



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2017

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.

Strategy Summary

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	December 31, 2017		September 30, 2017	
		Book Value	Market Value	Book Value	Market Value
MMA/NOW	0.61%	\$ 41,427,059.31	\$ 41,427,059.31	\$ 31,249,561.33	\$ 31,249,561.33
LGIPs	1.18%	60,151,866.48	60,151,866.48	54,798,070.35	54,798,070.35
CDS/Securities	1.38%	24,190,555.31	24,190,555.31	23,146,991.78	23,146,991.78
Totals		\$ 125,769,481.10	\$ 125,769,481.10	\$ 109,194,623.46	\$ 109,194,623.46

Current Quarter Average Yield (1)	
Total Portfolio	1.03%
Rolling Three Mo. Treas. Yield	1.23%
Rolling Six Mo. Treas. Yield	1.26%

Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	1.03%
Rolling Three Mo. Treas. Yield	1.23%
Rolling Six Mo. Treas. Yield	1.26%
Quarter End TexPool Yield	1.18%
Quarter End TextSTAR Yield	1.18%

Quarterly Interest Income \$ 292,822.40 Approximate
Year-to-date Interest Income \$ 292,822.40 Approximate

Note: Bank balances represent pooled cash accounts (General Fund, Accounts Payable and Payroll), plus the CCPD, FCPMEMSD, DPCDC, 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
December 31, 2017

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo #2800 MMA		0.05%	01/01/18	12/31/17	\$ 21,137,185.09	\$ 21,137,185.09	1.00	\$ 21,137,185.09	1	0.05%
Wells Fargo #9865 MMA		0.09%	01/01/18	12/31/17	1,357,154.26	1,357,154.26	1.00	1,357,154.26	1	0.09%
Wells Fargo #9824 MMA		0.09%	01/01/18	12/31/17	1,909,318.07	1,909,318.07	1.00	1,909,318.07	1	0.09%
Wells Fargo #5314 MMA		0.05%	01/01/18	12/31/17	146,562.91	146,562.91	1.00	146,562.91	1	0.05%
Wells Fargo #6267 MMA		0.05%	01/01/18	12/31/17	2,710,372.61	2,710,372.61	1.00	2,710,372.61	1	0.05%
Green Bank MMA		1.40%	01/01/18	12/31/17	2,025,520.64	2,025,520.64	1.00	2,025,520.64	1	1.40%
NexBank MMA		1.71%	01/01/18	12/31/17	12,140,945.73	12,140,945.73	1.00	12,140,945.73	1	1.71%
TexPool	AAAmm	1.18%	01/01/18	12/31/17	30,634,599.42	30,634,599.42	1.00	30,634,599.42	1	1.18%
TexSTAR	AAAmm	1.18%	01/01/18	12/31/17	29,517,267.06	29,517,267.06	1.00	29,517,267.06	1	1.18%
LegacyTexas Bank CD		1.35%	03/01/18	03/15/17	3,030,652.00	3,030,652.00	100.00	3,030,652.00	60	1.35%
Lubbock Nat'l Bank CD		1.20%	04/02/18	03/07/17	3,027,232.53	3,027,232.53	100.00	3,027,232.53	92	1.20%
Southside Bank CD		1.22%	05/01/18	04/03/17	2,012,252.13	2,012,252.13	100.00	2,012,252.13	121	1.22%
Texas Security Bank CD		1.34%	06/01/18	06/02/17	2,000,000.00	2,000,000.00	100.00	2,000,000.00	152	1.34%
Southside Bank CD		1.25%	07/02/18	04/27/17	1,509,415.42	1,509,415.42	100.00	1,509,415.42	183	1.25%
LegacyTexas Bank CD		1.50%	10/01/18	07/03/17	5,083,965.90	5,083,965.90	100.00	5,083,965.90	274	1.50%
LegacyTexas Bank CD		1.45%	10/02/18	10/02/17	6,014,548.53	6,014,548.53	100.00	6,014,548.53	275	1.45%
Southside Bank CD		1.58%	02/01/19	11/01/17	1,512,488.80	1,512,488.80	100.00	1,512,488.80	397	1.58%
					<u>\$ 125,769,481.10</u>	<u>\$ 125,769,481.10</u>				
								<u>\$ 125,769,481.10</u>	<u>40</u>	<u>1.03%</u>
									(1)	(2)

