



RESOLUTION NO. 20161122-02

APPROVAL OF 4TH QUARTER INVESTMENT REPORT FOR FISCAL YEAR 2016

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 2016 Report on the Investment Program and Investment Activity of TexAmericas Center.

PASSED AND APPROVED THIS 22nd day of November, 2016.

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

Denis Washington, Chairman of the Board

ATTEST:

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

Melford Pierce, Secretary

Attached: FY16 – 4th Quarter Investment Report



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2016


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.



Executive Director/CEO



Controller

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.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	September 30, 2015			September 30, 2016		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
DDA/MMA/Pools	0.19%	\$ 3,745,353	\$ 3,745,353	0.32%	\$ 1,334,743	\$ 1,334,743
MMMF	0.01%	499,659	499,659	0.00%	-	-
CDs/Securities	0.82%	6,071,790	6,071,790	0.92%	6,644,322	6,644,322
Totals		\$ 10,316,802	\$ 10,316,802		\$ 7,979,065	\$ 7,979,065

	<u>2015</u>	<u>2016</u>	<u>Change</u>
Total Portfolio (1)	0.38%	0.69%	0.31%
Rolling Three Mo. Treas. Yield	0.03%	0.25%	0.22%
Rolling Six Mo. Treas. Yield	0.09%	0.37%	0.28%
Quarterly TexPool Yield	0.06%	0.31%	0.26%

(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.

Summary

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	September 30, 2016		June 30, 2016	
		Book Value	Market Value	Book Value	Market Value
DDA/MMA/Pools	0.32%	\$ 1,334,743	\$ 1,334,743	\$ 2,506,526	\$ 2,506,526
CDs/Securities	0.92%	6,644,322	6,644,322	7,088,297	7,088,297
Totals		\$ 7,979,065	\$ 7,979,065	\$ 9,594,823	\$ 9,594,823

Current Quarter Average Yield ⁽¹⁾		Fiscal Year-to-Date Average Yield ⁽²⁾	
Total Portfolio	0.82%	Total Portfolio	0.69%
Rolling Three Mo. Treas. Yield	0.30%	Rolling Three Mo. Treas. Yield	0.25%
Rolling Six Mo. Treas. Yield	0.42%	Rolling Six Mo. Treas. Yield	0.37%
		Average Quarter End TexPool Yield	0.31%

Interest Income (unaudited)

