



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2018

Prepared by
Valley View Consulting, L.L.C. (1)

To the best of our knowledge, this portfolio and report are in compliance with the investment strategy expressed in Chapter 2, Administration, Article VII, Division 2, Investment Policy of the Code of Ordinances of the City of Deer Park and the Texas Public Funds Investment Act, Government Code Ch. 2256, as amended.

City Manager

Assistant City Manager

Director of Finance

(1) Disclaimer: These reports were compiled using information provided by the City. 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.

City of Deer Park, Texas Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	Ave. Yield	September 30, 2017		September 30, 2018	
		Book Value	Market Value	Book Value	Market Value
MMA/NOW	0.67%	\$ 31,249,561.33	\$ 31,249,561.33	\$ 20,986,619.41	\$ 20,986,619.41
Pools	1.03%	54,798,070.35	54,798,070.35	42,555,029.82	42,555,029.82
CDS/Securities	1.22%	23,146,991.78	23,146,991.78	33,407,675.41	33,407,675.41
Totals		\$ 109,194,623.46	\$ 109,194,623.46	\$ 96,949,324.64	\$ 96,949,324.64

Fourth Quarter-End Yield **0.97%**

1.67%

Average Quarter-End Yields (1):

	2017 Fiscal Year	2018 Fiscal Year
Deer Park	0.70%	1.41%
Rolling Three Month Treasury	0.75%	1.69%
Rolling Six Month Treasury	0.78%	1.73%
TexPool	0.74%	1.62%
Fiscal YTD Interest Earnings	\$ 757,751.49	\$ 1,542,841.24

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

Note: Bank balances represent pooled cash accounts (General Fund, Accounts Payable and Payroll), plus the CCPD, FCPPEMSD, DPCCDC, and Series 2002 TWDB accounts. Cash balances are unaudited. Cash balances for the beginning of the fiscal year are restated to reflect bank balances rather than book balances.

Strategy Summary

Quarter End Results by Investment Category:

Asset Type	June 30, 2018		September 30, 2018		Ave. Yield
	Book Value	Market Value	Book Value	Market Value	
MMMA/NOW	\$ 30,398,199.39	\$ 30,398,199.39	\$ 20,986,619.41	\$ 20,986,619.41	0.35%
LGIPs	49,826,655.51	49,826,655.51	42,555,029.82	42,555,029.82	2.00%
CDs/Securities	29,785,032.56	29,785,032.56	33,407,675.41	33,407,675.41	2.08%
Totals	\$110,009,887.46	\$ 110,009,887.46	\$ 96,949,324.64	\$ 96,949,324.64	

Current Quarter Average Yield (1)

Total Portfolio	1.67%
Rolling Three Month Treasury	2.08%
Rolling Six Month Treasury	2.15%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	1.41%
Rolling Three Month Treasury	1.69%
Rolling Six Month Treasury	1.73%
Quarter End TexPool Yield	1.62%
Quarter End TexSTAR Yield	1.63%

	Quarterly Interest Income	Year-to-date Interest Income	Interest Earnings	Approximate
	\$ 438,175.48	\$ 1,542,841.24		Approximate

Note: Bank balances represent pooled cash accounts (General Fund, Accounts Payable and Payroll), plus the CCPD, FCPMEMSD, DPCCDC, and Series 2002 TWDB accounts. Cash balances are unaudited.

(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.

