

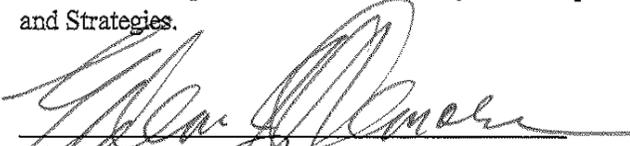


QUARTERLY INVESTMENT REPORT

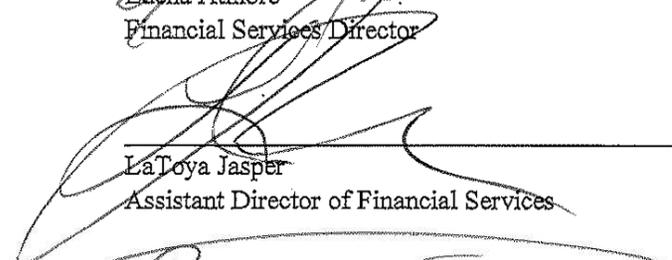
For the Quarter Ended
March 31, 2018

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

The investment portfolio of Missouri City is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.



Edena Amore
Financial Services Director



LaToya Jasper
Assistant Director of Financial Services



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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	March 31, 2018		December 31, 2017	
		Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.00%	\$ 20,720	\$ 20,720	\$ 2,311,508	\$ 2,311,508
Pools/MMA/NOWMMF	1.23%	60,434,557	60,434,557	41,808,746	41,808,746
Securities/CDS	2.25%	39,823,613	39,849,692	30,336,654	30,473,617
Totals		\$ 100,278,889	\$ 100,304,969	\$ 74,456,908	\$ 74,593,871

Quarter End Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	1.88%	Total Portfolio	1.74%
Rolling Three Mo. Treas. Yield	1.58%	Rolling Three Mo. Treas. Yield	1.29%
Rolling Six Mo. Treas. Yield	1.58%	Rolling Six Mo. Treas. Yield	1.31%
		Quarterly TexPool Yield	1.24%
Quarterly Interest Income	\$ 427,999 Approximate	Quarterly Bank Fees Offset	N/A
Year-to-date Interest Income	\$ 1,066,006 Approximate	Year-to-date Bank Fees Offset	N/A

