



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2019

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of Montgomery County Hospital District is in compliance with the Public Funds Investment Act and the Montgomery County Hospital District Investment Policy.

Chief Executive Officer
Investment Officer,
Montgomery County Hospital District

Chief Financial Officer
Investment Officer,
Montgomery County Hospital District

Treasurer, MCHD Board
Investment Officer,
Montgomery County Hospital District

Disclaimer: These reports were compiled using information provided by the Montgomery County Hospital District. 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 adviser fees.

Montgomery County Hospital District Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

| Asset Type | September 30, 2018 | | | September 30, 2019 | | |
|---------------|--------------------|----------------------|----------------------|--------------------|----------------------|----------------------|
| | Ave. Yield | Book Value | Market Value | Ave. Yield | Book Value | Market Value |
| DDA/MMA/NOW | 1.46% | \$ 11,259,900 | \$ 11,259,900 | 0.40% | \$ 2,976,714 | \$ 2,976,714 |
| Pools | 2.00% | 33,011,433 | 33,011,433 | 2.22% | 22,799,227 | 22,799,227 |
| CD/Security | 1.70% | 1,720,000 | 1,719,357 | 2.58% | 17,654,434 | 17,655,382 |
| Totals | | \$ 45,991,333 | \$ 45,990,690 | | \$ 43,430,375 | \$ 43,431,323 |

| | | |
|--------------------------|--------------|--------------|
| Fourth Quarter-End Yield | 1.86% | 2.24% |
|--------------------------|--------------|--------------|

Average Quarter-End Yields (1):

| | 2018 Fiscal Year | 2019 Fiscal Year |
|-------------------------------------|------------------|---------------------|
| Montgomery County Hospital District | NA | 2.25% |
| Rolling Three Month Treasury | 1.69% | 2.30% |
| Rolling Six Month Treasury | 1.73% | 2.37% |
| TexPool | 1.62% | 2.31% |
| Fiscal YTD Interest Earnings | NA | \$ 1,185,532 |

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

Summary

Quarter End Results by Investment Category:

| Asset Type | June 30, 2019 | | September 30, 2019 | | |
|---------------|----------------------|----------------------|----------------------|----------------------|------------|
| | Book Value | Market Value | Book Value | Market Value | Ave. Yield |
| DDA | \$ 3,437,796 | \$ 3,437,796 | \$ 2,976,714 | \$ 2,976,714 | 0.40% |
| MMA/MMF/LGIP | 32,526,749 | 32,526,749 | 22,799,227 | 22,799,227 | 2.22% |
| CD/Security | 19,828,565 | 19,829,666 | 17,654,434 | 17,655,382 | 2.58% |
| Totals | \$ 55,793,109 | \$ 55,794,211 | \$ 43,430,375 | \$ 43,431,323 | |

Current Quarter Portfolio Performance:

| | |
|------------------------------|-------|
| Average Quarterly Yield | 2.24% |
| Rolling Three Month Treasury | 2.02% |
| Rolling Six Month Treasury | 2.17% |
| TexPool | 2.16% |

Fiscal Year-to-Date Portfolio Performance:

| | |
|------------------------------|-------|
| Average Quarter End Yield | 2.25% |
| Rolling Three Month Treasury | 2.30% |
| Rolling Six Month Treasury | 2.37% |
| TexPool | 2.31% |

Interest Revenue (Unaudited)

