



**RESOLUTION NO. 20171121-02**

**APPROVAL OF 4TH QUARTER INVESTMENT REPORT FOR FISCAL YEAR 2017**

**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 4<sup>th</sup> Quarter 2017 Report on the Investment Program and Investment Activity of TexAmericas Center.

**PASSED AND APPROVED THIS 21<sup>st</sup> day of November, 2017.**

  
Boyd Sartin, Chairman of the Board

**ATTEST:**

  
Ben King, Secretary

Attached: FY17 4<sup>th</sup> Quarter Investment Report



## INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2017

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, 2017 |                      |                      | September 30, 2016 |                      |                      |
|--|--------------------|----------------------|----------------------|--------------------|----------------------|----------------------|
|  | Ave. Yield         | Book Value           | Market Value         | Ave. Yield         | Book Value           | Market Value         |
| DDA/MMA/NOW  | 1.00%              | \$ 8,577,221         | \$ 8,577,221         | 0.46%              | \$ 8,738,794         | \$ 8,738,794         |
| CD/Security  | 1.01%              | 3,027,710            | 3,027,710            | 0.97%              | 3,007,310            | 3,007,310            |
| <b>Totals</b>  |                    | <b>\$ 11,604,931</b> | <b>\$ 11,604,931</b> |                    | <b>\$ 11,746,104</b> | <b>\$ 11,746,104</b> |
| Fourth Quarter-End Yield                             | 1.00%              |                      |                      | 0.59%              |                      |                      |
| <b>Average Quarter-End Yields - Fiscal Year (1):</b> |                    |                      |                      |                    |                      |                      |
| TexAmericas  | 0.80%              |                      |                      | 0.54%              |                      |                      |
| Rolling Three Month Treasury                         | 0.75%              |                      |                      | 0.25%              |                      |                      |
| Rolling Six Month Treasury                           | 0.78%              |                      |                      | 0.37%              |                      |                      |
| TexPool  | 0.74%              |                      |                      | 0.31%              |                      |                      |

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

**Summary**

**Quarter End Results by Investment Category:**

| Asset Type    | Ave. Yield | September 30, 2017   |                      | June 30, 2017        |                      |
|---------------|------------|----------------------|----------------------|----------------------|----------------------|
|               |            | Book Value           | Market Value         | Book Value           | Market Value         |
| DDA/MMA/NOW   | 1.00%      | \$ 8,577,221         | \$ 8,577,221         | \$ 9,346,621         | \$ 9,346,621         |
| CD/Security   | 1.01%      | 3,027,710            | 3,027,710            | 3,020,075            | 3,020,075            |
| <b>Totals</b> |            | <b>\$ 11,604,931</b> | <b>\$ 11,604,931</b> | <b>\$ 12,366,696</b> | <b>\$ 12,366,696</b> |

**Quarterly Portfolio Performance**

|                                |       |
|--------------------------------|-------|
| Average Quarterly Yield        | 1.00% |
| Rolling Three Mo. Treas. Yield | 1.05% |
| Rolling Six Mo. Treas. Yield   | 1.09% |

**Fiscal Year to Date Portfolio Performance**

|                                   |       |
|-----------------------------------|-------|
| Average Quarter End Yield         | 0.80% |
| Rolling Three Mo. Treas. Yield    | 0.75% |
| Rolling Six Mo. Treas. Yield      | 0.78% |
| Average Quarter End TexPool Yield | 0.74% |

