



## QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2017

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

The investment portfolio of the Town of Trophy Club is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

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Investment Officer/Director of Finance

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Chief Financial Analyst

Disclaimer: These reports were compiled using information provided by the Town. 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.

## Strategy Summary

### Quarter End Results by Investment Category:

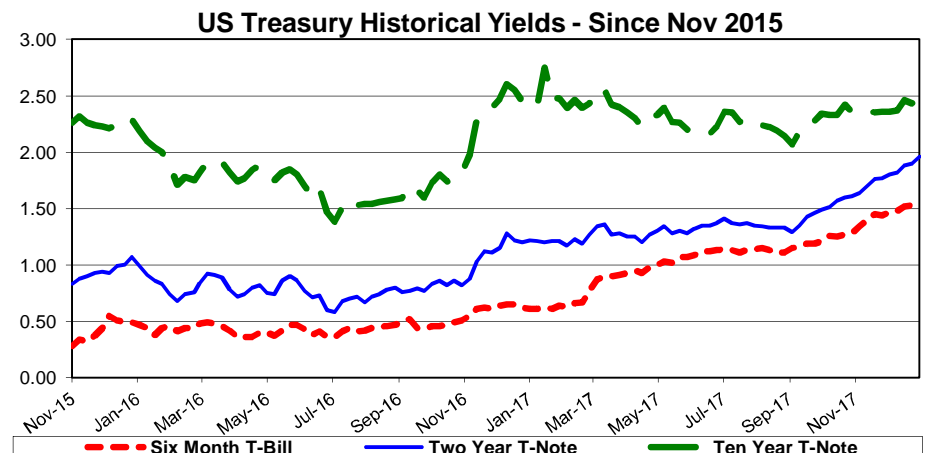
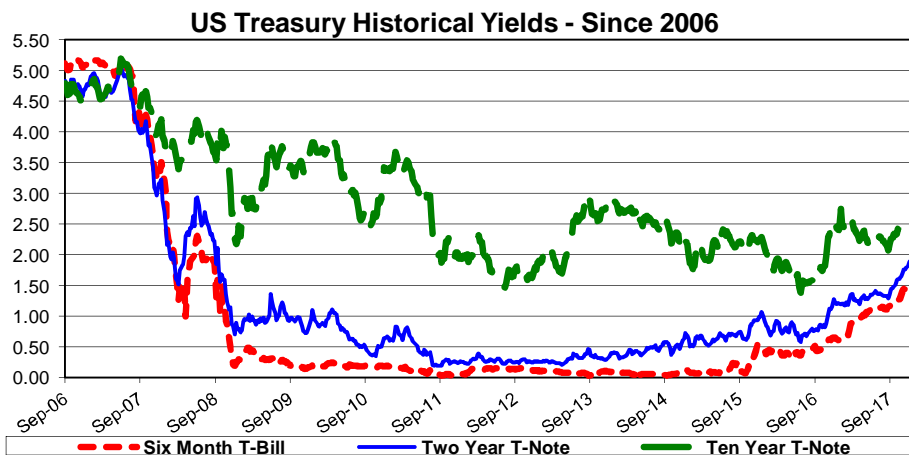
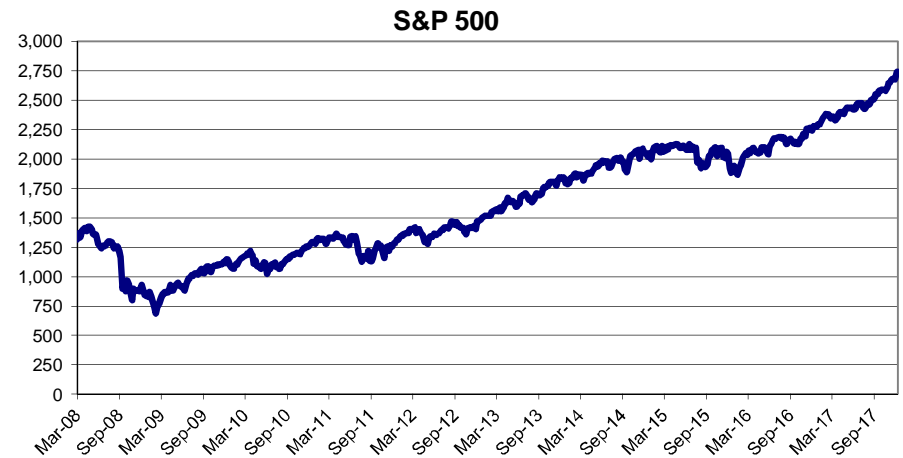
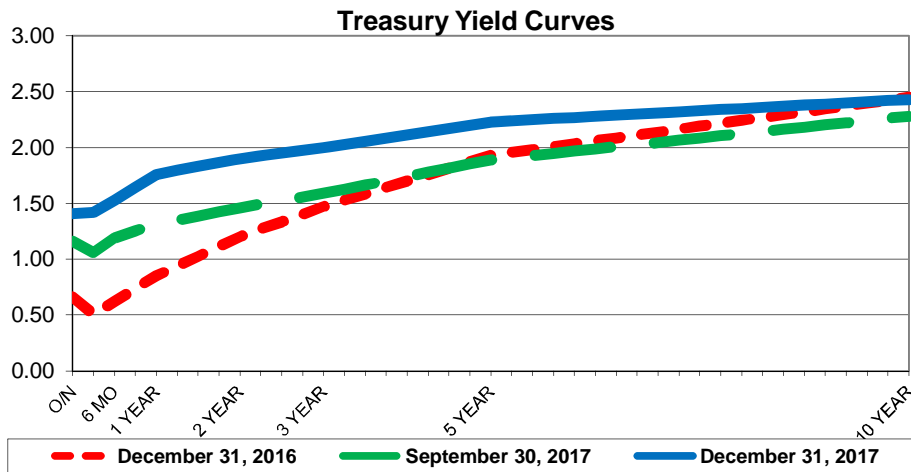
Asset Type	Ave. Yield	December 31, 2017		<u>RESTATED</u> September 30, 2017	
		Book Value	Market Value	Book Value	Market Value
DDA	0.08%	\$ 392,485	\$ 392,485	\$ 477,359	\$ 477,359
MMA/MMF/LGIP	1.32%	13,024,525	13,024,525	11,111,411	11,111,411
CDs/Securities	1.43%	1,952,000	1,948,097	2,192,000	2,190,774
<b>Totals</b>		<b>\$ 15,369,010</b>	<b>\$ 15,365,107</b>	<b>\$ 13,780,770</b>	<b>\$ 13,779,544</b>

