



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2019

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 *Jeff A. Jones* 10/16/19

Finance Director *Kristal Camp* 10/16/19

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.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	September 30, 2018			September 30, 2019		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Pools/Bank/MMA	2.04%	\$ 21,251,093	\$ 21,251,093	2.18%	\$ 20,715,616	\$ 20,715,616
Securities/CDs	1.83%	20,358,957	20,358,957	2.67%	23,959,962	23,959,962
Totals		41,610,050	41,610,050		44,675,578	44,675,578
Fourth Quarter-End Yield	1.93%			2.45%		

Average Quarter-End Yields (1):

	2018 Fiscal Year	2019 Fiscal Year
White Settlement	1.66%	2.43%
Rolling Three Month Treasury	1.69%	2.30%
Rolling Six Month Treasury	1.73%	2.37%
TexPool	1.62%	2.31%
Fiscal YTD interest earnings	\$ 620,733	\$ 1,065,384

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

Summary

Quarter End Results by Investment Category:

Asset Type	June 30, 2019		September 30, 2019		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Pools/Bank/MMA	\$ 21,976,518	\$ 21,976,518	\$ 20,715,616	\$ 20,715,616	2.18%
Securities/CDs	23,926,760	23,926,760	23,959,962	23,959,962	2.67%
Totals	\$ 45,903,277	\$ 45,903,277	\$ 44,675,578	\$ 44,675,578	

Quarter End Average Yield (1)

Total Portfolio	2.45%
Rolling Three Month Treasury	2.02%
Rolling Six Month Treasury	2.17%
TexPool	2.16%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	2.43%
Rolling Three Month Treasury	2.30%
Rolling Six Month Treasury	2.37%
Quarterly TexPool Yield	2.31%

Interest Revenue

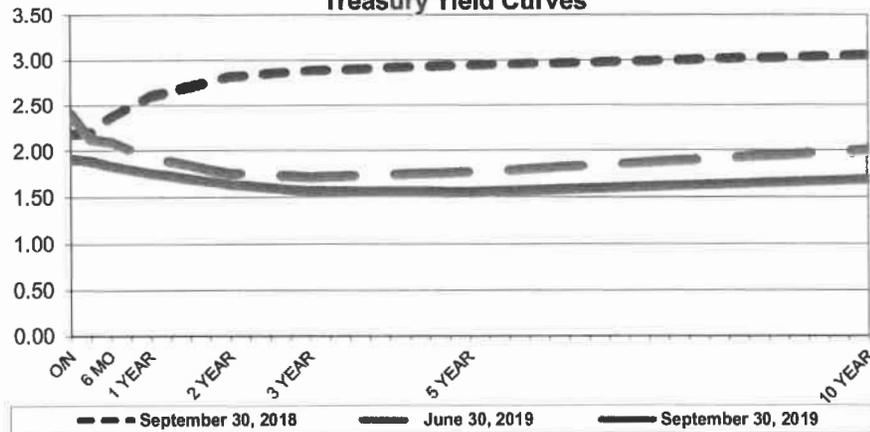
Quarterly Interest Income	\$ 280,502
Year-to-date Interest Income	\$ 1,065,384

(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.

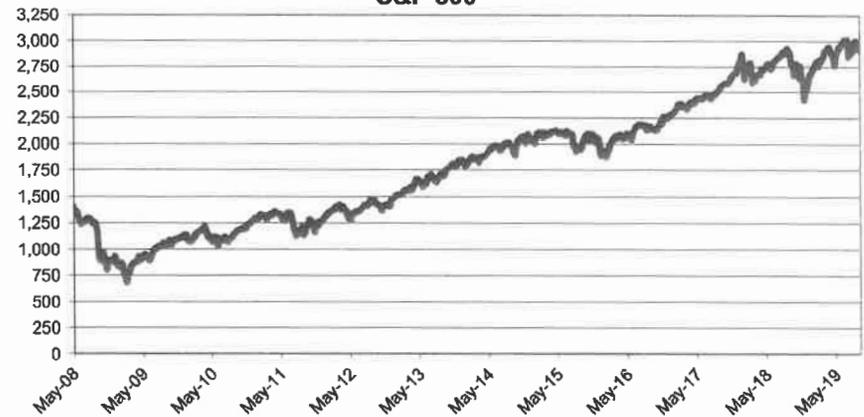
(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

