



Quarterly Investment Report for September 30, 2025

PRESENTED TO THE CITY COUNCIL ON NOVEMBER 3, 2025

Texas Public Funds Investment Act (PFIA)

- PFIA requires the City to present a quarterly investment report to the governing body
- Because of the change in monetary policy direction by the Federal Open Market Committee (FOMC), which has resulted in interest rate reductions and a forecast of future reductions, we are presenting the report for the quarter ended September 30, 2025, on the general section of the agenda



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2025

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

FYE Results by Investment Category:

City Funds	September 30, 2024			September 30, 2025		
	Book Value	Market Value	Ave. Yield	Book Value	Market Value	Ave. Yield
Asset Type						
Demand Deposit Account (Cash)	\$ 1,752,679	\$ 1,752,679	0.00%	\$ 1,374,054	\$ 1,374,054	0.81%
Money Market Accounts / Sweep	17,904,682	17,904,682	4.96%	58,683,581	58,683,581	4.39%
Pools / Money Market Funds	54,736,938	54,736,938	5.23%	7,043,589	7,043,589	4.33%
Certificates of Deposit	69,682,564	69,682,564	5.24%	51,223,191	51,223,191	4.30%
Securities	14,999,191	15,226,245	4.93%	55,017,985	55,201,588	4.38%
TOTALS	\$ 159,076,054	\$ 159,303,108		\$ 173,342,400	\$ 173,526,002	
Fourth Quarter-End Yield			5.12%			4.33%
Average Quarter-End Yields (1):			<u>2024</u>			<u>2025</u>
Burleson			5.07%			4.46%
Rolling Three Month Treasury			5.42%			4.38%
Rolling Six Month Treasury			5.34%			4.35%
TexPool			5.29%			4.36%
Fiscal year-to-date Interest Income	\$ 6,637,710	(Approximate)		\$ 6,542,999	(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, 2025			September 30, 2025		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Deposit Account (Cash) (3)	0.00%	\$ 7,042,573	\$ 7,042,573	0.81%	\$ 1,374,054	\$ 1,374,054
Money Market Accounts / Sweep	4.61%	18,186,978	18,186,978	4.39%	58,683,581	58,683,581
Pools / Money Market Funds	4.41%	9,739,900	9,739,900	4.33%	7,043,589	7,043,589
Certificates of Deposit	4.56%	41,125,723	41,125,723	4.30%	51,223,191	51,223,191
Securities	4.37%	60,020,955	60,191,730	4.38%	55,017,985	55,201,588
Total	4.24%	\$ 136,116,129	\$ 136,286,904	4.33%	\$ 173,342,400	\$ 173,526,002
Total Excluding DDA / Cash	4.47%	\$ 129,073,556	\$ 129,244,331	4.36%	\$ 171,968,346	\$ 172,151,949
<u>Average Yield - Current Quarter (1)</u>				<u>Fiscal Year-to-Date Average Yield (2)</u>		
Total Portfolio	4.33%			Total Portfolio	4.46%	
Rolling Three Month Treasury	4.24%			Rolling Three Month Treasury	4.38%	
Rolling Six Month Treasury	4.17%			Rolling Six Month Treasury	4.35%	
TexPool	4.25%			TexPool	4.36%	

<u>Interest Earnings (Approximate)</u>	
Quarter	\$ 1,479,334
Fiscal Year-to-date	\$ 6,542,999

(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.

