



## INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

**December 31, 2025**

Prepared by  
**Prosper Finance Department**

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.

*Robert B. Scott*

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Bob Scott, Deputy Town Manager

*Chris Landrum*

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Chris Landrum, Finance Director

*Ryan Patterson*

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Ryan Patterson, Assistant Finance Director

## Summary

### Quarter End Results by Investment Category:

| Asset Type              | September 30, 2025 |                       |                       | December 31, 2025 |                       |                       |
|-------------------------|--------------------|-----------------------|-----------------------|-------------------|-----------------------|-----------------------|
|                         | Ave. Yield         | Book Value            | Market Value          | Ave. Yield        | Book Value            | Market Value          |
| MMA/NOW                 | 4.01%              | \$ 33,821,133         | \$ 33,821,133         | 3.86%             | \$ 27,661,948         | \$ 27,661,948         |
| MMF/Pools               | 4.28%              | 137,356,993           | 137,356,993           | 3.88%             | 111,882,943           | 111,882,943           |
| Securities              | 4.25%              | 29,749,735            | 29,810,264            | 3.89%             | 50,067,542            | 50,118,597            |
| Certificates of Deposit | -                  | -                     | -                     | -                 | -                     | -                     |
| <b>Total</b>            | <b>4.23%</b>       | <b>\$ 200,927,862</b> | <b>\$ 200,988,390</b> | <b>3.88%</b>      | <b>\$ 189,612,433</b> | <b>\$ 189,663,487</b> |

| Average Yield - Current Quarter (1) |                 | Fiscal Year-to-Date Average Yield (2) |                 |
|-------------------------------------|-----------------|---------------------------------------|-----------------|
|                                     | Total Portfolio |                                       | Total Portfolio |
| Rolling Three Month Treasury        | 3.87%           | Rolling Three Month Treasury          | 3.87%           |
| Rolling Six Month Treasury          | 3.73%           | Rolling Six Month Treasury            | 3.73%           |
| TexPool                             | 3.99%           | TexPool                               | 3.99%           |

#### Interest Earnings (Approximate)

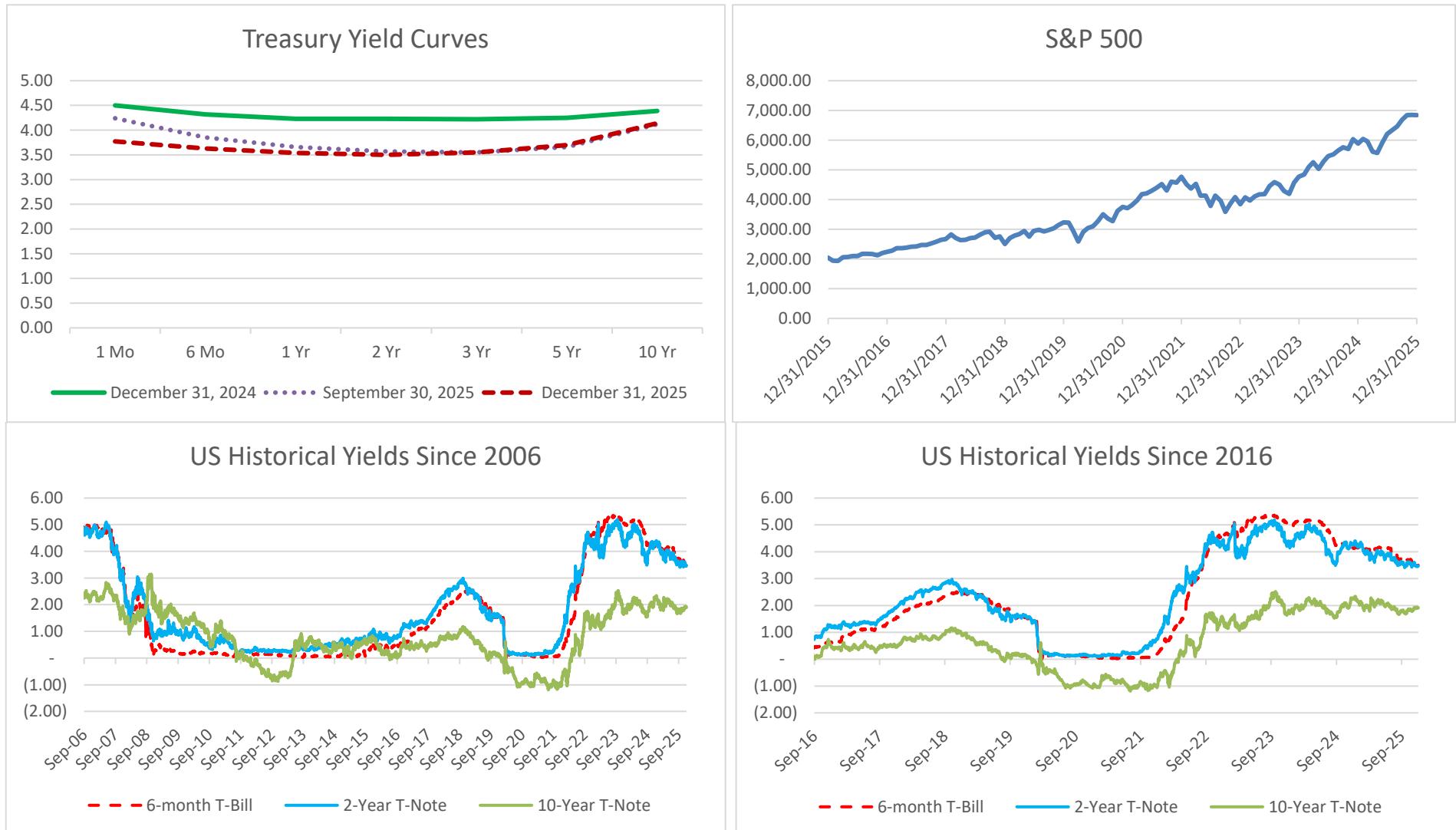
|                     |              |
|---------------------|--------------|
| Quarter             | \$ 2,100,176 |
| Fiscal Year-to-date | \$ 2,100,176 |