Investment Holdings
September 30, 2018

Description	Ratings	Coupon/ Maturity		Settlement		Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
		Discount	Date	Date	Date						
Wells Fargo #2800 MMA		0.17%	10/01/18	09/30/18		\$ 12,067,336.38	\$ 12,067,336.38	1.00	\$ 12,067,336.38	1	0.17%
Wells Fargo #9865 MMA		0.16%	10/01/18	09/30/18		1,702,041.99	1,702,041.99	1.00	1,702,041.99	1	0.16%
Wells Fargo #9824 MMA		0.16%	10/01/18	09/30/18		1,933,204.08	1,933,204.08	1.00	1,933,204.08	1	0.16%
Wells Fargo #6267 MMA		0.15%	10/01/18	09/30/18		3,231,490.80	3,231,490.80	1.00	3,231,490.80	1	0.15%
Green Bank MMA		2.11%	10/01/18	09/30/18		2,052,546.16	2,052,546.16	1.00	2,052,546.16	1	2.11%
TexPool	AAAmm	2.00%	10/01/18	09/30/18		19,079,430.63	19,079,430.63	1.00	19,079,430.63	1	2.00%
TexSTAR	AAAmm	2.00%	10/01/18	09/30/18		23,475,599.19	23,475,599.19	1.00	23,475,599.19	1	2.00%
LegacyTexas Bank CD		1.50%	10/01/18	07/03/17		5,141,500.04	5,141,500.04	100.00	5,141,500.04	1	1.51%
LegacyTexas Bank CD		1.45%	10/02/18	10/02/17		6,080,334.05	6,080,334.05	100.00	6,080,334.05	2	1.46%
Southside Bank CD		1.83%	11/19/18	01/19/18		3,027,286.15	3,027,286.15	100.00	3,027,286.15	50	1.84%
Southside Bank CD		1.58%	02/01/19	11/01/17		1,530,433.17	1,530,433.17	100.00	1,530,433.17	124	1.59%
LegacyTexas Bank CD		2.20%	03/01/19	03/01/18		3,538,996.25	3,538,996.25	100.00	3,538,996.25	152	2.22%
East West Bank CD		2.30%	04/02/19	04/02/18		2,528,835.36	2,528,835.36	100.00	2,528,835.36	184	2.33%
East West Bank CD		2.44%	05/01/19	05/01/18		2,525,700.20	2,525,700.20	100.00	2,525,700.20	213	2.47%
East West Bank CD		2.52%	06/01/19	06/01/18		2,016,899.30	2,016,899.30	100.00	2,016,899.30	244	2.55%
East West Bank CD		2.75%	07/22/19	09/21/18		2,501,884.20	2,501,884.20	100.00	2,501,884.20	295	2.79%
East West Bank CD		2.79%	10/21/19	09/21/18		2,501,911.62	2,501,911.62	100.00	2,501,911.62	386	2.83%
LegacyTexas Bank CD		2.75%	12/02/19	06/01/18		2,013,895.07	2,013,895.07	100.00	2,013,895.07	428	2.78%
						<u>\$ 96,949,324.64</u>	<u>\$ 96,949,324.64</u>		<u>\$ 96,949,324.64</u>	<u>52</u>	<u>1.67%</u>
										<u>(1)</u>	<u>(2)</u>

(1) Weighted average life - For purposes of calculating weighted average life, bank accounts, pools and money market 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 funds.

Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2018				September 30, 2018			
			Par Value	Book Value	Purchases/ Adjustments	Sales/ Call/Maturity	Par Value	Book Value		
Wells Fargo #2800 MMA	0.17%	10/01/18	\$ 9,839,577.19	\$ 9,839,577.19	\$ 2,227,759.19	\$ -	\$ 12,067,336.38	\$ 12,067,336.38		
Wells Fargo #9865 MMA	0.16%	10/01/18	1,631,799.56	1,631,799.56	70,242.43	-	1,702,041.99	1,702,041.99		
Wells Fargo #9824 MMA	0.16%	10/01/18	2,018,141.06	2,018,141.06	-	(84,936.98)	1,933,204.08	1,933,204.08		
Wells Fargo #5314 MMA	0.00%	10/01/18	6.61	6.61	-	(6.61)	-	-		
Wells Fargo #6267 MMA	0.15%	10/01/18	2,616,872.02	2,616,872.02	614,618.78	-	3,231,490.80	3,231,490.80		
Green Bank MMA	2.11%	10/01/18	2,041,790.95	2,041,790.95	10,755.21	-	2,052,546.16	2,052,546.16		
NexBank MMA	0.00%	10/01/18	12,250,012.00	12,250,012.00	-	(12,250,012.00)	-	-		
TexPool	2.00%	10/01/18	23,752,529.32	23,752,529.32	-	(4,673,098.69)	19,079,430.63	19,079,430.63		
TexSTAR	2.00%	10/01/18	26,074,126.19	26,074,126.19	-	(2,598,527.00)	23,475,599.19	23,475,599.19		
Southside Bank CD	1.25%	07/02/18	1,518,838.08	1,518,838.08	-	(1,518,838.08)	-	-		
LegacyTexas Bank CD	1.50%	10/01/18	5,122,109.84	5,122,109.84	19,390.20	-	5,141,500.04	5,141,500.04		
LegacyTexas Bank CD	1.45%	10/02/18	6,058,165.72	6,058,165.72	22,168.33	-	6,080,334.05	6,080,334.05		
Southside Bank CD	1.83%	11/19/18	3,013,536.99	3,013,536.99	13,749.16	-	3,027,286.15	3,027,286.15		
Southside Bank CD	1.58%	02/01/19	1,524,362.45	1,524,362.45	6,070.72	-	1,530,433.17	1,530,433.17		
LegacyTexas Bank CD	2.20%	03/01/19	3,519,444.11	3,519,444.11	19,552.14	-	3,538,996.25	3,538,996.25		
East West Bank CD	2.30%	04/02/19	2,514,217.91	2,514,217.91	14,617.45	-	2,528,835.36	2,528,835.36		
East West Bank CD	2.44%	05/01/19	2,510,214.99	2,510,214.99	15,485.21	-	2,525,700.20	2,525,700.20		
BTH Bank CD	2.52%	06/01/19	2,000,000.00	2,000,000.00	16,899.30	-	2,016,899.30	2,016,899.30		
East West Bank CD	2.75%	07/22/19	-	-	2,501,884.20	-	2,501,884.20	2,501,884.20		
East West Bank CD	2.79%	10/21/19	-	-	2,501,911.62	-	2,501,911.62	2,501,911.62		
LegacyTexas Bank CD	2.75%	12/02/19	2,004,142.47	2,004,142.47	9,752.60	-	2,013,895.07	2,013,895.07		
TOTAL			\$ 110,009,887.46	\$ 110,009,887.46	\$ 8,064,856.54	\$(21,125,419.36)	\$ 96,949,324.64	\$ 96,949,324.64		