Current Quarter Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	1.30%	Total Portfolio	1.30%
Rolling Three Mo. Treas. Yield	1.23%	Rolling Three Mo. Treas. Yield	1.23%
Rolling Six Mo. Treas. Yield	1.26%	Rolling Six Mo. Treas. Yield	1.26%
		Quarterly TexPool Yield	1.18%
Quarterly Interest Income	\$ 41,260	Approximate	
Year-to-date Interest Income	\$ 41,260	Approximate	

(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.

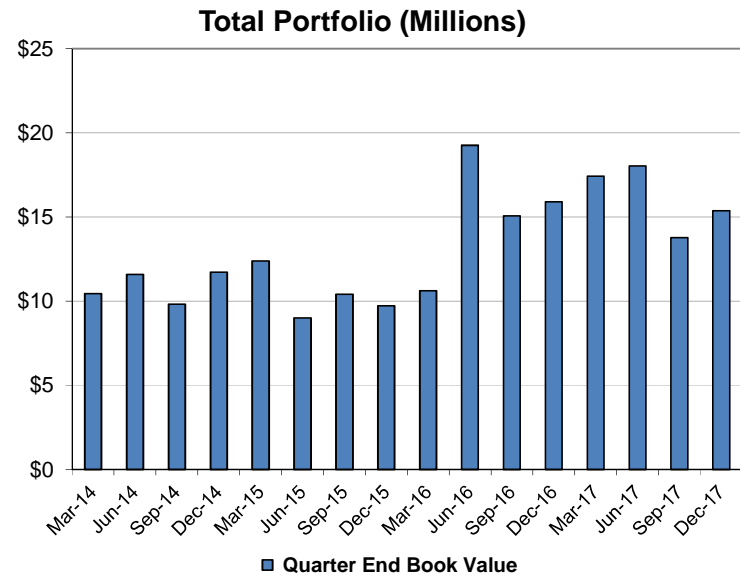
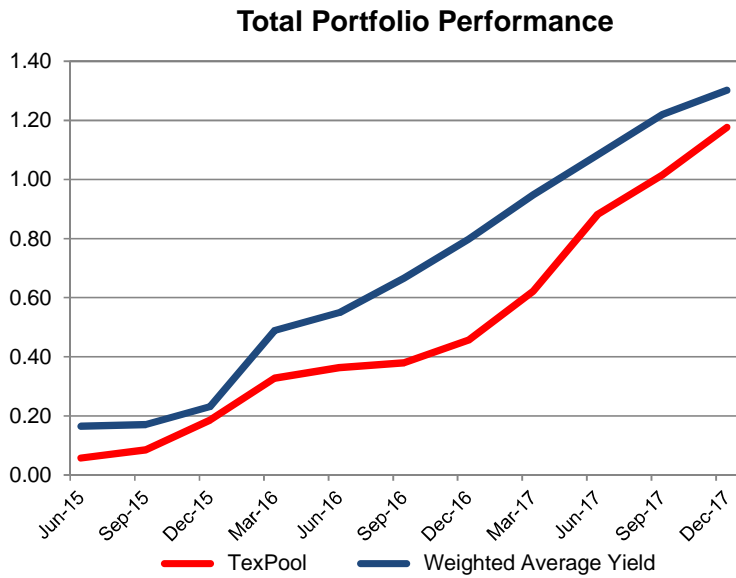
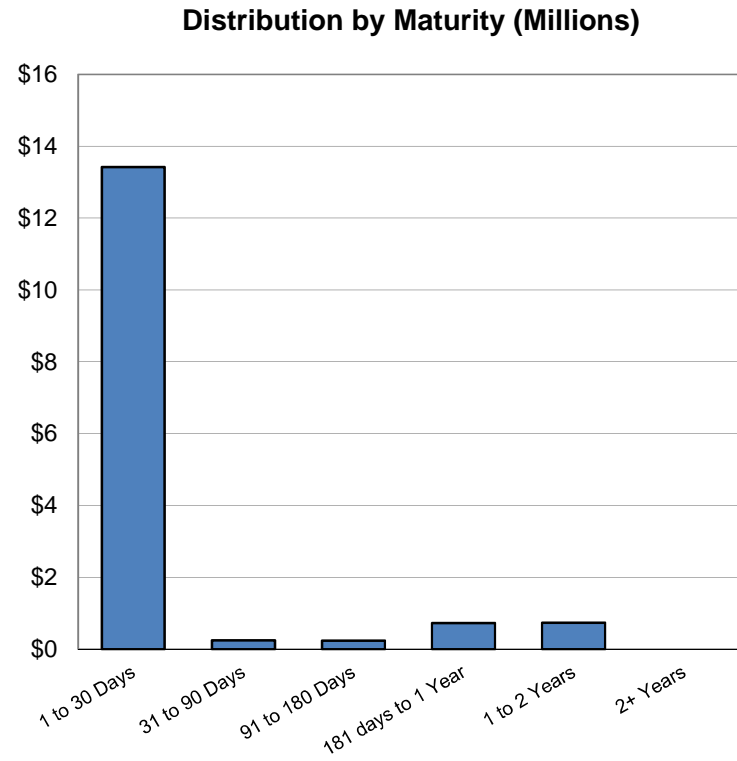
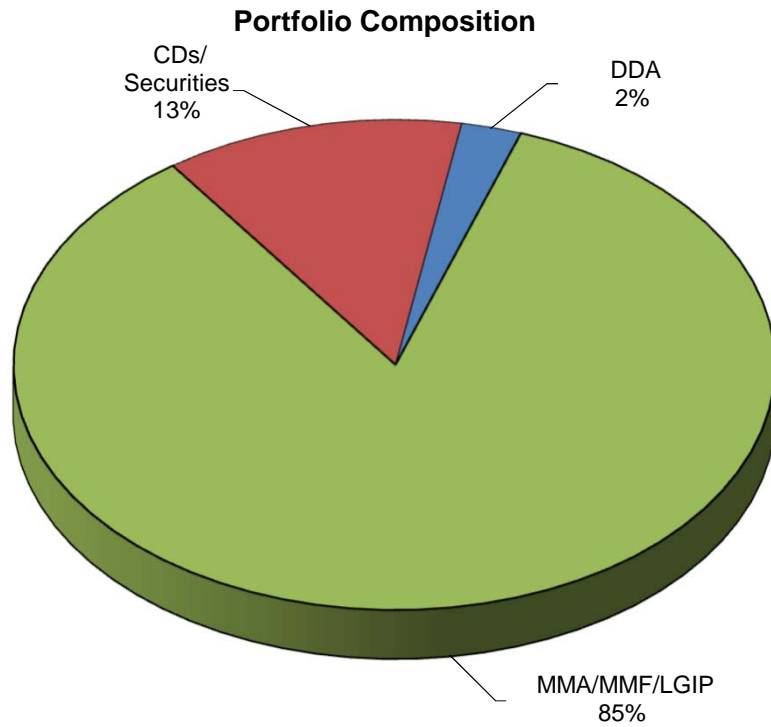


