



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2022

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

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

Bob Scott, Executive Director of Administrative Services

Sandy Mattick, Finance Director (Interim)

Lynn Regan, Accounting Manager

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

City Funds		September 30, 2021			September 30, 2022		
Asset Type		Book Value	Market Value	Ave. Yield	Book Value	Market Value	Ave. Yield
MMA/NOW		\$ 42,254,083	\$ 42,254,083	0.43%	\$ 41,450,612	\$ 41,450,612	1.91%
Pools		10,421,364	10,421,364	0.01%	49,720,257	49,720,257	2.31%
Securities		3,827,213	3,827,088	0.37%	23,145,288	22,208,630	1.48%
Certificates of Deposit		79,532,842	79,532,842	0.17%	39,602,746	39,602,746	0.28%
City Funds		\$ 136,035,502	\$ 136,035,377		\$ 153,918,903	\$ 152,982,245	
Fourth Quarter-End Yield				0.29%	1.56%		
Average Quarter-End Yields (1):				<u>2021</u>	<u>2022</u>		
Prosper				0.36%	0.74%		
Rolling Three Month Treasury				0.06%	1.06%		
Rolling Six Month Treasury				0.08%	1.01%		
TexPool				0.04%	0.90%		
Fiscal year-to-date Interest Income		\$ 346,729 (Approximate)			\$ 764,980 (Approximate)		

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

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
MMA/NOW	0.94%	\$ 41,402,493	\$ 41,402,493	1.91%	\$ 41,450,612	\$ 41,450,612
Pools	0.99%	17,083,198	17,083,198	2.31%	49,720,257	49,720,257
Securities	1.48%	23,172,844	22,609,670	1.48%	23,145,288	22,208,630
Certificates of Deposit	0.23%	64,606,165	64,606,165	0.28%	39,602,746	39,602,746
Total	0.72%	\$ 146,264,700	\$ 145,701,526	1.56%	\$ 153,918,903	\$ 152,982,245

Average Yield - Current Quarter (1)

Total Portfolio	1.56%
Rolling Three Month Treasury	2.76%
Rolling Six Month Treasury	2.46%
TexPool	2.41%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	0.74%
Rolling Three Month Treasury	1.06%
Rolling Six Month Treasury	1.01%
TexPool	0.90%

Interest Earnings (Approximate)

