



Brazos River Authority

Quarterly Investment Report

For the Quarter Ended

August 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.

Chief Financial Officer

Cash and Debt Manager

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.

Annual Portfolio Performance Summary

Fiscal Year End Results by Investment Category:

Asset Type	August 31, 2021			August 31, 2022		
	Avg. Yield	Book Value	Market Value	Avg. Yield	Book Value	Market Value
Demand/Pools/MMMF	0.24%	\$ 87,279,884	\$ 87,279,884	2.28%	\$ 53,471,022	\$ 53,471,022
Securities/CDs	0.39%	64,160,319	64,160,319	1.75%	47,278,137	47,278,137
Totals		\$ 151,440,203	\$ 151,440,203		\$ 100,749,160	\$ 100,749,160
Fourth Quarter-End Yield	0.29%			2.03%		

Average Quarter-End Yields (1):

	2021 Fiscal Year	2022 Fiscal Year
BRA	0.54%	0.82%
Rolling Three Month Treasury	0.06%	0.81%
Rolling Six Month Treasury	0.08%	0.78%
Rolling One Year Treasury	0.07%	0.59%
TexPool	0.05%	0.72%
Fiscal YTD Interest Earnings	\$ 936,183	\$ 657,529

(1) Average Quarterly Yield calculated using quarter end report average yield and adjusted book value.

Summary

Quarter End Results by Investment Category:

Asset Type	May 31, 2022		August 31, 2022		Ave. Yield
	Book Value	Market Value	Book Value	Market Value	
DDA/MMA/Pools/MMF	\$ 61,092,195	\$ 61,092,195	\$ 53,471,022	\$ 53,471,022	2.28%
Securities/CDs	35,282,847	35,282,847	47,278,137	47,278,137	1.75%
Totals	\$ 96,375,042	\$ 96,375,042	\$ 100,749,160	\$ 100,749,160	2.03%

Average Yield for Current Quarter (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	2.03%	Total Portfolio	0.82%
Average Rolling 6 Month Treasury Bill Yield	2.03%	Average Rolling 6 Month Treasury Bill Yield	0.78%