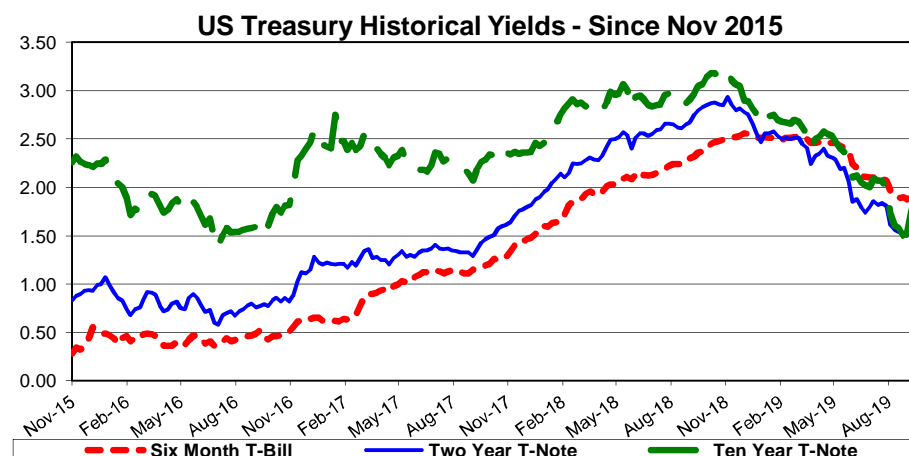
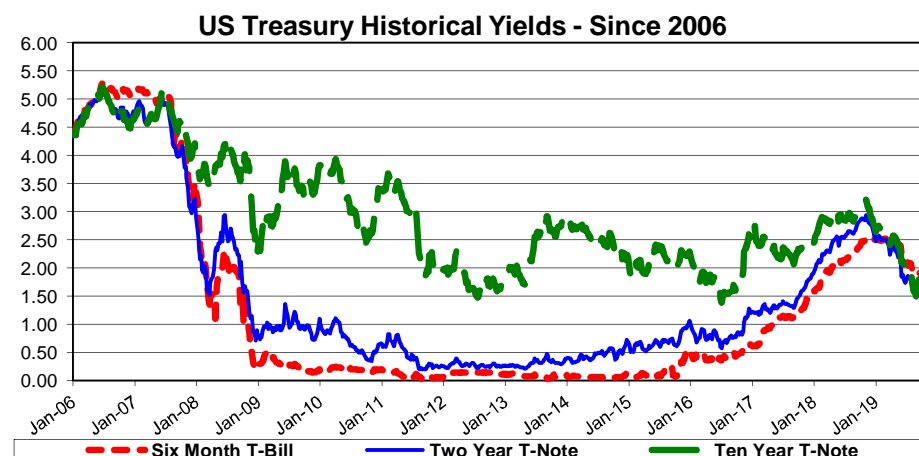
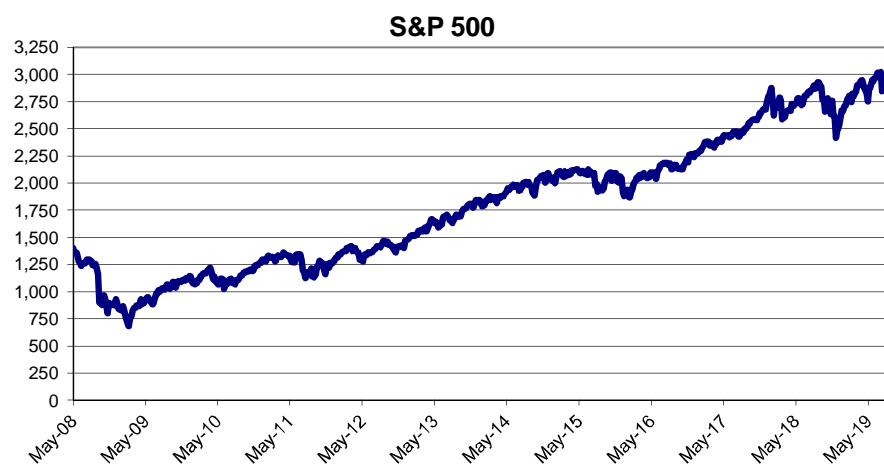
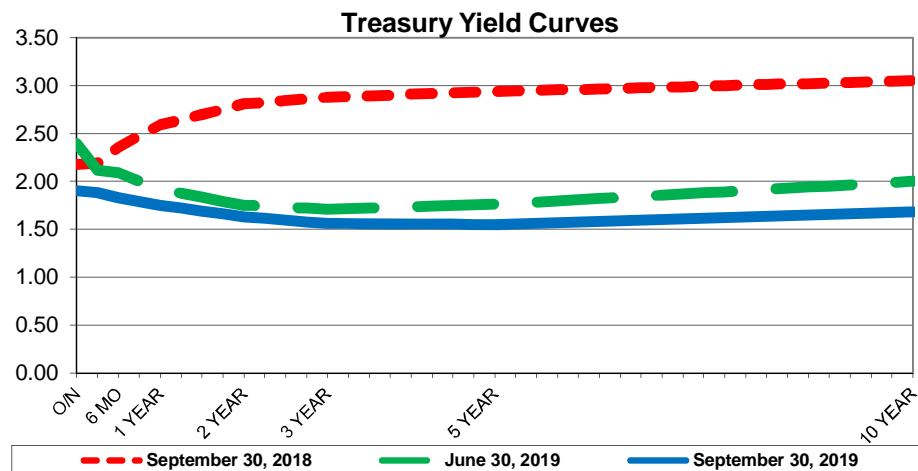
| | |
|------------------------------|--------------|
| Quarterly Interest Earnings | \$ 291,248 |
| Fiscal YTD Interest Earnings | \$ 1,185,532 |

