



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2021

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

The investment portfolio of the Town of Trophy Club is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Investment Officer/Finance Manager

Chief Financial Analyst

Disclaimer: These reports were compiled using information provided by the Town. 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.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

<u>Asset Type</u>	<u>September 30, 2020</u>			<u>September 30, 2021</u>		
	<u>Ave. Yield</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Ave. Yield</u>	<u>Book Value</u>	<u>Market Value</u>
Demand Accounts	0.00%	\$ 2,172,788	\$ 2,172,788	0.61%	\$ 3,384,294	\$ 3,384,294
Money Markets/Local Gov't Investment Pools	0.34%	11,762,443	11,762,443	0.33%	16,840,219	16,840,219
CDs/Securities	0.00%	-	-	0.00%	-	-
Totals		<u>\$ 13,935,231</u>	<u>\$ 13,935,231</u>		<u>\$ 20,224,513</u>	<u>\$ 20,224,513</u>
Fourth Quarter-End Yield	0.28%			0.38%		

Average Quarter-End Yields (1):

	2020 Fiscal Year	2021 Fiscal Year
Trophy Club	0.86%	0.26%
Rolling Three Month Treasury	0.76%	0.06%
Rolling Six Month Treasury	0.99%	0.08%
TexPool	0.76%	0.04%
Fiscal YTD Interest Earnings	\$ 156,623 (Approximate)	\$ 38,650 (Approximate)

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

Strategy Summary

Quarter End Results by Investment Category:

Asset Type	June 30, 2021			September 30, 2021		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.50%	\$ 1,677,543	\$ 1,677,543	0.61%	\$ 3,384,294	\$ 3,384,294
Money Markets/Local Gov't Investment Pools	0.25%	16,057,440	16,057,440	0.33%	16,840,219	16,840,219
Totals	0.22%	\$ 17,734,983	\$ 17,734,983	0.38%	\$ 20,224,513	\$ 20,224,513

Current Quarter Average Yield (1)

Total Portfolio	0.38%
Rolling Three Month Treasury	0.05%
Rolling Six Month Treasury	0.05%
TexPool	0.03%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	0.26%
Rolling Three Month Treasury	0.06%
Rolling Six Month Treasury	0.08%
TexPool	0.04%

Interest Revenue (Approximate)

