

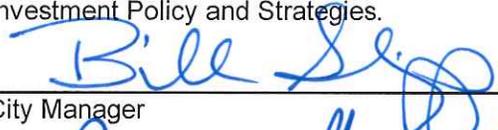


## QUARTERLY INVESTMENT REPORT

For the Quarter Ended  
**December 31, 2017**

Prepared by  
**Valley View Consulting, L.L.C.**

The investment portfolio of the City of Anna is in compliance with the Public Funds Investment Act and the Investment Policy and 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:**

<b>Asset Type</b>	<b>Ave. Yield</b>	<b>December 31, 2017</b>		<b>September 30, 2017</b>	
		<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Bank DDA/MMA/NOW	0.45%	\$ 19,080,029	\$ 19,080,029	\$ 15,803,784	\$ 15,803,784
TexPool	1.18%	265,625	265,625	264,899	264,899
Securities/CDs	0.65%	248,329	248,329	247,767	247,767
<b>Totals</b>		<b>\$ 19,593,984</b>	<b>\$ 19,593,984</b>	<b>\$ 16,316,450</b>	<b>\$ 16,316,450</b>

**Current Quarter Average Yield (1)**

Total Portfolio 0.46%

Rolling Three Mo. Treas. Yield 1.23%

Rolling Six Mo. Treas. Yield 1.26%

Quarterly Interest Income \$ 19,701

Year-to-date Interest Income \$ 19,701

**Fiscal Year-to-Date Average Yield (2)**

Total Portfolio 0.46%

Rolling Three Mo. Treas. Yield 1.23%

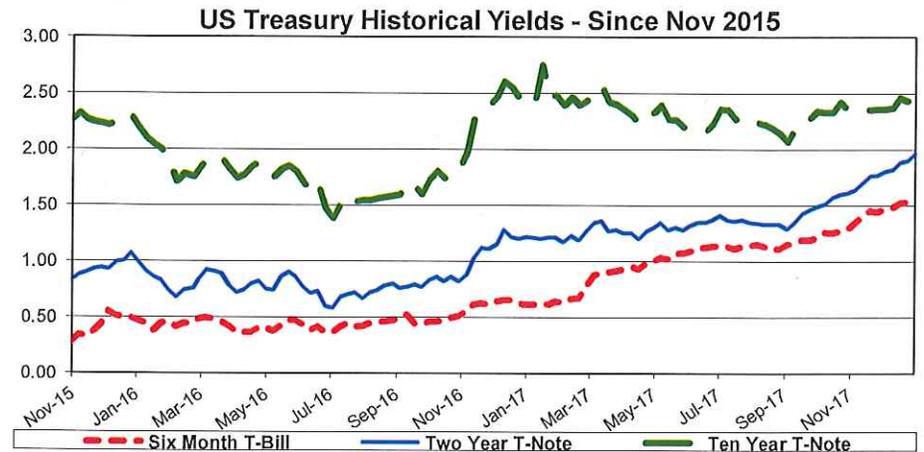
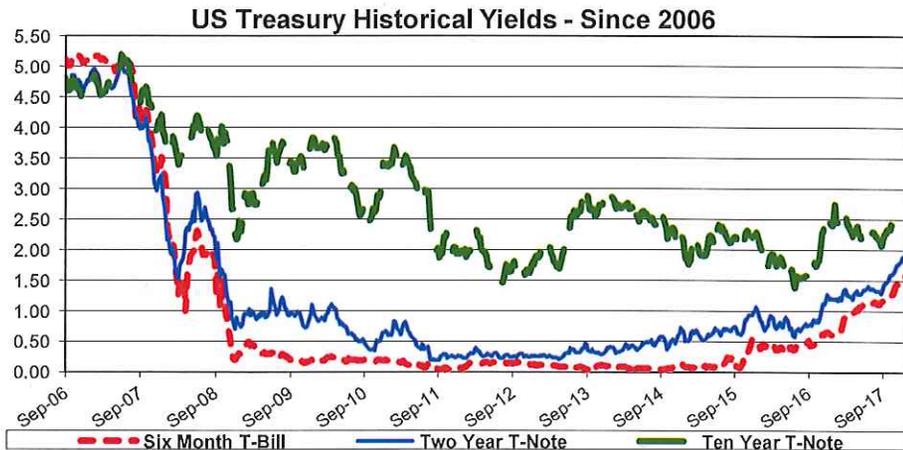
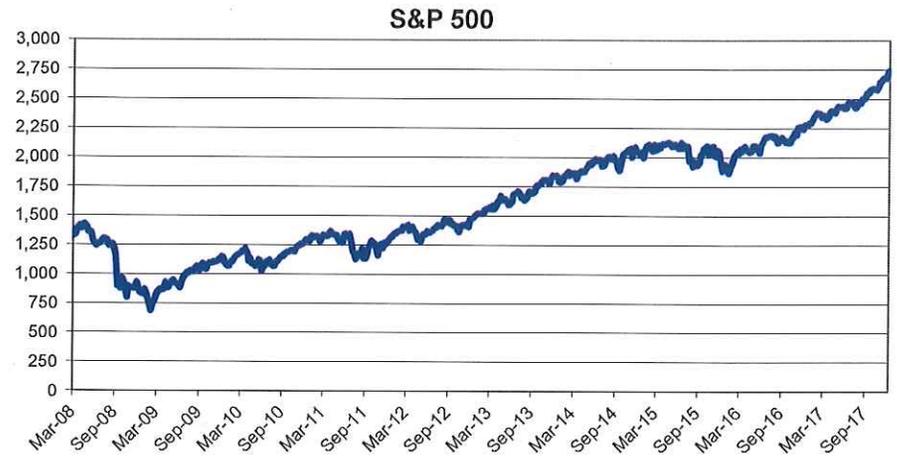
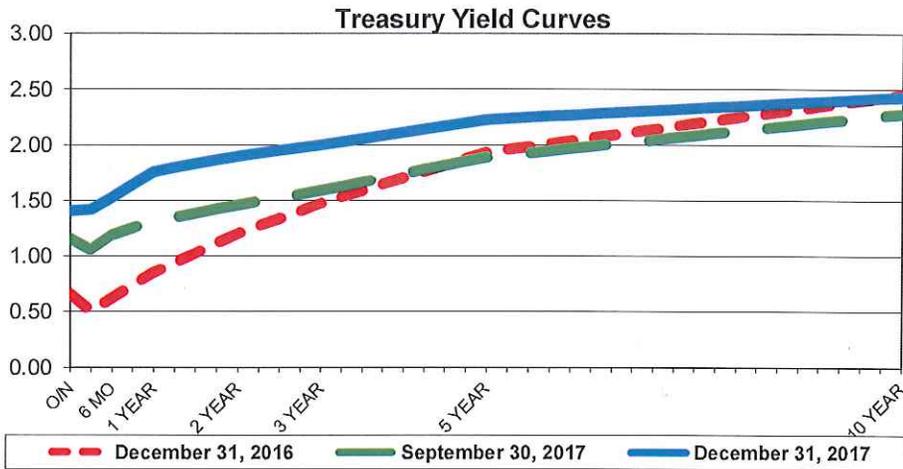
Rolling Six Mo. Treas. Yield 1.26%

Quarterly TexPool Yield 1.18%

(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.