Interest Earnings (Approximate)	
Quarter	\$ 303,743
Fiscal YTD	\$ 657,529

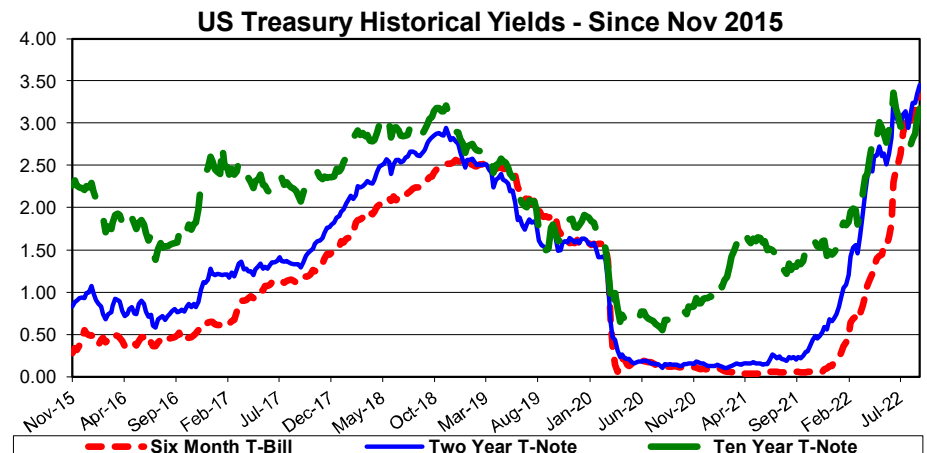
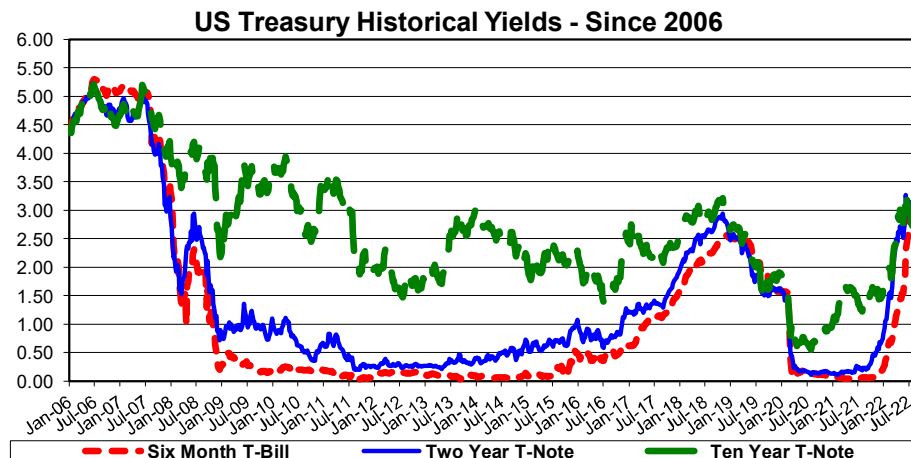
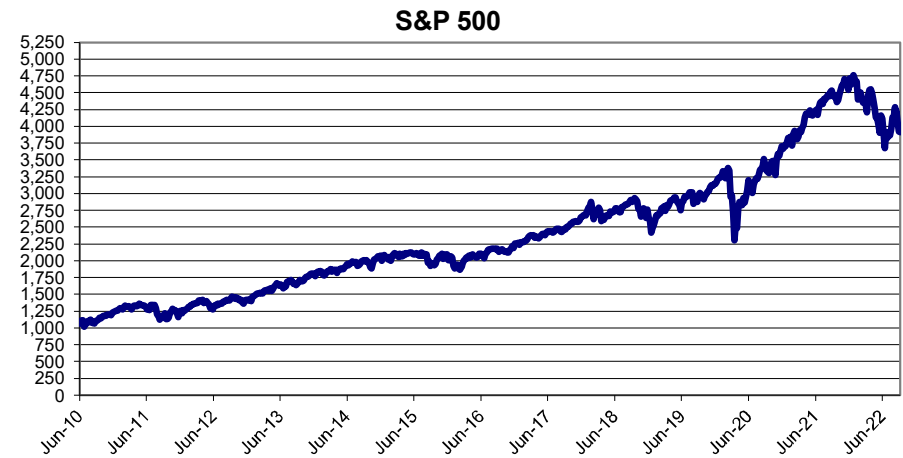
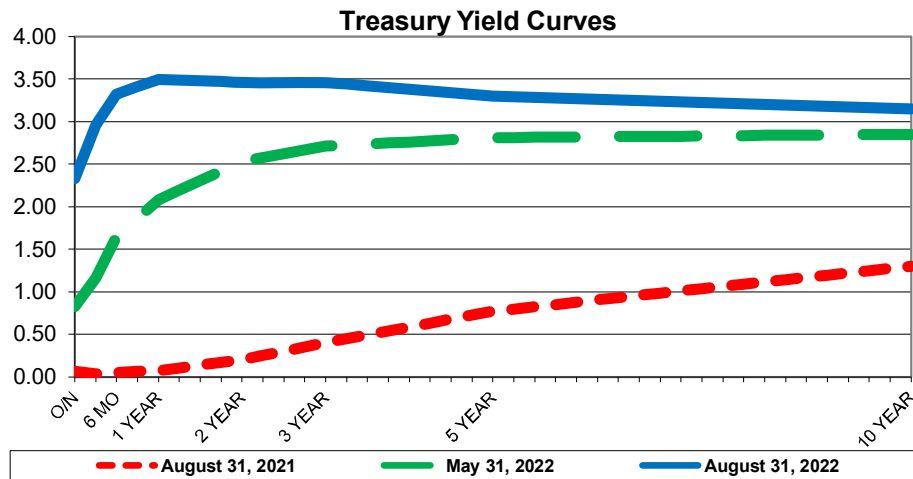
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

8/31/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 2.25% - 2.50% July 27th (Effective Fed Funds are trading +/-2.30%). The FOMC continued actively reducing their balance sheet. An additional 0.50% - 0.75% increase is currently anticipated September 21. Second Quarter GDP (second estimate) recorded -0.6%. With two consecutive negative quarters, the "recession" label is being actively debated. August Non-Farm Payroll added 315k net new jobs with the Three Month Average decreasing to 378k. Crude oil remained below \$90 per barrel. The Stock Markets lost ground and are down +/-18% from the 2021 peak. The negatively sloped yield curve (6 months to 10 years) may indicated a peak in current interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-4.6% and CPI exceeding 8%).



