



## **Item 7.2: Periodic Report on Investments**

*Leslie Wiley*  
Treasurer

Finance & Audit Committee Meeting

ERCOT Public  
December 10, 2018

# Investment Compliance

Standard	Compliance
Money market mutual funds invested in U.S. treasury securities or a combination of U.S. treasury securities and repurchase agreements backed by U.S. treasury securities.	Yes
Concentration analysis reviewed by Investment Officers	Yes
No more than 10% of investable funds will be maintained in any one fund.	Yes
Credit Analysis reviewed by Investment Officers	Yes
Has assets under management in the fund of at least \$1 billion	Yes
Direct Treasuries reviewed by Investment officers	Yes - No treasuries purchased directly.

**Electric Reliability Council of Texas, Inc.**  
**Investment Compliance**  
**As of October 31, 2018**  
(\$ in 000's)

			<b>Balance</b>		<b>Interest Earned</b>
<b>Investment Funds</b> (Note 1 & Note 2)	\$		1,178,104	\$	2,012.53
			<b>Price</b>		<b>Accrued Interest</b>
<b>US Treasury Obligation Portfolio</b> (Note 3)	\$		99,635	\$	356.20

**Notes**

Note 1: In compliance with the Investment Corporate Standard, investment funds invest in Treasuries or obligations backed by US Treasuries.

Note 2: Weighted average of the investment fund yields is less than 2.02%.

Note 3: Current yield on the bond portfolio is 2.54% with a duration of .77.

Note 4: Investment monthly holdings and bond portfolio details are available for review upon request.

**Statement of Compliance**

Upon a review of the investment activity, I have no knowledge of any ERCOT action that does not comply with that required by the Investment Corporate Standard since the last report provided to the Finance and Audit Committee.

- 100% treasury analysis reviewed by Investment Officers. Money market mutual funds invested in U.S. Treasury Securities or a combination of U.S. Treasury Securities and repurchase agreements backed by U.S. Treasury Securities.
- Concentration analysis reviewed by Investment Officers. No more than 10% of investable funds will be maintained in any one fund.
- Credit analysis reviewed by Investment Officers
- Has assets under management in the fund of at least \$1 billion
- United States Treasury Obligation Portfolio reviewed by Investment Officers

Signature on File

Michael Petterson Vice President and CFO



**Electric Reliability Council of Texas, Inc.**  
**Summary of Investment Fund Results**  
**As of October 31, 2018**  
(\$ in 000's)

<b>Investment Funds</b>	<b>Balance</b>	<b>Interest Earned</b>	<b>Percentage of Portfolio</b>
BlackRock Institutional T-Fund (60) MMF	\$ 38,333	\$ 66.57	3.3%
BlackRock Institutional Treasury Trust Fund MMF	50,817	86.72	4.3%
Dreyfus Treasury Prime Cash Management MMF	90,867	152.67	7.7%
Federated Fund 068 Treasury Obligations Fund	38,985	67.83	3.3%
Federated Fund 0125 US Treasury Cash Reserves Fund	51,268	86.70	4.4%
Fidelity 680 Institutional MMF: Treasury Only Portfolio	73,478	127.66	6.2%
Fidelity 695 Institutional MMF: Treasury Portfolio	17,890	31.07	1.5%
First Amer Treas Oblig/CI Z	88,063	153.95	7.5%
Goldman Sachs Treasury Instruments Fund 506	87,658	148.96	7.4%
Invesco Institutional Treasury Portfolio	92,065	159.33	7.8%
JP Morgan Chase US Treasury Plus MM Fund	82,007	136.34	7.0%
Morgan Stanley Fund 8304 Treasury	104,980	174.36	8.9%
State Street Global Advisors Institutional Treasury MMF	88,267	153.10	7.5%
UBS Select Treasury Preferred Fund 46	94,929	173.97	8.1%
Western Asset Institutional US Treasury Reserves	90,959	152.97	7.7%
Wells Fargo 100% Treasury MMF	75,667	119.98	6.4%
Wells Fargo Institutional Treasury Plus MMF	11,869	20.35	1.0%
<b>Total Investments</b>	<b>\$ 1,178,104</b>	<b>\$ 2,012.53</b>	<b>100.0%</b>

Weighted average of the investment fund yields is less than 2.02%.

**Electric Reliability Council of Texas, Inc.**  
**Summary of US Treasury Obligation Portfolio Results**  
**As of October 31, 2018**  
(\$ in 000's)

<b>Maturity Date</b>	<b>Purchase Price</b>	<b>Discount</b>	<b>Accrued Interest</b>	<b>Coupon Rate</b>	<b>Yield</b>	<b>Duration</b>
12/31/18	\$ 6,984	\$ 16	\$ 32.43	1.38%	2.22%	0.16
02/28/19	6,975	25	17.98	1.50%	2.33%	0.33
05/31/19	9,935	65	63.11	1.50%	2.46%	0.54
06/30/19	12,854	146	43.80	1.00%	2.49%	0.65
07/31/19	13,805	195	30.96	0.88%	2.54%	0.74
08/31/19	12,885	115	36.18	1.63%	2.59%	0.83
09/30/19	12,888	112	20.00	1.75%	2.61%	0.90
11/30/19	11,538	158	73.82	1.50%	2.68%	1.06
01/31/20	11,771	229	37.91	1.25%	2.73%	1.23
<b>Total Investments</b>	<b>\$ 99,635</b>	<b>\$ 1,061</b>	<b>\$ 356.20</b>		<b>2.54%</b>	<b>0.77</b>