



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 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	June 30, 2022			September 30, 2022		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.66%	\$ 50,503,190	\$ 50,503,190	0.40%	\$ 25,981,819	\$ 25,981,819
Money Markets/Local Gov't Investment Pools	1.00%	127,289,594	127,289,594	2.52%	274,765,832	274,765,832
CDs/Securities	2.63%	14,855,221.52	14,858,569.56	3.66%	53,271,989.00	53,228,148.75
Totals	1.03%	\$ 192,648,005	\$ 192,651,353	2.54%	\$ 354,019,640	\$ 353,975,800

<u>Current Quarter Average Yield (1)</u>	
Total Portfolio	2.54%
Rolling Three Month Treasury	2.76%
Rolling Six Month Treasury	2.46%
TexPool	2.41%

<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.94%
Rolling Three Month Treasury	1.06%
Rolling Six Month Treasury	1.01%
TexPool	0.90%

<u>Interest Revenue (Approximate)</u>	
Quarterly Interest Income	\$ 1,158,345
Year-to-date Interest Income	\$ 1,554,310

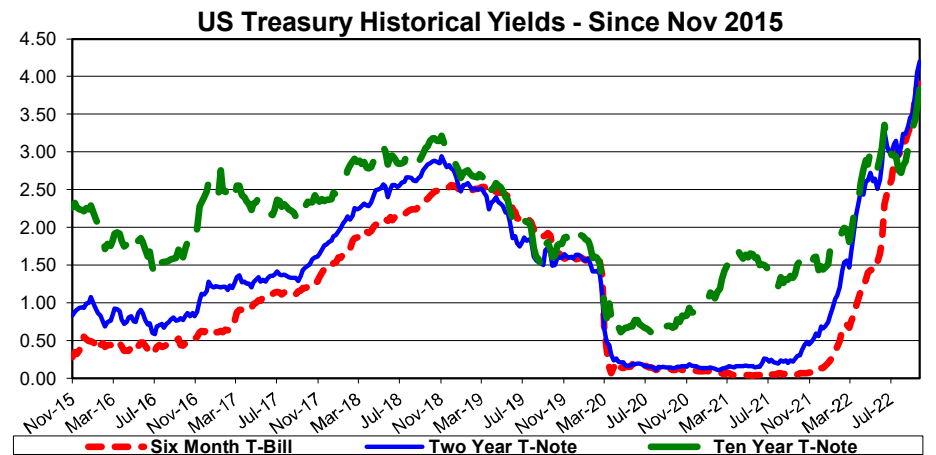
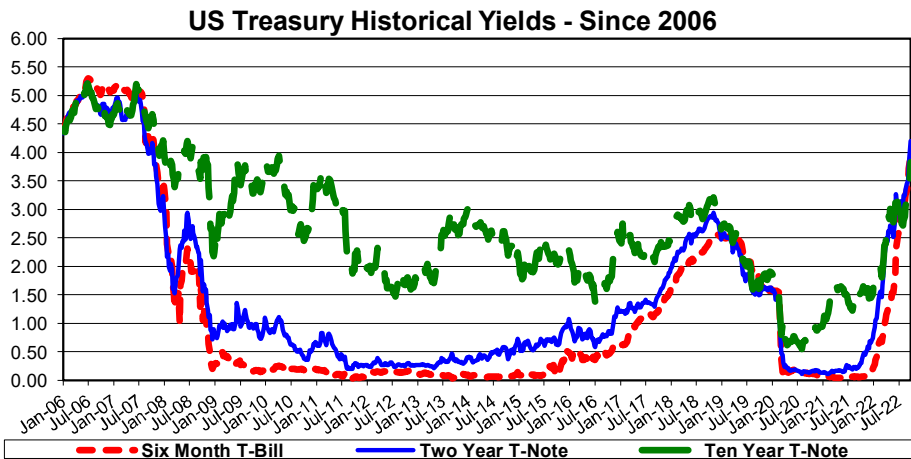
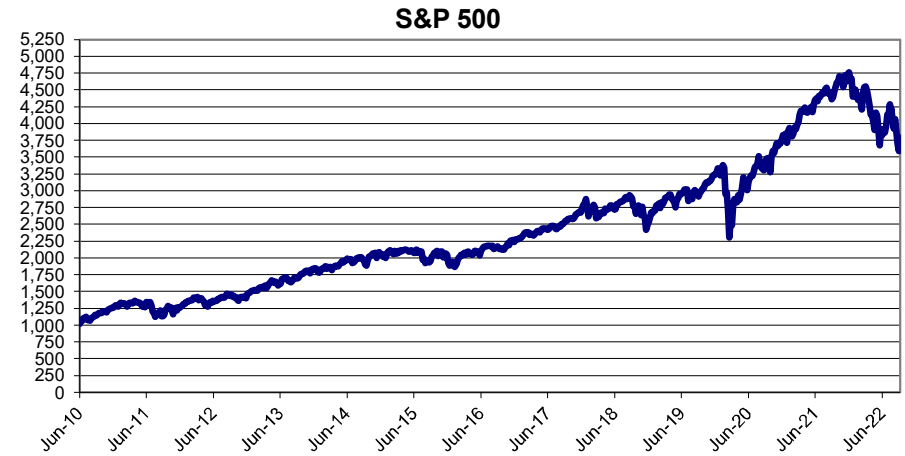
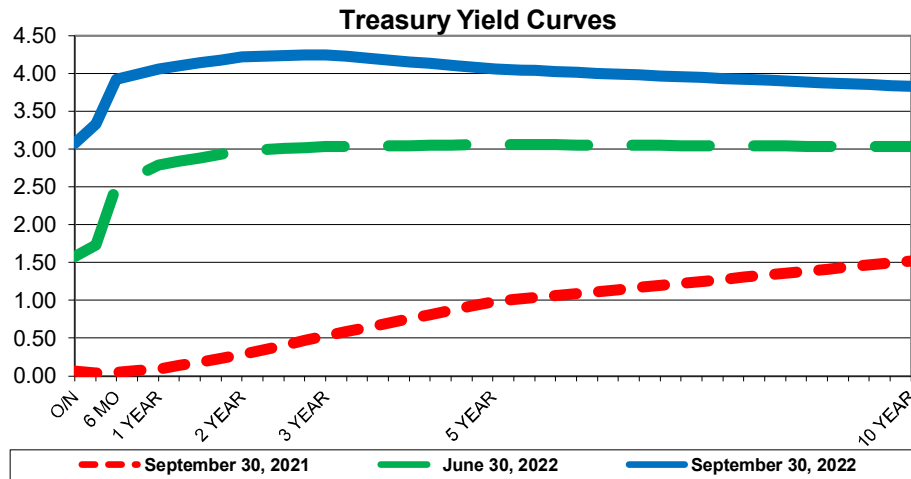
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