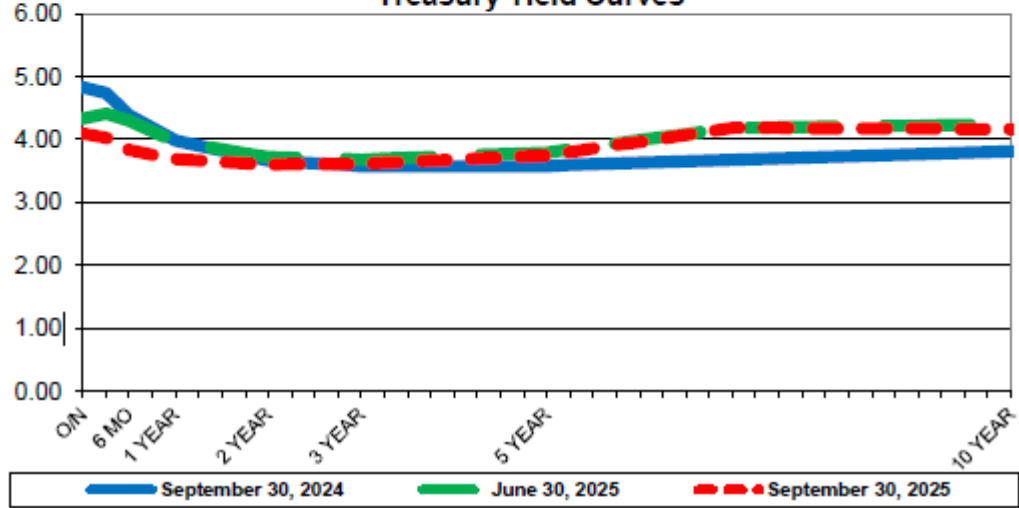
(3) **Demand Deposit Account (Cash)** - account at the City's depository bank utilized for day-to-day operating needs including outstanding payments pending clearing. Balances earn a credit to offset bank fees.

Investment Advisor Note: During market cycles where rates rise or fall, it is common to experience decreases or increases 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 or gains from a pre-maturity sale. Instead, the City will report changes in market value as unrealized losses or gains as required by the PFIA and current accounting standards. As the security approaches maturity, the unrealized loss or gain will diminish, and at maturity the City will receive the full par value of the security.

Economic Overview

The Federal Open Market Committee (FOMC) cut the Fed Funds target range to 4.00% - 4.25% September 17th (Effective Fed Funds trade +/-4.08%). Expectations for additional rate cuts remain - projecting two more 0.25% cuts before year-end. Sep Non-Farm Payroll was delayed by the government shut down. Second Quarter 2025 GDP (final) increased to + 3.8%. The S&P 500 Stock Index continued climbing and reached a new high (+/-6,700). The yield curve condensed with a slight upward slope. Crude Oil remains in the low \$60s. Inflation continues above the FOMC 2% target (Core PCE +/-2.9% and Core CPI +/-3.1%). The Markets still face uncertain economic outlooks, tariff impacts and political conflicts.