Quarterly Interest Income	\$ 10,349
Year-to-date Interest Income	\$ 38,650

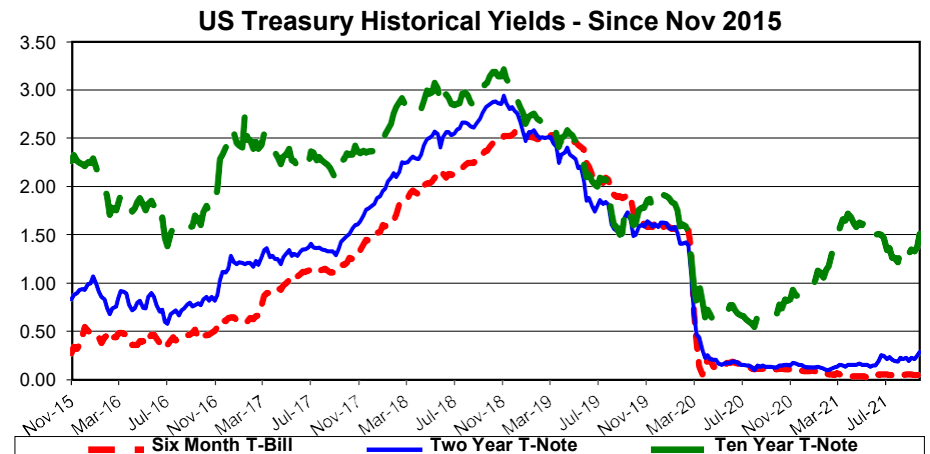
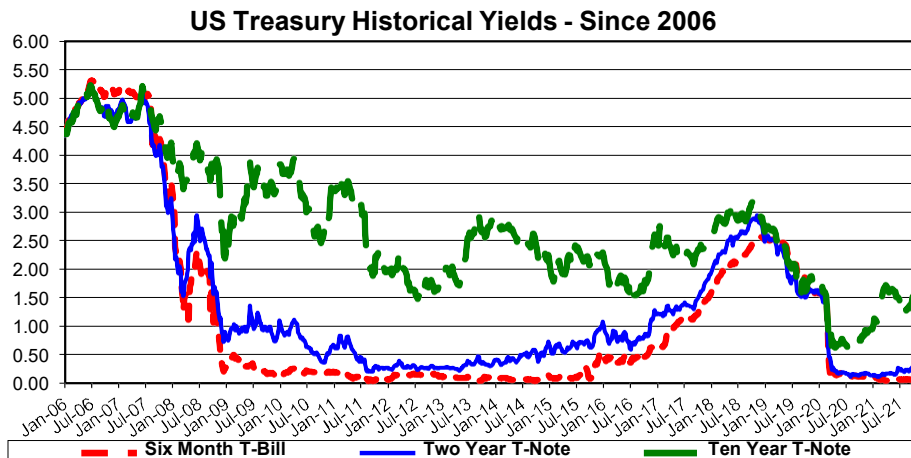
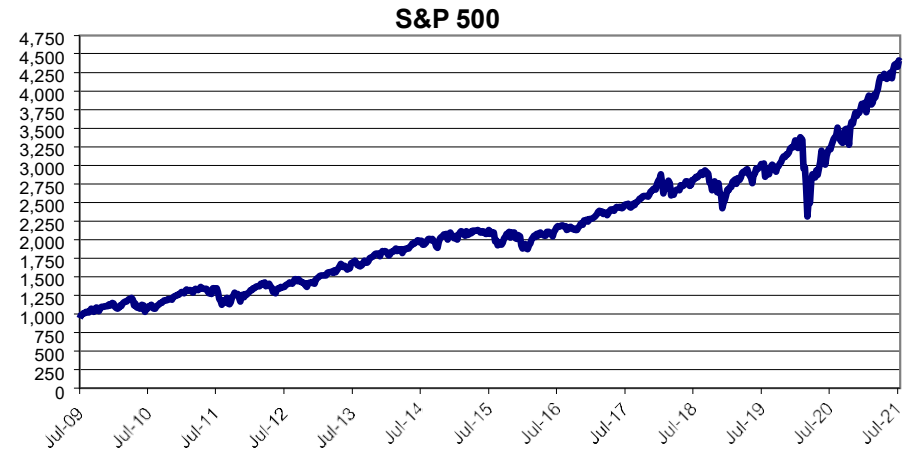
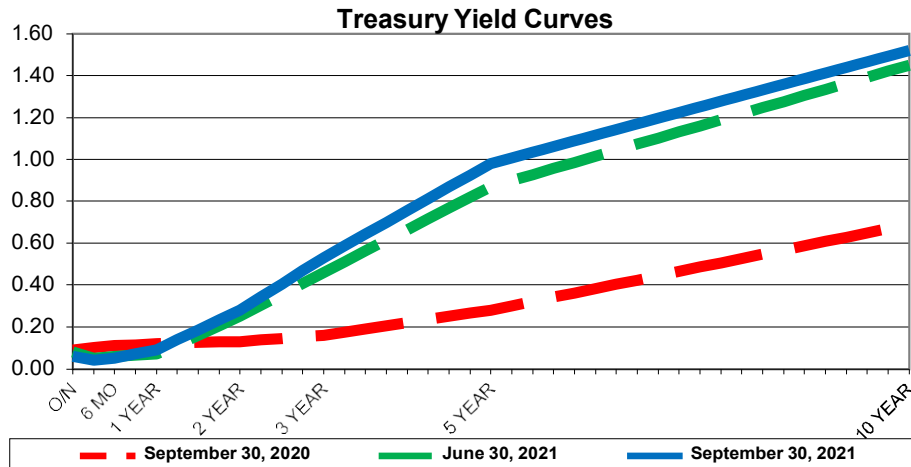
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

9/30/2021

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%), and projects that reduced rates could remain into 2023. Monthly government security purchases may begin tapering as early as Nov 2021. Second Quarter GDP posted +6.7% (Final). Employment recovery/growth has moderated, but job openings remain high. August Non-Farm Payroll only added 194k net new jobs. Crude oil bounced up to +/- \$77 per barrel, with fuel shortages in England and other countries. The Stock Markets reached new highs, but have retrenched slightly. Housing, Industrial Production, Durable Goods, Consumer Spending, and other indicators remain positive but constrained. The Biden administration and Congress continue to negotiate infrastructure, fiscal and debt limit packages. Inflation remained over the FOMC 2%+ target and may not be as temporary as initially projected. The Yield Curve rose slightly from two years to ten years.