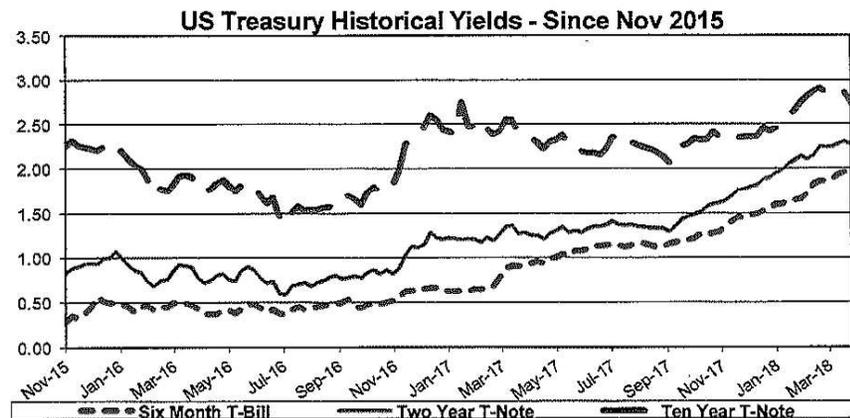
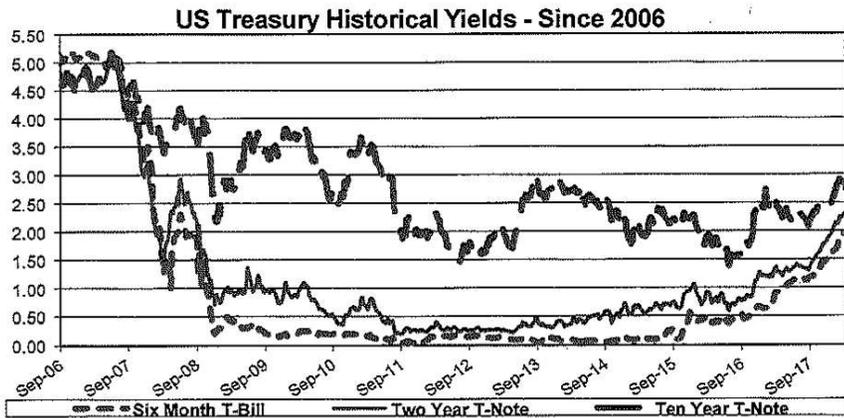
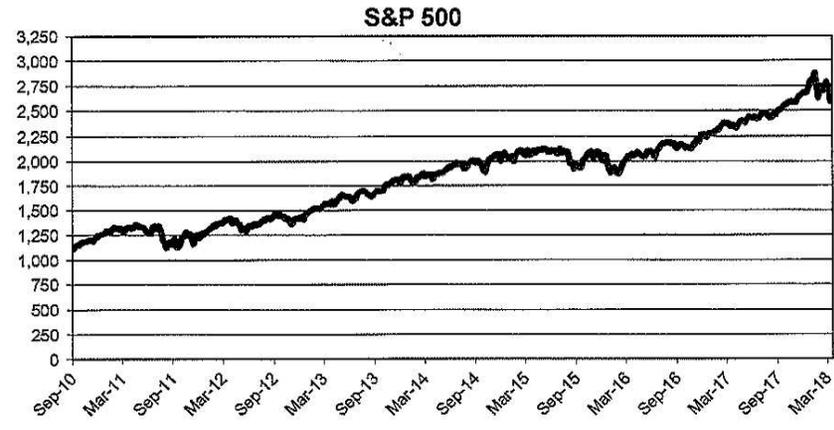
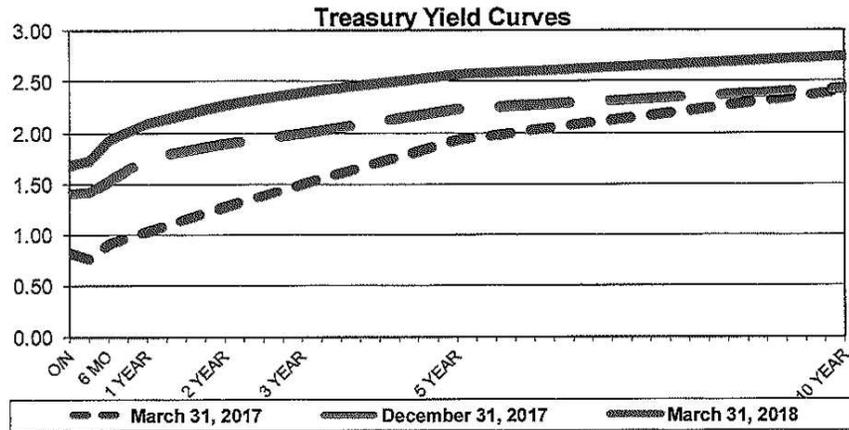
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

Economic Overview

3/31/2018

The Federal Open Market Committee (FOMC) increased the Fed Funds target range 0.25% to 1.50% - 1.75% (Effective Fed Funds are trading +/-1.68%). Two to three additional increases are projected for 2018 (although subject to economic activity). Gradual portfolio reduction continues by limiting reinvestment of maturing holdings. Fourth Quarter 2017 GDP measured 2.9% (third/final estimate). February Non Farm Payroll data jumped +313k (well above the expected +205k). The Three Month Average increased to +242k. World events raised some uncertainty (Korea, Russia, Middle East). WTI Crude oil maintained +/- \$65. The Stock Markets waffled 5% to 10% below recent highs. The post-FOMC meeting press release pointed to continuing and frequent rate increases.