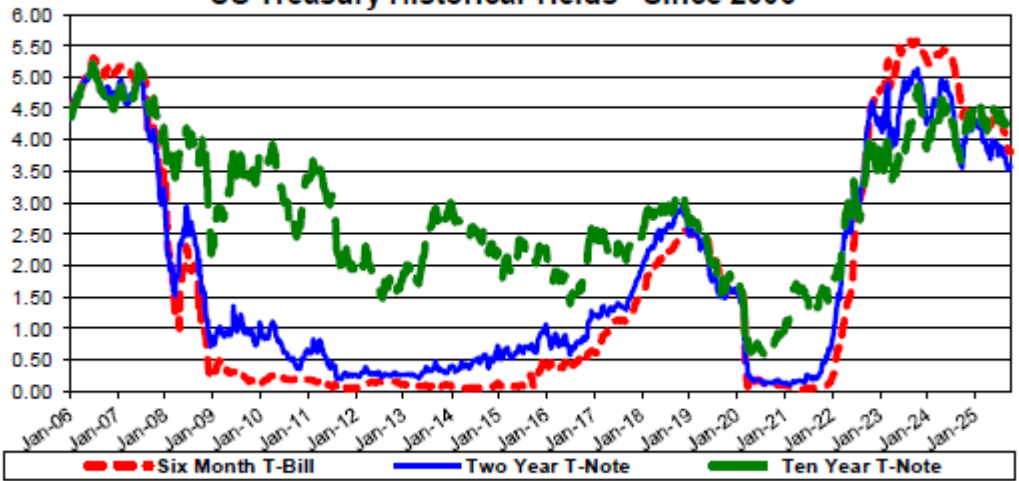
Treasury Yield Curves



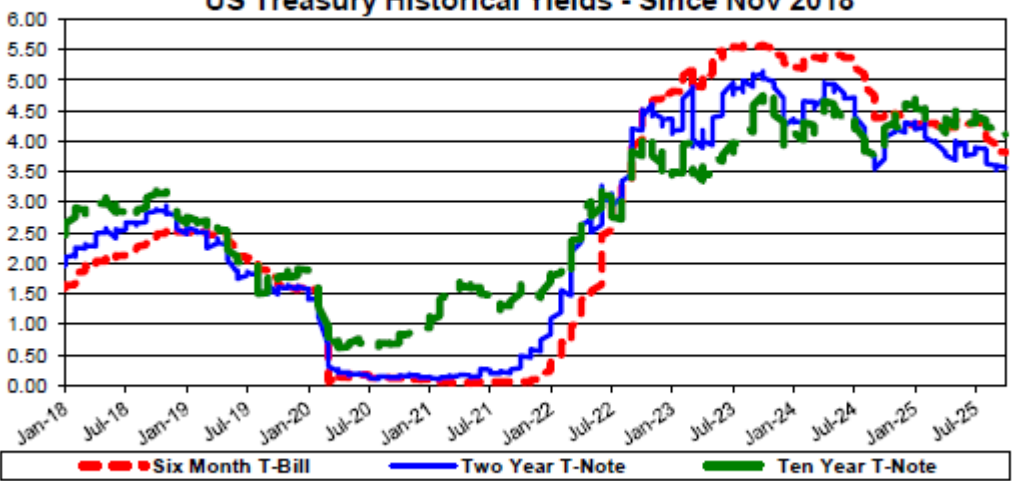
S&P 500



US Treasury Historical Yields - Since 2006



US Treasury Historical Yields - Since Nov 2018