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

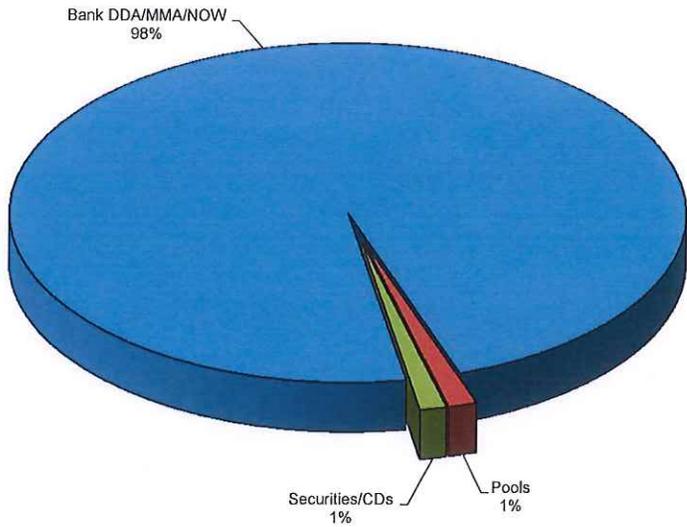
December 31, 2017

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Independent Bank		0.45%	01/01/18	12/31/17	\$ 19,080,029	\$ 19,080,029	1.000	\$ 19,080,029	1	0.45%
TexPool	AAAm	1.18%	01/01/18	12/31/17	265,625	265,625	1.000	265,625	1	1.18%
Texas Star Bank CD		0.65%	04/07/18	04/07/16	248,329	248,329	100.00	248,329	97	0.65%
					<b>\$ 19,593,984</b>	<b>\$ 19,593,984</b>		<b>\$ 19,593,984</b>	<b>2</b>	<b>0.46%</b>
									(1)	(2)

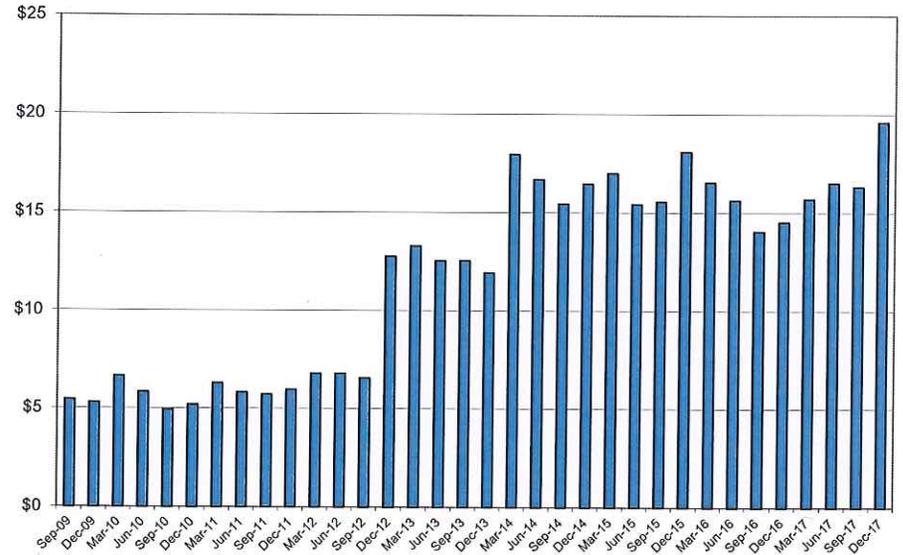
(1) **Weighted average life** - For purposes of calculating weighted average life, pool and bank account investments are assumed to have a one day maturity.

(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.

