



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 30, 2022

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City of Pflugerville is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

James Hartshorn
Deputy City Manager

M Moore
Finance Director

Disclaimer: These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields, and do not account for investment advisor fees.

Strategy Summary

Quarter End Results by Investment Category:

| Asset Type | March 31, 2022 | | | June 30, 2022 | | |
|--|----------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Ave. Yield | Book Value | Market Value | Ave. Yield | Book Value | Market Value |
| Demand Accounts | 0.20% | \$ 41,075,065 | \$ 41,075,065 | 0.66% | \$ 50,503,190 | \$ 50,503,190 |
| Money Markets/Local Gov't Investment Pools | 0.13% | 159,022,521 | 159,022,521 | 1.00% | 127,289,594 | 127,289,594 |
| CDs/Securities | 0.00% | – | – | 2.63% | 14,855,221.52 | 14,858,569.56 |
| Totals | 0.14% | \$ 200,097,586 | \$ 200,097,586 | 1.03% | \$ 192,648,005 | \$ 192,651,353 |

| <u>Current Quarter Average Yield (1)</u> | |
|--|-------|
| Total Portfolio | 1.03% |
| Rolling Three Month Treasury | 1.13% |
| Rolling Six Month Treasury | 1.15% |
| TexPool | 1.00% |

| <u>Fiscal Year-to-Date Average Yield (2)</u> | |
|--|-------|
| Total Portfolio | 0.41% |
| Rolling Three Month Treasury | 0.50% |
| Rolling Six Month Treasury | 0.53% |
| TexPool | 0.40% |

| <u>Interest Revenue (Approximate)</u> | |
|---------------------------------------|------------|
| Quarterly Interest Income | \$ 302,840 |
| Year-to-date Interest Income | \$ 395,965 |