Investment Holdings by Portfolio

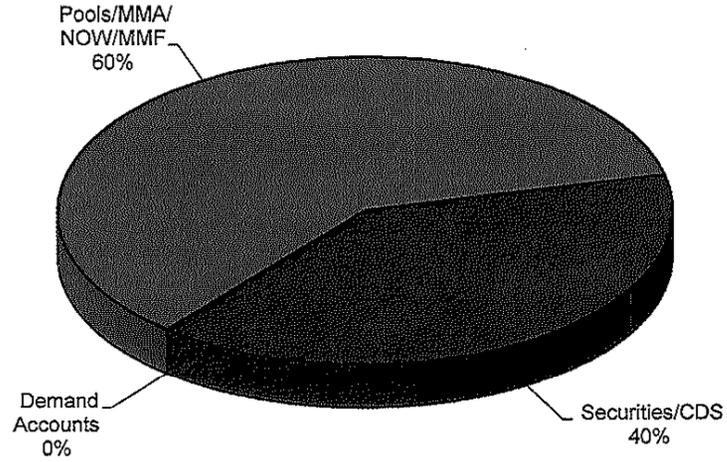
March 31, 2018

Pooled Funds Portfolio	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life	Yield
Wells Fargo Bank Cash		0.00%	04/01/18	03/31/18	\$ 20,720	\$ 20,720	1.00	\$ 20,720	1	0.00%
NexBank MMA		1.81%	04/01/18	03/31/18	5,015,853	5,015,853	1.00	5,015,853	1	1.81%
Wells Fargo Bank MMF	AAAm	1.50%	04/01/18	03/31/18	10,362,454	10,362,454	1.00	10,362,454	1	1.50%
Texas Class	AAAm	1.75%	04/01/18	03/31/18	16,643,694	16,643,694	1.00	16,643,694	1	1.75%
TexPool	AAAm	1.34%	04/01/18	03/31/18	201,565	201,565	1.00	201,565	1	1.34%
LOGIC	AAAm	1.59%	04/01/18	03/31/18	28,210,990	28,210,990	1.00	28,210,990	1	1.59%
Commonwealth Auth. PA Muni	A1/A+	5.05%	06/01/18	04/20/15	1,000,000	1,006,110	100.47	1,004,740	62	1.30%
Commonwealth Auth. PA Muni	A1/A+	5.05%	06/01/18	04/24/15	500,000	503,055	100.47	502,370	62	1.30%
FL Hurr. Catastrophe Muni	Aa3/AA	2.11%	07/01/18	01/21/15	2,500,000	2,502,843	100.06	2,501,450	92	1.64%
East West Bank CD		1.85%	11/01/18	01/23/18	5,017,262	5,017,262	100.00	5,017,262	215	1.85%
Lubbock National Bank CD		1.50%	12/03/18	10/03/17	5,031,104	5,031,104	100.00	5,031,104	247	1.50%
East West Bank CD		1.90%	12/03/18	01/23/18	5,017,730	5,017,730	100.00	5,017,730	247	1.90%
Peoria SD Muni	AA	5.25%	01/01/19	05/12/15	500,000	512,659	101.80	508,975	276	1.75%
TX ST Pub Fin Auth Muni	AA+	2.00%	02/01/19	09/29/17	480,000	481,772	99.78	478,925	307	1.55%
Columbus Fin TX Muni	AA-	4.90%	02/15/19	05/04/15	1,360,000	1,394,173	101.83	1,384,820	321	1.90%
Texas State Muni	Aa2/AA	2.04%	03/15/19	03/18/15	900,000	902,792	99.65	896,814	349	1.70%
LegacyTexas Bank CD		1.65%	06/03/19	08/14/17	6,057,738	6,057,738	100.00	6,057,738	429	1.65%
WV HSG Muni	Aaa/AAA	3.22%	11/01/19	08/17/15	1,000,000	1,022,431	100.16	1,001,620	580	1.75%
Cleveland Tax Revenue Muni	A1/AA+	2.30%	10/01/20	04/09/15	1,610,000	1,610,000	98.07	1,578,927	915	2.30%
Port of Corpus Christi Muni	A1/A+	2.61%	12/01/20	05/27/15	635,000	639,609	99.45	631,476	976	2.32%
Pooled Funds Portfolio - Sub Total					\$ 92,064,111	\$ 92,154,555		\$ 92,069,228	112	1.67%
									Days	
Mortgage Portfolio										
FNMA MBS 4X6	Aaa/AA+	6.00%	12/01/20	09/20/10	45,728	46,585	102.14	46,709	976	5.10%
FHLMC MBS G92	Aaa/AA+	6.00%	06/01/22	10/18/10	1,346,783	1,399,907	104.47	1,406,965	1,523	4.77%
GNMA MBS MY1	Aaa/AA+	6.00%	07/15/22	04/16/09	517,807	529,123	103.89	537,962	1,567	5.29%
FNMA MBS JR7	Aaa/AA+	3.00%	08/01/22	06/18/13	1,084,692	1,111,752	100.77	1,093,093	1,584	2.36%
GNMA MBS CC2	Aaa/AA+	2.50%	05/20/27	01/24/13	1,403,282	1,403,282	96.64	1,356,118	3,337	2.18%
FNMA MBS MT7	Aaa/AA+	6.00%	06/01/36	06/13/11	514,269	549,118	112.31	577,586	6,637	5.33%
FNMA MBS SS5	Aaa/AA+	6.00%	12/01/36	06/13/11	1,117,611	1,215,914	112.35	1,255,673	6,820	5.15%
FNMA MBS GP3	Aaa/AA+	6.00%	03/01/37	06/13/11	1,357,396	1,477,213	112.29	1,524,254	6,910	5.14%
FHLMC MBS WA4	Aaa/AA+	6.00%	02/01/38	03/12/12	391,442	391,442	111.74	437,381	7,247	5.19%
Mortgage Portfolio - Sub Total					\$ 7,779,009	\$ 8,124,334		\$ 8,235,742	12	4.21%
									Years	
Total Portfolio					\$ 99,843,120	\$ 100,278,889		\$ 100,304,969	446	1.88%
									1.2	
									(Years)	
									(1)	(2)

