



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 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>June 30, 2020</u>		<u>September 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	\$ 26,697,133	\$ 26,697,133	\$ 28,508,899	\$ 28,508,899	0.32%
Securities/CDs	18,858,372	18,858,372	19,374,872	19,374,872	0.88%
Totals	\$ 45,555,505	\$ 45,555,505	\$ 47,883,771	\$ 47,883,771	0.54%

<u>Average Yield - Current Quarter (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.54%	Total Portfolio	0.98%
Rolling Three Month Treasury	0.12%	Rolling Three Month Treasury	0.48%
Rolling Six Month Treasury	0.15%	Rolling Six Month Treasury	0.73%
TexPool	0.15%	TexPool	0.46%

<u>Interest Revenue (Approximate)</u>	
Quarterly Interest Income	\$ 79,895
Year-to-date Interest Income	\$ 388,835

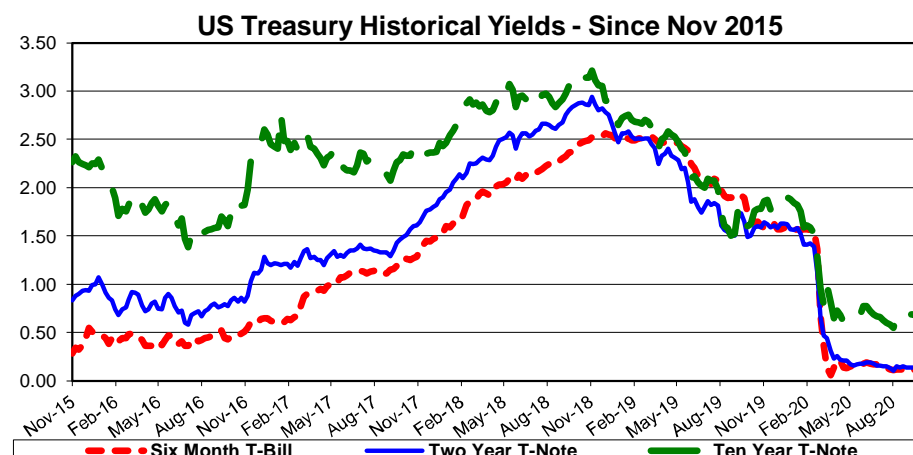
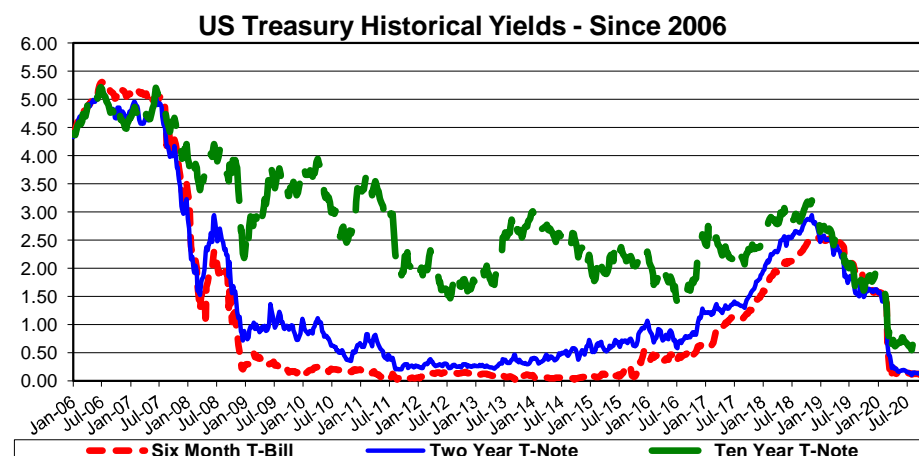
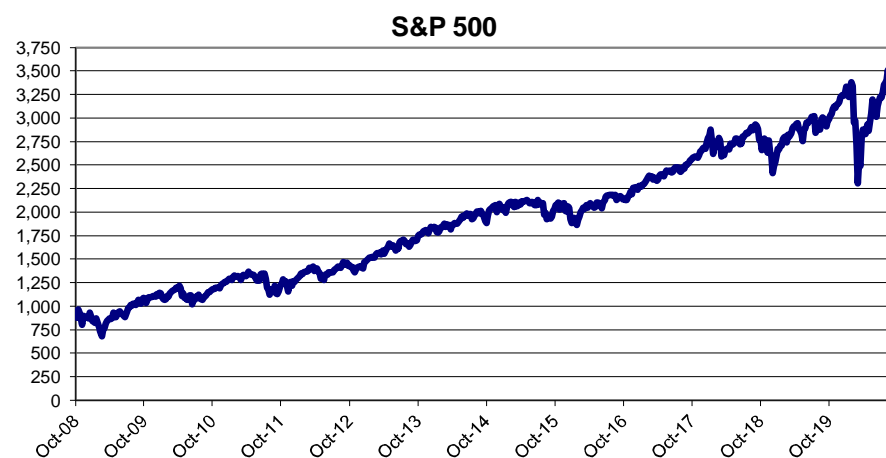
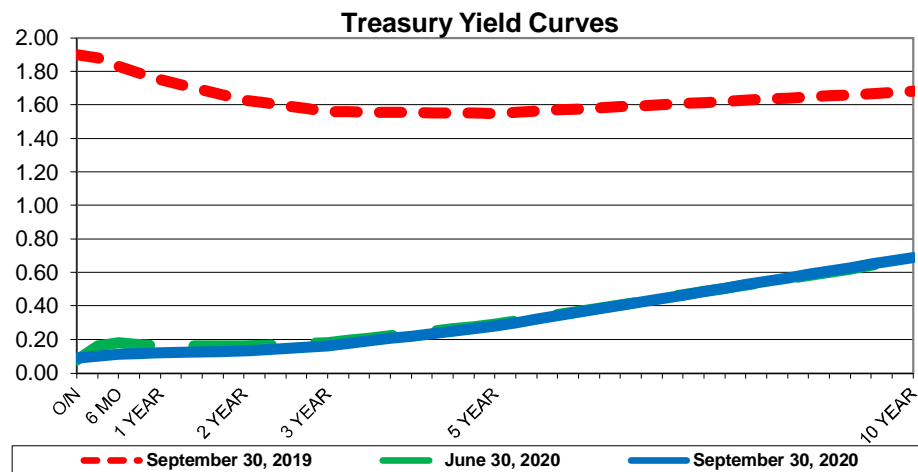
(1) **Average Yield - Current Quarter** -based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