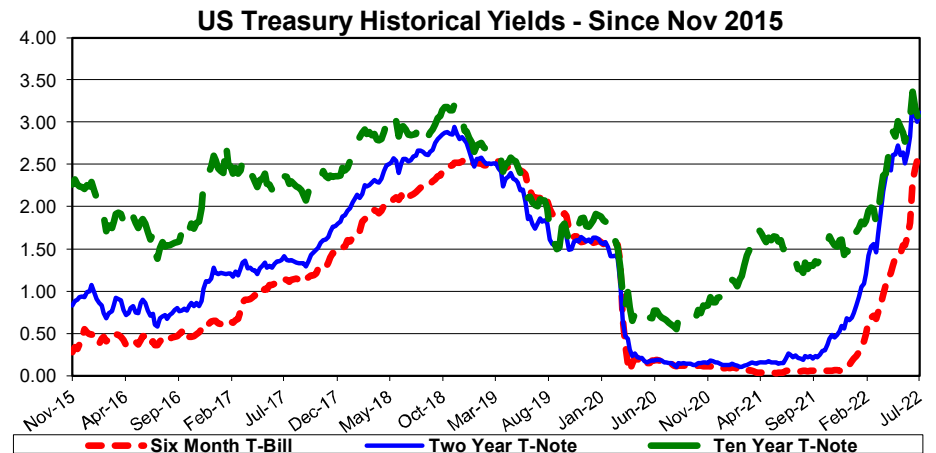
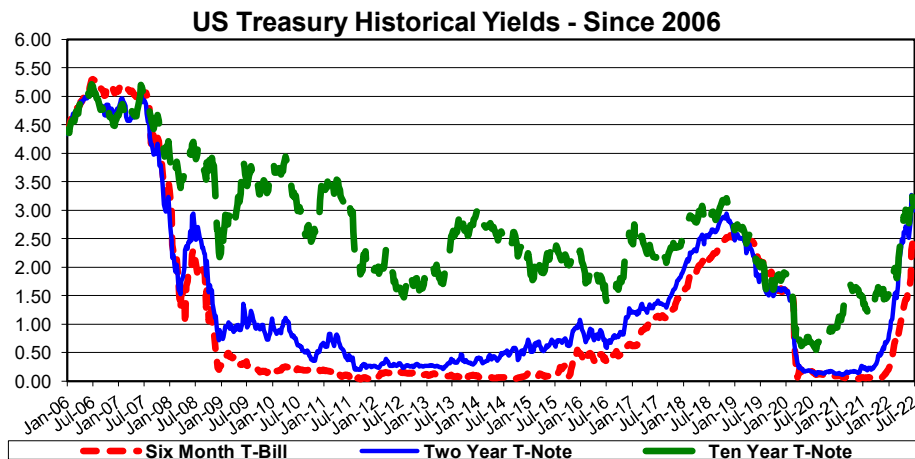
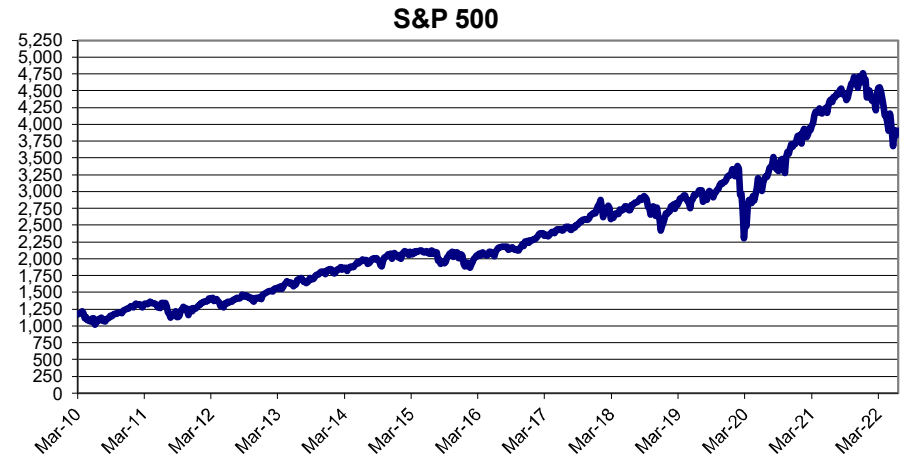
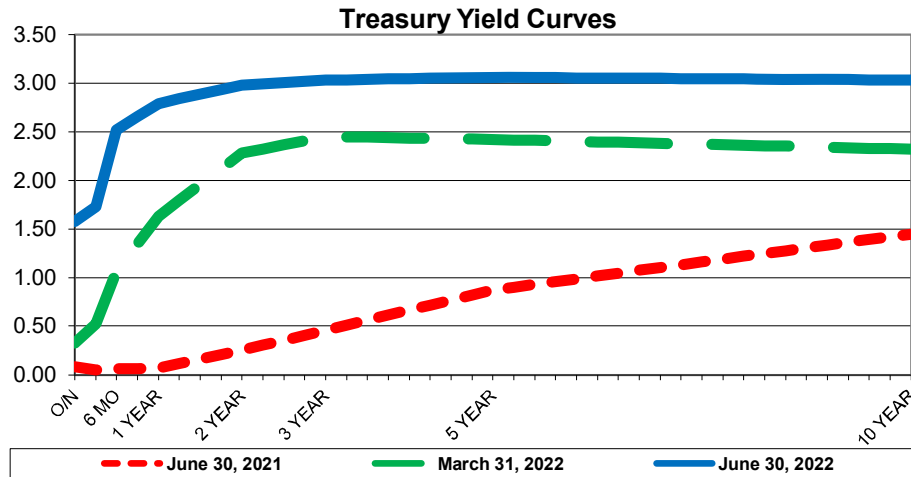
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yields** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

6/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 1.50% - 1.75% June 15th (Effective Fed Funds are trading +/-1.60%). The FOMC begin actively reducing their balance sheet June 1. An additional 0.75% increase is anticipated July 27. First Quarter GDP (final) was -1.6%. June Non-Farm Payroll added 372k net new jobs while the Three Month Average NFP declined to 375k. Crude oil settled in at +/- \$105 per barrel. The Stock Markets continued sliding lower, but may be stabilizing. More domestic and international economic indicators softened, including housing data. A recession in the next 12 to 18 months is being openly discussed. Inflation remained well over the FOMC 2% target (Core PCE +/-4.7% and CPI exceeding 8%).

