



QUARTERLY INVESTMENT REPORT

For the Quarter Ended
December 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.

A handwritten signature in black ink, appearing to read "Allena Portis", is written over a horizontal line.

Allena Portis
Financial Services Director

A handwritten signature in blue ink, appearing to read "Bill Atkinson", is written over a horizontal line.

Bill Atkinson
Assistant City Manager

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	September 30, 2018		December 31, 2018		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Demand Accounts	\$ 5,253,742	\$ 5,253,742	\$ 24,949,808	\$ 24,949,808	0.00%
Pools/MMA/NOW/MMF	28,868,155	28,868,155	40,658,094	40,658,094	2.50%
Securities/CDS	47,803,533	47,817,315	53,765,626	53,772,565	2.76%
Totals	\$ 81,925,431	\$ 81,939,213	\$ 119,373,528	\$ 119,380,467	

Quarter End Average Yield (1)

Total Portfolio	2.09%
Rolling Three Month Treasury	2.37%
Rolling Six Month Treasury	2.39%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	2.09%
Rolling Three Month Treasury	2.37%
Rolling Six Month Treasury	2.39%
TexPool	2.29%

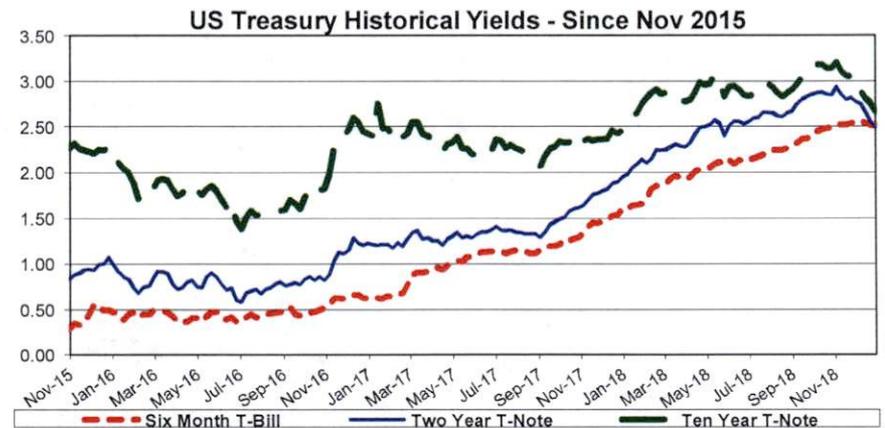
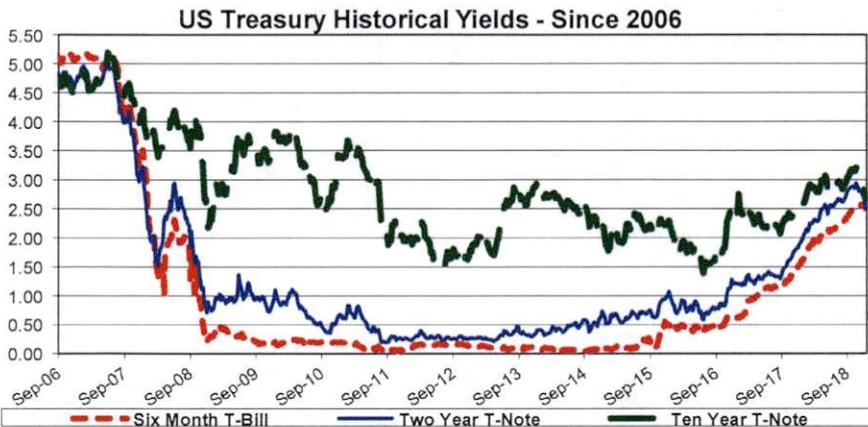
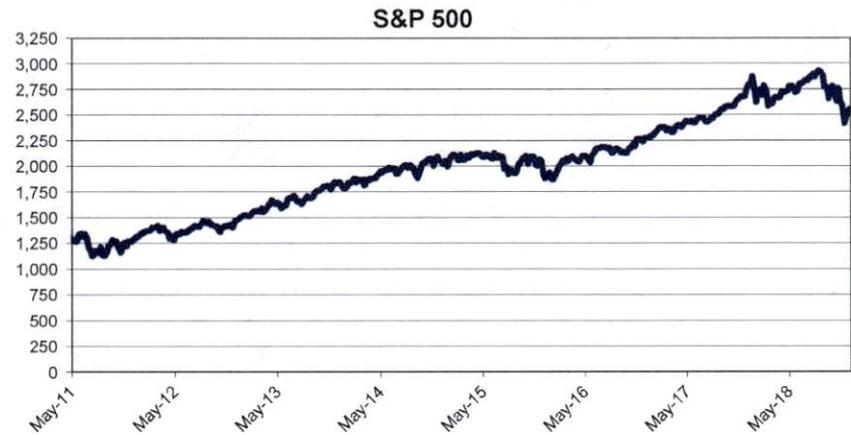
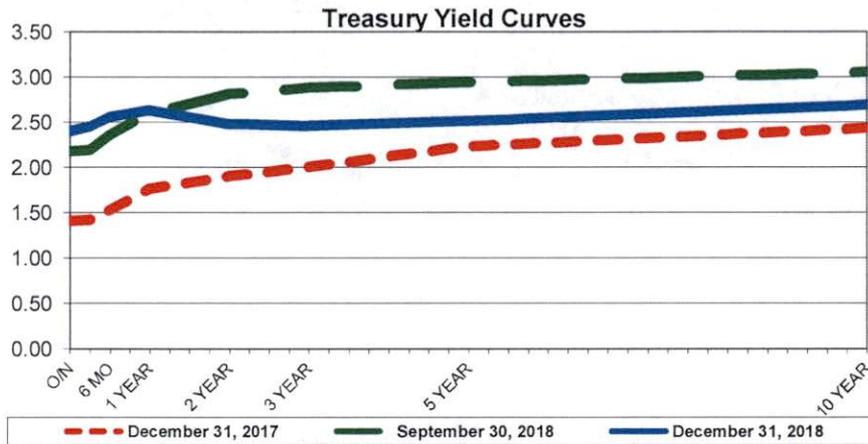
Interest Earnings

