



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2020

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

The investment portfolio of the Town of Trophy Club is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Investment Officer/Finance Manager

Chief Financial Analyst

Disclaimer: These reports were compiled using information provided by the Town. 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, 2019			September 30, 2020		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	1.79%	\$ 760,561	\$ 760,561	0.00%	\$ 2,172,788	\$ 2,172,788
Money Markets/Local Gov't Investment Pools	2.36%	8,635,006	8,635,006	0.34%	11,762,443	11,762,443
CDs/Securities	1.89%	3,623,580	3,624,482	0.00%	—	—
Totals		\$ 13,019,147	\$ 13,020,049		\$ 13,935,231	\$ 13,935,231
Fourth Quarter-End Yield	2.19%			0.28%		

Average Quarter-End Yields (1):

	2019 Fiscal Year	2020 Fiscal Year
Trophy Club	2.44%	0.86%
Rolling Three Month Treasury	2.30%	0.76%
Rolling Six Month Treasury	2.37%	0.99%
TexPool	2.31%	0.76%
Fiscal YTD Interest Earnings	\$ 407,099	\$ 156,623

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

Strategy Summary

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	June 30, 2020		September 30, 2020		
		Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.50%	\$ 1,027,267	\$ 1,027,267	0.00%	\$ 2,172,788	\$ 2,172,788
Money Markets/Local Gov't Investment Pools	0.34%	15,774,412	15,774,412	0.34%	11,762,443	11,762,443
Totals	0.35%	\$ 16,801,680	\$ 16,801,680	0.28%	\$ 13,935,231	\$ 13,935,231

<u>Current Quarter Average Yield (1)</u>	
Total Portfolio	0.28%
Rolling Three Month Treasury	0.12%
Rolling Six Month Treasury	0.15%
TexPool	0.15%

