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September 21, 2018

Ms. Sandy Paulos
Assistant Director of Finance
City of New Braunfels
550 Landa St.
New Braunfels, TX 78130

Dear Sandy:

As requested, First Southwest Asset Management, Inc. has performed a review of the City of New Braunfels ("the City")'s written investment policy to determine compliance with the Texas Public Funds Investment Act ("the Act"), Texas Government Code, Chapter 2256. Our review was limited in scope, with the primary purpose being to evaluate whether City policy conforms to guidelines of the Act. We did not seek to ensure that all City funds and procedures are addressed in the policy, nor have we reviewed compliance with the policy or internal controls of the City. Based upon our review, we have reached the following conclusion:

The Texas Legislature did not meet in 2018. All previously written requirements of the Act are included within the current policy. As a result, we do not recommend any changes to the City's investment policy this year.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott McIntyre".

Scott McIntyre, CFA
Senior Portfolio Manager

Cc: Mr. Jared Werner, City of New Braunfels