**Investment Holdings**  
**December 31, 2017**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
First Financial Bank - Pooled Cash		0.15%	01/01/18	12/31/17	\$ 198,397	\$ 198,397	1.00	\$ 198,397	1	0.15%
First Financial Bank - Payroll		0.00%	01/01/18	12/31/17	194,088	194,088	1.00	194,088	1	0.00%
TexPool	AAAm	1.18%	01/01/18	12/31/17	5,011,557	5,011,557	1.00	5,011,557	1	1.18%
LOGIC	AAAm	1.38%	01/01/18	12/31/17	473,422	473,422	1.00	473,422	1	1.38%
LSIP	AAAm	1.38%	01/01/18	12/31/17	773	773	1.00	773	1	1.38%
TexasCLASS	AAAm	1.41%	01/01/18	12/31/17	7,533,630	7,533,630	1.00	7,533,630	1	1.41%
Dreyfus Money Market Fund	AAAm	1.07%	01/01/18	12/31/17	5,144	5,144	1.00	5,144	1	1.07%
Goldman Sachs NY CD		1.30%	02/28/18	08/31/17	248,000	248,000	100.00	248,002	59	1.30%
Wells Fargo Bank Sioux Falls CD		1.05%	04/20/18	05/20/16	240,000	240,000	99.91	239,784	110	1.05%
Capital One Bank CD		1.05%	07/27/18	07/27/16	240,000	240,000	99.65	239,165	208	1.05%
1st Technology Credit Union CD		1.60%	08/30/18	08/30/17	246,000	246,000	100.01	246,034	242	1.60%
Discover Bank CD		1.50%	12/21/18	12/21/16	240,000	240,000	99.78	239,479	355	1.50%
Comenity Capital Bank CD		1.65%	02/28/19	08/28/17	247,000	247,000	99.85	246,622	424	1.65%
Ally Bank Midvale UT CD		1.55%	04/29/19	04/27/17	244,000	244,000	99.63	243,107	484	1.55%
AmEx Savings Bank CD		1.75%	08/29/19	08/29/17	247,000	247,000	99.56	245,903	606	1.75%
					<b>\$ 15,369,010</b>	<b>\$ 15,369,010</b>		<b>\$ 15,365,107</b>	<b>40</b>	<b>1.30%</b>
									<b>(1)</b>	<b>(2)</b>

(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.