Quarterly Interest Income	\$ 522,776	Approximate	Quarterly Bank Fees Offset	N/A
Year-to-date Interest Income	\$ 522,776	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.

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.



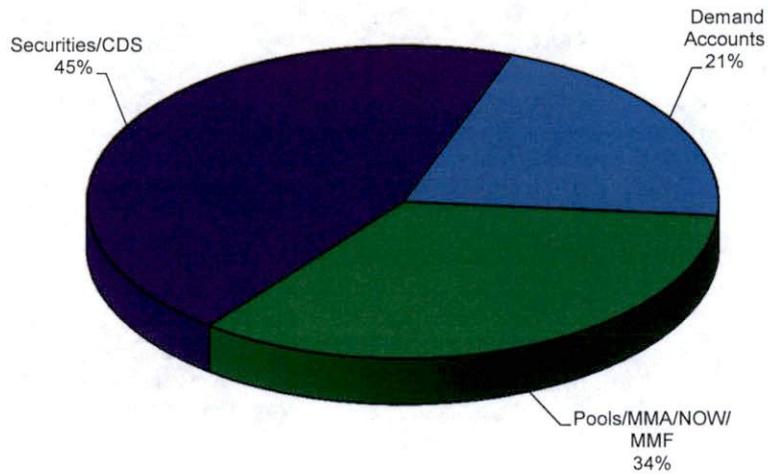
Investment Holdings by Portfolio
December 31, 2018