Market Value Comparison

June 30, 2018

September 30, 2018

Description	Coupon/ Discount	Maturity Date	June 30, 2018		Qtr to Qtr Change	September 30, 2018	
			Par Value	Market Value		Par Value	Market Value
Wells Fargo #2800 MMA	0.17%	10/01/18	\$ 9,839,577.19	\$ 9,839,577.19	\$ 2,227,759.19	\$ 12,067,336.38	\$ 12,067,336.38
Wells Fargo #9865 MMA	0.16%	10/01/18	1,631,799.56	1,631,799.56	70,242.43	1,702,041.99	1,702,041.99
Wells Fargo #9824 MMA	0.16%	10/01/18	2,018,141.06	2,018,141.06	(84,936.98)	1,933,204.08	1,933,204.08
Wells Fargo #5314 MMA	0.00%	10/01/18	6.61	6.61	(6.61)	—	—
Wells Fargo #6267 MMA	0.15%	10/01/18	2,616,872.02	2,616,872.02	614,618.78	3,231,490.80	3,231,490.80
Green Bank MMA	2.11%	10/01/18	2,041,790.95	2,041,790.95	10,755.21	2,052,546.16	2,052,546.16
NexBank MMA	0.00%	10/01/18	12,250,012.00	12,250,012.00	(12,250,012.00)	—	—
TexPool	2.00%	10/01/18	23,752,529.32	23,752,529.32	(4,673,098.69)	19,079,430.63	19,079,430.63
TexSTAR	2.00%	10/01/18	26,074,126.19	26,074,126.19	(2,598,527.00)	23,475,599.19	23,475,599.19
Southside Bank CD	1.25%	07/02/18	1,518,838.08	1,518,838.08	(1,518,838.08)	—	—
LegacyTexas Bank CD	1.50%	10/01/18	5,122,109.84	5,122,109.84	19,390.20	5,141,500.04	5,141,500.04
LegacyTexas Bank CD	1.45%	10/02/18	6,058,165.72	6,058,165.72	22,168.33	6,080,334.05	6,080,334.05
Southside Bank CD	1.83%	11/19/18	3,013,536.99	3,013,536.99	13,749.16	3,027,286.15	3,027,286.15
Southside Bank CD	1.58%	02/01/19	1,524,362.45	1,524,362.45	6,070.72	1,530,433.17	1,530,433.17
LegacyTexas Bank CD	2.20%	03/01/19	3,519,444.11	3,519,444.11	19,552.14	3,538,996.25	3,538,996.25
East West Bank CD	2.30%	04/02/19	2,514,217.91	2,514,217.91	14,617.45	2,528,835.36	2,528,835.36
East West Bank CD	2.44%	05/01/19	2,510,214.99	2,510,214.99	15,485.21	2,525,700.20	2,525,700.20
BTH Bank CD	2.52%	06/01/19	2,000,000.00	2,000,000.00	16,899.30	2,016,899.30	2,016,899.30
East West Bank CD	2.75%	07/22/19	—	—	2,501,884.20	2,501,884.20	2,501,884.20
East West Bank CD	2.79%	10/21/19	—	—	2,501,911.62	2,501,911.62	2,501,911.62
LegacyTexas Bank CD	2.75%	12/02/19	2,004,142.47	2,004,142.47	9,752.60	2,013,895.07	2,013,895.07
TOTAL			\$ 110,009,887.46	\$ 110,009,887.46	\$(13,060,562.82)	\$ 96,949,324.64	\$ 96,949,324.64