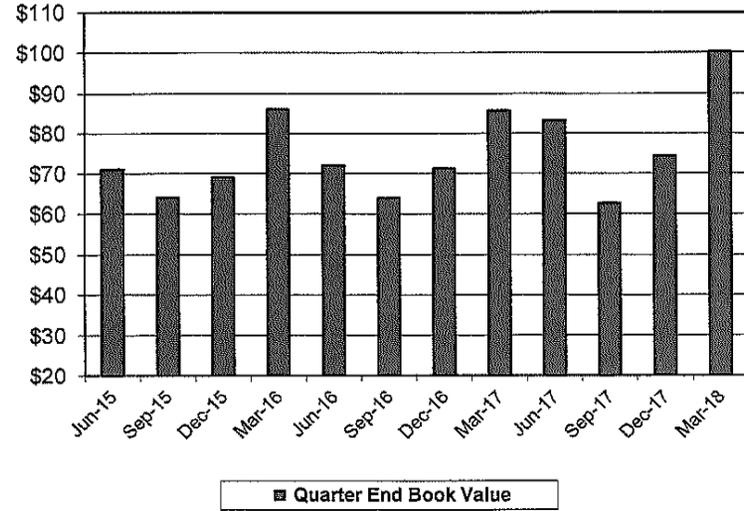
(1) Weighted average life - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity. MBS securities adjusted for minimum anticipated principal amortization.

(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.

