**Nueces County Hospital District**
**Quarterly Investment Report**
**July 1, 2017 - September 30, 2017**

**Summary Holdings Statistics:**

| | | | |
|---|---|---|---|
| **Portfolio as of July 1, 2017** | | **Portfolio as of September 30, 2017** | |
| **Beginning Book Value** | **$100,865,879** | **Ending Book Value** | **$76,939,159** |
| **Beginning Market Value** | **$100,732,768** | **Ending Market Value** | **$76,791,766** |
| **Unrealized Gain/Loss** | **($133,111)** | **Unrealized Gain/Loss** | **($147,393)** |
| **Beginning WAM** | **151 Days** | **Ending WAM** | **172 Days** |
| **Change in Market Value** | **($23,941,001)** [1] | | |
| **Investment Income for Period** | **$215,939** | | |
| **Quarter Average Yield - NCHD** | **1.055%** | | |
| **Quarter Average Yield - 6 Mth T-Bill** | **1.140%** | | |

This report reflects Nueces County Hospital District's investment policy and strategies in accordance with the Public Funds Investment Act.

**INVESTMENT OFFICERS:**

Jonny F. Hipp
JONNY F. HIPP, ADMINISTRATOR

Dena Bruni
DENA BRUNI, ASSISTANT ADMINISTRATOR

Donna Littlefield
DONNA LITTLEFIELD, DIRECTOR OF ACCOUNTING & FINANCE

Notes

1. On a quarterly basis, the value of the portfolio declined by $23,941,001. However, of that decline, $23,926,719 represents net expenditures by the District for operations. There was a net unrealized loss of $14,282, but the District does not sell securities prior to maturity. Therefore, the gain is for notation purposes only.

Nueces County Hospital District
Inventory Report - Holdings by Fund
As of: 09/30/2017

