



# Brazos River Authority

## Quarterly Investment Report

For the Quarter Ended

May 31, 2022

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the Brazos River Authority is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

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Chief Financial Officer

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Cash and Debt Manager

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Accounting Manager

These reports were compiled using information provided by the Brazos River Authority. 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	February 28, 2022		May 31, 2022		Ave. Yield
	Book Value	Market Value	Book Value	Market Value	
DDA/MMA/Pools/MMF	\$ 120,651,336	\$ 120,651,336	\$ 61,092,195	\$ 61,092,195	0.80%
Securities/CDs	43,812,654	43,812,654	35,282,847	35,282,847	0.57%
<b>Totals</b>	<b>\$ 164,463,990</b>	<b>\$ 164,463,990</b>	<b>\$ 96,375,042</b>	<b>\$ 96,375,042</b>	0.72%

<u>Average Yield for Current Quarter (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.72%	Total Portfolio	0.41%
Average Rolling 6 Month Treasury Bill Yield	0.82%	Average Rolling 6 Month Treasury Bill Yield	0.36%

<u>Interest Earnings (Approximate)</u>	
Quarter	\$ 147,396
Fiscal YTD	\$ 353,786

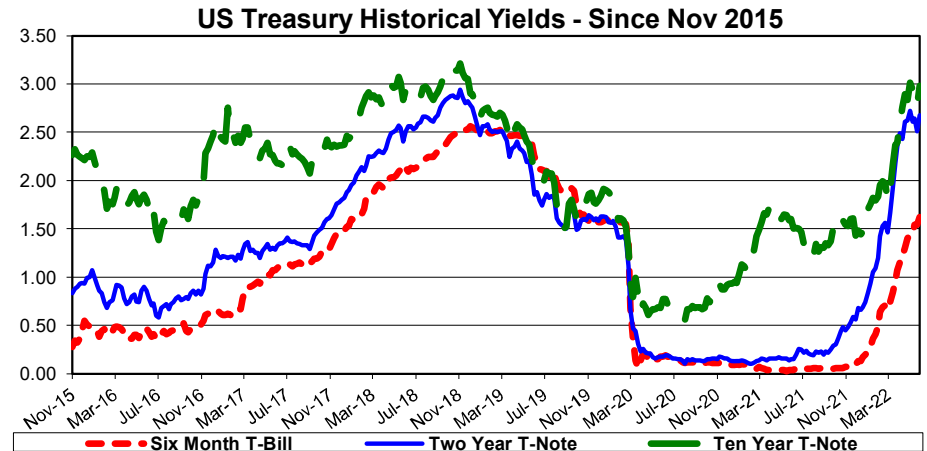
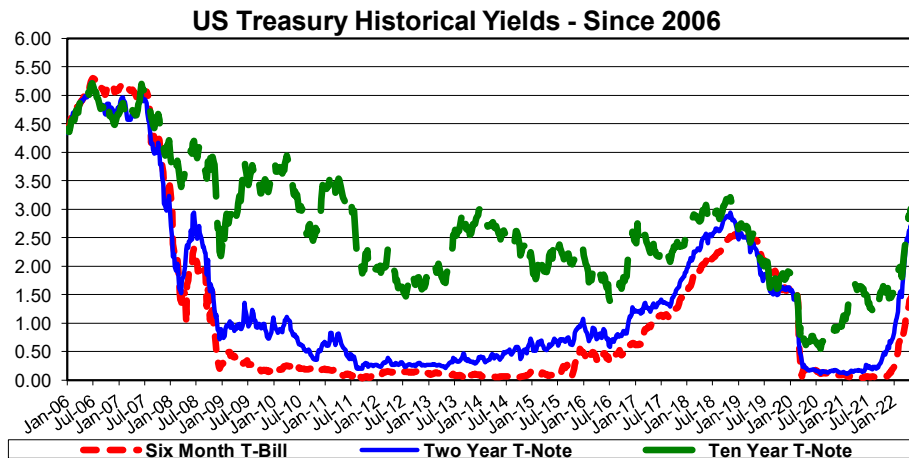
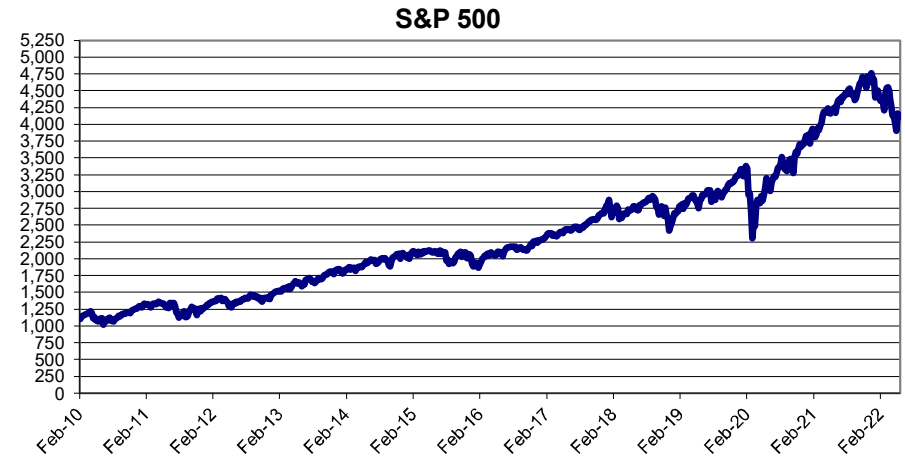
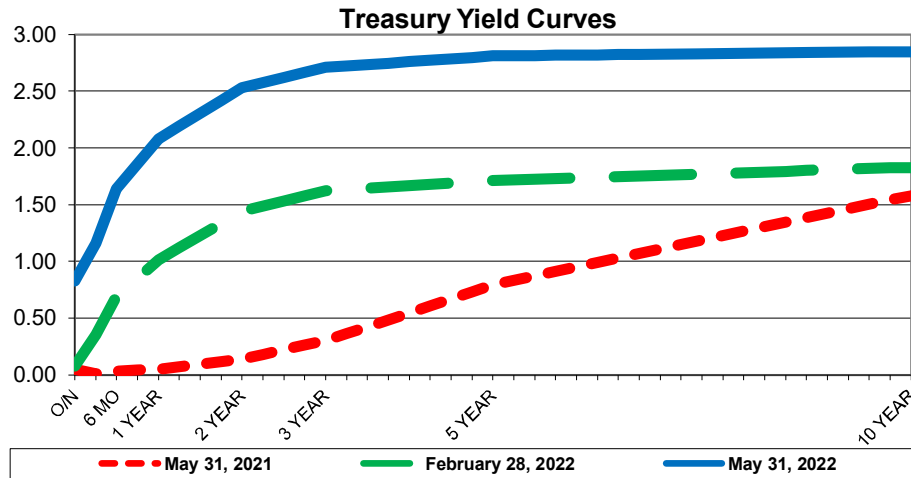
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date 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.

