



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 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.

Strategy Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2018		December 31, 2018		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
MMA/NOW	\$ 20,986,619.41	\$ 20,986,619.41	\$ 30,171,178.97	\$ 30,171,178.97	0.35%
LGIPs	42,555,029.82	42,555,029.82	55,183,924.25	55,183,924.25	2.32%
CDS/Securities	33,407,675.41	33,407,675.41	29,832,467.81	29,832,467.81	2.67%
Totals	\$ 96,949,324.64	\$ 96,949,324.64	\$ 115,187,571.03	\$ 115,187,571.03	

Current Quarter Average Yield (1)

Total Portfolio 1.89%

Rolling Three Month Treasury 2.37%
Rolling Six Month Treasury 2.39%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 1.89%

Rolling Three Month Treasury 2.37%
Rolling Six Month Treasury 2.39%
Quarter-End TexPool Yield 2.29%
Quarter-End TexSTAR Yield 2.31%
Quarter-End TexasCLASS Yield 2.51%

<u>Interest Earnings</u>	
Quarterly Interest Income \$	496,018.70
Year-to-date Interest Income \$	496,018.70
	Approximate

Note: Bank balances represent pooled cash accounts (General Fund, Accounts Payable and Payroll), plus the CCPD, FCPEMSD, 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, 2018

