



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2017

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of White Settlement is in compliance with the Public Funds Investment Act and the Investment Policy and its incorporated strategies.

City Manager

Finance Director

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.

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
Pools/Bank/MMA	1.25%	\$ 22,850,302	\$ 22,850,302	\$ 23,088,482	\$ 23,088,482
Securities/CDs	1.44%	16,686,839	16,686,839	16,629,678	16,629,678
Totals		\$ 39,537,141	\$ 39,537,141	\$ 39,718,161	\$ 39,718,161

Quarter End Average Yield (1)

Total Portfolio	1.33%
Rolling Three Mo. Treas. Yield	1.23%
Rolling Six Mo. Treas. Yield	1.26%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	1.33%
Rolling Three Mo. Treas. Yield	1.23%
Rolling Six Mo. Treas. Yield	1.26%
Quarterly TexPool Yield	1.18%

Quarterly Interest Income	\$ 126,380
Year-to-date Interest Income	\$ 126,380

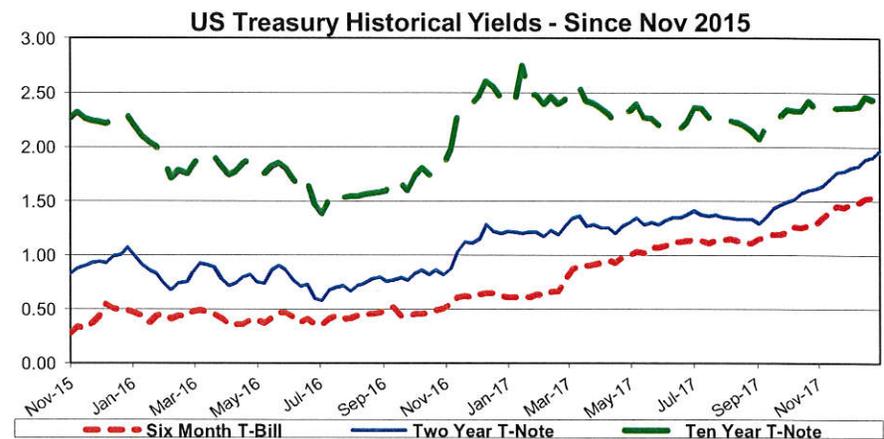
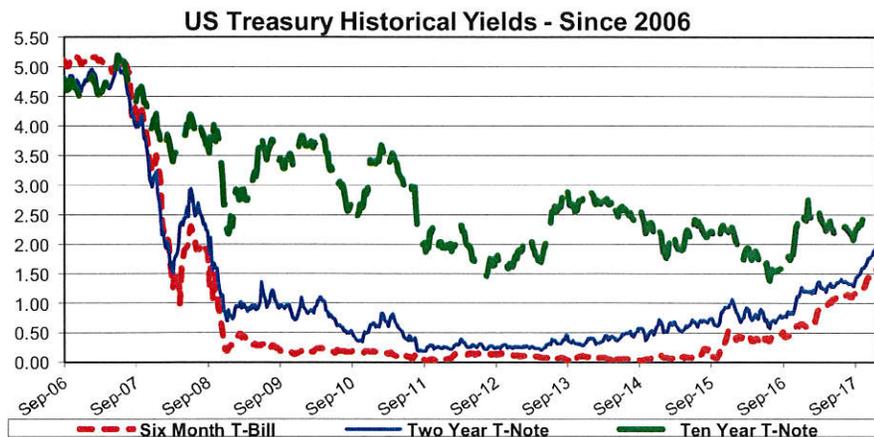
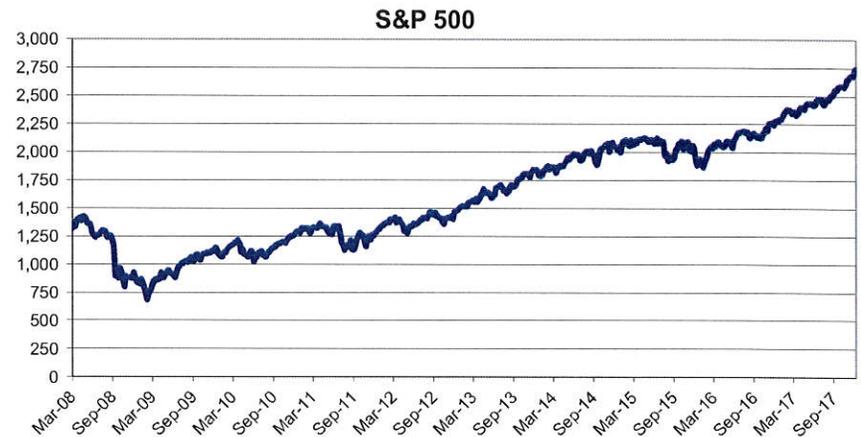
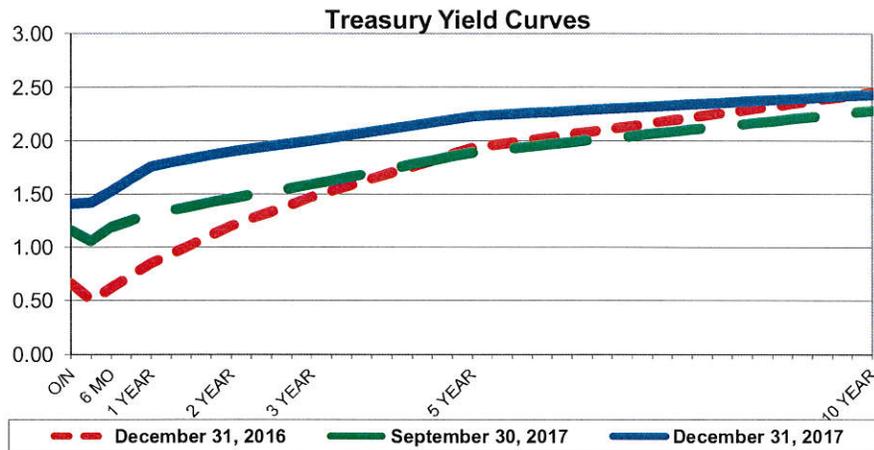
(1) Quarter end Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