(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	September 30, 2017				December 31, 2017			
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	Par Value	Book Value		
Wells Fargo #2800 MMA	0.05%	01/01/18	\$ 11,212,807.01	\$ 11,212,807.01	\$ 9,924,378.08	\$ -	\$ 21,137,185.09	\$ 21,137,185.09		
Wells Fargo #9865 MMA	0.09%	01/01/18	1,297,478.54	1,297,478.54	59,675.72	-	1,357,154.26	1,357,154.26		
Wells Fargo #9824 MMA	0.09%	01/01/18	1,768,495.57	1,768,495.57	140,822.50	-	1,909,318.07	1,909,318.07		
Wells Fargo #5314 MMA	0.05%	01/01/18	146,546.29	146,546.29	16.62	-	146,562.91	146,562.91		
Wells Fargo #6267 MMA	0.05%	01/01/18	2,710,065.20	2,710,065.20	307.41	-	2,710,372.61	2,710,372.61		
Green Bank MMA	1.40%	01/01/18	2,019,284.89	2,019,284.89	6,235.75	-	2,025,520.64	2,025,520.64		
NexBank MMA	1.71%	01/01/18	12,094,883.83	12,094,883.83	46,061.90	-	12,140,945.73	12,140,945.73		
TexPool	1.18%	01/01/18	30,550,845.88	30,550,845.88	83,753.54	-	30,634,599.42	30,634,599.42		
TexSTAR	1.18%	01/01/18	24,247,224.47	24,247,224.47	5,270,042.59	-	29,517,267.06	29,517,267.06		
LegacyTexas Bank CD	0.92%	10/02/17	5,023,233.91	5,023,233.91	-	(5,023,233.91)	-	-		
Southside Bank CD	0.83%	11/01/17	1,509,331.19	1,509,331.19	-	(1,509,331.19)	-	-		
LegacyTexas Bank CD	1.35%	03/01/18	3,020,474.42	3,020,474.42	10,177.58	-	3,030,652.00	3,030,652.00		
Lubbock Nat'l Bank CD	1.20%	04/02/18	3,018,193.75	3,018,193.75	9,038.78	-	3,027,232.53	3,027,232.53		
Southside Bank CD	1.22%	05/01/18	2,006,083.29	2,006,083.29	6,168.84	-	2,012,252.13	2,012,252.13		
Texas Security Bank CD	1.34%	06/01/18	2,000,000.00	2,000,000.00	-	-	2,000,000.00	2,000,000.00		
Southside Bank CD	1.25%	07/02/18	1,504,674.66	1,504,674.66	4,740.76	-	1,509,415.42	1,509,415.42		
LegacyTexas Bank CD	1.50%	10/01/18	5,065,000.56	5,065,000.56	18,965.34	-	5,083,965.90	5,083,965.90		
LegacyTexas Bank CD	1.45%	10/02/18	-	-	6,014,548.53	-	6,014,548.53	6,014,548.53		
Southside Bank CD	1.58%	02/01/19	-	-	1,512,488.80	-	1,512,488.80	1,512,488.80		
TOTAL			\$ 109,194,623.46	\$ 109,194,623.46	\$ 23,107,422.74	\$ (6,532,565.10)	\$ 125,769,481.10	\$ 125,769,481.10		