This Quarter	\$ 20,054
Fiscal Year to Date	\$ 64,452

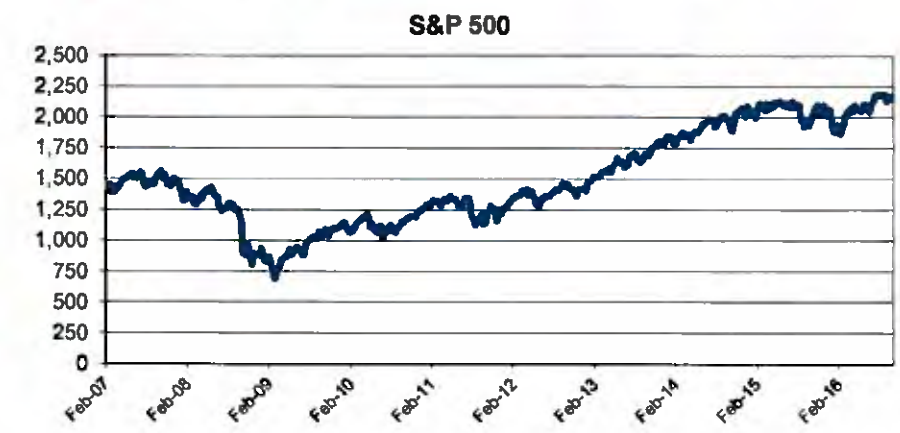
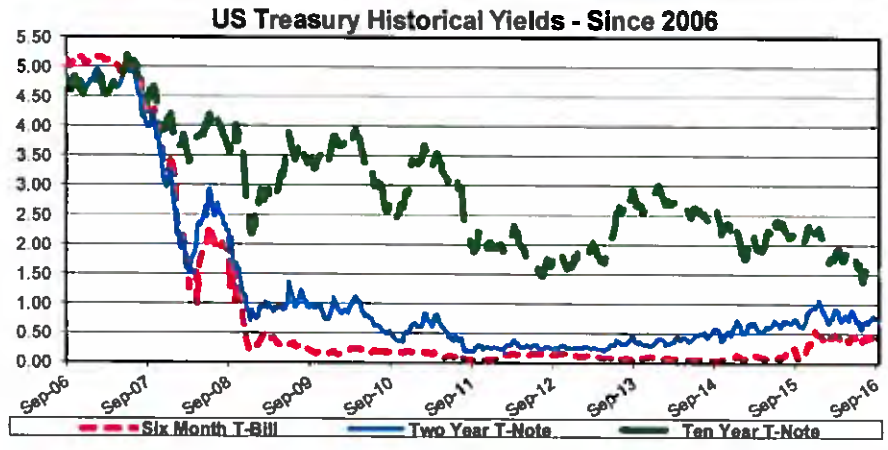
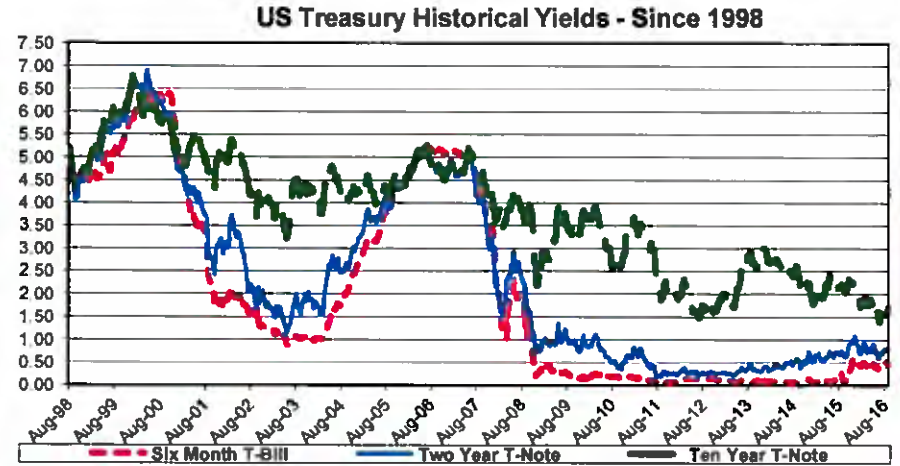
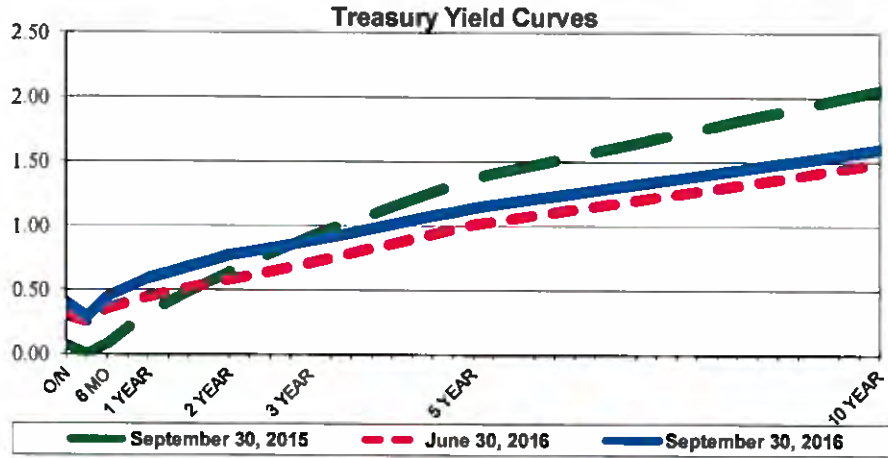
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