9/30/2020

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading +/-0.10%), and projected that reduced rates could remain through 2024. Final estimate of Second Quarter GDP revised to down 31.4% (from down 31.9%). The Yield Curve remained stable. Crude oil slid to below \$40 per barrel. September Non Farm Payroll added 661k workers. Business added over 800k, but governments shed 200+k. The Stock Markets retreated slightly from all-time highs. Housing strengthened due to low mortgage rates. Additional federal economic assistance remained stalled in Congress.



Investment Holdings
September 30, 2020

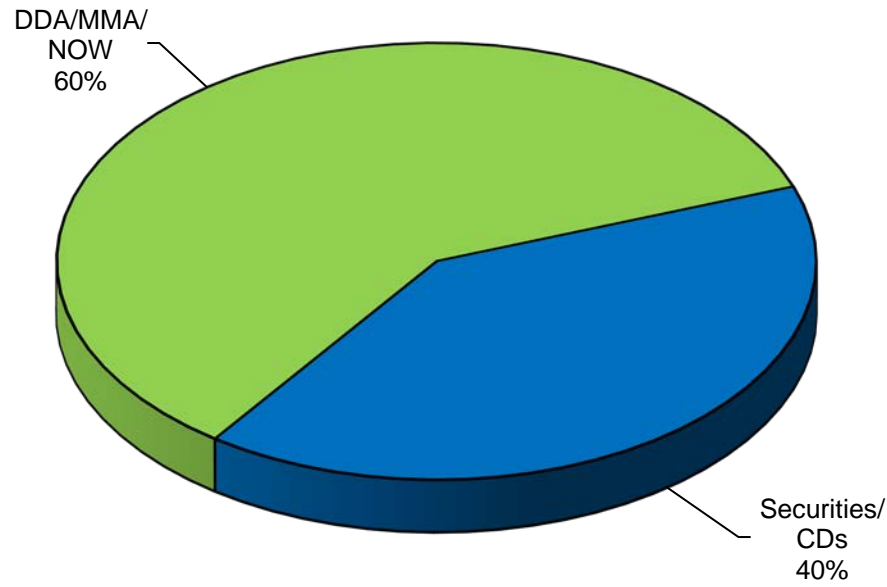
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Petty Cash		0.00%	10/01/20	09/30/20	\$ 681	\$ 681	1.00	\$ 681	1	0.00%
Southside Bank MMA (3)		0.20%	10/01/20	09/30/20	3,695,022	3,695,022	1.00	3,695,022	1	0.20%
Southside Bank MMA (3) #2		0.20%	10/01/20	09/30/20	3,533,766	3,533,766	1.00	3,533,766	1	0.20%
BBVA Compass MMA		0.10%	10/01/20	09/30/20	5,606,136	5,606,136	1.00	5,606,136	1	0.10%
NexBank MMA		0.45%	10/01/20	09/30/20	112,798	112,798	1.00	112,798	1	0.45%
NexBank MMA (ICS)		0.45%	10/01/20	09/30/20	15,560,496	15,560,496	1.00	15,560,496	1	0.45%
East West Bank CD		1.70%	01/14/21	01/14/20	2,080,692	2,080,692	100.00	2,080,692	106	1.71%
East West Bank CD		1.74%	02/18/21	11/18/19	1,015,268	1,015,268	100.00	1,015,268	141	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	155	2.06%
Bank OZK CD		1.70%	03/09/21	03/09/20	1,000,000	1,000,000	100.00	1,000,000	160	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	273	0.78%
East West Bank CD		0.41%	07/29/21	07/29/20	2,075,567	2,075,567	100.00	2,075,567	302	0.41%
East West Bank CD		0.37%	08/05/21	08/06/20	2,110,778	2,110,778	100.00	2,110,778	309	0.37%
East West Bank CD		0.37%	08/06/21	08/06/20	2,087,486	2,087,486	100.00	2,087,486	310	0.37%
Bank OZK CD		0.65%	12/01/21	06/01/20	1,000,000	1,000,000	100.00	1,000,000	427	0.65%
Bank OZK CD		0.46%	01/13/22	07/13/20	2,000,000	2,000,000	100.00	2,000,000	470	0.46%
					\$ 47,883,771	\$ 47,883,771		\$ 47,883,771	112	0.54%
									(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.

