



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 30, 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>June 30, 2017</u>		<u>March 31, 2017</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
DDA/MMA/NOW	0.95%	\$ 37,363,408	\$ 37,363,408	\$ 36,744,275	\$ 36,744,275
Securities/CDs	1.30%	5,980,000	5,980,000	4,227,456	4,227,456
Totals		\$ 43,343,408	\$ 43,343,408	\$ 40,971,731	\$ 40,971,731

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	1.00%	Total Portfolio	0.94%
Rolling Three Mo. Treas. Yield	0.91%	Rolling Three Mo. Treas. Yield	0.76%
Rolling Six Mo. Treas. Yield	0.88%	Rolling Six Mo. Treas. Yield	0.76%
		Quarterly TexPool Yield	0.75%

Quarterly Interest Income \$ 83,190 Approximate
 Year-to-date Interest Income \$ 147,281 Approximate

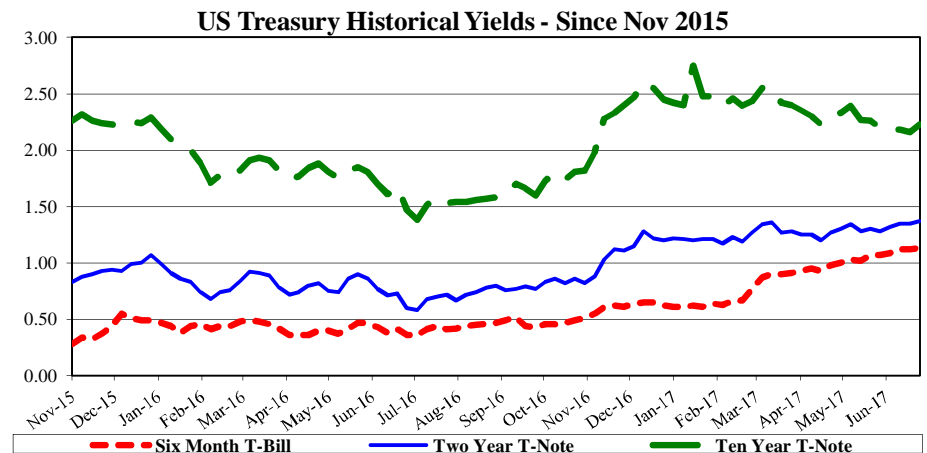
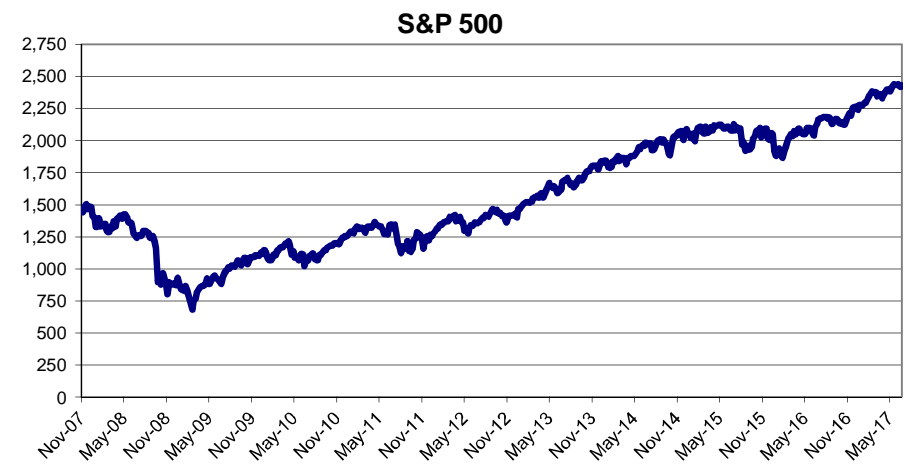
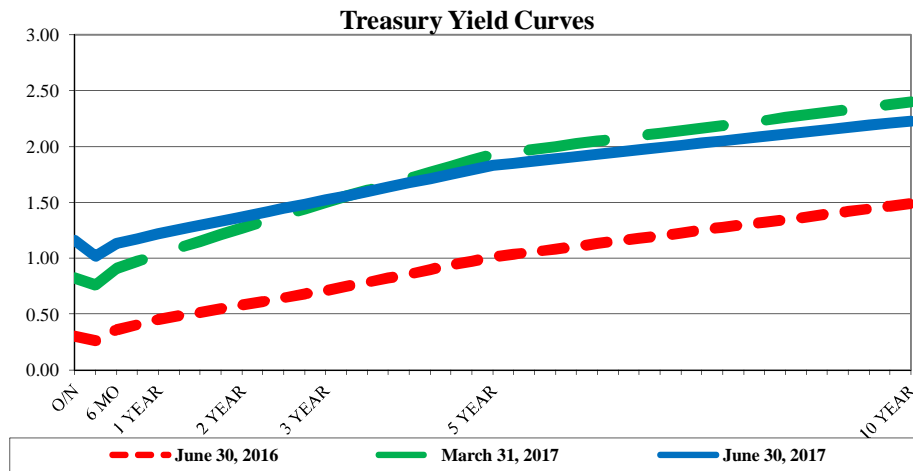
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

Economic Overview

6/30/2017

The Federal Open Market Committee (FOMC) raised the Fed Funds target range to 1.00% - 1.25% (Effective Fed Funds are trading +/-1.16%) at the June FOMC meeting. The market is not confident additional increases will occur during 2017. The Fed anticipates gradually reducing its government bond holdings. Third revision 1st Quarter 2017 GDP was increased to 1.4%. June Non-Farm Payroll increased 222k, with +47k adjustment to Apr/May. Other US data remained volatile with some negative numbers. The Stock Markets remain high. Monitoring estimated balances and needs will determine laddering opportunities.