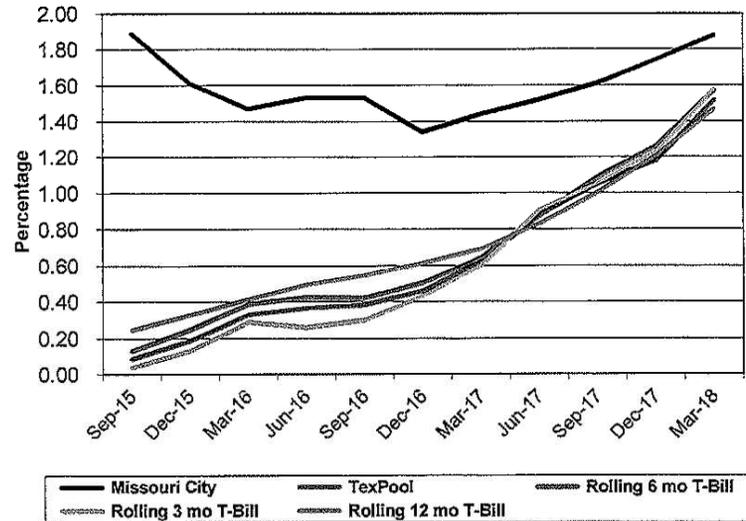
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2017			March 31, 2018		
			Face Amount/ Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	Face Amount/ Par Value	Book Value
Amegy Bank Cash	0.05%	04/01/18	\$ 2,307,780	\$ 2,307,780	\$ —	\$ (2,307,780)	\$ —	\$ —
Wells Fargo Bank Cash	0.00%	04/01/18	3,728	3,728	16,992		20,720	20,720
Wells Fargo Bank MMF	1.50%	04/01/18	6,899,913	6,899,913	3,462,541		10,362,454	10,362,454
NexBank MMA	1.81%	04/01/18	—	—	5,015,853		5,015,853	5,015,853
Texas Class	1.75%	04/01/18	16,576,528	16,576,528	67,166		16,643,694	16,643,694
TexPool	1.34%	04/01/18	200,877	200,877	688		201,565	201,565
LOGIC	1.59%	04/01/18	18,131,428	18,131,428	10,079,563		28,210,990	28,210,990
Commonwealth Auth. PA Muni	5.05%	06/01/18	1,000,000	1,015,274		(9,165)	1,000,000	1,006,110
Commonwealth Auth. PA Muni	5.05%	06/01/18	500,000	507,638		(4,583)	500,000	503,055
FL Hurr. Catastrophe Muni	2.11%	07/01/18	2,500,000	2,505,687		(2,843)	2,500,000	2,502,843
East West Bank CD	1.85%	11/01/18	—	—	5,017,262		5,017,262	5,017,262
Lubbock National Bank CD	1.50%	12/03/18	5,012,542	5,012,542	18,562		5,031,104	5,031,104
East West Bank CD	1.90%	12/03/18	—	—	5,017,730		5,017,730	5,017,730
Peoria SD Muni	5.25%	01/01/19	500,000	516,879		(4,220)	500,000	512,659
TX ST Pub Fin Auth Muni	2.00%	02/01/19	480,000	482,303		(531)	480,000	481,772
Columbus Fin TX Muni	4.90%	02/15/19	1,360,000	1,403,967		(9,795)	1,360,000	1,394,173
Texas State Muni	2.04%	03/15/19	900,000	903,523		(731)	900,000	902,792
LegacyTexas Bank CD	1.65%	06/03/19	6,033,159	6,033,159	24,579		6,057,738	6,057,738
WV HSG Muni	3.22%	11/01/19	1,000,000	1,025,973		(3,542)	1,000,000	1,022,431
Cleveland Tax Revenue Muni	2.30%	10/01/20	1,610,000	1,610,000			1,610,000	1,610,000
FNMA MBS 4X6	6.00%	12/01/20	57,442	58,618		(12,033)	45,728	46,585
Port of Corpus Christi Muni	2.61%	12/01/20	635,000	640,041		(432)	635,000	639,609
FHLMC MBS G92	6.00%	06/01/22	1,497,268	1,559,872		(159,965)	1,346,783	1,399,907
GNMA MBS MY1	6.00%	07/15/22	583,956	597,462		(68,339)	517,807	529,123
FNMA MBS JR7	3.00%	08/01/22	1,162,736	1,193,416		(81,664)	1,084,692	1,111,752
GNMA MBS CC2	2.50%	05/20/27	1,441,531	1,441,531		(38,249)	1,403,282	1,403,282
FNMA MBS MT7	6.00%	06/01/36	546,752	584,313		(35,195)	514,269	549,118
FNMA MBS SS5	6.00%	12/01/36	1,177,450	1,282,403		(66,489)	1,117,611	1,215,914
FNMA MBS GP3	6.00%	03/01/37	1,432,816	1,560,962		(83,749)	1,357,396	1,477,213
FHLMC MBS WA4	6.00%	02/01/38	401,091	401,091		(9,650)	391,442	391,442
TOTAL			\$ 73,951,998	\$ 74,456,908	\$ 28,720,936	\$ (2,898,954)	\$ 99,843,120	\$ 100,278,889