The Federal Open Market Committee (FOMC) reduced the Fed Funds target range to 1.75% - 2.00% (Effective Fed Funds are trading +/-1.83%). The Futures Market continues to project additional decreases. Gradual Federal Reserve Bank portfolio reduction ended. August Non Farm Payroll added 136,000 new jobs, with the rolling three month averaging 157,000. Crude oil settled back and trades +/- \$55. The Stock Markets waffled near the recent highs. Consumer spending continues albeit less robustly. Overall economic activity remains mostly positive with 2nd Quarter GDP recorded at 2.0%. Brexit, Chinese trade concerns, growth outlook, and other factors may weigh on US growth. The inverted Yield Curve persists with yields declining.

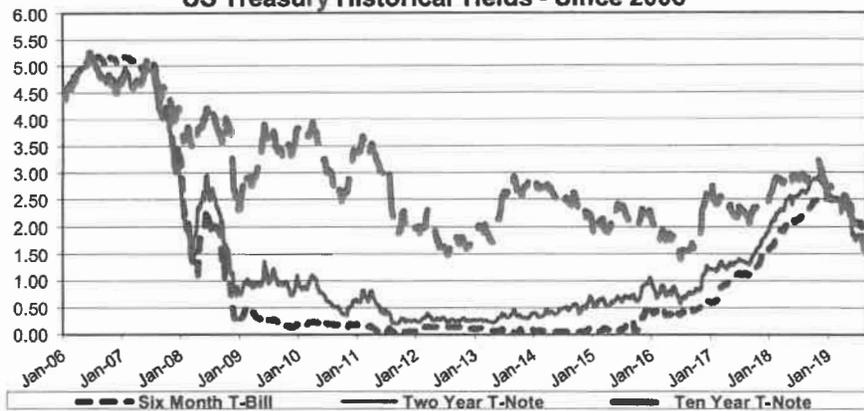
Treasury Yield Curves



S&P 500



US Treasury Historical Yields - Since 2006



US Treasury Historical Yields - Since Nov 2015



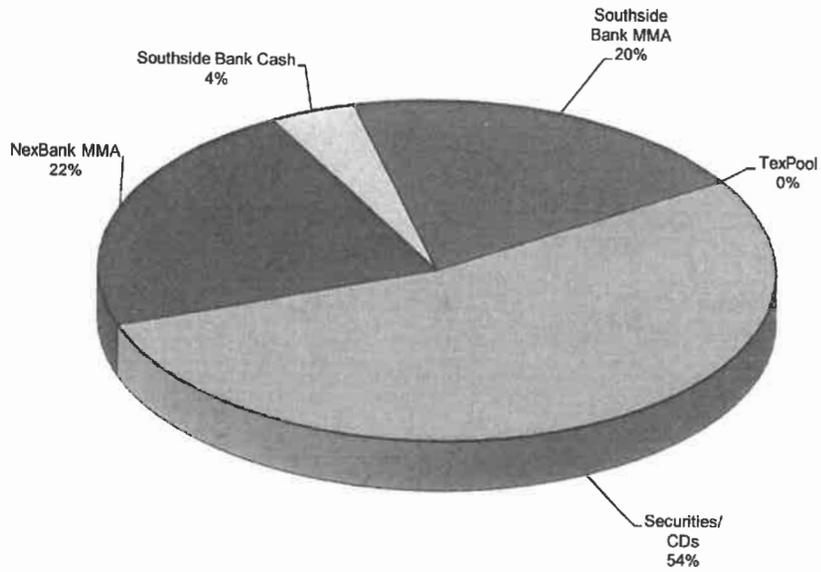
**Investment Holdings
September 30, 2019**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
Southside Bank Cash		0.53%	10/01/19	09/30/19	\$ 1,828,971	\$ 1,828,971	1.00	\$ 1,828,971	1	0.53%
Southside Bank MMA		2.35%	10/01/19	09/30/19	8,860,095	8,860,095	1.00	8,860,095	1	2.35%
NexBank MMA		2.33%	10/01/19	09/30/19	10,024,884	10,024,884	1.00	10,024,884	1	2.33%
TexPool	AAAm	2.16%	10/01/19	09/30/19	1,665	1,665	1.00	1,665	1	2.16%
East West Bank CD		2.83%	10/17/19	10/17/18	1,027,428	1,027,428	100	1,027,428	17	2.87%
East West Bank CD		2.83%	10/17/19	10/17/18	1,027,428	1,027,428	100	1,027,428	17	2.87%
East West Bank CD		2.70%	10/25/19	01/25/19	1,018,589	1,018,589	100	1,018,589	25	2.74%
