



## QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 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*

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Deputy City Manager

*M Moore*

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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	December 31, 2021			March 31, 2022		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.09%	\$ 6,273,926	\$ 6,273,926	0.20%	\$ 41,075,065	\$ 41,075,065
Money Markets/Local Gov't Investment Pools	0.06%	182,474,627	182,474,627	0.13%	159,022,521	159,022,521
<b>Totals</b>	<b>0.06%</b>	<b>\$ 188,748,553</b>	<b>\$ 188,748,553</b>	<b>0.14%</b>	<b>\$ 200,097,586</b>	<b>\$ 200,097,586</b>

<u>Current Quarter Average Yield (1)</u>	
Total Portfolio	0.14%
Rolling Three Month Treasury	0.31%
Rolling Six Month Treasury	0.36%
TexPool	0.15%

<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.10%
Rolling Three Month Treasury	0.18%
Rolling Six Month Treasury	0.22%
TexPool	0.10%

<u>Interest Revenue (Approximate)</u>	
Quarterly Interest Income	\$ 68,018
Year-to-date Interest Income	\$ 93,125

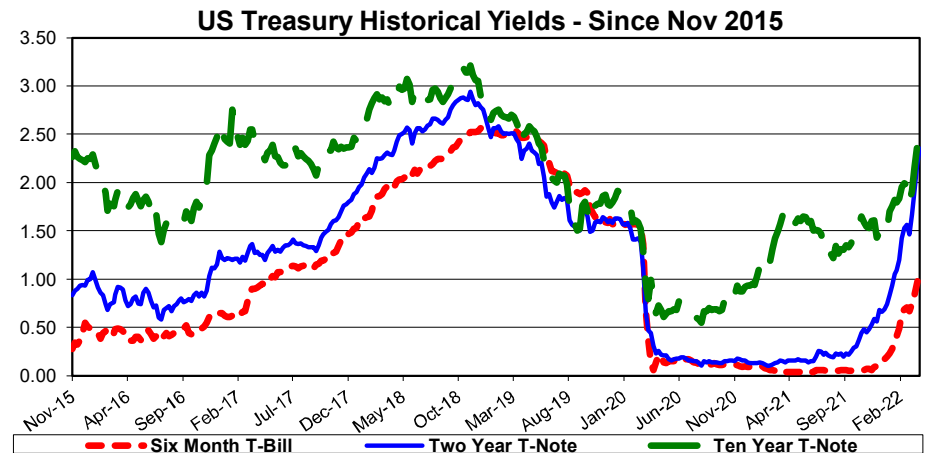
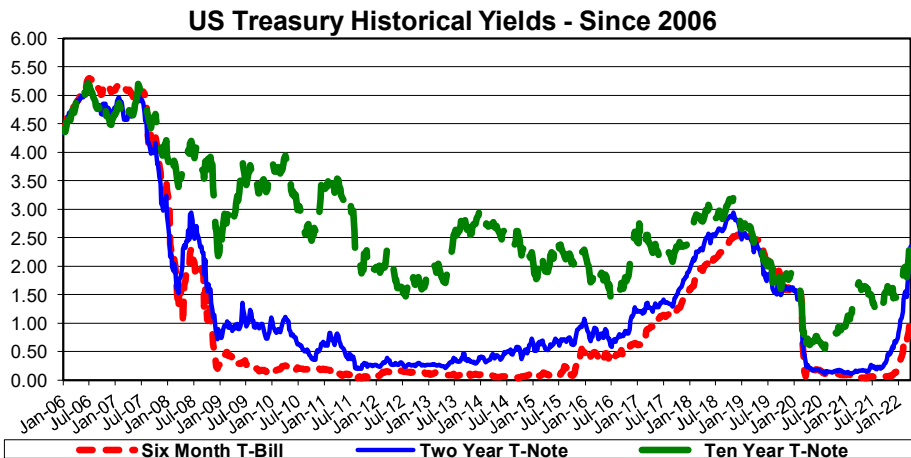
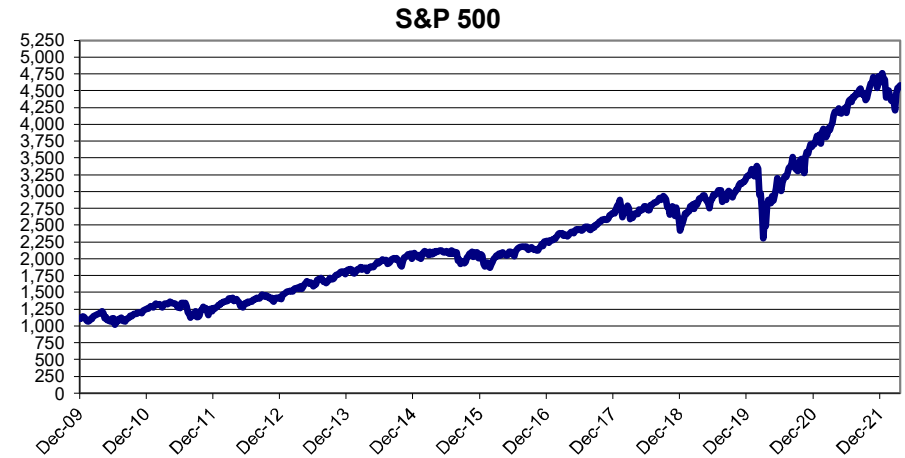
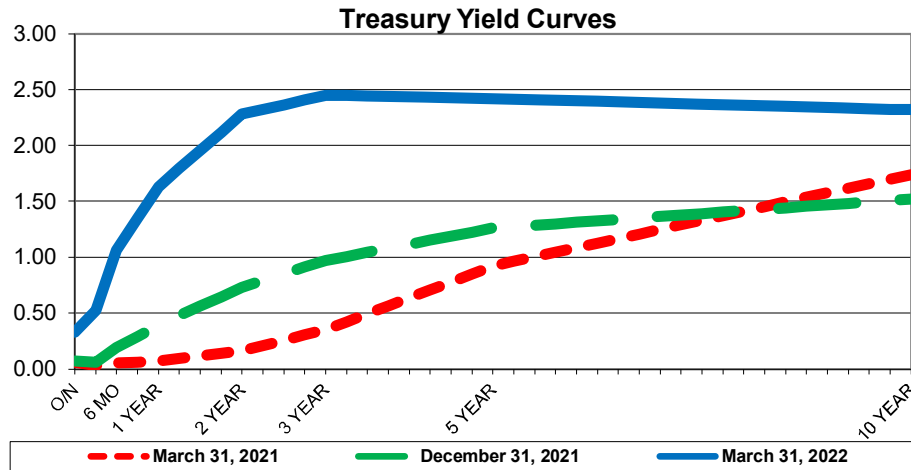
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