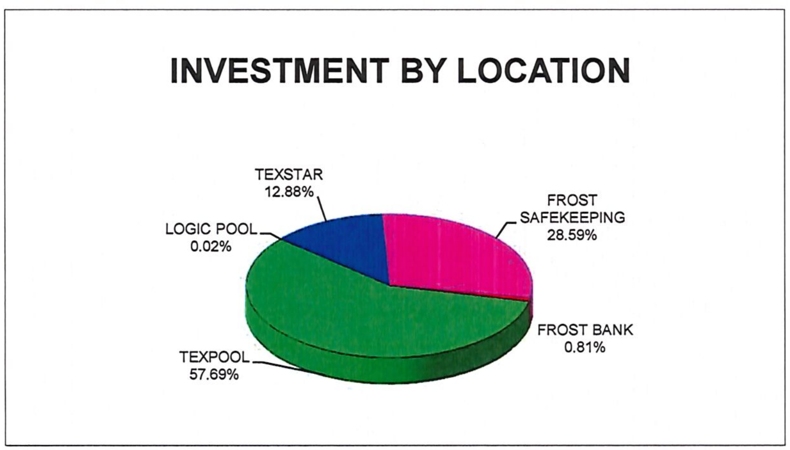
| Settle Date | Maturity Date | Fund Name | Location | Security | CUSIP | Avg Yield/ Coupon | Purchase Price | PAR | Beginning Book Value 06/30/2017 | Beginning Market Value 06/30/2017 | Ending Book Value 09/30/2017 | Ending Market 09/30/2017 | Gain/Loss | Accrued Interest | Yield | D-T-M |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Indigent Care Fund** | | | | | | | | | | | | | | | | |
| 09/30/2017 | 10/01/2017 | Indigent Care Fund | TexPool | Investment Pool | #0002 | 1.015% | 10,036,904 | 10,036,904 | 4,948,180 | 4,948,180 | 10,036,904 | 10,036,904 | 0 | 283 | 1.015% | 1 |
| 09/30/2017 | 10/01/2017 | Indigent Care Fund | LOGIC | Investment Pool | | 1.283% | 17,596 | 17,596 | 17,540 | 17,540 | 17,596 | 17,596 | 0 | 1 | 1.283% | 1 |
| 09/30/2017 | 10/01/2017 | Indigent Care Fund | TexSTAR | Investment Pool | | 1.038% | 9,908,269 | 9,908,269 | 9,882,883 | 9,882,883 | 9,908,269 | 9,908,269 | 0 | 286 | 1.038% | 1 |
| 10/29/2015 | 10/29/2018 | Indigent Care Fund | Safekeeping | FNMA - Qtrly Call | 3136G2PF8 | 1.125% | 3,000,000 | 3,000,000 | 3,000,000 | 2,989,032 | 3,000,000 | 2,986,836 | (13,164) | 14,156 | 1.125% | 394 |
| 03/22/2016 | 03/22/2019 | Indigent Care Fund | Safekeeping | FNMA - Qtrly Call | 3136G3BR5 | 1.300% | 4,000,000 | 4,000,000 | 4,000,000 | 3,977,540 | 4,000,000 | 3,977,380 | (22,620) | 1,156 | 1.300% | 538 |
| 05/23/2016 | 05/23/2019 | Indigent Care Fund | Safekeeping | FNMA - Qtrly Call | 3136G3NA9 | 1.200% | 4,000,000 | 4,000,000 | 4,000,000 | 3,980,552 | 4,000,000 | 3,979,216 | (20,784) | 16,933 | 1.200% | 600 |
| 06/28/2016 | 06/28/2019 | Indigent Care Fund | Safekeeping | FNMA - Qtrly Call | 3135G0K93 | 1.250% | 3,000,000 | 3,000,000 | 3,000,000 | 2,984,913 | 3,000,000 | 2,984,667 | (15,333) | 9,583 | 1.250% | 636 |
| 07/26/2016 | 07/26/2019 | Indigent Care Fund | Safekeeping | FHLMC - Qtrly Call | 3134G9Q75 | 1.250% | 4,000,000 | 4,000,000 | 4,000,000 | 3,988,856 | 4,000,000 | 3,976,984 | (23,016) | 8,889 | 1.250% | 664 |
| 09/13/2016 | 09/13/2019 | Indigent Care Fund | Safekeeping | FNMA - Yearly Call | 3136G34X0 | 1.150% | 4,000,000 | 4,000,000 | 4,000,000 | 3,945,996 | 4,000,000 | 3,947,524 | (52,476) | 2,172 | 1.150% | 713 |
| | | | | Subtotal | | | 41,962,769 | 41,962,769 | 36,848,603 | 36,715,492 | 41,962,769 | 41,815,376 | (147,393) | 53,459 | 1.125% | 314 |
| **Tobacco Settlement Fund** | | | | | | | | | | | | | | | | |
| 09/30/2017 | 10/01/2017 | Tobacco Settlement | TexPool | Investment Pool | #00007 | 1.015% | 882 | 882 | 880 | 880 | 882 | 882 | 0 | 0 | 1.015% | 1 |
| | | | | Subtotal | | | 882 | 882 | 880 | 880 | 882 | 882 | 0 | 0 | 1.015% | 1 |
| **Employee Health Benefits Trust Fund** | | | | | | | | | | | | | | | | |
| 09/30/2017 | 10/01/2017 | Emp Health Benefits Trust | Frost Trust | Short Term Treasury | AIM | 0.900% | 205,733 | 205,733 | 205,546 | 205,546 | 205,733 | 205,733 | 0 | 152 | 0.900% | 1 |
| | | | | Subtotal | | | 205,733 | 205,733 | 205,546 | 205,546 | 205,733 | 205,733 | 0 | 152 | 0.900% | 1 |
| **General Fund** | | | | | | | | | | | | | | | | |
| 09/30/2017 | 10/01/2017 | General Fund | TexPool | Investment Pool | #00004 | 1.015% | 17,239,588 | 17,239,588 | 24,151,593 | 24,151,593 | 17,239,588 | 17,239,588 | 0 | 486 | 1.015% | 1 |
| 09/30/2017 | 10/01/2017 | GF - Membership Revenue | TexPool | Investment Pool | #00009 | 1.015% | 17,109,535 | 17,109,535 | 39,372,412 | 39,372,412 | 17,109,535 | 17,109,535 | 0 | 482 | 1.015% | 1 |
| 09/30/2017 | 10/01/2017 | GF - Operating | Frost Bank | Commercial Checking | 664025679 | 0.680% | 419,598 | 419,598 | 285,815 | 285,815 | 419,598 | 419,598 | 0 | 8 | 0.680% | 1 |
| 09/30/2017 | 10/01/2017 | GF - Payroll | Frost Bank | Commercial Checking | 664027221 | 0.680% | 1,055 | 1,055 | 1,030 | 1,030 | 1,055 | 1,055 | 0 | 0 | 0.680% | 1 |
| | | | | Subtotal | | | 34,769,776 | 34,769,776 | 63,810,850 | 63,810,850 | 34,769,776 | 34,769,776 | 0 | 976 | 1.011% | 1 |
| | | | | **TOTAL PORTFOLIO** | | | 76,939,159 | 76,939,159 | 100,865,879 | 100,732,768 | 76,939,159 | 76,791,766 | (147,393) | 54,588 | 1.073% | 172 |
| | | | | | | | | | | | | | | | WAY | WAM |