Note: Average yields calculated using quarter end report average yield and Book Value, but do not include adviser fees and realized and unrealized gains or losses.

Economic Overview

9/30/2019

The Federal Open Market Committee (FOMC) reduced the Fed Funds target range to 1.75% - 2.00% (Effective Fed Funds are trading +/-1.83%). The Futures Market continues to project additional decreases. Gradual Federal Reserve Bank portfolio reduction ended. August Non Farm Payroll added 136,000 new jobs, with the rolling three month averaging 157,000. Crude oil settled back and trades +/- \$55. The Stock Markets waffled near the recent highs. Consumer spending continues albeit less robustly. Overall economic activity remains mostly positive with 2nd Quarter GDP recorded at 2.0%. Brexit, Chinese trade concerns, growth outlook, and other factors may weigh on US growth. The inverted Yield Curve persists with yields declining.



Investment Holdings
September 30, 2019

| Description | Rating | Coupon/ Discount | Maturity Date | Settlement Date | Original Face\ Par Value | Book Value | Market Price | Market Value | Life (Days) | Yield |
|--------------------------|--------|---------------------|------------------|--------------------|-----------------------------|----------------------|-----------------|----------------------|----------------|--------------|
| Woodforest Bank - DDA | | 0.40% | 10/01/19 | 09/30/19 | \$ 2,976,714 | \$ 2,976,714 | 1.00 | \$ 2,976,714 | 1 | 0.40% |
| Woodforest Bank - MMA | | 2.27% | 10/01/19 | 09/30/19 | 13,784,022 | 13,784,022 | 1.00 | 13,784,022 | 1 | 2.27% |
| LegacyTexas Bank MMA | | 2.30% | 10/01/19 | 09/30/19 | 2,019,296 | 2,019,296 | 1.00 | 2,019,296 | 1 | 2.30% |
| NexBank ICS MMA | | 2.10% | 10/01/19 | 09/30/19 | 5,040,247 | 5,040,247 | 1.00 | 5,040,247 | 1 | 2.10% |
| JPMorgan U.S. Gov't MMF | AAAm | 0.10% | 10/01/19 | 09/30/19 | 7,961 | 7,961 | 1.00 | 7,961 | 1 | 0.10% |
| TexPool | AAAm | 2.16% | 10/01/19 | 09/30/19 | 978,603 | 978,603 | 1.00 | 978,603 | 1 | 2.16% |
| TexSTAR | AAAm | 2.11% | 10/01/19 | 09/30/19 | 969,099 | 969,099 | 1.00 | 969,099 | 1 | 2.11% |
| Bank of North America CD | | 2.50% | 10/11/19 | 10/10/18 | 245,000 | 245,000 | 100.02 | 245,042 | 11 | 2.50% |
| Synovus Bank CD | | 2.55% | 10/17/19 | 10/09/18 | 245,000 | 245,000 | 100.03 | 245,071 | 17 | 2.55% |
| East West Bank CD | | 2.55% | 10/25/19 | 04/25/19 | 2,022,340 | 2,022,340 | 100.00 | 2,022,340 | 25 | 2.58% |
| East West Bank CD | | 2.69% | 11/05/19 | 02/05/19 | 2,035,389 | 2,035,389 | 100.00 | 2,035,389 | 36 | 2.73% |
| Zions Bancorp, NA CD | | 2.65% | 11/15/19 | 11/19/18 | 240,000 | 240,000 | 100.09 | 240,214 | 46 | 2.65% |
| Morgan Stanley Bank CD | | 2.65% | 11/22/19 | 11/19/18 | 240,000 | 240,000 | 100.10 | 240,245 | 53 | 2.65% |
| Bankunited, NA CD | | 1.95% | 12/02/19 | 08/30/19 | 245,000 | 245,000 | 100.01 | 245,015 | 63 | 1.95% |
| Pinnacle Nat'l Bank CD | | 2.65% | 12/13/19 | 12/04/18 | 240,000 | 240,000 | 100.15 | 240,362 | 74 | 2.65% |
| East West Bank CD | | 2.61% | 12/23/19 | 03/22/19 | 2,027,792 | 2,027,792 | 100.00 | 2,027,792 | 84 | 2.64% |
| East West Bank CD | | 2.55% | 01/27/20 | 04/25/19 | 2,022,340 | 2,022,340 | 100.00 | 2,022,340 | 119 | 2.58% |
| East West Bank CD | | 2.72% | 02/05/20 | 02/05/19 | 2,035,787 | 2,035,787 | 100.00 | 2,035,787 | 128 | 2.76% |
| East West Bank CD | | 2.62% | 03/23/20 | 03/22/19 | 2,027,899 | 2,027,899 | 100.00 | 2,027,899 | 175 | 2.65% |
| East West Bank CD | | 2.56% | 04/27/20 | 04/25/19 | 2,022,428 | 2,022,428 | 100.00 | 2,022,428 | 210 | 2.59% |
| BankOZK CDARS | | 2.12% | 08/13/20 | 08/15/19 | 2,005,461 | 2,005,461 | 100.00 | 2,005,461 | 318 | 2.14% |
| | | | | | \$ 43,430,375 | \$ 43,430,375 | | \$ 43,431,323 | 53 | 2.24% |

(1) (2)

(1) **Weighted average life** - Pools, Money Market Funds, and Bank Deposits are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on Book Value, adviser fees and realized and unrealized gains/losses are not considered. The pool and mutual fund yields are the average for the last month of the quarter. Bank deposit yields are estimated from the monthly allocated earnings.