3/31/2022

The Federal Open Market Committee (FOMC) **raised** the Fed Funds target range to 0.25% to 0.50% (Effective Fed Funds are trading +/-0.30%). The FOMC ended monthly security purchases and may begin reducing their balance sheet. The market projection 4 to 6 more increases this calendar year. Final Fourth Quarter GDP recorded +6.9%. March Non-Farm Payroll missed estimates adding 431k net new jobs. Decreasing the Three Month Average NFP to 562k. Crude oil declined to +/- \$100 per barrel. The Stock Markets have recovered from the "correction" and slowly regained some lost ground. Some domestic economic indicators, including housing, softened. Inflation remained well over the FOMC 2% target (Core PCE +/-5.4%). The FOMC Fed Funds target projections pushed the yield curve to a Three Year Maturity peak.



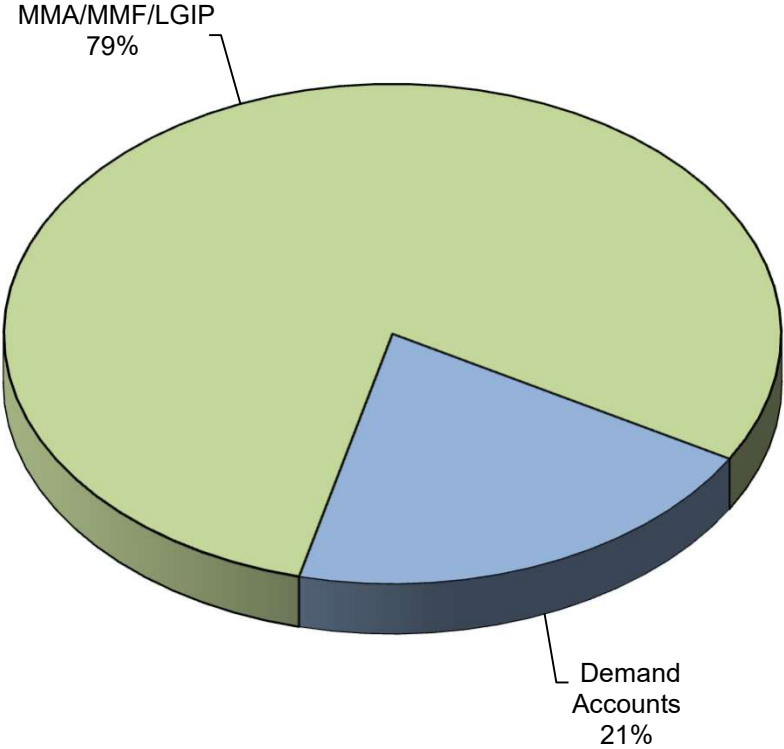
**Investment Holdings**  
**March 31, 2022**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
First Texas Bank		0.00%	04/01/22	03/31/22	\$ 1,660,393	\$ 1,660,393	1.00	\$ 1,660,393	1	0.00%
Prosperity Bank MMA		0.15%	04/01/22	03/31/22	10,003,288	10,003,288	1.00	10,003,288	1	0.15%
R Bank MMA		0.25%	04/01/22	03/31/22	2,000,877	2,000,877	1.00	2,000,877	1	0.25%
NexBank MMA		0.55%	04/01/22	03/31/22	5,004,426	5,004,426	1.00	5,004,426	1	0.55%
Wells Fargo Bank	AAAm	0.16%	04/01/22	03/31/22	22,406,080	22,406,080	1.00	22,406,080	1	0.16%
TexPool LGIP	AAAm	0.15%	04/01/22	03/31/22	31,010,966	31,010,966	1.00	31,010,966	1	0.15%
Lone Star Investment Pool Corp O/N	AAAm	0.11%	04/01/22	03/31/22	104,654,755	104,654,755	1.00	104,654,755	1	0.11%
TexasCLASS (Gov't)	AAAm	0.11%	04/01/22	03/31/22	774,970	774,970	1.00	774,970	1	0.11%
TexasCLASS	AAAm	0.25%	04/01/22	03/31/22	14,952,640	14,952,640	1.00	14,952,640	1	0.25%
Morgan Stanley Inst. Gov't MMF	AAAm	0.03%	04/01/22	03/31/22	7,629,190	7,629,190	1.00	7,629,190	1	0.03%
					<b>\$200,097,586</b>	<b>\$200,097,586</b>		<b>\$ 200,097,586</b>	<b>1</b>	<b>0.14%</b>
									(1)	(2)

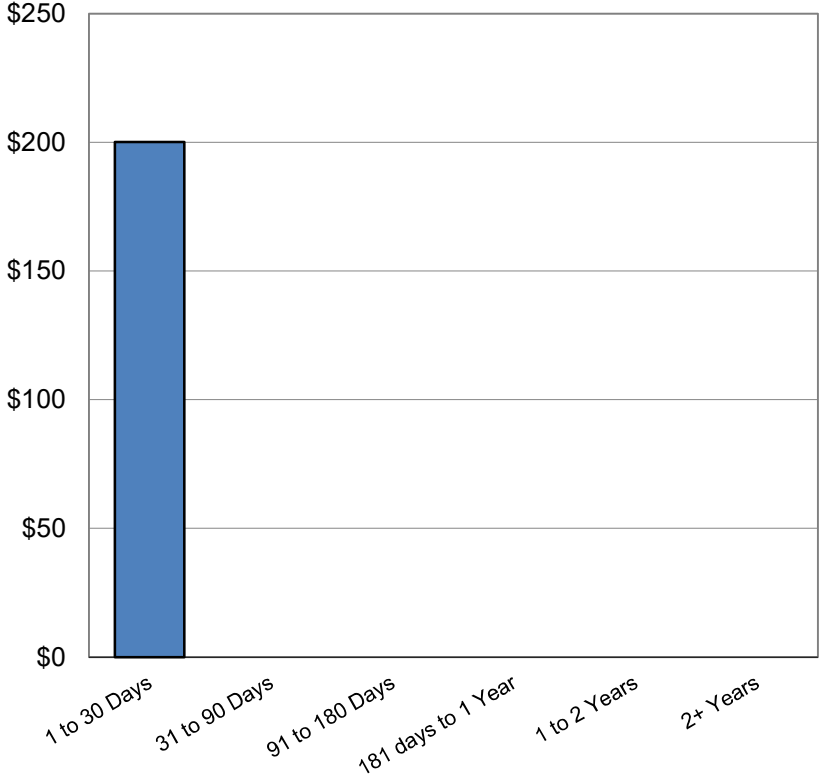
(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

