



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 30, 2020

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>March 31, 2020</u>		<u>June 30, 2020</u>		
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Avg. Yield</u>
DDA/MMA/NOW	\$ 24,242,013	\$ 24,242,013	\$ 26,697,133	\$ 26,697,133	0.51%
Securities/CDs	18,835,501	18,835,501	18,858,372	18,858,372	1.60%
Totals	\$ 43,077,514	\$ 43,077,514	\$ 45,555,505	\$ 45,555,505	0.96%

Average Yield - Current Quarter (1)

Total Portfolio	0.96%
Rolling Three Month Treasury	0.14%
Rolling Six Month Treasury	0.67%
TexPool	0.22%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	1.20%
Rolling Three Month Treasury	0.66%
Rolling Six Month Treasury	1.03%
TexPool	0.61%

Interest Revenue (Approximate)

Quarterly Interest Income	\$ 112,096
Year-to-date Interest Income	\$ 308,940

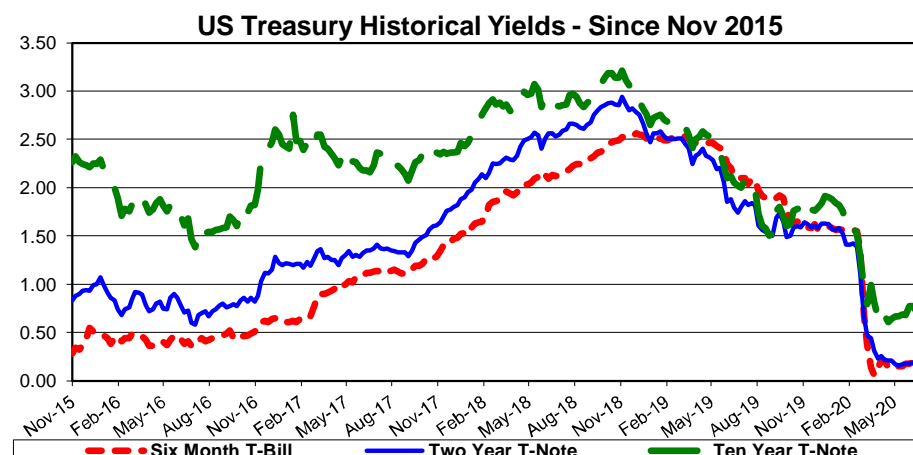
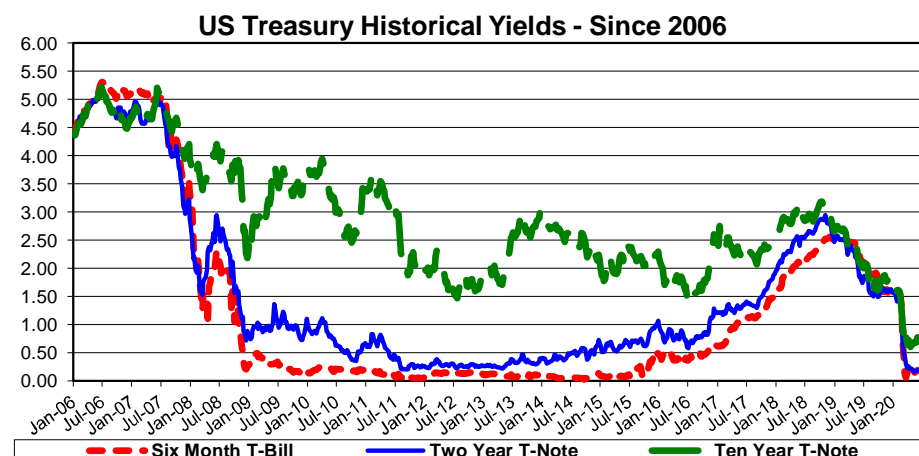
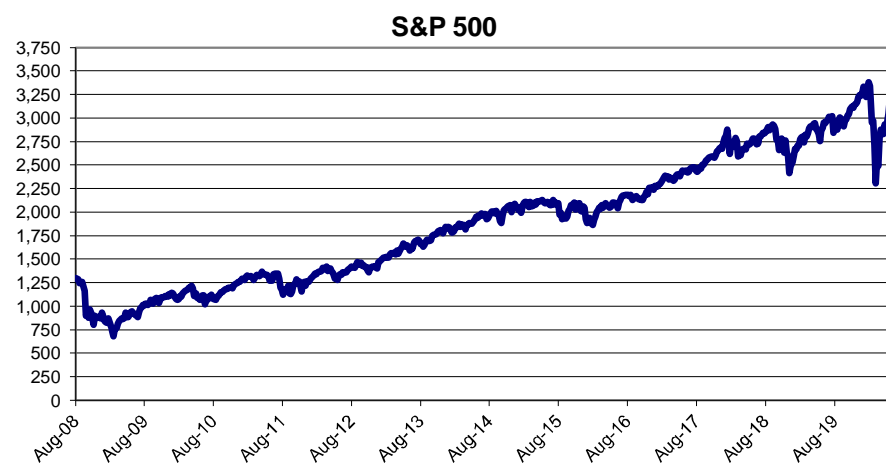
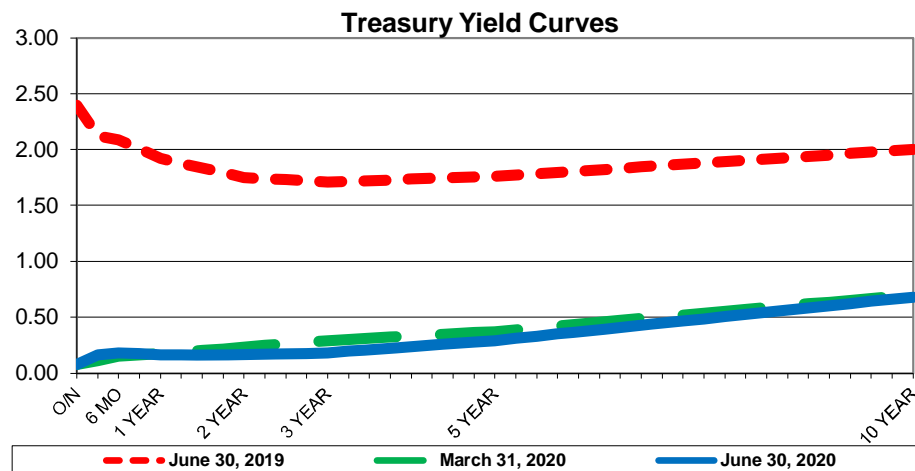
(1) **Average Yield - Current Quarter** -based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date 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.

