



# QUARTERLY INVESTMENT REPORT

**For the Quarter Ended**

**March 31, 2019**

**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.

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Felix Marquez, Executive Director - Administration & Financial Services

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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>December 31, 2018</u>		<u>March 31, 2019</u>		
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Avg. Yield</u>
DDA/MMA/NOW	\$ 34,000,389	\$ 34,000,389	\$ 20,908,523	\$ 20,908,523	2.54%
Securities/CDs	11,767,201	11,767,201	19,136,638	19,129,687	2.64%
<b>Totals</b>	<b>\$ 45,767,590</b>	<b>\$ 45,767,590</b>	<b>\$ 40,045,161</b>	<b>\$ 40,038,210</b>	

#### Average Yield - Current Quarter (1)

Total Portfolio	2.59%
Rolling Three Month Treasury	2.44%
Rolling Six Month Treasury	2.51%

#### Fiscal Year-to-Date Average Yield (2)

Total Portfolio	2.59%
Rolling Three Month Treasury	2.44%
Rolling Six Month Treasury	2.51%
TexPool	2.42%

#### Interest Revenue (Approximate)

Quarterly Interest Income	\$ 239,763
Year-to-date Interest Income	\$ 239,763

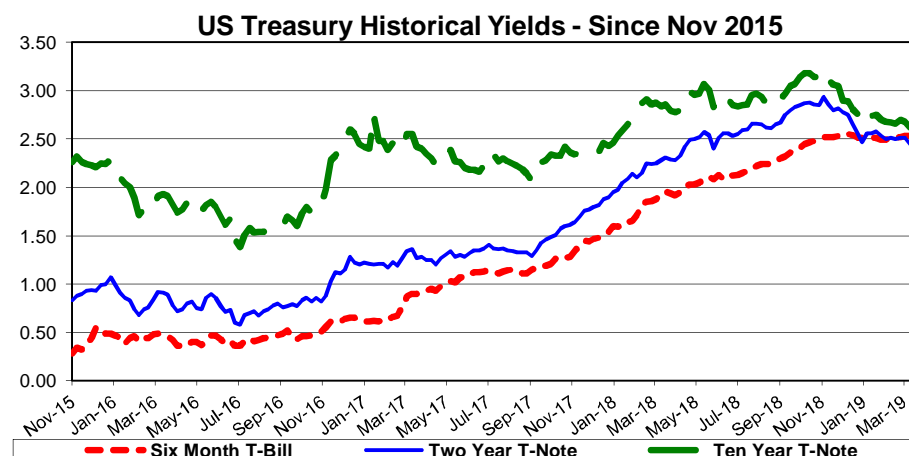
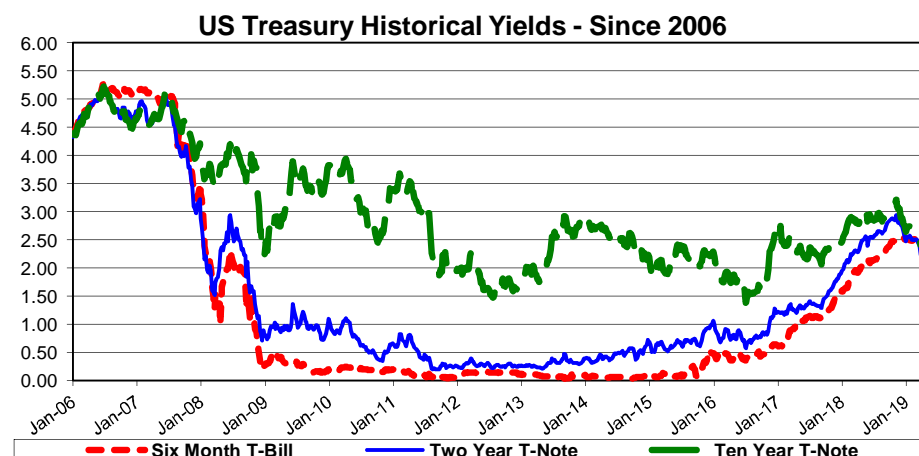
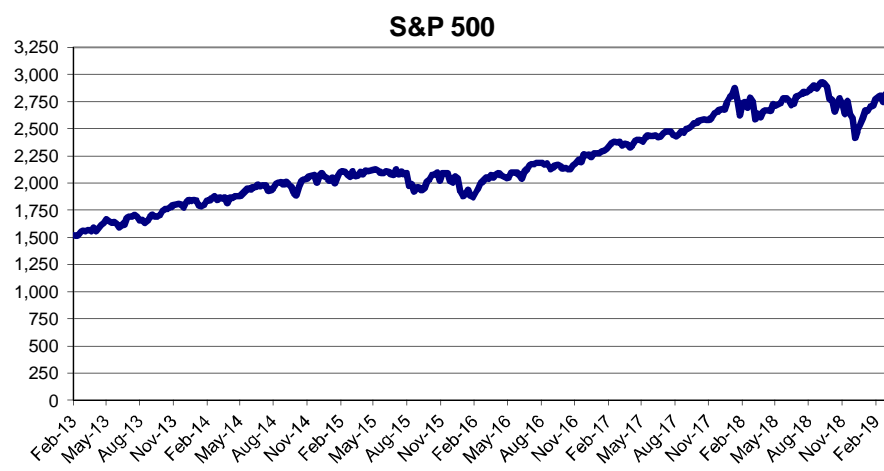
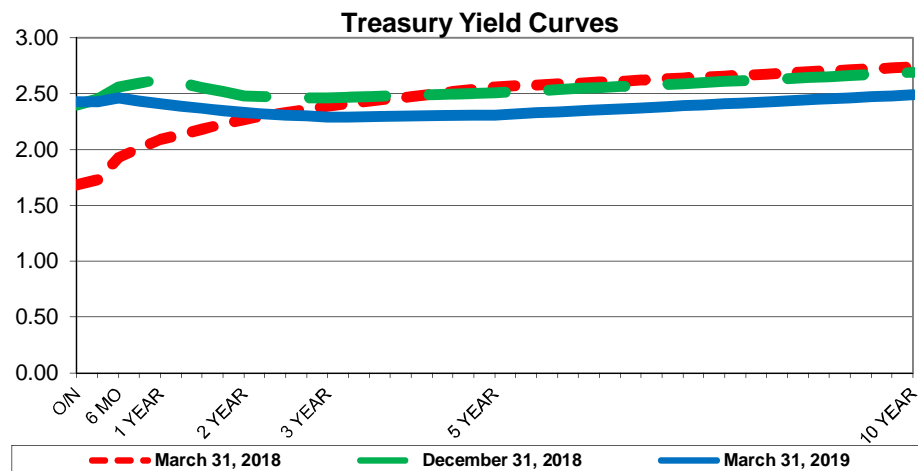
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