Investment Holdings

September 30, 2025

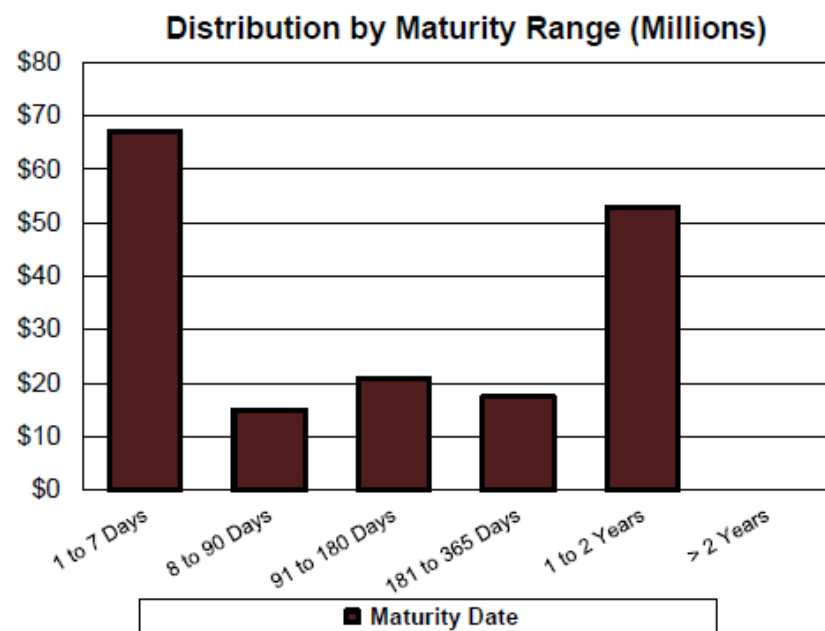
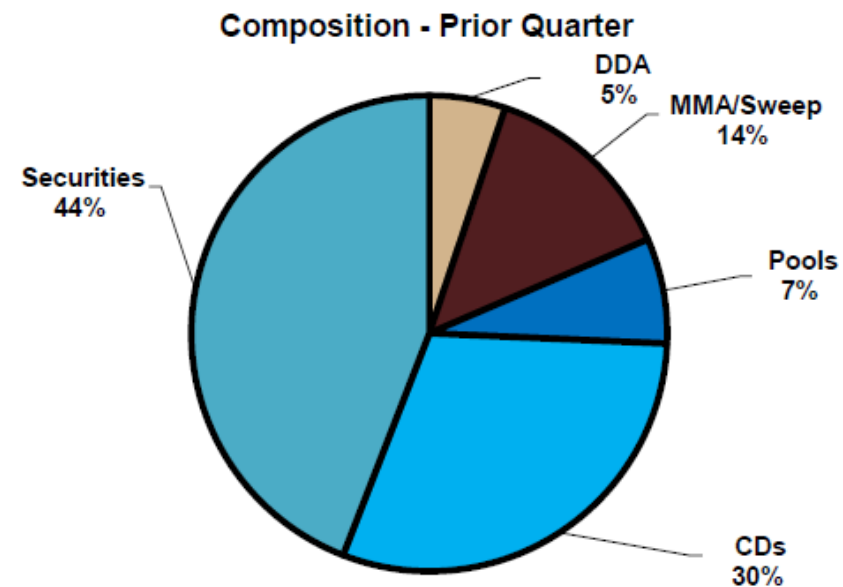
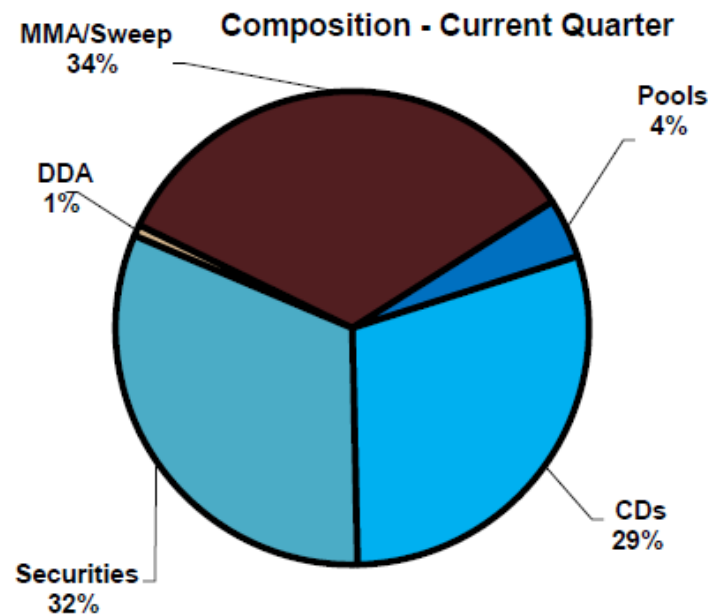


Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
SouthState Bank Cash		0.81%	10/01/25	09/30/25	\$ 1,374,054	\$ 1,374,054	1.00	\$ 1,374,054	1	0.81%
SouthState Bank MMA		4.47%	10/01/25	09/30/25	1,629,893	1,629,893	1.00	1,629,893	1	4.47%
InterBank MMA		4.64%	10/01/25	09/30/25	100,373	100,373	1.00	100,373	1	4.64%
InterBank ICS		4.40%	10/01/25	09/30/25	53,469,580	53,469,580	1.00	53,469,580	1	4.40%
NexBank IntraFi MMA Savings		4.25%	10/01/25	09/30/25	3,483,735	3,483,735	1.00	3,483,735	1	4.25%
TexPool	AAAm	4.25%	10/01/25	09/30/25	410,347	410,347	1.00	410,347	1	4.25%
LOGIC	AAAm	4.33%	10/01/25	09/30/25	6,633,242	6,633,242	1.00	6,633,242	1	4.33%
USTN	Aa1/AA+	5.00%	10/31/25	04/24/24	5,000,000	4,999,825	100.05	5,002,539	31	5.04%
USTN	Aa1/AA+	4.88%	11/30/25	10/09/24	10,000,000	10,011,200	100.11	10,010,937	61	4.18%
American Nat'l Bank & Trust CD		4.70%	01/25/26	07/25/24	15,846,141	15,846,141	100.00	15,846,141	117	4.80%
BOK Financial CDARS		4.11%	03/19/26	03/20/25	5,111,117	5,111,117	100.00	5,111,117	170	4.20%
FFCB	Aa1/AA+	4.88%	04/15/26	04/24/24	5,000,000	4,997,760	100.57	5,028,456	197	4.96%
FFCB	Aa1/AA+	4.88%	06/12/26	06/25/24	5,000,000	5,003,213	100.67	5,033,681	255	4.78%
USTN	Aa1/AA+	3.75%	08/31/26	10/29/24	5,000,000	4,982,936	100.00	5,000,000	335	4.14%
American Nat'l Bank & Trust CDARS		4.30%	09/24/26	09/25/25	2,501,766	2,501,766	100.00	2,501,766	359	4.39%
USTN	Aa1/AA+	4.63%	10/15/26	11/21/24	5,000,000	5,016,600	100.92	5,046,094	380	4.29%
FAMCA		4.23%	12/23/26	12/23/24	10,000,000	10,000,000	100.22	10,021,677	449	4.23%
USTN	Aa1/AA+	4.13%	02/15/27	06/09/25	10,000,000	10,006,452	100.58	10,058,203	503	4.07%
First Nat'l Bank of McGregor CD		3.85%	03/23/27	09/23/25	7,500,000	7,500,000	100.00	7,500,000	539	3.91%
American Nat'l Bank & Trust CDARS		4.05%	03/25/27	03/27/25	5,105,391	5,105,391	100.00	5,105,391	541	4.13%
American Nat'l Bank & Trust CDARS		3.95%	04/29/27	05/01/25	5,083,472	5,083,472	100.00	5,083,472	576	4.03%
American Nat'l Bank & Trust CDARS		4.00%	05/13/27	08/14/25	1,005,274	1,005,274	100.00	1,005,274	590	4.07%
American Nat'l Bank & Trust CDARS		4.00%	05/13/27	08/14/25	4,021,095	4,021,095	100.00	4,021,095	590	4.07%
American Nat'l Bank & Trust CDARS		3.95%	07/01/27	07/03/25	5,048,934	5,048,934	100.00	5,048,934	639	4.03%
Total Portfolio					\$ 173,324,414	\$ 173,342,400		\$ 173,526,002	206	4.33%

(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.



