



RESOLUTION NO. 20141125-02

APPROVAL OF 4th QUARTER INVESTMENT REPORT FOR FISCAL YEAR 2014

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and


WHEREAS, TexAmericas Center has adopted an Investment Policy as required by applicable law to manage the funds of TexAmericas Center; and

WHEREAS, the Investment Policy Paragraph III.D.2 requires the Executive Director/CEO or his designee to provide quarterly reports on the Investment Program and Investment Activity at the conclusion of each quarter to both the Investment Committee and the Board of Directors; and

WHEREAS, the Investment Committee has reviewed the report provided by the Executive Director/CEO and recommends acceptance by the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of TexAmericas Center accepts and approves the attached 4th Quarter 2014 Report on the Investment Program and Investment Activity of TexAmericas Center.

PASSED AND APPROVED THIS 25th day of November, 2014.



Denis Washington, Chairman of the Board

ATTEST:



Boyd Sartin, Secretary/Treasurer

Attached: FY14-4th Quarter Investment Report



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2014

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the TexAmericas Center is in compliance with the Public Funds Investment Act and the Investment Policy.

A handwritten signature in blue ink, appearing to read "Scott G. Galt", is written over a horizontal line.

Executive Director/CEO

A handwritten signature in blue ink, appearing to read "Valley View", is written over a horizontal line.

Staff Accountant

Disclaimer: This report was compiled using information provided by the TexAmericas Center. 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 adviser fees.

TexAmericas Center Annual Comparison of Portfolio Performance

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded +/-10 bps). The FOMC systematically tapered Quantitative Easing (QE3) from \$85 billion per month to \$15 billion. Although the target unemployment rate below 6.5% was achieved, the FOMC is still concerned with broader employment weaknesses. Inflation is still below the 2.0% and 2.5% target, allowing additional flexibility. Overall US economic activity remains low to moderate with average annual GDP 2.0 to 3.0%. The US stock markets maintained their bullish tone, pushing to new highs. International economic underperformance and military conflict casts uncertainty and have resulted in some late stock market and interest rate decreases. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity, although government securities are becoming more attractive.

FYE Results by Investment Category:

	September 30, 2014			September 30, 2013		
Asset Type	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
DDA/MMA/NOW	0.34%	\$ 13,884,013	\$ 13,884,013	0.32%	\$ 10,106,874	\$ 10,106,874
CD/Security	0.84%	6,114,907	6,114,907		-	-
Totals		\$ 19,998,920	\$ 19,998,920		\$ 10,106,874	\$ 10,106,874
				<u>2014</u>	<u>2013</u>	<u>Change</u>
			Total Portfolio	0.49%	0.39%	0.10%
			Rolling Three Mo. Treas. Yield	0.04%	0.07%	-0.02%
			Rolling Six Mo. Treas. Yield	0.07%	0.11%	-0.04%
			Quarterly TexPool Yield	0.03%	0.09%	-0.06%

(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.

Strategy Summary:

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded <10 bps). The FOMC continued tapering the Quantitative Easing (QE3) program to \$15 billion per month. Tapering is anticipated to eliminate the program in October. Second quarter 2014 GDP was a strong 4.6% and first quarter was revised up to (2.1%). Employment data remains key as the FOMC focuses on wage growth, under-employment and overall participation. The US stock markets again touched new highs, but have recently retrenched. International economical and political struggles weigh on US interest rates. Financial institution deposit yields generally provide the best interest earnings opportunity, although spreads to security yields have tightened.