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.



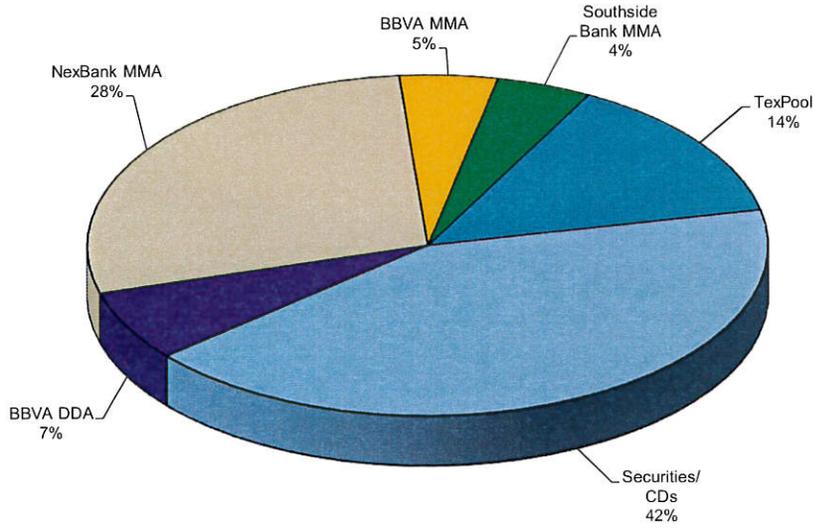
**Investment Holdings
December 31, 2017**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
BBVA DDA		0.21%	01/01/18	12/31/17	\$ 2,639,382	\$ 2,639,382	1.00	\$ 2,639,382	1	0.21%
BBVA MMA		0.65%	01/01/18	12/31/17	1,836,578	1,836,578	1.00	1,836,578	1	0.65%
Southside Bank MMA		1.34%	01/01/18	12/31/17	1,791,440	1,791,440	1.00	1,791,440	1	1.34%
NexBank MMA		1.62%	01/01/18	12/31/17	11,121,076	11,121,076	1.00	11,121,076	1	1.62%
TexPool	AAAm	1.18%	01/01/18	12/31/17	5,461,827	5,461,827	1.00	5,461,827	1	1.18%
BBVA Compass Bank CD		1.05%	03/02/18	03/02/17	1,032,000	1,032,000	100	1,032,000	61	1.05%
LegacyTexas Bank CD		1.10%	06/11/18	06/10/16	2,033,289	2,033,289	100	2,033,289	162	1.10%
Southside Bank CD		1.32%	10/15/18	04/14/17	2,013,258	2,013,258	100	2,013,258	288	1.32%
LegacyTexas Bank CD		1.40%	01/25/19	01/25/17	3,038,657	3,038,657	100	3,038,657	390	1.40%
Southside Bank CD		1.50%	04/15/19	04/14/17	2,015,069	2,015,069	100	2,015,069	470	1.50%
BBVA Compass Bank CD		1.50%	05/12/19	05/12/17	3,028,815	3,028,815	100	3,028,815	497	1.50%
Lubbock National Bank CD		1.75%	07/13/19	07/13/17	3,525,750	3,525,750	100	3,525,750	559	1.75%
Total					\$ 39,537,141	\$ 39,537,141		\$ 39,537,141	167	1.33%
									(1)	(2)