Economic Overview

6/30/2020

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading +/-0.08%). Worldwide and domestic economic activity popped-up as isolation protocols eased. However, continued positive COVID test growth may impact additional activity. The Yield Curve remains stabilized at current levels. The FOMC has signaled reduced rates for an extended period. Crude oil increased to \$40+ per barrel. Unemployment claims continued to rise, but June Non Farm Payroll surged to 4.8 million. The Stock Market wobbled but stabilized. Full recovery timeline still very uncertain.



Investment Holdings

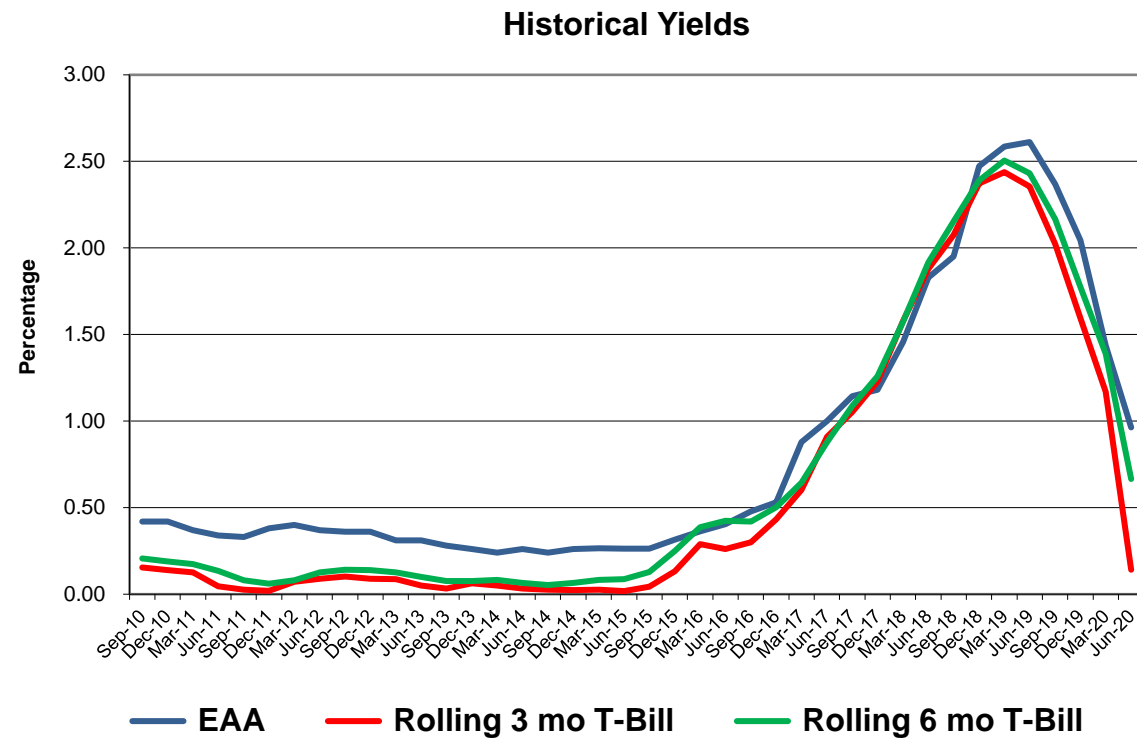
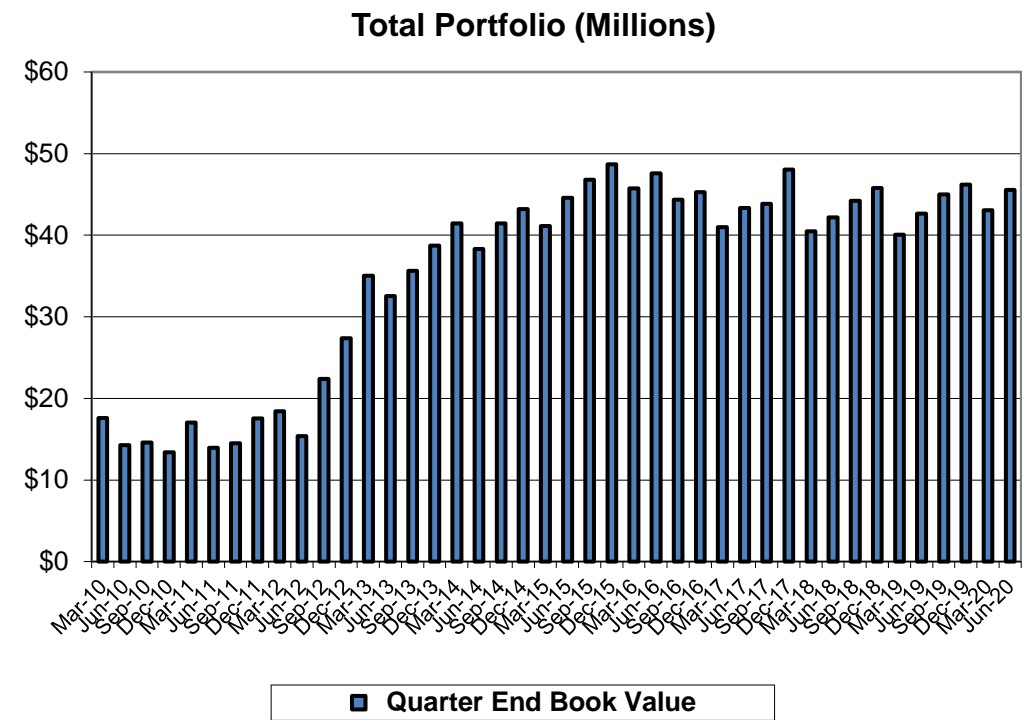
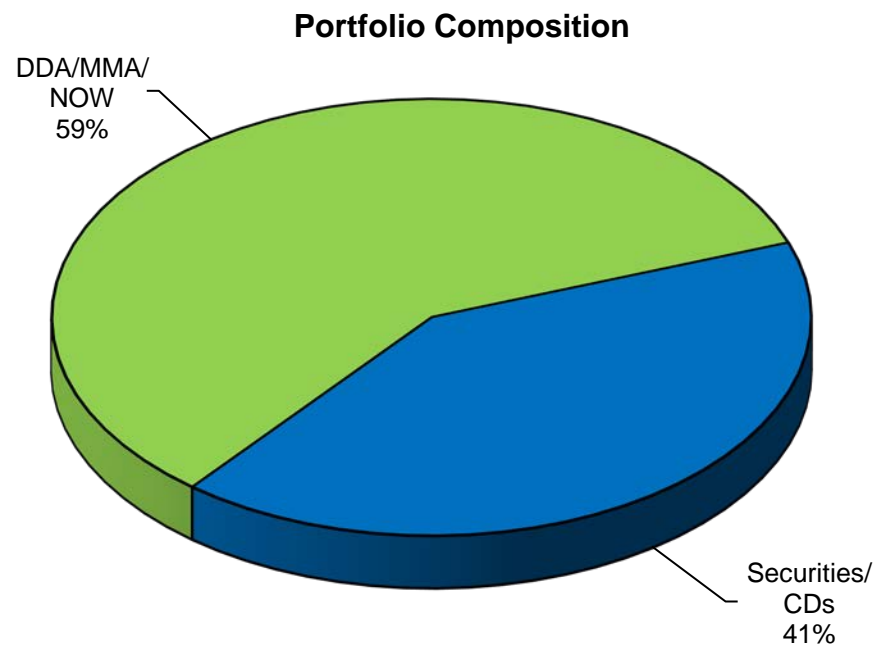
June 30, 2020