Investment Holdings
August 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%	09/01/22	08/31/22	\$ 388,083	\$ 388,083	1.000	\$ 388,083	1	0.00%
Graham Savings		0.15%	09/01/22	08/31/22	107,761	107,761	1.000	107,761	1	0.15%
Southside Bank MMA		2.21%	09/01/22	08/31/22	6,914,509	6,914,509	1.000	6,914,509	1	2.21%
Veritex Comm Bank MMA		2.22%	09/01/22	08/31/22	3,996,902	3,996,902	1.000	3,996,902	1	2.22%
NexBank MMA		2.40%	09/01/22	08/31/22	32,536,615	32,536,615	1.000	32,536,615	1	2.40%
Alliance Bank MMA		2.50%	09/01/22	08/31/22	119,358	119,358	1.000	119,358	1	2.50%
Wells Fargo MMF		2.05%	09/01/22	08/31/22	9,026,261	9,026,261	1.000	9,026,261	1	2.05%
TexPool	AAAm	2.16%	09/01/22	08/31/22	381,534	381,534	1.000	381,534	1	2.16%
Alliance Bank CD		0.45%	10/13/22	10/13/21	5,204,776	5,204,776	100.000	5,204,776	43	0.45%
East West Bank CD		0.40%	10/18/22	01/18/22	5,012,399	5,012,399	100.000	5,012,399	48	0.40%
East West Bank CD		0.49%	10/25/22	01/25/22	6,017,666	6,017,666	100.000	6,017,666	55	0.49%
East West Bank CD		0.97%	11/25/22	02/25/22	5,025,043	5,025,043	100.000	5,025,043	86	0.97%
East West Bank CD		0.29%	12/02/22	12/03/21	1,004,772	1,004,772	100.000	1,004,772	93	0.29%
East West Bank CD		0.42%	01/10/23	01/10/22	5,013,481	5,013,481	100.000	5,013,481	132	0.42%
Alliance Bank CD		3.25%	05/17/23	08/17/22	5,000,000	5,000,000	100.000	5,000,000	259	3.25%
Alliance Bank CD		3.45%	08/17/23	08/17/22	5,000,000	5,000,000	100.000	5,000,000	351	3.45%
Alliance Bank CD		3.43%	11/24/23	08/25/22	5,000,000	5,000,000	100.000	5,000,000	450	3.43%
Alliance Bank CD		3.50%	02/16/24	08/17/22	5,000,000	5,000,000	100.000	5,000,000	534	3.50%

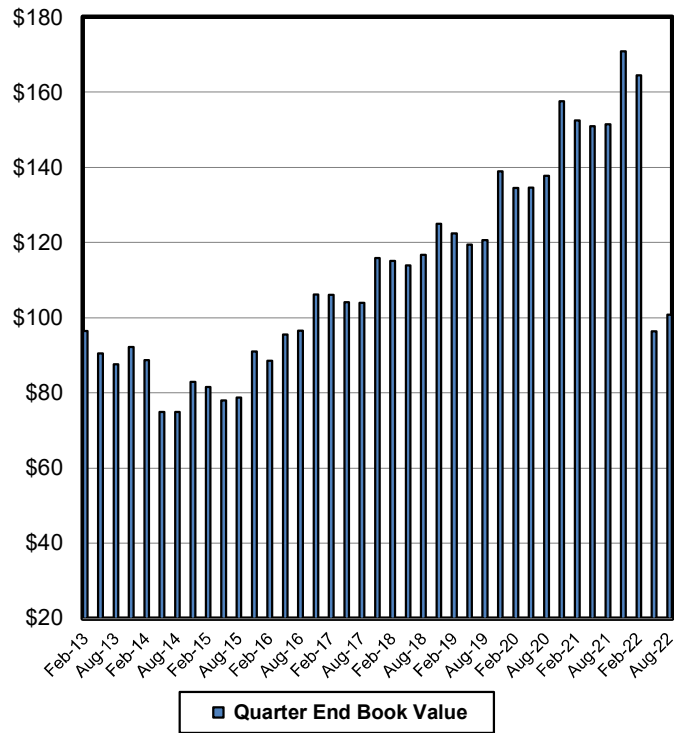
TOTAL / AVERAGE

\$ 100,749,160	\$ 100,749,160	\$ 100,749,160	99	2.03%
			(1)	(2)

