



## QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2021

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	September 30, 2021			December 31, 2021		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.05%	\$ 4,232,165	\$ 4,232,165	0.09%	\$ 6,273,926	\$ 6,273,926
Money Markets/Local Gov't Investment Pools	0.04%	182,331,446	182,331,446	0.06%	182,474,627	182,474,627
<b>Totals</b>	<b>0.05%</b>	<b>\$ 186,563,611</b>	<b>\$ 186,563,611</b>	<b>0.06%</b>	<b>\$ 188,748,553</b>	<b>\$ 188,748,553</b>

<u>Current Quarter Average Yield (1)</u>	
Total Portfolio	0.06%
Rolling Three Month Treasury	0.06%
Rolling Six Month Treasury	0.08%
TexPool	0.04%

<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.06%
Rolling Three Month Treasury	0.06%
Rolling Six Month Treasury	0.08%
TexPool	0.04%

<u>Interest Revenue (Approximate)</u>	
Quarterly Interest Income	\$ 25,107
Year-to-date Interest Income	\$ 25,107

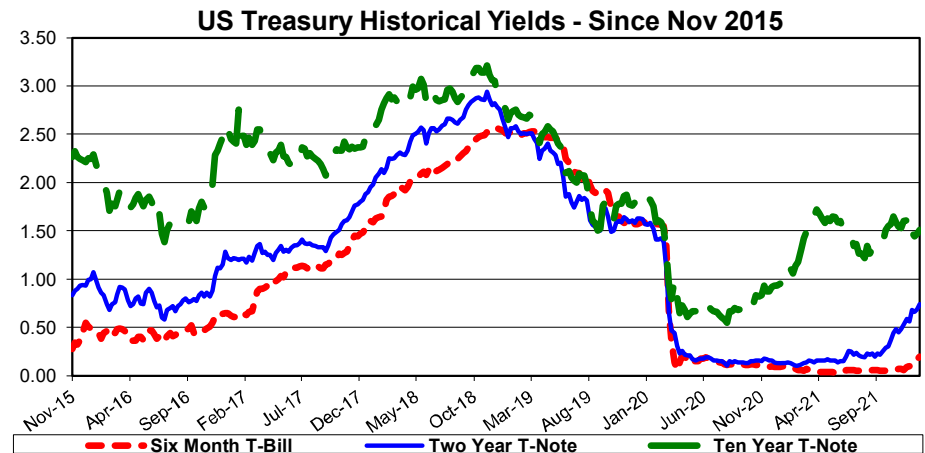
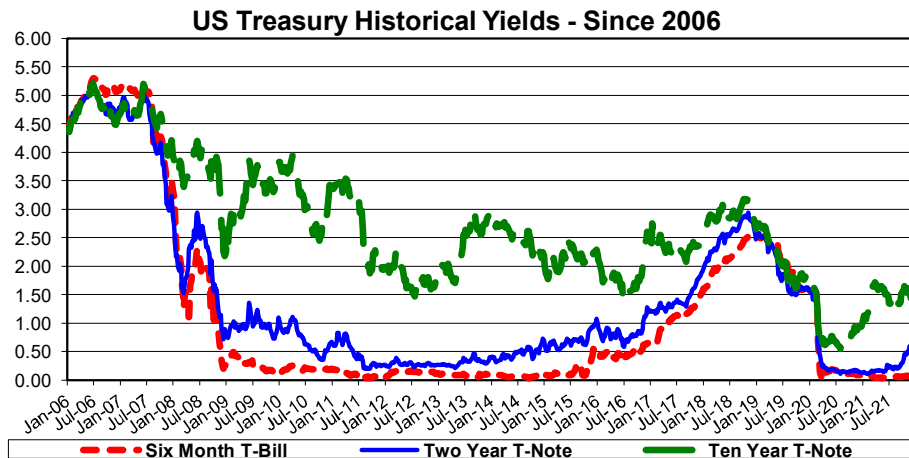
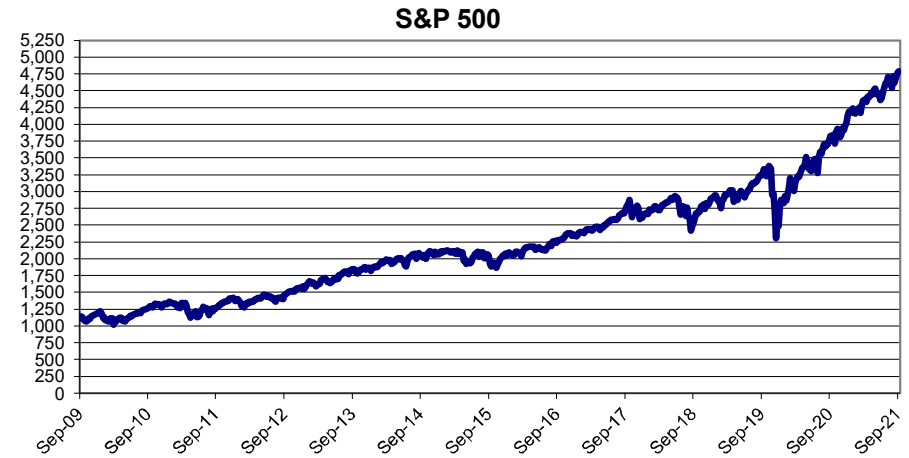
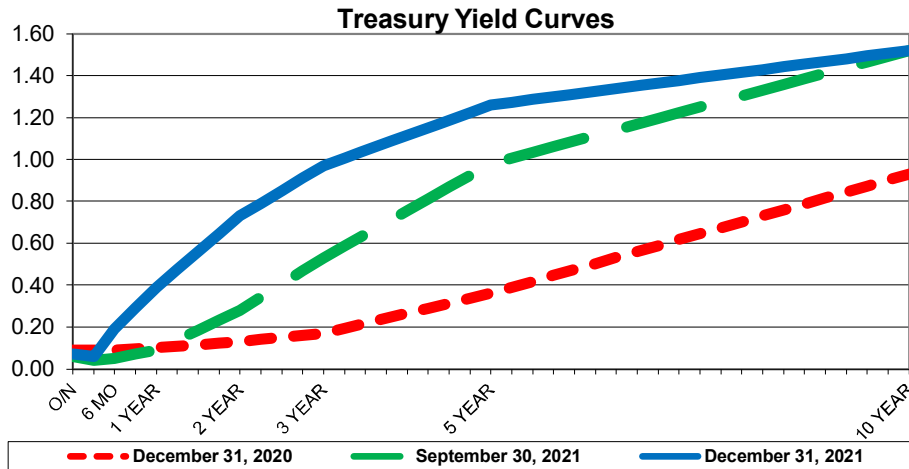
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