East West Bank CD		2.85%	11/28/19	11/28/18	1,024,260	1,024,260	100	1,024,260	59	2.89%
East West Bank CD		2.74%	01/27/20	01/25/19	1,018,867	1,018,867	100	1,018,867	119	2.78%
East West Bank CD		2.89%	02/28/20	11/28/18	1,024,605	1,024,605	100	1,024,605	151	2.93%
East West Bank CD		2.94%	04/17/20	10/17/18	1,028,509	1,028,509	100	1,028,509	200	2.98%
East West Bank CD		2.94%	04/17/20	10/17/18	1,028,509	1,028,509	100	1,028,509	200	2.98%
East West Bank CD		2.66%	05/21/20	02/21/19	1,037,670	1,037,670	100	1,037,670	234	2.70%
LegacyTexas Bank CD		2.90%	06/12/20	06/13/18	2,119,972	2,119,972	100	2,119,972	256	2.94%
BTH Bank CDARS		2.60%	07/23/20	04/25/19	1,011,390	1,011,390	100	1,011,390	297	2.60%
BBVA Compass Bank CD		2.54%	08/13/20	05/13/19	1,008,596	1,008,596	100	1,008,596	318	2.57%
LegacyTexas Bank CD		2.78%	10/26/20	01/25/19	1,018,658	1,018,658	100	1,018,658	392	2.82%
BTH Bank CDARS		2.62%	01/21/21	04/25/19	1,011,478	1,011,478	100	1,011,478	479	2.65%
LegacyTexas Bank CD		2.48%	02/12/21	05/14/19	1,008,383	1,008,383	100	1,008,383	501	2.51%
BTH Bank CDARS		2.63%	04/21/21	04/25/19	1,011,522	1,011,522	100	1,011,522	569	2.66%
LegacyTexas Bank CD		2.50%	05/14/21	05/14/19	1,008,451	1,008,451	100	1,008,451	592	2.53%
Security State B&T CD		2.45%	06/26/21	06/26/19	2,012,376	2,012,376	100	2,012,376	635	2.48%
Security State B&T CD		2.23%	07/24/21	07/24/19	3,513,270	3,513,270	100	3,513,270	663	2.25%
Total					\$ 44,675,578	\$ 44,675,578		\$ 44,675,578	188	2.45%
									(1)	(2)

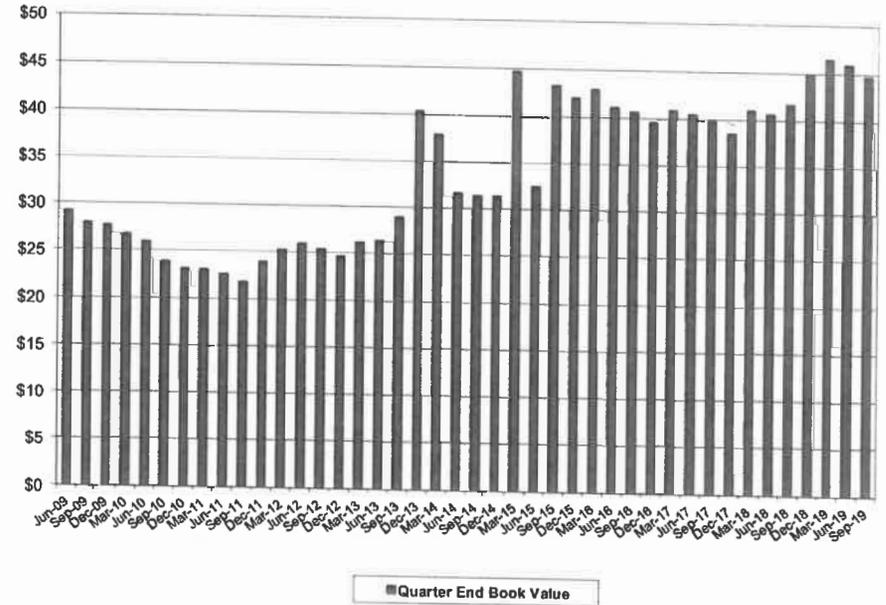
(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(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.