Allocation
September 30, 2018

Book & Market Value

	Total	Pooled Cash	General	Capital Projects & Improvements	Crime Control District	Debt Service Fund
Wells Fargo MMA	\$ 18,934,073.25	\$ 12,067,336.38	\$ -	\$ -	\$ 1,702,041.99	\$ -
Green Bank MMA	2,052,546.16		2,052,546.16			
TexPool	19,079,430.63		11,026,240.35	3,972,591.92		1,936,518.00
TexSTAR	23,475,599.19		2,567,149.16	20,908,450.03		
10/01/18-LegacyTexas Bank CD	5,141,500.04		5,141,500.04			
10/02/18-LegacyTexas Bank CD	6,080,334.05		6,080,334.05			
11/19/18-Southside Bank CD	3,027,286.15		3,027,286.15			
02/01/19-Southside Bank CD	1,530,433.17		1,530,433.17			
03/01/19-LegacyTexas Bank CD	3,538,996.25		3,538,996.25			
04/02/19-East West Bank CD	2,528,835.36		2,528,835.36			
05/01/19-East West Bank CD	2,525,700.20		2,525,700.20			
06/01/19-BTH Bank CD	2,016,899.30		2,016,899.30			
07/22/19-East West Bank CD	2,501,884.20		2,501,884.20			
10/21/19-East West Bank CD	2,501,911.62		2,501,911.62			
12/02/19-LegacyTexas Bank CD	2,013,895.07		2,013,895.07			
Total	\$ 96,949,324.64	\$ 12,067,336.38	\$ 49,053,611.08	\$ 24,881,041.95	\$ 1,702,041.99	\$ 1,936,518.00

Allocation
September 30, 2018

(Continued)

Book & Market Value

	East Boulevard Fund	Fire Control District	Street Assessments	Water & Sewer	Community Development Corporation	Senior Citizens Fund	Special Revenue (Police)
Wells Fargo MMA \$	-	\$ 1,933,204.08	\$ -	\$ -	\$ 3,231,490.80	\$ -	\$ -
Green Bank MMA							
TexPool	27,020.03		76,497.09	1,888,987.97		114,090.59	37,484.68
TexSTAR							
10/01/18-LegacyTexas Bank CD							
10/02/18-LegacyTexas Bank CD							
11/19/18-Southside Bank CD							
02/01/19-Southside Bank CD							
03/01/19-LegacyTexas Bank CD							
04/02/19-East West Bank CD							
05/01/19-East West Bank CD							
06/01/19-BTH Bank CD							
07/22/19-East West Bank CD							
10/21/19-East West Bank CD							
12/02/19-LegacyTexas Bank CD							
Total	\$ 27,020.03	\$ 1,933,204.08	\$ 76,497.09	\$ 1,888,987.97	\$ 3,231,490.80	\$ 114,090.59	\$ 37,484.68