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo #2800 MMA		0.20%	01/01/19	12/31/18	\$ 21,120,863.16	\$ 21,120,863.16	1.00	\$ 21,120,863.16	1	0.20%
Wells Fargo #9865 MMA		0.20%	01/01/19	12/31/18	1,797,061.23	1,797,061.23	1.00	1,797,061.23	1	0.20%
Wells Fargo #9824 MMA		0.20%	01/01/19	12/31/18	1,955,673.95	1,955,673.95	1.00	1,955,673.95	1	0.20%
Wells Fargo #6267 MMA		0.20%	01/01/19	12/31/18	3,233,120.23	3,233,120.23	1.00	3,233,120.23	1	0.20%
Green Bank MMA		2.37%	01/01/19	12/31/18	2,064,460.40	2,064,460.40	1.00	2,064,460.40	1	2.37%
TexPool	AAAm	2.29%	01/01/19	12/31/18	25,219,135.57	25,219,135.57	1.00	25,219,135.57	1	2.29%
TexSTAR	AAAm	2.31%	01/01/19	12/31/18	23,607,721.77	23,607,721.77	1.00	23,607,721.77	1	2.31%
TexasCLASS	AAAm	2.51%	01/01/19	12/31/18	6,357,066.91	6,357,066.91	1.00	6,357,066.91	1	2.51%
Southside Bank CD		1.58%	02/01/19	11/01/17	1,536,528.07	1,536,528.07	100.00	1,536,528.07	32	1.59%
Legacy Texas Bank CD		2.20%	03/01/19	03/01/18	3,558,442.91	3,558,442.91	100.00	3,558,442.91	60	2.22%
East West Bank CD		2.30%	04/02/19	04/02/18	2,543,537.79	2,543,537.79	100.00	2,543,537.79	92	2.33%
East West Bank CD		2.44%	05/01/19	05/01/18	2,541,280.95	2,541,280.95	100.00	2,541,280.95	121	2.47%
BTH Bank CD		2.52%	06/01/19	06/01/18	2,029,737.35	2,029,737.35	100.00	2,029,737.35	152	2.55%
East West Bank CD		2.75%	07/22/19	09/21/18	2,519,285.62	2,519,285.62	100.00	2,519,285.62	203	2.79%
East West Bank CD		2.79%	10/21/19	09/21/18	2,519,567.23	2,519,567.23	100.00	2,519,567.23	294	2.83%
Legacy Texas Bank CD		2.75%	12/02/19	06/01/18	2,027,734.24	2,027,734.24	100.00	2,027,734.24	336	2.78%
East West Bank CD		2.91%	04/01/20	10/01/18	2,518,403.66	2,518,403.66	100.00	2,518,403.66	457	2.95%
East West Bank CD		2.97%	07/01/20	10/01/18	2,518,784.54	2,518,784.54	100.00	2,518,784.54	548	3.01%
WallsBank CD		3.05%	08/20/20	11/20/18	3,000,000.00	3,000,000.00	100.00	3,000,000.00	598	3.08%
East West Bank CD		3.03%	10/01/20	10/01/18	2,519,165.45	2,519,165.45	100.00	2,519,165.45	640	3.08%
					\$ 115,187,571.03	\$ 115,187,571.03		\$ 115,187,571.03	79	1.89%
									(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, 2018				December 31, 2018			
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	Par Value	Book Value		
Wells Fargo #2800 MMA	0.20%	01/01/19	\$ 12,067,336.38	\$ 12,067,336.38	\$ 9,053,526.78	\$ -	\$ 21,120,863.16	\$ 21,120,863.16		
Wells Fargo #865 MMA	0.20%	01/01/19	1,702,041.99	1,702,041.99	95,019.24	-	1,797,061.23	1,797,061.23		
Wells Fargo #824 MMA	0.20%	01/01/19	1,933,204.08	1,933,204.08	22,469.87	-	1,955,673.95	1,955,673.95		
Wells Fargo #6267 MMA	0.20%	01/01/19	3,231,490.80	3,231,490.80	1,629.43	-	3,233,120.23	3,233,120.23		
Green Bank MMA	2.37%	01/01/19	2,052,546.16	2,052,546.16	11,914.24	-	2,064,460.40	2,064,460.40		
TexPool	2.29%	01/01/19	19,079,430.63	19,079,430.63	6,139,704.94	-	25,219,135.57	25,219,135.57		
TexSTAR	2.31%	01/01/19	23,475,599.19	23,475,599.19	132,122.58	-	23,607,721.77	23,607,721.77		
TexasCLASS	2.51%	01/01/19	-	-	6,357,066.91	-	6,357,066.91	6,357,066.91		
LegacyTexas Bank CD	1.50%	10/01/18	5,141,500.04	5,141,500.04	-	(5,141,500.04)	-	-		
LegacyTexas Bank CD	1.45%	10/02/18	6,080,334.05	6,080,334.05	-	(6,080,334.05)	-	-		
Southside Bank CD	1.83%	11/19/18	3,027,286.15	3,027,286.15	-	(3,027,286.15)	-	-		
Southside Bank CD	1.58%	02/01/19	1,530,433.17	1,530,433.17	6,094.90	-	1,536,528.07	1,536,528.07		
LegacyTexas Bank CD	2.20%	03/01/19	3,538,996.25	3,538,996.25	19,446.66	-	3,558,442.91	3,558,442.91		
East West Bank CD	2.30%	04/02/19	2,528,835.36	2,528,835.36	14,702.43	-	2,543,537.79	2,543,537.79		
East West Bank CD	2.44%	05/01/19	2,525,700.20	2,525,700.20	15,580.75	-	2,541,280.95	2,541,280.95		
BTH Bank CD	2.52%	06/01/19	2,016,899.30	2,016,899.30	12,838.05	-	2,029,737.35	2,029,737.35		
East West Bank CD	2.75%	07/22/19	2,501,884.20	2,501,884.20	17,401.42	-	2,519,285.62	2,519,285.62		
East West Bank CD	2.79%	10/21/19	2,501,911.62	2,501,911.62	17,655.61	-	2,519,567.23	2,519,567.23		
LegacyTexas Bank CD	2.75%	12/02/19	2,013,895.07	2,013,895.07	13,839.17	-	2,027,734.24	2,027,734.24		
East West Bank CD	2.91%	04/01/20	-	-	2,518,403.66	-	2,518,403.66	2,518,403.66		
East West Bank CD	2.97%	07/01/20	-	-	2,518,784.54	-	2,518,784.54	2,518,784.54		
WallisBank CD	3.05%	08/20/20	-	-	3,000,000.00	-	3,000,000.00	3,000,000.00		
East West Bank CD	3.03%	10/01/20	-	-	2,519,165.45	-	2,519,165.45	2,519,165.45		
TOTAL			\$ 96,949,324.64	\$ 96,949,324.64	\$ 32,487,366.63	\$ (14,249,120.24)	\$ 115,187,571.03	\$ 115,187,571.03		