Market Value Comparison

September 30, 2017					December 31, 2017				
Description	Coupon/ Discount	Maturity Date	Par Value	Market Value	Qtr to Qtr Change	Par Value	Market Value		
Wells Fargo #2800 MMA	0.05%	01/01/18	\$ 11,212,807.01	\$ 11,212,807.01	\$ 9,924,378.08	\$ 21,137,185.09	\$ 21,137,185.09		
Wells Fargo #9865 MMA	0.09%	01/01/18	1,297,478.54	1,297,478.54	59,675.72	1,357,154.26	1,357,154.26		
Wells Fargo #9824 MMA	0.09%	01/01/18	1,768,495.57	1,768,495.57	140,822.50	1,909,318.07	1,909,318.07		
Wells Fargo #5314 MMA	0.05%	01/01/18	146,546.29	146,546.29	16.62	146,562.91	146,562.91		
Wells Fargo #6267 MMA	0.05%	01/01/18	2,710,065.20	2,710,065.20	307.41	2,710,372.61	2,710,372.61		
Green Bank MMA	1.40%	01/01/18	2,019,284.89	2,019,284.89	6,235.75	2,025,520.64	2,025,520.64		
NexBank MMA	1.71%	01/01/18	12,094,883.83	12,094,883.83	46,061.90	12,140,945.73	12,140,945.73		
TexPool	1.18%	01/01/18	30,550,845.88	30,550,845.88	83,753.54	30,634,599.42	30,634,599.42		
TexSTAR	1.18%	01/01/18	24,247,224.47	24,247,224.47	5,270,042.59	29,517,267.06	29,517,267.06		
LegacyTexas Bank CD	0.92%	10/02/17	5,023,233.91	5,023,233.91	(5,023,233.91)	-	-		
Southside Bank CD	0.83%	11/01/17	1,509,331.19	1,509,331.19	(1,509,331.19)	-	-		
LegacyTexas Bank CD	1.35%	03/01/18	3,020,474.42	3,020,474.42	10,177.58	3,030,652.00	3,030,652.00		
Lubbock Nat'l Bank CD	1.20%	04/02/18	3,018,193.75	3,018,193.75	9,038.78	3,027,232.53	3,027,232.53		
Southside Bank CD	1.22%	05/01/18	2,006,083.29	2,006,083.29	6,168.84	2,012,252.13	2,012,252.13		
Texas Security Bank CD	1.34%	06/01/18	2,000,000.00	2,000,000.00	-	2,000,000.00	2,000,000.00		
Southside Bank CD	1.25%	07/02/18	1,504,674.66	1,504,674.66	4,740.76	1,509,415.42	1,509,415.42		
LegacyTexas Bank CD	1.50%	10/01/18	5,065,000.56	5,065,000.56	18,965.34	5,083,965.90	5,083,965.90		
LegacyTexas Bank CD	1.45%	10/02/18	-	-	6,014,548.53	6,014,548.53	6,014,548.53		
Southside Bank CD	1.58%	02/01/19	-	-	1,512,488.80	1,512,488.80	1,512,488.80		
TOTAL			\$ 109,194,623.46	\$ 109,194,623.46	\$ 16,574,857.64	\$ 125,769,481.10	\$ 125,769,481.10		

Allocation
December 31, 2017

Book & Market Value

	Total	Pooled Cash	General	Capital Projects & Improvements	Crime Control District	Debt Service Fund
Wells Fargo MMA	\$ 27,260,592.94	\$ 21,137,185.09	\$ -	\$ 146,562.91	\$ 1,357,154.26	\$ -
Green Bank MMA	2,025,520.64		2,025,520.64			
NexBank MMA	12,140,945.73		12,140,945.73			
TexPool	30,634,599.42		10,888,107.05	15,690,106.55		1,947,017.90
TexSTAR	29,517,267.06		2,535,021.84	26,982,245.22		
03/01/18-LegacyTexas Bank CD	3,030,652.00		3,030,652.00			
04/02/18-Lubbock Nat'l Bank CD	3,027,232.53		3,027,232.53			
05/01/18-Southside Bank CD	2,012,252.13		2,012,252.13			
06/01/18-Texas Security Bank CD	2,000,000.00		2,000,000.00			
07/02/18-Southside Bank CD	1,509,415.42		1,509,415.42			
10/01/18-LegacyTexas Bank CD	5,083,965.90		5,083,965.90			
10/02/18-LegacyTexas Bank CD	6,014,548.53		6,014,548.53			
02/01/19-Southside Bank CD	1,512,488.80		1,512,488.80			
Total	<u>\$ 125,769,481.10</u>	<u>\$ 21,137,185.09</u>	<u>\$ 51,780,150.57</u>	<u>\$ 42,818,914.68</u>	<u>\$ 1,357,154.26</u>	<u>\$ 1,947,017.90</u>

Allocation
December 31, 2017

(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	\$ -	\$ 1,909,318.07	\$ -	\$ -	\$ 2,710,372.61	\$ -	\$ -
Green Bank MMA							
NexBank MMA							
TexPool	27,072.35		75,538.69	1,865,323.42		112,661.39	28,772.07
TexSTAR							
03/01/18-LegacyTexas Bank CD							
04/02/18-Lubbock Nat'l Bank CD							
05/01/18-Southside Bank CD							
06/01/18-Texas Security Bank CD							
07/02/18-Southside Bank CD							
10/01/18-LegacyTexas Bank CD							
10/02/18-LegacyTexas Bank CD							
02/01/19-Southside Bank CD							

