

City of Hewitt

QUARTERLY INVESTMENT REPORT

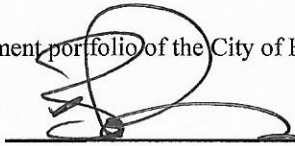
For the Quarter Ended

June 30, 2022

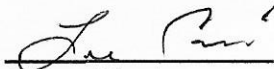
Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Hewitt is in compliance with the Public Funds Investment Act and the Investment Policy and its incorporated strategies.



City Manager



Finance Director

Accountant

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.

Summary

Quarter End Results by Investment Category:

<u>Asset Type</u>	<u>March 31, 2022</u>		<u>June 30, 2022</u>		
	<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Ave. Yield</u>
Pools/DDA/MMA	\$ 17,251,000	\$ 17,251,000	\$ 15,169,318	\$ 15,169,318	0.59%
Securities/CDs	6,694,840	6,694,840	5,928,943	5,921,547	1.16%
Totals	\$ 23,945,840	\$ 23,945,840	\$ 21,098,261	\$ 21,090,865	0.75%

<u>Current Quarter Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.75%	Total Portfolio	0.60%
Rolling Three Month Treasury	1.13%	Rolling Three Month Treasury	0.50%
Rolling Six Month Treasury	1.15%	Rolling Six Month Treasury	0.53%
TexPool	1.00%	TexPool	0.40%

<u>Interest Earnings</u>	
Quarterly Interest Income	\$ 41,116
Fiscal Year-to-date Interest Income	\$ 93,584