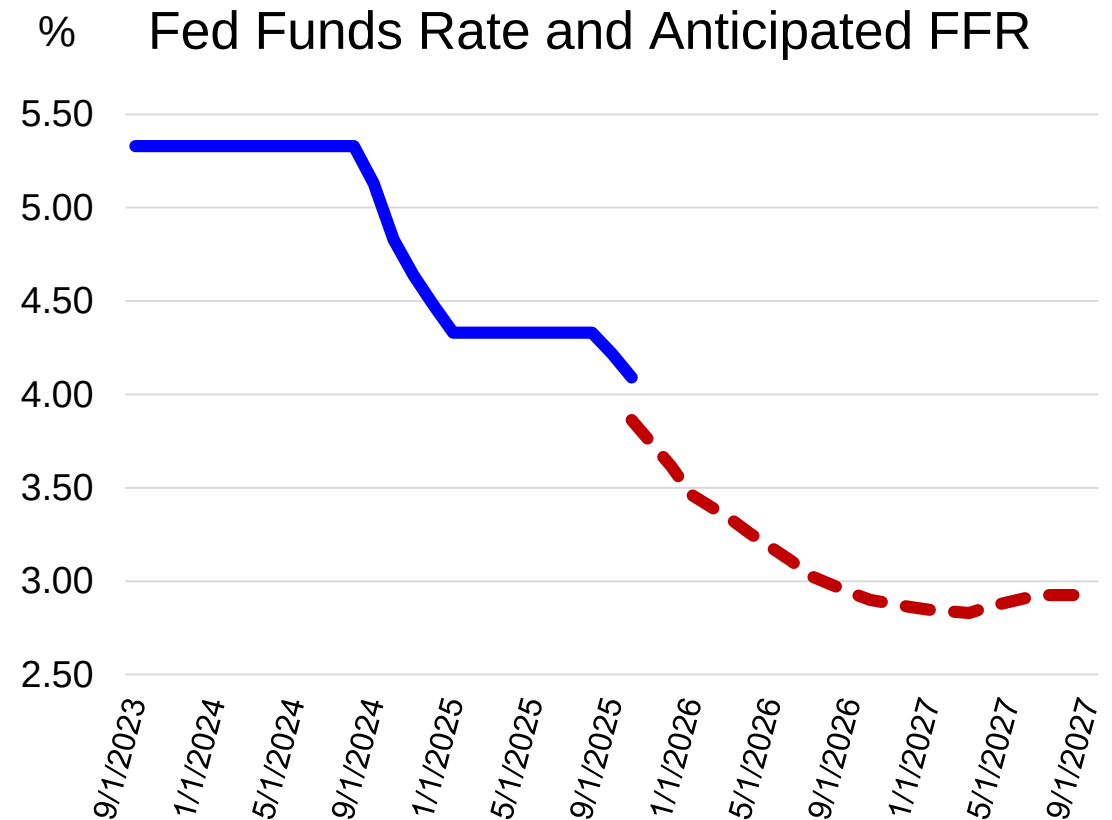
Book and Market Value Comparison



Issuer/Description	Yield	Maturity Date	Book Value 06/30/25	Increases	Decreases	Book Value 09/30/25	Market Value 06/30/25	Change in Market Value	Market Value 09/30/25
SouthState Bank Cash	0.81%	10/01/25	\$ 7,042,573	\$ –	\$ (5,668,519)	\$ 1,374,054	\$ 7,042,573	\$ (5,668,519)	\$ 1,374,054
SouthState Bank MMA	4.47%	10/01/25	1,394,774	235,118	–	1,629,893	1,394,774	235,118	1,629,893
InterBank MMA	4.64%	10/01/25	100,382	–	(9)	100,373	100,382	(9)	100,373
InterBank ICS	4.40%	10/01/25	13,246,715	40,222,865	–	53,469,580	13,246,715	40,222,865	53,469,580
NexBank IntraFi MMA Savings	4.25%	10/01/25	3,445,107	38,628	–	3,483,735	3,445,107	38,628	3,483,735
TexPool	4.25%	10/01/25	116,051	294,296	–	410,347	116,051	294,296	410,347
LOGIC	4.33%	10/01/25	9,623,849	–	(2,990,606)	6,633,242	9,623,849	(2,990,606)	6,633,242
East West Bank CD	5.39%	07/02/25	5,257,381	–	(5,257,381)	–	5,257,381	(5,257,381)	–
East West Bank CD	4.31%	08/14/25	5,063,406	–	(5,063,406)	–	5,063,406	(5,063,406)	–
USTN	4.29%	08/15/25	4,985,971	–	(4,985,971)	–	4,984,180	(4,984,180)	–
USTN	5.04%	10/31/25	4,999,307	518	–	4,999,825	5,010,547	(8,008)	5,002,539
USTN	4.18%	11/30/25	10,028,091	–	(16,891)	10,011,200	10,021,094	(10,156)	10,010,937
American Nat'l Bank & Trust CD	4.80%	01/25/26	15,659,891	186,250	–	15,846,141	15,659,891	186,250	15,846,141
BOK Financial CDARS	4.20%	03/19/26	5,058,388	52,729	–	5,111,117	5,058,388	52,729	5,111,117
FFCB	4.96%	04/15/26	4,996,713	1,046	–	4,997,760	5,027,378	1,079	5,028,456
FFCB	4.78%	06/12/26	5,004,372	–	(1,159)	5,003,213	5,034,085	(404)	5,033,681
USTN	4.14%	08/31/26	4,978,249	4,686	–	4,982,936	4,987,891	12,109	5,000,000
American Nat'l Bank & Trust CDARS	4.39%	09/24/26	–	2,501,766	–	2,501,766	–	2,501,766	2,501,766
USTN	4.29%	10/15/26	5,020,619	–	(4,019)	5,016,600	5,044,922	1,172	5,046,094
FAMCA	4.23%	12/23/26	10,000,000	–	–	10,000,000	10,033,197	(11,520)	10,021,677
USTN	4.07%	02/15/27	10,007,632	–	(1,180)	10,006,452	10,048,438	9,766	10,058,203
First Nat'l Bank of McGregor CD	3.91%	03/23/27	–	7,500,000	–	7,500,000	–	7,500,000	7,500,000
American Nat'l Bank & Trust CDARS	4.13%	03/25/27	5,053,542	51,849	–	5,105,391	5,053,542	51,849	5,105,391
American Nat'l Bank & Trust CDARS	4.03%	04/29/27	5,033,114	50,358	–	5,083,472	5,033,114	50,358	5,083,472
American Nat'l Bank & Trust CDARS	4.07%	05/13/27	–	1,005,274	–	1,005,274	–	1,005,274	1,005,274
American Nat'l Bank & Trust CDARS	4.07%	05/13/27	–	4,021,095	–	4,021,095	–	4,021,095	4,021,095
American Nat'l Bank & Trust CDARS	4.03%	07/01/27	–	5,048,934	–	5,048,934	–	5,048,934	5,048,934
TOTAL / AVERAGE	4.33%		\$ 136,116,129	\$ 61,215,412	\$ (23,989,142)	\$ 173,342,400	\$ 136,286,904	\$ 37,239,098	\$ 173,526,002