Allocation
June 30, 2018

Book & Market Value

	Total	Pooled Cash	General	Capital Projects & Improvements	Crime Control District	Debt Service Fund
Wells Fargo MMA	\$ 16,106,396.44	\$ 9,839,577.19	\$ -	\$ 6.61	\$ 1,631,799.56	\$ -
Green Bank MMA	2,041,790.95		2,041,790.95			
NexBank MMA	12,250,012.00		12,250,012.00			
TexPool	23,752,529.32		10,972,651.59	8,691,994.81		1,962,136.24
TexSTAR	26,074,126.19		2,554,645.40	23,519,480.79		
07/02/18--Southside Bank CD	1,518,838.08		1,518,838.08			
10/01/18--LegacyTexas Bank CD	5,122,109.84		5,122,109.84			
10/02/18--LegacyTexas Bank CD	6,058,165.72		6,058,165.72			
11/19/18--Southside Bank CD	3,013,536.99		3,013,536.99			
02/01/19--Southside Bank CD	1,524,362.45		1,524,362.45			
03/01/19--LegacyTexas Bank CD	3,519,444.11		3,519,444.11			
04/02/19--East West Bank CD	2,514,217.91		2,514,217.91			
05/01/19--East West Bank CD	2,510,214.99		2,510,214.99			
06/01/19--BTH Bank CD	2,000,000.00		2,000,000.00			
12/02/19--LegacyTexas Bank CD	2,004,142.47		2,004,142.47			
Total	\$ 110,009,887.46	\$ 9,839,577.19	\$ 57,604,132.50	\$ 32,211,482.21	\$ 1,631,799.56	\$ 1,962,136.24

Allocation
June 30, 2018

(Continued)

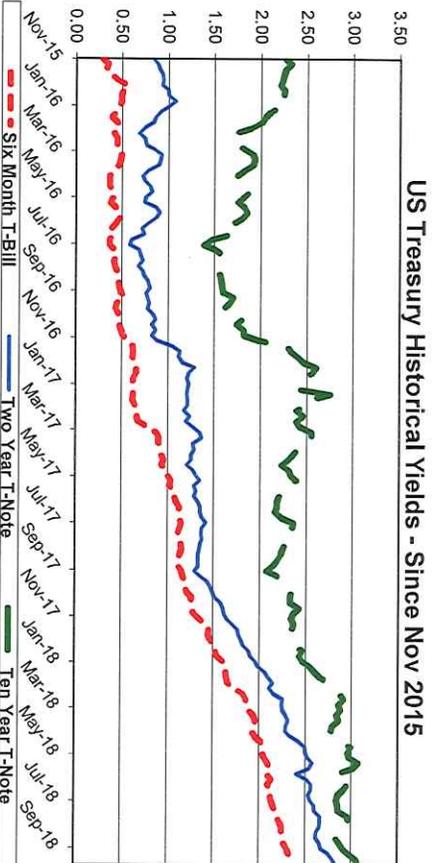
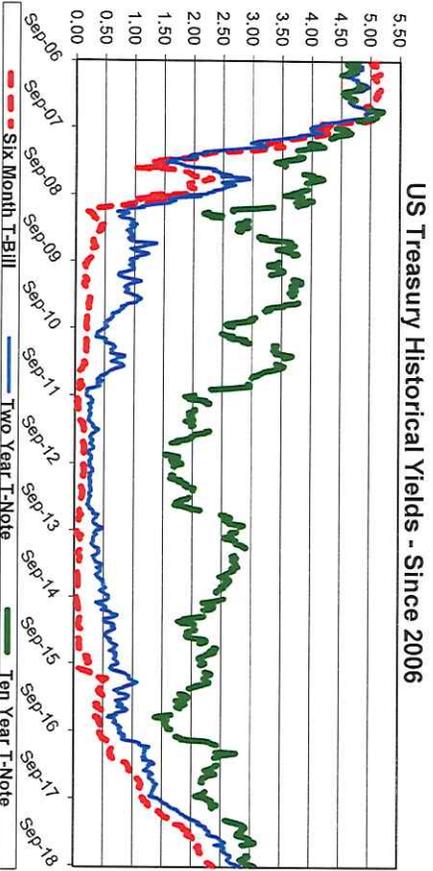
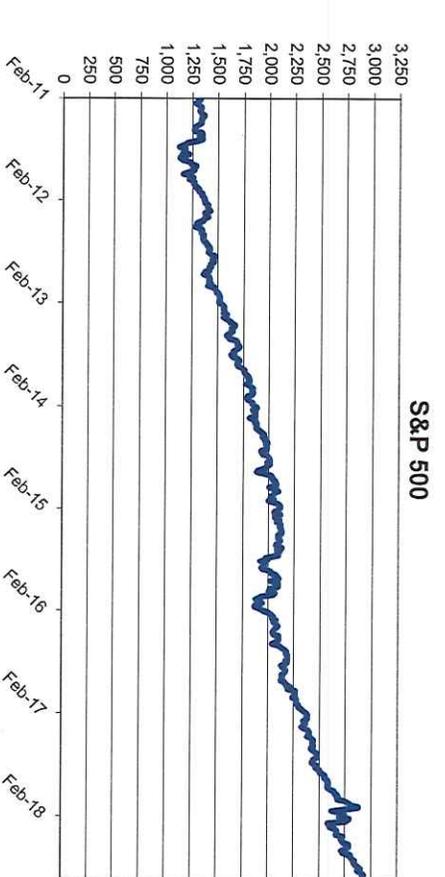
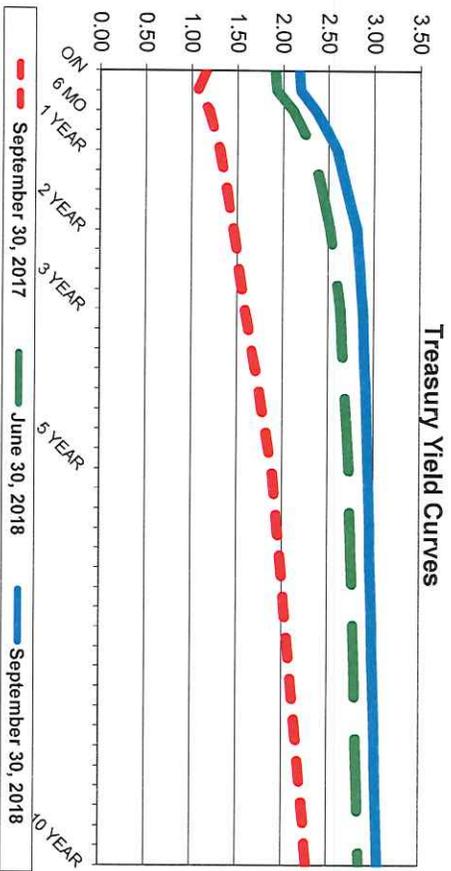
Book & Market Value