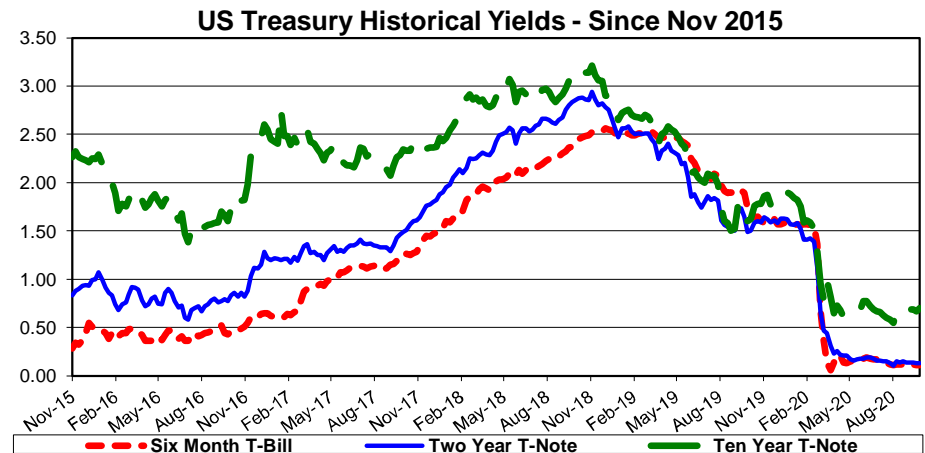
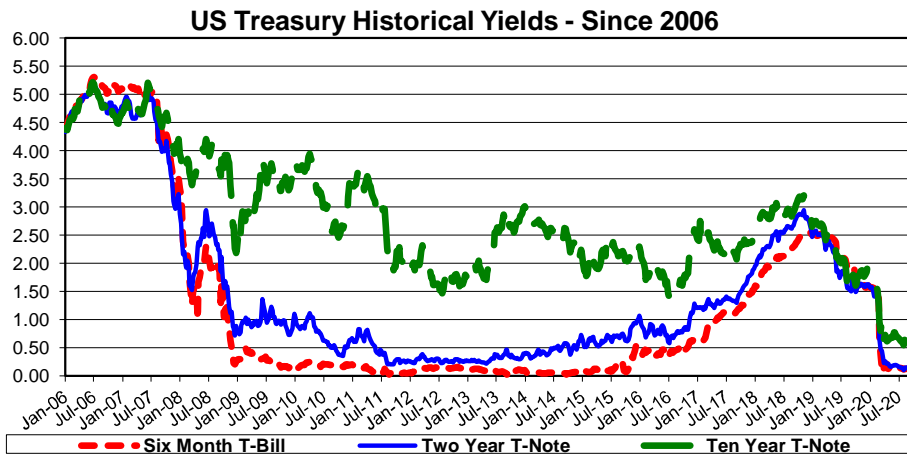
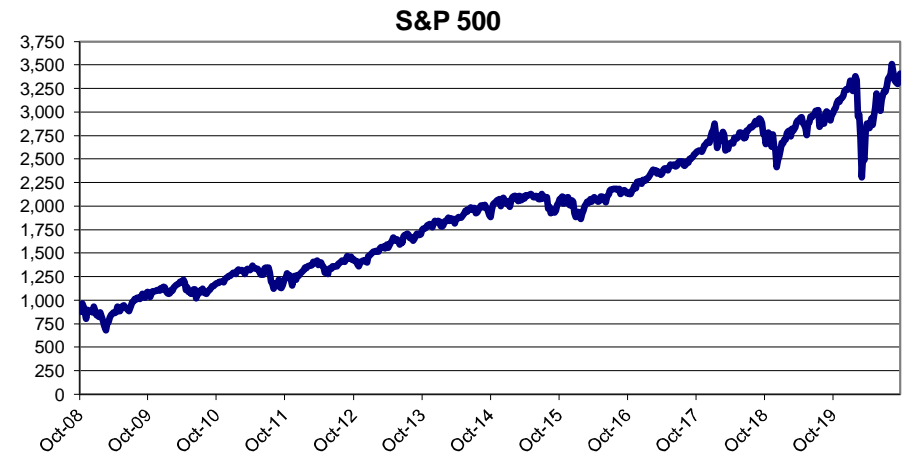
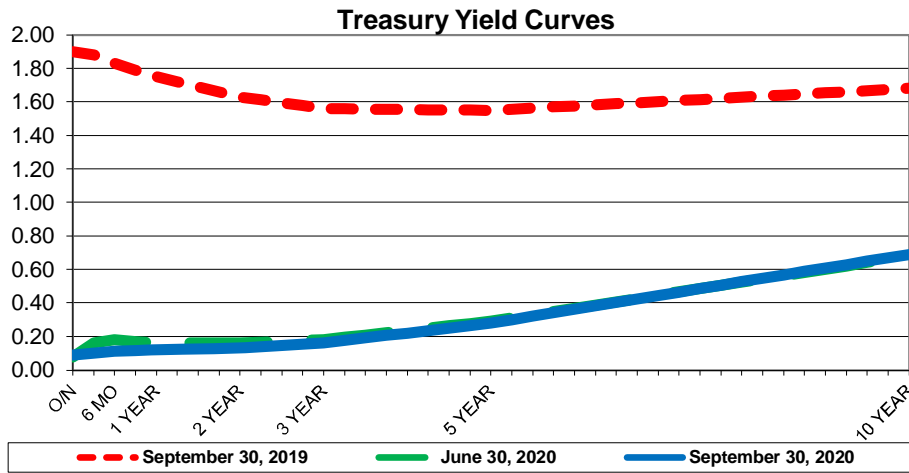
<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.86%
Rolling Three Month Treasury	0.76%
Rolling Six Month Treasury	0.99%
TexPool	0.76%

<u>Interest Revenue (Approximate)</u>	
Quarterly Interest Income	\$ 11,467
Year-to-date Interest Income	\$ 156,623

(1) **Current Quarter 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 Yields** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading +/-0.10%), and projected that reduced rates could remain through 2024. Final estimate of Second Quarter GDP revised to down 31.4% (from down 31.9%). The Yield Curve remained stable. Crude oil slid to below \$40 per barrel. September Non Farm Payroll added 661k workers. Business added over 800k, but governments shed 200+k. The Stock Markets retreated slightly from all-time highs. Housing strengthened due to low mortgage rates. Additional federal economic assistance remained stalled in Congress.



