



QUARTERLY INVESTMENT REPORT

For the Quarter Ended
September 30, 2024

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

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



City Manager

10/22/24



Assistant City Manager

10/22/24



Director of Finance

10/21/2024

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.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	September 30, 2023			September 30, 2024		
	Book Value	Market Value	Ave. Yield	Book Value	Market Value	Ave. Yield
Bank DDA/MMA	\$ 113,007,779	\$ 113,007,779	5.32%	\$ 80,631,377	\$ 80,631,377	5.35%
LGIPs	60,554,215	60,554,215	5.31%	53,538,287	53,538,287	5.16%
Securities/CDs	19,685,324	19,685,324	5.41%	68,615,070	68,615,070	5.26%
Totals	\$ 193,247,318	\$ 193,247,318		\$ 202,784,733	\$ 202,784,733	
Fourth Quarter-End Yield			5.32%			5.27%

Average Quarter-End Yields (1):

	2023 Fiscal Year	2024 Fiscal Year
Anna	3.91%	5.46%
Rolling Three Month Treasury	4.95%	5.42%
Rolling Six Month Treasury	4.77%	5.34%
TexPool	4.74%	5.29%
Fiscal YTD Interest Earnings	\$ 7,667,190	\$ 10,522,521

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

Summary

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	<u>June 30, 2024</u>		Ave. Yield	<u>September 30, 2024</u>	
		Book Value	Market Value		Book Value	Market Value
Bank DDA/MMA	5.61%	\$ 90,190,189	\$ 90,190,189	5.35%	\$ 80,631,377	\$ 80,631,377
LGIPs	5.31%	67,550,286	67,550,286	5.16%	53,538,287	53,538,287
Securities/CDs	5.49%	35,648,952	35,648,952	5.26%	68,615,070	68,615,070
Totals	5.48%	\$ 193,389,428	\$ 193,389,428	5.27%	\$ 202,784,733	\$ 202,784,733

Average Yield - Current Quarter (1)

Total Portfolio	5.27%
Rolling Three Month Treasury	5.24%
Rolling Six Month Treasury	5.17%
Quarterly TexPool Yield	5.16%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	5.46%
Rolling Three Month Treasury	5.42%
Rolling Six Month Treasury	5.34%
Quarterly TexPool Yield	5.29%

Interest Income (Approximate)

Quarterly Interest Income	\$ 2,561,992
Year-to-date Interest Income	\$ 10,522,521

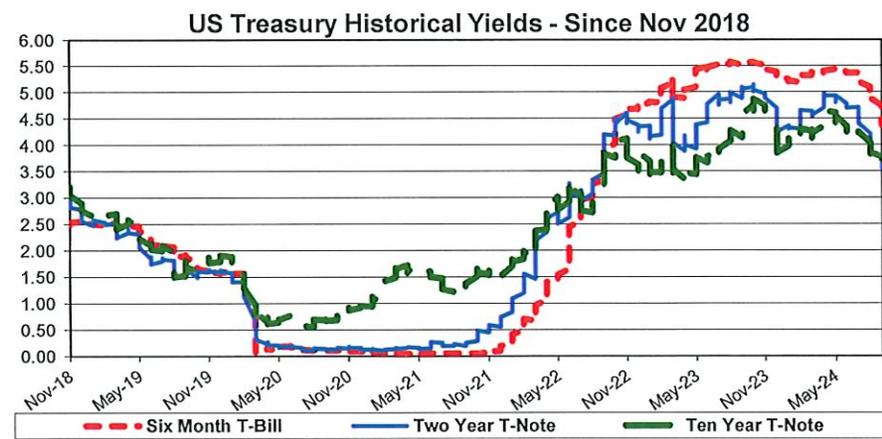
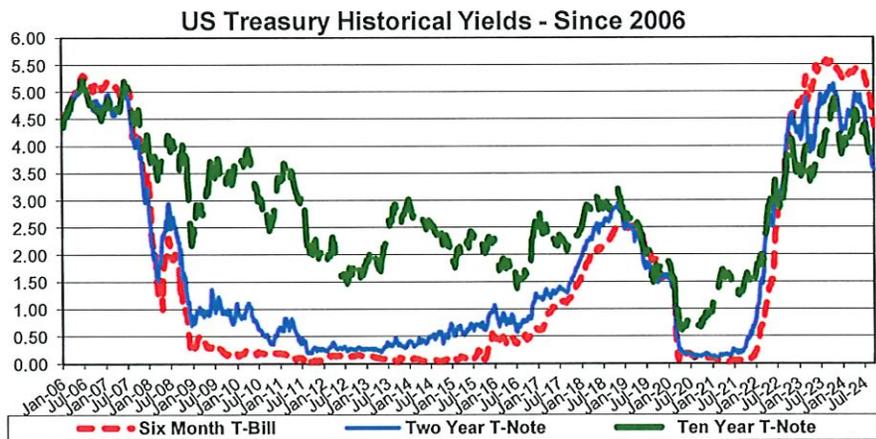
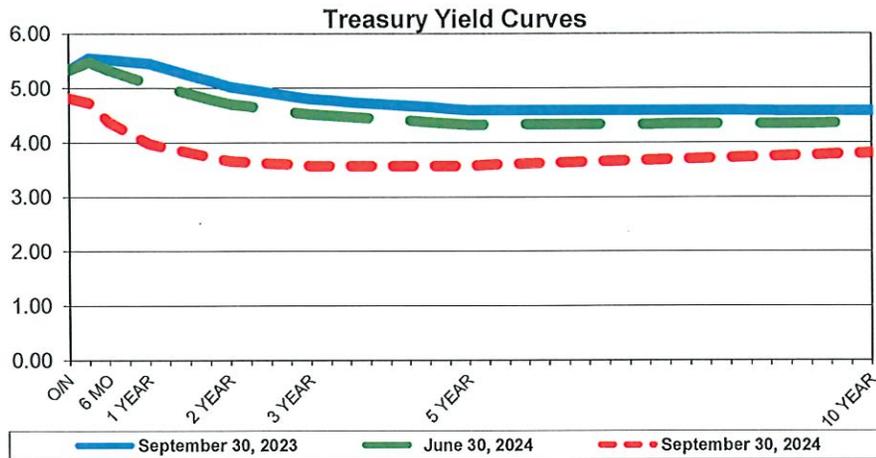
(1) **Average Yield - Current Quarter** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool and money market balances.