## Economic Overview

5/31/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.50% to 0.75% - 1.00% May 4th (Effective Fed Funds are trading +/-0.80%). The FOMC will begin reducing their balance sheet June 1. Additional 0.50% increases are anticipated June 15 and July 27. First Quarter GDP (first revision) was a disappointing -1.5%. May Non-Farm Payroll added 390k net new jobs while the Three Month Average NFP declined to 408k. Crude oil exceeded +/- \$115 per barrel. The Stock Markets remain volatile and drifted lower (S&P Index -14% from the December 2021 peak). More domestic and international economic indicators softened with some economists considering recessionary conditions in the next 12 to 24 months. Inflation remained well over the FOMC 2% target (Core PCE +/-4.9%).



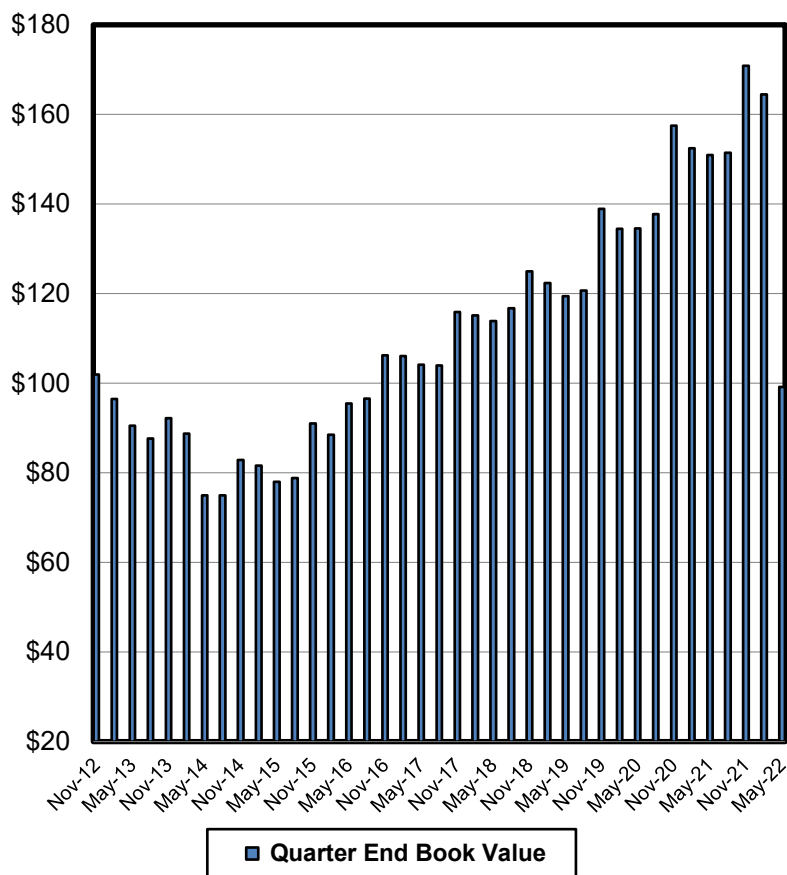
**Investment Holdings**  
**May 31, 2022**

Description	Ratings	Coupon/ YTM	Maturity Date	Settlement Date	Original Face/ Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo Disbursement		0.00%	06/01/22	05/31/22	\$ 2,786,747	\$ 2,786,747	1.000	\$ 2,786,747	1	0.00%
Graham Savings		0.15%	06/01/22	05/31/22	107,106	107,106	1.000	107,106	1	0.15%
Southside Bank MMA		0.64%	06/01/22	05/31/22	10,875,686	10,875,686	1.000	10,875,686	1	0.64%
Veritex Comm Bank MMA		0.78%	06/01/22	05/31/22	17,944,815	17,944,815	1.000	17,944,815	1	0.78%
NexBank MMA		0.95%	06/01/22	05/31/22	28,897,211	28,897,211	1.000	28,897,211	1	0.95%
Alliance Bank MMA		0.25%	06/01/22	05/31/22	100,600	100,600	1.000	100,600	1	0.25%
TexPool	AAAm	0.62%	06/01/22	05/31/22	380,030	380,030	1.000	380,030	1	0.62%
Bank OZK CD		0.65%	06/13/22	06/11/20	3,037,733	3,037,733	100.000	3,037,733	13	0.65%
East West Bank CD		0.75%	08/25/22	02/25/22	5,003,597	5,003,597	100.000	5,003,597	86	0.75%
Alliance Bank CD		0.45%	10/13/22	10/13/21	5,198,943	5,198,943	100.000	5,198,943	135	0.45%
East West Bank CD		0.40%	10/18/22	01/18/22	5,007,348	5,007,348	100.000	5,007,348	140	0.40%
East West Bank CD		0.49%	10/25/22	01/25/22	6,010,238	6,010,238	100.000	6,010,238	147	0.49%
East West Bank CD		0.97%	11/25/22	02/25/22	5,012,772	5,012,772	100.000	5,012,772	178	0.97%
East West Bank CD		0.29%	12/02/22	12/03/21	1,004,038	1,004,038	100.000	1,004,038	185	0.29%
East West Bank CD		0.42%	01/10/23	01/10/22	5,008,176	5,008,176	100.000	5,008,176	224	0.42%
<b>TOTAL / AVERAGE</b>					<b>\$ 96,375,042</b>	<b>\$ 96,375,042</b>		<b>\$ 96,375,042</b>	<b>52</b>	<b>0.72%</b>
									(1)	(2)