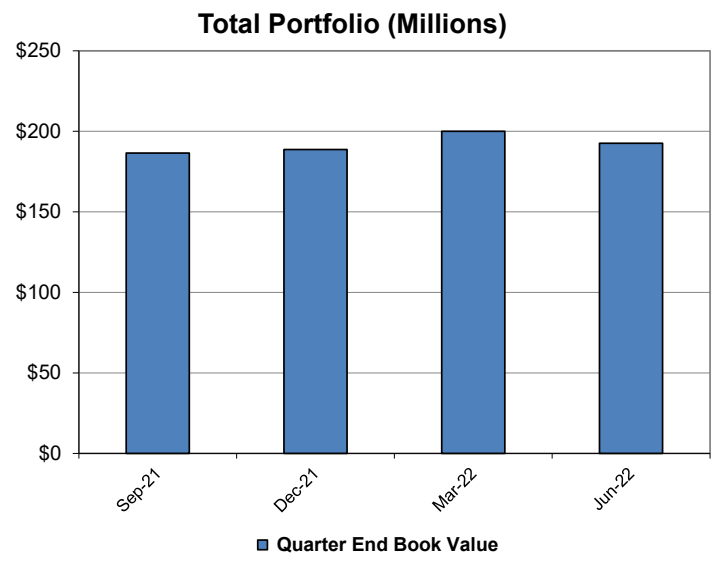
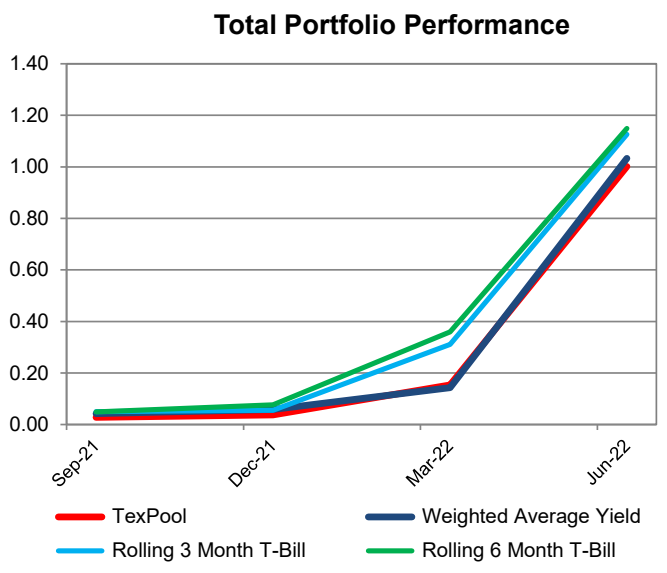
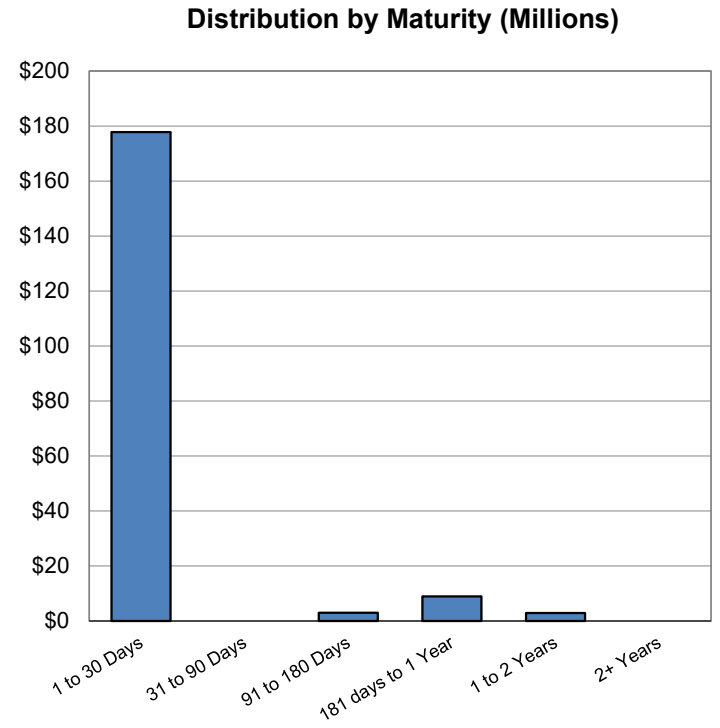
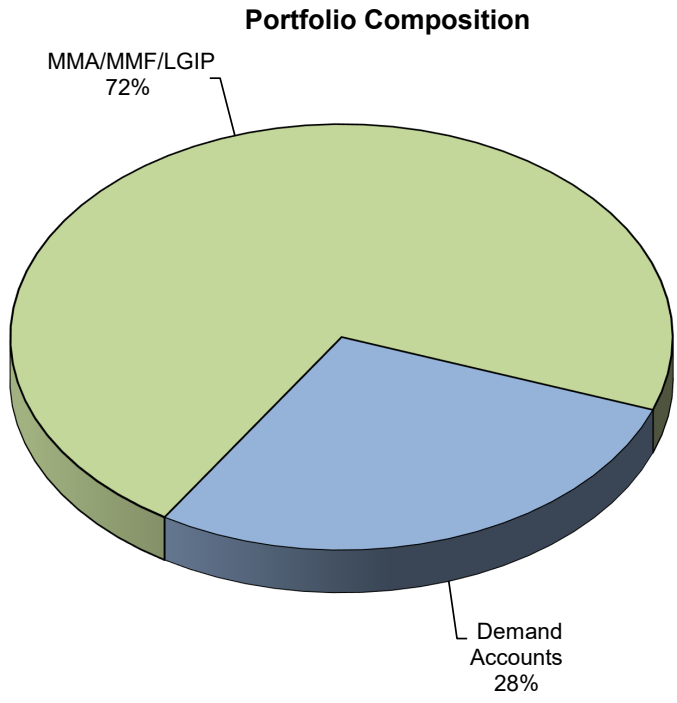


