

Monthly Investment Report

April 30, 2016

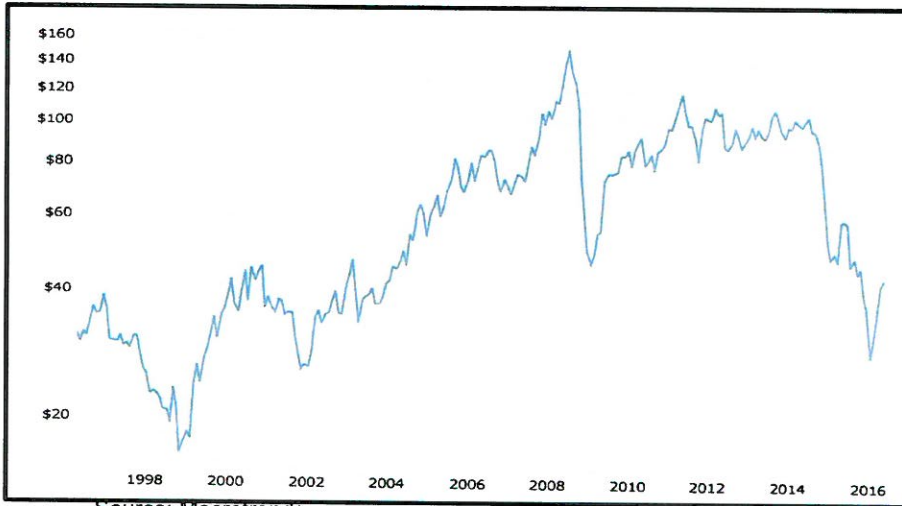
PATTERSON & ASSOCIATES



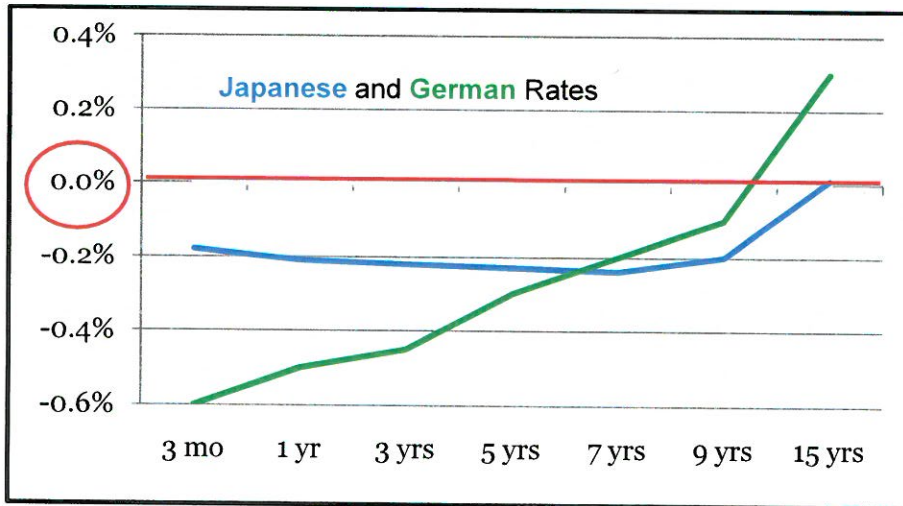
INVESTMENT PROFESSIONALS

It's Mostly About Oil

Oil Price Fluctuations



Source: Macrotrends

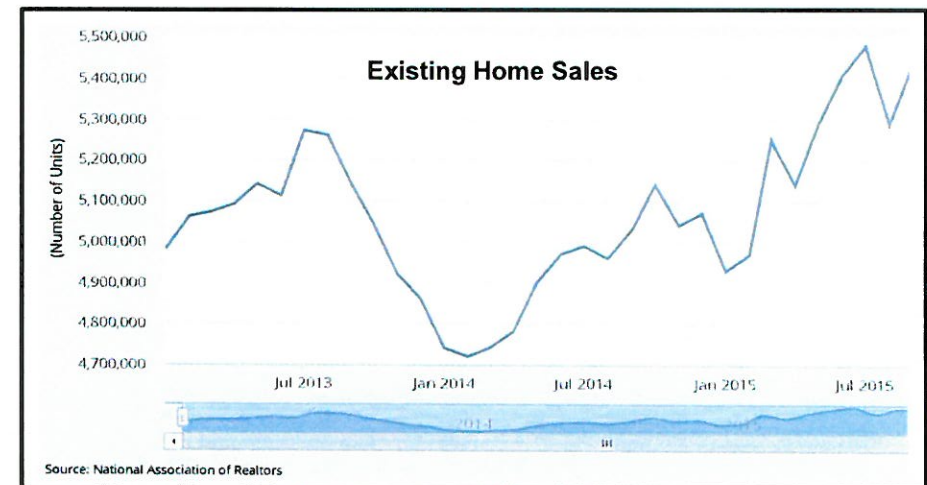
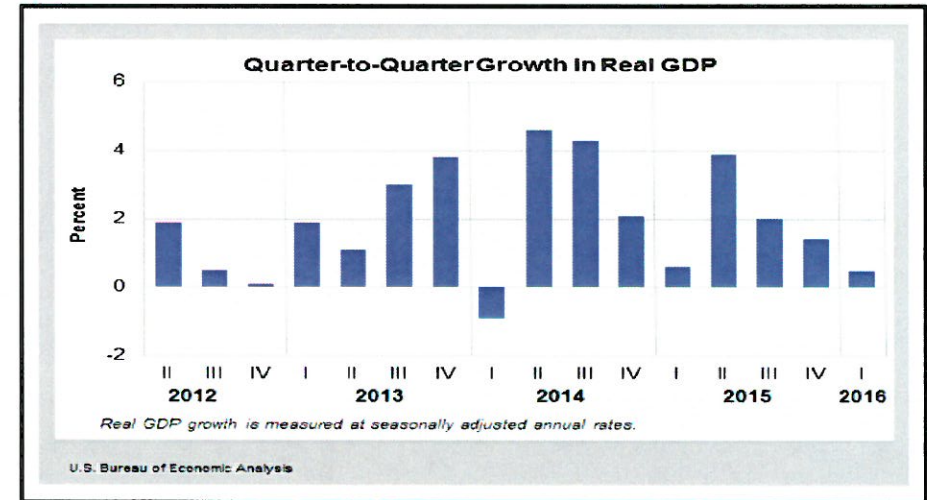


Source: Bloomberg

- It was a volatile month in all the markets but we seem to be settling in early for the summer doldrums also. Certainly the themes and news continue to repeat themselves.
- It was little surprise that the OPEC oil ministers meeting in Doha, Qatar this month failed to produce a reduction in supply since the two major parties (Saudis and Iranians) didn't send their ministers. It's all personal politics at this point for them. The lack of a reduction however didn't stop oil from rising to the mid-\$40 point on decreasing inventories.
- Oil is such an overriding because the low price hasn't allowed for any measurable inflation. Oil is the key component to that inflation and the Fed is waiting on a sign of higher inflation as an indicator of demand. Until we move closer to the 2% inflation goal set by the Committee it will be difficult for them to move. Instead oil continues to act only as a tax break for the gas-guzzlers.
- The Fed is also fighting the negative rates created around the world as central banks fight off the spectre of another Japan through drastic easing actions. Currently \$7.8 trillion in global sovereign debt is in negative rate territory. Not only does that move funds to the positive US but indicates how desperately countries are fighting to start the economic engines. Countries like Brazil which is in its worst economic crisis in decades and Puerto Rico which is teetering on the brink of bankruptcy contribute to a great uncertainty world-wide.