(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 12/31/2025

During the fourth quarter of 2025, the Federal Open Market Committee (FOMC) held the federal funds target range steady at 4.00%–4.25% following the September rate cut, signaling a pause as policymakers assessed incoming data. Fed Funds continued to trade near the upper end of the range through year-end, reflecting persistent market caution and expectations that further easing would be gradual. Inflation continued to trend lower but remained above the Fed's 2% objective, with Core PCE easing to approximately 2.7% year over year by December, while Core CPI hovered near 2.8% YoY. The FOMC maintained its data-dependent posture, emphasizing balanced risks amid slowing but still positive economic momentum. Labor-market conditions softened further during the quarter: the unemployment rate drifted higher toward the mid-4% range, and monthly job gains remained subdued, with the three-month average well below levels observed earlier in the year, indicating increasing labor-market slack. Economic activity showed resilience but continued to decelerate; preliminary GDP data for Q4 pointed to modest growth, reinforcing the slowdown evident since mid-2025. Forward-looking projections continued to reflect below-trend growth expectations into 2026. Average spot prices for WTI crude oil ranged roughly between \$60 and \$65 per barrel during the quarter, reflecting balanced supply conditions and tempered global demand. Global uncertainty, including geopolitical tensions and trade-related volatility, remained elevated through year-end. The yield curve stayed inverted, reinforcing recession concerns and contributing to a cautious investment and financial market environment as 2025 concluded.



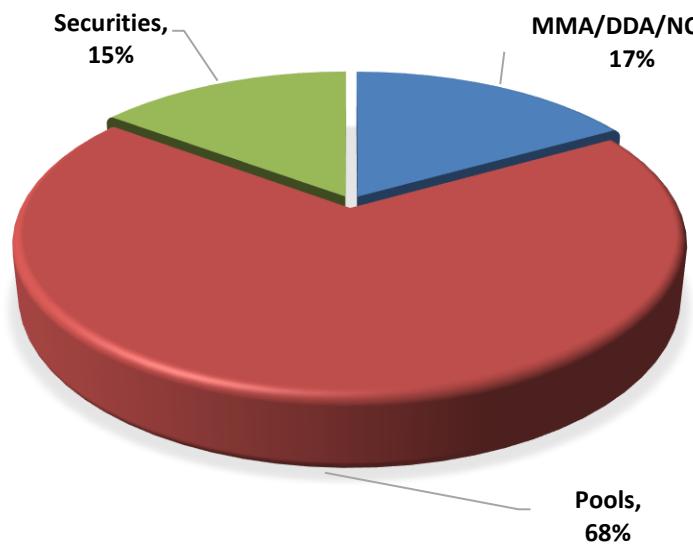
**Investment Holdings**  
**December 31, 2025**