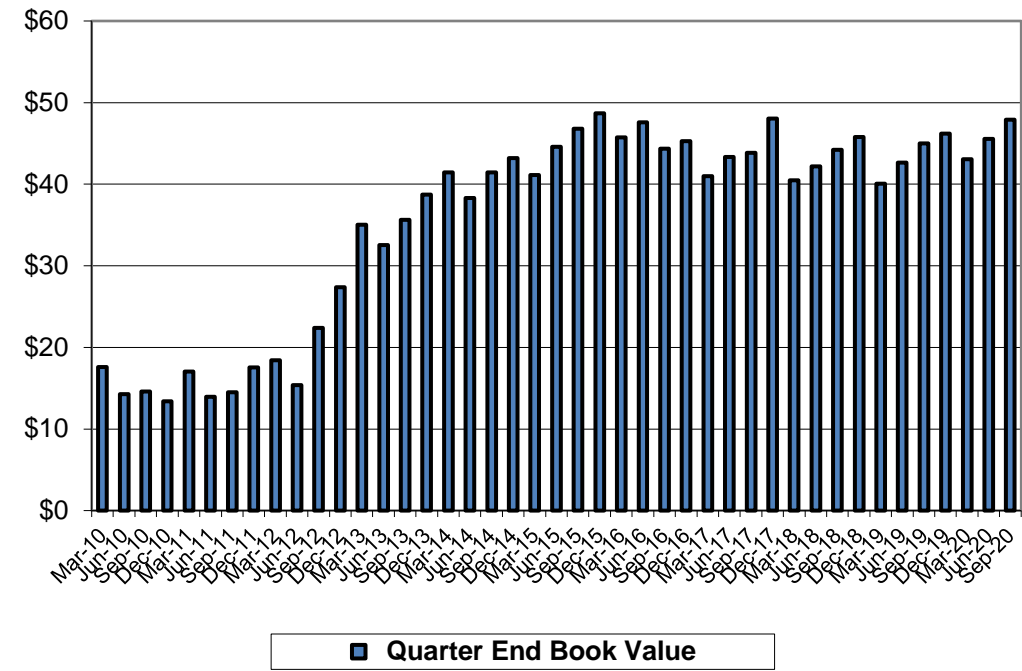
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools and money market mutual funds.

(3) Yield Estimated - based on average TexPool rate + 0.10%.

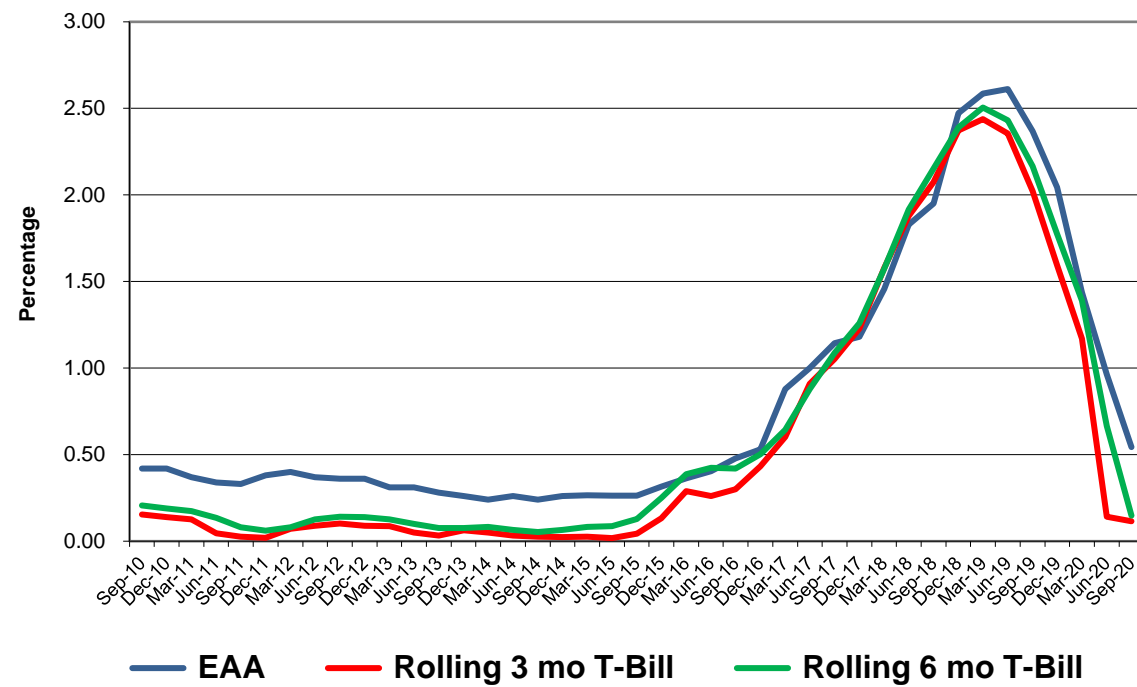
Portfolio Composition



Total Portfolio (Millions)