Quarter End Results by Investment Category:

Asset Type	September 30, 2014		June 30, 2014		
	Ave. Yield	Book Value	Market Value	Book Value	Market Value
DDA/MMA/NOW	0.34%	\$ 13,884,013	\$ 13,884,013	\$ 10,740,245	\$ 10,740,245
CD/Security	0.84%	6,114,907	6,114,907	6,103,561	6,103,561
Totals		\$ 19,998,920	\$ 19,998,920	\$ 16,843,806	\$ 16,843,806

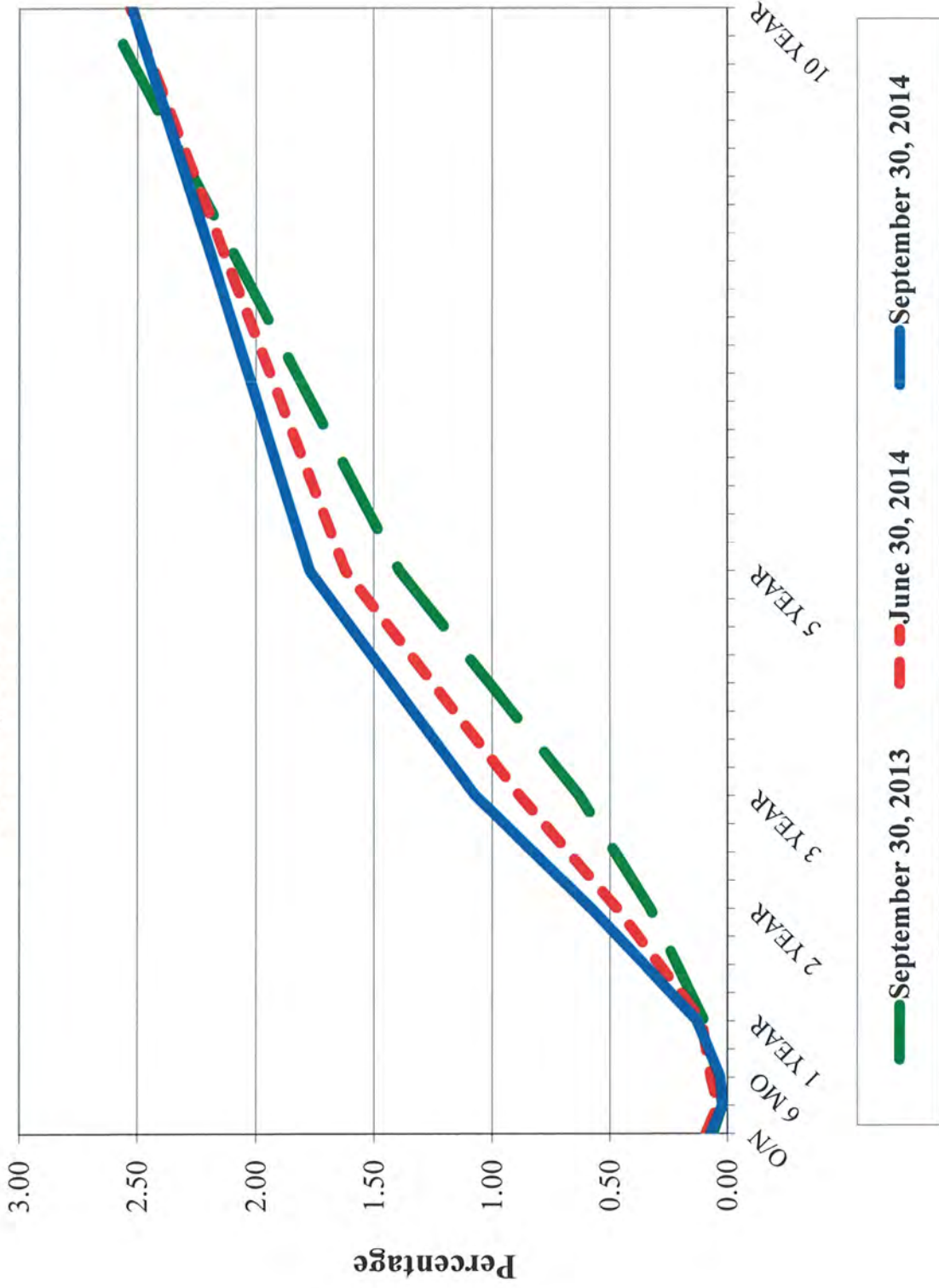
Quarterly Portfolio Performance

Average Quarterly Yield	0.49%	Average Quarterly End Yield	0.43%
Rolling Three Mo. Treas. Yield	0.03%	Rolling Three Mo. Treas. Yield	0.04%
Rolling Six Mo. Treas. Yield	0.05%	Rolling Six Mo. Treas. Yield	0.07%
		Average Quarterly End TexPool Yield	0.03%