Economic Overview

9/30/2016

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range of 0.25% - 0.50% (actual Fed Funds traded +/-40 bps). The September FOMC meeting recorded dissenting votes for maintaining rates. More hawkish members wanted to raise the range by 0.25%. The current probability of a December FOMC meeting vote to raise the Fed Funds target is +/-60%. Second Quarter US GDP revised to 1.4% (from 1.1%, no more revision is expected). Other economic data reflected modest, yet inconsistent, growth. The US Stock markets have maintained higher levels. Treasury yields drifted slightly higher on tightening rumors. Taxable municipal bonds or CDs offer the best interest earnings opportunity, if available.



Investment Holdings
September 30, 2016

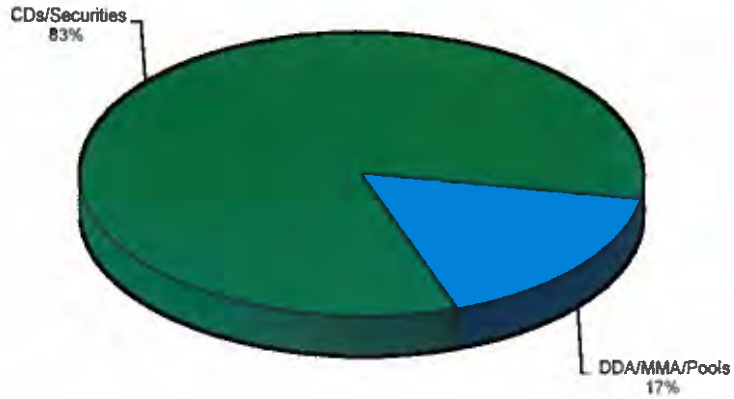
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FFB (3)		0.10%	10/01/16	09/30/16	\$ 612,011	\$ 612,011	1.00	\$ 612,011	1	0.10%
Southside Bank MMA		0.51%	10/01/16	09/30/16	713,438	713,438	1.00	713,438	1	0.51%
TexSTAR	AAAm	0.41%	10/01/16	09/30/16	9,294	9,294	1.00	9,294	1	0.41%
Southside Bank CD		0.67%	02/28/17	08/31/15	1,529,926	1,529,926	100.000	1,529,926	151	0.67%
Texas Security Bank CD		0.80%	03/17/17	03/10/15	1,533,073	1,533,073	100.000	1,533,073	168	0.80%
Texas Security Bank CD		1.05%	06/26/17	06/26/15	1,528,056	1,528,056	100.000	1,528,056	269	1.05%
Wallis State Bank CD		0.75%	03/09/17	03/09/16	501,892	501,892	100.000	501,892	160	0.75%
Texas Security Bank CD		1.20%	09/02/18	09/02/16	1,551,376	1,551,376	100.000	1,551,376	702	1.20%
					\$ 7,979,065	\$ 7,979,065		\$ 7,979,065	259	0.82%
									(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life bank, pool, and money market balances are assumed to have a one day maturity.

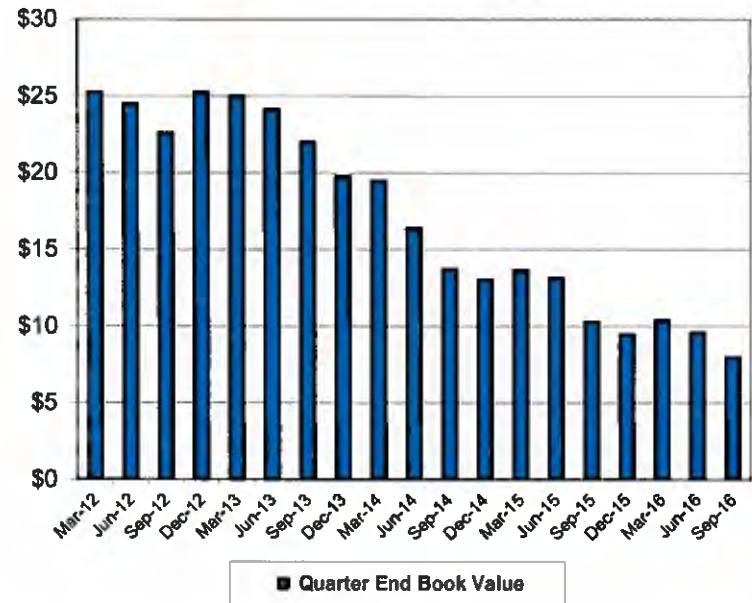
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(3) **Yield Estimated**