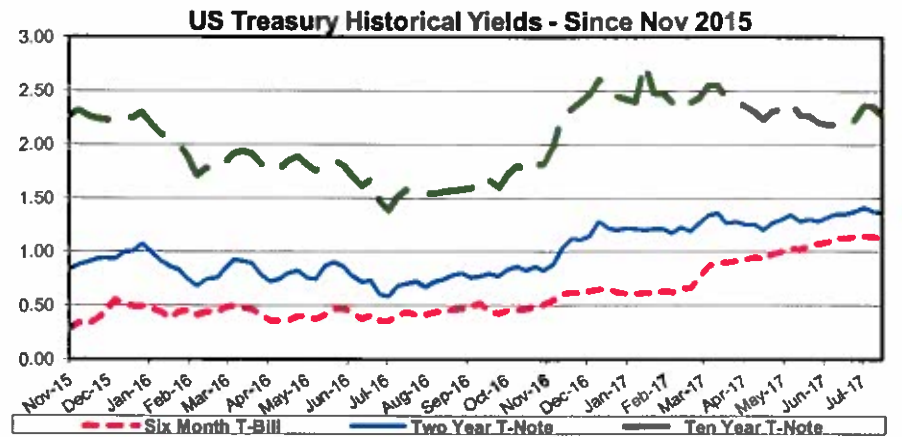
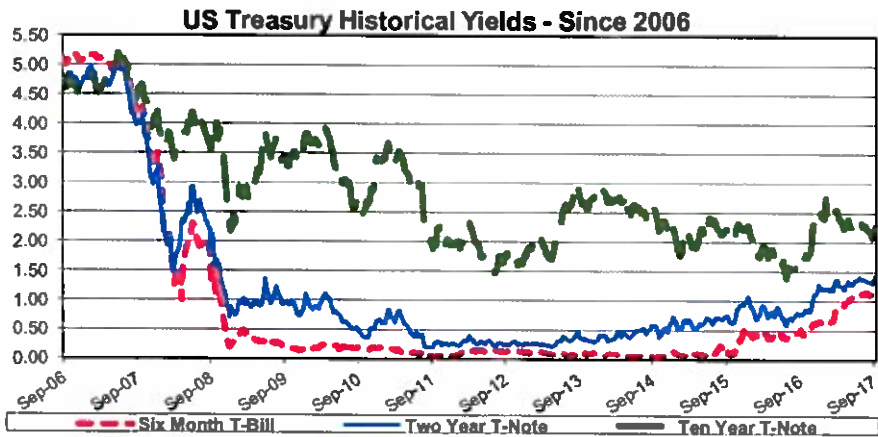
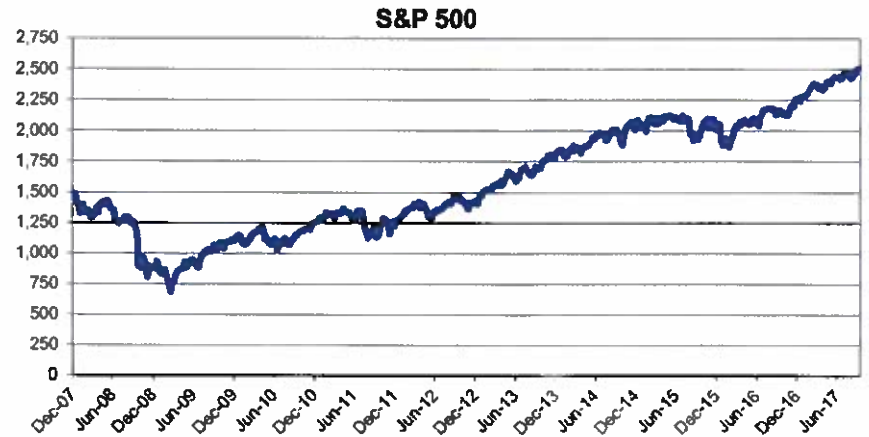
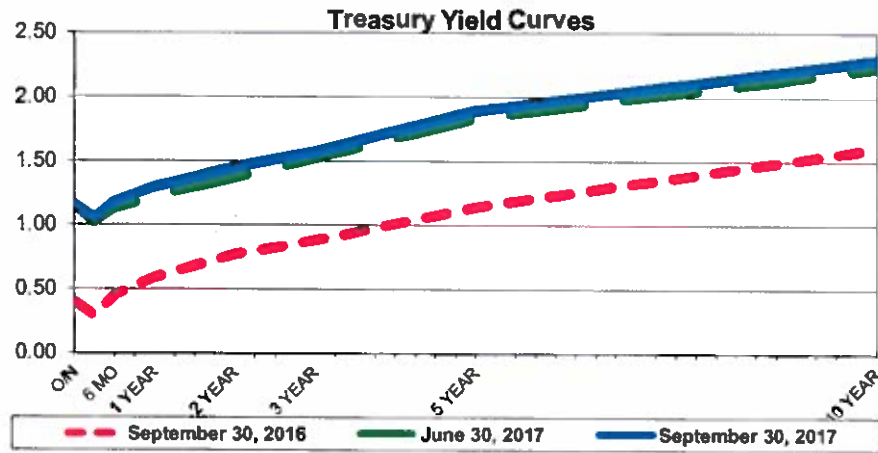
Quarterly Interest Earnings (Reported Separately)