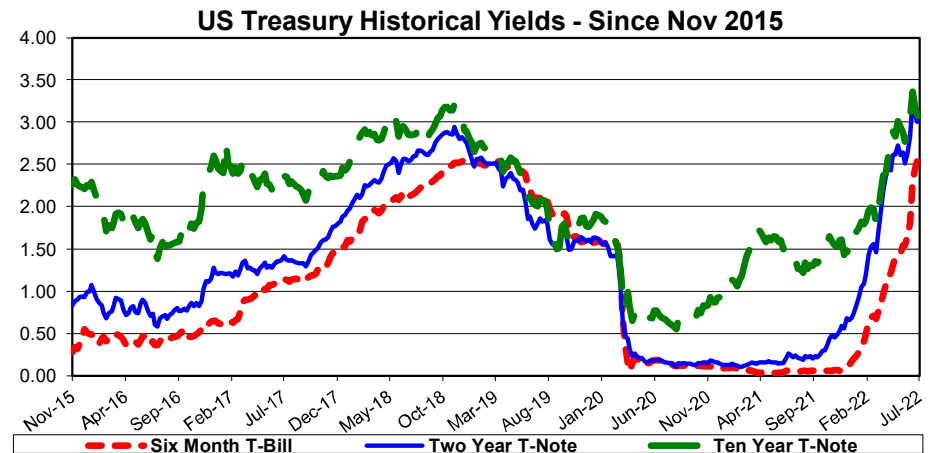
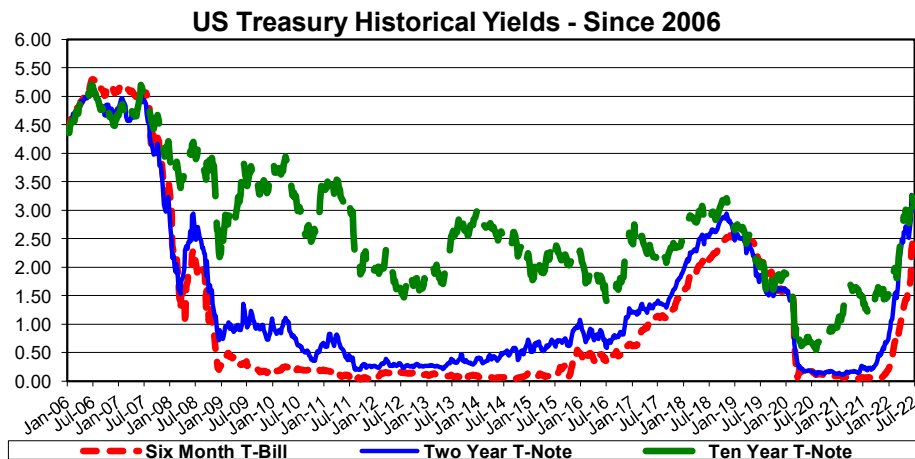
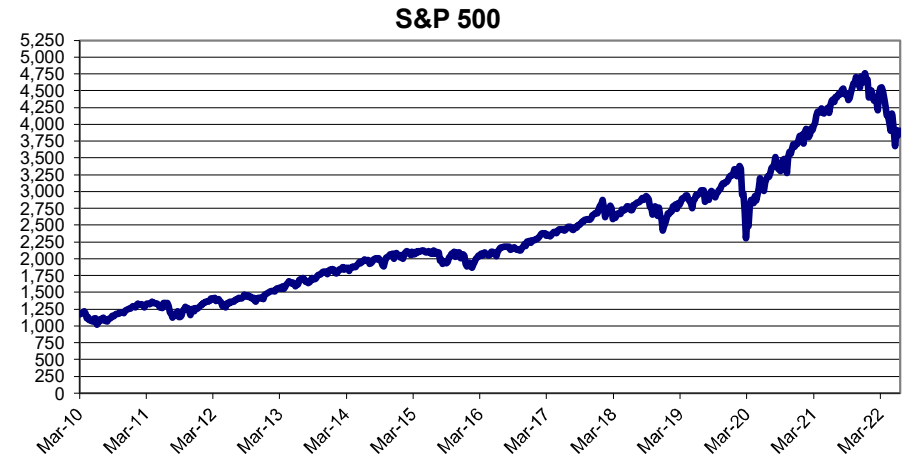
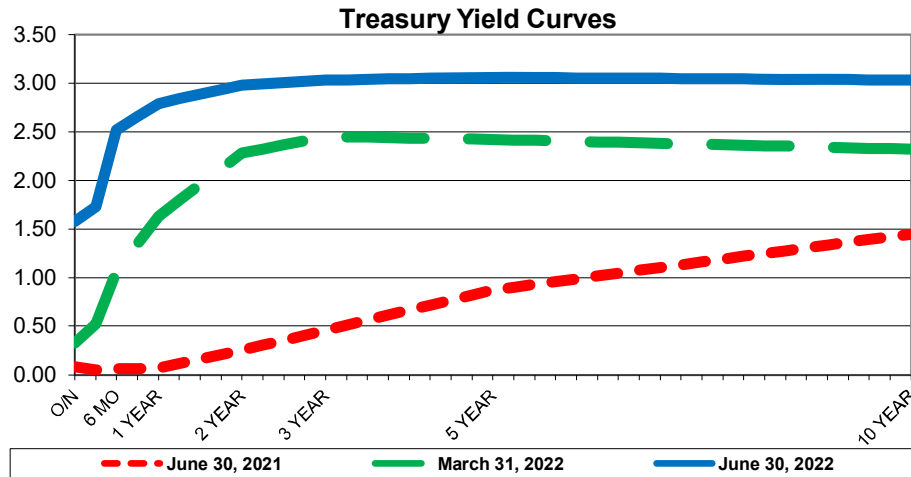
(1) **Current Quarter Average Yield** - calculated using quarter end report yields and adjusted book values; does not reflect a total return analysis, realized or unrealized gains/losses, or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

(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

6/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 1.50% - 1.75% June 15th (Effective Fed Funds are trading +/-1.60%). The FOMC begin actively reducing their balance sheet June 1. An additional 0.75% increase is anticipated July 27. First Quarter GDP (final) was -1.6%. June Non-Farm Payroll added 372k net new jobs while the Three Month Average NFP declined to 375k. Crude oil settled in at +/- \$105 per barrel. The Stock Markets continued sliding lower, but may be stabilizing. More domestic and international economic indicators softened, including housing data. A recession in the next 12 to 18 months is being openly discussed. Inflation remained well over the FOMC 2% target (Core PCE +/-4.7% and CPI exceeding 8%).