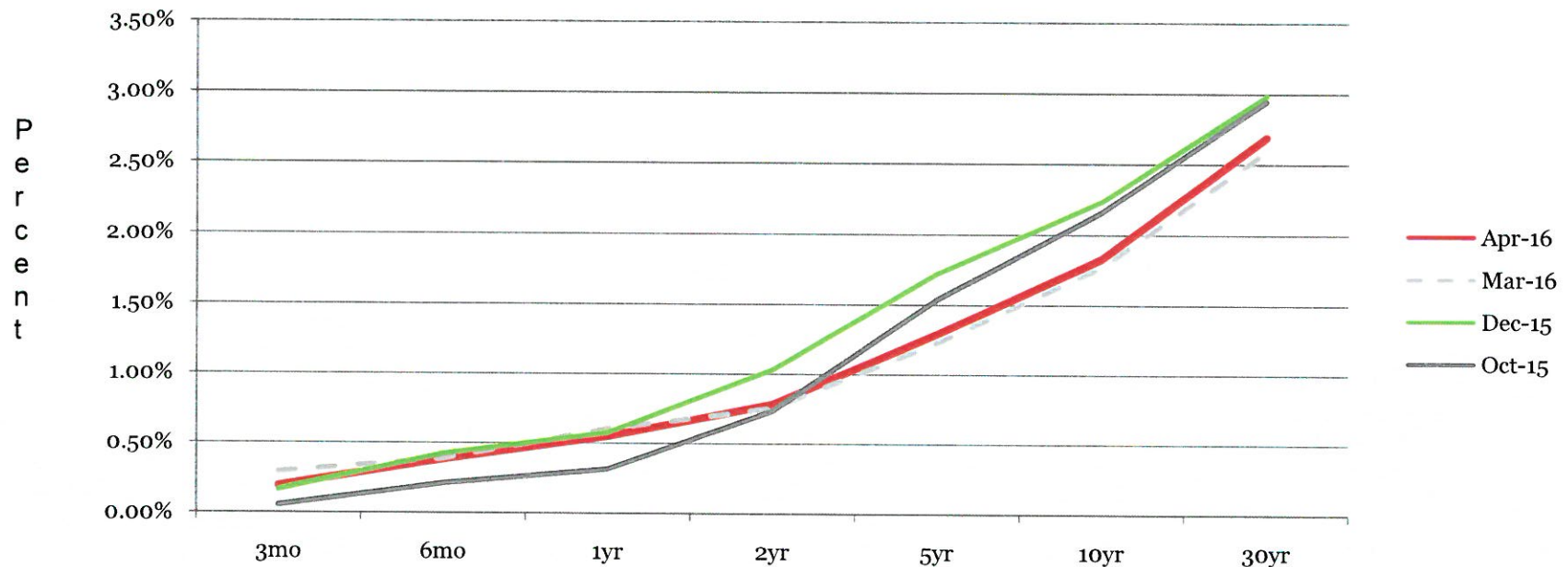
But Soft Economics Holds Us Back

- There was no chance of a rate hike in April with low inflation and a sluggish GDP. Even the FOMC announcement removed the barrier of “global headwinds” but emphasized slow global growth as a US drag. Our positive rates act as a haven for international investors but in turn their investment keeps rates down and therefore inflation stalled.
- GDP rose only slightly in 4Q 2015 and suffers from a high inventory of unsold goods, listless business investment and stagnant consumer spending.
- Manufacturing has tried to push forward and maintain jobs but with the strong dollar and slack trading partners the inventories pile up. And, although exports did rise this quarter the imports of cheap goods from suffering nations rose even more taking the trade deficit to \$47.1b. This persistent drag has dropped capacity utilization well below growth levels.
- Job growth advances with strong employment reports all of 2016 but consumers are putting their higher wages and new job incomes in savings rather than stores. Many of these jobs are service related and that uncertainty along with inescapable political shenanigans tends to dampen confidence.
- One area of growth for consumers remains housing. New home sales are down but mortgage applications from low longer rates keep the housing sector chugging along.



Rates

- The 2-year Treasury Note continues to be the fulcrum for the curve with little change from a month earlier.
- The shorter end is moving up in yield as investors move out the curve on some level of certainty *or* hunting for yield. The rates have not moved materially since October when the market clearly anticipated the Federal Reserve's move to raise short term rates in December.
- The longer end has not moved appreciably from March since oil prices have remained in a range from \$35 to \$45 a barrel. However, as rates move or stay negative around the world the longer end of the curve has stayed stubbornly below the last two quarters of 2015. This appears to be a definite move to find value in a negative interest rate world.
- All sectors of the US curve are waiting for a clearer picture from the Fed on the timing of the next rate hike. With the Fed then waiting on mounting good news from the economy it is a month-to-month wait-and-see situation.
- CNBC surveyed economists continue to see August as the next possible move by the FOMC which modified their expectations to only two hikes in 2016.