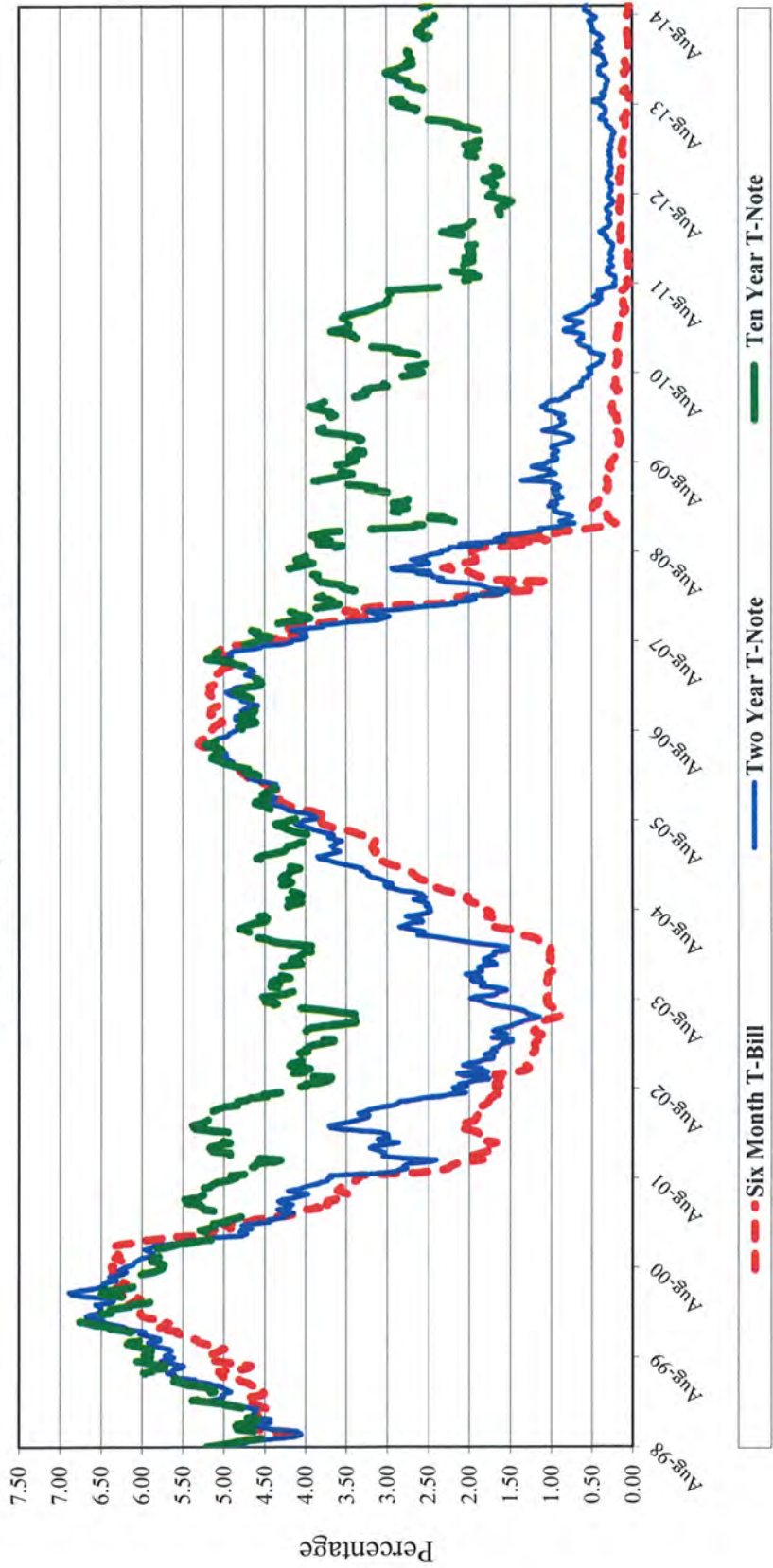
Quarterly Interest Earnings (Reported Separately)

Note: Average yields calculated using quarter end report average yield and adjusted book value, but do not include adviser fees and realized and unrealized gains or losses.