3/31/2019

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range to 2.25% - 2.50% (Effective Fed Funds are trading +/-2.40%). The market projections now lean towards decreases late 2019 or early 2020. Gradual FRB portfolio reduction continues by limiting reinvestment of maturing holdings, but that strategy will end this summer. February Non Farm Payroll plunged to only 20,000 new jobs (although Dec and Jan were revised up slightly). Fourth quarter GDP registered 2.2% (final). Crude oil remained +/- \$55. The Stock Markets continued higher from December lows. Housing mostly mixed. The mid-maturity yield curve is lower and still sway-backed.



## Investment Holdings

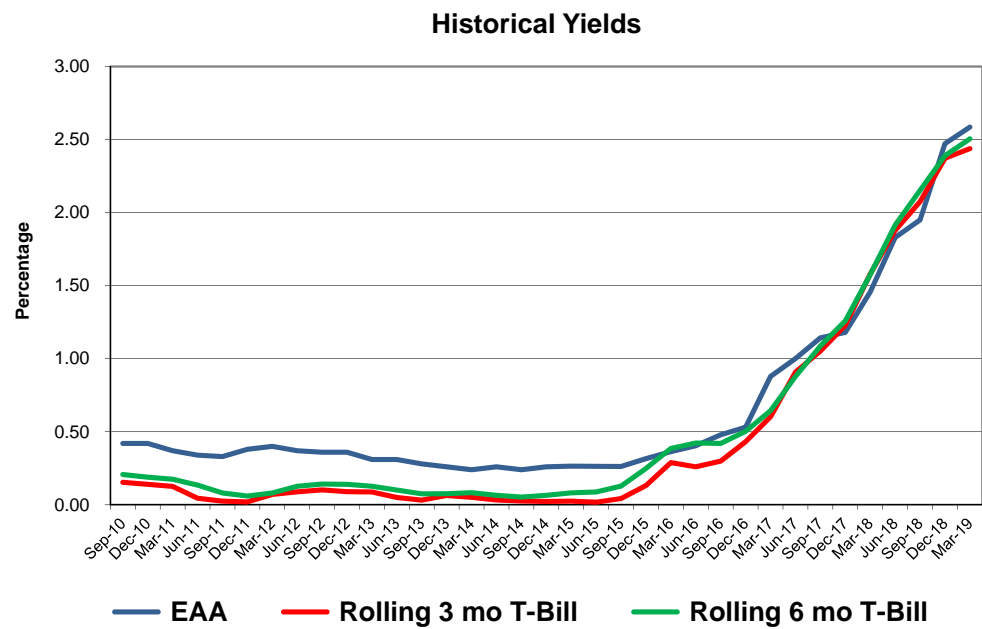
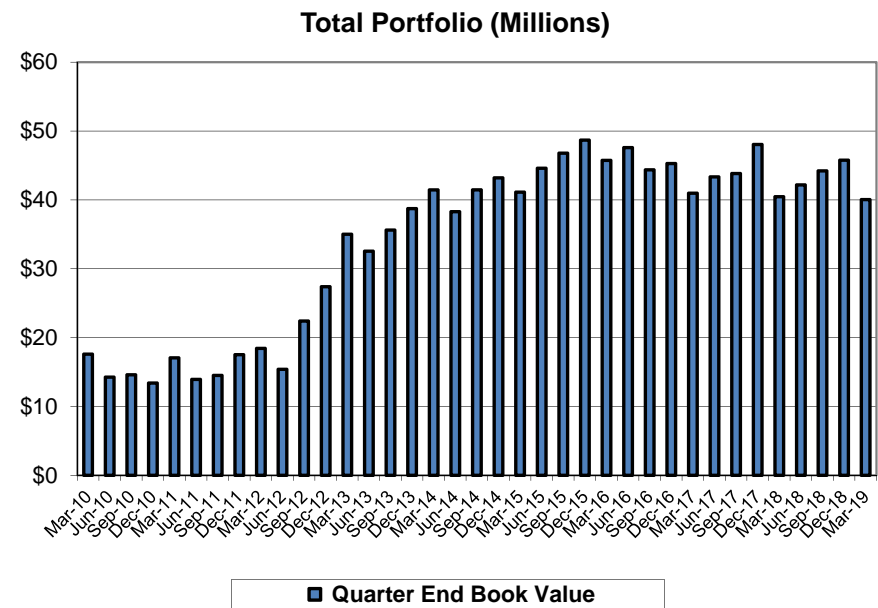
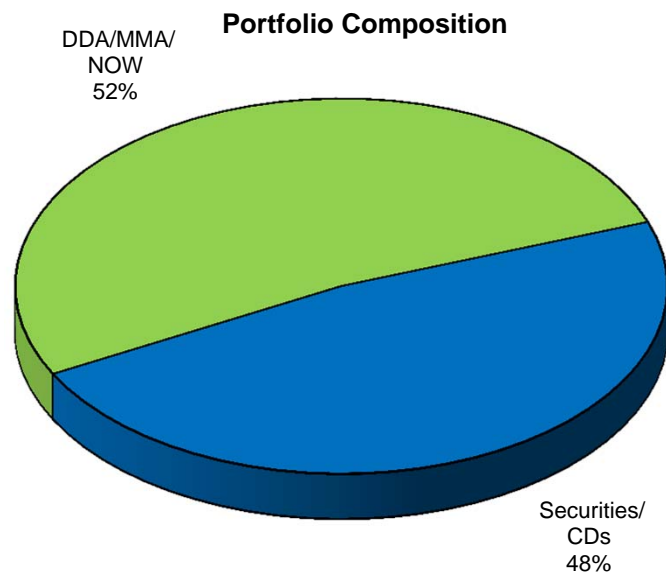
March 31, 2019