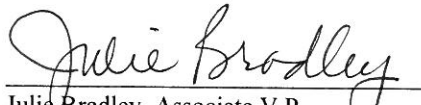


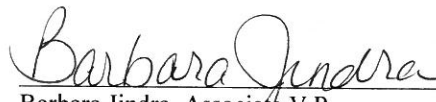
End of Month Rates - Full Yield Curve – Fed Funds to 30yr

Collin County Community College District
 Monthly Investment Report
 April 1, 2016 – April 30, 2016

Portfolio Summary Management Report

<u>Portfolio as of 03/31/16:</u>		<u>Portfolio as of 04/30/16:</u>	
Beginning Book Value	\$ 268,304,567	Ending Book Value	\$ 262,924,873
Beginning Market Value	\$ 268,345,234	Ending Market Value	\$ 262,970,465
		Unrealized Gain/Loss	\$ 45,592
WAM at Beginning Period Date ¹	62 days	WAM at Ending Period Date ¹	57 days
<i>(Decrease in market value is due to seasonal cash outflows)</i>		Change in Market Value ²	\$ (5,374,769)
Average Yield to Maturity for period		0.401%	
Average Yield 3 Month Treasury Bill for period		0.230%	

 5/9/16
 Julie Bradley, Associate V.P.
 Collin County Community College District

 5/9/16
 Barbara Jindra, Associate V.P.
 Collin County Community College District

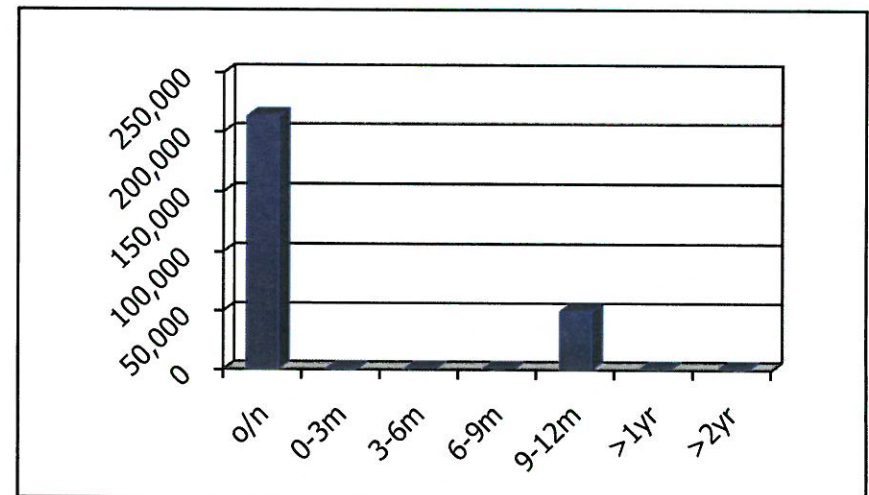
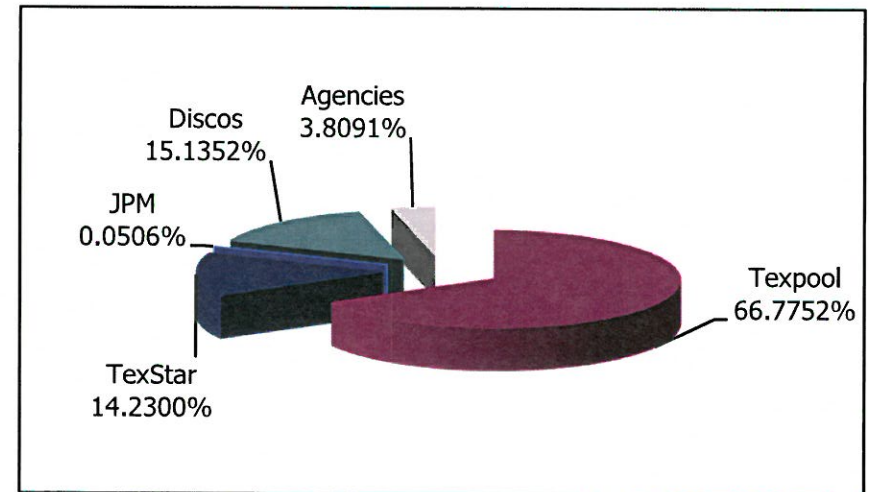
¹ WAM – weighted average maturity

² “Change in Market Value” is required data, but will primarily reflect the receipt and expenditure of the District’s funds from month to month. *Patterson & Associates* has assisted in the preparation of this consolidated investment report, with additional input provided by CCCCD.

