

Galveston Industrial Development Corp



For the Quarter Ended

March 31, 2020

Report Name

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MARKET RECAP - MARCH 2020:

On February 24th the World Health Organization's director general told journalists that the COVID-19 virus was not yet a global pandemic and that "it is still possible to contain the virus." But within days, the reality could no longer be denied and on March 11th the WHO finally made it official. Financial markets had determined weeks earlier that the novel coronavirus was going to be a big problem and stocks around the world were hammered. The ensuing flight to safety rally sent U.S. Treasury yields to record lows. Meanwhile, other fixed income sectors came under enormous selling pressure as investors foresaw massive credit deterioration and companies worked to build up cash reserves to weather the storm. On March 3rd, in an emergency move, the Federal Reserve cut the fed funds target rate by 50 basis points, noting in typically understated fashion, "The coronavirus poses evolving risks to economic activity." At the time, many market participants saw the Fed's move as a panicked reaction and they responded by panicking themselves, sending stock markets tumbling. The hits kept coming: outbreaks of COVID-19 erupted in Seattle and New York and have now spread to most major metropolitan areas; sports leagues began suspending and then cancelling games, seasons, and tournaments; conference organizers around the nation cancelled events; schools sent students home; local governments started by ordering restaurants to close and banning public gatherings before eventually issuing mandatory "stay-at-home" orders for all non-essential activities." This list goes on and on.

With the economic engine switched to off, policy makers were forced to respond. On Sunday, March 15th, the Fed pulled out all the stops, slicing the fed funds rate by a full percentage point to a range of 0%-0.25%. The Fed also implemented massive quantitative easing, expanded repo operations, lowered the interest rate on excess reserves, and established a lending facility to support money market funds and the commercial paper market. There was more to come. By the third week of March, first time claims for unemployment benefits would skyrocket with nearly 3.3 million Americans filing for benefits. This would spur Congress to pass the Coronavirus Aid, Relief, and Economic Security Act, or "CARES Act", a massive \$2 trillion relief package intended to cushion the blow for both employees and employers, as well as provide support for the many companies buckling under the strain of the sudden stoppage of business. Central banks and governments around the world would join the U.S. in cutting interest rates and passing relief measures.

We won't bother recapping March's slate of economic data. Suffice it to say, in the weeks and months ahead we will bear witness to an abrupt economic downturn unlike anything we have ever seen. While the data will be terrible, the impact on lives and livelihoods will be worse. The major U.S. stock indexes suffered declines of more than 30% from the record highs reached in mid-February, clawing back three years of gains. A post-CARES Act rally in the final week of the month would briefly stem the slide. U.S. Treasury yields plummeted during March with the two-year note closing the month at 0.25% and the 10-year at 0.67%. At one point in late March, much of the curve inside of a year was trading at negative yields. It appears a deep (hopefully short-lived) recession is imminent. A zero rate environment is the new norm for the foreseeable future.