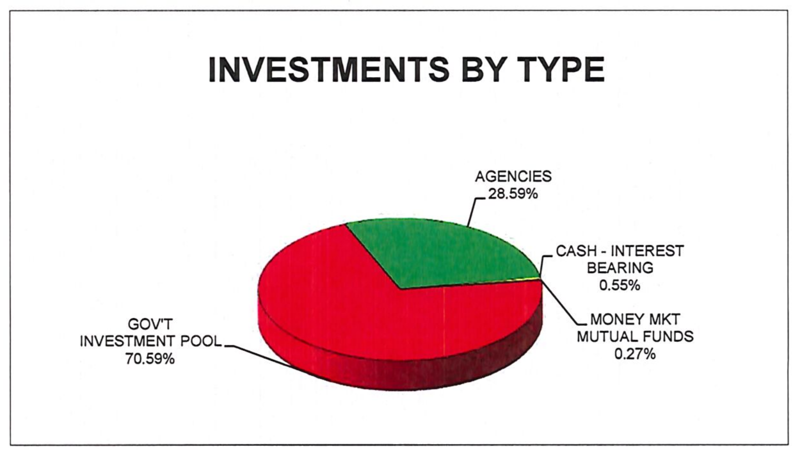
Nueces County Hospital District
Investment Transaction Activity
July 1, 2017 - September 30, 2017

| Settle Date | Maturity | Call Date | Fund | Type | CUSIP | Coupon | Price | Par | Principal | Acc'd Interest | Total Settlement | Yield to Mat/Call | Broker |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Purchases | | | | | | | | | | | | | |
| | | | | | | Total Purchases: | | 0.00 | 0.00 | 0.00 | 0.00 | | |
| Maturities/Calls | | | | | | | | | | | | | |
| | | | | | | Total Maturities/Calls: | | 0.00 | 0.00 | 0.00 | 0.00 | | |

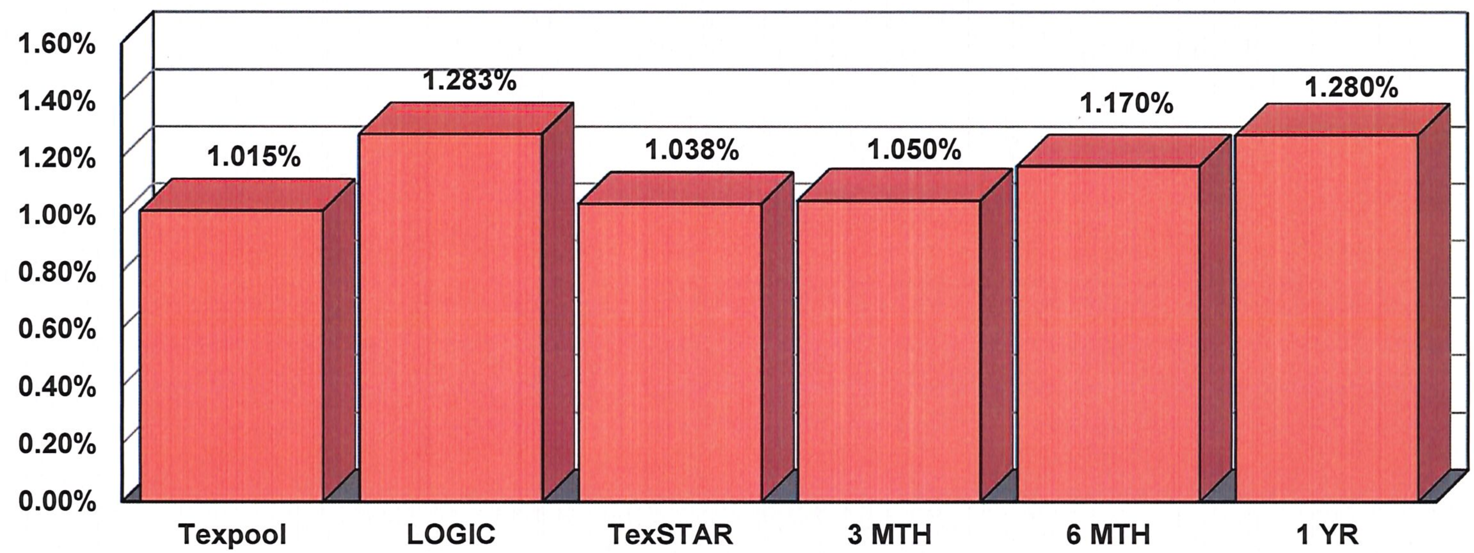
**NUECES COUNTY HOSPITAL DISTRICT**
**INVESTMENTS SUMMARY BY TYPE & LOCATION**
**FY 2017 4TH QUARTER (JULY 1 - SEPTEMBER 30, 2017)**