Investment Holdings
September 30, 2021

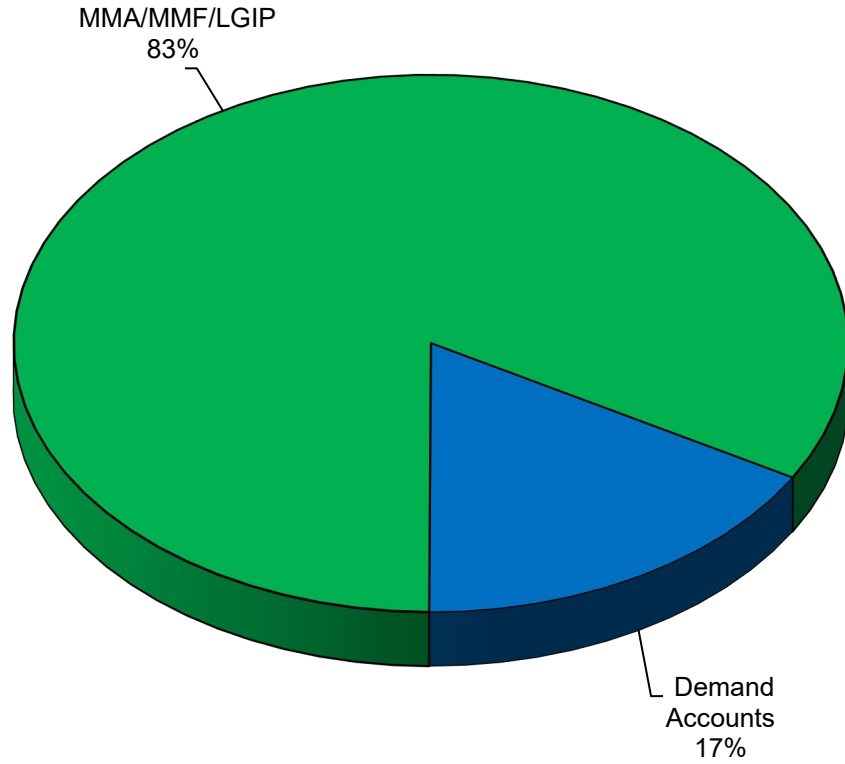
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo - Cash (3)		0.61%	10/01/21	09/30/21	\$ 3,384,294	\$ 3,384,294	1.00	\$ 3,384,294	1	0.61%
InterBank Money Market Account		0.45%	10/01/21	09/30/21	249,092	249,092	1.00	249,092	1	0.45%
InterBank Insured Cash Sweep		0.45%	10/01/21	09/30/21	12,014,725	12,014,725	1.00	12,014,725	1	0.45%
TexPool LGIP	AAAm	0.03%	10/01/21	09/30/21	2,395,654	2,395,654	1.00	2,395,654	1	0.03%
TexasCLASS LGIP-Gov't	AAAm	0.02%	10/01/21	09/30/21	2,180,748	2,180,748	1.00	2,180,748	1	0.02%
<u>\$ 20,224,513</u>						<u>\$ 20,224,513</u>		<u>\$ 20,224,513</u>	<u>1</u>	<u>0.38%</u>
									(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.