Quarter	\$ 358,600
Fiscal Year-to-date	\$ 764,980

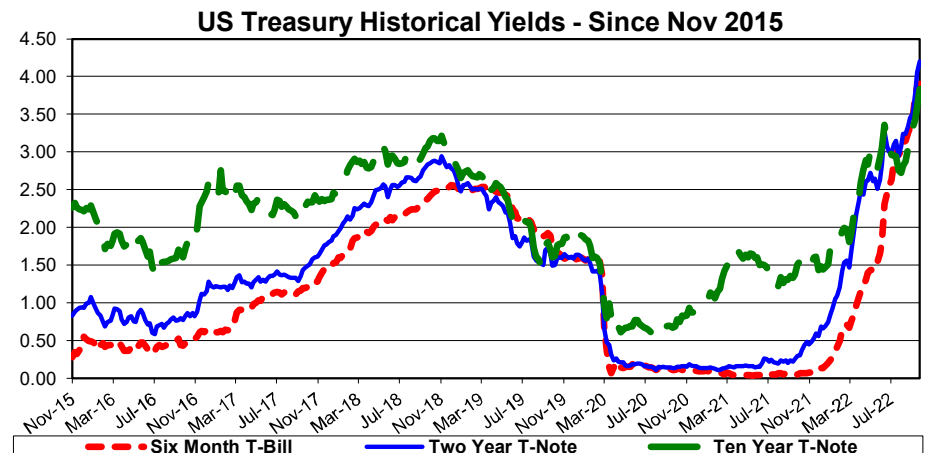
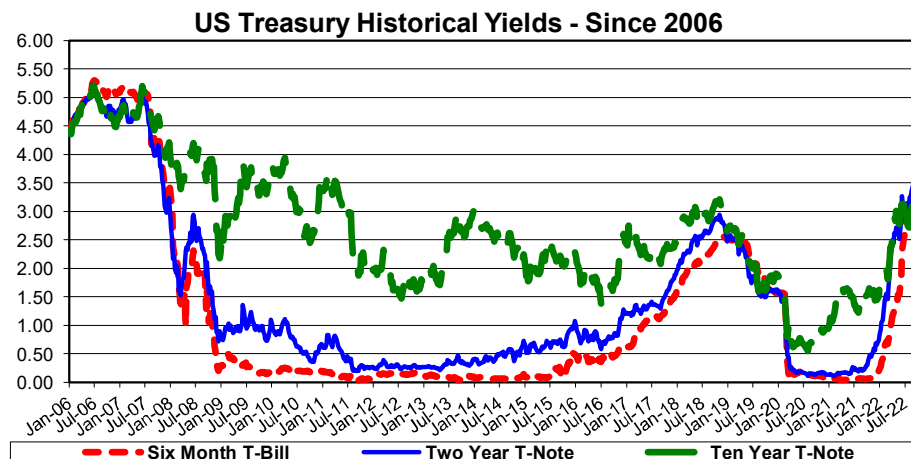
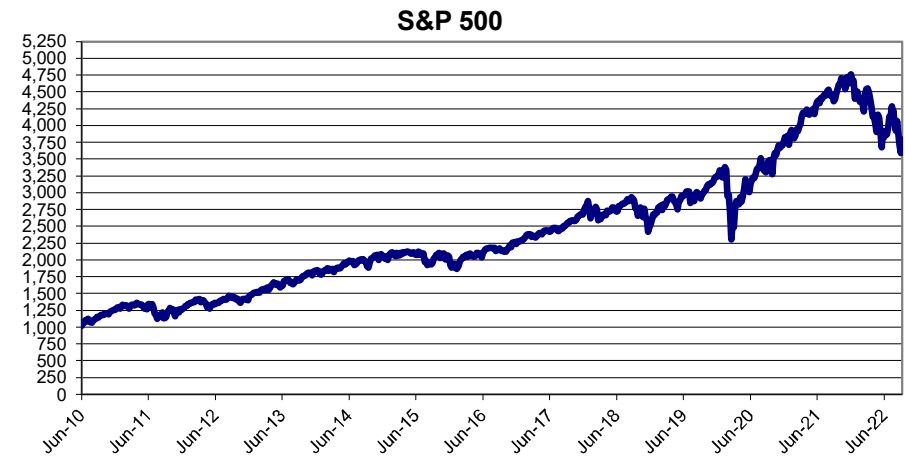
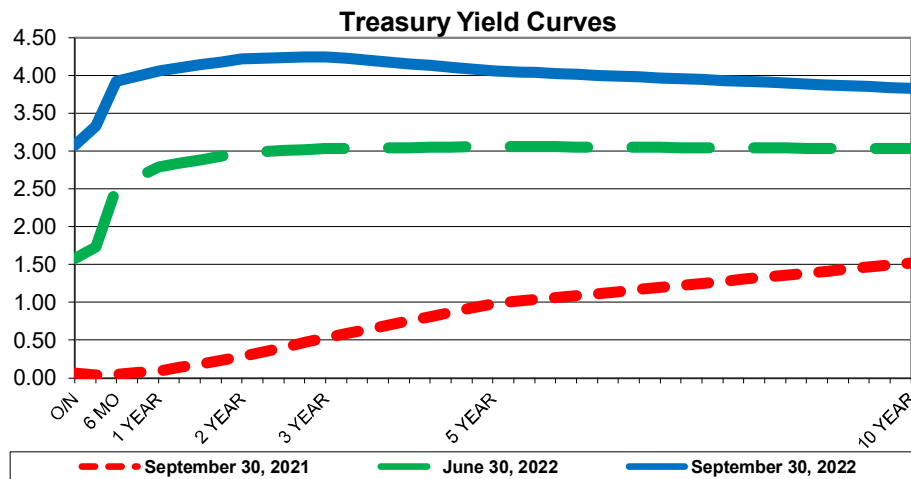
(1) **Quarter End Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yield** - 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
Independent Bank DDA		1.76%	10/01/22	09/30/22	\$ 28,823,024	\$ 28,823,024	1.00	\$ 28,823,024	1	1.76%
Independent Bank DDA #2		1.76%	10/01/22	09/30/22	7,472,368	7,472,368	1.00	7,472,368	1	1.76%
NexBank MMA		3.05%	10/01/22	09/30/22	5,061,391	5,061,391	1.00	5,061,391	1	3.05%
PlainsCapital Bank MMA		0.00%	10/01/22	09/30/22	93,829	93,829	1.00	93,829	1	0.00%
TexSTAR	AAAm	2.29%	10/01/22	09/30/22	42,087,949	42,087,949	1.00	42,087,949	1	2.29%
TexPool	AAAm	2.41%	10/01/22	09/30/22	7,632,308	7,632,308	1.00	7,632,308	1	2.41%
The American Nat'l Bank CD		0.37%	12/01/22	06/01/21	5,023,213	5,023,213	100.00	5,023,213	62	0.37%
