

City of Hilshire Village  
Quarterly Finance Report

Fiscal Year Ending 2024

	Account Type	Balance / Value as of			
		12/31/23	3/31/24	6/31/24	9/30/24
<b><u>Bank Accounts</u></b>					
11114 General Fund Checking	Checking	39,563.78	49,115.95	85,136.38	
11116 Public Fund Checking	Checking	495,112.55	1,102,935.97	869,058.05	
11117 Anticipation Note	Checking	121,096.28	6,597.14	15,397.54	
11120 Metro 1	Checking	153,055.46	153,055.46	3,055.46	
11122 Child Safety	Checking	9,602.22	9,602.22	9,602.22	
41014 HVCEFFC	Checking	20,471.43	20,471.43	20,471.43	
41015 HVHEFC	Checking	895.00	895.00	895.00	
11012 Utility Checking	Checking	562,634.42	626,922.47	85,407.89	
12021 Lockbox Clearing Account	Sweep	15,869.44	4,995.00	15,651.38	
		<b>1,418,300.58</b>	<b>1,974,590.64</b>	<b>1,104,675.35</b>	-
<b><u>Investments</u></b>					
11013 TexPool (Utility)	Investment Pool	-	-	501,819.00	
11113 TexPool (Metro 1)	Investment Pool	481,383.10	487,807.03	644,844.16	
11126 TexPool (Gen Fund)	Investment Pool	1,684,032.32	1,706,505.34	1,729,214.66	
		<b>2,165,415.42</b>	<b>2,194,312.37</b>	<b>2,875,877.82</b>	-
		<b>3,583,716.00</b>	<b>4,168,903.01</b>	<b>3,980,553.17</b>	-

**Q3 Investment Position Summary**

Interest income earned during the quarter: 12,030.45

Transaction Summary:

6/5 \$500,000 was transferred from the Utility Checking to newly established TexPool (Utility) account

6/5 \$150,000 was transferred from the Metro 1 Checking to TexPool (Metro 1) account

The City of Hilshire Village has strictly adhered to its investment strategy and the Public Funds Investment Act (PFIA). Our investments prioritized the safety of principal, liquidity, and yield in accordance with our conservative approach. We ensured sufficient liquidity to meet operational needs and achieved competitive yields. The City will continue to assess the market to explore diversification in the portfolio and mitigate risks.



# HISTORICAL MONTHLY AVERAGE PERFORMANCE

## TexPool

FROM

04-2024



TO

06-2024



APPLY FILTERS

AS OF	AVERAGE DAILY NET YIELD	AVERAGE DIVIDEND FACTOR	AVERAGE 7 DAY NET YIELD	AVERAGE DAILY ASSETS	AVERAGE WAM .....	AVERAGE WAL .....	PARTICIPANTS
06-30-2024	5.3120%	0.000145534	5.31%	\$33,939,787,956.46	38 Days	93 Days	2,871
05-31-2024	5.3161%	0.000145646	5.32%	\$34,643,558,991.26	40 Days	92 Days	2,866
04-30-2024	5.3142%	0.000145595	5.32%	\$35,646,535,044.92	40 Days	92 Days	2,854

DISCLOSURES

Performance quoted represents past performance which is no guarantee of future results. Investment return will vary. The value of an investment, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than what is stated.

**An investment in the Pool is not insured or guaranteed by any government or government agency. Although the manager of the Pool seeks to preserve principal, it is possible to lose money by depositing money in the Pool.**

**For more complete information, see the investment policy and information statement available on this website. You should consider the investment's objectives, risks, charges, and expenses carefully before investing. Information about these and other important subjects is in the investment policy and information statement which you should read carefully before investing.**

Current and future portfolio holdings are subject to risk.

An AAAM rating by Standard & Poor's is obtained after Standard & Poor's evaluates a number of factors, including credit quality, market price exposure and management. Ratings are subject to change, and do not remove market risk. For more information on credit ratings, visit [standardandpoors.com](http://standardandpoors.com).

Federated Investment Counseling

Not FDIC Insured  
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May Lose Value

No Bank Guarantee

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## Local Government Investment Pools

S&P Global Ratings has been rating **Local Government Investment Pools (LGIPs)** since 1992, and are one of the leading credit rating agencies in this sector within the United States. We are able to analyze LGIPs consisting of both internal and external participants where the management team is an experienced investment team and/or outsourced to an investment advisor.

We assign three different types of ratings to LGIPs based on the pool's investment objective:

**Principal Stability Fund Ratings** are our forward-looking opinion about the ability of a LGIP to maintain stable principal and limit exposure to principal losses due to credit risk. The rating categories for LGIPs ratings based on the PSFR methodology, range from 'AAAm' (extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk), to 'Dm' (failure to maintain principal stability resulting in a realized or unrealized loss of principal). PSFRs are identified by the 'm' suffix to distinguish it from an S&P Global Ratings traditional issue or issuer credit rating, which by comparison, reflects our view of a borrower's ability to fully and timely meet its financial obligations.