Market Value Comparison

September 30, 2018

Description	Coupon/ Discount	Maturity Date	Par Value	Market Value	Qtr to Qtr Change	Par Value	Market Value
Wells Fargo #2800 MMA	0.20%	01/01/19	\$ 12,067,336.38	\$ 12,067,336.38	\$ 9,053,526.78	\$ 21,120,863.16	\$ 21,120,863.16
Wells Fargo #9865 MMA	0.20%	01/01/19	1,702,041.99	1,702,041.99	95,019.24	1,797,061.23	1,797,061.23
Wells Fargo #9824 MMA	0.20%	01/01/19	1,933,204.08	1,933,204.08	22,469.87	1,955,673.95	1,955,673.95
Wells Fargo #6267 MMA	0.20%	01/01/19	3,231,490.80	3,231,490.80	1,629.43	3,233,120.23	3,233,120.23
Green Bank MMA	2.37%	01/01/19	2,052,546.16	2,052,546.16	11,914.24	2,064,460.40	2,064,460.40
TexPool	2.29%	01/01/19	19,079,430.63	19,079,430.63	6,139,704.94	25,219,135.57	25,219,135.57
TexSTAR	2.29%	01/01/19	23,475,599.19	23,475,599.19	132,122.58	23,607,721.77	23,607,721.77
TexasCLASS	2.31%	01/01/19	-	-	6,357,066.91	6,357,066.91	6,357,066.91
LegacyTexas Bank CD	1.50%	10/01/18	5,141,500.04	5,141,500.04	(5,141,500.04)	-	-
LegacyTexas Bank CD	1.45%	10/02/18	6,080,334.05	6,080,334.05	(6,080,334.05)	-	-
Southside Bank CD	1.83%	11/19/18	3,027,286.15	3,027,286.15	(3,027,286.15)	-	-
LegacyTexas Bank CD	1.58%	02/01/19	1,530,433.17	1,530,433.17	6,094.90	1,536,528.07	1,536,528.07
LegacyTexas Bank CD	2.20%	03/01/19	3,538,996.25	3,538,996.25	19,446.66	3,558,442.91	3,558,442.91
East West Bank CD	2.30%	04/02/19	2,528,835.36	2,528,835.36	14,702.43	2,543,537.79	2,543,537.79
East West Bank CD	2.44%	05/01/19	2,525,700.20	2,525,700.20	15,580.75	2,541,280.95	2,541,280.95
BTH Bank CD	2.52%	06/01/19	2,016,899.30	2,016,899.30	12,838.05	2,029,737.35	2,029,737.35
East West Bank CD	2.75%	07/22/19	2,501,884.20	2,501,884.20	17,655.61	2,519,567.23	2,519,567.23
LegacyTexas Bank CD	2.75%	12/02/19	2,013,895.07	2,013,895.07	13,839.17	2,027,734.24	2,027,734.24
East West Bank CD	2.91%	04/01/20	-	-	2,518,403.66	2,518,403.66	2,518,403.66
East West Bank CD	2.97%	07/01/20	-	-	2,518,784.54	2,518,784.54	2,518,784.54
WallisBank CD	3.05%	08/20/20	-	-	3,000,000.00	3,000,000.00	3,000,000.00
East West Bank CD	3.03%	10/01/20	-	-	2,519,165.45	2,519,165.45	2,519,165.45