Historical Yields



Book Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/20	Increases	Decreases	Book Value 09/30/20	Market Value 06/30/20	Change in Market Value	Market Value 09/30/20
Petty Cash	0.00%	10/01/20	\$ 715	\$ —	\$ (34)	\$ 681	\$ 715	\$ (34)	\$ 681
Southside Bank MMA	0.20%	10/01/20	3,692,869	2,154	—	3,695,022	3,692,869	2,154	3,695,022
Southside Bank MMA #2	0.20%	10/01/20	3,531,706	2,060	—	3,533,766	3,531,706	2,060	3,533,766
BBVA Compass MMA	0.10%	10/01/20	3,777,495	1,828,641	—	5,606,136	3,777,495	1,828,641	5,606,136
Origin Bank MMA	0.00%	10/01/20	2,039,053	—	(2,039,053)	—	2,039,053	(2,039,053)	—
NexBank MMA	0.45%	10/01/20	112,661	137	—	112,798	112,661	137	112,798
NexBank MMA (ICS)	0.45%	10/01/20	13,542,634	2,017,863	—	15,560,496	13,542,634	2,017,863	15,560,496
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	1,571,506	—	(1,571,506)	—	1,571,506	(1,571,506)	—
East West Bank CD	2.15%	08/05/20	2,105,214	—	(2,105,214)	—	2,105,214	(2,105,214)	—
East West Bank CD	2.15%	08/06/20	2,081,881	—	(2,081,881)	—	2,081,881	(2,081,881)	—
East West Bank CD	1.70%	01/14/21	2,071,796	8,896	—	2,080,692	2,071,796	8,896	2,080,692
East West Bank CD	1.74%	02/18/21	1,010,825	4,442	—	1,015,268	1,010,825	4,442	1,015,268
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
East West Bank CD	0.41%	07/29/21	—	2,075,567	—	2,075,567	—	2,075,567	2,075,567
East West Bank CD	0.37%	08/05/21	—	2,110,778	—	2,110,778	—	2,110,778	2,110,778
East West Bank CD	0.37%	08/06/21	—	2,087,486	—	2,087,486	—	2,087,486	2,087,486
Bank OZK CD	0.65%	12/01/21	1,000,000	—	—	1,000,000	1,000,000	—	1,000,000
Bank OZK CD	0.46%	01/13/22	—	2,000,000	—	2,000,000	—	2,000,000	2,000,000
TOTAL / AVERAGE	0.54%		\$ 45,555,505	\$ 12,138,023	\$ (9,809,756)	\$ 47,883,771	\$ 45,555,505	\$ 2,328,266	\$ 47,883,771

Allocation by Fund
September 30, 2020
Book & Market Value

	Investment Total	Pooled Cash	General Fund	Edwards Aquifer Habitat Conservation Plan
Petty Cash	\$ 681	\$ 681	\$ —	\$ —
Southside Bank MMA	7,228,788	3,533,766	—	3,695,022
BBVA Compass MMA	5,606,136	3,763,299	—	1,842,837
NexBank MMA	112,798	—	—	112,798
NexBank MMA (ICS)	15,560,496	—	—	15,560,496
01/14/21—East West Bank CD	2,080,692	—	1,040,348	1,040,344
02/18/21—East West Bank CD	1,015,268	—	507,637	507,630
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
07/29/21—East West Bank CD	2,075,567	—	1,025,429	1,050,138
08/05/21—East West Bank CD	2,110,778	—	2,110,778	—
08/06/21—East West Bank CD	2,087,486	—	—	2,087,486
12/01/21—Bank OZK CD	1,000,000	—	500,000	500,000
01/13/22—Bank OZK CD	2,000,000	—	1,000,000	1,000,000
	\$ 47,883,771	\$ 7,297,746	\$ 7,686,732	\$ 32,899,293

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