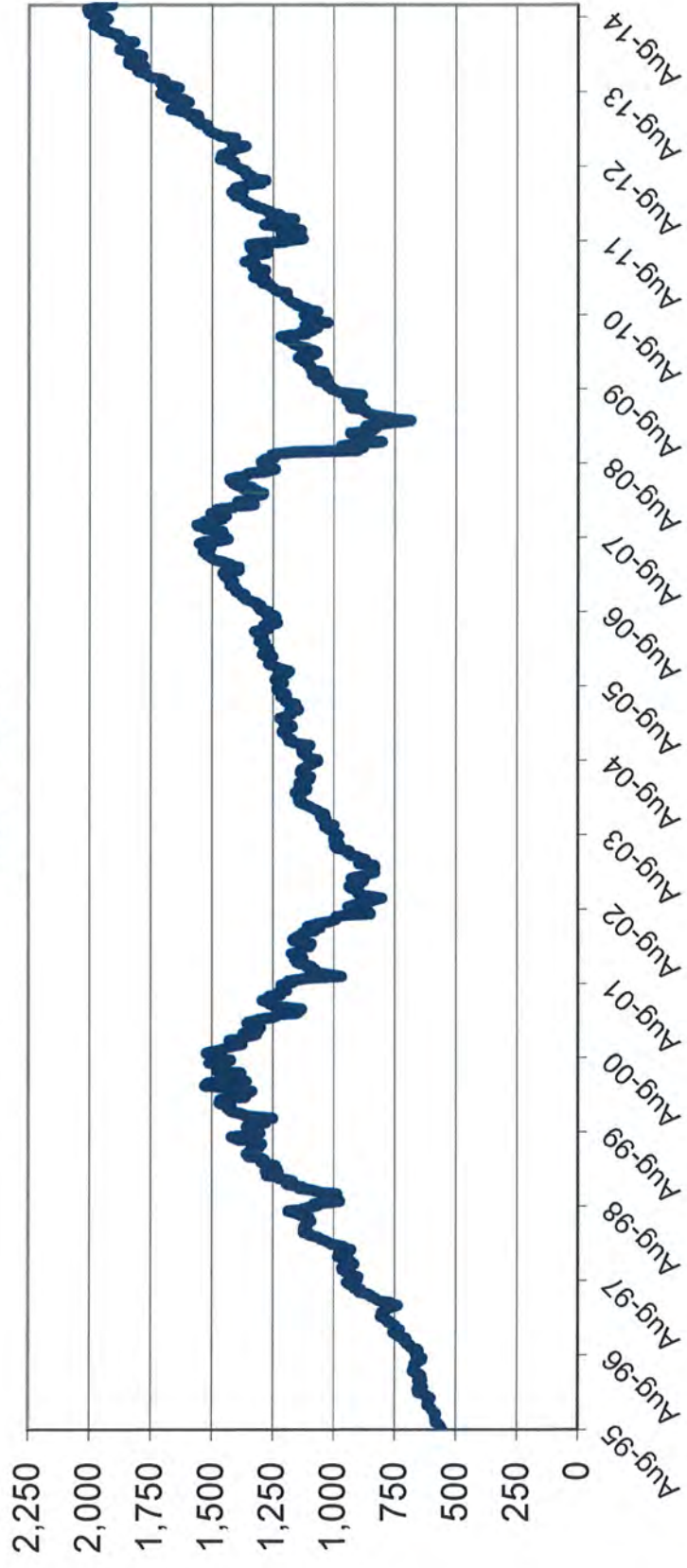
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