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Petty Cash		0.00%	04/01/19	03/31/19	\$ 980	\$ 980	1.00	\$ 980	1	0.00%
Southside Bank MMA (3)		2.59%	04/01/19	03/31/19	821,920	821,920	1.00	821,920	1	2.59%
Southside Bank MMA (3) #2		2.59%	04/01/19	03/31/19	1,986,412	1,986,412	1.00	1,986,412	1	2.59%
BBVA Compass MMA		2.17%	04/01/19	03/31/19	4,812,169	4,812,169	1.00	4,812,169	1	2.17%
NexBank MMA		2.68%	04/01/19	03/31/19	110,150	110,150	1.00	110,150	1	2.68%
NexBank ICS		2.66%	04/01/19	03/31/19	13,176,892	13,176,892	1.00	13,176,892	1	2.66%
Green Bank CD		1.76%	05/30/19	11/30/17	1,000,000	1,000,000	100.00	1,000,000	60	1.76%
East West Bank CD		2.69%	06/28/19	12/28/18	1,000,000	1,006,951	100.00	1,000,000	150	2.72%
East West Bank CD		2.67%	07/29/19	07/27/18	1,527,459	1,527,459	100.00	1,527,459	120	2.70%
East West Bank CD		2.77%	08/04/19	11/05/18	2,045,042	2,045,042	100.00	2,045,042	126	2.80%
East West Bank CD		2.77%	08/06/19	11/06/18	2,022,282	2,022,282	100.00	2,022,282	128	2.80%
East West Bank CD		2.73%	09/04/19	09/04/18	1,015,754	1,015,754	100.00	1,015,754	157	2.76%
WallisBank CD		2.78%	10/02/19	10/02/18	1,007,017	1,007,017	100.00	1,007,017	185	2.81%
Dallas Capital Bank CD		2.92%	11/14/19	11/15/18	1,000,000	1,000,000	100.00	1,000,000	228	2.96%
East West Bank CD		2.74%	01/14/20	01/14/19	2,011,594	2,011,594	100.00	2,011,594	289	2.77%
Southside Bank CD		2.68%	02/19/20	02/19/19	1,000,000	1,000,000	100.00	1,000,000	325	2.70%
East West Bank CD		2.62%	03/27/20	03/27/19	5,500,538	5,500,538	100.00	5,500,538	362	2.65%
					<b>\$ 40,038,210</b>	<b>\$ 40,045,161</b>		<b>\$ 40,038,210</b>	<b>110</b>	<b>2.59%</b>
									<b>(1)</b>	<b>(2)</b>

(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, 2018		Purchases/ Adjustments	Sales/Adjust/ Maturities	March 31, 2019	
			Par Value	Book Value			Par Value	Book Value
Petty Cash	0.00%	04/01/19	\$ 1,002	\$ 1,002	\$ —	\$ (22)	\$ 980	\$ 980
Southside Bank MMA	2.59%	04/01/19	3,713,058	3,713,058		(2,891,138)	821,920	821,920
Southside Bank MMA #2	2.59%	04/01/19	3,170,120	3,170,120		(1,183,708)	1,986,412	1,986,412
BBVA Compass MMA	2.17%	04/01/19	4,253,007	4,253,007	559,162		4,812,169	4,812,169
NexBank MMA	2.68%	04/01/19	109,434	109,434	716		110,150	110,150
NexBank ICS	2.66%	04/01/19	22,753,768	22,753,768		(9,576,876)	13,176,892	13,176,892
Green Bank CD	1.54%	02/19/19	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)	—	—
Green Bank CD	1.76%	05/30/19	1,000,000	1,000,000			1,000,000	1,000,000