9/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 3.00% - 3.25% September 21st (Effective Fed Funds are trading +/-3.10%). The FOMC continued actively reducing their balance sheet. An additional 0.50% - 0.75% increase is currently anticipated November 2nd. Second Quarter GDP was confirmed at -0.6%. Domestic and international economies are slowing. September Non-Farm Payroll added 263k new jobs with a Three Month Average of 372k. Crude oil fell below \$80 per barrel, but OPEC+ announced a target production reduction of 2 million barrels/day. The Stock Markets continued bouncing down and are +/-20% below the 2021 peak. The negatively sloped yield curve (6 months to 10 years, with peak yield at 3 years) may indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-4.9% and CPI exceeding 8%).

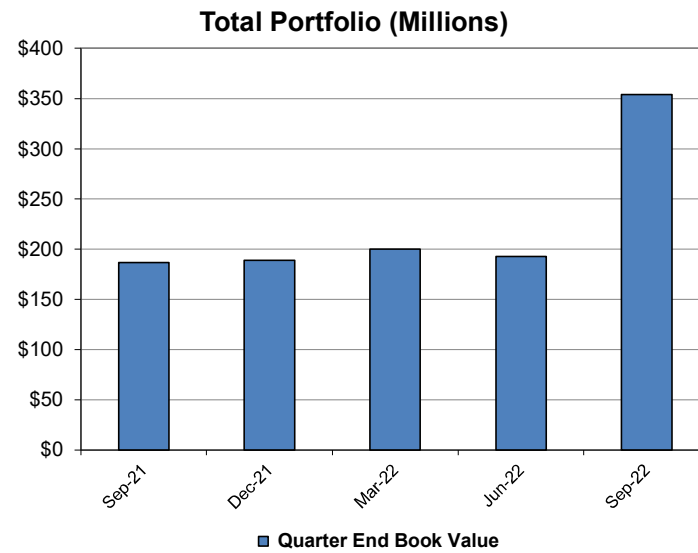
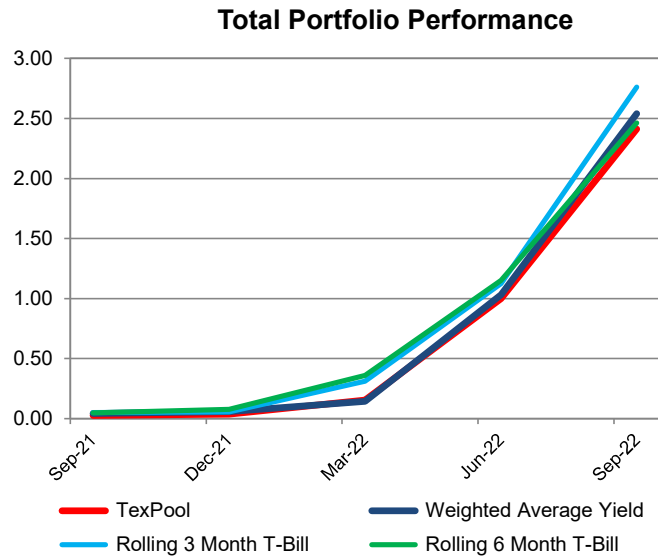
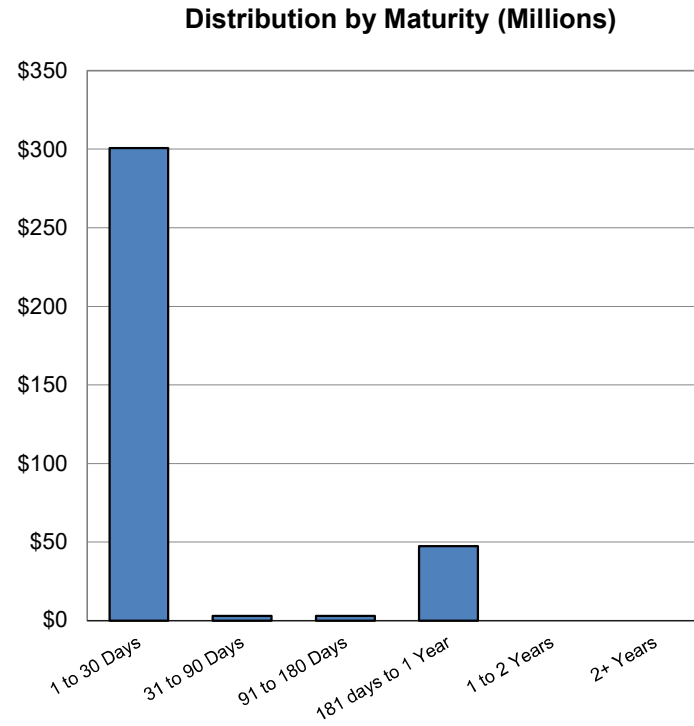
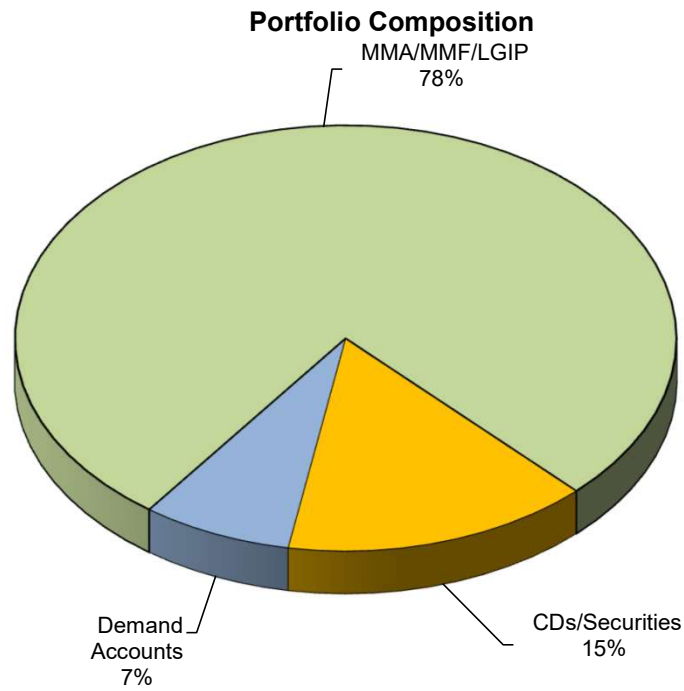


