



Quarterly Investment Report

PRESENTED TO THE CITY COUNCIL ON
NOVEMBER 18, 2024



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2024

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

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



Disclaimer: These reports were compiled using information provided by the City of Burleson. 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, 2023			September 30, 2024		
	Asset Type	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Deposit Account/Money Market Account	\$ 19,047,644	\$ 19,047,644	4.90%	\$ 19,657,361	\$ 19,657,361	4.51%
Pools/Money Market Fund	50,489,464	50,489,464	5.50%	54,736,938	54,736,938	5.23%
Securities	33,468,111	33,032,003	1.99%	14,999,191	15,226,245	4.93%
Certificates of Deposit	34,599,102	34,599,102	5.51%	69,682,564	69,682,564	5.24%
TOTALS	\$ 137,604,320	\$ 137,168,213		\$ 159,076,054	\$ 159,303,108	
Fourth Quarter-End Yield			4.57%			5.12%
Average Quarter-End Yields (1):			<u>2023</u>			<u>2024</u>
Burleson			3.56%			5.07%
Rolling Three Month Treasury			4.95%			5.42%
Rolling Six Month Treasury			4.77%			5.34%
TexPool			4.74%			5.29%
Fiscal year-to-date Interest Income	\$ 4,022,560	(Approximate)		\$ 6,637,710	(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, 2024			September 30, 2024		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Deposit Account/Money Market Account	5.41%	\$ 21,609,243	\$ 21,609,243	4.51%	\$ 19,657,361	\$ 19,657,361
Pools/Money Market Fund	5.37%	27,255,433	27,255,433	5.23%	54,736,938	54,736,938
Securities	4.01%	19,998,914	20,001,480	4.93%	14,999,191	15,226,245
Certificates of Deposit	5.37%	56,996,547	56,996,547	5.24%	69,682,564	69,682,564
Total	5.16%	\$ 125,860,137	\$ 125,862,703	5.12%	\$ 159,076,054	\$ 159,303,108

<u>Average Yield - Current Quarter (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	5.12%	Total Portfolio	5.07%
Rolling Three Month Treasury	5.24%	Rolling Three Month Treasury	5.42%
Rolling Six Month Treasury	5.17%	Rolling Six Month Treasury	5.34%
TexPool	5.16%	TexPool	5.29%

<u>Interest Earnings (Approximate)</u>	
Quarter	\$ 1,650,716
Fiscal Year-to-date	\$ 6,637,710

(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.