Prosperity Bank CD		0.15%	12/27/22	09/27/21	10,015,010	10,015,010	100.00	10,015,010	88	0.15%
Legend Bank IntraFi CD		0.35%	03/23/23	03/25/21	1,500,000	1,500,000	100.00	1,500,000	174	0.35%
CapTex Bank IntraFi CD		0.40%	03/02/23	03/25/21	3,000,000	3,000,000	100.00	3,000,000	153	0.40%
The American Nat'l Bank CD		0.43%	06/01/23	06/01/21	5,026,987	5,026,987	100.00	5,026,987	244	0.43%
T-Note	Aaa/AA+	0.13%	07/31/23	10/20/21	1,500,000	1,497,091	96.70	1,450,485	304	0.36%
Veritex Community Bank CD		0.25%	08/23/23	08/23/21	10,025,023	10,025,023	100.00	10,025,023	327	0.25%
Veritex Community Bank CD		0.25%	09/15/23	09/17/21	5,012,512	5,012,512	100.00	5,012,512	350	0.25%
T-Note	Aaa/AA+	2.88%	10/31/23	10/20/21	1,500,000	1,539,643	98.52	1,477,845	396	0.43%
T-Note	Aaa/AA+	2.38%	02/29/24	02/09/22	5,000,000	5,071,477	97.38	4,868,750	517	1.35%
T-Note	Aaa/AA+	2.25%	04/30/24	03/16/22	10,000,000	10,058,773	96.84	9,684,400	578	1.87%
T-Note	Aaa/AA+	1.25%	08/31/24	02/09/22	5,000,000	4,978,305	94.54	4,727,150	701	1.48%