Your Portfolio

As of April 30, 2016

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions.
- The very short-term rates have moved up in the last quarter offering some opportunities for diversification – especially for those with access to commercial paper. Past one year there are many more alternatives as rates creep up.
- Banks remain *uninterested* in new deposits and municipal debt has become less attractive as the supply of new muni bonds dries up. Few outperform the agencies at this point in time.
- It is still time to reduce cash balances and stretch out longer and into the two year area if possible.
- The non-cash portion of your portfolio is yielding 0.65%.





**Collin Co Comm College Dist.
Portfolio Management
Portfolio Summary
April 30, 2016**

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Austin, TX 78746
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Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Coupon Securities	10,000,000.00	10,020,930.00	10,015,073.45	3.81	336	297	0.678	0.688
Federal Agency Disc. -Amortizing	40,000,000.00	39,833,780.00	39,794,044.07	15.14	358	297	0.630	0.639
TexStar	37,414,326.63	37,414,326.63	37,414,326.63	14.23	1	1	0.365	0.370
Texpool	175,567,973.63	175,567,973.63	175,567,973.63	66.78	1	1	0.333	0.338
JPMorgan Chase	133,454.87	133,454.87	133,454.87	0.05	1	1	0.000	0.000
Investments	263,115,755.13	262,970,465.13	262,924,872.65	100.00%	68	57	0.396	0.401
Cash and Accrued Interest								
Accrued Interest at Purchase		7,534.72	7,534.72					
Subtotal		7,534.72	7,534.72					
Total Cash and Investments	263,115,755.13	262,977,999.85	262,932,407.37		68	57	0.396	0.401

Total Earnings	April 30 Month Ending	Fiscal Year To Date
Current Year	87,351.47	257,980.68



Collin Co Comm College Dist.
Summary by Type
April 30, 2016
Grouped by Fund

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Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Building						
Federal Agency Disc. -Amortizing	1	10,000,000.00	9,937,600.00	3.78	0.744	312
Texpool	1	69,479,092.77	69,479,092.77	26.43	0.338	1
TexStar	1	26,264,175.38	26,264,175.38	9.99	0.370	1
Subtotal	3	105,743,268.15	105,680,868.15	40.20	0.384	30
Fund: Debt Service						
Texpool	1	2,902,843.49	2,902,843.49	1.10	0.338	1
Subtotal	1	2,902,843.49	2,902,843.49	1.10	0.338	1
Fund: Operating						
Federal Agency Coupon Securities	1	10,000,000.00	10,015,073.45	3.81	0.688	297
Federal Agency Disc. -Amortizing	3	30,000,000.00	29,856,444.07	11.36	0.604	292
JPMorgan Chase	1	133,454.87	133,454.87	0.05	0.000	1
Texpool	1	103,186,037.37	103,186,037.37	39.25	0.338	1
TexStar	1	11,150,151.25	11,150,151.25	4.24	0.370	1
Subtotal	7	154,469,643.49	154,341,161.01	58.71	0.414	76
Total and Average	11	263,115,755.13	262,924,872.65	100.00	0.401	57



Collin Co Comm College Dist.
 Fund BLDG - Building
 Investments by Fund
 April 30, 2016

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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Disc. -Amortizing											
31315LCV8	10004	Farmer Mac DN	03/10/2016	9,937,600.00	10,000,000.00	9,955,080.00		0.734	0.744	03/09/2017	312
Subtotal and Average				9,937,600.00	10,000,000.00	9,955,080.00		0.734	0.744		312
TexStar											
2450	10007	TexStar	02/01/2016	26,264,175.38	26,264,175.38	26,264,175.38	0.370	0.364	0.369		1
Subtotal and Average				26,264,175.38	26,264,175.38	26,264,175.38		0.365	0.370		1
Texpool											
700001	10009	Texpool	02/01/2016	69,479,092.77	69,479,092.77	69,479,092.77	0.338	0.333	0.338		1
Subtotal and Average				69,479,092.77	69,479,092.77	69,479,092.77		0.333	0.338		1
Total Investments and Average				105,680,868.15	105,743,268.15	105,698,348.15		0.379	0.384		30