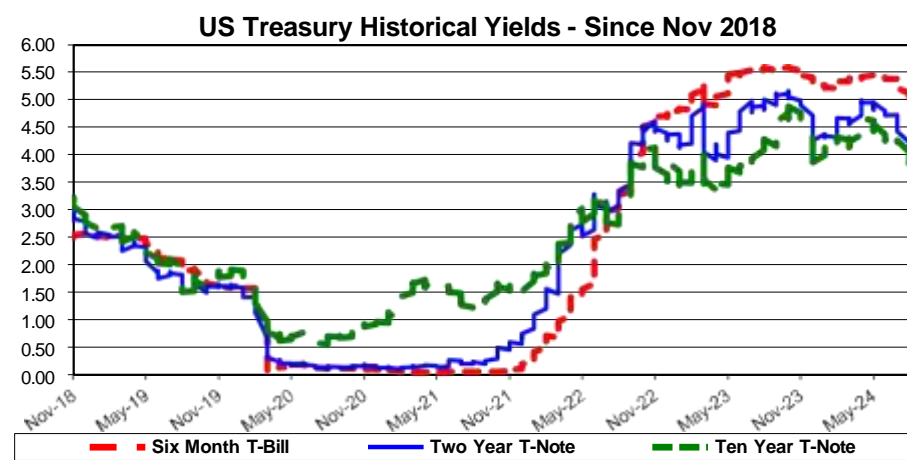
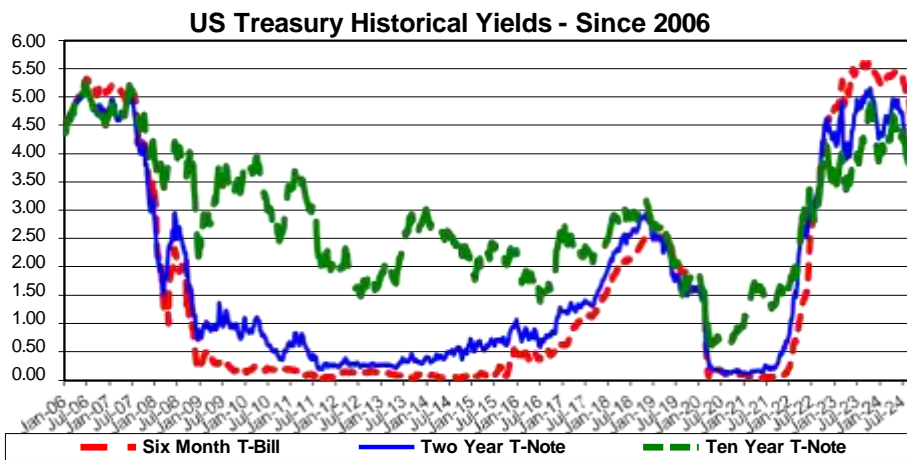
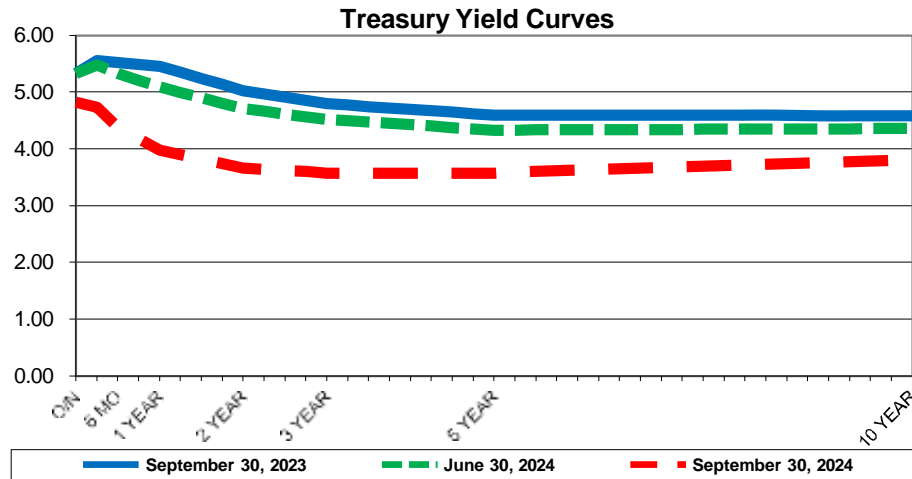
(2) **Fiscal Year-to-Date Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Investment Advisor Note: During market cycles where rates are rising, it is common to experience decreases in market value of current investments. This is due to the value the market places on the asset in terms of its buying or selling ability on the current market day. The City's Investment Policy establishes a "buy and hold" portfolio strategy where investment maturities are targeted to match with identified cash flow requirements, and the investments mature at the anticipated time the cash is needed. The City does not intend to liquidate or redeem securities prior to maturity and will therefore not recognize the losses from a pre-maturity sale. Instead, the City will report changes in market value as unrealized losses as required by the PFIA and current accounting standards. As the security approaches maturity, the unrealized loss will diminish, and at maturity the City will receive the full par value of the security.

Economic Overview

9/30/2024

The Federal Open Market Committee (FOMC) reduced the Fed Funds target range 0.50% to 4.75% - 5.00% (Effective Fed Funds trade +/-4.83%). Expectations are for two more 0.25% cuts by 12/31, although any actions will be meeting-by-meeting and "data-dependent." Sep Non-Farm Payroll surged 254k new jobs (above expectation), with the previous two months revised up boosting the Three Month Rolling Average 186k (from the previous 116k). Second Quarter 2024 GDP remained +3.0% due to increased consumer spending. The S&P 500 Stock Index exceeded 5,700 making new records. The yield curve dropped with the FOMC action and anticipated future actions. Crude Oil drifted slightly higher to +/- \$74 per barrel. Inflation remains above the FOMC 2% target (Core PCE +/-2.7% and Core CPI +/-3.2%). Declining global economic outlook, ongoing/expanding military conflicts and the domestic elections increase uncertainty.