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.

**Economic Overview**

9/30/2017

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range of 1.00% - 1.25% (Effective Fed Funds are trading +/-1.16%) since the June FOMC meeting. Recent announcements have increased the probability of a December rate increase. The FOMC announced a gradual portfolio reduction by limiting reinvestment of maturing holdings. Second Quarter 2017 GDP was revised to 3.1%. September Non Farm Payroll data was a storm influenced negative 33k, with downward revisions to August and July. Other US data generally showed positive with a few negative numbers. The Stock Markets achieved new highs. Monitoring estimated balances and needs will determine laddering opportunities.



**Investment Holdings**  
**September 30, 2017**

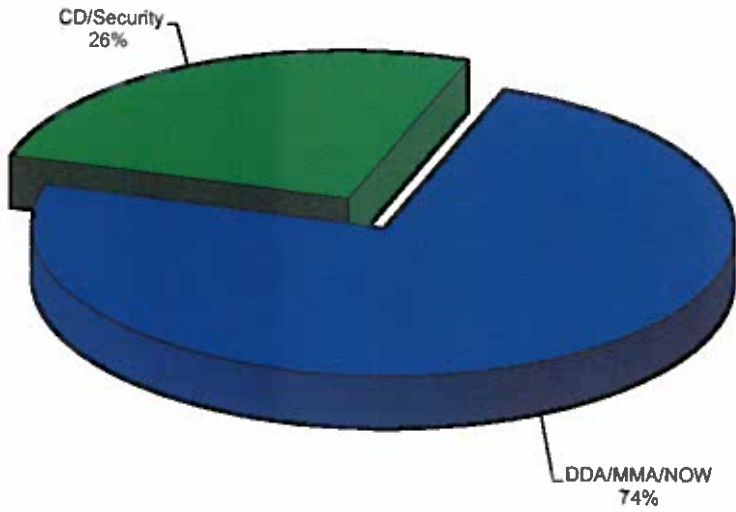
| Description           | Coupon/<br>Discount | Maturity<br>Date | Settlement<br>Date | Original Face/<br>Par Value | Book<br>Value        | Market<br>Price | Market<br>Value      | Life<br>(Days) | Yield        |
|-----------------------|---------------------|------------------|--------------------|-----------------------------|----------------------|-----------------|----------------------|----------------|--------------|
| Guaranty B&T Checking | 0.00%               | 10/01/17         | 09/30/17           | \$ 299,054                  | \$ 299,054           | 1.00            | \$ 299,054           | 1              | 0.00%        |
| Guaranty B&T MMA      | 1.04%               | 10/01/17         | 09/30/17           | 8,278,167                   | 8,278,167            | 1.00            | 8,278,167            | 1              | 1.04%        |
| Guaranty B&T CD       | 1.02%               | 04/25/18         | 04/25/17           | 1,002,543                   | 1,002,543            | 100.00          | 1,002,543            | 207            | 1.02%        |
| Guaranty B&T CD       | 1.00%               | 05/05/18         | 05/05/16           | 2,025,167                   | 2,025,167            | 100.00          | 2,025,167            | 217            | 1.00%        |
|                       |                     |                  |                    | <b>\$ 11,604,931</b>        | <b>\$ 11,604,931</b> |                 | <b>\$ 11,604,931</b> | <b>56</b>      | <b>1.00%</b> |