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2017		Qtr to Qtr Change	March 31, 2018	
			Face Amount/ Par Value	Market Value		Face Amount/ Par Value	Market Value
Amegy Bank Cash	0.05%	04/01/18	\$ 2,307,780	\$ 2,307,780	\$ (2,307,780)	\$ -	\$ -
Wells Fargo Bank Cash	0.00%	04/01/18	3,728	3,728	16,992	20,720	20,720
Wells Fargo Bank MMF	1.50%	04/01/18	6,899,913	6,899,913	3,462,541	10,362,454	10,362,454
NexBank MMA	1.81%	04/01/18	-	-	5,015,853	5,015,853	5,015,853
Texas Class	1.75%	04/01/18	16,576,528	16,576,528	67,166	16,643,694	16,643,694
TexPool	1.34%	04/01/18	200,877	200,877	688	201,565	201,565
LOGIC	1.59%	04/01/18	18,131,428	18,131,428	10,079,563	28,210,990	28,210,990
Commonwealth Auth. PA Muni	5.05%	06/01/18	1,000,000	1,011,590	(6,850)	1,000,000	1,004,740
Commonwealth Auth. PA Muni	5.05%	06/01/18	500,000	505,795	(3,425)	500,000	502,370
FL Hurr. Catastrophe Muni	2.11%	07/01/18	2,500,000	2,500,875	575	2,500,000	2,501,450
East West Bank CD	1.85%	11/01/18	-	-	5,017,262	5,017,262	5,017,262
Lubbock National Bank CD	1.50%	12/03/18	5,012,542	5,012,542	18,562	5,031,104	5,031,104
East West Bank CD	1.90%	12/03/18	-	-	5,017,730	5,017,730	5,017,730
Peoria SD Muni	5.25%	01/01/19	500,000	513,425	(4,450)	500,000	508,975
TX ST Pub Fin Auth Muni	2.00%	02/01/19	480,000	480,091	(1,166)	480,000	478,925
Columbus Fin TX Muni	4.90%	02/15/19	1,360,000	1,396,271	(11,451)	1,360,000	1,384,820
Texas State Muni	2.04%	03/15/19	900,000	899,145	(2,331)	900,000	896,814
LegacyTexas Bank CD	1.65%	06/03/19	6,033,159	6,033,159	24,579	6,057,738	6,057,738
WV HSG Muni	3.22%	11/01/19	1,000,000	1,012,890	(11,270)	1,000,000	1,001,620
Cleveland Tax Revenue Muni	2.30%	10/01/20	1,610,000	1,590,100	(11,173)	1,610,000	1,578,927
FNMA MBS 4X6	6.00%	12/01/20	57,442	58,969	(12,260)	45,728	46,709
Port of Corpus Christi Muni	2.61%	12/01/20	635,000	638,112	(6,636)	635,000	631,476
FHLMC MBS G92	6.00%	06/01/22	1,497,268	1,581,051	(174,085)	1,346,783	1,406,965
GNMA MBS MY1	6.00%	07/15/22	583,956	610,236	(72,274)	517,807	537,962
FNMA MBS JR7	3.00%	08/01/22	1,162,736	1,184,938	(91,845)	1,084,692	1,093,093
GNMA MBS CC2	2.50%	05/20/27	1,441,531	1,420,401	(64,283)	1,403,282	1,356,118
FNMA MBS MT7	6.00%	06/01/36	546,752	619,237	(41,650)	514,269	577,586
FNMA MBS SS5	6.00%	12/01/36	1,177,450	1,331,757	(76,084)	1,117,611	1,255,673
FNMA MBS GP3	6.00%	03/01/37	1,432,816	1,622,485	(98,231)	1,357,396	1,524,254
FHLMC MBS WA4	6.00%	02/01/38	401,091	450,549	(13,168)	391,442	437,381
TOTAL			\$ 73,951,998	\$ 74,593,871	\$ 25,711,098	\$ 99,843,120	\$ 100,304,969