Total Portfolio

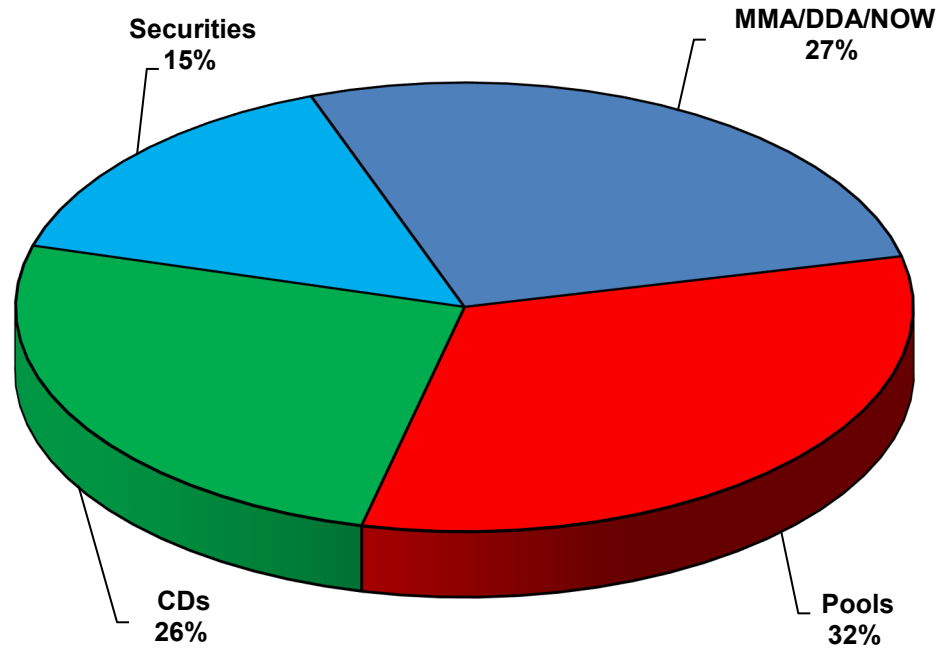
\$ 153,773,615	\$ 153,918,903	\$ 152,982,245	138	1.56%
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(1) (2)

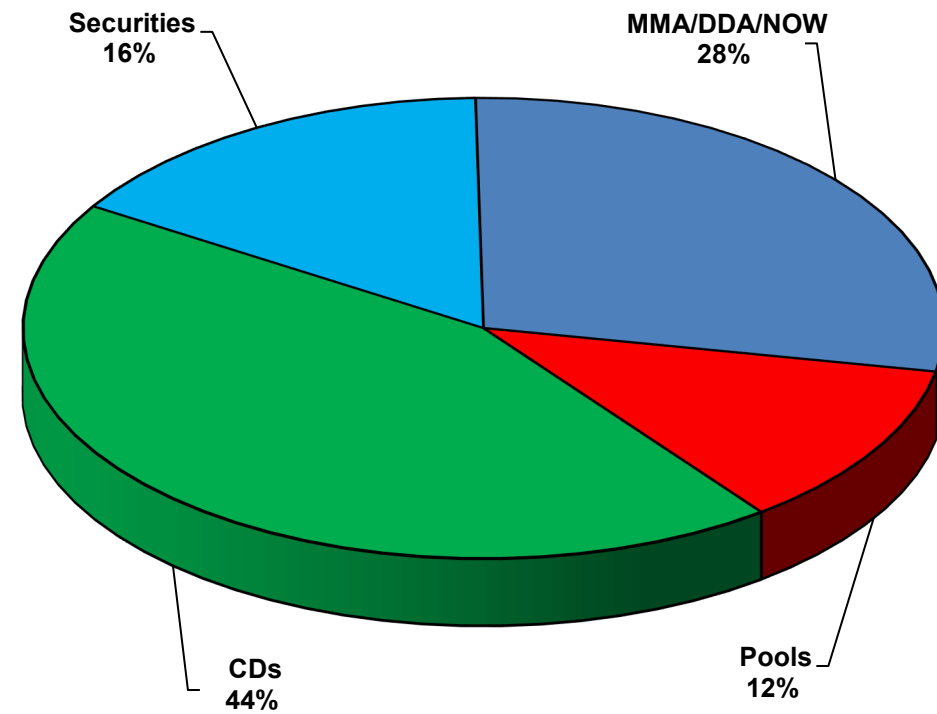
(1) **Weighted average life** - For purposes of calculating weighted average life, overnight bank and pool balances are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on Book Value, realized and unrealized gains/losses and investment advisory fees are not included. The yield for the reporting month is used for overnight bank and pool balances.