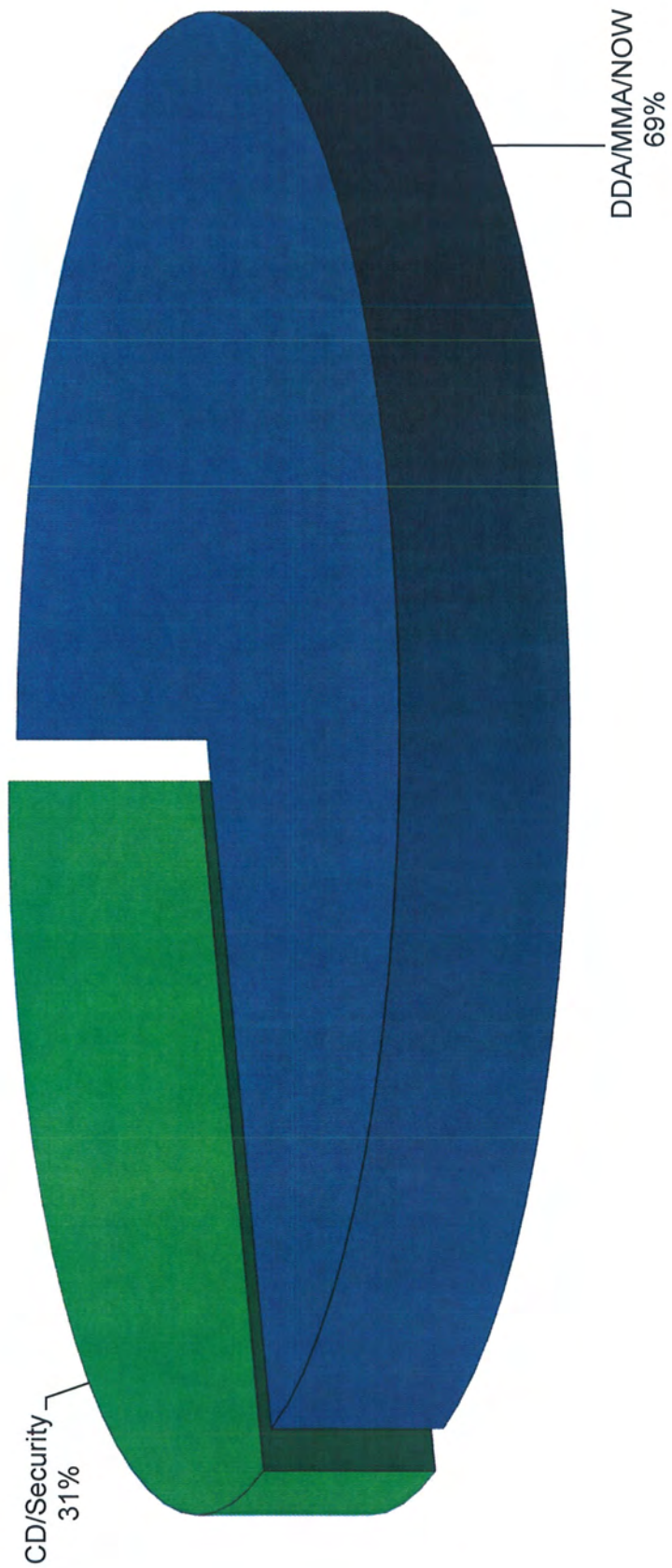
Detail of Investment Holdings September 30, 2014