12/31/2021

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading <0.10%). The FOMC began reducing monthly security purchases during Nov 2021 and then increased the paced at the December meeting. Projections for target range increases shortened to late spring or early summer 2022. Third Quarter GDP posted +2.3% (Final). December employment reflected U-2 dropping to 3.9% and Non-Farm Payroll adding 199k net new jobs (Three Month Average NFP = 365). Crude oil reversed recent declines and bounced back to +/- \$75 per barrel. The Stock Markets reached new highs. Many domestic economic indicators remain positive. The Build Back Better legislation stalled in the Senate. The Debt Ceiling was increased to \$31+ trillion, easing any near-term funding pressures. Inflation remained well over the FOMC 2% target and does not appear positioned to decline in the near term. The Yield Curve shifted higher primarily six months and longer.



## Investment Holdings

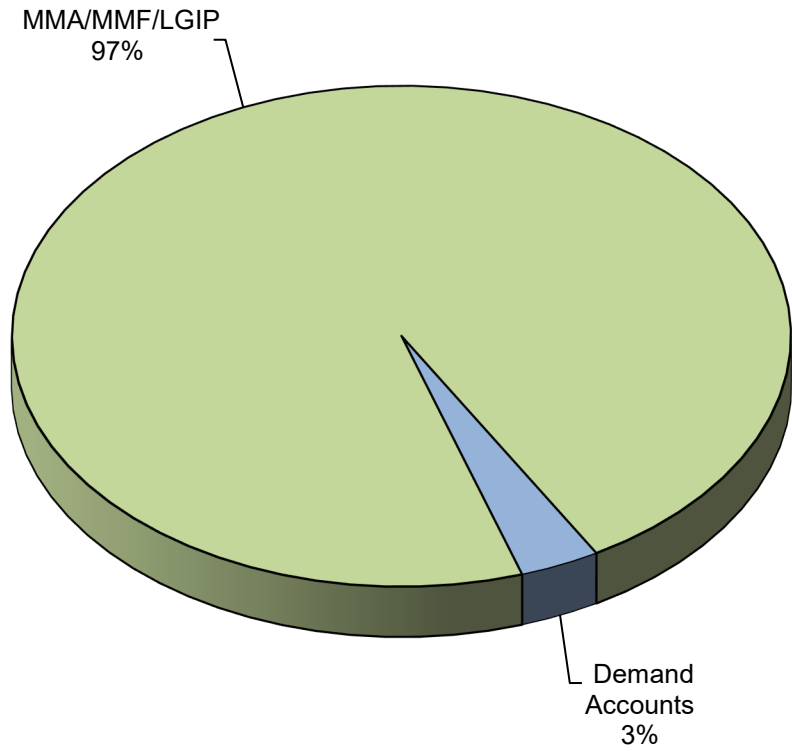
December 31, 2021

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
First Texas Bank		0.00%	01/01/22	12/31/21	\$ 2,756,859	\$ 2,756,859	1.00	\$ 2,756,859	1	0.00%
Wells Fargo Bank	AAAm	0.16%	01/01/22	12/31/21	3,517,067	3,517,067	1.00	3,517,067	1	0.16%
TexPool LGIP	AAAm	0.04%	01/01/22	12/31/21	59,613,212	59,613,212	1.00	59,613,212	1	0.04%
Lone Star Investment Pool Corp O/N	AAAm	0.07%	01/01/22	12/31/21	113,094,137	113,094,137	1.00	113,094,137	1	0.07%
Morgan Stanley Inst. Gov't MMF	AAAm	0.03%	01/01/22	12/31/21	9,767,278	9,767,278	1.00	9,767,278	1	0.03%
					<b>\$ 188,748,553</b>	<b>\$ 188,748,553</b>		<b>\$ 188,748,553</b>	<b>1</b>	<b>0.06%</b>
									(1)	(2)