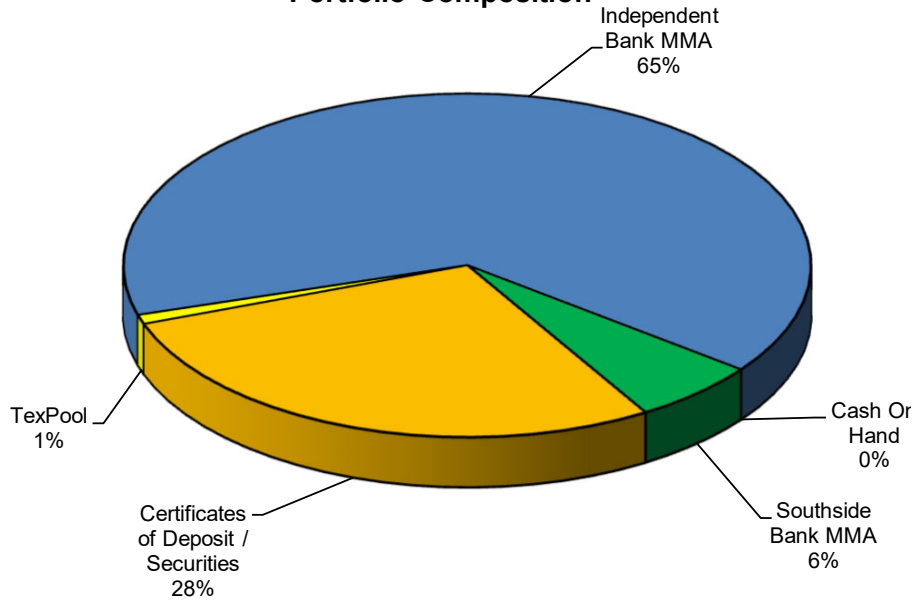
Investment Holdings
June 30, 2022

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash on Hand		0.00%	07/01/22	06/30/22	\$ 2,200	\$ 2,200	1.00	\$ 2,200	1	0.00%
Independent Bank - MMA		0.55%	07/01/22	06/30/22	13,722,466	13,722,466	1.00	13,722,466	1	0.55%
Southside Bank - MMA		0.97%	07/01/22	06/30/22	1,259,274	1,259,274	1.00	1,259,274	1	0.97%
TexPool	AAAm	1.00%	07/01/22	06/30/22	185,378	185,378	1.00	185,378	1	1.00%
East West Bank CD		0.73%	08/18/22	02/18/22	852,042	852,042	100.00	852,042	49	0.73%
East West Bank CD		0.91%	11/17/22	02/18/22	852,546	852,546	100.00	852,546	140	0.91%
East West Bank CD		1.10%	02/17/23	02/18/22	3,236,679	3,236,679	100.00	3,236,679	232	1.10%
FHLMC	Aaa/AA+	0.38%	04/20/23	04/19/22	1,000,000	987,676	98.03	980,280	294	1.93%
Total					\$ 21,110,585	\$ 21,098,261		\$ 21,090,865	58	0.75%
									(1)	(2)