| | FROST BANK | TEXPOOL | LOGIC | TEXSTAR | FROST SAFEKEEPING | TOTAL | PERCENT BY TYPE OF INVESTMENT |
|---|---|---|---|---|---|---|---|
| CASH - INTEREST BEARING | $420,653 | $0 | $0 | $0 | $0 | $420,653 | 0.55% |
| MONEY MKT MUTUAL FUNDS | $205,733 | $0 | $0 | $0 | $0 | $205,733 | 0.27% |
| GOV'T INVESTMENT POOLS | $0 | $44,386,908 | $17,596 | $9,908,269 | $0 | $54,312,773 | 70.59% |
| CERTIFICATES OF DEPOSIT | $0 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| TREASURY NOTES AND BONDS | $0 | $0 | $0 | $0 | $0 | $0 | 0.00% |
| AGENCIES | $0 | $0 | $0 | $0 | $22,000,000 | $22,000,000 | 28.59% |
| **TOTAL INVESTMENTS** | **$626,386** | **$44,386,908** | **$17,596** | **$9,908,269** | **$22,000,000** | **$76,939,159** | **100.00%** |
| **PERCENT BY HOLDER OF INVESTMENTS** | **0.81%** | **57.69%** | **0.02%** | **12.88%** | **28.59%** | **100.00%** | |