Investment Holdings

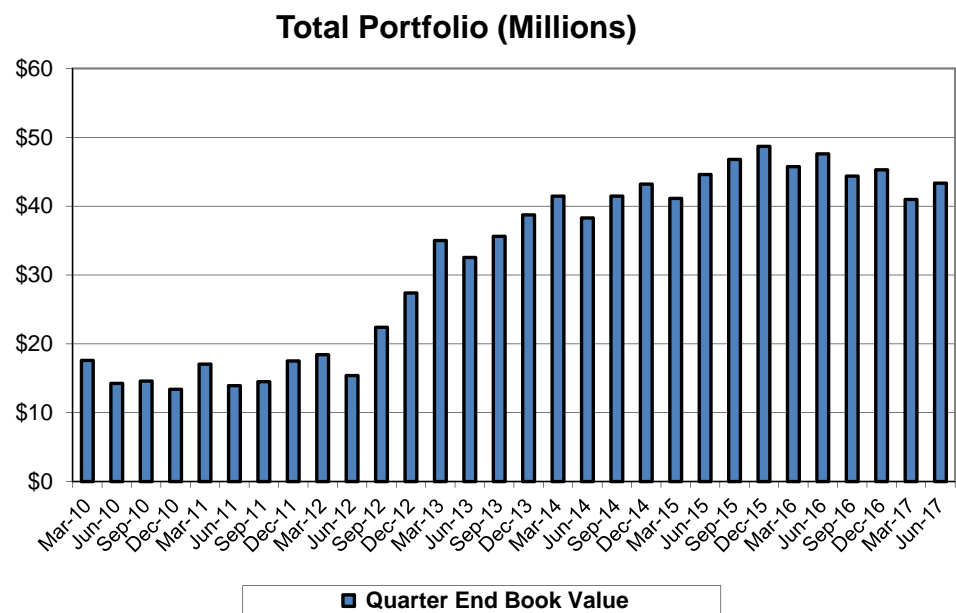
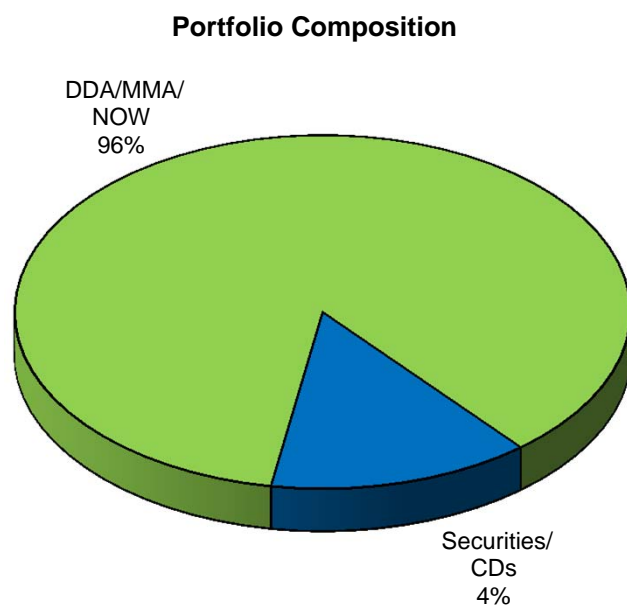
June 30, 2017