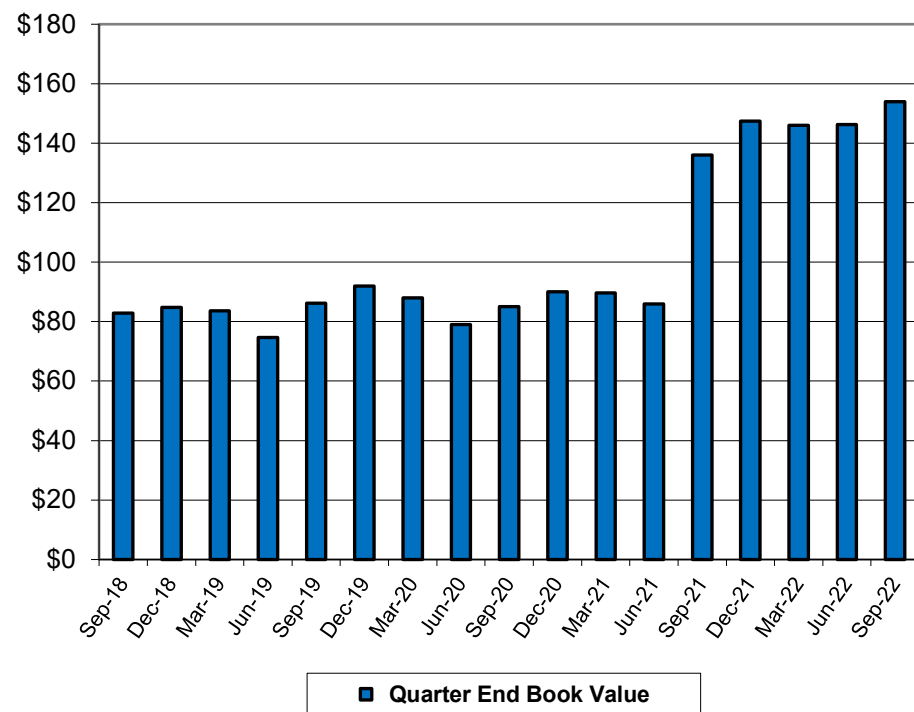
Composition - Current Quarter



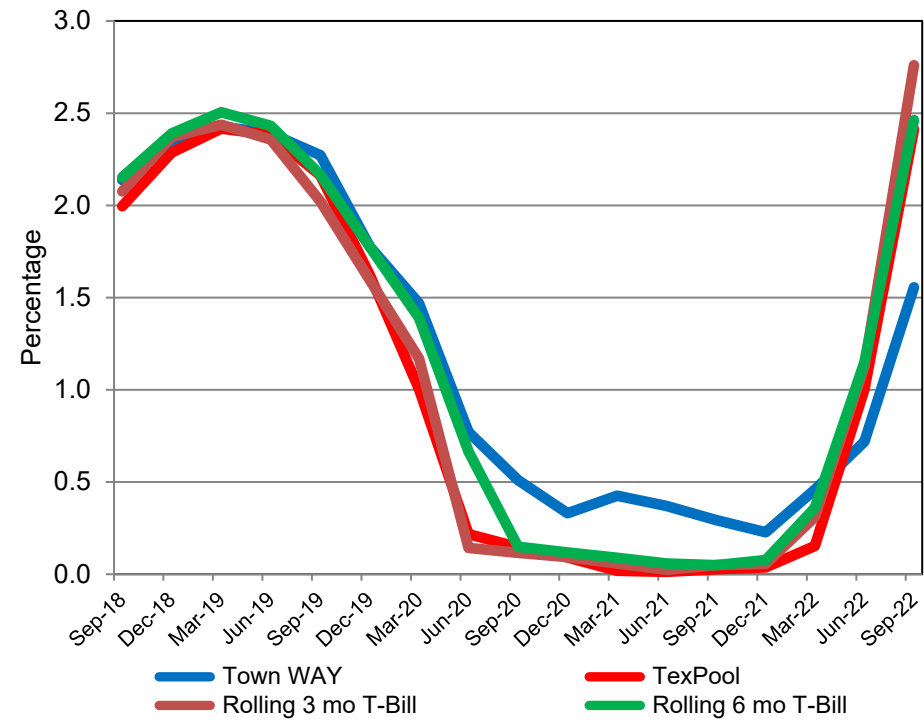
Composition - Prior Quarter



Total Portfolio (Millions)



