



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 2017

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the Edwards Aquifer Authority is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Felix Marquez, Executive Director - Administration & Financial Services

Shelly Hendrix, Controller - Administration & Financial Services

Disclaimer: These reports were compiled using information provided by the Edwards Aquifer Authority. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations, these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

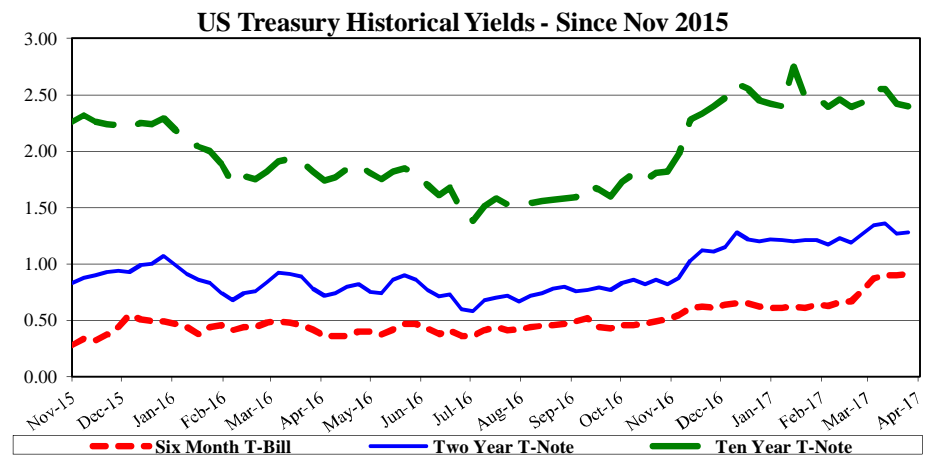
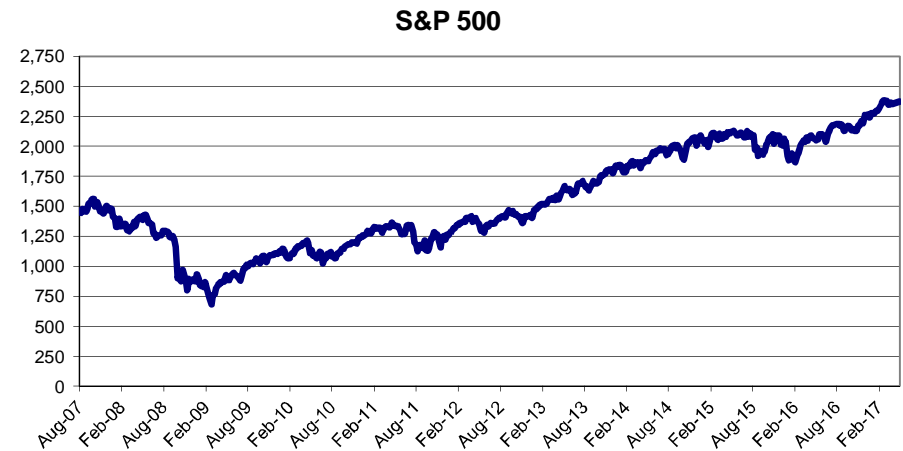
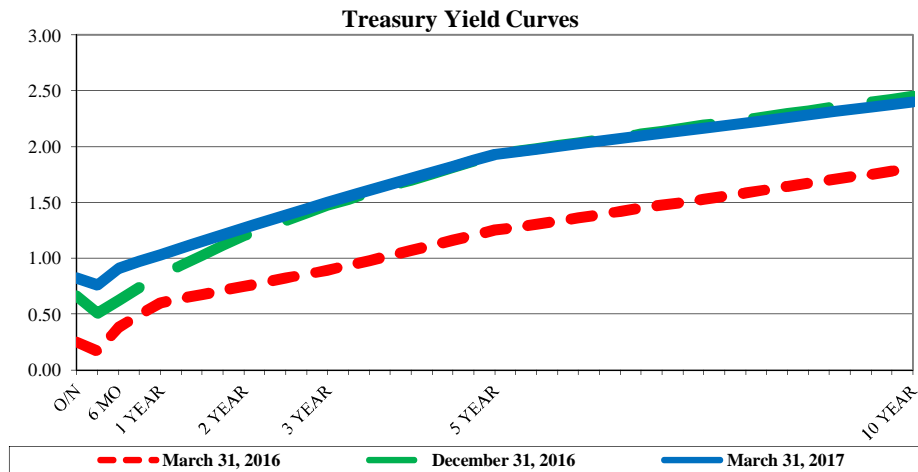
<u>Asset Type</u>	<u>Avg. Yield</u>	<u>March 31, 2017</u>		<u>December 31, 2016</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
DDA/MMA/NOW	0.76%	\$ 36,744,275	\$ 36,744,275	\$ 44,296,806	\$ 44,296,806
Securities/CDs	1.19%	4,227,456	4,227,456	1,227,456	1,227,456
Totals		\$ 40,971,731	\$ 40,971,731	\$ 45,524,262	\$ 45,524,262