**Fund Credit Quality Ratings** address the overall credit quality of a fixed-income investment fund and are derived from our historical default and transition studies that go back more than 35 years. Rating categories range from 'AAAF' (for funds where their portfolio exposure is extremely strong) to 'Df' (for funds that are predominantly exposed to defaulted assets and/or counterparties). Those funds assigned Fund Credit Quality Ratings typically offer a variable net asset value. Fund Credit Quality Ratings typically accompany Fund Volatility Ratings.

**Fund Volatility Ratings** are our forward-looking opinion about a fixed-income investment fund's volatility of returns relative to that of a "reference index" denominated in the base currency of the fund. Primarily the assessment evaluates the fund's sensitivity to risks that may affect returns such as interest rate risk, credit risk, and liquidity risk along with the use of derivatives, leverage or exposure to foreign currency risk. Fund Volatility Ratings are expressed on a scale from 'S1' (lowest volatility) to 'S5' (highest volatility).

We perform weekly surveillance on LGIPs rated pursuant to the PSFR methodology, and monthly on FCQR/FVRs, methodology in order to form a view on whether any changes in the portfolio and management's operating policies may alter the fund's credit profile and, therefore, the rating. S&P Global Ratings also conducts an annual management review to identify any changes in management, policy, strategy, and operations. During volatile market conditions, we typically enhance our standard surveillance to assess whether LGIPs are maintaining the relevant fund metrics. Enhanced surveillance, which may include daily interactions with the LGIP investment team or investment advisors, is fundamental to our rating process during periods of market volatility.

# TEXPOOL

**Principal Stability Fund Ratings Definitions**

**AAAm** A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by S&P Global Ratings

**AAm** A fund rated 'AAm' demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. It differs from the highest-rated funds only to a small degree.

**Am** A fund rated 'Am' demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories

**BBBm** A fund rated 'BBBm' demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

**BBm** A fund rated 'BBm' demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

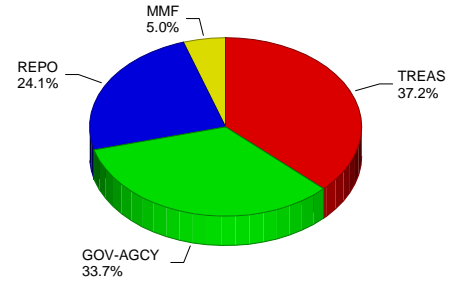
**Dm** A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

**Plus (+) or Minus (-)**  
The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

**About the Pool**

Pool Rating	<b>AAAm</b>
Pool Type	Stable NAV Government Investment Pool
Investment Adviser	Federated Hermes Inc.
Portfolio Manager	Susan R. Hill, CFA (Since 2002)
Pool Rated Since	March 1995
Custodian	State Street Bank
Distributor	Federated Hermes Inc.

**Portfolio Composition as of March 28, 2024**



TREAS - Treasury; GOV-AGCY - Agency and Government; REPO - Repurchase Agreement; MMF - Money Market Fund

**Rationale**

S&P Global rates TEXPOOL 'AAAm'. This is S&P Global's highest principal stability fund rating and is based on an analysis of the pool's investment portfolio and guidelines, market price exposure, and management. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value, or 'NAV'). TEXPOOL has a very conservative investment policy, which is in line with Rule 2a-7 money-market practices. To ensure an accurate and current rating, S&P Global monitors pertinent pool information, including its portfolio holdings, on a weekly basis.

**Overview**

TEXPOOL is a local government investment pool. It offers a safe, efficient and liquid investment alternative to local governments in the state of Texas. The primary objectives of the pool are to preserve capital and protect principal, maintain sufficient liquidity, provide safety of funds and investments, diversify to avoid unreasonable or avoidable risks, and maximize the return on the pool. Cities, counties, school districts, institutions of higher education, special districts, and other public entities of Texas make up the investor base.

**Management**

TEXPOOL was originally rated in March 1995, but effective April 2002, the Texas comptroller contracted with Federated Hermes, Inc. for the day-to-day operations of TEXPOOL. Federated Hermes, Inc. performs the pool's investment management and custodial functions. It also provides the marketing function, working closely with participants. Federated Securities Corp. acts as the distributor for the portfolio. Oversight of TEXPOOL continues to be provided by the Texas comptroller of public accounts, as well as the TEXPOOL advisory board. In January 1995, the advisory board adopted and implemented long-term policy changes to

provide for a stable net asset value (NAV) pool, which, in effect, operates like an SEC regulated Rule 2a-7 money-market fund. These changes were made to ensure a more conservative investment strategy and to provide a much higher level of investment safety for local government funds.