| Description            | Ratings | Coupon/<br>Discount | Maturity<br>Date | Settlement<br>Date | Par Value             | Book<br>Value         | Market<br>Price | Market<br>Value       | Life<br>(Days) | Yield        |
|------------------------|---------|---------------------|------------------|--------------------|-----------------------|-----------------------|-----------------|-----------------------|----------------|--------------|
| Independent DDA        |         | 3.78%               | 01/01/26         | 12/31/25           | 3,252,292             | 3,252,290             | 100.00          | 3,252,290             | 1              | 3.78%        |
| Independent DDA #2     |         | 3.86%               | 01/01/26         | 12/31/25           | 15,875,389            | 15,875,389            | 100.00          | 15,875,389            | 1              | 3.86%        |
| Independent DDA #3     |         | 3.86%               | 01/01/26         | 12/31/25           | 2,600,700             | 2,600,700             | 100.00          | 2,600,700             | 1              | 3.86%        |
| NexBank MMA            |         | 3.90%               | 01/01/26         | 12/31/25           | 5,933,569             | 5,933,569             | 100.00          | 5,933,569             | 1              | 3.90%        |
| TexSTAR                |         | 3.83%               | 01/01/26         | 12/31/25           | 70,749,398            | 70,749,398            | 100.00          | 70,749,398            | 1              | 3.83%        |
| TexPool                |         | 3.98%               | 01/01/26         | 12/31/25           | 41,133,545            | 41,133,545            | 100.00          | 41,133,545            | 1              | 3.98%        |
| FFCB                   | S&P-AA+ | 3.62%               | 12/22/2028       | 12/30/2025         | 5,000,000             | 4,996,250             | 99.83           | 4,991,500             | 1,087          | 3.65%        |
| FFCB                   | S&P-AA+ | 3.80%               | 12/18/2028       | 12/18/2025         | 5,000,000             | 5,000,000             | 99.91           | 4,995,500             | 1,083          | 3.80%        |
| FFCB                   | S&P-AA+ | 3.87%               | 11/24/2028       | 12/12/2025         | 10,000,000            | 10,001,000            | 100.05          | 10,005,000            | 1,059          | 3.87%        |
| FFCB                   | S&P-AA+ | 4.22%               | 05/23/2028       | 06/30/2025         | 5,000,000             | 5,000,000             | 100.48          | 5,025,000             | 874            | 4.22%        |
| FHLB                   | S&P-AA+ | 3.88%               | 06/04/2027       | 06/30/2025         | 5,000,000             | 5,009,130             | 100.53          | 5,026,500             | 520            | 3.75%        |
| FHLM                   | S&P-AA+ | 3.85%               | 12/11/2028       | 12/12/2025         | 10,325,000            | 10,321,386            | 99.97           | 10,321,903            | 1,076          | 3.86%        |
| FHLM                   | S&P-AA+ | 3.88%               | 11/24/2028       | 12/12/2025         | 5,000,000             | 5,000,250             | 99.99           | 4,999,500             | 1,059          | 3.87%        |
| FNMA                   | S&P-AA+ | 4.20%               | 07/10/2028       | 06/30/2025         | 4,740,000             | 7,739,526             | 100.31          | 4,754,694             | 922            | 4.20%        |
| <b>Total Portfolio</b> |         |                     |                  |                    | <b>\$ 189,609,891</b> | <b>\$ 189,612,433</b> |                 | <b>\$ 189,663,487</b> | <b>260</b>     | <b>3.88%</b> |
|                        |         |                     |                  |                    |                       |                       |                 |                       | (1)            | (2)          |