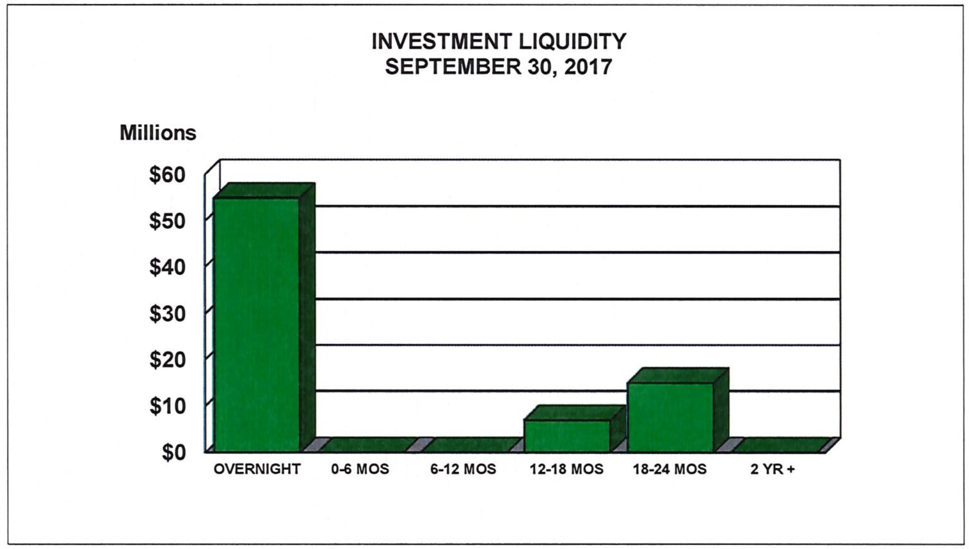



# NUECES COUNTY HOSPITAL DISTRICT
## POOL RATES V. TREASURIES
## SEPTEMBER 30, 2017

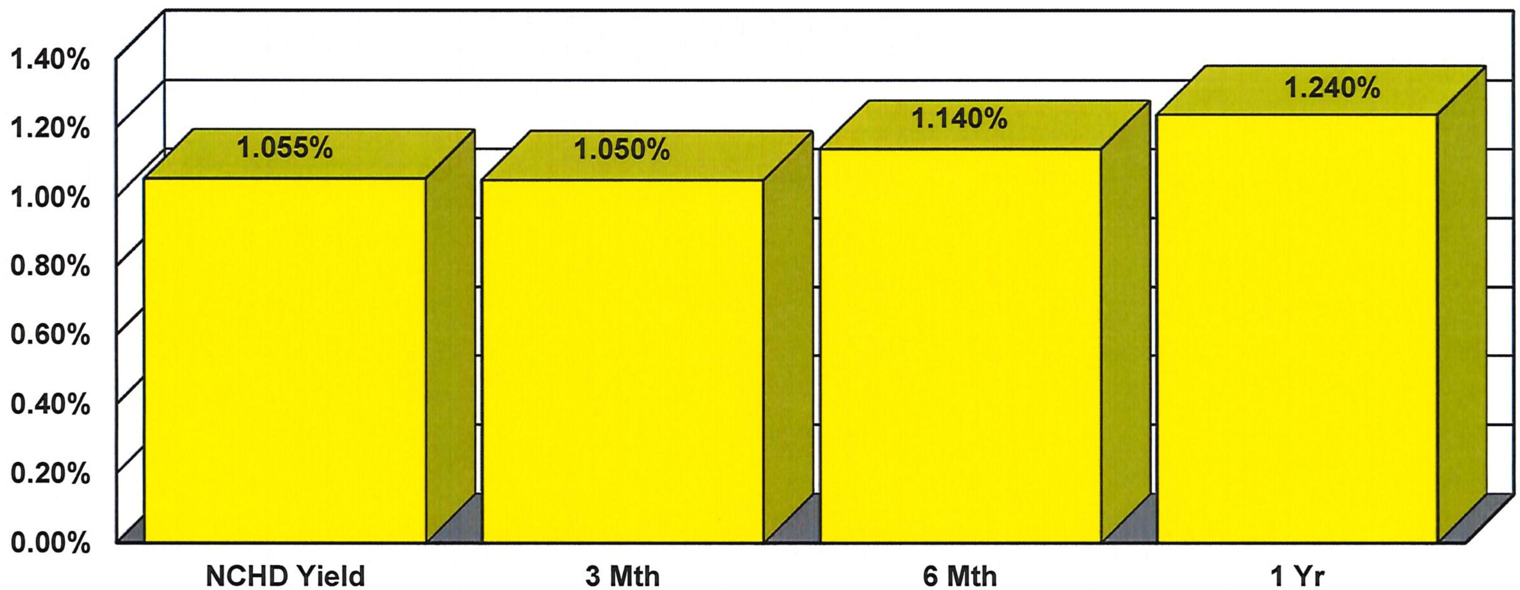


**NUECES COUNTY HOSPITAL DISTRICT**
**INVESTMENT SUMMARY BY LIQUIDITY**
**FY 2017 4TH QUARTER (JULY 1 - SEPTEMBER 30, 2017)**

| INVESTMENT-YRS TO MATURITY | AMOUNT | |
|---|---|---|
| CASH & CASH EQUIVALENTS | $54,939,159 | **71.4%** |
| MATURES IN 0-6 MONTHS | $0 | **0.0%** |
| MATURES IN 6-12 MONTHS | $0 | **0.0%** |
| MATURES IN 12-18 MONTHS | $7,000,000 | **9.1%** |
| MATURES IN 18-24 MONTHS | $15,000,000 | **19.5%** |
| MATURES IN OVER 2 YEARS | $0 | **0.0%** |
| **TOTAL** | **$76,939,159** | **100.0%** |



# NUECES COUNTY HOSPITAL DISTRICT
## QUARTERLY BENCHMARK COMPARISON
## SEPTEMBER 30, 2017



**Nueces County Hospital District**
**Investment Policy Compliance**
**For the Quarter Ended September 30, 2017**

These are the major compliance issues regarding our Investment policy.
Any negative responses are explained below.

| | | | | Yes | No |
|---|---|---|---|---|---|
| 1.) | Are at least 33% of the District's investments backed by U.S. Government securities to assure return of principal? | | | X | |
| 2.) | Are all investments maturing 3 years or less from the date of purchase? | | | X | |
| 3.) | Are at least 10% of the investments short-term maturing within 60-90 days? | | | X | |
| 4.) | Is the weighted average maturity of the District's portfolio 12 months or less? | | | X | |
| 5.) | With the exception of U.S. Treasury Bills, U.S. Treasury Notes and Bonds, are less than 20% of the District's portfolio invested with a common maturity date, a specific issue or a specific type or class. | | | X | |
| 6.) | Does the District's weighted average yield exceed the 6 month U.S. Treasury Bill benchmark? | | | | |
| | | District | U.S. Treasury | | |
| | 6 Month Treasury | **1.055%** | **1.140%** | | X |

Responses:
#6 – Twenty-two percent of the District's portfolio is not available for investment and must be kept liquid to fund intergovernmental transfers in the 1115 Waiver Program. With rising interest rates, the District's average yield will trail the market as subsequent reinvestments are made at the higher rates.