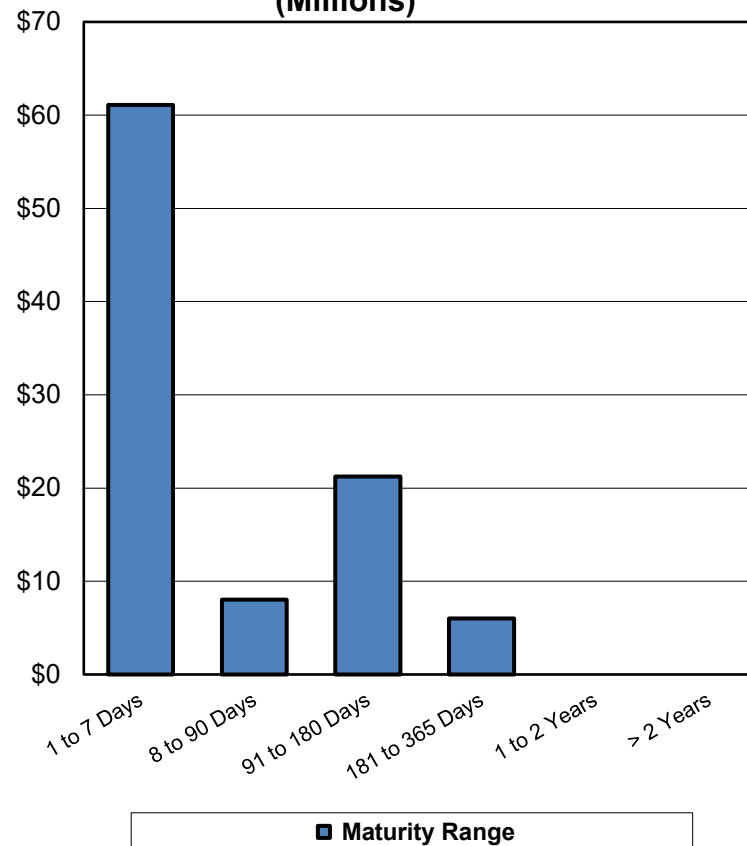
(1) Weighted average life - For purposes of calculating weighted average life bank, pool, and money market investments are assumed to mature the next business day.

(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, pool, and money market investments.

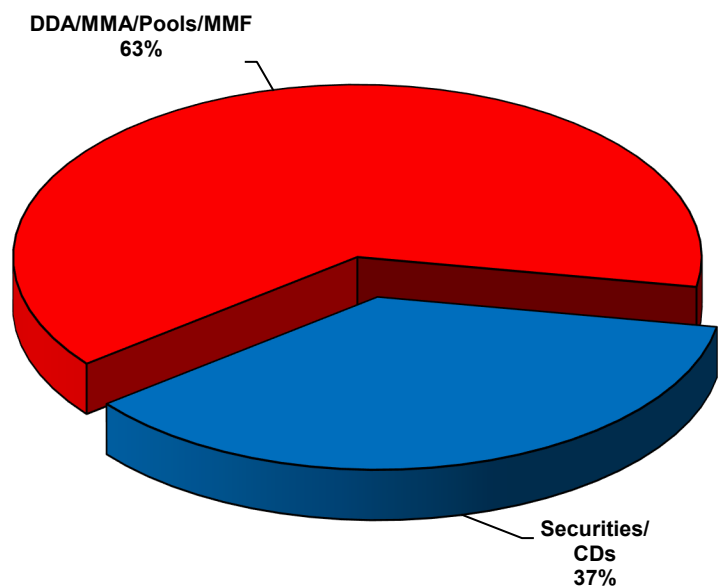
**Total Portfolio (Millions)**



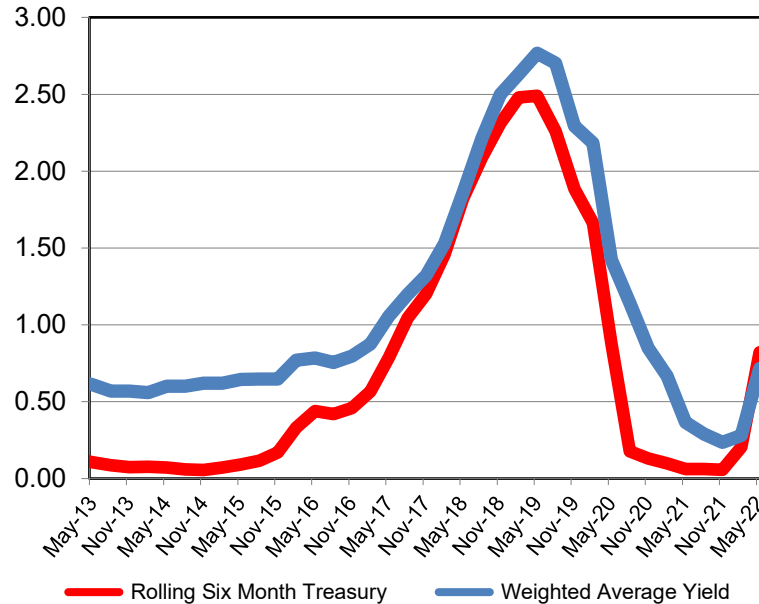
**Book Value Maturity Distribution (Millions)**