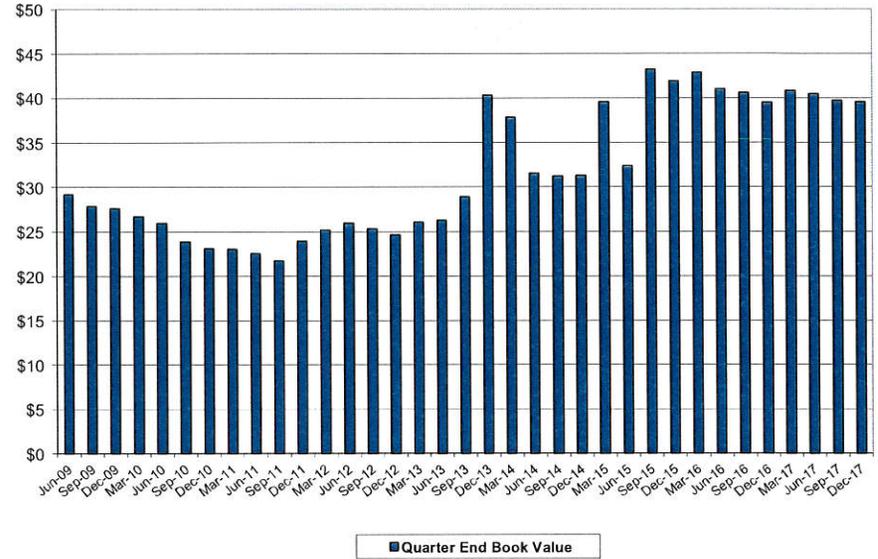
(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(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 pool, and bank account investments.

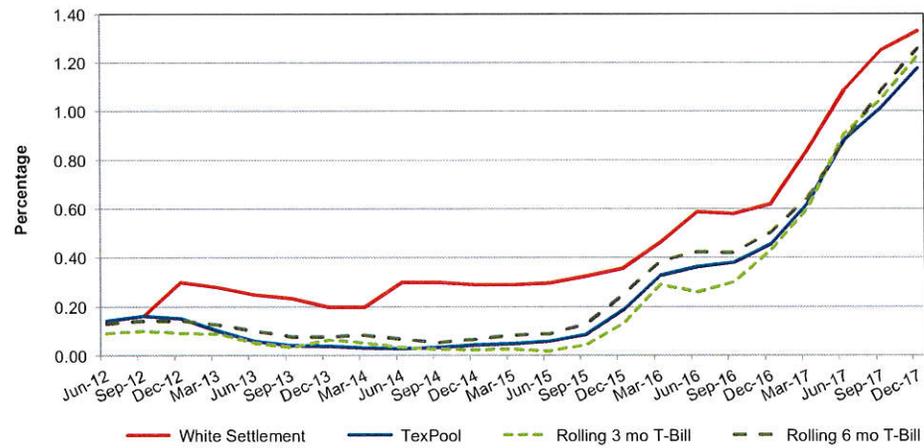
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2017			December 31, 2017		
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	Par Value	Book Value
BBVA DDA	0.21%	01/01/18	\$ 2,443,642	\$ 2,443,642	\$ 195,739	\$ -	\$ 2,639,382	\$ 2,639,382
BBVA MMA	0.65%	01/01/18	2,333,345	2,333,345		(496,767)	1,836,578	1,836,578
Southside Bank MMA	1.34%	01/01/18	1,785,717	1,785,717	5,723		1,791,440	1,791,440
NexBank MMA	1.62%	01/01/18	11,078,883	11,078,883	42,193		11,121,076	11,121,076
TexPool	1.18%	01/01/18	5,446,895	5,446,895	14,932		5,461,827	5,461,827
BBVA Compass Bank CD	1.05%	03/02/18	1,032,000	1,032,000			1,032,000	1,032,000
LegacyTexas Bank CD	1.10%	06/11/18	2,027,723	2,027,723	5,566		2,033,289	2,033,289
Southside Bank CD	1.32%	10/15/18	2,006,582	2,006,582	6,676		2,013,258	2,013,258
LegacyTexas Bank CD	1.40%	01/25/19	3,028,076	3,028,076	10,582		3,038,657	3,038,657
Southside Bank CD	1.50%	04/15/19	2,007,479	2,007,479	7,590		2,015,069	2,015,069
BBVA Compass Bank CD	1.50%	05/12/19	3,017,406	3,017,406	11,408		3,028,815	3,028,815
Lubbock National Bank CD	1.75%	07/13/19	3,510,412	3,510,412	15,338		3,525,750	3,525,750
TOTAL			\$ 39,718,161	\$ 39,718,161	\$ 315,747	\$ (496,767)	\$ 39,537,141	\$ 39,537,141