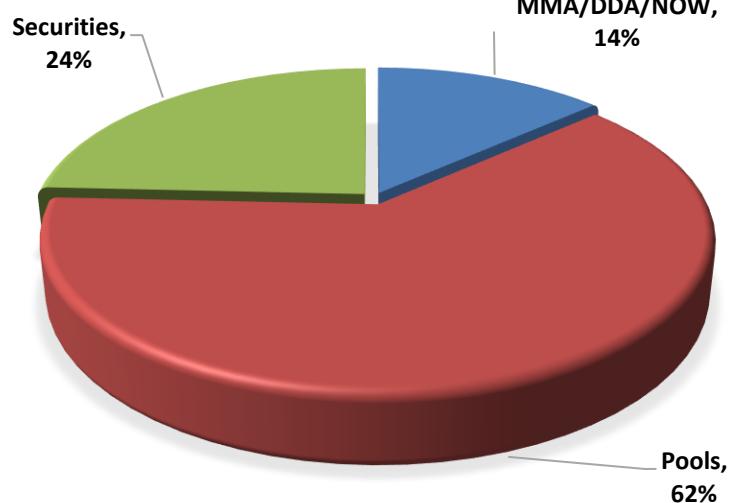
(1) **Weighted average life** - For purposes of calculating weighted average life, overnight bank and pool balances are assumed to have a one-day maturity.

(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.