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face/ Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
Regions Bank DDA		0.05%	10/01/14	09/30/14	\$ 1,447,323	\$ 1,447,323	1.00	\$ 1,447,323	1	0.05%
Guaranty Bond Checking		0.00%	10/01/14	09/30/14	3,248,589	3,248,589	1.00	3,248,589	1	0.00%
Guaranty Bond MMA		0.50%	10/01/14	09/30/14	9,188,101	9,188,101	1.00	9,188,101	1	0.50%
Guaranty Bond CD		0.70%	11/01/14	04/23/14	701,208	701,208	100.00	701,208	32	0.70%
Guaranty Bond CD		0.70%	02/01/15	04/23/14	701,208	701,208	100.00	701,208	124	0.70%
Guaranty Bond CD		0.80%	05/01/15	04/23/14	500,986	500,986	100.00	500,986	213	0.80%
Guaranty Bond CD		0.80%	08/01/15	04/23/14	500,986	500,986	100.00	500,986	305	0.80%
Guaranty Bond CD		0.80%	11/01/15	04/23/14	500,986	500,986	100.00	500,986	397	0.80%
Guaranty Bond CD		0.80%	02/01/16	04/23/14	300,592	300,592	100.00	300,592	489	0.80%
Farmers Bank & Trust CD		0.80%	05/17/16	04/17/14	903,022	903,022	100.00	903,022	595	0.80%
Farmers Bank & Trust CD		0.90%	08/17/16	04/17/14	903,400	903,400	100.00	903,400	687	0.90%
Guaranty Bond CD		1.15%	09/19/16	09/01/14	500,000	500,000	100.00	500,000	720	1.15%
Farmers Bank & Trust CD		1.00%	11/17/16	04/17/14	602,519	602,519	100.00	602,519	779	1.00%
					\$ 19,998,920	\$ 19,998,920			136	0.49%
									(1)	(2)

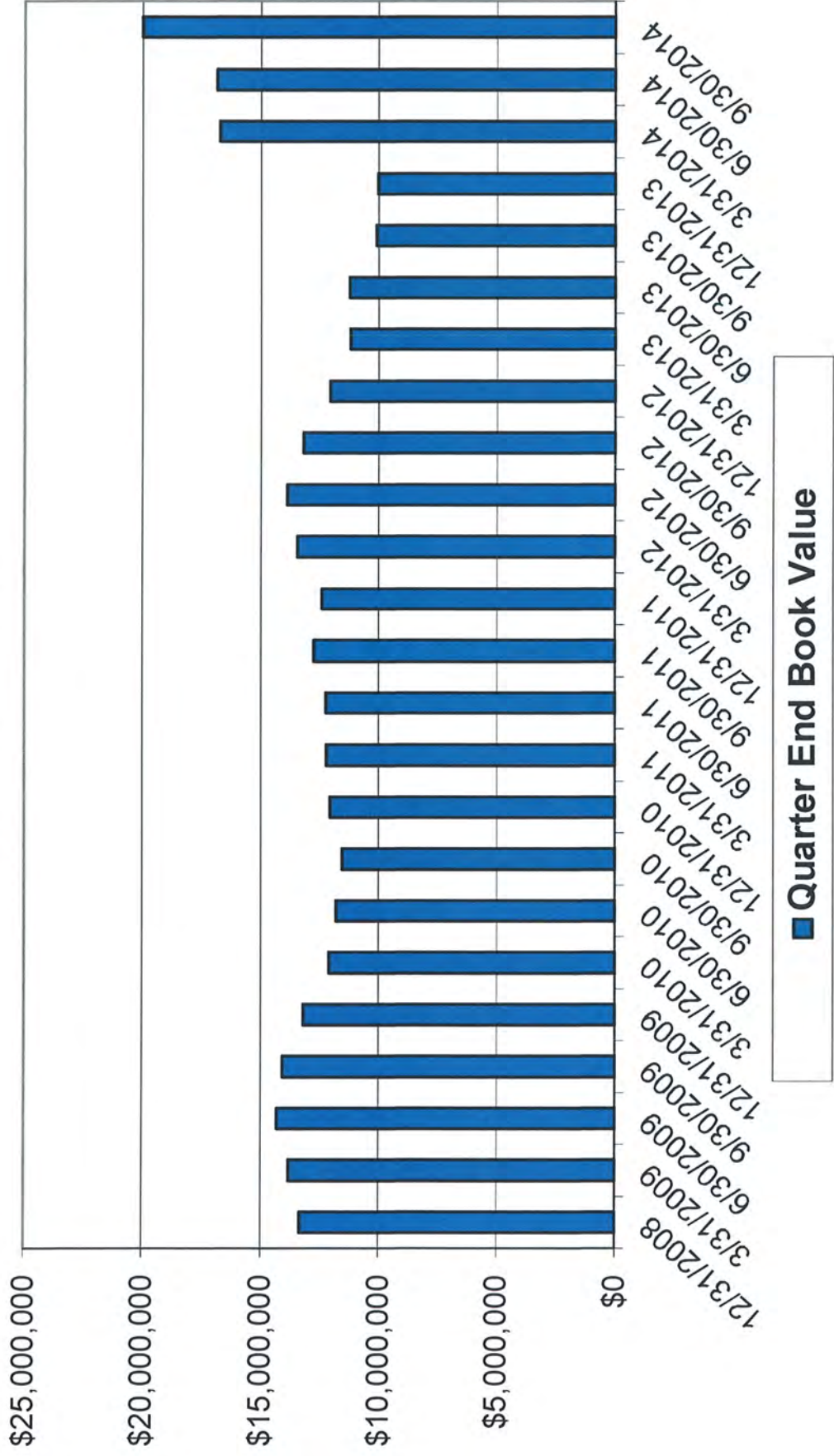
(1) Weighted average life - Pools, Money Market Funds, and Bank Deposits are assumed to have a one day maturity.