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%	01/01/19	12/31/18	\$ 24,949,808	\$ 24,949,808	1.00	\$ 24,949,808	1	0.00%
NexBank MMA		2.56%	01/01/19	12/31/18	5,099,951	5,099,951	1.00	5,099,951	1	2.56%
Wells Fargo Bank MMF	AAAm	2.35%	01/01/19	12/31/18	3,031	3,031	1.00	3,031	1	2.35%
Texas Class	AAAm	2.50%	01/01/19	12/31/18	13,083,869	13,083,869	1.00	13,083,869	1	2.50%
TexPool	AAAm	2.29%	01/01/19	12/31/18	204,562	204,562	1.00	204,562	1	2.29%
LOGIC	AAAm	2.48%	01/01/19	12/31/18	22,266,681	22,266,681	1.00	22,266,681	1	2.48%
Peoria SD Muni	AA	5.25%	01/01/19	05/12/15	500,000	500,000	100.00	500,000	1	1.75%
TX ST Pub Fin Auth Muni	AA+	2.00%	02/01/19	09/29/17	480,000	480,177	99.95	479,760	32	1.55%
Columbus Fin TX Muni	AA-	4.90%	02/15/19	05/04/15	1,360,000	1,364,789	100.20	1,362,774	46	1.90%
East West Bank CD		2.60%	03/01/19	11/21/18	2,005,849	2,005,849	100.00	2,005,849	60	2.63%
Texas State Muni	Aa2/AA	2.04%	03/15/19	03/18/15	900,000	900,601	99.84	898,538	74	1.70%
LegacyTexas Bank CD		1.65%	06/03/19	08/14/17	6,133,462	6,133,462	100.00	6,133,462	154	1.66%
East West Bank CD		2.71%	06/03/19	11/21/18	2,607,926	2,607,926	100.00	2,607,926	154	2.74%
East West Bank CD		2.53%	07/01/19	05/21/18	5,078,588	5,078,588	100.00	5,078,588	182	2.53%
Green Bank CD		2.80%	09/03/19	11/23/18	1,750,000	1,750,000	100.00	1,750,000	246	2.83%
East West Bank CD		2.60%	09/03/19	05/21/18	5,079,840	5,079,840	100.00	5,079,840	246	2.60%
WV HSG Muni	Aaa/AAA	3.22%	11/01/19	08/17/15	1,000,000	1,011,806	99.70	997,020	305	1.75%
LegacyTexas Bank CD		2.75%	12/02/19	06/01/18	2,027,734	2,027,734	100.00	2,027,734	336	2.78%
East West Bank CD		2.86%	12/02/19	11/21/18	1,755,631	1,755,631	100.00	1,755,631	336	2.89%
LegacyTexas Bank CD		2.82%	02/03/20	06/01/18	3,042,667	3,042,667	100.00	3,042,667	399	2.85%
East West Bank CD		2.91%	03/02/20	11/21/18	1,755,729	1,755,729	100.00	1,755,729	427	2.94%
LegacyTexas Bank CD		2.95%	06/01/20	12/03/18	5,000,000	5,000,000	100.00	5,000,000	518	2.99%
East West Bank CD		2.96%	06/01/20	11/21/18	1,504,996	1,504,996	100.00	1,504,996	518	2.99%
LegacyTexas Bank CD		2.97%	07/01/20	12/03/18	5,000,000	5,000,000	100.00	5,000,000	548	3.01%
Cleveland Tax Revenue Muni	A1/AA+	2.30%	10/01/20	04/09/15	1,610,000	1,610,000	98.13	1,579,877	640	2.30%
Port of Corpus Christi Muni	Aa3/A+	2.61%	12/01/20	05/27/15	635,000	638,313	99.80	633,730	701	2.32%
Pooled Funds Portfolio - Sub Total					\$ 114,835,325	\$ 114,856,010		\$ 114,802,024	134	1.98%
									Days	
Mortgage Portfolio										
FNMA MBS 4X6	Aaa/AA+	6.00%	12/01/20	09/20/10	17,242	17,474	100.81	17,382	701	5.10%
FHLMC MBS G92	Aaa/AA+	6.00%	06/01/22	10/18/10	1,005,831	1,038,365	103.37	1,039,712	1,248	4.77%
GNMA MBS MY1	Aaa/AA+	6.00%	07/15/22	04/16/09	373,026	379,752	102.84	383,617	1,292	5.29%
FNMA MBS MT7	Aaa/AA+	6.00%	06/01/36	06/13/11	442,377	471,118	109.10	482,629	6,362	5.33%
FNMA MBS SS5	Aaa/AA+	6.00%	12/01/36	06/13/11	952,019	1,032,392	109.08	1,038,446	6,545	5.15%
FNMA MBS GP3	Aaa/AA+	6.00%	03/01/37	06/13/11	1,142,200	1,239,024	109.09	1,245,987	6,635	5.14%
FHLMC MBS WA4	Aaa/AA+	6.00%	02/01/38	03/12/12	339,394	339,394	109.22	370,670	6,972	5.19%
Mortgage Portfolio - Sub Total					\$ 4,272,088	\$ 4,517,518		\$ 4,578,443	13	5.09%
									Years	
Total Portfolio					\$ 119,107,413	\$ 119,373,528		\$ 119,380,467	315	2.09%
									0.9	
									(Years)	
									(1)	(2)