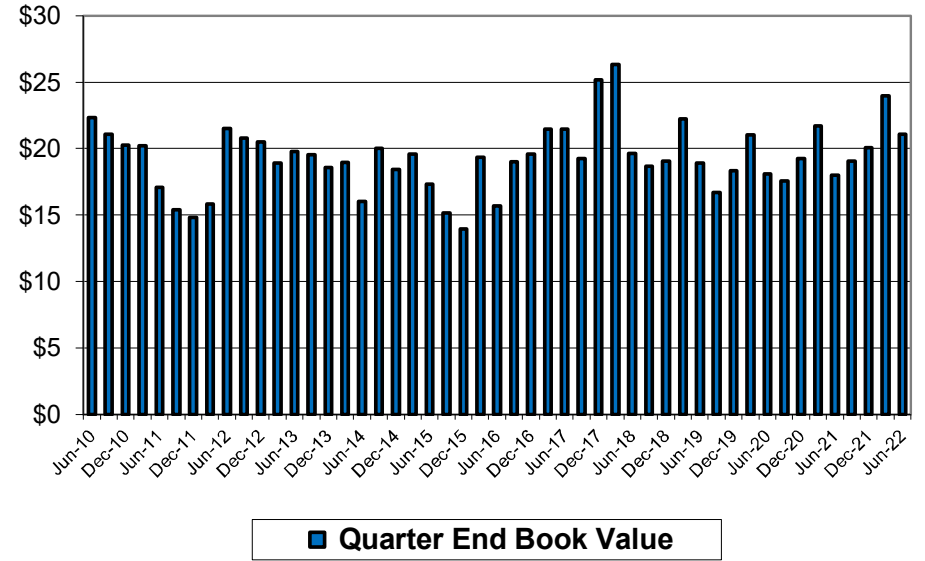
(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(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 pool, and bank account investments.

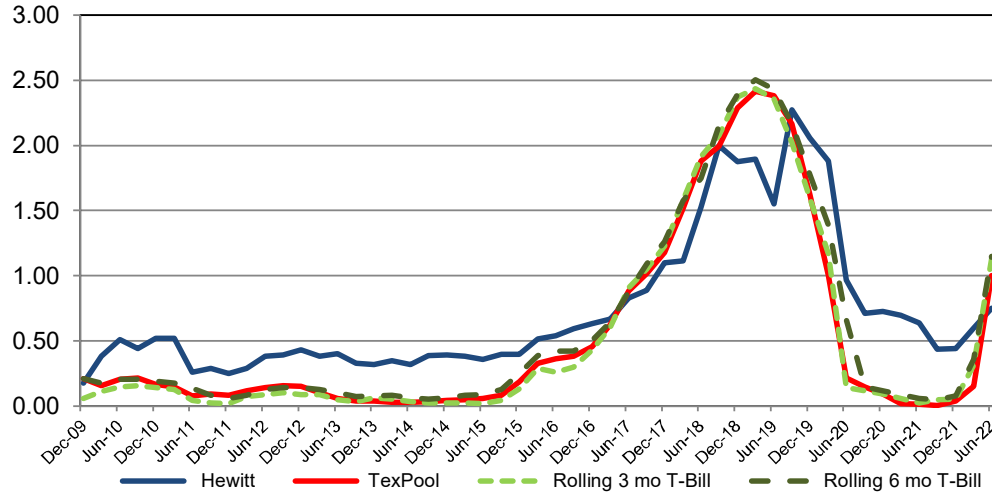
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/22	Increases	Decreases	Book Value 06/30/22	Market Value 03/31/22	Change in Market Value	Market Value 06/30/22
Cash on Hand	0.00%	07/01/22	\$ 2,200	\$ -	\$ -	\$ 2,200	\$ 2,200	\$ -	\$ 2,200
Independent Bank - MMA	0.55%	07/01/22	15,718,471	-	(1,996,005)	13,722,466	15,718,471	(1,996,005)	13,722,466
Southside Bank - MMA	0.97%	07/01/22	1,257,260	2,014	-	1,259,274	1,257,260	2,014	1,259,274
TexPool	1.00%	07/01/22	273,069	-	(87,691)	185,378	273,069	(87,691)	185,378
Alliance Bank CD	0.25%	04/15/22	938,590	-	(938,590)	-	938,590	(938,590)	-
Alliance Bank CD	0.25%	04/19/22	827,459	-	(827,459)	-	827,459	(827,459)	-
East West Bank CD	0.73%	08/18/22	850,476	1,566	-	852,042	850,476	1,566	852,042
East West Bank CD	0.91%	11/17/22	850,593	1,952	-	852,546	850,593	1,952	852,546
East West Bank CD	1.10%	02/17/23	3,227,721	8,957	-	3,236,679	3,227,721	8,957	3,236,679
FHLMC	1.93%	04/20/23	-	987,676	-	987,676	-	980,280	980,280
TOTAL / AVERAGE	0.75%		\$ 23,945,840	\$ 1,002,166	\$ (3,849,745)	\$ 21,098,261	\$ 23,945,840	\$ (2,854,975)	\$ 21,090,865