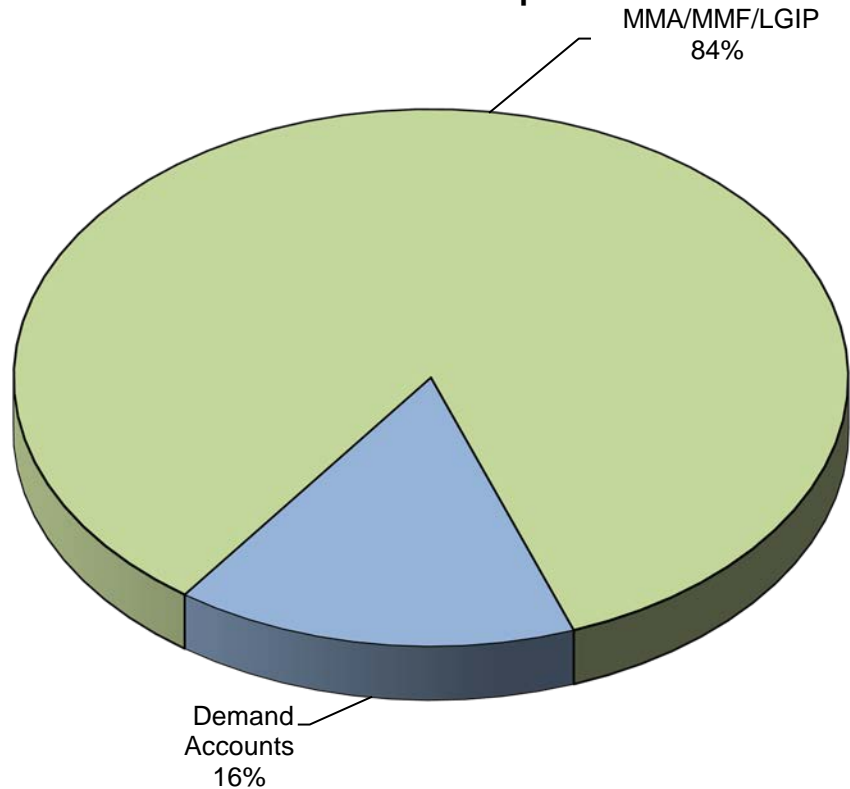
Investment Holdings
September 30, 2020

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo - Cash		0.00%	10/01/20	09/30/20	\$ 2,172,788	\$ 2,172,788	1.00	\$ 2,172,788	1	0.00%
InterBank Money Market Account		0.45%	10/01/20	09/30/20	249,092	249,092	1.00	249,092	1	0.45%
InterBank Insured Cash Sweep		0.45%	10/01/20	09/30/20	6,762,851	6,762,851	1.00	6,762,851	1	0.45%
TexPool LGIP	AAAm	0.15%	10/01/20	09/30/20	2,854,487	2,854,487	1.00	2,854,487	1	0.15%
TexasCLASS LGIP-non Gov't	AAAm	0.25%	10/01/20	09/30/20	956,456	956,456	1.00	956,456	1	0.25%
TexasCLASS LGIP-Gov't	AAAm	0.14%	10/01/20	09/30/20	939,557	939,557	1.00	939,557	1	0.14%
					\$ 13,935,231	\$ 13,935,231		\$ 13,935,231	1	0.28%
									(1)	(2)

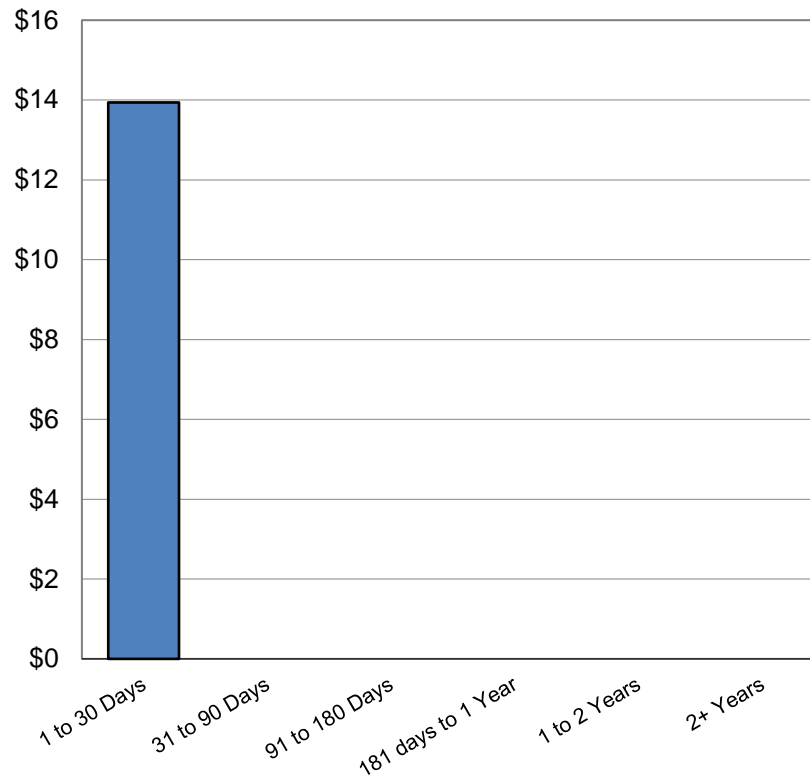
(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

(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 bank accounts, pools and money market funds.