(2) **Fiscal Year-to-Date Average 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

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.



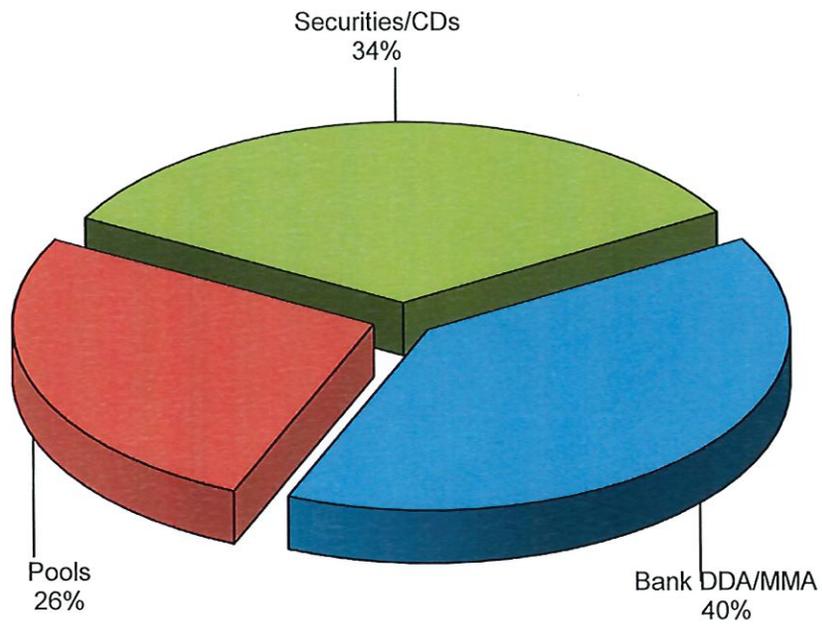
Investment Holdings
September 30, 2024

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Independent Financial Bank MMA		5.38%	10/01/24	09/30/24	\$ 79,322,469	\$ 79,322,469	1.000	\$ 79,322,469	1	5.38%
Simmons Bank MMA		3.76%	10/01/24	09/30/24	1,308,908	1,308,908	1.000	1,308,908	1	3.76%
TexPool LGIP	AAAm	5.16%	10/01/24	09/30/24	50,574,874	50,574,874	1.000	50,574,874	1	5.16%
TexasCLASS LGIP	AAAm	5.11%	10/01/24	09/30/24	2,963,413	2,963,413	1.000	2,963,413	1	5.11%
Independent Financial CD		5.36%	12/18/24	03/18/24	25,680,070	25,680,070	100.00	25,680,070	79	5.47%
Independent Financial CD		5.05%	03/24/25	09/24/24	5,000,000	5,000,000	100.00	5,000,000	175	5.15%
Independent Financial CD		5.05%	03/24/25	09/24/24	10,000,000	10,000,000	100.00	10,000,000	175	5.15%
Independent Financial CD		5.05%	03/24/25	09/24/24	7,000,000	7,000,000	100.00	7,000,000	175	5.15%
Independent Financial CD		5.05%	03/24/25	09/24/24	15,000,000	15,000,000	100.00	15,000,000	175	5.15%
Independent Financial CD		5.15%	09/24/25	09/24/24	935,000	935,000	100.00	935,000	359	5.25%
Independent Financial CD		4.91%	09/24/25	09/24/24	5,000,000	5,000,000	100.00	5,000,000	359	5.00%
					<u>\$202,784,733</u>	<u>\$ 202,784,733</u>		<u>\$202,784,733</u>	<u>53</u>	<u>5.27%</u>
									(1)	(2)