**Portfolio Composition**



**Total Portfolio Performance**



## Book & Market Value Comparison

Issuer/Description	Rating	Yield	Maturity Date	Book Value 02/28/22	Increases	Decreases	Book Value 05/31/22	Market Value 02/28/22	Change in Market Value	Market Value 05/31/22
Wells Fargo Disbursement		0.00%	06/01/22	\$ 4,296,561	\$ -	\$ (1,509,814)	\$ 2,786,747	\$ 4,296,561	\$ (1,509,814)	\$ 2,786,747
Graham Savings		0.15%	06/01/22	106,320	786	-	107,106	106,320	786	107,106
Southside Bank MMA		0.64%	06/01/22	30,857,538	-	(19,981,852)	10,875,686	30,857,538	(19,981,852)	10,875,686
Veritex Comm Bank MMA		0.78%	06/01/22	37,921,250	-	(19,976,435)	17,944,815	37,921,250	(19,976,435)	17,944,815
NexBank MMA		0.95%	06/01/22	28,852,715	44,496	-	28,897,211	28,852,715	44,496	28,897,211
Alliance Bank MMA		0.25%	06/01/22	18,612,068	-	(18,511,468)	100,600	18,612,068	(18,511,468)	100,600
TexPool	AAAm	0.62%	06/01/22	4,885	375,146	-	380,030	4,885	375,146	380,030
Alliance Bank CD		0.30%	04/05/22	8,574,721	-	(8,574,721)	-	8,574,721	(8,574,721)	-
Bank OZK CD		0.65%	06/13/22	3,032,917	4,817	-	3,037,733	3,032,917	4,817	3,037,733
East West Bank CD		0.75%	08/25/22	5,000,000	3,597	-	5,003,597	5,000,000	3,597	5,003,597
Alliance Bank CD		0.45%	10/13/22	5,193,181	5,762	-	5,198,943	5,193,181	5,762	5,198,943
East West Bank CD		0.40%	10/18/22	5,002,302	5,046	-	5,007,348	5,002,302	5,046	5,007,348
East West Bank CD		0.49%	10/25/22	6,002,820	7,418	-	6,010,238	6,002,820	7,418	6,010,238
East West Bank CD		0.97%	11/25/22	5,000,532	12,241	-	5,012,772	5,000,532	12,241	5,012,772
East West Bank CD		0.29%	12/02/22	1,003,305	734	-	1,004,038	1,003,305	734	1,004,038
East West Bank CD		0.42%	01/10/23	5,002,878	5,299	-	5,008,176	5,002,878	5,299	5,008,176
<b>TOTAL / AVERAGE</b>		<b>0.72%</b>		<b>\$ 164,463,990</b>	<b>\$ 465,342</b>	<b>\$ (68,554,291)</b>	<b>\$ 96,375,042</b>	<b>\$ 164,463,990</b>	<b>\$ (68,088,949)</b>	<b>\$ 96,375,042</b>