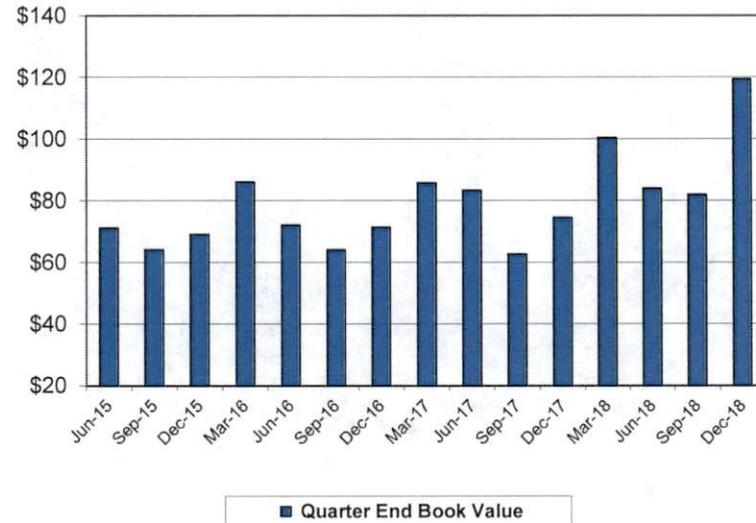
(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity. MBS securities adjusted for minimum anticipated principal amortization.

(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.