East West Bank CD	2.69%	06/28/19	1,000,000	1,000,000	6,951		1,000,000	1,006,951
East West Bank CD	2.67%	07/29/19	1,500,000	1,500,000	27,459		1,527,459	1,527,459
East West Bank CD	2.77%	08/04/19	2,022,201	2,022,201	22,841		2,045,042	2,045,042
East West Bank CD	2.77%	08/06/19	2,000,000	2,000,000	22,282		2,022,282	2,022,282
East West Bank CD	2.73%	09/04/19	1,000,000	1,000,000	15,754		1,015,754	1,015,754
WallisBank CD	2.78%	10/02/19	1,000,000	1,000,000	7,017		1,007,017	1,007,017
Dallas Capital Bank CD	2.92%	11/14/19	1,000,000	1,000,000			1,000,000	1,000,000
East West Bank CD	2.74%	01/14/20	—	—	2,011,594		2,011,594	2,011,594
Southside Bank CD	2.68%	02/19/20	—	—	1,000,000		1,000,000	1,000,000
East West Bank CD	2.62%	03/27/20	—	—	5,500,538		5,500,538	5,500,538
<b>TOTAL</b>			<b>\$ 45,767,590</b>	<b>\$ 45,767,590</b>	<b>\$ 9,174,315</b>	<b>\$ (14,896,744)</b>	<b>\$ 40,038,210</b>	<b>\$ 40,045,161</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2018		Qtr to Qtr Change	March 31, 2019	
			Par Value	Market Value		Par Value	Market Value
Petty Cash	0.00%	04/01/19	\$ 1,002	\$ 1,002	\$ (22)	\$ 980	\$ 980
Southside Bank MMA	2.59%	04/01/19	3,713,058	3,713,058	(2,891,138)	821,920	821,920
Southside Bank MMA #2	2.59%	04/01/19	3,170,120	3,170,120	(1,183,708)	1,986,412	1,986,412
BBVA Compass MMA	2.17%	04/01/19	4,253,007	4,253,007	559,162	4,812,169	4,812,169
NexBank MMA	2.68%	04/01/19	109,434	109,434	716	110,150	110,150
NexBank ICS	2.66%	04/01/19	22,753,768	22,753,768	(9,576,876)	13,176,892	13,176,892
Green Bank CD	1.54%	02/19/19	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)	—	—
Green Bank CD	1.76%	05/30/19	1,000,000	1,000,000		1,000,000	1,000,000
East West Bank CD	2.69%	06/28/19	1,000,000	1,000,000		1,000,000	1,000,000
East West Bank CD	2.67%	07/29/19	1,500,000	1,500,000	27,459	1,527,459	1,527,459
East West Bank CD	2.77%	08/04/19	2,022,201	2,022,201	22,841	2,045,042	2,045,042
East West Bank CD	2.77%	08/06/19	2,000,000	2,000,000	22,282	2,022,282	2,022,282
East West Bank CD	2.73%	09/04/19	1,000,000	1,000,000	15,754	1,015,754	1,015,754
WallisBank CD	2.78%	10/02/19	1,000,000	1,000,000	7,017	1,007,017	1,007,017
Dallas Capital Bank CD	2.92%	11/14/19	1,000,000	1,000,000		1,000,000	1,000,000
East West Bank CD	2.74%	01/14/20	—	—	2,011,594	2,011,594	2,011,594
Southside Bank CD	2.68%	02/19/20	—	—	1,000,000	1,000,000	1,000,000
East West Bank CD	2.62%	03/27/20	—	—	5,500,538	5,500,538	5,500,538
<b>TOTAL</b>			<b>\$ 45,767,590</b>	<b>\$ 45,767,590</b>	<b>\$ (5,729,380)</b>	<b>\$ 40,038,210</b>	<b>\$ 40,038,210</b>