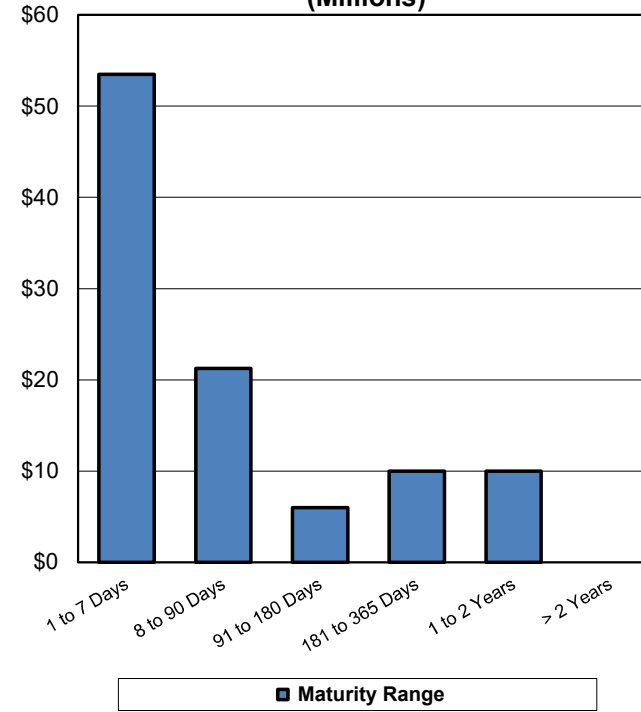
(1) Weighted average life - For purposes of calculating weighted average life bank, pool, and money market investments are assumed to mature the next business day.

(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.

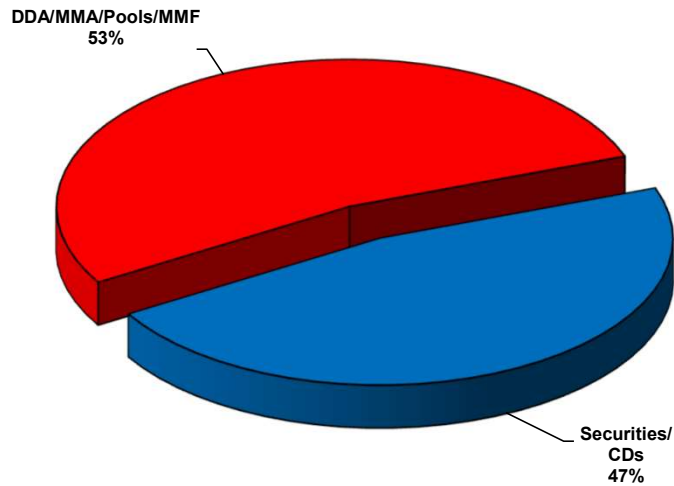
Total Portfolio (Millions)



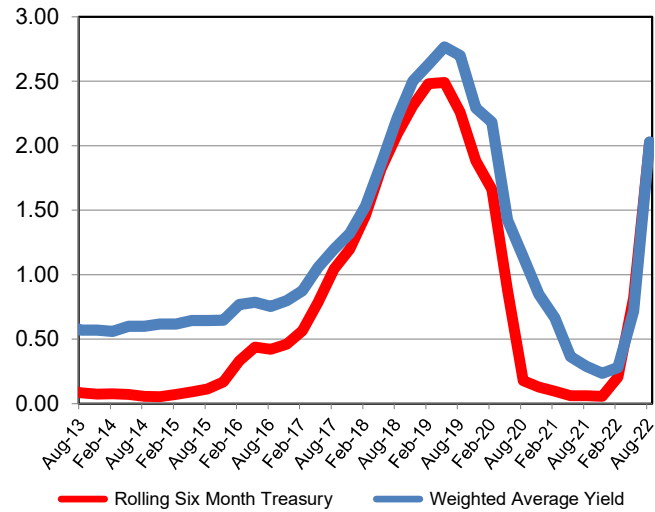
Book Value Maturity Distribution (Millions)