Town Portfolio Performance



Book and 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
Independent Bank DDA	1.76%	10/01/22	\$ 28,253,663	\$ 569,361	\$ —	\$ 28,823,024	\$ 28,253,663	\$ 569,361	\$ 28,823,024
Independent Bank DDA #2	1.76%	10/01/22	7,978,516	—	(506,148)	7,472,368	7,978,516	(506,148)	7,472,368
NexBank MMA	3.05%	10/01/22	5,033,852	27,539	—	5,061,391	5,033,852	27,539	5,061,391
PlainsCapital Bank MMA	0.00%	10/01/22	136,462	—	(42,633)	93,829	136,462	(42,633)	93,829
TexSTAR	2.29%	10/01/22	12,583,931	29,504,018	—	42,087,949	12,583,931	29,504,018	42,087,949
TexPool	2.41%	10/01/22	4,499,268	3,133,041	—	7,632,308	4,499,268	3,133,041	7,632,308
East West Bank CD	0.17%	08/24/22	10,010,205	—	(10,010,205)	—	10,010,205	(10,010,205)	—
Prosperity Bank CD	0.20%	09/01/22	5,007,484	—	(5,007,484)	—	5,007,484	(5,007,484)	—
East West Bank CD	0.12%	09/27/22	10,009,111	—	(10,009,111)	—	10,009,111	(10,009,111)	—
The American Nat'l Bank CD	0.37%	12/01/22	5,018,531	4,682	—	5,023,213	5,018,531	4,682	5,023,213
Prosperity Bank CD	0.15%	12/27/22	10,011,225	3,786	—	10,015,010	10,011,225	3,786	10,015,010
Legend Bank IntraFi CD	0.35%	03/23/23	1,500,000	—	—	1,500,000	1,500,000	—	1,500,000
CapTex Bank IntraFi CD	0.40%	03/02/23	3,000,000	—	—	3,000,000	3,000,000	—	3,000,000
The American Nat'l Bank CD	0.43%	06/01/23	5,021,542	5,444	—	5,026,987	5,021,542	5,444	5,026,987
T-Note	0.36%	07/31/23	1,496,210	880	—	1,497,091	1,455,585	(5,100)	1,450,485
Veritex Community Bank CD	0.25%	08/23/23	10,018,710	6,313	—	10,025,023	10,018,710	6,313	10,025,023
Veritex Community Bank CD	0.25%	09/15/23	5,009,355	3,157	—	5,012,512	5,009,355	3,157	5,012,512
T-Note	0.43%	10/31/23	1,548,852	—	(9,210)	1,539,643	1,499,235	(21,390)	1,477,845
T-Note	1.35%	02/29/24	5,084,196	—	(12,719)	5,071,477	4,956,250	(87,500)	4,868,750
T-Note	1.87%	04/30/24	10,068,128	—	(9,355)	10,058,773	9,877,300	(192,900)	9,684,400
T-Note	1.48%	08/31/24	4,975,458	2,847	—	4,978,305	4,821,300	(94,150)	4,727,150
TOTAL / AVERAGE	1.56%		\$ 146,264,700	\$ 33,261,068	\$ (25,606,866)	\$ 153,918,903	\$ 145,701,526	\$ 7,280,719	\$ 152,982,245