(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.



## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2017				December 31, 2017	
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	Par Value	Book Value
First Financial Bank - Pooled Cash	0.15%	01/01/18	\$ 364,372	\$ 364,372	\$ -	\$ (165,975)	\$ 198,397	\$ 198,397
First Financial Bank - Payroll	0.00%	01/01/18	112,987	112,987	81,101		194,088	194,088
TexPool	1.18%	01/01/18	1,018,814	1,018,814	3,992,744		5,011,557	5,011,557
LOGIC	1.38%	01/01/18	871,007	871,007		(397,585)	473,422	473,422
LSIP	1.38%	01/01/18	770	770	3		773	773
TexasCLASS	1.41%	01/01/18	9,214,231	9,214,231		(1,680,602)	7,533,630	7,533,630
Dreyfus Money Market Fund	1.07%	01/01/18	6,589	6,589		(1,445)	5,144	5,144
AmEx Centurion Bank CD	1.15%	10/23/17	240,000	240,000		(240,000)	-	-
Goldman Sachs NY CD	1.30%	02/28/18	248,000	248,000			248,000	248,000
Wells Fargo Bank Sioux Falls CD	1.05%	04/20/18	240,000	240,000			240,000	240,000
Capital One Bank CD	1.05%	07/27/18	240,000	240,000			240,000	240,000
1st Technology Credit Union CD	1.60%	08/30/18	246,000	246,000			246,000	246,000
Discover Bank CD	1.50%	12/21/18	240,000	240,000			240,000	240,000
Comenity Capital Bank CD	1.65%	02/28/19	247,000	247,000			247,000	247,000
Ally Bank Midvale UT CD	1.55%	04/29/19	244,000	244,000			244,000	244,000
AmEx Savings Bank CD	1.75%	08/29/19	247,000	247,000			247,000	247,000
<b>TOTAL</b>			<b>\$ 13,780,770</b>	<b>\$ 13,780,770</b>	<b>\$ 4,073,847</b>	<b>\$ (2,485,607)</b>	<b>\$ 15,369,010</b>	<b>\$ 15,369,010</b>

## 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
First Financial Bank - Pooled Cash	0.15%	01/01/18	\$ 364,372	\$ 364,372	\$ (165,975)	\$ 198,397	\$ 198,397
First Financial Bank - Payroll	0.00%	01/01/18	112,987	112,987	81,101	194,088	194,088
TexPool	1.18%	01/01/18	1,018,814	1,018,814	3,992,744	5,011,557	5,011,557
LOGIC	1.38%	01/01/18	871,007	871,007	(397,585)	473,422	473,422
LSIP	1.38%	01/01/18	770	770	3	773	773
TexasCLASS	1.41%	01/01/18	9,214,231	9,214,231	(1,680,602)	7,533,630	7,533,630
Dreyfus Money Market Fund	1.07%	01/01/18	6,589	6,589	(1,445)	5,144	5,144
AmEx Centurion Bank CD	1.15%	10/23/17	240,000	240,022	(240,022)	—	—
Goldman Sachs NY CD	1.30%	02/28/18	248,000	248,097	(94)	248,000	248,002
Wells Fargo Bank Sioux Falls CD	1.05%	04/20/18	240,000	239,810	(26)	240,000	239,784
Capital One Bank CD	1.05%	07/27/18	240,000	239,076	89	240,000	239,165
1st Technology Credit Union CD	1.60%	08/30/18	246,000	246,310	(276)	246,000	246,034
Discover Bank CD	1.50%	12/21/18	240,000	239,846	(367)	240,000	239,479
Comenity Capital Bank CD	1.65%	02/28/19	247,000	247,212	(590)	247,000	246,622
Ally Bank Midvale UT CD	1.55%	04/29/19	244,000	243,734	(627)	244,000	243,107
AmEx Savings Bank CD	1.75%	08/29/19	247,000	246,667	(763)	247,000	245,903
<b>TOTAL</b>			<b>\$ 13,780,770</b>	<b>\$ 13,779,544</b>	<b>\$ 1,585,563</b>	<b>\$ 15,369,010</b>	<b>\$ 15,365,107</b>