**Portfolio Assets**

The pool invests a majority of its assets in repurchase agreements contracted with highly-rated counterparties, with the remainder of the portfolio invested in fixed rate or floating rate U.S. agency securities. In order to meet the liquidity needs of the pool's shareholder base and to limit its exposure to significant market price fluctuations occurring during periods of volatile interest rate movements, the weighted average maturity to reset (WAM(R)) of the pool's assets is limited to 60 days or less.

**S&P Global Ratings Analyst:** Michael Masih - (212) 438 1642

www.spratings.com

*Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.*

**Principal Stability Rating Approach and Criteria**

A S&P Global Ratings principal stability fund rating, also known as a "money market fund rating", is a forward-looking opinion about a fixed income fund's capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

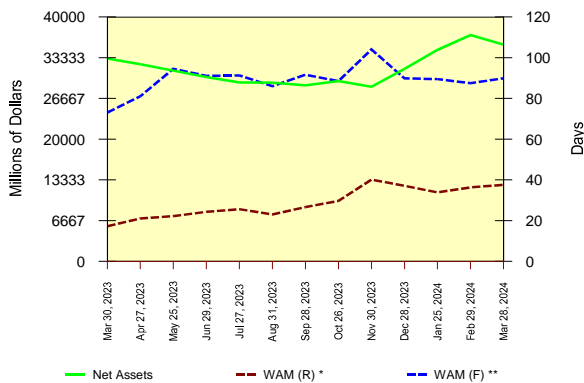
Generally, when faced with an anticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the 'm' suffix (e.g., 'AAAm') to distinguish the principal stability rating from a S&P Global Ratings traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects S&P Global Ratings view of a borrower's ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

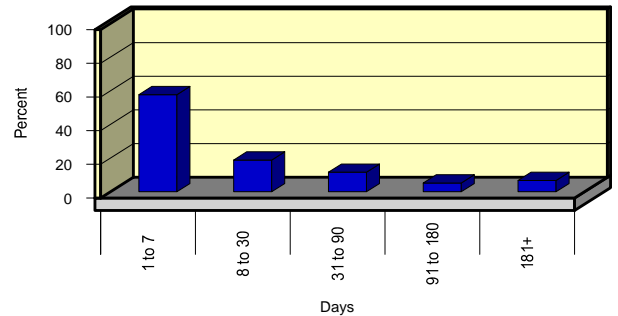
**Data Bank as of March 28, 2024**

Net Asset Value per Share.....	\$0.99995	Net Assets (millions).....	\$35,460.24	Inception Date.....	December 1989
WAM (R) * .....	38 days	WAM (F) **.....	90 days	7 Day Yield.....	5.32%
* Weighted Average Maturity (Reset)		** Weighted Average Maturity (Final)			

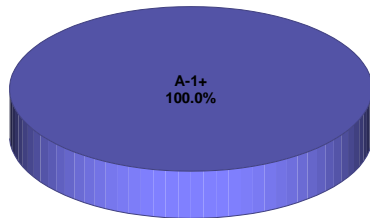
**Net Assets, WAM (R) and WAM (F)**



**Portfolio Maturity Distribution as of March 28, 2024**

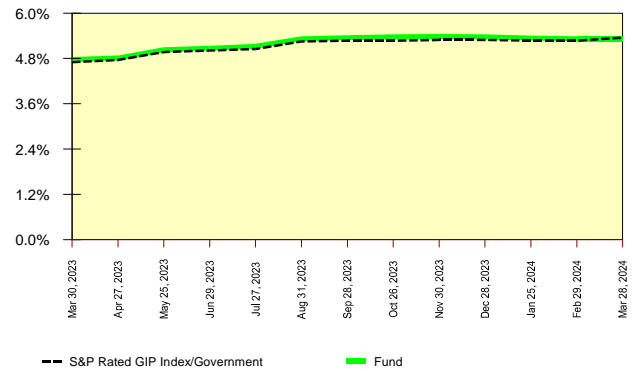


**Portfolio Credit Quality as of March 28, 2024 \***



\*As assessed by S&P Global Ratings

**Portfolio 7 Day Net-Yield Comparison \***



\*S&P 'AAAm' Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P Global Ratings to within the specific rating categories. The S&P Global Ratings Rated LGIP Indices are calculated weekly by S&P Global Ratings and are comprised of 'AAAm' and 'AAm' government investment pools. *The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted.*

Pool portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior pool executives and public information.

S&P Global Ratings is neither associated nor affiliated with the fund.

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