Total \$ 27,072.35 \$ 1,909,318.07 \$ 75,538.69 \$ 1,865,323.42 \$ 2,710,372.61 \$ 112,661.39 \$ 28,772.07

Allocation
September 30, 2017

Book & Market Value

	Total	Pooled Cash	General	Capital Projects & Improvements	Crime Control District	Debt Service Fund
Wells Fargo MMA	\$ 17,135,392.61	\$ 11,212,807.01	\$ -	\$ 146,546.29	\$ 1,297,478.54	\$ -
Green Bank MMA	2,019,284.89		2,019,284.89			
NexBank MMA	12,094,883.83		12,094,883.83			
TexPool	30,550,845.88		10,858,339.49	15,647,210.55		1,941,694.84
TexSTAR	24,247,224.47		2,528,017.09	21,719,207.38		
10/02/17-LegacyTexas Bank CD	5,023,233.91		5,023,233.91			
11/01/17-Southside Bank CD	1,509,331.19		1,509,331.19			
03/01/18-LegacyTexas Bank CD	3,020,474.42		3,020,474.42			
04/02/18-Lubbock Nat'l Bank CD	3,018,193.75		3,018,193.75			
05/01/18-Southside Bank CD	2,006,083.29		2,006,083.29			
06/01/18-Texas Security Bank CD	2,000,000.00		2,000,000.00			
07/02/18-Southside Bank CD	1,504,674.66		1,504,674.66			
10/01/18-LegacyTexas Bank CD	5,065,000.56		5,065,000.56			
Total	\$ 109,194,623.46	\$ 11,212,807.01	\$ 50,647,517.08	\$ 37,512,964.22	\$ 1,297,478.54	\$ 1,941,694.84

Allocation
September 30, 2017

(Continued)