**Allocation  
December 31, 2017  
Book Value**

	<b>Total</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Grant Funds</b>	<b>Storm Drainage Utility</b>	<b>EDC</b>
First Financial Bank - Pooled Cash	\$ 198,397	\$ 198,397	\$ -	\$ -	\$ -	\$ -
First Financial Bank - Payroll	194,088	194,088				
TexPool	5,011,557	3,025,474	1,019,585	100	405,041	519,699
LOGIC	473,422	473,422				
LSIP Corp O/N	773	773				
TexasCLASS	7,533,630	6,042				
Dreyfus Money Market Fund	5,144	5,144				
02/28/18–Goldman Sachs NY CD	248,000	248,000				
04/20/18–Wells Fargo Bank Sioux Falls CD	240,000	240,000				
07/27/18–Capital One Bank CD	240,000	240,000				
08/30/18–1st Technology Credit Union CD	246,000	246,000				
12/21/18–Discover Bank CD	240,000	240,000				
02/28/19–Comenity Capital Bank CD	247,000	247,000				
04/29/19–Ally Bank Midvale UT CD	244,000	244,000				
08/29/19–AmEx Savings Bank CD	247,000	247,000				
<b>Total</b>	<b>\$ 15,369,010</b>	<b>\$ 5,855,339</b>	<b>\$ 1,019,585</b>	<b>\$ 100</b>	<b>\$ 405,041</b>	<b>\$ 519,699</b>



**Allocation  
December 31, 2017  
Book Value**

(Continued)

	<b>2010 Tax Notes</b>	<b>Hotel Occupancy Tax</b>	<b>2016 CO Bond Funds</b>	<b>2016 GO Bond Funds</b>	<b>2017 CO Bond Funds</b>
First Financial Bank - Pooled Cash	\$ -	\$ -	\$ -	\$ -	\$ -
First Financial Bank - Payroll					
TexPool	41,658				
LOGIC					
LSIP Corp O/N					
TexasCLASS		372,675	2,623,417	48	4,531,448
Dreyfus Money Market Fund					
02/28/18–Goldman Sachs NY CD					
04/20/18–Wells Fargo Bank Sioux Falls CD					
07/27/18–Capital One Bank CD					
08/30/18–1st Technology Credit Union CD					
12/21/18–Discover Bank CD					
02/28/19–Comenity Capital Bank CD					
04/29/19–Ally Bank Midvale UT CD					
08/29/19–AmEx Savings Bank CD					
<b>Total</b>	<b>\$ 41,658</b>	<b>\$ 372,675</b>	<b>\$ 2,623,417</b>	<b>\$ 48</b>	<b>\$ 4,531,448</b>