TOTAL

\$ 96,949,324.64 \$ 96,949,324.64

\$ 18,238,246.39 \$ 115,187,571.03 \$ 115,187,571.03

Allocation
December 31, 2018

Book & Market Value

	Total	Pooled Cash	General	Capital Projects & Improvements	Crime Control District	Debt Service Fund
Wells Fargo MIMA	\$ 28,106,718.57	\$ 21,120,863.16	\$ -	\$ -	\$ 1,797,061.23	\$ -
Green Bank MIMA	2,064,460.40		2,064,460.40			
TexPool	25,219,135.57		17,120,973.12	3,994,776.50		1,947,332.29
TexSTAR	23,607,724.77		2,581,597.31	21,026,124.46		
TexasCLASS	6,357,066.91			6,357,066.91		
02/01/19-Southside Bank CD	1,536,528.07		1,536,528.07			
03/01/19-LegacyTexas Bank CD	3,558,442.91		3,558,442.91			
04/02/19-East West Bank CD	2,543,537.79		2,543,537.79			
05/01/19-East West Bank CD	2,541,280.95		2,541,280.95			
06/01/19-BTH Bank CD	2,029,737.35		2,029,737.35			
07/22/19-East West Bank CD	2,519,285.62		2,519,285.62			
10/21/19-East West Bank CD	2,519,567.23		2,519,567.23			
12/02/19-LegacyTexas Bank CD	2,027,734.24		2,027,734.24			
04/01/20-East West Bank CD	2,518,403.66		2,518,403.66			
07/01/20-East West Bank CD	2,518,784.54		2,518,784.54			
08/20/20-Wallis Bank CD	3,000,000.00		3,000,000.00			
10/01/20-East West Bank CD	2,519,165.45		2,519,165.45			
Total	\$ 115,187,571.03	\$ 21,120,863.16	\$ 51,599,498.64	\$ 31,377,967.87	\$ 1,797,061.23	\$ 1,947,332.29

Allocation
December 31, 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	\$ -	\$ 1,955,673.95	\$ -	\$ -	\$ 3,233,120.23	\$ -	\$ -
Green Bank MMA							
TexPool	27,170.93		76,924.28	1,899,536.81		114,727.66	37,693.98
TexSTAR							
TexasCLASS							
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							
04/01/20-East West Bank CD							
07/01/20-East West Bank CD							
08/20/20-WallisBank CD							
10/01/20-East West Bank CD							
Total	\$ 27,170.93	\$ 1,955,673.95	\$ 76,924.28	\$ 1,899,536.81	\$ 3,233,120.23	\$ 114,727.66	\$ 37,693.98

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		
TexasCLASS	-					
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

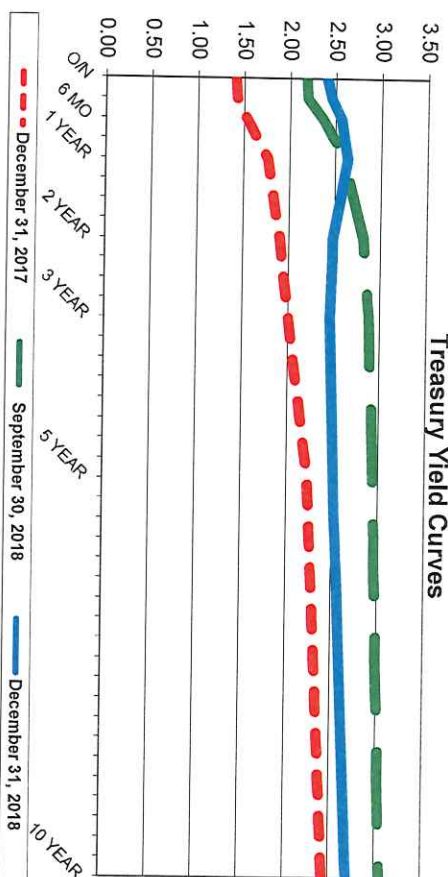
	East Boulevard Fund	Fire Control District	Street Assessments	Water & Sewer	Community Development Corporation	Senior Citizens Fund	Special Revenue (Police)
Wells Fargo MMA	\$ -	\$ 1,933,204.08	\$ -	\$ -	\$ 3,231,490.80	\$ -	\$ -
Green Bank MMA							
TexPool	27,020.03		76,497.09	1,888,987.97		114,090.59	37,484.68
TexSTAR							
TexasCLASS							
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