Market Outlook

- Labor market concerns grew, inflation still above 2% goal
- FOMC must balance risks
- Market anticipates two more cuts to Fed Funds rate by end of 2025



What does this mean for the City?

- Rates will come down naturally with FOMC moves
- Cash rates decline quicker
- Fixed income investments retain higher rate in a falling rate environment



RECENT INVESTMENTS:

\$2.5mm CD for 12-mo at 4.39%

12-mo UST now at [3.55%](#)

\$7.5mm CD for 18-mo at 3.91%

18-mo UST now at [3.49%](#)

\$5mm CD for 21-mo at 4.07%

21-mo UST now at [3.47%](#)

\$5mm CD for 24-mo at 4.02%

24-mo UST now at [3.45%](#)

Cash Flow Forecasting

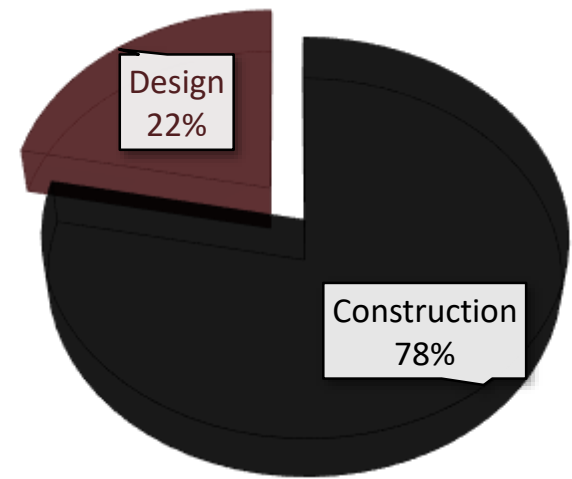
Inflows	Fixed?	Predictable?
Property Tax	Somewhat	Yes
Sales Tax	No	Yes
Investment Maturities	Yes	Yes
Fines & Forfeitures	No	Maybe

Outflows	Fixed?	Predictable?
Payroll	Yes	Yes
Debt Service	Yes	Yes
Investment Purchases	Yes	Yes
Capital	No	Maybe

Capital Fund Commitments

Construction	\$ 29,014,902
Design	\$ 8,108,731
Total Encumbrances	\$ 37,123,632

OPEN ENCUMBRANCES
IN BOND FUNDS



18-Month Investment Timeline

FY 2025 Issuance	6-Months (4.40%)	12-Months (4.40%)	18-Months (3.91%)	Total
General Obligation	\$ 4,385,630	\$ 4,010,630	\$ -	\$ 8,396,260
Certificate of Obligation	\$ 23,103,371	\$ 14,450,430	\$ 7,500,000	\$ 45,053,801
Total Bonds Invested	\$ 27,489,001	\$ 18,461,060	\$ 7,500,000	\$ 53,450,061