**Allocation By Fund - Book Value
June 30, 2022**

Book and Market Value	Cash on Hand	Independent Bank - MMA (0.55%)	TexPool (1.001%)	Southside Bank - MMA (0.97%)	08/18/22 – East West Bank (0.73%)	11/17/22 – East West Bank (0.91%)	02/17/23 – East West Bank (1.1%)	04/20/23 – FHLMC (1.927%)	Total
GF Operating	\$ 900	\$ 5,473,680	\$ –	\$ –	\$ –	\$ –	\$ 1,018,983	\$ –	\$ 6,493,563
GF Street Reserve	–	819	11,173	217,163	–	–	–	–	229,155
GF Tax I&S	–	292,066	1,844	490,463	–	–	–	–	784,373
GF 90 Day Reserves	–	42,900	380	–	–	–	1,254,527	987,676	2,285,483
PEG Account	–	431,619	–	–	–	–	–	–	431,619
Street Capital	–	12,174	12,987	–	–	–	–	–	25,161
Hotel Fund	–	183,488	–	–	–	–	–	–	183,488
HHIT	–	–	–	–	–	–	–	–	–
Drainage Fund	–	337,985	–	–	–	–	–	–	337,985
Payroll Account	–	–	–	–	–	–	–	–	–
UF Operating	1,300	3,168,837	23,463	–	–	–	963,169	–	4,156,770
UF Deposits	–	539,195	1,632	–	–	–	–	–	540,827
UF Self-Supporting	–	575,722	117,963	318,116	–	–	–	–	1,011,800
UF 90-Day Reserves	–	1,303,904	–	–	–	–	–	–	1,303,904
UF Equipment	–	–	5,561	233,532	–	–	–	–	239,093
UF Capital (2016 Bonds)	–	298,443	10,375	–	–	–	–	–	308,818
2017 Bond Funds	–	795,000	–	–	–	–	–	–	795,000
Child Safety Fees	–	132,029	–	–	–	–	–	–	132,029
CLFRF - ARP Funds	–	134,606	–	–	852,042	852,546	–	–	1,839,194
Totals	\$ 2,200	\$ 13,722,466	\$ 185,378	\$ 1,259,274	\$ 852,042	\$ 852,546	\$ 3,236,679	\$ 987,676	\$ 21,098,261

Allocation By Fund - Market Value
June 30, 2022

Book and Market Value	Cash on Hand	Independent Bank - MMA (0.55%)	TexPool (1.001%)	Southside Bank - MMA (0.97%)	08/18/22 – East West Bank (0.73%)	11/17/22 – East West Bank (0.91%)	02/17/23 – East West Bank (1.1%)	04/20/23 – FHLMC (1.927%)	Total
GF Operating	\$ 900	\$ 5,473,680	\$ –	\$ –	\$ –	\$ –	\$ 1,018,983	\$ –	\$ 6,493,563
GF Street Reserve	–	819	11,173	217,163	–	–	–	–	229,155
GF Tax I&S	–	292,066	1,844	490,463	–	–	–	–	784,373
GF 90 Day Reserves	–	42,900	380	–	–	–	1,254,527	980,280	2,278,086
PEG Account	–	431,619	–	–	–	–	–	–	431,619
Street Capital	–	12,174	12,987	–	–	–	–	–	25,161
Hotel Fund	–	183,488	–	–	–	–	–	–	183,488
HHIT	–	–	–	–	–	–	–	–	–
Drainage Fund	–	337,985	–	–	–	–	–	–	337,985
Payroll Account	–	–	–	–	–	–	–	–	–
UF Operating	1,300	3,168,837	23,463	–	–	–	963,169	–	4,156,770
UF Deposits	–	539,195	1,632	–	–	–	–	–	540,827
UF Self-Supporting	–	575,722	117,963	318,116	–	–	–	–	1,011,800
UF 90-Day Reserves	–	1,303,904	–	–	–	–	–	–	1,303,904
UF Equipment	–	–	5,561	233,532	–	–	–	–	239,093
UF Capital (2016 Bonds)	–	298,443	10,375	–	–	–	–	–	308,818
2017 Bond Funds	–	795,000	–	–	–	–	–	–	795,000
Child Safety Fees	–	132,029	–	–	–	–	–	–	132,029
CLFRF - ARP Funds	–	134,606	–	–	852,042	852,546	–	–	1,839,194
Totals	\$ 2,200	\$ 13,722,466	\$ 185,378	\$ 1,259,274	\$ 852,042	\$ 852,546	\$ 3,236,679	\$ 980,280	\$ 21,090,865