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Petty Cash		0.00%	07/01/20	06/30/20	\$ 715	\$ 715	1.00	\$ 715	1	0.00%
Southside Bank MMA (3)		0.27%	07/01/20	06/30/20	3,692,869	3,692,869	1.00	3,692,869	1	0.27%
Southside Bank MMA (3) #2		0.27%	07/01/20	06/30/20	3,531,706	3,531,706	1.00	3,531,706	1	0.27%
BBVA Compass MMA		0.05%	07/01/20	06/30/20	3,777,495	3,777,495	1.00	3,777,495	1	0.05%
Origin Bank MMA		2.28%	07/01/20	06/30/20	2,039,053	2,039,053	1.00	2,039,053	1	2.28%
NexBank MMA		0.50%	07/01/20	06/30/20	112,661	112,661	1.00	112,661	1	0.50%
NexBank MMA (ICS)		0.50%	07/01/20	06/30/20	13,542,634	13,542,634	1.00	13,542,634	1	0.50%
Security State B&T CD		2.19%	07/10/20	07/10/19	2,012,068	2,012,068	100.00	2,012,068	10	2.06%
East West Bank CD		2.13%	07/29/20	07/29/19	1,571,506	1,571,506	100.00	1,571,506	29	2.15%
East West Bank CD		2.15%	08/05/20	08/05/19	2,105,214	2,105,214	100.00	2,105,214	36	2.17%
East West Bank CD		2.15%	08/06/20	08/06/19	2,081,881	2,081,881	100.00	2,081,881	37	2.17%
East West Bank CD		1.70%	01/14/21	01/14/20	2,071,796	2,071,796	100.00	2,071,796	198	1.71%
East West Bank CD		1.74%	02/18/21	11/18/19	1,010,825	1,010,825	100.00	1,010,825	233	1.75%
Security State B&T CD		2.04%	03/04/21	09/04/19	1,005,082	1,005,082	100.00	1,005,082	247	2.06%
Bank OZK CD		1.70%	03/09/21	03/09/20	1,000,000	1,000,000	100.00	1,000,000	252	1.71%
Veritex Community Bank CD		0.78%	06/30/21	03/31/20	5,000,000	5,000,000	100.00	5,000,000	365	0.78%
Bank OZK CD		0.65%	12/01/21	06/01/20	1,000,000	1,000,000	100.00	1,000,000	519	0.65%
					\$ 45,555,505	\$ 45,555,505				
									82	0.96%
									(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 + 0.10%.