Investment Holdings
September 30, 2022

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo Bank		0.40%	10/01/22	09/30/22	\$ 25,981,819	\$ 25,981,819	1.00	\$ 25,981,819	1	0.40%
Prosperity Bank MMA		0.60%	10/01/22	09/30/22	10,021,320	10,021,320	1.00	10,021,320	1	0.60%
R Bank MMA		1.00%	10/01/22	09/30/22	2,004,795	2,004,795	1.00	2,004,795	1	1.00%
NexBank MMA		3.05%	10/01/22	09/30/22	11,096,559	11,096,559	1.00	11,096,559	1	3.05%
Lone Star Investment Pool Corp O/N	AAA	2.48%	10/01/22	09/30/22	161,502	161,502	1.00	161,502	1	2.48%
TexasCLASS	AAA	2.68%	10/01/22	09/30/22	194,263,310	194,263,310	1.00	194,263,310	1	2.68%
Morgan Stanley Inst. Gov't MMF	AAA	2.28%	10/01/22	09/30/22	57,218,345	57,218,345	1.00	57,218,345	1	2.28%
East West Bank CD		2.13%	12/22/22	06/22/22	3,017,734	3,017,734	100.00	3,017,734	83	2.13%
East West Bank CD		2.43%	03/22/23	06/22/22	3,020,240	3,020,240	100.00	3,020,240	173	2.43%
FHLB	AAA/AA+	3.86%	03/30/23	09/21/22	9,809,699	9,809,699	100.00	9,809,809	181	3.86%
US Treasury	AAA/AA+	0.13%	04/30/23	06/30/22	2,953,418	2,953,418	99.30	2,932,734	212	2.85%
FFCB	AAA/AA+	0.25%	05/22/23	09/20/22	2,928,589	2,928,589	100.01	2,928,912	234	4.03%
East West Bank CD		2.73%	06/22/23	06/22/22	3,022,748	3,022,748	100.00	3,022,748	265	2.73%
FHLB	AAA/AA+	0.00%	06/30/23	09/21/22	9,702,733	9,702,733	100.13	9,715,155	273	4.04%
FNMA	AAA/AA+	0.25%	07/10/23	06/30/22	2,937,079	2,937,079	99.21	2,913,829	283	3.02%
FHLMC	AAA/AA+	0.25%	08/24/23	09/20/22	2,896,866	2,896,866	99.98	2,896,269	328	4.18%
FHLB	AAA/AA+	3.88%	09/15/23	09/20/22	2,990,774	2,990,774	99.92	2,988,331	350	4.21%
FHLB	AAA/AA+	4.13%	09/20/23	09/21/22	9,992,110	9,992,110	99.90	9,982,388	355	4.21%
					\$354,019,640	\$354,019,640		\$ 353,975,800	40	2.54%
									(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 06/30/22	Increases	Decreases	Book Value 09/30/22	Market Value 06/30/22	Change in Market Value	Market Value 09/30/22
Wells Fargo Bank	0.40%	10/01/22	\$ 23,136,136	\$ 2,845,684	\$ -	\$ 25,981,819	\$ 23,136,136	\$ 2,845,684	\$ 25,981,819
First Texas Bank	0.00%	10/01/22	341,001	-	(341,001)	-	341,001	(341,001)	-
Prosperity Bank MMA	0.60%	10/01/22	10,007,879	13,441	-	10,021,320	10,007,879	13,441	10,021,320
R Bank MMA	1.00%	10/01/22	2,002,138	2,657	-	2,004,795	2,002,138	2,657	2,004,795
NexBank MMA	3.05%	10/01/22	15,016,036	-	(3,919,476)	11,096,559	15,016,036	(3,919,476)	11,096,559
TexPool LGIP	1.00%	10/01/22	137	-	(137)	-	137	(137)	-
Lone Star Investment Pool Corp O/N	2.48%	10/01/22	94,899,782	-	(94,738,280)	161,502	94,899,782	(94,738,280)	161,502
TexasCLASS (Gov't)	0.87%	10/01/22	5,641,624	-	(5,641,624)	-	5,641,624	(5,641,624)	-
TexasCLASS	2.68%	10/01/22	19,320,791	174,942,519	-	194,263,310	19,320,791	174,942,519	194,263,310
Morgan Stanley Inst. Gov't MMF	2.28%	10/01/22	7,427,260	49,791,085	-	57,218,345	7,427,260	49,791,085	57,218,345
East West Bank CD	2.13%	12/22/22	3,001,576	16,158	-	3,017,734	3,001,576	16,158	3,017,734
East West Bank CD	2.43%	03/22/23	3,001,798	18,442	-	3,020,240	3,001,798	18,442	3,020,240
FHLB	3.86%	03/30/23	-	9,809,699	-	9,809,699	-	9,809,809	9,809,809
US Treasury	2.85%	04/30/23	2,933,203	20,215	-	2,953,418	2,932,617	117	2,932,734
FFCB	4.03%	05/22/23	-	2,928,589	-	2,928,589	-	2,928,912	2,928,912
East West Bank CD	2.73%	06/22/23	3,002,020	20,728	-	3,022,748	3,002,020	20,728	3,022,748
FHLB	4.04%	06/30/23	-	9,702,733	-	9,702,733	-	9,715,155	9,715,155
FNMA	3.02%	07/10/23	2,916,624	20,455	-	2,937,079	2,920,558	(6,729)	2,913,829
FHLMC	4.18%	08/24/23	-	2,896,866	-	2,896,866	-	2,896,269	2,896,269
FHLB	4.21%	09/15/23	-	2,990,774	-	2,990,774	-	2,988,331	2,988,331
FHLB	4.21%	09/20/23	-	9,992,110	-	9,992,110	-	9,982,388	9,982,388
TOTAL / AVERAGE	2.54%		\$ 192,648,005	\$ 266,012,153	\$ (104,640,518)	\$ 354,019,640	\$ 192,651,353	\$ 161,324,447	\$ 353,975,800