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Petty Cash		0.00%	07/01/17	06/30/17	\$ 203	\$ 203	1.00	\$ 203	1	0.00%
Southside Bank MMA (3)		1.02%	07/01/17	06/30/17	6,841,941	6,841,941	1.00	6,841,941	1	1.02%
Southside Bank MMA #2		1.02%	07/01/17	06/30/17	2,590,012	2,590,012	1.00	2,590,012	1	1.02%
BBVA Compass MMA		0.35%	07/01/17	06/30/17	7,806,019	7,806,019	1.00	7,806,019	1	0.35%
Green Bank MMA		1.09%	07/01/17	06/30/17	15,099,426	15,099,426	1.00	15,099,426	1	1.09%
NexBank MMA		1.36%	07/01/17	06/30/17	5,025,807	5,025,807	1.00	5,025,807	1	1.36%
Community National Bank CD - Medina		0.50%	09/04/17	09/05/16	245,000	245,000	100.00	245,000	66	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	391	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	428	1.35%
Southside Bank CD		1.35%	10/01/18	03/31/17	1,000,000	1,000,000	100.00	1,000,000	458	1.35%
TexStar Bank CD - Comal		0.80%	10/29/18	10/28/16	245,000	245,000	100.00	245,000	486	0.80%
Castroville State Bank CD - Medina		0.90%	11/06/18	11/07/16	245,000	245,000	100.00	245,000	494	0.90%
LegacyTexas Bank CD		1.35%	11/12/18	05/12/16	1,000,000	1,000,000	100.00	1,000,000	500	1.35%
LegacyTexas Bank CD		1.55%	12/26/18	06/26/16	1,000,000	1,000,000	100.00	1,000,000	544	1.55%
Hondo National Bank CD - Medina		1.50%	03/26/19	03/26/17	245,000	245,000	100.00	245,000	634	1.50%
					\$ 43,343,408	\$ 43,343,408		\$ 43,343,408	64	1.00%
									(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	March 31, 2017		Purchases/ Adjustments	Sales/Adjust/ Maturities	June 30, 2017	
			Par Value	Book Value			Par Value	Book Value
Petty Cash	0.00%	07/01/17	\$ 629	\$ 629	\$ —	\$ (426)	\$ 203	\$ 203
Southside Bank MMA	1.02%	07/01/17	6,826,211	6,826,211	15,730		6,841,941	6,841,941
Southside Bank MMA #2	1.02%	07/01/17	2,584,057	2,584,057	5,955		2,590,012	2,590,012
BBVA Compass MMA	0.35%	07/01/17	7,262,562	7,262,562	543,457		7,806,019	7,806,019
Green Bank MMA	1.09%	07/01/17	15,060,689	15,060,689	38,737		15,099,426	15,099,426
NexBank MMA	1.36%	07/01/17	5,010,127	5,010,127	15,680		5,025,807	5,025,807
Origin Bank CD	1.00%	04/01/17	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	1,000,000
Lubbock National Bank CD	1.35%	09/01/18	1,000,000	1,000,000			1,000,000	1,000,000
Southside Bank CD	1.35%	10/01/18	1,000,000	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
LegacyTexas Bank CD	1.35%	11/12/18	—	—	1,000,000		1,000,000	1,000,000
LegacyTexas Bank CD	1.55%	12/26/18	—	—	1,000,000		1,000,000	1,000,000
Hondo National Bank CD - Medina	1.50%	03/26/19	245,000	245,000			245,000	245,000
TOTAL			\$ 40,971,731	\$ 40,971,731	\$ 2,619,559	\$ (247,882)	\$ 43,343,408	\$ 43,343,408

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2017		Qtr to Qtr Change	June 30, 2017	
			Par Value	Market Value		Par Value	Market Value
Petty Cash	0.00%	07/01/17	\$ 629	\$ 629	\$ (426)	\$ 203	\$ 203
Southside Bank MMA	1.02%	07/01/17	6,826,211	6,826,211	15,730	6,841,941	6,841,941
Southside Bank MMA #2	1.02%	07/01/17	2,584,057	2,584,057	5,955	2,590,012	2,590,012
BBVA Compass MMA	0.35%	07/01/17	7,262,562	7,262,562	543,457	7,806,019	7,806,019
Green Bank MMA	1.09%	07/01/17	15,060,689	15,060,689	38,737	15,099,426	15,099,426
NexBank MMA	1.36%	07/01/17	5,010,127	5,010,127	15,680	5,025,807	5,025,807
Origin Bank CD	1.00%	04/01/17	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	1,000,000
Lubbock National Bank CD	1.35%	09/01/18	1,000,000	1,000,000		1,000,000	1,000,000
Southside Bank CD	1.35%	10/01/18	1,000,000	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
LegacyTexas Bank CD	1.35%	11/12/18	—	—	1,000,000	1,000,000	1,000,000
LegacyTexas Bank CD	1.55%	12/26/18	—	—	1,000,000	1,000,000	1,000,000
Hondo National Bank CD - Medina	1.50%	03/26/19	245,000	245,000		245,000	245,000
TOTAL			\$ 40,971,731	\$ 40,971,731	\$ 2,371,677	\$ 43,343,408	\$ 43,343,408

Allocation by Fund
June 30, 2017
Book & Market Value

	Investment Total	Pooled Cash	General Fund	Edwards Aquifer Habitat Conservation Plan
Petty Cash	\$ 203	\$ 203	\$ —	\$ —
Southside Bank MMA	9,431,953	2,590,012		6,841,941
BBVA Compass MMA	7,806,019	3,878,734		3,927,285
Green Bank MMA	15,099,426			15,099,426
NexBank MMA	5,025,807			5,025,807
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
11/12/18–LegacyTexas Bank CD	1,000,000		500,000	500,000
12/26/18–LegacyTexas Bank CD	1,000,000		500,000	500,000
03/26/19–Hondo National Bank CD - Medina	245,000		122,500	122,500
	\$ 43,343,408	\$ 6,468,949	\$ 2,490,000	\$ 34,384,459

**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