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2020		Purchases/ Adjustments	Sales/Adjust/ Maturities	June 30, 2020	
			Par Value	Book Value			Par Value	Book Value
Petty Cash	0.00%	07/01/20	\$ 732	\$ 732	\$ —	\$ (17)	\$ 715	\$ 715
Southside Bank MMA	0.27%	07/01/20	241,728	241,728	3,451,141		3,692,869	3,692,869
Southside Bank MMA #2	0.27%	07/01/20	1,779,131	1,779,131	1,752,576		3,531,706	3,531,706
BBVA Compass MMA	0.05%	07/01/20	6,554,482	6,554,482		(2,776,987)	3,777,495	3,777,495
Origin Bank MMA	2.28%	07/01/20	2,027,658	2,027,658	11,396		2,039,053	2,039,053
NexBank MMA	0.50%	07/01/20	112,521	112,521	140		112,661	112,661
NexBank MMA (ICS)	0.50%	07/01/20	13,525,763	13,525,763	16,871		13,542,634	13,542,634
LegacyTexas Bank CD	2.48%	06/01/20	1,020,901	1,020,901		(1,020,901)	—	—
Security State B&T CD	2.19%	07/10/20	2,012,068	2,012,068			2,012,068	2,012,068
East West Bank CD	2.13%	07/29/20	1,563,183	1,563,183	8,323		1,571,506	1,571,506
East West Bank CD	2.15%	08/05/20	2,093,960	2,093,960	11,254		2,105,214	2,105,214
East West Bank CD	2.15%	08/06/20	2,070,815	2,070,815	11,067		2,081,881	2,081,881
East West Bank CD	1.70%	01/14/21	2,063,037	2,063,037	8,759		2,071,796	2,071,796
East West Bank CD	1.74%	02/18/21	1,006,456	1,006,456	4,369		1,010,825	1,010,825
Security State B&T CD	2.04%	03/04/21	1,005,082	1,005,082			1,005,082	1,005,082
Bank OZK CD	1.70%	03/09/21	1,000,000	1,000,000			1,000,000	1,000,000
Veritex Community Bank CD	0.78%	06/30/21	5,000,000	5,000,000			5,000,000	5,000,000
Bank OZK CD	0.65%	12/01/21	—	—	1,000,000		1,000,000	1,000,000
TOTAL			\$ 43,077,514	\$ 43,077,514	\$ 6,275,895	\$ (3,797,904)	\$ 45,555,505	\$ 45,555,505

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2020		Qtr to Qtr Change	June 30, 2020	
			Par Value	Market Value		Par Value	Market Value
Petty Cash	0.00%	07/01/20	\$ 732	\$ 732	\$ (17)	\$ 715	\$ 715
Southside Bank MMA	0.27%	07/01/20	241,728	241,728	3,451,141	3,692,869	3,692,869
Southside Bank MMA #2	0.27%	07/01/20	1,779,131	1,779,131	1,752,576	3,531,706	3,531,706
BBVA Compass MMA	0.05%	07/01/20	6,554,482	6,554,482	(2,776,987)	3,777,495	3,777,495
Origin Bank MMA	2.28%	07/01/20	2,027,658	2,027,658	11,396	2,039,053	2,039,053
NexBank MMA	0.50%	07/01/20	112,521	112,521	140	112,661	112,661
NexBank MMA (ICS)	0.50%	07/01/20	13,525,763	13,525,763	16,871	13,542,634	13,542,634
LegacyTexas Bank CD	2.48%	06/01/20	1,020,901	1,020,901	(1,020,901)	—	—
Security State B&T CD	2.19%	07/10/20	2,012,068	2,012,068		2,012,068	2,012,068
East West Bank CD	2.13%	07/29/20	1,563,183	1,563,183	8,323	1,571,506	1,571,506
East West Bank CD	2.15%	08/05/20	2,093,960	2,093,960	11,254	2,105,214	2,105,214
East West Bank CD	2.15%	08/06/20	2,070,815	2,070,815	11,067	2,081,881	2,081,881
East West Bank CD	1.70%	01/14/21	2,063,037	2,063,037	8,759	2,071,796	2,071,796
East West Bank CD	1.74%	02/18/21	1,006,456	1,006,456	4,369	1,010,825	1,010,825
Security State B&T CD	2.04%	03/04/21	1,005,082	1,005,082		1,005,082	1,005,082
Bank OZK CD	1.70%	03/09/21	1,000,000	1,000,000		1,000,000	1,000,000
Veritex Community Bank CD	0.78%	06/30/21	5,000,000	5,000,000		5,000,000	5,000,000
Bank OZK CD	0.65%	12/01/21	—	—	1,000,000	1,000,000	1,000,000
TOTAL			\$ 43,077,514	\$ 43,077,514	\$ 2,477,991	\$ 45,555,505	\$ 45,555,505