Allocation

September 30, 2022

Book Value	Yield	Maturity Date	Total	Cash Positions - Bank Investments	Cash Positions - Pool Investments	Certificates of Deposit / CDARS	US Treasury
Independent Bank MMA	1.76%		\$ 28,823,024	\$ 28,823,024	\$ —	\$ —	\$ —
Independent Bank MMA #2	1.76%		7,472,368	7,472,368	—	—	—
NexBank MMA	3.05%		5,061,391	5,061,391	—	—	—
PlainsCapital Bank MMA	0.00%		93,829	93,829	—	—	—
TexSTAR	2.29%		42,087,949	—	42,087,949	—	—
TexPool	2.41%		7,632,308	—	7,632,308	—	—
The American Nat'l Bank CD	0.37%	12/01/22	5,023,213	—	—	5,023,213	—
Prosperity Bank CD	0.15%	12/27/22	10,015,010	—	—	10,015,010	—
Legend Bank IntraFi CD	0.35%	03/23/23	1,500,000	—	—	1,500,000	—
CapTex Bank IntraFi CD	0.40%	03/02/23	3,000,000	—	—	3,000,000	—
The American Nat'l Bank CD	0.43%	06/01/23	5,026,987	—	—	5,026,987	—
T-Note	0.36%	07/31/23	1,497,091	—	—	—	1,497,091
Veritex Community Bank CD	0.25%	08/23/23	10,025,023	—	—	10,025,023	—
Veritex Community Bank CD	0.25%	09/15/23	5,012,512	—	—	5,012,512	—
T-Note	0.43%	10/31/23	1,539,643	—	—	—	1,539,643
T-Note	1.35%	02/29/24	5,071,477	—	—	—	5,071,477
T-Note	1.87%	04/30/24	10,058,773	—	—	—	10,058,773
T-Note	1.48%	08/31/24	4,978,305	—	—	—	4,978,305
Totals			\$ 153,918,903	\$ 41,450,612	\$ 49,720,257	\$ 39,602,746	\$ 23,145,288

Allocation
September 30, 2022

Market Value	Yield	Maturity Date	Total	Cash Positions - Bank Investments	Cash Positions - Pool Investments	Certificates of Deposit / CDARS	US Treasury
Independent Bank MMA	1.76%		\$ 28,823,024	\$ 28,823,024	\$ —	\$ —	\$ —
Independent Bank MMA #2	1.76%		7,472,368	7,472,368	—	—	—
NexBank MMA	3.05%		5,061,391	5,061,391	—	—	—
PlainsCapital Bank MMA	0.00%		93,829	93,829	—	—	—
TexSTAR	2.29%		42,087,949	—	42,087,949	—	—
TexPool	2.41%		7,632,308	—	7,632,308	—	—
The American Nat'l Bank CD	0.37%	12/01/22	5,023,213	—	—	5,023,213	—
Prosperity Bank CD	0.15%	12/27/22	10,015,010	—	—	10,015,010	—
Legend Bank IntraFi CD	0.35%	03/23/23	1,500,000	—	—	1,500,000	—
CapTex Bank IntraFi CD	0.40%	03/02/23	3,000,000	—	—	3,000,000	—
The American Nat'l Bank CD	0.43%	06/01/23	5,026,987	—	—	5,026,987	—
T-Note	0.36%	07/31/23	1,450,485	—	—	—	1,450,485
Veritex Community Bank CD	0.25%	08/23/23	10,025,023	—	—	10,025,023	—
Veritex Community Bank CD	0.25%	09/15/23	5,012,512	—	—	5,012,512	—
T-Note	0.43%	10/31/23	1,477,845	—	—	—	1,477,845
T-Note	1.35%	02/29/24	4,868,750	—	—	—	4,868,750
T-Note	1.87%	04/30/24	9,684,400	—	—	—	9,684,400
T-Note	1.48%	08/31/24	4,727,150	—	—	—	4,727,150
Totals			\$ 152,982,245	\$ 41,450,612	\$ 49,720,257	\$ 39,602,746	\$ 22,208,630