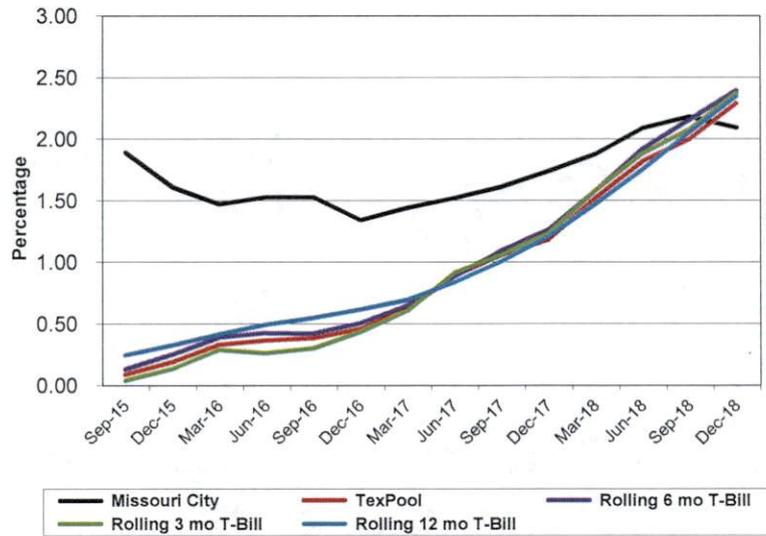
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2018		Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	December 31, 2018	
			Face Amount/ Par Value	Book Value			Face Amount/ Par Value	Book Value
Wells Fargo Bank Cash	0.00%	01/01/19	\$ 5,253,742	\$ 5,253,742	\$ 19,696,066	\$ -	\$ 24,949,808	\$ 24,949,808
Wells Fargo Bank MMF	2.35%	01/01/19	43,534	43,534		(40,503)	3,031	3,031
NexBank MMA	2.56%	01/01/19	5,068,352	5,068,352	31,599		5,099,951	5,099,951
Texas Class	2.50%	01/01/19	18,638,488	18,638,488		(5,554,619)	13,083,869	13,083,869
TexPool	2.29%	01/01/19	203,426	203,426	1,136		204,562	204,562
LOGIC	2.48%	01/01/19	4,914,355	4,914,355	17,352,326		22,266,681	22,266,681
East West Bank CD	1.85%	11/01/18	5,064,014	5,064,014		(5,064,014)	-	-
Lubbock National Bank CD	1.50%	12/03/18	5,069,268	5,069,268		(5,069,268)	-	-
East West Bank CD	1.90%	12/03/18	5,065,756	5,065,756		(5,065,756)	-	-
Peoria SD Muni	5.25%	01/01/19	500,000	504,267		(4,267)	500,000	500,000
TX ST Pub Fin Auth Muni	2.00%	02/01/19	480,000	480,715		(537)	480,000	480,177
Columbus Fin TX Muni	4.90%	02/15/19	1,360,000	1,374,692		(9,904)	1,360,000	1,364,789
East West Bank CD	2.60%	03/01/19	-	-	2,005,849		2,005,849	2,005,849
Texas State Muni	2.04%	03/15/19	900,000	901,339		(739)	900,000	900,601
LegacyTexas Bank CD	1.65%	06/03/19	6,108,300	6,108,300	25,162		6,133,462	6,133,462
East West Bank CD	2.71%	06/03/19	-	-	2,607,926		2,607,926	2,607,926
East West Bank CD	2.53%	07/01/19	5,046,306	5,046,306	32,282		5,078,588	5,078,588
Green Bank CD	2.80%	09/03/19	-	-	1,750,000		1,750,000	1,750,000
East West Bank CD	2.60%	09/03/19	5,047,042	5,047,042	32,799		5,079,840	5,079,840
WV HSG Muni	3.22%	11/01/19	1,000,000	1,015,387		(3,581)	1,000,000	1,011,806
LegacyTexas Bank CD	2.75%	12/02/19	2,013,895	2,013,895	13,839		2,027,734	2,027,734
East West Bank CD	2.86%	12/02/19	-	-	1,755,631		1,755,631	1,755,631
LegacyTexas Bank CD	2.82%	02/03/20	3,021,374	3,021,374	21,292		3,042,667	3,042,667
East West Bank CD	2.91%	03/02/20	-	-	1,755,729		1,755,729	1,755,729
LegacyTexas Bank CD	2.95%	06/01/20	-	-	5,000,000		5,000,000	5,000,000
East West Bank CD	2.96%	06/01/20	-	-	1,504,996		1,504,996	1,504,996
LegacyTexas Bank CD	2.97%	07/01/20	-	-	5,000,000		5,000,000	5,000,000
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	24,297	24,667		(7,193)	17,242	17,474
Port of Corpus Christi Muni	2.61%	12/01/20	635,000	638,750		(437)	635,000	638,313
FHLMC MBS G92	6.00%	06/01/22	1,110,932	1,149,524		(111,160)	1,005,831	1,038,365
GNMA MBS MY1	6.00%	07/15/22	420,198	428,317		(48,565)	373,026	379,752
FNMA MBS MT7	6.00%	06/01/36	462,132	492,591		(21,474)	442,377	471,118
FNMA MBS SS5	6.00%	12/01/36	999,125	1,084,665		(52,272)	952,019	1,032,392
FNMA MBS GP3	6.00%	03/01/37	1,205,405	1,309,009		(69,985)	1,142,200	1,239,024
FHLMC MBS WA4	6.00%	02/01/38	353,656	353,656		(14,263)	339,394	339,394
TOTAL			\$ 81,618,598	\$ 81,925,431	\$ 58,586,633	\$ (21,138,535)	\$ 119,107,413	\$ 119,373,528