(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.

**Portfolio Composition**



**Distribution by Maturity (Millions)**



## Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/21	Increases	Decreases	Book Value 03/31/22	Market Value 12/31/21	Change in Market Value	Market Value 03/31/22
First Texas Bank	0.00%	04/01/22	\$ 2,756,859	\$ -	\$ (1,096,466)	\$ 1,660,393	\$ 2,756,859	\$ (1,096,466)	\$ 1,660,393
Prosperity Bank MMA	0.15%	04/01/22	-	10,003,288	-	10,003,288	-	10,003,288	10,003,288
R Bank MMA	0.25%	04/01/22	-	2,000,877	-	2,000,877	-	2,000,877	2,000,877
NexBank MMA	0.55%	04/01/22	-	5,004,426	-	5,004,426	-	5,004,426	5,004,426
Wells Fargo Bank	0.16%	04/01/22	3,517,067	18,889,013	-	22,406,080	3,517,067	18,889,013	22,406,080
TexPool LGIP	0.15%	04/01/22	59,613,212	-	(28,602,246)	31,010,966	59,613,212	(28,602,246)	31,010,966
Lone Star Investment Pool Corp O/N	0.11%	04/01/22	113,094,137	-	(8,439,382)	104,654,755	113,094,137	(8,439,382)	104,654,755
TexasCLASS (Gov't)	0.11%	04/01/22	-	774,970	-	774,970	-	774,970	774,970
TexasCLASS	0.25%	04/01/22	-	14,952,640	-	14,952,640	-	14,952,640	14,952,640
Morgan Stanley Inst. Gov't MMF	0.03%	04/01/22	9,767,278	-	(2,138,087)	7,629,190	9,767,278	(2,138,087)	7,629,190
<b>TOTAL / AVERAGE</b>	<b>0.14%</b>		<b>\$ 188,748,553</b>	<b>\$ 51,625,215</b>	<b>\$ (40,276,182)</b>	<b>\$ 200,097,586</b>	<b>\$ 188,748,553</b>	<b>\$ 11,349,033</b>	<b>\$ 200,097,586</b>

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

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

**Allocation  
December 31, 2021  
Book & Market Value**

	<b>Total</b>	<b>General Fund</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Special Revenue</b>	<b>Utility Fund</b>
<b>First Texas Bank</b>	\$ 2,756,859	\$ 2,662,036	\$ –	\$ –	\$ –	\$ 94,823
<b>Wells Fargo Bank</b>	3,517,067	3,208,609	–	–	95,574	212,885
<b>TexPool LGIP</b>	59,613,212	25,729,630	–	2,849,449	2,749,230	28,284,903
<b>Lone Star Investment Pool Corp O/N</b>	113,094,137	11,795,253	89,454,918	2,215,947	150,536	9,477,484
<b>Morgan Stanley Inst. Gov't MMF</b>	9,767,278	–	–	–	–	9,767,278
<b>Total</b>	<b>\$ 188,748,553</b>	<b>\$ 43,395,528</b>	<b>\$ 89,454,918</b>	<b>\$ 5,065,396</b>	<b>\$ 2,995,339</b>	<b>\$ 47,837,372</b>