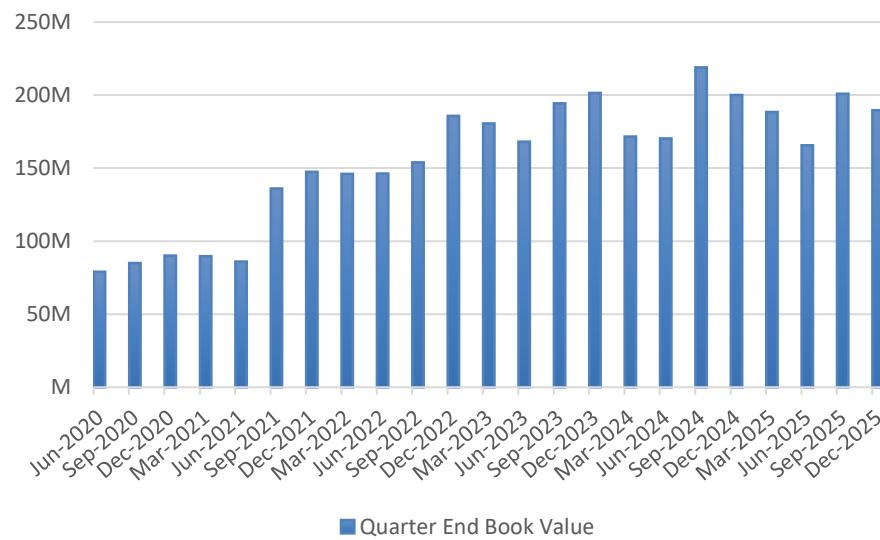
## COMPOSITION - PRIOR QUARTER



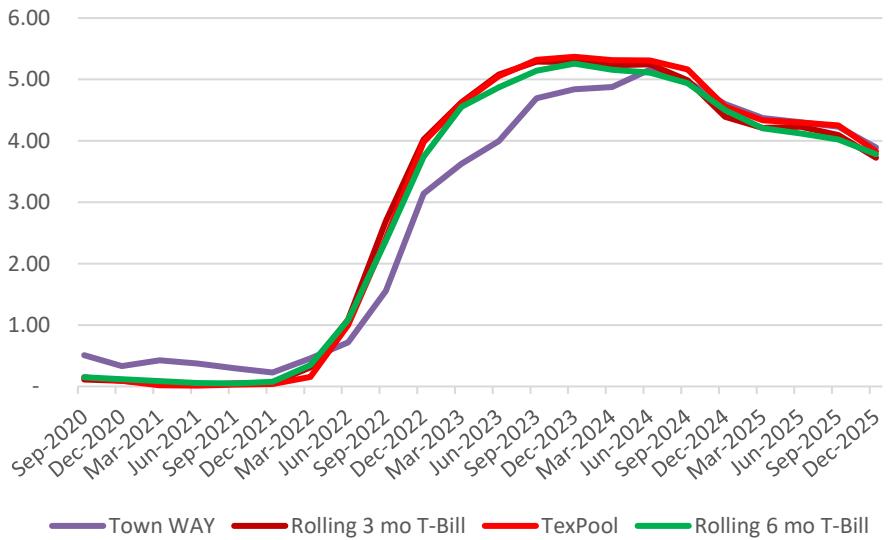
## COMPOSITION - CURRENT QUARTER



## Total Portfolio



## Portfolio Performance



## Book and Market Value Comparison

| Issuer/Description     | Yield        | Maturity Date | Book Value 9/30/25   | Increases           | Decreases              | Book Value 12/31/25   | Market Value 9/30/25 | Change in Market Value | Market Value 12/31/25 |
|------------------------|--------------|---------------|----------------------|---------------------|------------------------|-----------------------|----------------------|------------------------|-----------------------|
| Independent DDA        | 3.78%        | 01/01/26      | \$ 5,900,643         |                     | \$ (2,648,353)         | \$ 3,252,290          | \$ 5,900,643         | \$ (2,648,353)         | \$ 3,252,290          |
| Independent DDA #2     | 3.86%        | 01/01/26      | 15,507,701           | 367,688             |                        | 15,875,389            | 15,507,701           | 367,688                | 15,875,389            |
| Independent DDA #3     | 3.86%        | 01/01/26      | 6,540,300            |                     | (3,939,600)            | 2,600,700             | 6,540,300            | (3,939,600)            | 2,600,700             |
| NexBank MMA            | 3.90%        | 01/01/26      | 5,872,489            | 61,080              |                        | 5,933,569             | 5,872,489            | 61,080                 | 5,933,569             |
| TexSTAR                | 3.83%        | 01/01/26      | 74,981,980           |                     | (4,232,582)            | 70,749,398            | 74,981,980           | (4,232,582)            | 70,749,398            |
| TexPool                | 3.98%        | 01/01/26      | 62,375,013           |                     | (21,241,468)           | 41,133,545            | 62,375,013           | (21,241,468)           | 41,133,545            |
| FFCB                   | 3.65%        | 12/22/28      |                      | -                   | 4,996,250              | 4,996,250             |                      | -                      | 4,991,500             |
| FFCB                   | 3.80%        | 12/18/28      |                      | -                   | 5,000,000              | 5,000,000             |                      | -                      | 4,995,500             |
| FFCB                   | 3.87%        | 11/24/28      |                      | -                   | 10,001,000             | 10,001,000            |                      | -                      | 10,005,000            |
| FFCB                   | 4.22%        | 05/23/28      | 5,000,000            |                     |                        | 5,000,000             | 5,023,500            | 500                    | 5,024,000             |
| FHLB                   | 3.75%        | 06/04/27      | 5,011,750            |                     | (2,620)                | 5,009,130             | 5,021,500            | 5,000                  | 5,026,500             |
| FHLB                   | 4.38%        | 10/15/27      | 2,000,000            |                     | (2,000,000)            | -                     | 2,000,400            | (2,000,400)            | -                     |
| FHLB                   | 4.38%        | 06/23/28      | 5,000,000            |                     | (5,000,000)            | -                     | 5,004,000            | (5,004,000)            | -                     |
| FHLM                   | 3.86%        | 12/11/28      |                      | -                   | 10,321,386             | 10,321,386            |                      | -                      | 10,321,903            |
| FHLM                   | 3.87%        | 11/24/28      |                      | -                   | 5,000,250              | 5,000,250             |                      | -                      | 4,999,500             |
| FHLM                   | 4.50%        | 12/17/27      | 5,000,000            |                     | (5,000,000)            | -                     | 5,003,500            | (5,003,500)            | -                     |
| FNMA                   | 4.20%        | 07/10/28      | 4,739,526            |                     |                        | 4,739,526             | 4,757,064            | (2,370)                | 4,754,694             |
| FNMA                   | 4.53%        | 10/15/27      | 2,998,269            |                     | (2,998,269)            | -                     | 3,000,300            | (3,000,300)            | -                     |
| <b>TOTAL / AVERAGE</b> | <b>3.88%</b> |               | <b>\$200,927,861</b> | <b>\$35,747,654</b> | <b>\$ (47,063,083)</b> | <b>\$ 189,612,433</b> | <b>\$200,988,391</b> | <b>\$ (11,324,903)</b> | <b>\$ 189,663,487</b> |