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.81%	Total Portfolio	0.81%
Rolling Three Mo. Treas. Yield	0.60%	Rolling Three Mo. Treas. Yield	0.60%
Rolling Six Mo. Treas. Yield	0.64%	Rolling Six Mo. Treas. Yield	0.64%
		Quarterly TexPool Yield	0.62%
Quarterly Interest Income	\$ 64,091	Approximate	
Year-to-date Interest Income	\$ 64,091	Approximate	

(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. First two quarters are estimated using staff-generated monthly reports

The Federal Open Market Committee (FOMC) raised the Fed Funds target range of 0.75% - 1.00% (actual Fed Funds are trading +/-90 bps). There are mixed anticipations for additional FOMC actions this year. Some look for another rise as early as the June FOMC meeting. Final revision 4th Quarter 2016 GDP increased to 2.1%. US data reflects continuing modest to moderate economic growth. The Stock Markets recorded new highs. Financial Institution deposits (MMAs and CDs) generally offer the best interest earnings opportunity.



Investment Holdings

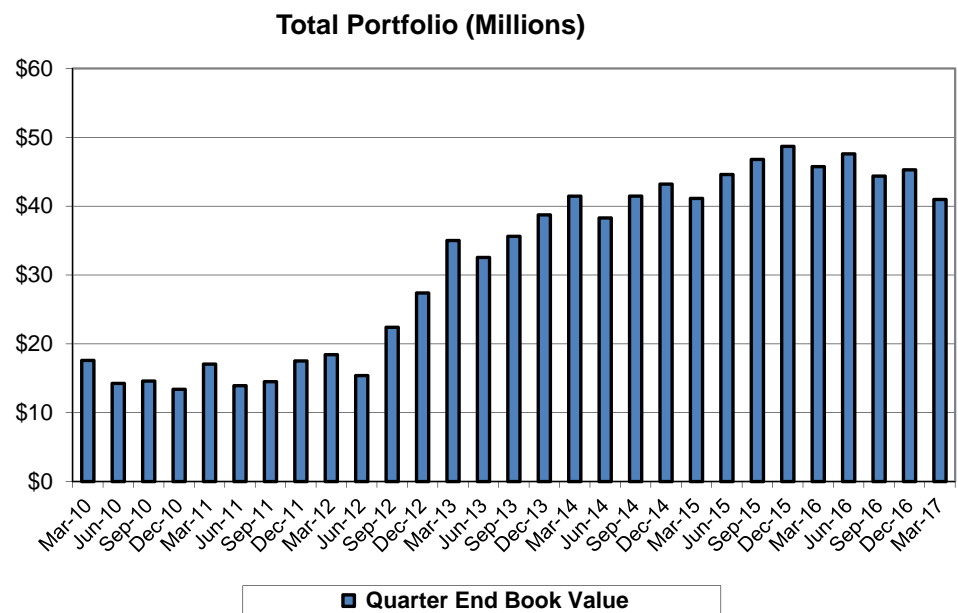
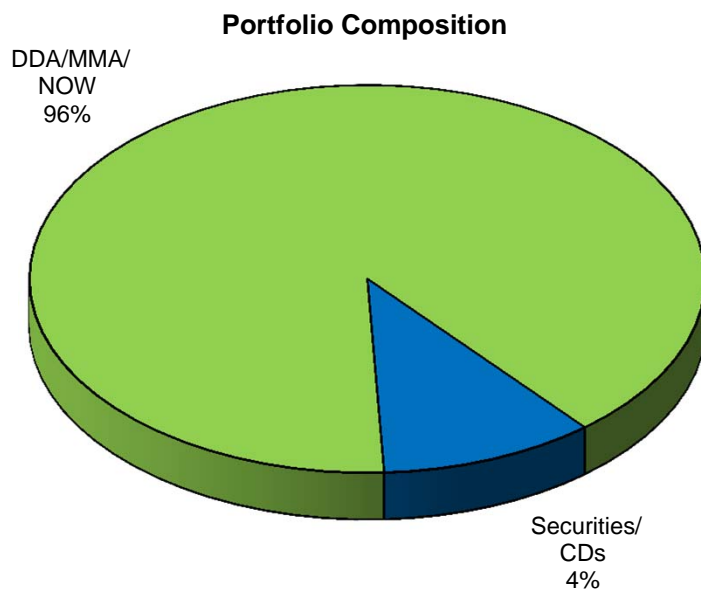
March 31, 2017