**Allocation by Fund**  
**March 31, 2019**  
**Book & Market Value**

	Investment Total	Pooled Cash	General Fund	Edwards Aquifer Habitat Conservation Plan
Petty Cash	\$ 980	\$ 980	\$ —	\$ —
Southside Bank MMA	2,808,332	1,986,412	—	821,920
BBVA Compass MMA	4,812,169	3,030,833	—	1,781,336
NexBank MMA	110,150	—	—	110,150
NexBank ICS	13,176,892	—	—	13,176,892
05/30/19—Green Bank CD	1,000,000	—	500,000	500,000
06/28/19—East West Bank CD	1,006,951	—	503,476	503,476
07/29/19—East West Bank CD	1,527,459	—	509,153	1,018,306
08/04/19—East West Bank CD	2,045,042	—	1,022,521	1,022,521
08/06/19—East West Bank CD	2,022,282	—	1,011,141	1,011,141
09/04/19—East West Bank CD	1,015,754	—	507,877	507,877
10/02/19—WallisBank CD	1,007,017	—	503,509	503,509
11/14/19—Dallas Capital Bank CD	1,000,000	—	500,000	500,000
01/14/20—East West Bank CD	2,011,594	—	1,005,797	1,005,797
02/19/20—Southside Bank CD	1,000,000	—	500,000	500,000
03/27/20—East West Bank CD	5,500,538	—	750,269	4,750,269
	<b>\$ 40,045,161</b>	<b>\$ 5,018,225</b>	<b>\$ 7,313,743</b>	<b>\$ 27,713,194</b>



**Allocation by Fund  
December 31, 2018  
Book & Market Value**

	Investment Total	Pooled Cash	General Fund	Edwards Aquifer Habitat Conservation Plan
Petty Cash	\$ 1,002	\$ 1,002	\$ —	\$ —
Southside Bank MMA	6,883,178	3,170,120	—	3,713,058
BBVA Compass MMA	4,253,007	1,559,387	—	2,693,620
NexBank MMA	109,434	—	—	109,434
NexBank ICS	22,753,768	—	—	22,753,768
02/19/19—Green Bank CD	1,000,000	—	500,000	500,000
03/26/19—Hondo National Bank CD - Medina	245,000	—	122,500	122,500
05/30/19—Green Bank CD	1,000,000	—	500,000	500,000
06/28/19—East West Bank	1,000,000	—	500,000	500,000
07/29/19—East West Bank	1,500,000	—	500,000	1,000,000
08/04/19—East West Bank	2,022,201	—	1,011,101	1,011,100
08/06/19—East West Bank	2,000,000	—	1,000,000	1,000,000
09/04/19—East West Bank	1,000,000	—	500,000	500,000
10/02/19—WallisBank	1,000,000	—	500,000	500,000
11/14/19—Dallas Capital Bank	1,000,000	—	500,000	500,000
	<b>\$ 45,767,590</b>	<b>\$ 4,730,509</b>	<b>\$ 5,633,601</b>	<b>\$ 35,403,480</b>