Allocation By Fund
March 31, 2022

Book and Market Value	Cash on Hand	Independent Bank - MMA (0.55%)	TexPool (0.04%)	Southside Bank - MMA (0.09%)	04/15/22 – Alliance Bank (0.25%)	04/19/22 – Alliance Bank (0.25%)	08/18/22 – East West Bank (0.73%)
GF Operating	\$ 900	\$ 5,426,078	\$ –	\$ –	\$ –	\$ –	\$ –
GF Street Reserve	–	818	11,155	216,816	–	–	–
GF Tax I&S	–	2,153,026	1,841	489,679	–	–	–
GF 90 Day Reserves	–	707	88,366	–	938,590	–	–
PEG Account	–	428,399	–	–	–	–	–
Street Capital	–	12,157	12,966	–	–	–	–
Hotel Fund	–	178,321	–	–	–	–	–
HHIT	–	665	–	–	–	–	–
Drainage Fund	–	301,242	–	–	–	–	–
Payroll Account	–	1,336	–	–	–	–	–
UF Operating	1,300	3,033,821	23,426	–	–	–	–
UF Deposits	–	528,045	1,630	–	–	–	–
UF Self-Supporting	–	1,664,453	117,774	317,607	–	–	–
UF 90-Day Reserves	–	474,718	–	–	–	827,459	–
UF Equipment	–	–	5,552	233,158	–	–	–
UF Capital (2016 Bonds)	–	421,379	10,359	–	–	–	–
2017 Bond Funds	–	802,170	–	–	–	–	–
Child Safety Fees	–	131,848	–	–	–	–	–
CLFRF - ARP Funds	–	159,287	–	–	–	–	850,476
Totals	\$ 2,200	\$ 15,718,471	\$ 273,069	\$ 1,257,260	\$ 938,590	\$ 827,459	\$ 850,476

Allocation By Fund

March 31, 2022

(continued)

Book and Market Value	11/17/22 – East West Bank (0.91%)	02/17/23 – East West Bank (1.1%)	Total
GF Operating	\$ –	\$ 1,016,163	\$ 6,443,141
GF Street Reserve	–	–	228,789
GF Tax I&S	–	–	2,644,545
GF 90 Day Reserves	–	1,251,055	2,278,717
PEG Account	–	–	428,399
Street Capital	–	–	25,124
Hotel Fund	–	–	178,321
HHIT	–	–	665
Drainage Fund	–	–	301,242
Payroll Account	–	–	1,336
UF Operating	–	960,504	4,019,051
UF Deposits	–	–	529,674
UF Self-Supporting	–	–	2,099,834
UF 90-Day Reserves	–	–	1,302,177
UF Equipment	–	–	238,711
UF Capital (2016 Bonds)	–	–	431,738
2017 Bond Funds	–	–	802,170
Child Safety Fees	–	–	131,848
CLFRF - ARP Funds	850,593	–	1,860,357
Totals	\$ 850,593	\$ 3,227,721	\$ 23,945,840