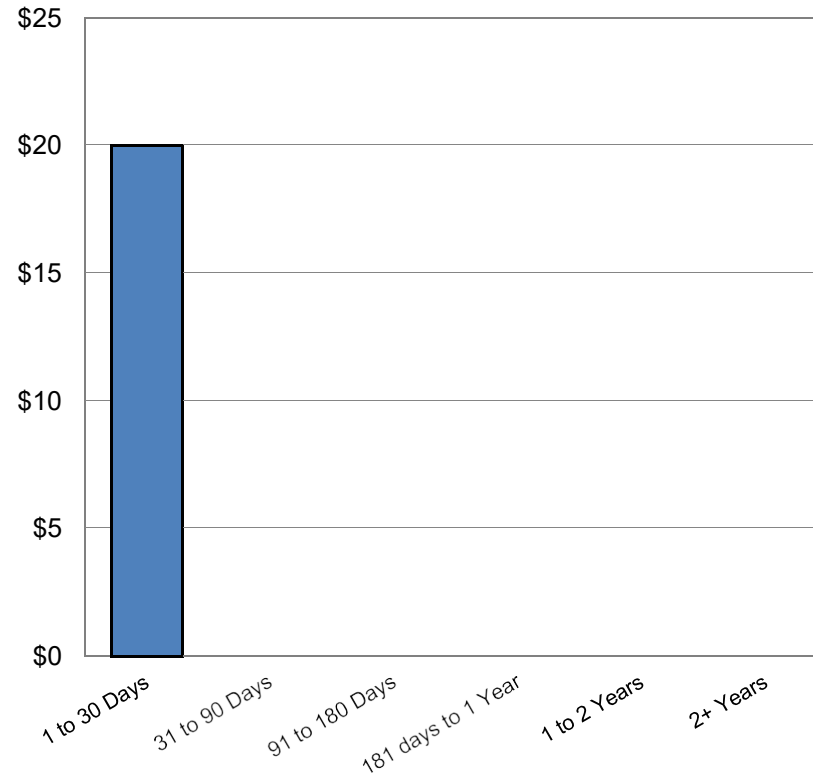
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools and money market funds.

(3) Effective Blended Rate - Stated Earnings Credit Rate (0.70%) and GAIC Interest Rate (0.40%) adjusted for Balance Assessment fee and then calculated as a Weighted Average Yield.

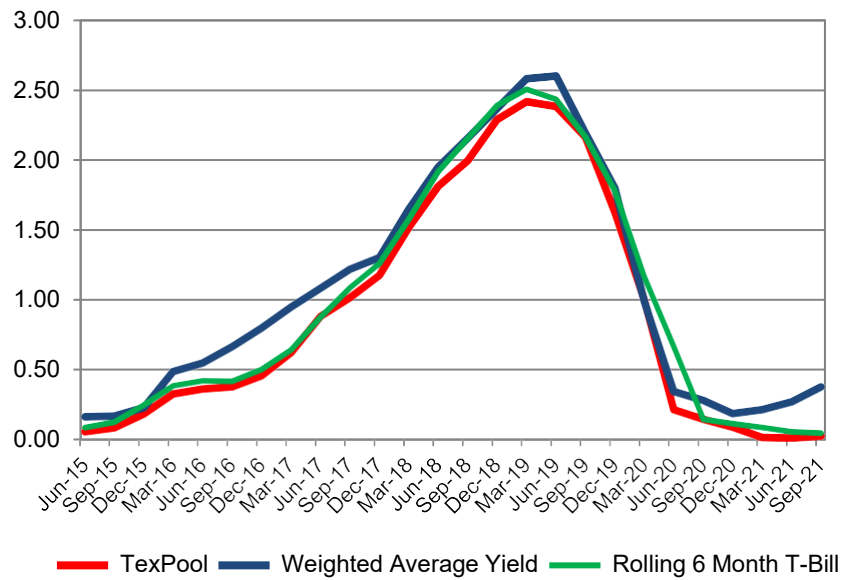
Portfolio Composition



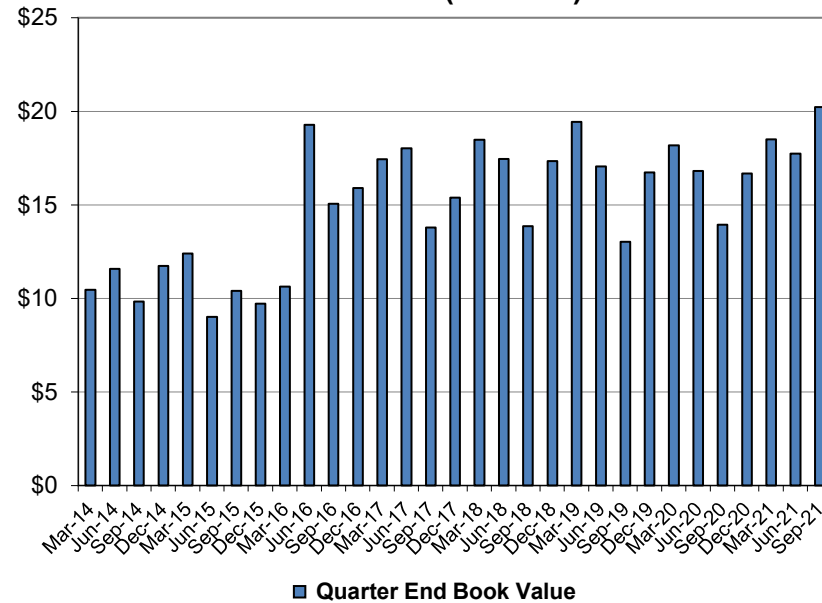
Distribution by Maturity (Millions)