Investment Holdings
June 30, 2022

| Description | Ratings | Coupon/ Discount | Maturity Date | Settlement Date | Par Value | Book Value | Market Price | Market Value | Life (days) | Yield |
|------------------------------------|---------|---------------------|------------------|--------------------|----------------------|----------------------|-----------------|-----------------------|----------------|--------------|
| First Texas Bank | | 0.00% | 07/01/22 | 06/30/22 | \$ 341,001 | \$ 341,001 | 1.00 | \$ 341,001 | 1 | 0.00% |
| Prosperity Bank MMA | | 0.25% | 07/01/22 | 06/30/22 | 10,007,879 | 10,007,879 | 1.00 | 10,007,879 | 1 | 0.25% |
| R Bank MMA | | 0.65% | 07/01/22 | 06/30/22 | 2,002,138 | 2,002,138 | 1.00 | 2,002,138 | 1 | 0.65% |
| NexBank MMA | | 1.60% | 07/01/22 | 06/30/22 | 15,016,036 | 15,016,036 | 1.00 | 15,016,036 | 1 | 1.60% |
| Wells Fargo Bank | AAAm | 0.23% | 07/01/22 | 06/30/22 | 23,136,136 | 23,136,136 | 1.00 | 23,136,136 | 1 | 0.23% |
| TexPool LGIP | AAAm | 1.00% | 07/01/22 | 06/30/22 | 137 | 137 | 1.00 | 137 | 1 | 1.00% |
| Lone Star Investment Pool Corp O/N | AAAm | 0.98% | 07/01/22 | 06/30/22 | 94,899,782 | 94,899,782 | 1.00 | 94,899,782 | 1 | 0.98% |
| TexasCLASS (Gov't) | AAAm | 0.87% | 07/01/22 | 06/30/22 | 5,641,624 | 5,641,624 | 1.00 | 5,641,624 | 1 | 0.87% |
| TexasCLASS | AAAm | 1.16% | 07/01/22 | 06/30/22 | 19,320,791 | 19,320,791 | 1.00 | 19,320,791 | 1 | 1.16% |
| Morgan Stanley Inst. Gov't MMF | AAAm | 0.88% | 07/01/22 | 06/30/22 | 7,427,260 | 7,427,260 | 1.00 | 7,427,260 | 1 | 0.88% |
| East West Bank CD | | 2.13% | 12/22/22 | 06/22/22 | 3,001,576 | 3,001,576 | 100.00 | 3,001,576 | 175 | 2.13% |
| East West Bank CD | | 2.43% | 03/22/23 | 06/22/22 | 3,001,798 | 3,001,798 | 100.00 | 3,001,798 | 265 | 2.43% |
| US Treasury | AAA/AA+ | 0.13% | 04/30/23 | 06/30/22 | 2,933,203 | 2,933,203 | 99.98 | 2,932,617 | 304 | 2.85% |
| East West Bank CD | | 2.73% | 06/22/23 | 06/22/22 | 3,002,020 | 3,002,020 | 100.00 | 3,002,020 | 357 | 2.73% |
| FNMA | AAA/AA+ | 0.25% | 07/10/23 | 06/30/22 | 2,916,624 | 2,916,624 | 100.13 | 2,920,558 | 375 | 3.02% |
| | | | | | \$192,648,005 | \$192,648,005 | | \$ 192,651,353 | 24 | 1.03% |
| | | | | | | | | | (1) | (2) |