**Allocation - Book Value & Market Value  
May 31, 2022**

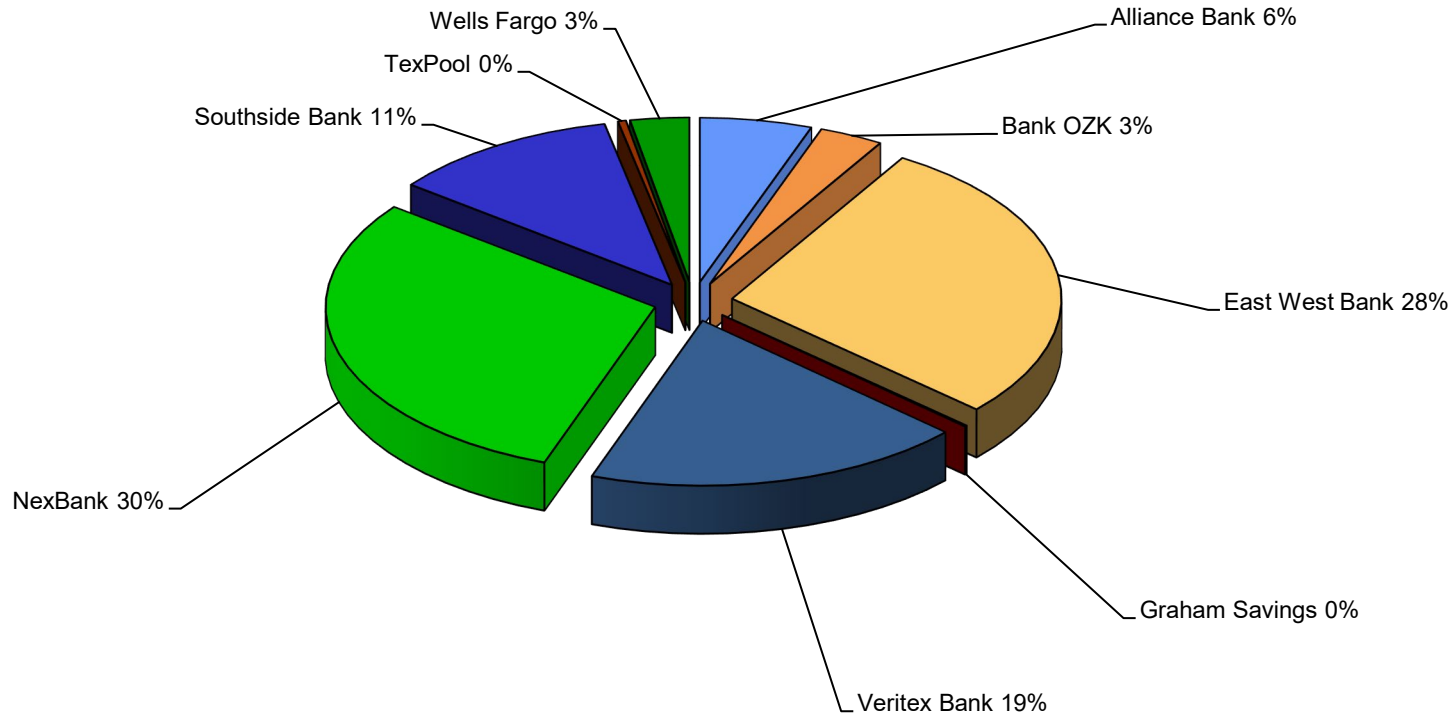
<b>Description</b>	<b>Portfolio Total</b>	<b>Current Operating</b>	<b>Operating Reserve</b>	<b>Bond Proceeds</b>	<b>Bond Reserve</b>	<b>Debt Service</b>	<b>Repair and Replacement</b>
Wells Fargo Disbursement	\$ 2,786,747	\$ 2,786,747	\$ -	\$ -	\$ -	\$ -	\$ -
Graham Savings	107,106	107,106	-	-	-	-	-
Southside Bank MMA	10,875,686	-	5,072,086	1,912,660	842,702	3,010,324	37,913
Veritex Comm Bank MMA	17,944,815	-	17,944,815	-	-	-	-
NexBank MMA	28,897,211	-	28,897,211	-	-	-	-
Alliance Bank MMA	100,600	-	100,600	-	-	-	-
TexPool	380,030	380,030	-	-	-	-	-
06/13/22-Bank OZK CD	3,037,733	-	3,037,733	-	-	-	-
08/25/22-East West Bank CD	5,003,597	-	5,003,597	-	-	-	-
10/13/22-Alliance Bank CD	5,198,943	3,829,296	-	-	-	-	1,369,647
10/18/22-East West Bank CD	5,007,348	-	5,007,348	-	-	-	-
10/25/22-East West Bank CD	6,010,238	401,188	4,607,344	-	-	-	1,001,706
11/25/22-East West Bank CD	5,012,772	-	5,012,772	-	-	-	-
12/02/22-East West Bank CD	1,004,038	-	-	-	-	-	1,004,038
01/10/23-East West Bank CD	5,008,176	-	1,505,458	-	1,402,289	-	2,100,429
<b>Totals</b>	<b>\$ 96,375,042</b>	<b>\$ 7,504,367</b>	<b>\$ 76,188,964</b>	<b>\$ 1,912,660</b>	<b>\$ 2,244,992</b>	<b>\$ 3,010,324</b>	<b>\$ 5,513,735</b>