(1) (2)

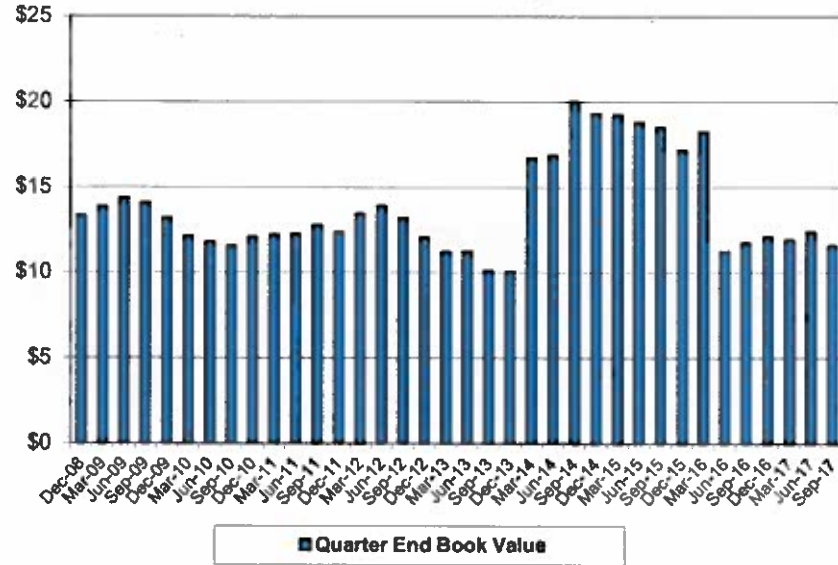
(1) **Weighted average life** - Pools, Money Market Funds, and Bank Deposits are assumed to have a one day maturity.

(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.

