/01/2027	
849067J79	2857	Spokane, WA	12/01/2008	2,000,000.00	1,799,400.00	1,778,229.39	5.340	6,939	6,543	6.420	12/01/2027	
981305SA4	2890	City of Worcester, MA	02/26/2009	3,500,000.00	3,589,075.00	3,533,426.68	6.250	6,883	6,574	6.159	01/01/2028	
461225CV4	2868	Inver Grove Heights MN ISD # 1	01/06/2009	2,320,000.00	2,293,598.40	2,315,159.94	6.750	6,965	6,605	6.770	02/01/2028	
686053GG8	2859	Oregon School Bnd	12/01/2008	500,000.00	412,575.00	429,040.89	4.759	7,151	6,755	6.082	06/30/2028	
778102L76	2867	Roseville, MN ISD # 623	01/07/2006	3,540,000.00	3,838,422.00	3,540,000.00	7.250	7,330	6,971	7.247	02/01/2029	
074851MU7	2609	Beaver County, PA	04/11/2006	3,000,000.00	2,563,980.00	2,900,647.46	5.650	9,014	7,653	5.953	12/15/2030	
452151LF8	2849	Illinois State Pension	11/13/2008	3,000,000.00	2,507,610.00	2,517,406.82	5.100	8,966	8,552	6.481	06/01/2033	
794879DC7	2870	Salinas Schools, CA	12/26/2008	2,815,000.00	2,880,899.15	3,091,198.87	7.350	8,953	8,582	6.505	07/01/2033	
794879DC7	2927	Salinas Schools, CA	05/14/2009	250,000.00	255,852.50	256,106.16	7.350	8,814	8,582	7.128	07/01/2033	
280455CL8	2868	Edgewood Sch Dist, OH	11/12/2009	4,000,000.00	4,097,880.00	4,112,770.18	7.500	10,246	10,196	7.261	12/01/2037	
930353HN0	2954	Wadsworth Sch Dist, OH	09/28/2009	2,880,000.00	3,043,872.00	3,076,669.67	7.000	10,291	10,196	6.466	12/01/2037	
969788FQ6	2951	Williamson Cnty Schl, IL	07/30/2009	3,500,000.00	3,914,470.00	3,708,619.33	8.250	13,304	13,149	7.752	01/01/2046	
				Subtotal and Average	78,386,283.45	78,348,782.90		6,113	5,656	5.868		
Zero Coupon Bonds												
011112AV1	2920	Alameda Cnty, CA Pension	04/28/2009	5,000,000.00	3,793,000.00	3,734,935.14	4.978	2,043	1,795	6.024	12/01/2014	
465139DE0	2887	Agy for Int'l Development	02/20/2009	1,000,000.00	723,630.00	733,804.81	3.352	3,129	2,814	4.059	09/15/2017	
465139BN2	2888	Agy for Int'l Development	02/24/2009	10,000,000.00	6,404,500.00	6,651,659.57	3.347	3,855	3,544	4.247	09/15/2019	
672319BA7	2837	Oakland, CA	10/02/2008	6,000,000.00	2,681,820.00	3,140,088.78	4.151	4,457	4,001	6.000	12/15/2020	
625506HP8	2903	Multnomah Cnty, OR	03/13/2009	6,615,000.00	3,347,123.85	2,993,009.50	4.615	4,463	4,169	7.070	06/01/2021	
969078QN7	2909	Willi Cnty Sch Dist 365, IL	03/24/2009	9,850,000.00	2,656,840.50	2,576,646.57	3.782	7,162	6,879	7.249	11/01/2028	
				Subtotal and Average	19,606,914.35	19,630,144.37		4,104	3,788	5.688		

Portfolio METC
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PM (PRF_PN2) SymRept: 6.41.2026