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Petty Cash		0.00%	04/01/17	03/31/17	\$ 629	\$ 629	1.00	\$ 629	1	0.00%
Southside Bank MMA (3)		0.76%	04/01/17	03/31/17	9,410,268	9,410,268	1.00	9,410,268	1	0.76%
BBVA Compass MMA		0.35%	04/01/17	03/31/17	7,262,562	7,262,562	1.00	7,262,562	1	0.35%
Green Bank MMA		0.86%	04/01/17	03/31/17	15,060,689	15,060,689	1.00	15,060,689	1	0.86%
NexBank MMA		1.07%	04/01/17	03/31/17	5,010,127	5,010,127	1.00	5,010,127	1	1.07%
Origin Bank CD		1.00%	04/01/17	04/01/16	247,456	247,456	100.00	247,456	1	1.00%
Community National Bank CD - Medina		0.50%	09/04/17	09/05/16	245,000	245,000	100.00	245,000	157	0.50%
Lubbock National Bank CD		1.25%	07/26/18	01/30/17	1,000,000	1,000,000	100.00	1,000,000	482	1.25%
Lubbock National Bank CD		1.35%	09/01/18	03/02/17	1,000,000	1,000,000	100.00	1,000,000	519	1.35%
Southside Bank CD		1.27%	10/01/18	03/31/17	1,000,000	1,000,000	100.00	1,000,000	549	1.27%
TexStar Bank CD - Comal		0.80%	10/29/18	10/28/16	245,000	245,000	100.00	245,000	577	0.80%
Castroville State Bank CD - Medina		0.90%	11/06/18	11/07/16	245,000	245,000	100.00	245,000	585	0.90%
Hondo National Bank CD - Medina		1.50%	03/26/19	03/26/17	245,000	245,000	100.00	245,000	725	1.50%
					\$ 40,971,731	\$ 40,971,731		\$ 40,971,731	51	0.81%
									(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market mutual funds are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools and money market mutual funds.

(3) **Yield Estimated** - based on average TexPool rate + 0.15%.



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2016		Purchases/ Adjustments	Sales/Adjust/ Maturities	March 31, 2017	
			Par Value	Book Value			Par Value	Book Value
Petty Cash	0.00%	04/01/17	\$ 821	\$ 821	\$ —	\$ (192)	\$ 629	\$ 629
Southside Bank MMA	0.76%	04/01/17	15,390,279	15,390,279		(5,980,011)	9,410,268	9,410,268
BBVA Compass MMA	0.35%	04/01/17	8,844,883	8,844,883		(1,582,321)	7,262,562	7,262,562
LegacyTexas MMA	0.00%	04/01/17	5,030,010	5,030,010		(5,030,010)	—	—
Green Bank MMA	0.86%	04/01/17	15,030,813	15,030,813	29,876		15,060,689	15,060,689
NexBank MMA	1.07%	04/01/17	—	—	5,010,127		5,010,127	5,010,127
Hondo National Bank CD - Medina	1.10%	03/26/17	245,000	245,000		(245,000)	—	—
Origin Bank CD	1.00%	04/01/17	247,456	247,456			247,456	247,456
Community National Bank CD - Medina	0.50%	09/04/17	245,000	245,000			245,000	245,000
Lubbock National Bank CD	1.25%	07/26/18	—	—	1,000,000		1,000,000	1,000,000
Lubbock National Bank CD	1.35%	09/01/18	—	—	1,000,000		1,000,000	1,000,000
Southside Bank CD	1.27%	10/01/18	—	—	1,000,000		1,000,000	1,000,000
TexStar Bank CD - Comal	0.80%	10/29/18	245,000	245,000			245,000	245,000
Castroville State Bank CD - Medina	0.90%	11/06/18	245,000	245,000			245,000	245,000
Hondo National Bank CD - Medina	1.50%	03/26/19	—	—	245,000		245,000	245,000
TOTAL			\$ 45,524,262	\$ 45,524,262	\$ 8,285,003	\$ (12,837,534)	\$ 40,971,731	\$ 40,971,731