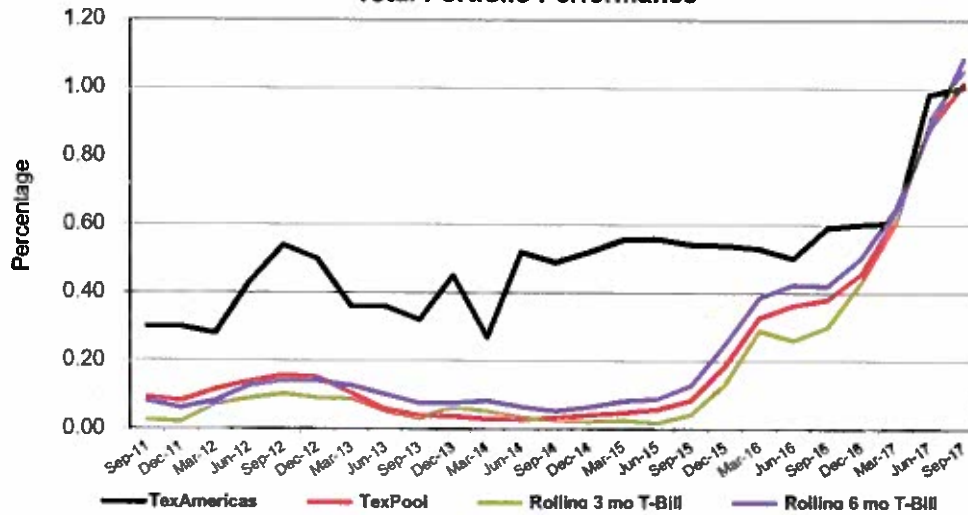
**Portfolio Composition**



**Total Portfolio (Millions)**



**Total Portfolio Performance**



### Book Value Comparison

| Description           | Coupon/<br>Discount | Maturity<br>Date | June 30, 2017        |                      | Purchases/<br>Adjustments | Sales/Adjust/<br>Maturities | September 30, 2017   |                      |
|-----------------------|---------------------|------------------|----------------------|----------------------|---------------------------|-----------------------------|----------------------|----------------------|
|                       |                     |                  | Par Value            | Book Value           |                           |                             | Par Value            | Book Value           |
| Guaranty B&T Checking | 0.00%               | 10/01/17         | \$ 144,861           | \$ 144,861           | \$ 154,193                | \$ -                        | \$ 299,054           | \$ 299,054           |
| Guaranty B&T MMA      | 1.04%               | 10/01/17         | 9,201,761            | 9,201,761            |                           | (923,593)                   | 8,278,167            | 8,278,167            |
| Guaranty B&T CD       | 1.02%               | 04/25/18         | 1,000,000            | 1,000,000            | 2,543                     |                             | 1,002,543            | 1,002,543            |
| Guaranty B&T CD       | 1.00%               | 05/05/18         | 2,020,075            | 2,020,075            | 5,092                     |                             | 2,025,167            | 2,025,167            |
| <b>TOTAL</b>          |                     |                  | <b>\$ 12,366,696</b> | <b>\$ 12,366,696</b> | <b>\$ 161,828</b>         | <b>\$ (923,593)</b>         | <b>\$ 11,604,931</b> | <b>\$ 11,604,931</b> |

### Market Value Comparison

| Description           | Maturity<br>Date | June 30, 2017        |                 |                      | Qtr to Qtr<br>Change | September 30, 2017   |                 |                      |
|-----------------------|------------------|----------------------|-----------------|----------------------|----------------------|----------------------|-----------------|----------------------|
|                       |                  | Par Value            | Market<br>Price | Market Value         |                      | Par Value            | Market<br>Price | Market Value         |
| Guaranty B&T Checking | 10/01/17         | \$ 144,861           | 1.00            | \$ 144,861           | \$ 154,193           | \$ 299,054           | 1.00            | \$ 299,054           |
| Guaranty B&T MMA      | 10/01/17         | 9,201,761            | 1.00            | 9,201,761            | (923,593)            | 8,278,167            | 1.00            | 8,278,167            |
| Guaranty B&T CD       | 04/25/18         | 1,000,000            | 100.00          | 1,000,000            | 2,543                | 1,002,543            | 100.00          | 1,002,543            |
| Guaranty B&T CD       | 05/05/18         | 2,020,075            | 100.00          | 2,020,075            | 5,092                | 2,025,167            | 100.00          | 2,025,167            |
| <b>TOTAL</b>          |                  | <b>\$ 12,366,696</b> |                 | <b>\$ 12,366,696</b> | <b>\$ (761,765)</b>  | <b>\$ 11,604,931</b> |                 | <b>\$ 11,604,931</b> |



**Allocation  
Book & Market Value**

**September 30, 2017**

|                          | <b>Total</b>         | <b>General</b>      | <b>Required<br/>Reserve-<br/>Riverbend</b> |
|--------------------------|----------------------|---------------------|--|
| Guaranty B&T Checking    | \$ 299,054           | \$ 299,054          | \$ -                                       |
| Guaranty B&T MMA         | 8,278,167            | 8,278,167           |  |
| 04/25/18—Guaranty B&T CD | 1,002,543            |                     | 1,002,543                                  |
| 05/05/18—Guaranty B&T CD | 2,025,167            |                     | 2,025,167                                  |
| <b>Totals</b>            | <b>\$ 11,604,931</b> | <b>\$ 8,577,221</b> | <b>\$ 3,027,710</b>                        |

**Allocation  
Book & Market Value**

**June 30, 2017**

|                          | <b>Total</b>         | <b>General</b>     | <b>Required<br/>Reserve-<br/>Riverbend</b> |
|--------------------------|----------------------|--------------------|--|
| Guaranty B&T Checking    | \$ 144,861           | \$ 144,861         | \$ -                                       |
| Guaranty B&T MMA         | 9,201,761            | 9,201,761          |  |
| 04/25/18—Guaranty B&T CD | 1,000,000            |                    | 1,000,000                                  |
| 05/05/18—Guaranty B&T CD | 2,020,075            |                    | 2,020,075                                  |
| <b>Totals</b>            | <b>\$ 12,366,696</b> | <b>\$9,346,621</b> | <b>\$ 3,020,075</b>                        |