**Allocation  
December 31, 2017  
Market Value**

	<b>Total</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Grant Funds</b>	<b>Storm Drainage Utility</b>	<b>EDC</b>
<b>First Financial Bank - Pooled Cash</b>	\$ 198,397	\$ 198,397	\$ -	\$ -	\$ -	\$ -
<b>First Financial Bank - Payroll</b>	194,088	194,088				
<b>TexPool</b>	5,011,557	3,025,474	1,019,585	100	405,041	519,699
<b>LOGIC</b>	473,422	473,422				
<b>LSIP Corp O/N</b>	773	773				
<b>TexasCLASS</b>	7,533,630	6,042				
<b>Dreyfus Money Market Fund</b>	5,144	5,144				
<b>02/28/18–Goldman Sachs NY CD</b>	248,002	248,002				
<b>04/20/18–Wells Fargo Bank Sioux Falls CD</b>	239,784	239,784				
<b>07/27/18–Capital One Bank CD</b>	239,165	239,165				
<b>08/30/18–1st Technology Credit Union CD</b>	246,034	246,034				
<b>12/21/18–Discover Bank CD</b>	239,479	239,479				
<b>02/28/19–Comenity Capital Bank CD</b>	246,622	246,622				
<b>04/29/19–Ally Bank Midvale UT CD</b>	243,107	243,107				
<b>08/29/19–AmEx Savings Bank CD</b>	245,903	245,903				
<b>Total</b>	<b>\$ 15,365,107</b>	<b>\$ 5,851,436</b>	<b>\$ 1,019,585</b>	<b>\$ 100</b>	<b>\$ 405,041</b>	<b>\$ 519,699</b>

**Allocation  
December 31, 2017  
Market Value**

(Continued)

	<b>2010 Tax Notes</b>	<b>Hotel Occupancy Tax</b>	<b>2016 CO Bond Funds</b>	<b>2016 GO Bond Funds</b>	<b>2017 CO Bond Funds</b>
First Financial Bank - Pooled Cash	\$ -	\$ -	\$ -	\$ -	\$ -
First Financial Bank - Payroll					
TexPool	41,658				
LOGIC					
LSIP Corp O/N					
TexasCLASS		372,675	2,623,417	48	4,531,448
Dreyfus Money Market Fund					
02/28/18–Goldman Sachs NY CD					
04/20/18–Wells Fargo Bank Sioux Falls CD					
07/27/18–Capital One Bank CD					
08/30/18–1st Technology Credit Union CD					
12/21/18–Discover Bank CD					
02/28/19–Comenity Capital Bank CD					
04/29/19–Ally Bank Midvale UT CD					
08/29/19–AmEx Savings Bank CD					
<b>Total</b>	<b>\$ 41,658</b>	<b>\$ 372,675</b>	<b>\$ 2,623,417</b>	<b>\$ 48</b>	<b>\$ 4,531,448</b>

**Allocation  
September 30, 2017**

**Book Value - RESTATED**

	<b>Total</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Grant Funds</b>	<b>Storm Drainage Utility</b>	<b>EDC</b>	<b>2010 Tax Notes</b>
First Financial Bank - Pooled Cash	\$ 364,372	\$ 364,372	\$ -	\$ -	\$ -	\$ -	\$ -
First Financial Bank - Payroll	112,987	112,987					
TexPool	1,018,814	48,097	6,860	100	403,934	518,279	41,544
LOGIC	871,007	871,007					
LSIP Corp O/N	770	770					
TexasCLASS	9,214,231	1,325,567					
Dreyfus Money Market Fund	6,589	6,589					
10/23/17–AmEx Centurion Bank CD	240,000	240,000					
02/28/18–Goldman Sachs Bank USA CD	248,000	248,000					
04/20/18–Wells Fargo Bank Sioux Falls CD	240,000	240,000					
07/27/18–Capital One Bank USA CD	240,000	240,000					
08/30/18–1st Technology Credit Union CD	246,000	246,000					
12/21/18–Discover Bank CD	240,000	240,000					
02/28/19–Comenity Capital Bank CD	247,000	247,000					
04/29/19–Ally Bank Midvale UT CD	244,000	244,000					
08/29/19–AmEx Savings Bank CD	247,000	247,000					
<b>Total</b>	<b>\$ 13,780,770</b>	<b>\$ 4,921,389</b>	<b>\$ 6,860</b>	<b>\$ 100</b>	<b>\$ 403,934</b>	<b>\$ 518,279</b>	<b>\$ 41,544</b>

**Allocation  
September 30, 2017**

(Continued)