**Fund DS - Debt Service
Investments by Fund
April 30, 2016**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Texpool											
700004	10010	Texpool	02/01/2016	2,902,843.49	2,902,843.49	2,902,843.49	0.338	0.333	0.338		1
Subtotal and Average				2,902,843.49	2,902,843.49	2,902,843.49		0.333	0.338		1
Total Investments and Average				2,902,843.49	2,902,843.49	2,902,843.49		0.333	0.338		1

**Fund OPER - Operating
Investments by Fund
April 30, 2016**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Coupon Securities											
3137EADT3	10006	FHLMC Note	03/23/2016	10,015,073.45	10,000,000.00	10,020,930.00	0.875	0.678	0.687	02/22/2017	297
Subtotal and Average				10,015,073.45	10,000,000.00	10,020,930.00		0.678	0.688		297
Federal Agency Disc. -Amortizing											
313397BH3	10002	FHLMC DN	02/19/2016	9,959,572.03	10,000,000.00	9,961,810.00		0.525	0.532	02/07/2017	282
313397BH3	10003	FHLMC DN	02/23/2016	9,959,272.04	10,000,000.00	9,961,810.00	0.520	0.529	0.536	02/07/2017	282
31315LCV8	10005	Farmer Mac DN	03/10/2016	9,937,600.00	10,000,000.00	9,955,080.00	0.720	0.734	0.744	03/09/2017	312
Subtotal and Average				29,856,444.07	30,000,000.00	29,878,700.00		0.596	0.604		291
TexStar											
5450	10008	TexStar	02/01/2016	11,150,151.25	11,150,151.25	11,150,151.25	0.370	0.364	0.369		1
Subtotal and Average				11,150,151.25	11,150,151.25	11,150,151.25		0.365	0.370		1
Texpool											
700003	10011	Texpool	02/01/2016	103,186,037.37	103,186,037.37	103,186,037.37	0.338	0.333	0.338		1
Subtotal and Average				103,186,037.37	103,186,037.37	103,186,037.37		0.333	0.338		1
JPMorgan Chase											
7828	10012	JPMorgan Chase Commercial Chkg	02/01/2016	133,454.87	133,454.87	133,454.87					1
Subtotal and Average				133,454.87	133,454.87	133,454.87		0.000	0.000		1
Total Investments and Average				154,341,161.01	154,469,643.49	154,369,273.49		0.409	0.414		76



**Collin Co Comm College Dist.
Cash Reconciliation Report
For the Period April 1, 2016 - April 30, 2016
Grouped by Fund**

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Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
Building											
04/19/2016	10000	BLDG	Maturity	313396VU4	10,000,000.00	FMCDN 10.0M 0.00% Mat.	04/19/2016	0.00	0.00	10,000,000.00	10,000,000.00
Subtotal								0.00	0.00	10,000,000.00	10,000,000.00
Total								0.00	0.00	10,000,000.00	10,000,000.00



**Collin Co Comm College Dist.
Maturity Report
Sorted by Maturity Date**

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-

Amounts due during April 1, 2016 - April 30, 2016

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
313396VU4	10000	BLDG	AFD	FMCDN	10,000,000.00	04/19/2016	06/10/2015		10,000,000.00	0.00	10,000,000.00	0.00
Total Maturities					10,000,000.00				10,000,000.00	0.00	10,000,000.00	0.00



**Collin Co Comm College Dist.
Interest Earnings
Sorted by Fund - Fund
April 1, 2016 - April 30, 2016
Period Yield on Beginning Book Value**