Book & Market Value

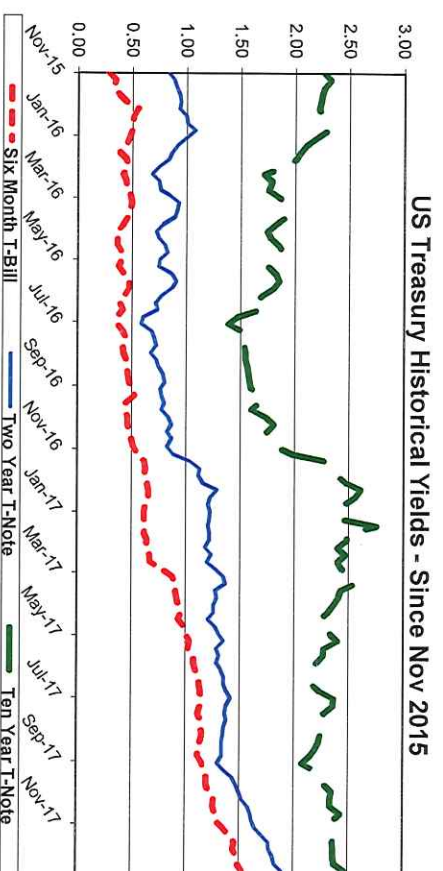
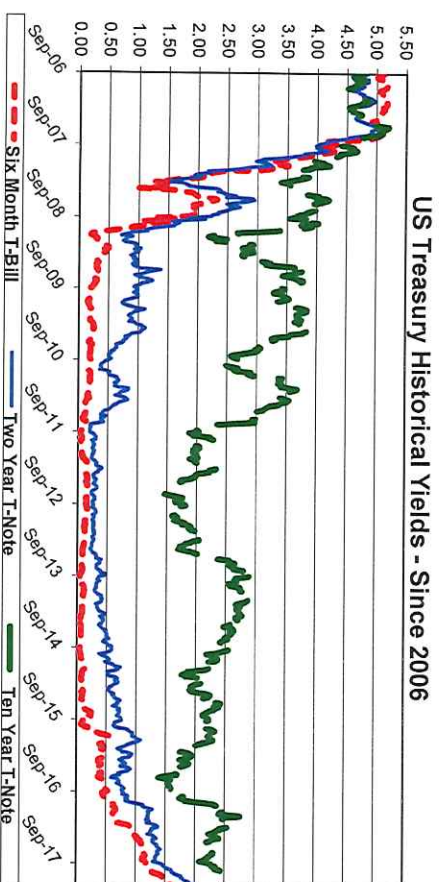
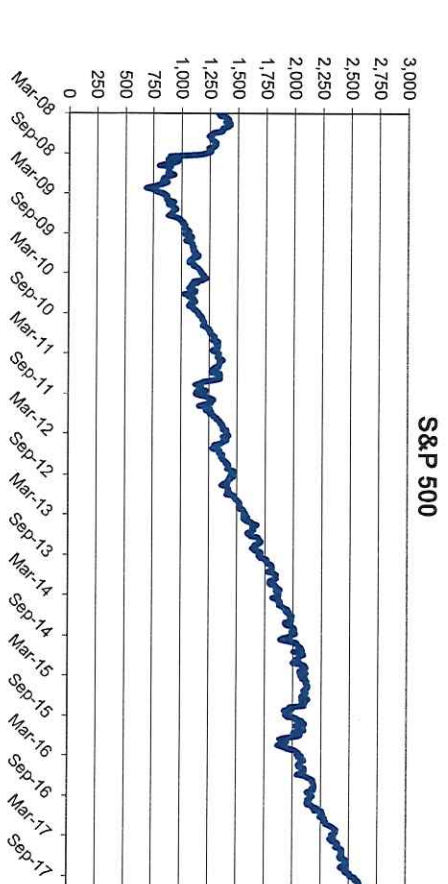
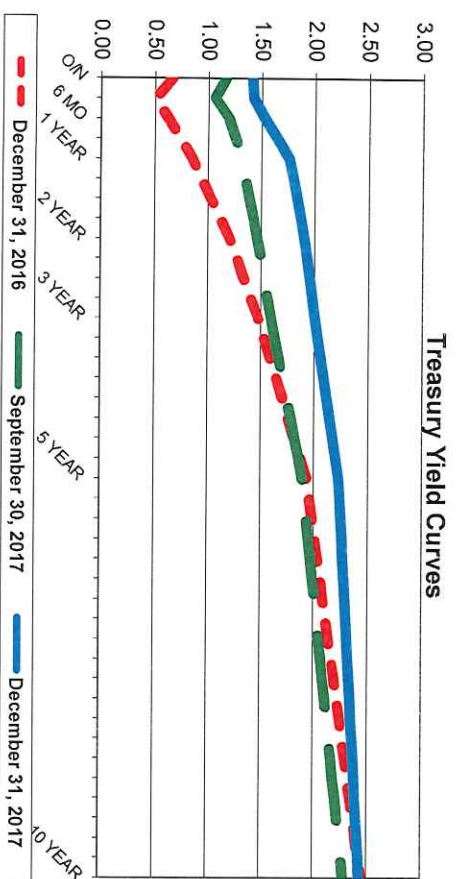
	East Boulevard Fund	Fire Control District	Street Assessments	Water & Sewer	Community Development Corporation	Senior Citizens Fund	Special Revenue (Police)
Wells Fargo MMA	\$ -	\$ 1,768,495.57	\$ -	\$ -	\$ 2,710,065.20	\$ -	\$ -
Green Bank MMA							
NexBank MMA							
TexPool	26,998.32		75,332.23	1,860,223.72		112,353.34	28,693.39
TexSTAR							
10/02/17-LegacyTexas Bank CD							
11/01/17-Southside Bank CD							
03/01/18-LegacyTexas Bank CD							
04/02/18-Lubbock Nat'l Bank CD							
05/01/18-Southside Bank CD							
06/01/18-Texas Security Bank CD							
07/02/18-Southside Bank CD							
10/01/18-LegacyTexas Bank CD							

Total	\$ 26,998.32	\$ 1,768,495.57	\$ 75,332.23	\$ 1,860,223.72	\$ 2,710,065.20	\$ 112,353.34	\$ 28,693.39
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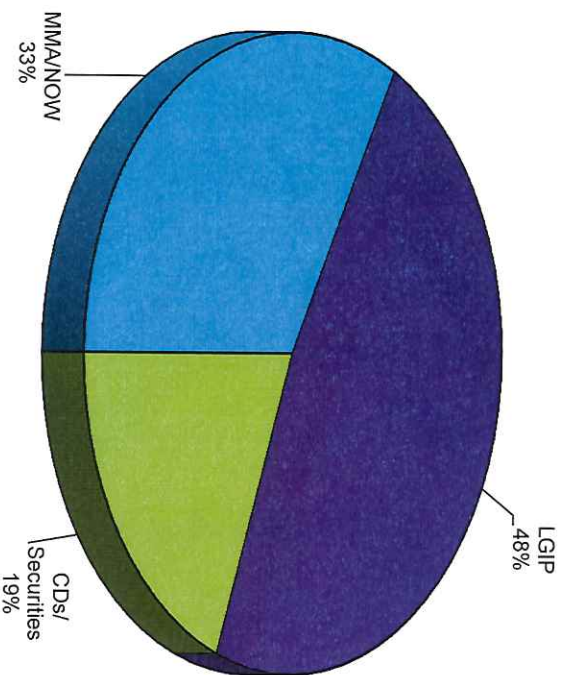
Economic Overview