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2017		Qtr to Qtr Change	December 31, 2017	
			Par Value	Market Value		Par Value	Market Value
BBVA DDA	0.21%	01/01/18	\$ 2,443,642	\$ 2,443,642	\$ 195,739	\$ 2,639,382	\$ 2,639,382
BBVA MMA	0.65%	01/01/18	2,333,345	2,333,345	(496,767)	1,836,578	1,836,578
Southside Bank MMA	1.34%	01/01/18	1,785,717	1,785,717	5,723	1,791,440	1,791,440
NexBank MMA	1.62%	01/01/18	11,078,883	11,078,883	42,193	11,121,076	11,121,076
TexPool	1.18%	01/01/18	5,446,895	5,446,895	14,932	5,461,827	5,461,827
BBVA Compass Bank CD	1.05%	03/02/18	1,032,000	1,032,000		1,032,000	1,032,000
LegacyTexas Bank CD	1.10%	06/11/18	2,027,723	2,027,723	5,566	2,033,289	2,033,289
Southside Bank CD	1.32%	10/15/18	2,006,582	2,006,582	6,676	2,013,258	2,013,258
LegacyTexas Bank CD	1.40%	01/25/19	3,028,076	3,028,076	10,582	3,038,657	3,038,657
Southside Bank CD	1.50%	04/15/19	2,007,479	2,007,479	7,590	2,015,069	2,015,069
BBVA Compass Bank CD	1.50%	05/12/19	3,017,406	3,017,406	11,408	3,028,815	3,028,815
Lubbock National Bank CD	1.75%	07/13/19	3,510,412	3,510,412	15,338	3,525,750	3,525,750
TOTAL			\$ 39,718,161	\$ 39,718,161	\$ (181,020)	\$ 39,537,141	\$ 39,537,141

**Allocation By Fund
December 31, 2017**

Book and Market Value	Totals	Pooled Cash	GF Oil & Gas Reserves	Utility Debt Service I&S	Utility Debt Reserve
BBVA DDA	\$ 2,639,382	\$ 2,639,382	\$ -	\$ -	\$ -
BBVA MMA	1,836,578	1,836,578			
Southside Bank MMA	1,791,440	1,791,440			
NexBank MMA	11,121,076	11,121,076			
TexPool	5,461,827	705,487	379,606	4,273,373	103,361
03/02/18–BBVA Compass Bank CD	1,032,000	1,032,000			
06/11/18–LegacyTexas Bank CD	2,033,289	2,033,289			
10/15/18–Southside Bank CD	2,013,258	2,013,258			
01/25/19–LegacyTexas Bank CD	3,038,657	3,038,657			
04/15/19–Southside Bank CD	2,015,069	2,015,069			
05/12/19–BBVA Compass Bank CD	3,028,815	3,028,815			
07/13/19–Lubbock National Bank CD	3,525,750	3,525,750			
Total	\$ 39,537,141	\$ 34,780,801	\$ 379,606	\$ 4,273,373	\$ 103,361

**Allocation By Fund
September 30, 2017**

Book and Market Value	Totals	Pooled Cash	GF Oil & Gas Reserves	Utility Debt Service I&S	Utility Debt Reserve
BBVA DDA	\$ 2,443,642	\$ 2,443,642	\$ -	\$ -	\$ -
BBVA MMA	2,333,345	2,333,345			
Southside Bank MMA	1,785,717	1,785,717			
NexBank MMA	11,078,883	11,078,883			
TexPool	5,446,895	703,558	378,568	4,261,690	103,079
03/02/18–BBVA Compass Bank CD	1,032,000	1,032,000			
06/11/18–LegacyTexas Bank CD	2,027,723	2,027,723			
10/15/18–Southside Bank CD	2,006,582	2,006,582			
01/25/19–LegacyTexas Bank CD	3,028,076	3,028,076			
04/15/19–Southside Bank CD	2,007,479	2,007,479			
05/12/19–BBVA Compass Bank CD	3,017,406	3,017,406			
07/13/19–Lubbock National Bank CD	3,510,412	3,510,412			
Total	\$ 39,718,161	\$ 34,974,824	\$ 378,568	\$ 4,261,690	\$ 103,079