Opening for business in 1976 in a temporary modular structure as a de novo charter with capitalization of $800,000, the bank has grown into an organization of eleven branches and maintains in excess of $75 million in capital.

Growing from a single entity commercial bank we now house a Trust Department that manages over $1 billion in assets, a full Mortgage Department providing a full array of real estate products, a Leasing Company, and a Title Company providing title services supported by sovereign plants in Wichita, Archer, and Clay Counties. With three branches in Wichita Falls, and full service branches in Flower Mound, Chillicothe, Quanah, Iowa Park, Archer City, Denton, and Fort Worth, our footprint has become quite expansive.

Thank you for considering our service,

Dwight Berry
President & CEO
WHO WE ARE

Local, independent bank holding company

Over $740 million in Bank assets

Over $1.04 billion in Trust assets

205 Employees Across 11 Locations
In our internship program, we typically bring a graduating senior on as an intern, who is interested in commercial banking and wealth management.
INVESTMENT PROCESS

Portfolio Management Process

Summary:
• Disciplined investment process for identifying and investing in positions
• Technical & Fundamental analysis applied for sell decisions
• Close monitoring of asset allocation

• Relatively concentrated equity portfolio (between 50-60 positions)
• Focus on individual issues; Value-added ETF’s & Funds for special market situations

• Benchmark weights are considered; however, certain sectors will fluctuate between overweight and underweight due to market conditions

• Total Return Focus
  • Capital Appreciation
  • Dividend Income
  • Bond Interest
Investment Objective:
Growth with Income

Target Allocation:
65% of funds invested in Equities

32% of funds invested in Fixed Income Securities

3% of funds held in Cash Equivalents

 Targets are bound within a range of 10% of each allocation
Impact of Rising Interest Rates

Interest Rate Shock: *The Impact of an Increase in Interest Rates by 0.25%*

Market Value as of 3/31/2019: $3,228,216

Market Value Change: -1.11%

Approx. Market Value: $3,192,200
## PORTFOLIO ANALYSIS

### Equity Holdings
Attributes as of March 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>MSU</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price/Cash Flow (P/CF)</td>
<td>12.3</td>
<td>12.7</td>
</tr>
<tr>
<td>Price/Earnings (P/E)</td>
<td>18.1x</td>
<td>18.6x</td>
</tr>
<tr>
<td>Price/Book (P/B)</td>
<td>2.68</td>
<td>3.32</td>
</tr>
<tr>
<td>Return on Assets (ROA)</td>
<td>3.9%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Return on Equity (ROE)</td>
<td>14.8%</td>
<td>16.1%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>MSU</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Yield (%)</td>
<td>1.9%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Average Market Cap($bil)</td>
<td>$237</td>
<td>$233</td>
</tr>
<tr>
<td>Sharpe Ratio</td>
<td>0.79</td>
<td>1.08</td>
</tr>
<tr>
<td>Beta</td>
<td>1.04</td>
<td>1.00</td>
</tr>
<tr>
<td>Std. Deviation(Annualized)</td>
<td>7.6%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>
## PORTFOLIO PERFORMANCE

<table>
<thead>
<tr>
<th>Fund</th>
<th>Last Month</th>
<th>Fiscal YTD</th>
<th>Last 12 Months</th>
<th>Report Period*</th>
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</thead>
<tbody>
<tr>
<td>MSU Endowment Fund</td>
<td>1.5%</td>
<td>8.6%</td>
<td>4.7%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Class Blended Benchmark</td>
<td>1.5%</td>
<td>8.9%</td>
<td>6.5%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Data as of 03/31/19

### Portfolio & Class Blended Benchmark Cumulative and Annual Return

- MSU Endowment Funds I/M Agency (Gross of Fees) Annual Return
- Class Blended Benchmark Annual Return
- MSU Endowment Funds I/M Agency (Gross of Fees) Cumulative Return
- Class Blended Benchmark Cumulative Return

* Annualized Return

Data as of 03/31/19
Summary

• Continue emphasis for limiting downside exposure

• Monitor interest income to offset current low rate environment

• Maintain growth of capital as primary emphasis

• Focus on yield in fixed income holdings

• Maintain emphasis on high quality assets

• Sustain vigilance on the portfolio