12/31/2017

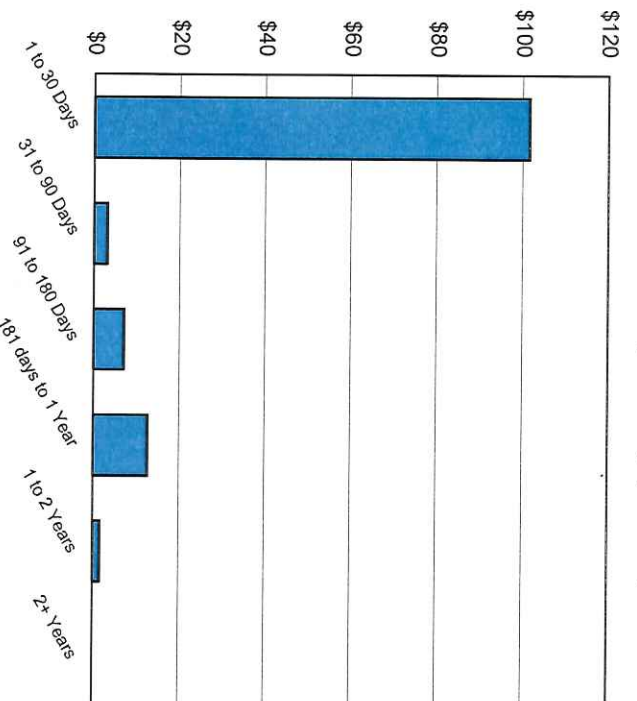
The Federal Open Market Committee (FOMC) increased the Fed Funds target range to 1.25% - 1.50% (Effective Fed Funds are trading +/-1.41%) at the Dec FOMC meeting. Two to three additional increases are projected for 2018 (although subject to economic activity). Gradual portfolio reduction continues by limiting reinvestment of maturing holdings. Third Quarter 2017 GDP measured 3.2%. December Non Farm Payroll data recorded a weaker than expected +148k. US economic data continues positive trend. Washington passed an extensive tax cut. Crude oil trading +/- \$60 on Middle Eastern turmoil. The Stock Markets once again achieved new highs. Jerome Powell will replace Fed Chair Janet Yellen.



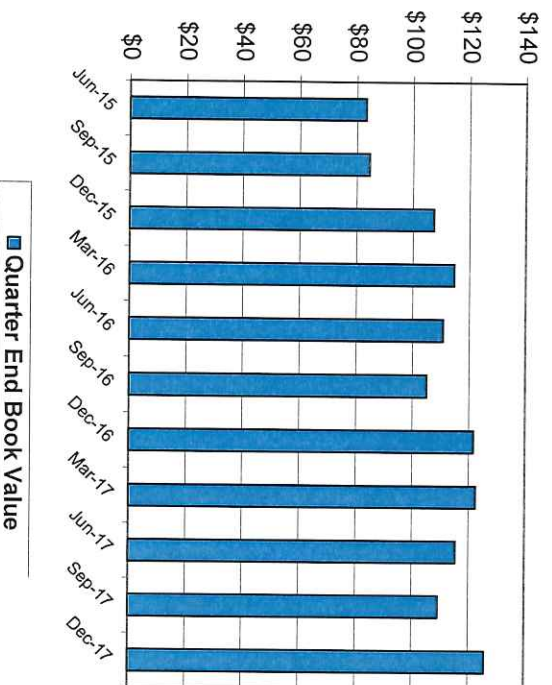
Portfolio Composition



Distribution by Maturity (Millions)



Total Portfolio (Millions)



Total Portfolio Performance