**Allocation
September 30, 2022
Book Value**

	Total	General Fund	Capital Projects	Debt Service	Special Revenue	Utility Fund
Wells Fargo Bank	\$ 25,981,819	\$ 24,949,023	\$ —	\$ —	\$ 304,204	\$ 728,593
Prosperity Bank MMA	10,021,320	10,021,320	—	—	—	—
R Bank MMA	2,004,795	2,004,795	—	—	—	—
NexBank MMA	11,096,559	1,040,970	5,027,795	—	—	5,027,795
Lone Star Investment Pool Corp O/N	161,502	6,206	136,046	3,191	293	15,767
TexasCLASS	194,263,310	93,071,871	—	72,686	2,768,664	98,350,089
Morgan Stanley Inst. Gov't MMF	57,218,345	—	—	—	—	57,218,345
East West Bank CD	3,017,734	3,017,734	—	—	—	—
East West Bank CD	3,020,240	3,020,240	—	—	—	—
FHLB	9,809,699	9,809,699	—	—	—	—
US Treasury	2,953,418	2,953,418	—	—	—	—
FFCB	2,928,589	2,928,589	—	—	—	—
East West Bank CD	3,022,748	3,022,748	—	—	—	—
FHLB	9,702,733	9,702,733	—	—	—	—
FNMA	2,937,079	2,937,079	—	—	—	—
FHLMC	2,896,866	2,896,866	—	—	—	—
FHLB	2,990,774	2,990,774	—	—	—	—
FHLB	9,992,110	9,992,110	—	—	—	—
Total	\$ 354,019,640	\$184,366,175	\$ 5,163,840	\$ 75,877	\$ 3,073,160	\$ 161,340,588

**Allocation
September 30, 2022
Market Value**

	Total	General Fund	Capital Projects	Debt Service	Special Revenue	Utility Fund
Wells Fargo Bank	\$ 25,981,819	\$ 24,949,023	\$ —	\$ —	\$ 304,204	\$ 728,593
Prosperity Bank MMA	10,021,320	10,021,320	—	—	—	—
R Bank MMA	2,004,795	2,004,795	—	—	—	—
NexBank MMA	11,096,559	1,040,970	5,027,795	—	—	5,027,795
Lone Star Investment Pool Corp O/N	161,502	6,206	136,046	3,191	293	15,767
TexasCLASS	194,263,310	93,071,871	—	72,686	2,768,664	98,350,089
Morgan Stanley Inst. Gov't MMF	57,218,345	—	—	—	—	57,218,345
East West Bank CD	3,017,734	3,017,734	—	—	—	—
East West Bank CD	3,020,240	3,020,240	—	—	—	—
FHLB	9,809,809	9,809,809	—	—	—	—
US Treasury	2,932,734	2,932,734	—	—	—	—
FFCB	2,928,912	2,928,912	—	—	—	—
East West Bank CD	3,022,748	3,022,748	—	—	—	—
FHLB	9,715,155	9,715,155	—	—	—	—
FNMA	2,913,829	2,913,829	—	—	—	—
FHLMC	2,896,269	2,896,269	—	—	—	—
FHLB	2,988,331	2,988,331	—	—	—	—
FHLB	9,982,388	9,982,388	—	—	—	—
Total	\$ 353,975,800	\$184,322,334	\$ 5,163,840	\$ 75,877	\$ 3,073,160	\$ 161,340,588

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

	Total	General Fund	Capital Projects	Debt Service	Special Revenue	Utility Fund
Wells Fargo Bank	\$ 23,136,136	\$ 16,704,960	\$ –	\$ –	\$ 112,620	\$ 6,318,555
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
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