(2) Weighted average yield to maturity - The weighted average yield to maturity is based on Book Value, adviser fees and realized and unrealized gains/losses are not considered. The Bank Deposit, Pool, and Money Market Fund yields are the average for the last month of the quarter.

Portfolio Composition



Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2014			September 30, 2014			
			Par Value	Book Value	Market Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	Par Value	Book Value
Regions Bank DDA	0.05%	10/01/14	\$ 1,320,985	\$ 1,320,985	\$ 1,320,985	\$ 126,338	\$ -	\$ 1,447,323	\$ 1,447,323
Guaranty Bond Checking	0.00%	10/01/14	1,833,306	1,833,306	1,833,306	1,415,283		3,248,589	3,248,589
Guaranty Bond MMA	0.50%	10/01/14	7,585,954	7,585,954	7,585,954	1,602,147		9,188,101	9,188,101
Guaranty Bond CD	0.55%	08/01/14	500,000	500,000	500,000		(500,000)		
Guaranty Bond CD	0.70%	11/01/14	700,000	700,000	700,000	1,208		701,208	701,208
Guaranty Bond CD	0.70%	02/01/15	700,000	700,000	700,000	1,208		701,208	701,208
Guaranty Bond CD	0.80%	05/01/15	500,000	500,000	500,000	986		500,986	500,986
Guaranty Bond CD	0.80%	08/01/15	500,000	500,000	500,000	986		500,986	500,986
Guaranty Bond CD	0.80%	11/01/15	500,000	500,000	500,000	986		500,986	500,986
Guaranty Bond CD	0.80%	02/01/16	300,000	300,000	300,000	592		300,592	300,592
Farmers Bank & Trust CD	0.80%	05/17/16	901,204	901,204	901,204	1,818		903,022	903,022
Farmers Bank & Trust CD	0.90%	08/17/16	901,354	901,354	901,354	2,046		903,400	903,400
Guaranty Bond CD	1.15%	09/19/16	601,003	601,003	601,003	500,000		500,000	500,000
Farmers Bank & Trust CD	1.00%	11/17/16	601,003	601,003	601,003	1,516		602,519	602,519
TOTAL			\$ 16,843,806	\$ 16,843,806	\$ 16,843,806	\$ 3,655,114	\$ (500,000)	\$ 19,998,920	\$ 19,998,920