Allocation

June 30, 2022

Book Value	Yield	Maturity Date	Total	Cash Positions - Bank Investments	Cash Positions - Pool Investments	Certificates of Deposit / CDARS	US Treasury
Independent Bank MMA	1.00%		\$ 28,253,663	\$ 28,253,663	\$ —	\$ —	\$ —
Independent Bank MMA #2	0.35%		7,978,516	7,978,516	—	—	—
NexBank MMA	1.60%		5,033,852	5,033,852	—	—	—
PlainsCapital Bank MMA	0.00%		136,462	136,462	—	—	—
TexSTAR	0.99%		12,583,931	—	12,583,931	—	—
TexPool	1.00%		4,499,268	—	4,499,268	—	—
East West Bank CD	0.17%	08/24/22	10,010,205	—	—	10,010,205	—
Prosperity Bank CD	0.20%	09/01/22	5,007,484	—	—	5,007,484	—
East West Bank CD	0.12%	09/27/22	10,009,111	—	—	10,009,111	—
The American Nat'l Bank CD	0.37%	12/01/22	5,018,531	—	—	5,018,531	—
Prosperity Bank CD	0.15%	12/27/22	10,011,225	—	—	10,011,225	—
Legend Bank IntraFi CD	0.35%	03/23/23	1,500,000	—	—	1,500,000	—
CapTex Bank IntraFi CD	0.40%	03/23/23	3,000,000	—	—	3,000,000	—
The American Nat'l Bank CD	0.43%	06/01/23	5,021,542	—	—	5,021,542	—
T-Note	0.36%	07/31/23	1,496,210	—	—	—	1,496,210
Veritex Community Bank CD	0.25%	08/23/23	10,018,710	—	—	10,018,710	—
Veritex Community Bank CD	0.25%	09/15/23	5,009,355	—	—	5,009,355	—
T-Note	0.43%	10/31/23	1,548,852	—	—	—	1,548,852
T-Note	1.35%	02/29/24	5,084,196	—	—	—	5,084,196
T-Note	1.87%	04/30/24	10,068,128	—	—	—	10,068,128
T-Note	1.48%	08/31/24	4,975,458	—	—	—	4,975,458
Totals			\$ 146,264,700	\$ 41,402,493	\$ 17,083,198	\$ 64,606,165	\$ 23,172,844

Allocation

June 30, 2022

Market Value	Yield	Maturity Date	Total	Cash Positions - Bank Investments	Cash Positions - Pool Investments	Certificates of Deposit / CDARS	US Treasury
Independent Bank MMA	1.00%		\$ 28,253,663	\$ 28,253,663	\$ -	\$ -	\$ -
Independent Bank MMA #2	0.35%		7,978,516	7,978,516	-	-	-
NexBank MMA	1.60%		5,033,852	5,033,852	-	-	-
PlainsCapital Bank MMA	0.00%		136,462	136,462	-	-	-
TexSTAR	0.99%		12,583,931	-	12,583,931	-	-
TexPool	1.00%		4,499,268	-	4,499,268	-	-
East West Bank CD	0.17%	08/24/22	10,010,205	-	-	10,010,205	-
Prosperity Bank CD	0.20%	09/01/22	5,007,484	-	-	5,007,484	-
East West Bank CD	0.12%	09/27/22	10,009,111	-	-	10,009,111	-
The American Nat'l Bank CD	0.37%	12/01/22	5,018,531	-	-	5,018,531	-
Prosperity Bank CD	0.15%	12/27/22	10,011,225	-	-	10,011,225	-
Legend Bank IntraFi CD	0.35%	03/23/23	1,500,000	-	-	1,500,000	-
CapTex Bank IntraFi CD	0.40%	03/23/23	3,000,000	-	-	3,000,000	-
The American Nat'l Bank CD	0.43%	06/01/23	5,021,542	-	-	5,021,542	-
T-Note	0.36%	07/31/23	1,455,585	-	-	-	1,455,585
Veritex Community Bank CD	0.25%	08/23/23	10,018,710	-	-	10,018,710	-
Veritex Community Bank CD	0.25%	09/15/23	5,009,355	-	-	5,009,355	-
T-Note	0.43%	10/31/23	1,499,235	-	-	-	1,499,235
T-Note	1.35%	02/29/24	4,956,250	-	-	-	4,956,250
T-Note	1.87%	04/30/24	9,877,300	-	-	-	9,877,300
T-Note	1.48%	08/31/24	4,821,300	-	-	-	4,821,300
Totals			\$ 145,701,526	\$ 41,402,493	\$ 17,083,198	\$ 64,606,165	\$ 22,609,670