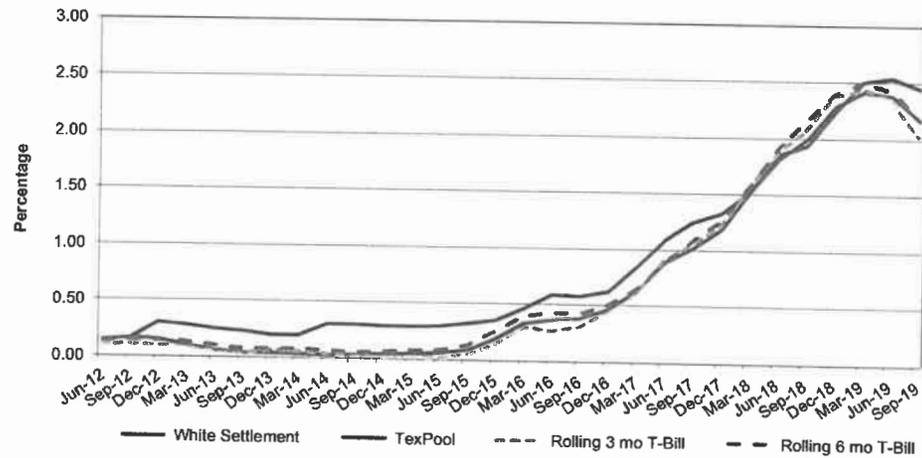
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2019		Purchases/ Adjustments	Sales/Adjust/ Maturities	September 30, 2019	
			Par Value	Book Value			Par Value	Book Value
Southside Bank Cash	0.53%	10/01/19	\$ 1,621,862	\$ 1,621,862	\$ 207,109	\$ -	\$ 1,828,971	\$ 1,828,971
Southside Bank MMA	2.35%	10/01/19	10,389,657	10,389,657		(1,529,562)	8,860,095	8,860,095
NexBank MMA	2.33%	10/01/19	9,963,343	9,963,343	61,541		10,024,884	10,024,884
TexPool	2.16%	10/01/19	1,656	1,656	9		1,665	1,665
Lubbock National Bank CD	1.75%	07/13/19	3,619,371	3,619,371		(3,619,371)	-	-
East West Bank CD	2.83%	10/17/19	1,020,125	1,020,125	7,302		1,027,428	1,027,428
East West Bank CD	2.83%	10/17/19	1,020,125	1,020,125	7,302		1,027,428	1,027,428
East West Bank CD	2.70%	10/25/19	1,011,681	1,011,681	6,908		1,018,589	1,018,589
East West Bank CD	2.85%	11/28/19	1,016,929	1,016,929	7,331		1,024,260	1,024,260
East West Bank CD	2.74%	01/27/20	1,011,855	1,011,855	7,012		1,018,867	1,018,867
East West Bank CD	2.89%	02/28/20	1,017,168	1,017,168	7,436		1,024,605	1,024,605
East West Bank CD	2.94%	04/17/20	1,020,916	1,020,916	7,593		1,028,509	1,028,509
East West Bank CD	2.94%	04/17/20	1,020,916	1,020,916	7,593		1,028,509	1,028,509
East West Bank CD	2.66%	05/21/20	1,030,736	1,030,736	6,934		1,037,670	1,037,670
LegacyTexas Bank CD	2.90%	06/12/20	2,104,551	2,104,551	15,421		2,119,972	2,119,972
BTH Bank CDARS	2.60%	07/23/20	1,004,784	1,004,784	6,606		1,011,390	1,011,390
BBVA Compass Bank CD	2.54%	08/13/20	1,002,160	1,002,160	6,436		1,008,596	1,008,596
LegacyTexas Bank CD	2.78%	10/26/20	1,011,554	1,011,554	7,105		1,018,658	1,018,658
BTH Bank CDARS	2.62%	01/21/21	1,004,821	1,004,821	6,657		1,011,478	1,011,478
LegacyTexas Bank CD	2.48%	02/12/21	1,002,106	1,002,106	6,277		1,008,383	1,008,383
BTH Bank CDARS	2.63%	04/21/21	1,004,839	1,004,839	6,683		1,011,522	1,011,522
LegacyTexas Bank CD	2.50%	05/14/21	1,002,123	1,002,123	6,328		1,008,451	1,008,451
Security State B&T CD	2.45%	06/26/21	2,000,000	2,000,000	12,376		2,012,376	2,012,376
Security State B&T CD	2.23%	07/24/21	-	-	3,513,270		3,513,270	3,513,270
TOTAL			\$ 45,903,277	\$ 45,903,277	\$ 3,921,232	\$ (5,148,932)	\$ 44,675,578	\$ 44,675,578