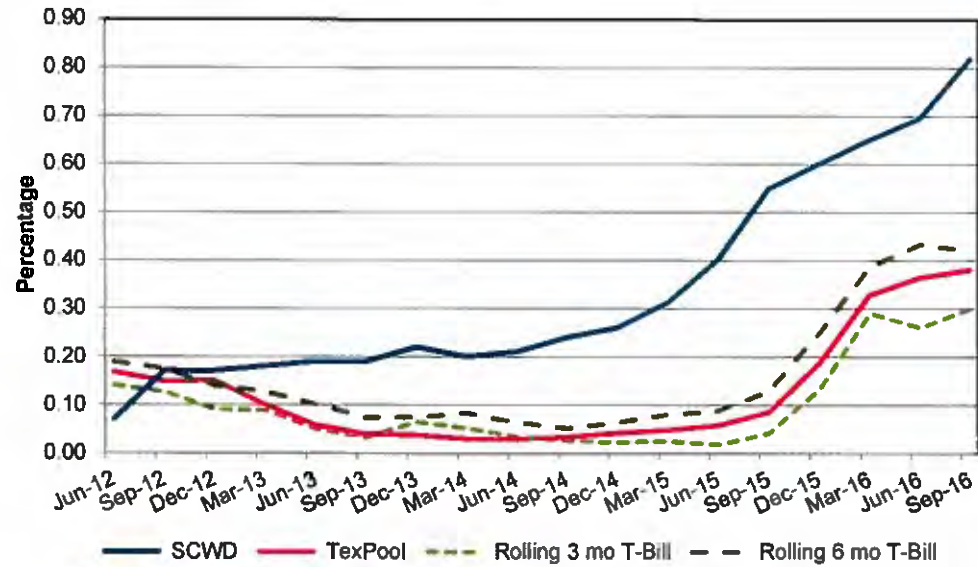
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	Settlement Date	June 30, 2016		Purchases/ Accruals	Sales/ Maturities	September 30, 2016	
				Par Value	Book Value			Par Value	Book Value
FFB	0.10%	10/01/16	09/30/16	\$ 364,587	\$ 364,587	\$ 247,424	\$ -	\$ 612,011	\$ 612,011
Southside Bank MMA	0.51%	10/01/16	09/30/16	1,337,109	1,337,109		(623,671)	713,438	713,438
TexSTAR	0.41%	10/01/16	09/30/16	804,829	804,829		(795,535)	9,294	9,294
BTH Bank CD	0.75%	08/25/16	08/28/14	245,000	245,000		(245,000)	-	-
BTH Bank CDARS	0.75%	08/25/16	08/28/14	1,292,357	1,292,357		(1,292,357)	-	-
Wallis State Bank CD	0.56%	09/09/16	03/09/16	500,706	500,706		(500,706)	-	-
Southside Bank CD	0.67%	02/28/17	08/31/15	1,527,346	1,527,346	2,579		1,529,926	1,529,926
Texas Security Bank CD	0.80%	03/17/17	03/10/15	1,514,058	1,514,058	19,015		1,533,073	1,533,073
Texas Security Bank CD	1.05%	06/26/17	06/26/15	1,507,885	1,507,885	20,171		1,528,056	1,528,056
Wallis State Bank CD	0.75%	03/09/17	03/09/16	500,945	500,945	947		501,892	501,892
Texas Security Bank CD	1.20%	09/02/18	09/02/16	-	-	1,551,376		1,551,376	1,551,376
TOTAL				\$ 9,594,823	\$ 9,594,823	\$ 1,841,511	\$ (3,457,270)	\$ 7,979,065	\$ 7,979,065