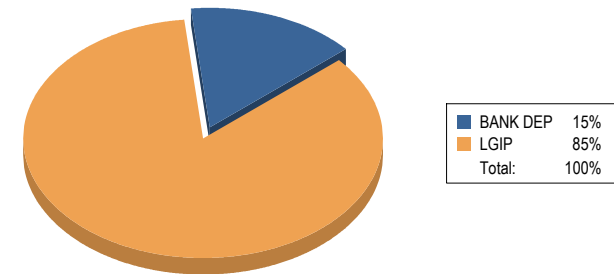
Account Summary

Allocation by Security Type

Beginning Values as of 12/31/19

Ending Values as of 03/31/20

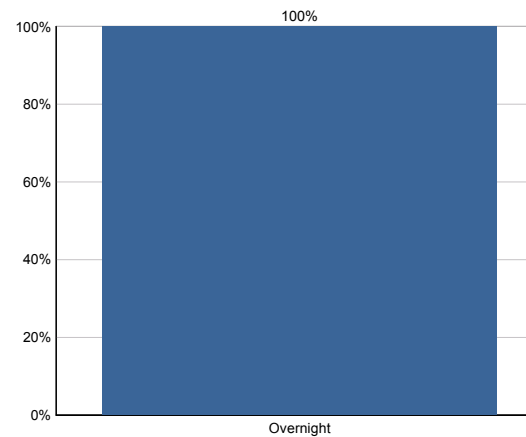
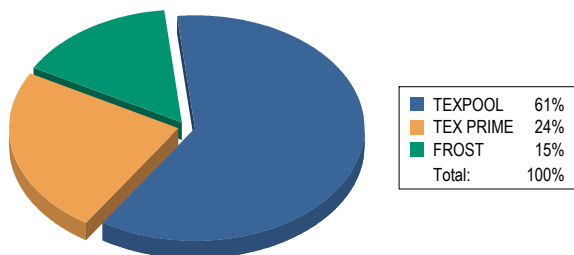
Par Value	12,721,135.97	12,773,589.50
Market Value	12,721,135.97	12,773,589.50
Book Value	12,721,135.97	12,773,589.50
Unrealized Gain/(Loss)	0.00	0.00
Market Value %	100.00%	100.00%
Weighted Avg. YTW	1.428%	0.929%
Weighted Avg. YTM	1.428%	0.929%



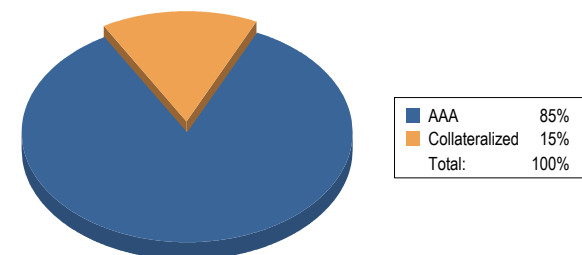
Allocation by Issuer

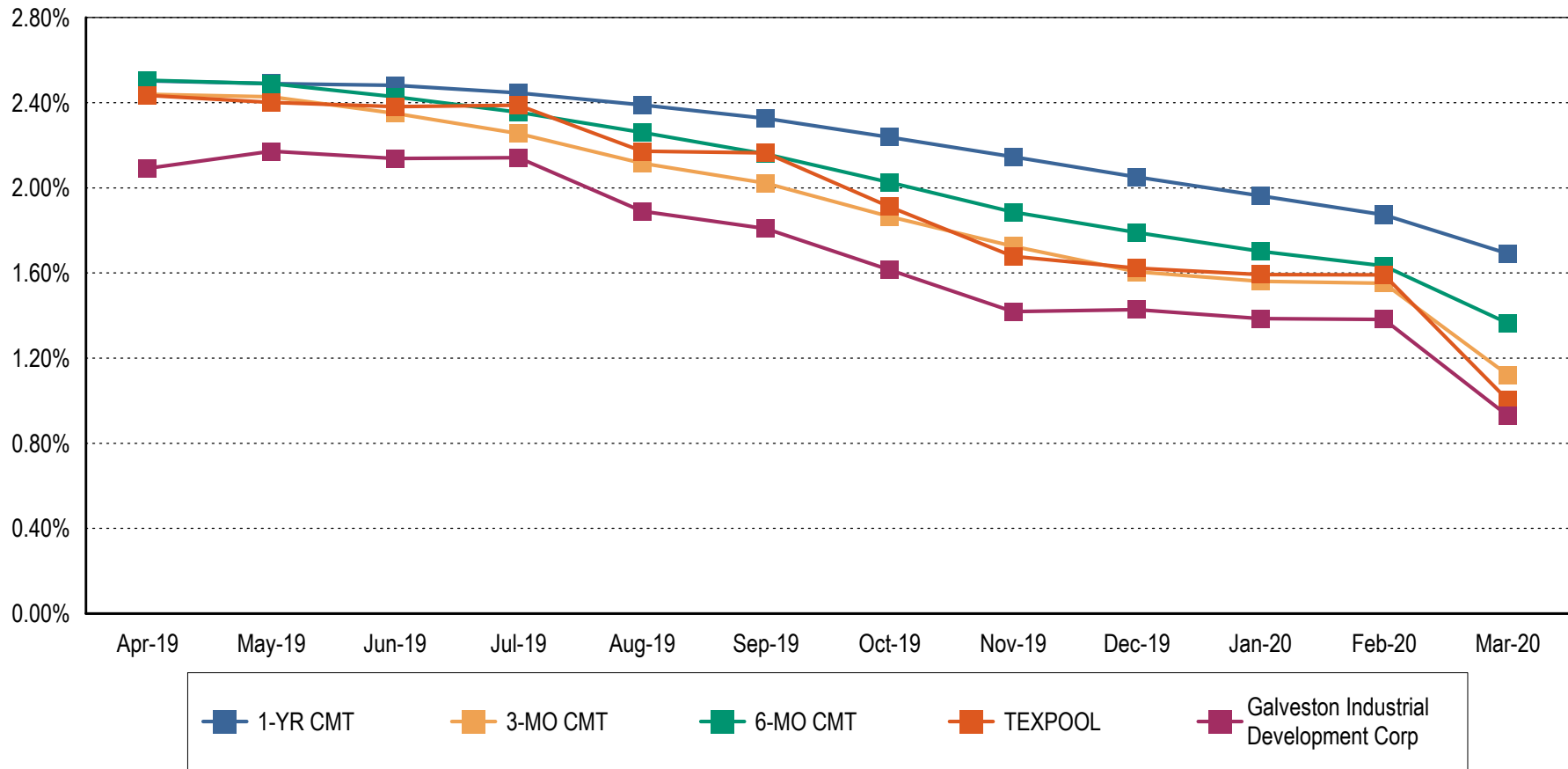
Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 1