Investment Holdings
September 30, 2024

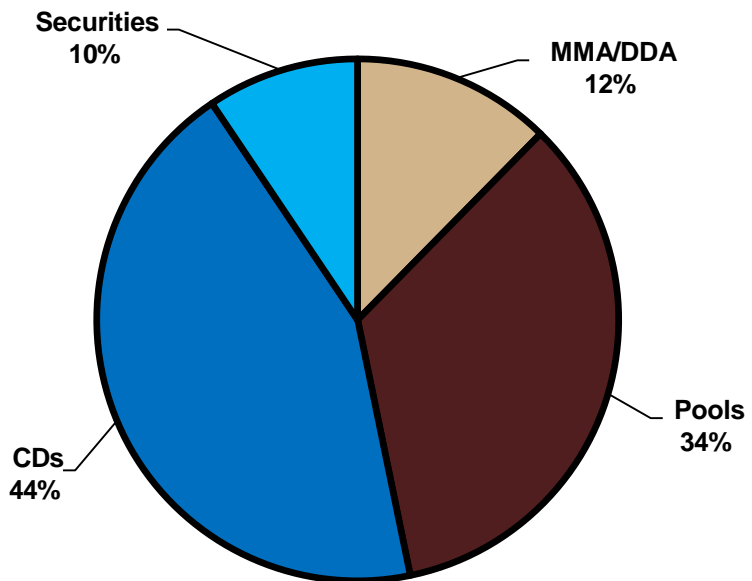
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
American National Bank MMA		0.11%	10/01/24	09/30/24	\$ 427,258	\$ 427,258	1.00	\$ 427,258	1	0.11%
InterBank MMA		5.57%	10/01/24	09/30/24	100,447	100,447	1.00	100,447	1	5.57%
InterBank ICS		5.15%	10/01/24	09/30/24	5,244,562	5,244,562	1.00	5,244,562	1	5.15%
Independent Financial Bank Cash		0.00%	10/01/24	09/30/24	1,752,679	1,752,679	1.00	1,752,679	1	0.00%
Independent Financial Bank MMA		5.48%	10/01/24	09/30/24	958,262	958,262	1.00	958,262	1	5.48%
Independent Financial Bank MMA #2		5.48%	10/01/24	09/30/24	7	7	1.00	7	1	5.48%
NexBank IntraFi MMA Savings		5.00%	10/01/24	09/30/24	11,174,146	11,174,146	1.00	11,174,146	1	5.00%
TexPool	AAAm	5.16%	10/01/24	09/30/24	4,861,555	4,861,555	1.00	4,861,555	1	5.16%
LOGIC	AAAm	5.23%	10/01/24	09/30/24	49,875,383	49,875,383	1.00	49,875,383	1	5.23%
East West Bank CD		5.58%	10/25/24	10/25/23	3,207,074	3,207,074	100.00	3,207,074	25	5.74%
East West Bank CD		5.17%	11/15/24	02/15/24	5,357,613	5,357,613	100.00	5,357,613	46	5.31%
East West Bank CD		5.14%	02/24/25	03/22/24	15,413,241	15,413,241	100.00	15,413,241	147	5.27%
East West Bank CD		5.14%	03/24/25	03/22/24	5,137,747	5,137,747	100.00	5,137,747	175	5.27%
East West Bank CD		5.26%	04/23/25	04/23/24	5,117,356	5,117,356	100.00	5,117,356	205	5.40%
East West Bank CD		5.25%	05/28/25	06/14/24	5,079,002	5,079,002	100.00	5,079,002	240	5.39%
East West Bank CD		5.28%	06/02/25	06/04/24	10,173,727	10,173,727	100.00	10,173,727	245	5.42%
East West Bank CD		5.25%	07/02/25	06/17/24	5,076,811	5,076,811	100.00	5,076,811	275	5.39%
Treasury Note	Aaa/AA+	5.00%	10/31/25	04/24/24	5,000,000	4,997,770	101.10	5,055,078	396	5.04%
American Nat'l Bank & Trust CD		4.70%	01/25/26	07/25/24	15,119,992	15,119,992	100.00	15,119,992	482	4.80%
Federal Farm Credit Bank	Aaa/AA+	4.88%	04/15/26	04/24/24	5,000,000	4,993,608	101.62	5,081,249	562	4.96%
Federal Farm Credit Bank	Aaa/AA+	4.88%	06/12/26	06/25/24	5,000,000	5,007,813	101.80	5,089,918	620	4.78%
Total Portfolio					\$ 159,076,863	\$ 159,076,054		\$ 159,303,108	157	5.12%