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CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Yield This Period	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Building												
313396VU4	10000	BLDG	AFD	0.00	9,998,685.37	0.00	04/19/2016		0.022	0.00	1,314.63	1,314.63
31315LCV8	10004	BLDG	AFD	10,000,000.00	9,931,600.00	9,937,600.00	03/09/2017		0.060	0.00	6,000.00	6,000.00
2450	10007	BLDG	RRP	26,264,175.38	26,256,200.27	26,264,175.38		0.370	0.030	7,975.11	0.00	7,975.11
700001	10009	BLDG	RR2	69,479,092.77	50,889,655.97	69,479,092.77		0.338	0.034	17,362.80	0.00	17,362.80
			Subtotal	105,743,268.15	97,076,141.61	105,680,868.15			0.035	25,337.91	7,314.63	32,652.54
Fund: Debt Service												
700004	10010	DS	RR2	2,902,843.49	2,902,037.39	2,902,843.49		0.338	0.028	806.10	0.00	806.10
			Subtotal	2,902,843.49	2,902,037.39	2,902,843.49			0.028	806.10	0.00	806.10
Fund: Operating												
3137EADT3	10006	OPER	FAC	10,000,000.00	10,016,627.41	10,015,073.45	02/22/2017	0.875	0.057	7,291.66	-1,553.96	5,737.70
313397BH3	10003	OPER	AFD	10,000,000.00	9,954,939.28	9,959,272.04	02/07/2017	0.520	0.044	0.00	4,332.76	4,332.76
313397BH3	10002	OPER	AFD	10,000,000.00	9,955,271.19	9,959,572.03	02/07/2017		0.043	0.00	4,300.84	4,300.84
31315LCV8	10005	OPER	AFD	10,000,000.00	9,931,600.00	9,937,600.00	03/09/2017	0.720	0.060	0.00	6,000.00	6,000.00
5450	10008	OPER	RRP	11,150,151.25	11,146,765.52	11,150,151.25		0.370	0.030	3,385.73	0.00	3,385.73
700003	10011	OPER	RR2	103,186,037.37	117,212,743.34	103,186,037.37		0.338	0.026	30,135.80	0.00	30,135.80
			Subtotal	154,336,188.62	168,217,946.74	154,207,706.14			0.032	40,813.19	13,079.64	53,892.83
			Total	262,982,300.26	268,196,125.74	262,791,417.78			0.033	66,957.20	20,394.27	87,351.47



Collin Co Comm College Dist.
Amortization Schedule
April 1, 2016 - April 30, 2016
Sorted By Fund - Fund

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Investment #	Maturity Date	Beginning Par Value					Amounts Amortized			
Issuer	Fund	Amort. Date	Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	And Unamortized As of 04/01/2016	Amount Amortized This Period	Amt Amortized Through 04/30/2016	Amount Unamortized Through 04/30/2016
Building										
10000 FHLMC DN	BLDG	04/19/2016	10,000,000.00	9,977,067.00	-22,933.00	0.00	21,618.37 -1,314.63	1,314.63	22,933.00	0.00
10004 Farmer Mac DN	BLDG	03/09/2017	10,000,000.00	9,927,200.00	-72,800.00	9,937,600.00	4,400.00 -68,400.00	6,000.00	10,400.00	-62,400.00
			Subtotal	19,904,267.00	-95,733.00	9,937,600.00	26,018.37 -69,714.63	7,314.63	33,333.00	-62,400.00
Operating										
10006 FHLMC Note	OPER	02/22/2017	10,000,000.00 0.875	10,017,041.80	17,041.80	10,015,073.45	-414.39 16,627.41	-1,553.96	-1,968.35	15,073.45
10002 FHLMC DN	OPER	02/07/2017	10,000,000.00	9,949,250.00	-50,750.00	9,959,572.03	6,021.19 -44,728.81	4,300.84	10,322.03	-40,427.97
10003 FHLMC DN	OPER	02/07/2017	10,000,000.00 0.520	9,949,451.11	-50,548.89	9,959,272.04	5,488.17 -45,060.72	4,332.76	9,820.93	-40,727.96
10005 Farmer Mac DN	OPER	03/09/2017	10,000,000.00 0.720	9,927,200.00	-72,800.00	9,937,600.00	4,400.00 -68,400.00	6,000.00	10,400.00	-62,400.00
			Subtotal	39,842,942.91	-157,057.09	39,871,517.52	15,494.97 -141,562.12	13,079.64	28,574.61	-128,482.48
			Total	59,747,209.91	-252,790.09	49,809,117.52	41,513.34 -211,276.75	20,394.27	61,907.61	-190,882.48



**Collin Co Comm College Dist.
 Projected Cashflow Report
 Sorted by Monthly
 For the Period May 1, 2016 - November 30, 2016**

Patterson & Associates
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Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
August 2016										
08/22/2016	10006	OPER	3137EADT3	Interest	FHLMC Note	0.00	0.00	0.00	43,750.00	43,750.00
Total for August 2016						0.00	0.00	0.00	43,750.00	43,750.00
GRAND TOTALS:						0.00	0.00	0.00	43,750.00	43,750.00