Book Value Comparison

| Description | Coupon/ Discount | Maturity Date | June 30, 2019 | | Purchases/ Adjustments | Sales/Adjust/ Maturities | September 30, 2019 | |
|--------------------------|---------------------|------------------|----------------|---------------|---------------------------|-----------------------------|--------------------|---------------|
| | | | Original Face\ | | | | Original Face\ | |
| | | | Par Value | Book Value | | | Par Value | Book Value |
| Woodforest Bank - DDA | 0.40% | 10/01/19 | \$ 3,437,796 | \$ 3,437,796 | \$ — | \$ (461,082) | \$ 2,976,714 | \$ 2,976,714 |
| Woodforest Bank - MMA | 2.27% | 10/01/19 | 12,210,738 | 12,210,738 | 1,573,283 | | 13,784,022 | 13,784,022 |
| LegacyTexas Bank MMA | 2.30% | 10/01/19 | 2,007,388 | 2,007,388 | 11,908 | | 2,019,296 | 2,019,296 |
| NexBank ICS MMA | 2.10% | 10/01/19 | 5,008,994 | 5,008,994 | 31,253 | | 5,040,247 | 5,040,247 |
| JPMorgan U.S. Gov't MMF | 0.10% | 10/01/19 | 580 | 580 | 7,381 | | 7,961 | 7,961 |
| TexPool | 2.16% | 10/01/19 | 6,654,135 | 6,654,135 | | (5,675,531) | 978,603 | 978,603 |
| TexSTAR | 2.11% | 10/01/19 | 6,644,914 | 6,644,914 | | (5,675,815) | 969,099 | 969,099 |
| First Foundation Bank CD | 2.35% | 07/18/19 | 245,000 | 245,000 | | (245,000) | — | — |
| Origin Bank CD | 2.72% | 08/06/19 | 2,013,265 | 2,013,265 | | (2,013,265) | — | — |
| Morgan Stanley Bank CD | 2.35% | 08/23/19 | 245,000 | 245,000 | | (245,000) | — | — |
| East West Bank CD | 2.62% | 09/23/19 | 2,014,552 | 2,014,552 | | (2,014,552) | — | — |
| Bank of North America CD | 2.50% | 10/11/19 | 245,000 | 245,000 | | | 245,000 | 245,000 |
| Synovus Bank CD | 2.55% | 10/17/19 | 245,000 | 245,000 | | | 245,000 | 245,000 |
| East West Bank CD | 2.55% | 10/25/19 | 2,009,383 | 2,009,383 | 12,956 | | 2,022,340 | 2,022,340 |
| East West Bank CD | 2.69% | 11/05/19 | 2,021,635 | 2,021,635 | 13,753 | | 2,035,389 | 2,035,389 |
| Zions Bancorp, NA CD | 2.65% | 11/15/19 | 240,000 | 240,000 | | | 240,000 | 240,000 |
| Morgan Stanley Bank CD | 2.65% | 11/22/19 | 240,000 | 240,000 | | | 240,000 | 240,000 |
| Bankunited, NA CD | 1.95% | 12/02/19 | — | — | 245,000 | | 245,000 | 245,000 |
| Pinnacle Nat'l Bank CD | 2.65% | 12/13/19 | 240,000 | 240,000 | | | 240,000 | 240,000 |
| East West Bank CD | 2.61% | 12/23/19 | 2,014,496 | 2,014,496 | 13,296 | | 2,027,792 | 2,027,792 |
| East West Bank CD | 2.55% | 01/27/20 | 2,009,383 | 2,009,383 | 12,956 | | 2,022,340 | 2,022,340 |
| East West Bank CD | 2.72% | 02/05/20 | 2,021,878 | 2,021,878 | 13,909 | | 2,035,787 | 2,035,787 |
| East West Bank CD | 2.62% | 03/23/20 | 2,014,552 | 2,014,552 | 13,347 | | 2,027,899 | 2,027,899 |
| East West Bank CD | 2.56% | 04/27/20 | 2,009,420 | 2,009,420 | 13,007 | | 2,022,428 | 2,022,428 |
| BankOZK CDARS | 2.12% | 08/13/20 | — | — | 2,005,461 | | 2,005,461 | 2,005,461 |
| TOTAL | | | \$ 55,793,109 | \$ 55,793,109 | \$ 3,967,511 | \$ (16,330,245) | \$ 43,430,375 | \$ 43,430,375 |