**Book Value - RESTATED**

	<b>Hotel Occupancy Tax</b>	<b>2016 CO Bond Funds</b>	<b>2016 GO Bond Funds</b>	<b>2017 CO Bond Funds</b>
First Financial Bank - Pooled Cash	\$ -	\$ -	\$ -	\$ -
First Financial Bank - Payroll				
TexPool				
LOGIC				
LSIP Corp O/N				
TexasCLASS	371,434	48	3,000,819	4,516,363
Dreyfus Money Market Fund				
10/23/17–AmEx Centurion Bank CD				
02/28/18–Goldman Sachs Bank USA CD				
04/20/18–Wells Fargo Bank Sioux Falls CD				
07/27/18–Capital One Bank USA CD				
08/30/18–1st Technology Credit Union CD				
12/21/18–Discover Bank CD				
02/28/19–Comenity Capital Bank CD				
04/29/19–Ally Bank Midvale UT CD				
08/29/19–AmEx Savings Bank CD				
<b>Total</b>	<b>\$ 371,434</b>	<b>\$ 48</b>	<b>\$ 3,000,819</b>	<b>\$ 4,516,363</b>

**Allocation  
September 30, 2017**

**Market Value - RESTATED**

	<b>Total</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Grant Funds</b>	<b>Storm Drainage Utility</b>	<b>EDC</b>	<b>2010 Tax Notes</b>
<b>First Financial Bank - Pooled Cash</b>	\$ 364,372	\$ 364,372	\$ -	\$ -	\$ -	\$ -	\$ -
<b>First Financial Bank - Payroll</b>	112,987	112,987					
<b>TexPool</b>	1,018,814	48,097	6,860	100	403,934	518,279	41,544
<b>LOGIC</b>	871,007	871,007					
<b>LSIP Corp O/N</b>	770	770					
<b>TexasCLASS</b>	9,214,231	1,325,567					
<b>Dreyfus Money Market Fund</b>	6,589	6,589					
<b>10/23/17–AmEx Centurion Bank CD</b>	240,022	240,022					
<b>02/28/18–Goldman Sachs Bank USA CD</b>	248,097	248,097					
<b>04/20/18–Wells Fargo Bank Sioux Falls CD</b>	239,810	239,810					
<b>07/27/18–Capital One Bank USA CD</b>	239,076	239,076					
<b>08/30/18–1st Technology Credit Union CD</b>	246,310	246,310					
<b>12/21/18–Discover Bank CD</b>	239,846	239,846					
<b>02/28/19–Comenity Capital Bank CD</b>	247,212	247,212					
<b>04/29/19–Ally Bank Midvale UT CD</b>	243,734	243,734					
<b>08/29/19–AmEx Savings Bank CD</b>	246,667	246,667					
<b>Total</b>	<b>\$ 13,779,544</b>	<b>\$ 4,920,164</b>	<b>\$ 6,860</b>	<b>\$ 100</b>	<b>\$ 403,934</b>	<b>\$ 518,279</b>	<b>\$ 41,544</b>

**Allocation  
September 30, 2017**

(Continued)

**Market Value - RESTATED**

	Hotel Occupancy Tax	2016 CO Bond Funds	2016 GO Bond Funds	2017 CO Bond Funds
First Financial Bank - Pooled Cash	\$ -	\$ -	\$ -	\$ -
First Financial Bank - Payroll				
TexPool				
LOGIC				
LSIP Corp O/N				
TexasCLASS	371,434	48	3,000,819	4,516,363
Dreyfus Money Market Fund				
10/23/17–AmEx Centurion Bank CD				
02/28/18–Goldman Sachs Bank USA CD				
04/20/18–Wells Fargo Bank Sioux Falls CD				
07/27/18–Capital One Bank USA CD				
08/30/18–1st Technology Credit Union CD				
12/21/18–Discover Bank CD				
02/28/19–Comenity Capital Bank CD				
04/29/19–Ally Bank Midvale UT CD				
08/29/19–AmEx Savings Bank CD				
<b>Total</b>	<b>\$ 371,434</b>	<b>\$ 48</b>	<b>\$ 3,000,819</b>	<b>\$ 4,516,363</b>