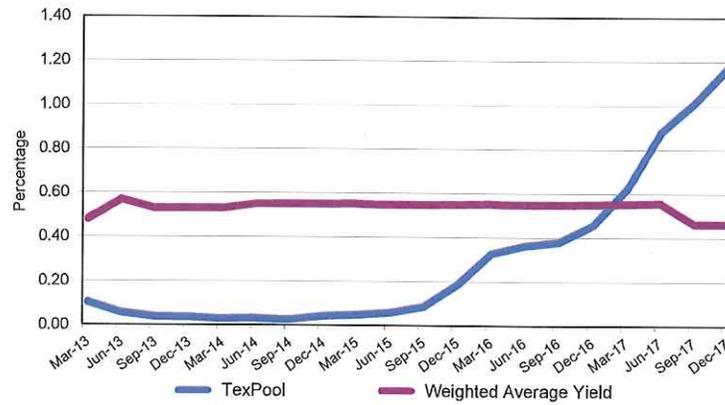
**Portfolio Composition**



**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
Independent Bank	0.45%	01/01/18	\$ 15,803,784	\$ 15,803,784	\$ 3,276,246	\$ -	\$ 19,080,029	\$ 19,080,029
TexPool	1.18%	01/01/18	264,899	264,899	726		265,625	265,625
Texas Star Bank CD	0.65%	04/07/18	247,767	247,767	562		248,329	248,329
<b>TOTAL</b>			<b>\$ 16,316,450</b>	<b>\$ 16,316,450</b>	<b>\$ 3,277,534</b>	<b>\$ -</b>	<b>\$ 19,593,984</b>	<b>\$ 19,593,984</b>

### Market Value Comparison

Description	Maturity Date	September 30, 2017				Qtr to Qtr Change	December 31, 2017		
		Par Value	Market Price	Market Value	Par Value		Market Price	Market Value	
Independent Bank	01/01/18	\$ 15,803,784	1.00	\$ 15,803,784	\$ 3,276,246	\$ 19,080,029	1.00	\$ 19,080,029	
TexPool	01/01/18	264,899	1.00	264,899	726	265,625	1.00	265,625	
Texas Star Bank CD	04/07/18	247,767	100.00	247,767	562	248,329	100.00	248,329	
<b>TOTAL</b>		<b>\$ 16,316,450</b>		<b>\$ 16,316,450</b>	<b>\$ 3,277,534</b>	<b>\$ 19,593,984</b>		<b>\$ 19,593,984</b>	

**Allocation**

**December 31, 2017**

<b>Book &amp; Market Value</b>	<b>Total</b>	<b>General Operating</b>	<b>General Fund - Restricted</b>	<b>Debt Service Fund - General</b>	<b>General Capital Projects</b>	<b>Utilities Operating</b>	<b>Utilities Funds - Restricted</b>	<b>EDC</b>	<b>CDC</b>
Independent Bank	\$ 19,080,029	\$ 6,640,492	\$ 1,255	\$ 1,245,892	\$ -	\$ 10,297,863	\$ -	\$ 233,933	\$ 660,594
TexPool	265,625	208,379					57,245		
Texas Star Bank CD	248,329	124,165				124,165			
<b>Totals</b>	<b>\$ 19,593,984</b>	<b>\$ 6,973,036</b>	<b>\$ 1,255</b>	<b>\$ 1,245,892</b>	<b>\$ -</b>	<b>\$ 10,422,028</b>	<b>\$ 57,245</b>	<b>\$ 233,933</b>	<b>\$ 660,594</b>

**Allocation**

**September 30, 2017**

<b>Book &amp; Market Value</b>	<b>Total</b>	<b>General Operating</b>	<b>General Fund - Restricted</b>	<b>Debt Service Fund - General</b>	<b>General Capital Projects</b>	<b>Utilities Operating</b>	<b>Utilities Funds - Restricted</b>	<b>EDC</b>	<b>CDC</b>
Independent Bank	\$ 15,803,784	\$ 3,298,148	\$ 9,778	\$ 482,992	\$ 735,868	\$ 6,074,201	\$ 4,403,028	\$ 327,424	\$ 472,345
TexPool	264,899	207,810					57,089		
Texas Star Bank CD	247,767	123,884				123,884			
<b>Totals</b>	<b>\$ 16,316,450</b>	<b>\$ 3,629,841</b>	<b>\$ 9,778</b>	<b>\$ 482,992</b>	<b>\$ 735,868</b>	<b>\$ 6,198,085</b>	<b>\$ 4,460,117</b>	<b>\$ 327,424</b>	<b>\$ 472,345</b>