005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
December 31, 2009

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
Managed Pool Accounts -2											
SYS1-OPEB-RA	OPEB-1-RA	State Board of Investment		2,275,666.72	1,981,722.09	2,275,666.72	1.526	1	1	1.526	
SYS2-OPEB-ES	OPEB-2-ES	State Board of Investment		31,573,125.51	27,494,869.79	31,573,125.51	1.526	1	1	1.526	
SYS3-OPEB-MT	OPEB-3-MT	State Board of Investment		47,406,167.42	41,282,780.20	47,406,167.42	1.526	1	1	1.526	
	Subtotal and Average			81,254,959.65	70,759,372.08	81,254,959.65		1	1	1.526	
	Total and Average			458,259,013.71	429,421,226.84	441,279,410.06		1,863	1,728	2.164	

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Cash
December 31, 2009

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM
Non-Interest Bearing Acct.										
SYS2394	2385	Dain--Hedging, Cash, Diesel		5,177,751.34	5,177,751.34	5,177,751.34		1	1	0.000
SYSBank-024	Bank-024	MT-Admin (Mears Park)	01/01/2009	0.00	0.00	0.00		1	1	0.000
MT-TVM	Bank-0022	MT-TVM Coin and Currency	01/01/2009	0.00	0.00	0.00		1	1	0.000
SYS2843	2843	Dain--Hedging, Cash, Nat. Gas		-2,966,213.18	-2,966,213.18	-2,966,213.18		1	1	0.000
1047-5623-0983	Bank-0020	U.S. Bank	01/01/2009	0.00	0.00	0.00		1	1	0.000
SYSBank-0021	Bank-0021	U.S. Bank	01/01/2009	0.00	0.00	0.00		1	1	0.000
1047-5623-0975	Bank-18A	U.S. Bank	01/01/2009	0.00	0.00	0.00		1	1	0.000
				Subtotal and Average	0.00	0.00		1	1	
				Ending Accrued Interest	2,323,566.97	2,323,566.97				
				Subtotal	4,535,105.13	4,535,105.13				
				Total Cash and Investments Value	460,470,551.87	445,814,515.19		1,863	1,728	2.164

Portfolio METC
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PM (PRF_PM2) SymRept 6.41.202b

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METROPOLITAN COUNCIL

Metropolitan Council
Fiscal Services--Treasury Ops.
390 Robert Street North
St. Paul, MN 55101-1805
(651)602-1629

005-EOM, MCOA ST-LT-EFPM, I=FAC
Purchases Report
Sorted by Port - Port
October 1, 2009 - December 31, 2009