Total Portfolio Performance



Total Portfolio (Millions)



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/21	Increases	Decreases	Book Value 09/30/21	Market Value 06/30/21	Change in Market Value	Market Value 09/30/21
Wells Fargo - Cash (3)	0.61%	10/01/21	\$ 1,677,543	\$ 1,706,751	\$ -	\$ 3,384,294	\$ 1,677,543	\$ 1,706,751	\$ 3,384,294
InterBank Money Market Account	0.45%	10/01/21	249,092	-	-	249,092	249,092	-	249,092
InterBank Insured Cash Sweep	0.45%	10/01/21	8,255,057	3,759,668	-	12,014,725	8,255,057	3,759,668	12,014,725
TexPool LGIP	0.03%	10/01/21	5,422,976	-	(3,027,322)	2,395,654	5,422,976	(3,027,322)	2,395,654
TexasCLASS LGIP-Gov't	0.02%	10/01/21	2,130,315	50,433	-	2,180,748	2,130,315	50,433	2,180,748
TOTAL / AVERAGE	0.38%		\$ 17,734,983	\$ 5,516,852	\$ (3,027,322)	\$ 20,224,513	\$ 17,734,983	\$ 2,489,530	\$ 20,224,513

**Allocation
September 30, 2021
Book & Market Value**

	Total	General Fund	CARES Funds	Debt Service	Storm Drainage Utility	Hotel Occupancy Tax	Parkland Dedication	2017 CO Bond Funds
Wells Fargo - Cash	\$ 3,384,294	\$ 1,666,261	\$ 1,673,792	\$ -	\$ -	\$ 44,241	\$ -	\$ -
InterBank Money Market	249,092	124,546	-	-	-	-	-	124,546
InterBank Insured Cash Sweep MMA	12,014,725	6,076,006	-	-	-	-	-	5,938,720
TexPool LGIP	2,395,654	762,942	-	419,523	903,360	-	-	-
TexasCLASS LGIP-Gov't	2,180,748	-	-	-	-	1,644,746	536,001	-
Total	<u>\$ 20,224,513</u>	<u>\$ 8,629,755</u>	<u>\$ 1,673,792</u>	<u>\$ 419,523</u>	<u>\$ 903,360</u>	<u>\$ 1,688,987</u>	<u>\$ 536,001</u>	<u>\$ 6,063,266</u>

**Allocation
June 30, 2021
Book & Market Value**

	Total	General Fund	CARES Funds	Debt Service	Storm Drainage Utility	Hotel Occupancy Tax	Parkland Dedication	2017 CO Bond Funds
Wells Fargo - Cash	\$ 1,677,543	\$ 1,548,334	\$ 131,201	\$ -	\$ -	\$ (1,992)	\$ -	\$ -
InterBank Money Market	249,092	124,546	-	-	-	-	-	124,546
InterBank Insured Cash Sweep MMA	8,255,057	7,193,340	-	-	-	-	-	1,061,717
TexPool LGIP	5,422,976	1,511,577	-	2,768,122	809,129	-	-	-
TexasCLASS LGIP-Gov't	2,130,315	-	-	-	-	1,594,339	535,976	-
Total	<u>\$ 17,734,983</u>	<u>\$ 10,377,796</u>	<u>\$ 131,201</u>	<u>\$ 2,768,122</u>	<u>\$ 809,129</u>	<u>\$ 1,592,347</u>	<u>\$ 535,976</u>	<u>\$ 1,186,263</u>