Allocation by Fund
June 30, 2020
Book & Market Value

	Investment Total	Pooled Cash	General Fund	Edwards Aquifer Habitat Conservation Plan
Petty Cash	\$ 715	\$ 715	\$ —	\$ —
Southside Bank MMA	7,224,575	3,531,706	—	3,692,869
BBVA Compass MMA	3,777,495	3,070,736	—	706,759
Origin Bank MMA	2,039,053	1,019,527	—	1,019,527
NexBank MMA	112,661	—	—	112,661
NexBank MMA (ICS)	13,542,634	—	—	13,542,634
07/10/20—Security State B&T CD	2,012,068	—	1,006,034	1,006,034
07/29/20—East West Bank CD	1,571,506	—	523,835	1,047,671
08/05/20—East West Bank CD	2,105,214	—	2,105,214	—
08/06/20—East West Bank CD	2,081,881	—	—	2,081,881
01/14/21—East West Bank CD	2,071,796	—	1,035,899	1,035,896
02/18/21—East West Bank CD	1,010,825	—	505,416	505,409
03/04/21—Security State B&T CD	1,005,082	—	502,541	502,541
03/09/21—Bank OZK CD	1,000,000	—	500,000	500,000
06/30/21—Veritex Community Bank CD	5,000,000	—	500,000	4,500,000
12/01/21—Bank OZK CD	1,000,000	—	500,000	500,000
	\$ 45,555,505	\$ 7,622,684	\$ 7,178,939	\$ 30,753,881

Allocation by Fund
March 31, 2020
Book & Market Value

	Investment Total	Pooled Cash	General Fund	Edwards Aquifer Habitat Conservation Plan
Petty Cash	\$ 732	\$ 732	\$ —	\$ —
Southside Bank MMA	2,020,858	1,779,131	—	241,728
BBVA Compass MMA	6,554,482	4,351,147	—	2,203,335
Origin Bank MMA	2,027,658	1,013,829	—	1,013,829
NexBank MMA	112,521	—	—	112,521
NexBank MMA (ICS)	13,525,763	—	—	13,525,763
06/01/20—LegacyTexas Bank CD	1,020,901	—	510,450	510,450
07/10/20—Security State B&T CD	2,012,068	—	1,006,034	1,006,034
07/29/20—East West Bank CD	1,563,183	—	521,061	1,042,122
08/05/20—East West Bank CD	2,093,960	—	2,093,960	—
08/06/20—East West Bank CD	2,070,815	—	—	2,070,815
01/14/21—East West Bank CD	2,063,037	—	1,031,518	1,031,518
02/18/21—East West Bank CD	1,006,456	—	503,228	503,228
03/04/21—Security State B&T CD	1,005,082	—	502,541	502,541
03/09/21—Bank OZK CD	1,000,000	—	500,000	500,000
06/30/21—Veritex Community Bank CD	5,000,000	—	500,000	4,500,000
	\$ 43,077,514	\$ 7,144,838	\$ 7,168,793	\$ 28,763,883