(1) (2)

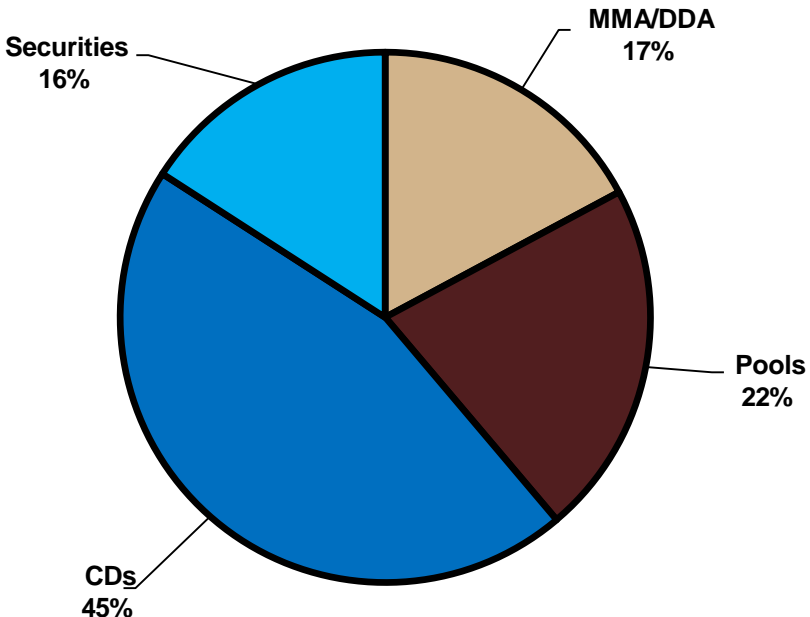
(1) **Weighted average life** - For purposes of calculating weighted average life, overnight bank and pool balances are assumed to have a one day maturity.

(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.

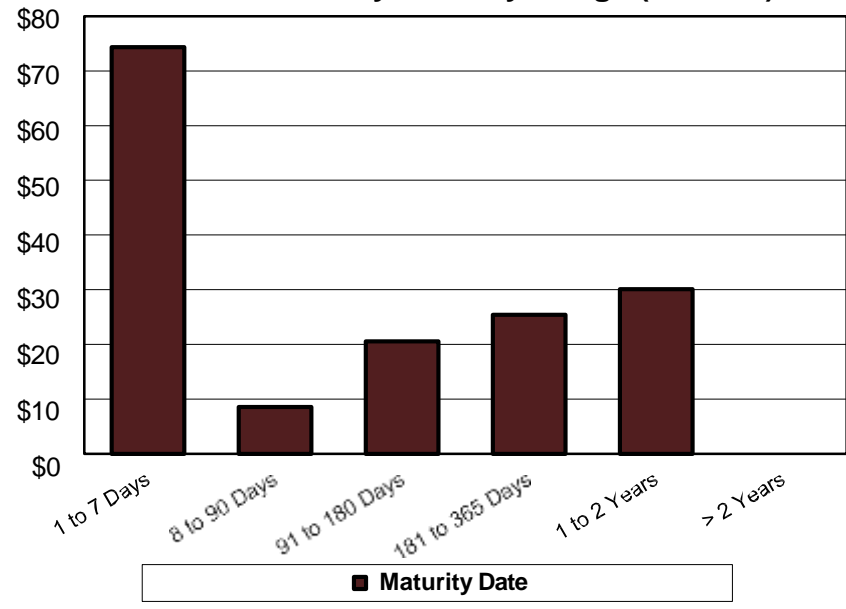
Composition - Current Quarter



Composition - Prior Quarter



Distribution by Maturity Range (Millions)



