

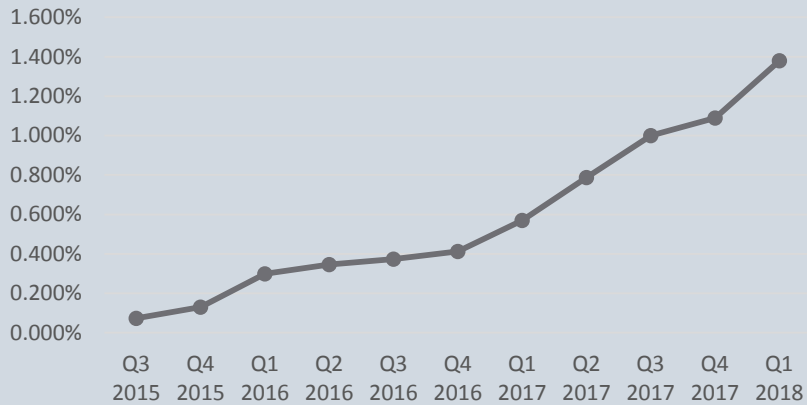
Q1 2018

QUARTERLY INVESTMENT REPORT

Key Points

- Interest earned on investments during Q1 2018 was \$41,400.
- Average Yield for Q1 2018 was 1.38% on our TexPool investments, which is trending in-line with increases in the 90-day T-bill for the same period. The increase in yield is expected given the climate for increased rates.
- The Federal Reserve raised the target range for the federal funds rate by a quarter point to 1.25-1.5 percent during its December 2017 meeting, saying that the labor market has continued to strengthen and that economic activity has been rising at a solid rate. The central bank has forecast three rate hikes in 2018.

TexPool Quarterly Average Yields



Q1 2018 Investment Inventory

**City of Fair Oaks Ranch
Investment Inventory Report
01/1/2018 - 03/31/2018**

Governmental Fund Investments

Security	Yield	Beg Bal	Transfers In/Out	Interest Earnings	Ending Bal	Ending Market	Weighted Avg Maturity	Maturity Date	Notes
Pool (Texpool 004) General	1.380%	7,520,716	433,356	27,193	7,981,265	7,981,265	29 days	-	
Pool (Texpool 006) 2015 CIP Bonds	1.380%	2,593,975	(333,556)	7,952	2,268,372	2,268,372	29 days	-	
Pool (Texpool 007) Debt Service	1.380%	445,215	(390,465)	467	55,217	55,217	29 days	-	
Certificate of Deposit (711) Gen	0.55%	62,507	-	-	62,507	62,507	-	10/9/2018	Interest is earned annually
Certificate of Deposit (254) Gen	0.55%	65,162	-	-	65,162	65,162	-	10/9/2018	Interest is earned annually
TOTAL		10,687,576	(290,664)	35,612	10,432,523	10,432,523	-		

Utility Fund Investments

Security	Yield	Beg Bal	Transfers In/Out	Interest Earnings	Ending Bal	Ending Market	Weighted Avg Maturity	Maturity Date	Notes
Pool (Texpool 001) Utility	1.380%	1,077,755		3,691	1,081,447	1,081,447	29 days	-	
Pool (Texpool 002) Water Cap	1.380%	376,494		1,290	377,783	377,783	29 days	-	
Pool (Texpool 003) Sewer Cap	1.380%	227,958		781	228,739	228,739	29 days	-	
Pool (Texpool 005) 1997 CO	1.380%	7,636	-	26	7,663	7,663	29 days	-	
TOTAL		1,689,843	-	5,788	1,695,631	1,695,631	-		

This report is in compliance with the City's Investment Policy Section 9 and 11 and Texas Government Code Section 2256.023.

***Weighted Average Maturity**

Per the city's investment policy, the city will not directly invest in securities maturing more than 13 months from the date of purchase. Reserve funds may be invested in securities up to 2 years. The Weighted Average Maturity of these investments is in compliance with the city's policy.

*Transfers out of Texpool accounts represent vendor payments made, or funding of city operations by transferring funds into our city operating cash account.
Transfers out of Texpool accounts represent deposits of property tax revenue.