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2016			Qtr-to-Qtr Change	September 30, 2016		
			Par Value	Market Price	Market Value		Par Value	Market Price	Market Value
FFB	0.10%	10/01/16	\$ 364,587	1.00	\$ 364,587	\$ 247,424	\$ 612,011	1.00	\$ 612,011
Southside Bank MMA	0.51%	10/01/16	1,337,109	1.00	1,337,109	(623,671)	713,438	1.00	713,438
TexSTAR	0.41%	10/01/16	804,829	1.00	804,829	(795,535)	9,294	1.00	9,294
BTH Bank CD	0.75%	08/25/16	245,000	100.00	245,000	(245,000)	-	-	-
BTH Bank CDARS	0.75%	08/25/16	1,292,357	100.00	1,292,357	(1,292,357)	-	-	-
Wallis State Bank CD	0.56%	09/09/16	500,706	100.00	500,706	(500,706)	-	-	-
Southside Bank CD	0.67%	02/28/17	1,527,346	100.00	1,527,346	2,579	1,529,926	100.00	1,529,926
Texas Security Bank CD	0.80%	03/17/17	1,514,058	100.00	1,514,058	19,015	1,533,073	100.00	1,533,073
Texas Security Bank CD	1.05%	06/26/17	1,507,885	100.00	1,507,885	20,171	1,528,056	100.00	1,528,056
Wallis State Bank CD	0.75%	03/09/17	500,945	100.00	500,945	947	501,892	100.00	501,892
Texas Security Bank CD	1.20%	09/02/18	-	-	-	1,551,376	1,551,376	100.00	1,551,376
TOTAL			\$ 9,594,823		\$ 9,594,823	\$ (1,615,758)	\$ 7,979,065		\$ 7,979,065

Fund Allocation

September 30, 2016

Book & Market Value	Totals	General	Capital & Maintenance Trust	SCWD Capital Project	Debt Service
FFB	\$ 612,011	\$ 214,482	\$ -	\$ 393,014	\$ 4,515
Southside Bank MMA	713,438	399,547	313,891		
TexSTAR	9,294				9,294
02/28/17-Southside Bank CD	1,529,926		1,529,926		
03/17/17-Texas Security Bank CD	1,533,073		1,533,073		
06/26/17-Texas Security Bank CD	1,528,056		1,528,056		
03/09/17-Wallis State Bank CD	501,892	501,892			
09/02/18-Texas Security Bank CD	1,551,376		1,551,376		
Totals	\$ 7,979,065	\$ 1,115,921	6,456,321	393,014	13,809

Fund Allocation

June 30, 2016

Book & Market Value	Totals	General	Capital & Maintenance Trust	SCWD Capital Project	Debt Service
FFB	\$ 364,587	\$ 242,285	\$ -	\$ 102,863	\$ 19,440
Southside Bank MMA	1,337,109	1,016,276	320,833		
TexSTAR	804,829				804,829
08/25/16-BTH Bank CD	245,000		245,000		
08/25/16-BTH Bank CDARS	1,292,357		1,292,357		
09/09/16-Wallis State Bank CD	500,706		500,706		
02/28/17-Southside Bank CD	1,527,346		1,527,346		
03/17/17-Texas Security Bank CD	1,514,058		1,514,058		
06/26/17-Texas Security Bank CD	1,507,885		1,507,885		
03/09/17-Wallis State Bank CD	500,945	500,945			
Totals	\$ 9,594,823	\$ 1,759,506	6,908,185	102,863	824,269