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2019		Qtr to Qtr Change	September 30, 2019	
			Par Value	Market Value		Par Value	Market Value
Southside Bank Cash	0.53%	10/01/19	\$ 1,621,862	\$ 1,621,862	\$ 207,109	\$ 1,828,971	\$ 1,828,971
Southside Bank MMA	2.35%	10/01/19	10,389,657	10,389,657	(1,529,562)	8,860,095	8,860,095
NexBank MMA	2.33%	10/01/19	9,963,343	9,963,343	61,541	10,024,884	10,024,884
TexPool	2.16%	10/01/19	1,656	1,656	9	1,665	1,665
Lubbock National Bank CD	1.75%	07/13/19	3,619,371	3,619,371	(3,619,371)	—	—
East West Bank CD	2.83%	10/17/19	1,020,125	1,020,125	7,302	1,027,428	1,027,428
East West Bank CD	2.83%	10/17/19	1,020,125	1,020,125	7,302	1,027,428	1,027,428
East West Bank CD	2.70%	10/25/19	1,011,681	1,011,681	6,908	1,018,589	1,018,589
East West Bank CD	2.85%	11/28/19	1,016,929	1,016,929	7,331	1,024,260	1,024,260
East West Bank CD	2.74%	01/27/20	1,011,855	1,011,855	7,012	1,018,867	1,018,867
East West Bank CD	2.89%	02/28/20	1,017,168	1,017,168	7,436	1,024,605	1,024,605
East West Bank CD	2.94%	04/17/20	1,020,916	1,020,916	7,593	1,028,509	1,028,509
East West Bank CD	2.94%	04/17/20	1,020,916	1,020,916	7,593	1,028,509	1,028,509
East West Bank CD	2.66%	05/21/20	1,030,736	1,030,736	6,934	1,037,670	1,037,670
LegacyTexas Bank CD	2.90%	06/12/20	2,104,551	2,104,551	15,421	2,119,972	2,119,972
BTH Bank CDARS	2.60%	07/23/20	1,004,784	1,004,784	6,606	1,011,390	1,011,390
BBVA Compass Bank CD	2.54%	08/13/20	1,002,160	1,002,160	6,436	1,008,596	1,008,596
LegacyTexas Bank CD	2.78%	10/26/20	1,011,554	1,011,554	7,105	1,018,658	1,018,658
BTH Bank CDARS	2.62%	01/21/21	1,004,821	1,004,821	6,657	1,011,478	1,011,478
LegacyTexas Bank CD	2.48%	02/12/21	1,002,106	1,002,106	6,277	1,008,383	1,008,383
BTH Bank CDARS	2.63%	04/21/21	1,004,839	1,004,839	6,683	1,011,522	1,011,522
LegacyTexas Bank CD	2.50%	05/14/21	1,002,123	1,002,123	6,328	1,008,451	1,008,451
Security State B&T CD	2.45%	06/26/21	2,000,000	2,000,000	12,376	2,012,376	2,012,376
Security State B&T CD	2.23%	07/24/21	—	—	3,513,270	3,513,270	3,513,270
TOTAL			\$ 45,903,277	\$ 45,903,277	\$ (1,227,700)	\$ 44,675,578	\$ 44,675,578