18-Month Anticipated Rate of Return

Investment Holdings
September 30, 2025



Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
SouthState Bank Cash		0.81%	10/01/25	09/30/25	\$ 1,374,054	\$ 1,374,054	1.00	\$ 1,374,054	1	0.81%
SouthState Bank MMA		4.47%	10/01/25	09/30/25	1,629,893	1,629,893	1.00	1,629,893	1	4.47%
InterBank MMA		4.64%	10/01/25	09/30/25	100,373	100,373	1.00	100,373	1	4.64%
InterBank ICS-MMA		4.40%	10/01/25	09/30/25	53,489,580	53,489,580	1.00	53,489,580	1	4.40%
NexBank ICS-MMA		4.25%	10/01/25	09/30/25	3,483,735	3,483,735	1.00	3,483,735	1	4.25%
TexPool	AAA-m	4.25%	10/01/25	09/30/25	410,347	410,347	1.00	410,347	1	4.25%
LOGIC	AAA-m	4.33%	10/01/25	09/30/25	6,633,242	6,633,242	1.00	6,633,242	1	4.33%
Treasury Note	Aa1/AA+	5.00%	10/31/25	04/24/24	5,000,000	4,999,825	100.05	5,002,539	31	5.04%
Treasury Note	Aa1/AA+	4.88%	11/30/25	10/09/24	10,000,000	10,011,200	100.11	10,010,937	61	4.18%
American Nat'l Bank & Trust CD		4.70%	01/25/26	07/25/24	15,846,141	15,846,141	100.00	15,846,141	117	4.80%
BOK Financial Bank CDARS		4.11%	03/19/26	03/20/25	5,111,117	5,111,117	100.00	5,111,117	170	4.20%
Federal Farm Credit Bank	Aa1/AA+	4.88%	04/15/26	04/24/24	5,000,000	4,997,760	100.57	5,028,456	197	4.96%
Federal Farm Credit Bank	Aa1/AA+	4.88%	06/12/26	06/25/24	5,000,000	5,003,213	100.67	5,033,681	255	4.78%
Treasury Note	Aa1/AA+	3.75%	08/31/26	10/29/24	5,000,000	4,982,936	100.00	5,000,000	335	4.14%
American Nat'l Bank & Trust CDARS		4.30%	09/24/26	09/25/25	2,501,766	2,501,766	100.00	2,501,766	359	4.39%
Treasury Note	Aa1/AA+	4.63%	10/15/26	11/21/24	5,000,000	5,016,600	100.92	5,046,094	380	4.29%
FAMCA		4.23%	12/23/26	12/23/24	10,000,000	10,000,000	100.22	10,021,677	449	4.23%
Treasury Note	Aa1/AA+	4.13%	02/15/27	06/09/25	10,000,000	10,006,452	100.58	10,058,203	503	4.07%
First Nat'l Bank of McGregor CD		3.85%	03/23/27	09/23/25	7,500,000	7,500,000	100.00	7,500,000	539	3.91%
American Nat'l Bank & Trust CDARS		4.05%	03/25/27	03/27/25	5,105,391	5,105,391	100.00	5,105,391	541	4.13%
American Nat'l Bank & Trust CDARS		3.95%	04/29/27	05/01/25	5,083,472	5,083,472	100.00	5,083,472	576	4.03%
American Nat'l Bank & Trust CDARS		4.00%	05/13/27	08/14/25	1,005,274	1,005,274	100.00	1,005,274	590	4.07%
American Nat'l Bank & Trust CDARS		4.00%	05/13/27	08/14/25	4,021,095	4,021,095	100.00	4,021,095	590	4.07%
American Nat'l Bank & Trust CDARS		3.95%	07/01/27	07/03/25	5,048,934	5,048,934	100.00	5,048,934	639	4.03%
Total Portfolio					\$ 173,324,414	\$ 173,342,400		\$ 173,526,002	206	4.33%

* Highlighted investment holdings reflect results of 18-month investment strategy with FY 2025 bond proceeds.

Recommendation

Move to approve a resolution accepting the Quarterly Investment Report for September 30, 2025, as submitted in accordance with the Public Funds Investment Act (PFIA).

Questions/Comments

Natalie Turner

Chief Accountant

Finance Department

nturner@burlesontx.com