Economic Overview

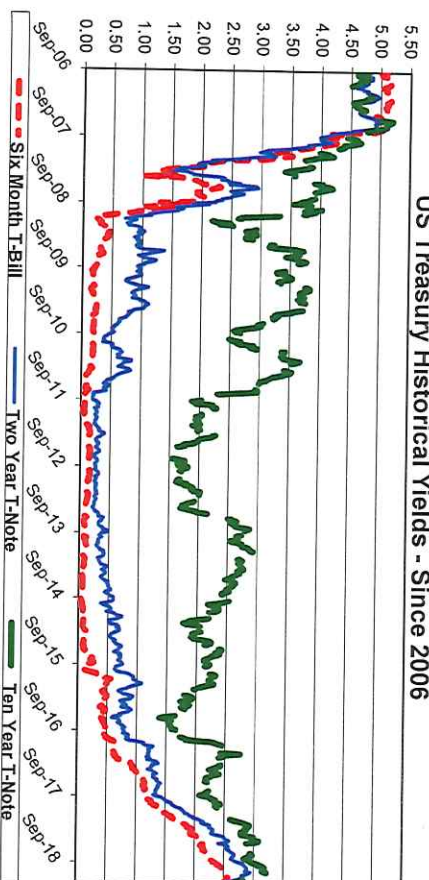
12/31/2018

The Federal Open Market Committee (FOMC) increased the Fed Funds target range to 2.25% - 2.50% (Effective Fed Funds are trading +/-2.40%). The official outlook calls for two additional increases during 2019. However, the market is currently projecting zero 2019 increases. Gradual FRB portfolio reduction continues by limiting reinvestment of maturing holdings. Third Quarter GDP grew 3.4% (final). Employment/ Unemployment remain solid with December adding 312k new jobs and a 254k three month average. Crude oil decreased below +/- \$50. The Stock Markets drifted slightly higher than recent lows. Housing continues to weaken. The mid-maturity yield curve flattened.

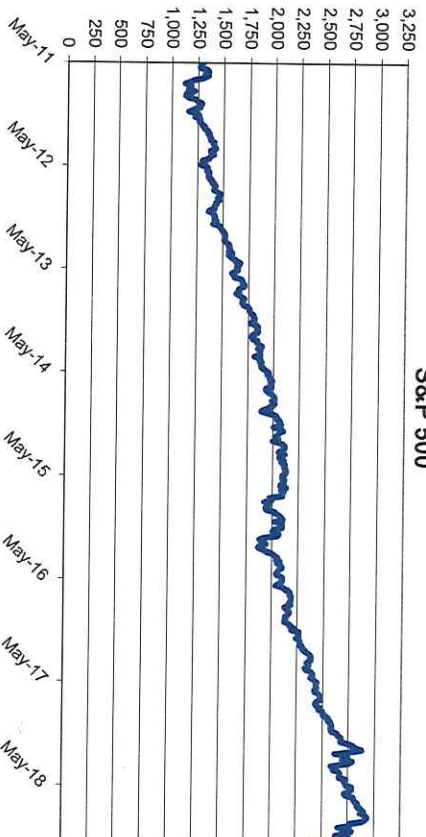
Treasury Yield Curves



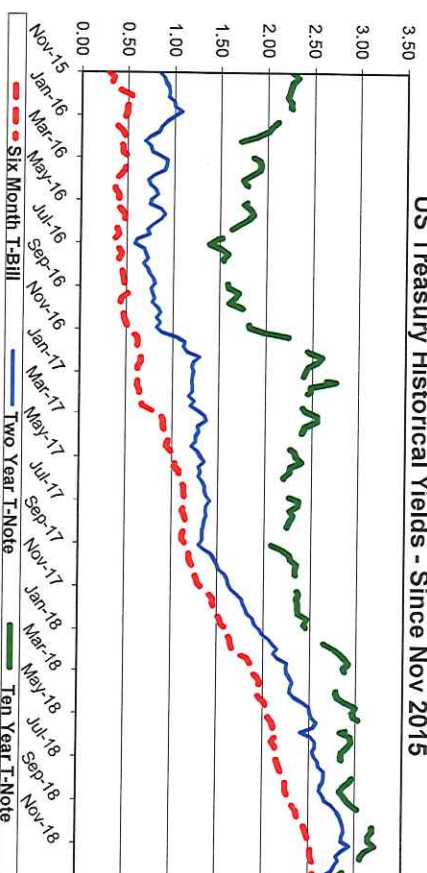
US Treasury Historical Yields - Since 2006