Book and Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/24	Increases	Decreases	Book Value 09/30/24	Market Value 06/30/24	Change in Market Value	Market Value 09/30/24
American National Bank MMA	0.11%	10/01/24	\$ 298,490	\$ 128,769	\$ -	\$ 427,258	\$ 298,490	\$ 128,769	\$ 427,258
American Nat'l Bank of TX MMA #2	5.00%	10/01/24	411,859	-	(411,859)	-	411,859	(411,859)	-
InterBank MMA	5.57%	10/01/24	100,463	-	(16)	100,447	100,463	(16)	100,447
InterBank ICS	5.15%	10/01/24	5,169,563	74,999	-	5,244,562	5,169,563	74,999	5,244,562
Independent Financial Bank Cash	0.00%	10/01/24	384,839	1,367,839	-	1,752,679	384,839	1,367,839	1,752,679
Independent Financial Bank MMA	5.48%	10/01/24	4,165,110	-	(3,206,848)	958,262	4,165,110	(3,206,848)	958,262
Independent Financial Bank MMA #2	5.48%	10/01/24	57,694	-	(57,688)	7	57,694	(57,688)	7
NexBank IntraFi MMA Savings	5.00%	10/01/24	11,021,225	152,921	-	11,174,146	11,021,225	152,921	11,174,146
TexPool	5.16%	10/01/24	12,278,188	-	(7,416,634)	4,861,555	12,278,188	(7,416,634)	4,861,555
LOGIC	5.23%	10/01/24	14,977,244	34,898,139	-	49,875,383	14,977,244	34,898,139	49,875,383
Federal National Mortgage Ass'n	1.27%	07/02/24	5,000,128	-	(5,000,128)	-	4,999,447	(4,999,447)	-
East West Bank CD	5.56%	08/20/24	3,148,016	-	(3,148,016)	-	3,148,016	(3,148,016)	-
East West Bank CD	5.74%	10/25/24	3,162,287	44,787	-	3,207,074	3,162,287	44,787	3,207,074
East West Bank CD	5.31%	11/15/24	5,288,255	69,358	-	5,357,613	5,288,255	69,358	5,357,613
East West Bank CD	5.27%	02/24/25	15,214,854	198,386	-	15,413,241	15,214,854	198,386	15,413,241
East West Bank CD	5.27%	03/24/25	5,071,618	66,129	-	5,137,747	5,071,618	66,129	5,137,747
East West Bank CD	5.40%	04/23/25	5,049,962	67,394	-	5,117,356	5,049,962	67,394	5,117,356
East West Bank CD	5.39%	05/28/25	5,012,240	66,762	-	5,079,002	5,012,240	66,762	5,079,002
East West Bank CD	5.42%	06/02/25	10,039,237	134,490	-	10,173,727	10,039,237	134,490	10,173,727
East West Bank CD	5.39%	07/02/25	5,010,078	66,734	-	5,076,811	5,010,078	66,734	5,076,811
Treasury Note	5.04%	10/31/25	4,997,252	518	-	4,997,770	5,000,000	55,078	5,055,078
American Nat'l Bank & Trust CD	4.80%	01/25/26	-	15,119,992	-	15,119,992	-	15,119,992	15,119,992
Federal Farm Credit Bank	4.96%	04/15/26	4,992,562	1,046	-	4,993,608	4,997,096	84,152	5,081,249
Federal Farm Credit Bank	4.78%	06/12/26	5,008,972	-	(1,159)	5,007,813	5,004,937	84,981	5,089,918
TOTAL / AVERAGE	5.12%		\$ 125,860,137	\$ 52,458,264	\$ (19,242,347)	\$ 159,076,054	\$ 125,862,703	\$ 33,440,405	\$ 159,303,108

Options



Approve as presented or
with modifications



Deny request