Note 1: CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12-months.

Note 2: Benchmark data for TexPool is the monthly average yield.



Galveston Industrial Development Corp
Detail of Security Holdings
 As of 03/31/2020

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
Galveston Industrial Development Corp																	
FROSTGIDC		BANK DEP	Frost Bk					1,965,693.93	100.000	1,965,693.93	1,965,693.93	100.000	1,965,693.93	1		0.010	0.010
TEXPOOL		LGIP	TexPool					7,781,238.59	100.000	7,781,238.59	7,781,238.59	100.000	7,781,238.59	1		1.003	1.003
TEXPRIME		LGIP	TexPool Prime					3,026,656.98	100.000	3,026,656.98	3,026,656.98	100.000	3,026,656.98	1		1.335	1.335
Total for Galveston Industrial Development Corp								12,773,589.50	100.000	12,773,589.50	12,773,589.50	100.000	12,773,589.50	1		0.929	0.929
Total for Galveston Industrial Development Corp								12,773,589.50	100.000	12,773,589.50	12,773,589.50	100.000	12,773,589.50	1		0.929	0.929

CUSIP	Security Type	Security Description	12/31/19 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	03/31/20 Book Value	12/31/19 Market Value	03/31/20 Market Value	Change in Mkt Value
Galveston Industrial Development Corp											
FROSTGDC	BANK DEP	Frost Bk	1,952,436.04	147,719.31	(134,461.42)	0.00	0.00	1,965,693.93	1,952,436.04	1,965,693.93	13,257.89
TEXPOOL	LGIP	TexPool	7,754,311.79	26,926.80	0.00	0.00	0.00	7,781,238.59	7,754,311.79	7,781,238.59	26,926.80
TEXPRIME	LGIP	TexPool Prime	3,014,388.14	12,268.84	0.00	0.00	0.00	3,026,656.98	3,014,388.14	3,026,656.98	12,268.84
Total for Galveston Industrial Development Corp			12,721,135.97	186,914.95	(134,461.42)	0.00	0.00	12,773,589.50	12,721,135.97	12,773,589.50	52,453.53
Total for Galveston Industrial Development Corp			12,721,135.97	186,914.95	(134,461.42)	0.00	0.00	12,773,589.50	12,721,135.97	12,773,589.50	52,453.53

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
Galveston Industrial Development Corp									
FROSTGDC	BANK DEP	Frost Bk	0.00	68.07	68.07	0.00	0.00	0.00	68.07
TEXPOOL	LGIP	TexPool	0.00	26,926.80	26,926.80	0.00	0.00	0.00	26,926.80
TEXPRIME	LGIP	TexPool Prime	0.00	12,268.84	12,268.84	0.00	0.00	0.00	12,268.84
Total for Galveston Industrial Development Corp			0.00	39,263.71	39,263.71	0.00	0.00	0.00	39,263.71
Total for Galveston Industrial Development Corp			0.00	39,263.71	39,263.71	0.00	0.00	0.00	39,263.71