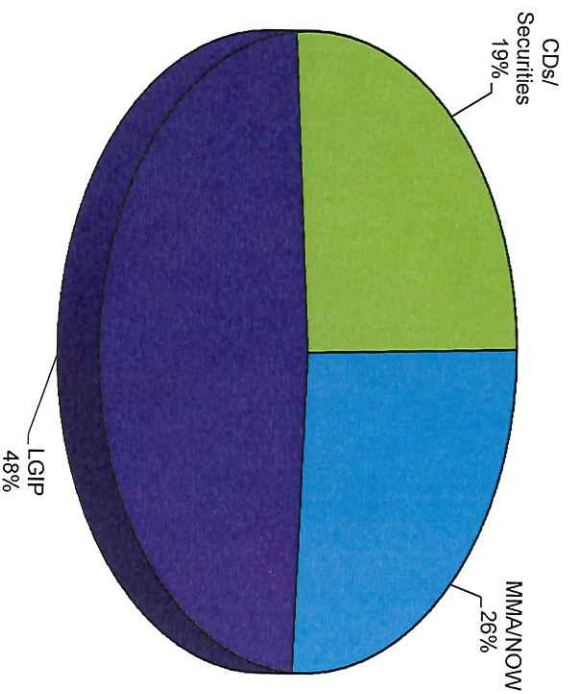
S&P 500



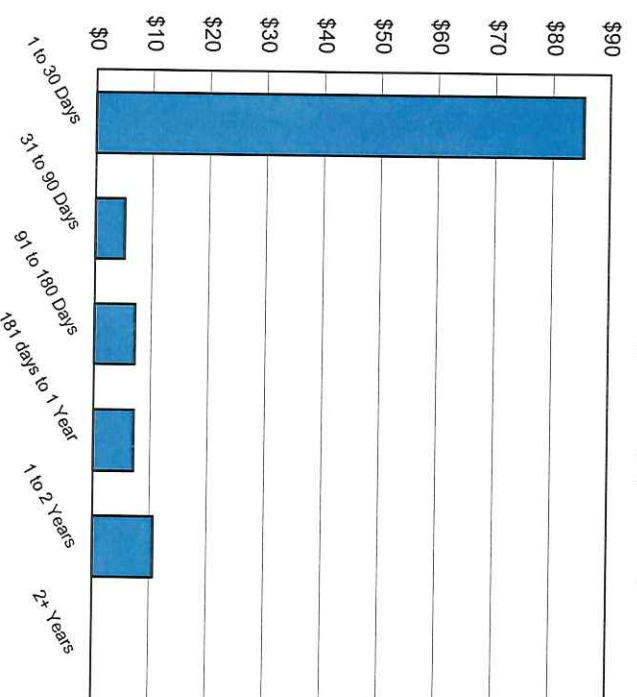
US Treasury Historical Yields - Since Nov 2015



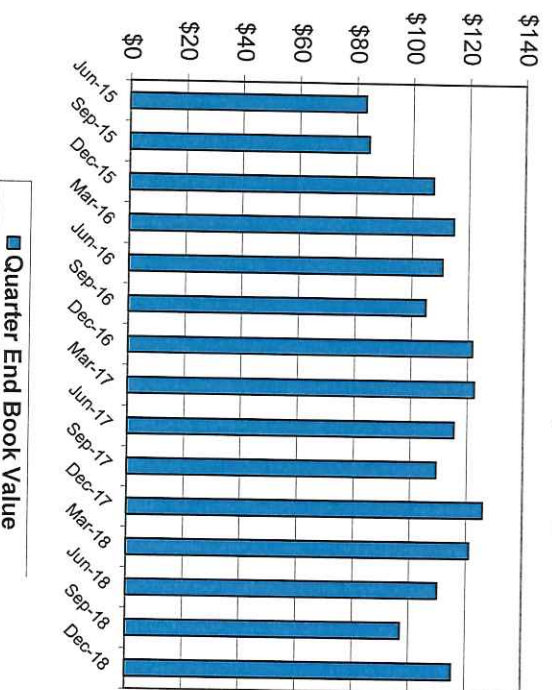
Portfolio Composition



Distribution by Maturity (Millions)



Total Portfolio (Millions)



Total Portfolio Performance