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
MCOA, Taxable, EFPMs													
912795Q20	2967	MCTXF	ATD	UST	5,000,000.00	10/15/2009	11/05 - At Maturity	4,999,903.92		0.035	11/05/2009	0.035	0.00
3133XVNG2	2966	MCTXF	FAC	3133M8	2,500,000.00	12/02/2009	12/02 - Final Pmt.	2,500,006.00		1.250	12/02/2011	1.250	2,500,005.76
				Subtotal	7,500,000.00			7,499,909.92	0.00				2,500,005.76
MCOA, Taxable, Long-Term													
974603QJ4	2956	MCTXL	MUN	974603	655,000.00	11/10/2009	04/01 - Final Pmt.	655,000.00		1.000	04/01/2010	1.000	655,000.00
974603QK1	2957	MCTXL	MUN	974603	40,000.00	11/10/2009	04/01 - 10/01	40,000.00		1.300	04/01/2011	1.300	40,000.00
974603QL9	2958	MCTXL	MUN	974603	355,000.00	11/10/2009	04/01 - 10/01	355,000.00		2.150	04/01/2012	2.150	355,000.00
974603QM7	2959	MCTXL	MUN	974603	365,000.00	11/10/2009	04/01 - 10/01	365,000.00		2.400	04/01/2013	2.400	365,000.00
974603QN5	2960	MCTXL	MUN	974603	370,000.00	11/10/2009	04/01 - 10/01	370,000.00		3.000	04/01/2014	3.000	370,000.00
974603QP0	2961	MCTXL	MUN	974603	385,000.00	11/10/2009	04/01 - 10/01	385,000.00		3.200	04/01/2015	3.200	385,000.00
974603QR6	2962	MCTXL	MUN	974603	395,000.00	11/10/2009	04/01 - 10/01	395,000.00		3.700	04/01/2016	3.700	395,000.00
974603QR6	2963	MCTXL	MUN	974603	405,000.00	11/10/2009	04/01 - 10/01	405,000.00		4.000	04/01/2017	4.000	405,000.00
974603QS4	2964	MCTXL	MUN	974603	420,000.00	11/10/2009	04/01 - 10/01	420,000.00		4.250	04/01/2018	4.250	420,000.00
974603QT2	2965	MCTXL	MUN	974603	435,000.00	11/10/2009	04/01 - 10/01	435,000.00		4.450	04/01/2019	4.450	435,000.00
280455CL8	2968	MCTXL	MUN	280455	4,000,000.00	11/12/2009	06/01 - 12/01	4,113,320.00		7.500	12/01/2037	7.261	4,112,770.18
3136FJUF6	2970	MCTXL	FAC	FNMA	5,000,000.00	12/07/2009	06/07 - 12/07	4,999,250.00		3.400	12/07/2016	3.402	4,999,257.14
3133XW4N6	2971	MCTXL	TRC	FHLB	9,000,000.00	12/23/2009	03/23 - Quarterly	9,000,000.00		2.125	12/23/2019	2.125	9,000,000.00
				Subtotal	21,825,000.00			21,937,570.00	0.00				21,937,027.32
MCOA, Taxable, Short-Term													
3133XVXM8	2969	MCTXS	FAC	FHLB	10,000,000.00	11/25/2009	02/25 - Quarterly	10,000,000.00		2.000	11/25/2019	2.028	10,000,000.00
38141W364	2973	MCTXS	LA1	GS	30,000,000.00	12/17/2009	01/02 - Monthly	30,000,000.00		0.150		0.150	90,500,000.00
				Subtotal	40,000,000.00			40,000,000.00	0.00				100,500,000.00
				Total Purchases	69,325,000.00			69,437,479.92	0.00				124,937,033.08

METROPOLITAN COUNCIL

Metropolitan Council
 Fiscal Services--Treasury Ops.
 390 Robert Street North
 St. Paul, MN 55101-1805
 (651)602-1629

METC 2009
Sales/Call Report
 Sorted by Port - Maturity Date
 October 1, 2009 - December 31, 2009

CUSIP	Investment #	Port	Issuer Sec. Type	Purchase Date	Redem. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
MCOA, Taxable, Long-Term												
465139DL4	2901	MCTXLT	AID ASB	03/13/2009	10/28/2009	10,000,000.00	3.619	5,948,956.52	6,048,300.00	0.00	6,048,300.00	99,343.48
					09/15/2020						Sale	
3133XSHE1	2847	MCTXLT	FHLB MC1	10/27/2008	10/27/2009	5,000,000.00	8.750	5,000,000.00	5,000,000.00	110,273.98	5,110,273.98	110,273.98
					10/27/2023						Call	
13063AHA5	2930	MCTXLT	CAL MUN	05/29/2009	10/29/2009	2,325,000.00	5.168	2,327,955.15	2,325,000.00	9,345.34	2,334,345.34	6,390.19
					10/01/2037						Call	
				Subtotal		17,325,000.00		13,276,911.67	13,373,300.00	119,619.32	13,492,919.32	216,007.65
				Total Sales		17,325,000.00		13,276,911.67	13,373,300.00	119,619.32	13,492,919.32	216,007.65

Portfolio MC09
 NLI AP
 SA (PRF_SA) SymRept.6.41.202b
 Report Ver. 5.00