**Allocation - Book Value & Market Value  
February 28, 2022**

<b>Description</b>	<b>Portfolio Total</b>	<b>Current Operating</b>	<b>Operating Reserve</b>	<b>Bond Proceeds</b>	<b>Bond Reserve</b>	<b>Debt Service</b>	<b>Repair and Replacement</b>
Wells Fargo Disbursement	\$ 4,296,561	\$ 4,296,561	\$ -	\$ -	\$ -	\$ -	\$ -
Graham Savings	106,320	106,320	-	-	-	-	-
Southside Bank MMA	30,857,538	5,134	27,294,036	1,965,673	841,891	712,928	37,877
Veritex Comm Bank MMA	37,921,250	252,437	37,668,813	-	-	-	-
NexBank MMA	28,852,715	-	28,852,715	-	-	-	-
Alliance Bank MMA	18,612,068	-	18,612,068	-	-	-	-
TexPool	4,885	4,885	-	-	-	-	-
04/05/22-Alliance Bank CD	8,574,721	-	8,574,721	-	-	-	-
06/13/22-Bank OZK CD	3,032,917	-	3,032,917	-	-	-	-
08/25/22-East West Bank CD	5,000,000	-	5,000,000	-	-	-	-
10/13/22-Alliance Bank CD	5,193,181	3,825,052	-	-	-	-	1,368,129
10/18/22-East West Bank CD	5,002,302	-	5,002,302	-	-	-	-
10/25/22-East West Bank CD	6,002,820	400,693	4,601,657	-	-	-	1,000,470
11/25/22-East West Bank CD	5,000,532	-	5,000,532	-	-	-	-
12/02/22-East West Bank CD	1,003,305	-	-	-	-	-	1,003,305
01/10/23-East West Bank CD	5,002,878	-	1,503,865	-	1,400,806	-	2,098,207
<b>Totals</b>	<b>\$ 164,463,990</b>	<b>\$ 8,891,081</b>	<b>\$ 145,143,625</b>	<b>\$ 1,965,673</b>	<b>\$ 2,242,696</b>	<b>\$ 712,928</b>	<b>\$ 5,507,988</b>



## Financial Institution Allocation



Financial Institution	Book Value	YTM @ Cost	Days To Maturity	% of Portfolio
Alliance Bank	5,299,543	0.45%	132	5%
Bank OZK	3,037,733	0.65%	13	3%
East West Bank	27,046,170	0.59%	156	28%
Graham Savings	107,106	0.15%	1	0%
Veritex Bank	17,944,815	0.78%	1	19%
NexBank	28,897,211	0.95%	1	30%
Southside Bank	10,875,686	0.64%	1	11%
TexPool	380,030	0.62%	1	0%
Wells Fargo	2,786,747	0.00%	1	3%
<b>Totals</b>	<b>\$ 96,375,042</b>	<b>0.72%</b>	<b>52</b>	<b>100%</b>

## Report Abbreviations

DDA	Demand Deposit Bank Accounts
CD	Certificate of Deposit
CDARS	Certificate of Deposit Account Registry Service
FFCB	Federal Farm Credit Bank
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
FRMAC	Farmer Agricultural Mortgage Corporation
FCDN	Federal Farm Credit Bank - Discount Note
FHDN	Federal Home Loan Bank - Discount Note
FMCDN	Federal Home Loan Mortgage Corporation - Discount Note
FNDN	Federal National Mortgage Association - Discount Note
FRMDN	Farmer Agricultural Mortgage Corporation - Discount Note
FNMA MBS	Federal National Mortgage Association - Mortgage Backed Security
ICS	Insured Cash Sweep
MMA	Money Market Account
MMF	Money Market Fund
NOW	Negotiable Order of Withdrawal Account