Portfolio Composition



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Rating	Yield	Maturity Date	Book Value 05/31/22	Increases	Decreases	Book Value 08/31/22	Market Value 05/31/22	Change in Market Value	Market Value 08/31/22
Wells Fargo Disbursement		0.00%	09/01/22	\$ 2,786,747	\$ —	\$ (2,398,664)	\$ 388,083	\$ 2,786,747	\$ (2,398,664)	\$ 388,083
Graham Savings		0.15%	09/01/22	107,106	655	—	107,761	107,106	655	107,761
Southside Bank MMA		2.21%	09/01/22	10,875,686	—	(3,961,177)	6,914,509	10,875,686	(3,961,177)	6,914,509
Veritex Comm Bank MMA		2.22%	09/01/22	17,944,815	—	(13,947,912)	3,996,902	17,944,815	(13,947,912)	3,996,902
NexBank MMA		2.40%	09/01/22	28,897,211	3,639,404	—	32,536,615	28,897,211	3,639,404	32,536,615
Alliance Bank MMA		2.50%	09/01/22	100,600	18,758	—	119,358	100,600	18,758	119,358
Wells Fargo MMF		2.05%	09/01/22	—	9,026,261	—	9,026,261	—	9,026,261	9,026,261
TexPool	AAAm	2.16%	09/01/22	380,030	1,503	—	381,534	380,030	1,503	381,534
Bank OZK CD		0.65%	06/13/22	3,037,733	—	(3,037,733)	—	3,037,733	(3,037,733)	—
East West Bank CD		0.75%	08/25/22	5,003,597	—	(5,003,597)	—	5,003,597	(5,003,597)	—
Alliance Bank CD		0.45%	10/13/22	5,198,943	5,833	—	5,204,776	5,198,943	5,833	5,204,776
East West Bank CD		0.40%	10/18/22	5,007,348	5,051	—	5,012,399	5,007,348	5,051	5,012,399
East West Bank CD		0.49%	10/25/22	6,010,238	7,428	—	6,017,666	6,010,238	7,428	6,017,666
East West Bank CD		0.97%	11/25/22	5,012,772	12,271	—	5,025,043	5,012,772	12,271	5,025,043
East West Bank CD		0.29%	12/02/22	1,004,038	734	—	1,004,772	1,004,038	734	1,004,772
East West Bank CD		0.42%	01/10/23	5,008,176	5,305	—	5,013,481	5,008,176	5,305	5,013,481
Alliance Bank CD		3.25%	05/17/23	—	5,000,000	—	5,000,000	—	5,000,000	5,000,000
Alliance Bank CD		3.45%	08/17/23	—	5,000,000	—	5,000,000	—	5,000,000	5,000,000
Alliance Bank CD		3.43%	11/24/23	—	5,000,000	—	5,000,000	—	5,000,000	5,000,000
Alliance Bank CD		3.50%	02/16/24	—	5,000,000	—	5,000,000	—	5,000,000	5,000,000
TOTAL / AVERAGE		2.03%		\$ 96,375,042	\$ 32,723,202	\$ (28,349,084)	\$ 100,749,160	\$ 96,375,042	\$ 4,374,118	\$ 100,749,160

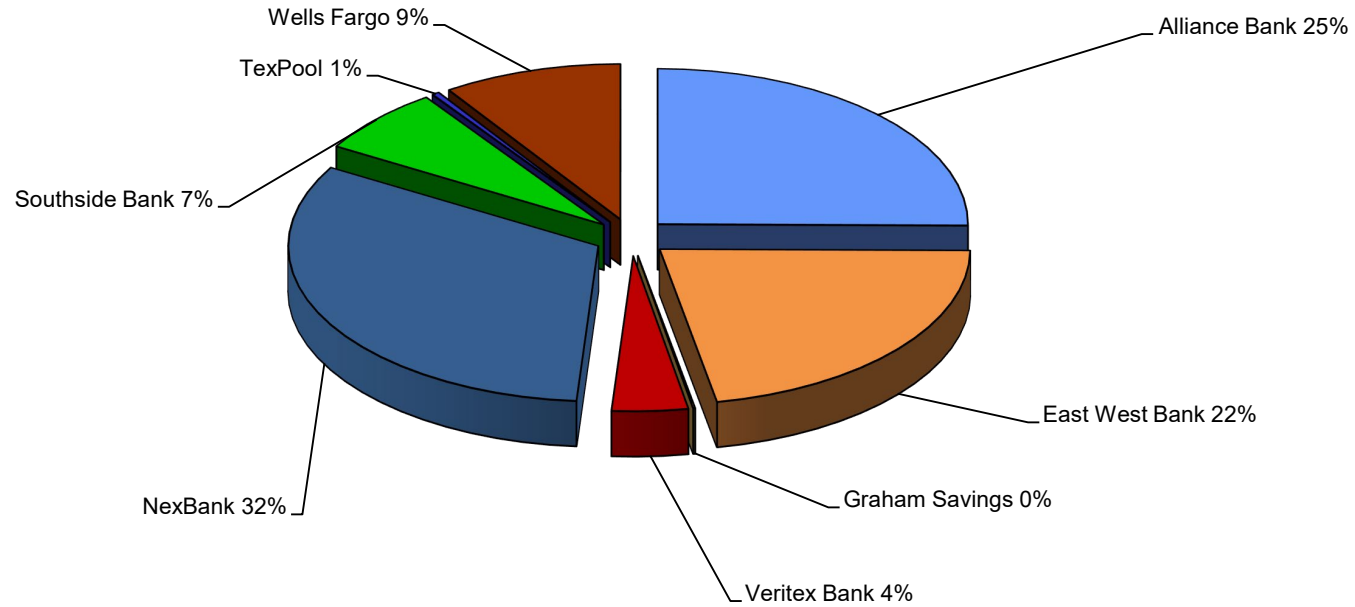
**Allocation - Book Value & Market Value
August 31, 2022**