Market Value Comparison

Description	Maturity Date	June 30, 2014			September 30, 2014			
		Par Value	Market Price	Market Value	Qtr to Qtr Change	Par Value	Market Price	Market Value
Regions Bank DDA	10/01/14	\$ 1,320,985	1.00	\$ 1,320,985	\$ 126,338	\$ 1,447,323	1.00	\$ 1,447,323
Guaranty Bond Checking	10/01/14	1,833,306	1.00	1,833,306	1,415,283	3,248,589	1.00	3,248,589
Guaranty Bond MMA	10/01/14	7,585,954	1.00	7,585,954	1,602,147	9,188,101	1.00	9,188,101
Guaranty Bond CD	08/01/14	500,000	100.00	500,000	(500,000)			
Guaranty Bond CD	11/01/14	700,000	100.00	700,000	1,208	701,208	100.00	701,208
Guaranty Bond CD	02/01/15	700,000	100.00	700,000	1,208	701,208	100.00	701,208
Guaranty Bond CD	05/01/15	500,000	100.00	500,000	986	500,986	100.00	500,986
Guaranty Bond CD	08/01/15	500,000	100.00	500,000	986	500,986	100.00	500,986
Guaranty Bond CD	11/01/15	500,000	100.00	500,000	986	500,986	100.00	500,986
Guaranty Bond CD	02/01/16	300,000	100.00	300,000	592	300,592	100.00	300,592
Farmers Bank & Trust CD	05/17/16	901,204	100.00	901,204	1,818	903,022	100.00	903,022
Farmers Bank & Trust CD	08/17/16	901,354	100.00	901,354	2,046	903,400	100.00	903,400
Guaranty Bond CD	09/19/14	601,003	100.00	601,003	500,000	500,000	100.00	500,000
Farmers Bank & Trust CD	11/17/16	601,003	100.00	601,003	1,516	602,519	100.00	602,519
TOTAL		\$ 16,843,806		\$ 16,843,806	\$ 3,155,114	\$ 19,998,920		\$ 19,998,920

September 30, 2014

**Allocation
Book & Market Value**

	Total	General	Bond Proceeds	Construction	Enterprise	Contingency Fund	I&S Reserve	Required Reserve	Replacement Reserve
Regions Bank DDA	\$ 1,447,323	\$ -	\$ -	\$ 343,264		\$ 201,290	\$ 313,615	\$ 589,154	\$ -
Guaranty Bond Checking	3,248,589	2,805,838			442,751				
Guaranty Bond MMA	9,188,101	5,894,568	501,963		1,559,666		359,814	671,522	200,568
11/01/14	701,208		701,208						
02/01/15	701,208		701,208						
05/01/15	500,986		500,986						
08/01/15	500,986		500,986						
11/01/15	500,986		500,986						
02/01/16	300,592		300,592						
05/17/16	903,022		903,022						
08/17/16	903,400		903,400						
09/19/16	500,000		500,000						
11/17/16	602,519		602,519						

Totals \$ 19,998,920 \$ 8,700,406 \$ 6,616,870 \$ 343,264 \$ 2,002,417 \$ 201,290 \$ 673,429 \$ 1,260,676 \$ 200,568

June 30, 2014

**Allocation
Book & Market Value**

	Total	General	Bond Proceeds	Construction	Enterprise	Contingency Fund	I&S Reserve	Required Reserve	Replacement Reserve
Regions Bank DDA	\$ 1,320,985	\$ -	\$ -	\$ 343,123		\$ 201,265	\$ 187,517	\$ 589,080	\$ -
Guaranty Bond Checking	1,833,306	1,635,253			198,053				
Guaranty Bond MMA	7,585,954	4,861,087	500,728		1,107,269		245,879	670,676	200,315
08/01/14	500,000		500,000						
11/01/14	700,000		700,000						
02/01/15	700,000		700,000						
05/01/15	500,000		500,000						
08/01/15	500,000		500,000						
11/01/15	500,000		500,000						
02/01/16	300,000		300,000						
05/17/16	901,204		901,204						
08/17/16	901,354		901,354						
11/17/16	601,003		601,003						
Totals	\$ 16,843,806	\$ 6,496,340	\$ 6,604,289	\$ 343,123	\$ 1,305,322	\$ 201,265	\$ 433,396	\$ 1,259,756	\$ 200,315