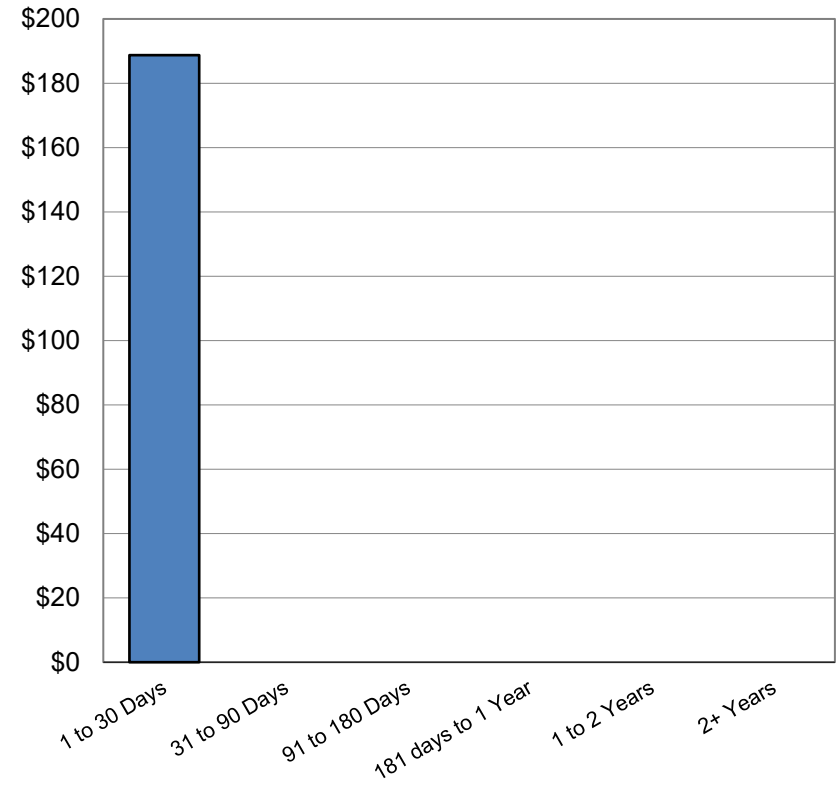
(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

(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 09/30/21	Increases	Decreases	Book Value 12/31/21	Market Value 09/30/21	Change in Market Value	Market Value 12/31/21
First Texas Bank	0.00%	01/01/22	\$ 4,232,165	\$ -	\$ (1,475,306)	\$ 2,756,859	\$ 4,232,165	\$ (1,475,306)	\$ 2,756,859
Wells Fargo Bank	0.16%	01/01/22	-	3,517,067	-	3,517,067	-	3,517,067	3,517,067
TexPool LGIP	0.04%	01/01/22	64,506,264	-	(4,893,052)	59,613,212	64,506,264	(4,893,052)	59,613,212
Lone Star Investment Pool Corp O/N	0.07%	01/01/22	117,825,182	-	(4,731,045)	113,094,137	117,825,182	(4,731,045)	113,094,137
Morgan Stanley Inst. Gov't MMF	0.03%	01/01/22	-	9,767,278	-	9,767,278	-	9,767,278	9,767,278
<b>TOTAL / AVERAGE</b>	<b>0.06%</b>		<b>\$ 186,563,611</b>	<b>\$ 13,284,345</b>	<b>\$ (11,099,403)</b>	<b>\$ 188,748,553</b>	<b>\$ 186,563,611</b>	<b>\$ 2,184,942</b>	<b>\$ 188,748,553</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>

**Allocation  
September 30, 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>	\$ 4,232,165	\$ 1,887,090	\$ –	\$ –	\$ 151,839	\$ 2,193,236
<b>TexPool LGIP</b>	64,506,264	32,037,112	–	2,850,704	2,748,974	26,869,473
<b>Lone Star Investment Pool Corp O/N</b>	117,825,182	9,952,724	96,154,701	2,215,591	150,512	9,351,655
<b>Total</b>	<b>\$ 186,563,611</b>	<b>\$ 43,876,926</b>	<b>\$ 96,154,701</b>	<b>\$ 5,066,296</b>	<b>\$ 3,051,325</b>	<b>\$ 38,414,364</b>