(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools and money market funds.



Book & Market Value Comparison

| Issuer/Description | Yield | Maturity Date | Book Value 03/31/22 | Increases | Decreases | Book Value 06/30/22 | Market Value 03/31/22 | Change in Market Value | Market Value 06/30/22 |
|------------------------------------|--------------|---------------|-----------------------|----------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|
| First Texas Bank | 0.00% | 07/01/22 | \$ 1,660,393 | \$ - | \$ (1,319,392) | \$ 341,001 | \$ 1,660,393 | \$ (1,319,392) | \$ 341,001 |
| Prosperity Bank MMA | 0.25% | 07/01/22 | 10,003,288 | 4,591 | - | 10,007,879 | 10,003,288 | 4,591 | 10,007,879 |
| R Bank MMA | 0.65% | 07/01/22 | 2,000,877 | 1,261 | - | 2,002,138 | 2,000,877 | 1,261 | 2,002,138 |
| NexBank MMA | 1.60% | 07/01/22 | 5,004,426 | 10,011,609 | - | 15,016,036 | 5,004,426 | 10,011,609 | 15,016,036 |
| Wells Fargo Bank | 0.23% | 07/01/22 | 22,406,080 | 730,055 | - | 23,136,136 | 22,406,080 | 730,055 | 23,136,136 |
| TexPool LGIP | 1.00% | 07/01/22 | 31,010,966 | - | (31,010,829) | 137 | 31,010,966 | (31,010,829) | 137 |
| Lone Star Investment Pool Corp O/N | 0.98% | 07/01/22 | 104,654,755 | - | (9,754,973) | 94,899,782 | 104,654,755 | (9,754,973) | 94,899,782 |
| TexasCLASS (Gov't) | 0.87% | 07/01/22 | 774,970 | 4,866,653 | - | 5,641,624 | 774,970 | 4,866,653 | 5,641,624 |
| TexasCLASS | 1.16% | 07/01/22 | 14,952,640 | 4,368,151 | - | 19,320,791 | 14,952,640 | 4,368,151 | 19,320,791 |
| Morgan Stanley Inst. Gov't MMF | 0.88% | 07/01/22 | 7,629,190 | - | (201,930) | 7,427,260 | 7,629,190 | (201,930) | 7,427,260 |
| East West Bank CD | 2.13% | 12/22/22 | - | 3,001,576 | - | 3,001,576 | - | 3,001,576 | 3,001,576 |
| East West Bank CD | 2.43% | 03/22/23 | - | 3,001,798 | - | 3,001,798 | - | 3,001,798 | 3,001,798 |
| US Treasury | 2.85% | 04/30/23 | - | 2,933,203 | - | 2,933,203 | - | 2,932,617 | 2,932,617 |
| East West Bank CD | 2.73% | 06/22/23 | - | 3,002,020 | - | 3,002,020 | - | 3,002,020 | 3,002,020 |
| FNMA | 3.02% | 07/10/23 | - | 2,916,624 | - | 2,916,624 | - | 2,920,558 | 2,920,558 |
| TOTAL / AVERAGE | 1.03% | | \$ 200,097,586 | \$ 34,837,543 | \$ (42,287,124) | \$ 192,648,005 | \$ 200,097,586 | \$ (7,446,233) | \$ 192,651,353 |