	East Boulevard Fund	Fire Control District	Street Assessments	Water & Sewer	Community Development Corporation	Senior Citizens Fund	Special Revenue (Police)
Wells Fargo MIMA	\$ -	\$ 2,018,141.06	\$ -	\$ -	\$ 2,616,872.02	\$ -	\$ -
Green Bank MIMA							
NexBank MIMA							
TexPool	27,282.54		76,125.28	1,879,807.30		113,536.14	28,995.42
TexSTAR							
07/02/18-Southside Bank CD							
10/01/18-LegacyTexas Bank CD							
10/02/18-LegacyTexas Bank CD							
11/19/18-Southside Bank CD							
02/01/19-Southside Bank CD							
03/01/19-LegacyTexas Bank CD							
04/02/19-East West Bank CD							
05/01/19-East West Bank CD							
06/01/19-BTH Bank CD							
12/02/19-LegacyTexas Bank CD							
Total	\$ 27,282.54	\$ 2,018,141.06	\$ 76,125.28	\$ 1,879,807.30	\$ 2,616,872.02	\$ 113,536.14	\$ 28,995.42

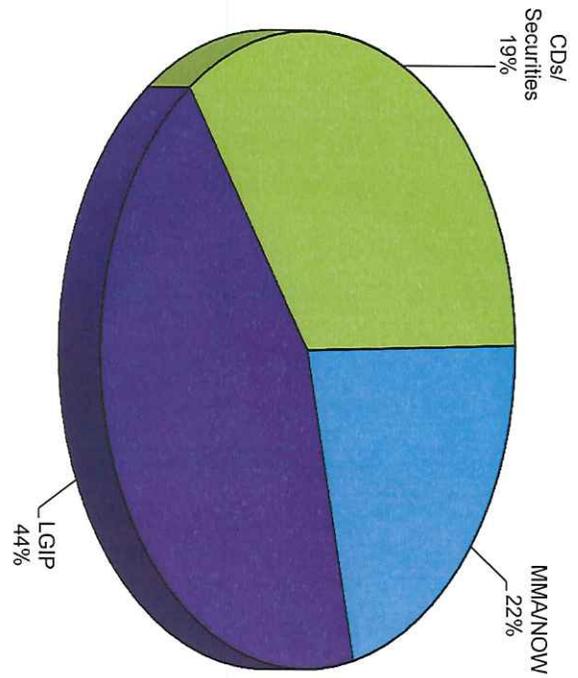
Economic Overview

9/30/2018

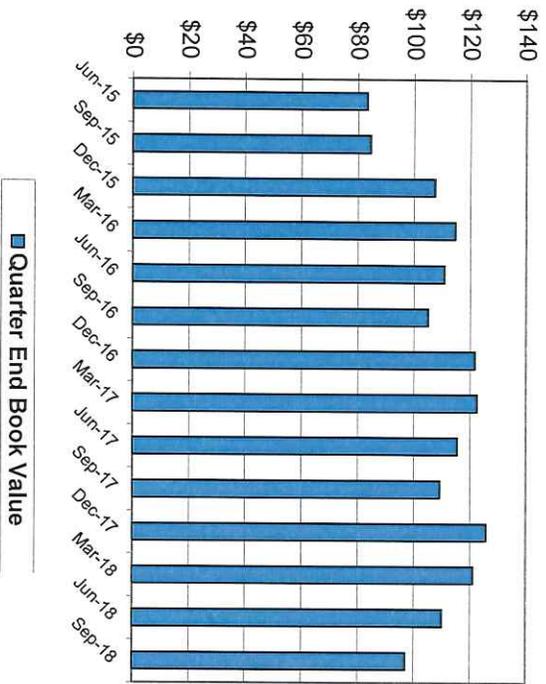
The Federal Open Market Committee (FOMC) increased the Fed Funds target range to 2.00% - 2.25% (Effective Fed Funds are trading +/-2.18%). Additional range increases are still projected for Dec 2018 and 2019. Gradual Federal Reserve Bank portfolio reduction continues by limiting reinvestment of maturing holdings. Second Quarter grew 4.2% (final estimate). Unemployment continues to strong levels. West Texas Intermediate Crude oil increased above +/-\$70. The Stock Markets reached new highs. Consumer Confidence is strong. Personal Income is improving. The flattening yield curve may or may not impact long range FOMC actions.



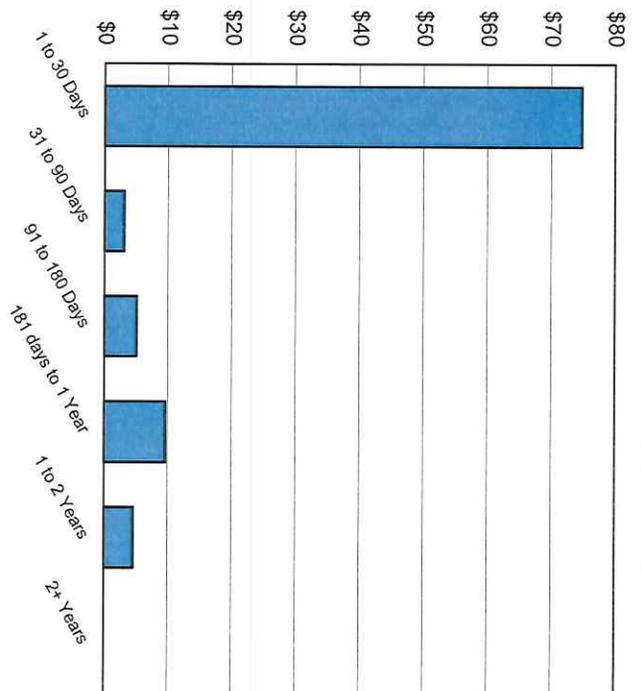
Portfolio Composition



Total Portfolio (Millions)



Distribution by Maturity (Millions)



Total Portfolio Performance