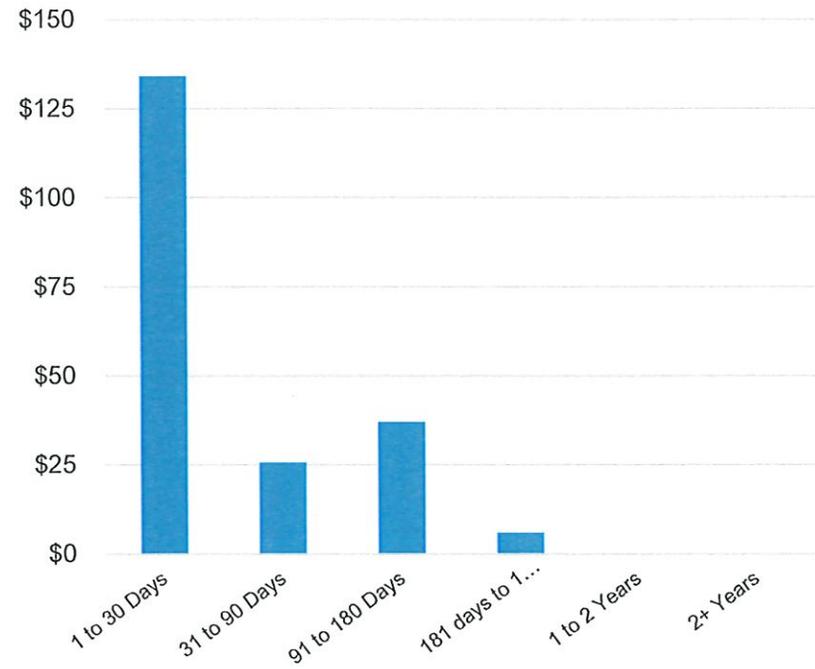
(1) **Weighted average life** - For purposes of calculating weighted average life, pool and bank account investments are assumed to have a one day maturity.

(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



Distribution by Maturity Range (Millions)



Book & 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
Independent Financial Bank MMA	5.38%	10/01/24	\$ 88,893,500	\$ -	\$ (9,571,031)	\$ 79,322,469	\$ 88,893,500	\$ (9,571,031)	\$ 79,322,469
Simmons Bank MMA	3.76%	10/01/24	1,296,690	12,218	-	1,308,908	1,296,690	12,218	1,308,908
TexPool LGIP	5.16%	10/01/24	64,354,863	-	(13,779,989)	50,574,874	64,354,863	(13,779,989)	50,574,874
TexasCLASS LGIP	5.11%	10/01/24	3,195,424	-	(232,011)	2,963,413	3,195,424	(232,011)	2,963,413
East West Bank CD	5.67%	08/20/24	5,246,317	-	(5,246,317)	-	5,246,317	(5,246,317)	-
Independent Financial CD	5.37%	09/04/24	5,064,881	-	(5,064,881)	-	5,064,881	(5,064,881)	-
Independent Financial CD	5.47%	12/18/24	25,337,753	342,317	-	25,680,070	25,337,753	342,317	25,680,070
Independent Financial CD	5.15%	03/24/25	-	5,000,000	-	5,000,000	-	5,000,000	5,000,000
Independent Financial CD	5.15%	03/24/25	-	10,000,000	-	10,000,000	-	10,000,000	10,000,000
Independent Financial CD	5.15%	03/24/25	-	7,000,000	-	7,000,000	-	7,000,000	7,000,000
Independent Financial CD	5.15%	03/24/25	-	15,000,000	-	15,000,000	-	15,000,000	15,000,000
Independent Financial CD	5.25%	09/24/25	-	935,000	-	935,000	-	935,000	935,000
Independent Financial CD	5.00%	09/24/25	-	5,000,000	-	5,000,000	-	5,000,000	5,000,000
TOTAL / AVERAGE	5.27%		\$ 193,389,428	\$ 43,289,535	\$ (33,894,229)	\$ 202,784,733	\$ 193,389,428	\$ 9,395,306	\$ 202,784,733

Cash & Investments by Fund

Description	06/30/24	09/30/24	Change
CDC/EDC Funds	\$ 17,421,167	\$ 18,092,512	\$ 671,345
General/Utility Funds	71,980,307	70,320,159	(1,660,148)
Debt Service Funds	2,248,705	505,496	(1,743,208)
General Bond Funds	43,491,370	49,160,185	5,668,815
Water/Sewer Bond Funds	52,448,121	59,111,540	6,663,420
Anna HFC/PFC	2,604,334	2,631,427	27,093
ARPA/SLFRF Funds	3,195,424	2,963,413	(232,011)
TOTALS	193,389,428	202,784,733	\$ 9,395,306