Market Value Comparison

Description	Maturity Date	September 30, 2018			Qtr to Qtr Change	December 31, 2018		
		Face Amount/ Par Value	Market Price	Market Value		Face Amount/ Par Value	Market Price	Market Value
Wells Fargo Bank Cash	01/01/19	\$ 5,253,742	1.00	\$ 5,253,742	\$ 19,696,066	\$ 24,949,808	1.00	\$ 24,949,808
Wells Fargo Bank MMF	01/01/19	43,534	1.00	43,534	(40,503)	3,031	1.00	3,031
NexBank MMA	01/01/19	5,068,352	1.00	5,068,352	31,599	5,099,951	1.00	5,099,951
Texas Class	01/01/19	18,638,488	1.00	18,638,488	(5,554,619)	13,083,869	1.00	13,083,869
TexPool	01/01/19	203,426	1.00	203,426	1,136	204,562	1.00	204,562
LOGIC	01/01/19	4,914,355	1.00	4,914,355	17,352,326	22,266,681	1.00	22,266,681
East West Bank CD	11/01/18	5,064,014	100.00	5,064,014	(5,064,014)	-	-	-
Lubbock National Bank CD	12/03/18	5,069,268	100.00	5,069,268	(5,069,268)	-	-	-
East West Bank CD	12/03/18	5,065,756	100.00	5,065,756	(5,065,756)	-	-	-
Peoria SD Muni	01/01/19	500,000	100.60	503,000	(3,000)	500,000	100.00	500,000
TX ST Pub Fin Auth Muni	02/01/19	480,000	99.84	479,237	523	480,000	99.95	479,760
Columbus Fin TX Muni	02/15/19	1,360,000	100.70	1,369,479	(6,705)	1,360,000	100.20	1,362,774
East West Bank CD	03/01/19	-	-	-	2,005,849	2,005,849	100.00	2,005,849
Texas State Muni	03/15/19	900,000	99.72	897,435	1,103	900,000	99.84	898,538
LegacyTexas Bank CD	06/03/19	6,108,300	100.00	6,108,300	25,162	6,133,462	100.00	6,133,462
East West Bank CD	06/03/19	-	-	-	2,607,926	2,607,926	100.00	2,607,926
East West Bank CD	07/01/19	5,046,306	100.00	5,046,306	32,282	5,078,588	100.00	5,078,588
Green Bank CD	09/03/19	-	-	-	1,750,000	1,750,000	100.00	1,750,000
East West Bank CD	09/03/19	5,047,042	100.00	5,047,042	32,799	5,079,840	100.00	5,079,840
WV HSG Muni	11/01/19	1,000,000	99.65	996,480	540	1,000,000	99.70	997,020
LegacyTexas Bank CD	12/02/19	2,013,895	100.00	2,013,895	13,839	2,027,734	100.00	2,027,734
East West Bank CD	12/02/19	-	-	-	1,755,631	1,755,631	100.00	1,755,631
LegacyTexas Bank CD	02/03/20	3,021,374	100.00	3,021,374	21,292	3,042,667	100.00	3,042,667
East West Bank CD	03/02/20	-	-	-	1,755,729	1,755,729	100.00	1,755,729
LegacyTexas Bank CD	06/01/20	-	-	-	5,000,000	5,000,000	100.00	5,000,000
East West Bank CD	06/01/20	-	-	-	1,504,996	1,504,996	100.00	1,504,996
LegacyTexas Bank CD	07/01/20	-	-	-	5,000,000	5,000,000	100.00	5,000,000
Cleveland Tax Revenue Muni	10/01/20	1,610,000	97.50	1,569,702	10,175	1,610,000	98.13	1,579,877
FNMA MBS 4X6	12/01/20	24,297	101.28	24,607	(7,225)	17,242	100.81	17,382
Port of Corpus Christi Muni	12/01/20	635,000	99.34	630,777	2,953	635,000	99.80	633,730
FHLMC MBS G92	06/01/22	1,110,932	103.36	1,148,312	(108,600)	1,005,831	103.37	1,039,712
GNMA MBS MY1	07/15/22	420,198	103.16	433,462	(49,846)	373,026	102.84	383,617
FNMA MBS MT7	06/01/36	462,132	110.16	509,080	(26,451)	442,377	109.10	482,629
FNMA MBS SS5	12/01/36	999,125	110.17	1,100,776	(62,330)	952,019	109.08	1,038,446
FNMA MBS GP3	03/01/37	1,205,405	110.13	1,327,548	(81,561)	1,142,200	109.09	1,245,987
FHLMC MBS WA4	02/01/38	353,656	110.69	391,464	(20,794)	339,394	109.22	370,670
TOTAL		\$ 81,618,598		\$ 81,939,213	\$ 37,441,254	\$ 119,107,413		\$ 119,380,467