**Allocation
June 30, 2022
Book & Market Value**

| | Total | General Fund | Capital Projects | Debt Service | Special Revenue | Utility Fund |
|---|-----------------------|----------------------|-----------------------------|---------------------|----------------------------|----------------------|
| First Texas Bank | \$ 341,001 | \$ 341,001 | \$ - | \$ - | \$ - | \$ - |
| Prosperity Bank MMA | 10,007,879 | \$ 10,007,879 | - | - | - | - |
| R Bank MMA | 2,002,138 | \$ 2,002,138 | - | - | - | - |
| NexBank MMA | 15,016,036 | \$ 5,015,159 | 5,000,438 | - | - | 5,000,438 |
| Wells Fargo Bank | 23,136,136 | 16,704,960 | - | - | 112,620 | 6,318,555 |
| TexPool LGIP | 137 | 137 | - | - | - | - |
| Lone Star Investment Pool Corp O/N | 94,899,782 | 10,670,235 | 72,999,398 | 2,221,243 | 150,896 | 8,858,011 |
| TexasCLASS (Gov't) | 5,641,624 | - | - | 5,641,624 | - | - |
| TexasCLASS | 19,320,791 | - | - | - | 2,755,797 | 16,564,994 |
| Morgan Stanley Inst. Gov't MMF | 7,427,260 | - | - | - | - | 7,427,260 |
| East West Bank CD | 3,001,576 | 3,001,576 | - | - | - | - |
| East West Bank CD | 3,001,798 | 3,001,798 | - | - | - | - |
| US Treasury | 2,933,203 | 2,933,203 | - | - | - | - |
| East West Bank CD | 3,002,020 | 3,002,020 | - | - | - | - |
| FNMA | 2,916,624 | 2,916,624 | - | - | - | - |
| Total | \$ 192,648,005 | \$ 59,596,731 | \$ 77,999,836 | \$ 7,862,867 | \$ 3,019,312 | \$ 44,169,259 |

**Allocation
March 31, 2022
Book & Market Value**

| | Total | General Fund | Capital Projects | Debt Service | Special Revenue | Utility Fund |
|---|-----------------------|----------------------|-----------------------------|---------------------|----------------------------|----------------------|
| First Texas Bank | \$ 1,660,393 | \$ 451,969 | \$ – | \$ – | \$ – | \$ 1,208,424 |
| Prosperity Bank MMA | 10,003,288 | \$ 10,003,288 | – | – | – | – |
| R Bank MMA | 2,000,877 | \$ 2,000,877 | – | – | – | – |
| NexBank MMA | 5,004,426 | \$ 5,004,426 | – | – | – | – |
| Wells Fargo Bank | 22,406,080 | 10,647,055 | – | – | 89,619 | 11,669,406 |
| TexPool LGIP | 31,010,966 | 15,977,640 | – | 4,862,995 | – | 10,170,331 |
| Lone Star Investment Pool Corp O/N | 104,654,755 | 10,648,764 | 82,798,438 | 2,216,773 | 150,592 | 8,840,187 |
| TexasCLASS (Gov't) | 774,970 | – | – | 774,970 | – | – |
| TexasCLASS | 14,952,640 | – | – | – | 2,750,209 | 12,202,431 |
| Morgan Stanley Inst. Gov't MMF | 7,629,190 | – | – | – | – | 7,629,190 |
| Total | \$ 200,097,586 | \$ 54,734,019 | \$ 82,798,438 | \$ 7,854,738 | \$ 2,990,420 | \$ 51,719,971 |