Description	Portfolio Total	Current Operating	Operating Reserve	Bond Proceeds	Bond Reserve	Debt Service	Repair and Replacement
Wells Fargo Disbursement	\$ 388,083	\$ 388,083	\$ —	\$ —	\$ —	\$ —	\$ —
Graham Savings	107,761	107,761	—	—	—	—	—
Southside Bank MMA	6,914,509	—	368,431	1,919,570	845,995	3,742,452	38,061
Veritex Comm Bank MMA	3,996,902	—	3,996,902	—	—	—	—
NexBank MMA	32,536,615	—	32,536,615	—	—	—	—
Alliance Bank MMA	119,358	—	119,358	—	—	—	—
Wells Fargo MMF	9,026,261	9,026,261	—	—	—	—	—
TexPool	381,534	381,534	—	—	—	—	—
10/13/22–Alliance Bank CD	5,204,776	3,833,592	—	—	—	—	1,371,184
10/18/22–East West Bank CD	5,012,399	—	5,012,399	—	—	—	—
10/25/22–East West Bank CD	6,017,666	401,684	4,613,038	—	—	—	1,002,944
11/25/22–East West Bank CD	5,025,043	—	5,025,043	—	—	—	—
12/02/22–East West Bank CD	1,004,772	—	—	—	—	—	1,004,772
01/10/23–East West Bank CD	5,013,481	—	1,507,052	—	1,403,775	—	2,102,654
05/17/23–Alliance Bank CD	5,000,000	—	5,000,000	—	—	—	—
08/17/23–Alliance Bank CD	5,000,000	—	5,000,000	—	—	—	—
11/24/23–Alliance Bank CD	5,000,000	—	5,000,000	—	—	—	—
02/16/24–Alliance Bank CD	5,000,000	—	5,000,000	—	—	—	—
Totals	\$ 100,749,160	\$ 14,138,914	\$ 73,178,838	\$ 1,919,570	\$ 2,249,769	\$ 3,742,452	\$ 5,519,616

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

Description	Portfolio Total	Current Operating	Operating Reserve	Bond Proceeds	Bond Reserve	Debt Service	Repair and Replacement
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
Totals	\$ 96,375,042	\$ 7,504,367	\$ 76,188,964	\$ 1,912,660	\$ 2,244,992	\$ 3,010,324	\$ 5,513,735

Financial Institution Allocation



Financial Institution	Book Value	YTM @ Cost	Days To Maturity	% of Portfolio
Alliance Bank	25,324,134	2.79%	324	25%
East West Bank	22,073,361	0.55%	80	22%
Graham Savings	107,761	0.15%	1	0%
Veritex Bank	3,996,902	2.22%	1	4%
NexBank	32,536,615	2.40%	1	32%
Southside Bank	6,914,509	2.21%	1	7%
TexPool	381,534	2.16%	1	0%
Wells Fargo	9,414,343	1.96%	1	9%
Totals	\$ 100,749,160	2.03%	99	100%

Report Abbreviations

DDA	Demand Deposit Bank Accounts
CD	Certificate of Deposit
CDARS	Certificate of Deposit Account Registry Service
FAMCA	Farmer Agricultural Mortgage Corporation
FRMDN	Farmer Agricultural Mortgage Corporation - Discount Note
FFCB	Federal Farm Credit Bank
FCDN	Federal Farm Credit Bank - Discount Note
FHLB	Federal Home Loan Bank
FHDN	Federal Home Loan Bank - Discount Note
FHLMC	Federal Home Loan Mortgage Corporation
FMCDN	Federal Home Loan Mortgage Corporation - Discount Note
FNMA	Federal National Mortgage Association
FNDN	Federal National Mortgage Association - 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