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2016		Qtr to Qtr Change	March 31, 2017	
			Par Value	Market Value		Par Value	Market Value
Petty Cash	0.00%	04/01/17	\$ 821	\$ 821	\$ (192)	\$ 629	\$ 629
Southside Bank MMA	0.76%	04/01/17	15,390,279	15,390,279	(5,980,011)	9,410,268	9,410,268
BBVA Compass MMA	0.35%	04/01/17	8,844,883	8,844,883	(1,582,321)	7,262,562	7,262,562
LegacyTexas MMA	0.00%	04/01/17	5,030,010	5,030,010	(5,030,010)	—	—
Green Bank MMA	0.86%	04/01/17	15,030,813	15,030,813	29,876	15,060,689	15,060,689
NexBank MMA	1.07%	04/01/17	—	—	5,010,127	5,010,127	5,010,127
Hondo National Bank CD - Medina	1.10%	03/26/17	245,000	245,000	(245,000)	—	—
Origin Bank CD	1.00%	04/01/17	247,456	247,456		247,456	247,456
Community National Bank CD - Medina	0.50%	09/04/17	245,000	245,000		245,000	245,000
Lubbock National Bank CD	1.25%	07/26/18	—	—	1,000,000	1,000,000	1,000,000
Lubbock National Bank CD	1.35%	09/01/18	—	—	1,000,000	1,000,000	1,000,000
Southside Bank CD	1.27%	10/01/18	—	—	1,000,000	1,000,000	1,000,000
TexStar Bank CD - Comal	0.80%	10/29/18	245,000	245,000		245,000	245,000
Castroville State Bank CD - Medina	0.90%	11/06/18	245,000	245,000		245,000	245,000
Hondo National Bank CD - Medina	1.50%	03/26/19	—	—	245,000	245,000	245,000
TOTAL			\$ 45,524,262	\$ 45,524,262	\$ (4,552,531)	\$ 40,971,731	\$ 40,971,731

**Allocation by Fund
March 31, 2017
Book & Market Value**

	Investment Total	Pooled Cash	General Fund	Edwards Aquifer Habitat Conservation Plan
Petty Cash	\$ 629	\$ 629	\$ —	\$ —
Southside Bank MMA	9,410,268	2,584,057		6,826,211
BBVA Compass MMA	7,262,562	5,073,746		2,188,816
Green Bank MMA	15,060,689			15,060,689
NexBank MMA	5,010,127			5,010,127
04/01/17–Origin Bank CD	247,456		123,728	123,728
09/04/17–Community National Bank CD - Medina	245,000		122,500	122,500
07/26/18–Lubbock National Bank CD	1,000,000			1,000,000
09/01/18–Lubbock National Bank CD	1,000,000		500,000	500,000
10/01/18–Southside Bank CD	1,000,000		500,000	500,000
10/29/18–TexStar Bank CD - Comal	245,000		122,500	122,500
11/06/18–Castroville State Bank CD - Medina	245,000		122,500	122,500
03/26/19–Hondo National Bank CD - Medina	245,000		122,500	122,500
	\$ 40,971,731	\$ 7,658,432	\$ 1,613,728	\$ 31,699,571

**Allocation by Fund
December 31, 2016
Book & Market Value**

	Investment Total	Pooled Cash	General Fund	Edwards Aquifer Habitat Conservation Plan
Petty Cash	\$ 821	\$ 821	\$ –	\$ –
Southside Bank MMA	15,390,279	77,323		15,312,956
BBVA Compass MMA	8,844,883	7,212,674		1,632,209
LegacyTexas MMA	5,030,010			5,030,010
Green Bank MMA	15,030,813			15,030,813
03/26/17–Hondo National Bank CD - Medina	245,000		122,500	122,500
04/01/17–Origin Bank CD	247,456		123,728	123,728
09/05/16–Community National Bank CD - Medina	245,000		122,500	122,500
10/28/16–TexStar Bank CD - Comal	245,000		122,500	122,500
11/07/16–Castroville State Bank CD - Medina	245,000		122,500	122,500
	\$ 45,524,262	\$ 7,290,818	\$ 613,728	\$ 37,619,716