| Allocation         |       |               | December 31, 2025     |                       |                     |
|--------------------|-------|---------------|-----------------------|-----------------------|---------------------|
| Book Value         | Yield | Maturity Date | Total                 | Pooled Funds          | Debt Service Fund   |
| Independent DDA    | 3.78% |               | \$ 3,252,290          | \$ 3,252,290          | \$ —                |
| Independent DDA #2 | 3.86% |               | 15,875,389            | 15,875,389            | —                   |
| Independent DDA #3 | 3.86% |               | 2,600,700             | 2,600,700             | —                   |
| NexBank MMA        | 3.90% |               | 5,933,569             | 5,933,569             | —                   |
| TexSTAR            | 3.83% |               | 70,749,398            | 70,749,398            | —                   |
| TexPool            | 3.98% |               | 41,133,545            | 36,0995,223           | 5,038,322           |
| FFCB               | 3.62% | 12/22/2028    | 4,996,250             | 4,996,250             | —                   |
| FFCB               | 3.80% | 12/18/2028    | 5,000,000             | 5,000,000             | —                   |
| FFCB               | 3.87% | 11/24/2028    | 10,001,000            | 10,001,000            | —                   |
| FFCB               | 4.22% | 05/23/2028    | 5,000,000             | 5,000,000             | —                   |
| FHLB               | 3.88% | 06/04/2027    | 5,009,130             | 5,009,130             | —                   |
| FHLM               | 3.85% | 12/11/2028    | 10,321,386            | 10,321,386            | —                   |
| FHLM               | 3.88% | 11/24/2028    | 5,000,250             | 5,000,250             | —                   |
| FNMA               | 4.20% | 07/10/2028    | 7,739,526             | 7,739,526             | —                   |
| <b>Totals</b>      |       |               | <b>\$ 189,612,433</b> | <b>\$ 184,574,111</b> | <b>\$ 5,038,322</b> |

| Allocation         |       |               | September 30, 2025    |                       |                     |
|--------------------|-------|---------------|-----------------------|-----------------------|---------------------|
| Book Value         | Yield | Maturity Date | Total                 | Pooled Funds          | Debt Service Fund   |
| Independent DDA    | 1.76% |               | \$ 5,900,643          | \$ 5,900,643          | \$ —                |
| Independent DDA #2 | 4.50% |               | 15,507,701            | 15,507,701            | —                   |
| Independent DDA #3 | 4.50% |               | 6,540,300             | 6,540,300             | —                   |
| NexBank MMA        | 4.45% |               | 5,872,489             | 5,872,489             | —                   |
| TexSTAR            | 4.21% |               | 74,981,980            | 74,981,980            | —                   |
| TexPool            | 4.36% |               | 62,375,013            | 61,039,629            | 1,335,384           |
| FFCB               | 4.22% | 05/23/28      | 5,000,000             | 5,000,000             | —                   |
| FHLB               | 3.75% | 06/04/27      | 5,011,750             | 5,011,750             | —                   |
| FHLB               | 4.38% | 10/15/27      | 2,000,000             | 2,000,000             | —                   |
| FHLB               | 4.38% | 06/23/28      | 5,000,000             | 5,000,000             | —                   |
| FHLMC              | 4.50% | 12/17/27      | 5,000,000             | 5,000,000             | —                   |
| FNMA               | 4.20% | 07/10/28      | 4,739,526             | 4,739,526             | —                   |
| FNMA               | 4.53% | 10/15/27      | 2,998,459             | 2,998,459             | —                   |
| <b>Totals</b>      |       |               | <b>\$ 200,927,862</b> | <b>\$ 199,592,478</b> | <b>\$ 1,335,384</b> |