Market Value Comparison

| Description | Maturity Date | June 30, 2019 | | | Qtr to Qtr Change | September 30, 2019 | | |
|--------------------------|---------------|--------------------------|--------------|----------------------|------------------------|--------------------------|--------------|----------------------|
| | | Original Face\ Par Value | Market Price | Market Value | | Original Face\ Par Value | Market Price | Market Value |
| Woodforest Bank - DDA | 10/01/19 | \$ 3,437,796 | 1.00 | \$ 3,437,796 | \$ (461,082) | \$ 2,976,714 | 1.00 | \$ 2,976,714 |
| Woodforest Bank - MMA | 10/01/19 | 12,210,738 | 1.00 | 12,210,738 | 1,573,283 | 13,784,022 | 1.00 | 13,784,022 |
| LegacyTexas Bank MMA | 10/01/19 | 2,007,388 | 1.00 | 2,007,388 | 11,908 | 2,019,296 | 1.00 | 2,019,296 |
| NexBank ICS MMA | 10/01/19 | 5,008,994 | 1.00 | 5,008,994 | 31,253 | 5,040,247 | 1.00 | 5,040,247 |
| JPMorgan U.S. Gov't MMF | 10/01/19 | 580 | 1.00 | 580 | 7,381 | 7,961 | 1.00 | 7,961 |
| TexPool | 10/01/19 | 6,654,135 | 1.00 | 6,654,135 | (5,675,531) | 978,603 | 1.00 | 978,603 |
| TexSTAR | 10/01/19 | 6,644,914 | 1.00 | 6,644,914 | (5,675,815) | 969,099 | 1.00 | 969,099 |
| First Foundation Bank CD | 07/18/19 | 245,000 | 99.98 | 244,961 | (244,961) | — | — | — |
| Origin Bank CD | 08/06/19 | 2,013,265 | 100.00 | 2,013,265 | (2,013,265) | — | — | — |
| Morgan Stanley Bank CD | 08/23/19 | 245,000 | 99.97 | 244,934 | (244,934) | — | — | — |
| East West Bank CD | 09/23/19 | 2,014,552 | 100.00 | 2,014,552 | (2,014,552) | — | — | — |
| Bank of North America CD | 10/11/19 | 245,000 | 100.03 | 245,083 | (42) | 245,000 | 100.02 | 245,042 |
| Synovus Bank CD | 10/17/19 | 245,000 | 100.06 | 245,152 | (81) | 245,000 | 100.03 | 245,071 |
| East West Bank CD | 10/25/19 | 2,009,383 | 100.00 | 2,009,383 | 12,956 | 2,022,340 | 100.00 | 2,022,340 |
| East West Bank CD | 11/05/19 | 2,021,635 | 100.00 | 2,021,635 | 13,753 | 2,035,389 | 100.00 | 2,035,389 |
| Zions Bancorp, NA CD | 11/15/19 | 240,000 | 100.13 | 240,305 | (91) | 240,000 | 100.09 | 240,214 |
| Morgan Stanley Bank CD | 11/22/19 | 240,000 | 100.13 | 240,312 | (67) | 240,000 | 100.10 | 240,245 |
| Bankunited, NA CD | 12/02/19 | — | — | — | 245,015 | 245,000 | 100.01 | 245,015 |
| Pinnacle Nat'l Bank CD | 12/13/19 | 240,000 | 100.15 | 240,355 | 7 | 240,000 | 100.15 | 240,362 |
| East West Bank CD | 12/23/19 | 2,014,496 | 100.00 | 2,014,496 | 13,296 | 2,027,792 | 100.00 | 2,027,792 |
| East West Bank CD | 01/27/20 | 2,009,383 | 100.00 | 2,009,383 | 12,956 | 2,022,340 | 100.00 | 2,022,340 |
| East West Bank CD | 02/05/20 | 2,021,878 | 100.00 | 2,021,878 | 13,909 | 2,035,787 | 100.00 | 2,035,787 |
| East West Bank CD | 03/23/20 | 2,014,552 | 100.00 | 2,014,552 | 13,347 | 2,027,899 | 100.00 | 2,027,899 |
| East West Bank CD | 04/27/20 | 2,009,420 | 100.00 | 2,009,420 | 13,007 | 2,022,428 | 100.00 | 2,022,428 |
| BankOZK CDARS | 08/13/20 | — | — | — | 2,005,461 | 2,005,461 | 100.00 | 2,005,461 |
| TOTAL | | \$ 55,793,109 | | \$ 55,794,211 | \$ (12,362,887) | \$ 43,430,375 | | \$ 43,431,323 |