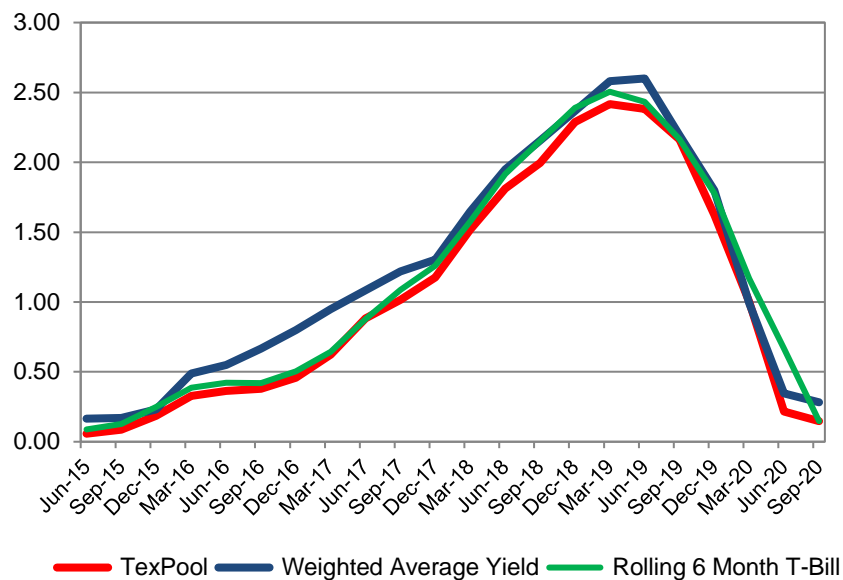
Portfolio Composition



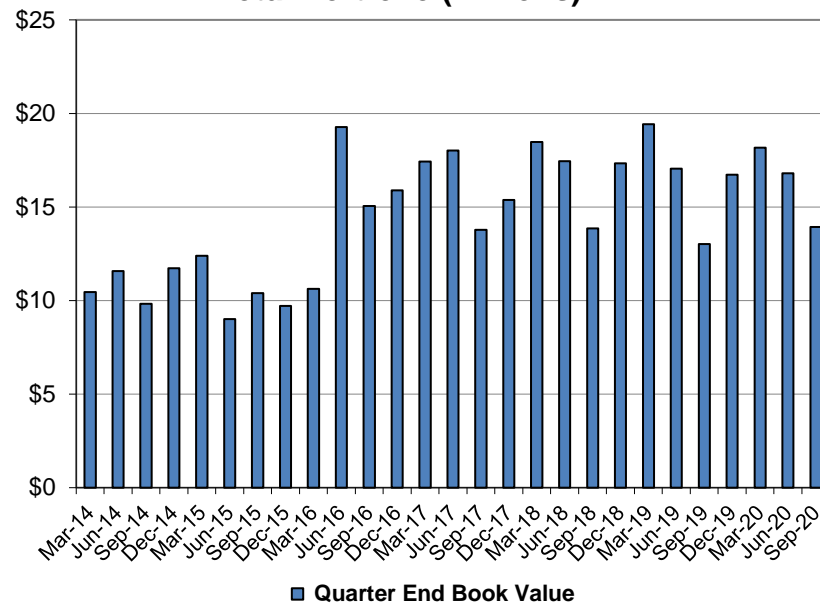
Distribution by Maturity (Millions)



Total Portfolio Performance



Total Portfolio (Millions)



Book and Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/20	Increases	Decreases	Book Value 09/30/20	Market Value 06/30/20	Change in Market Value	Market Value 09/30/20
Wells Fargo - Cash	0.00%	10/01/20	\$ 27,159	\$ 2,145,629	\$ -	\$ 2,172,788	\$ 27,159	\$ 2,145,629	\$ 2,172,788
Wells Fargo - MMF Sweep	0.00%	10/01/20	1,000,108	-	(1,000,108)	-	1,000,108	(1,000,108)	-
InterBank Money Market Account	0.45%	10/01/20	249,091	1	-	249,092	249,091	1	249,092
InterBank Insured Cash Sweep	0.45%	10/01/20	6,902,257	-	(139,406)	6,762,851	6,902,257	(139,406)	6,762,851
TexPool LGIP	0.15%	10/01/20	7,638,158	-	(4,783,671)	2,854,487	7,638,158	(4,783,671)	2,854,487
TexasCLASS LGIP-non Gov't	0.25%	10/01/20	492,738	463,718	-	956,456	492,738	463,718	956,456
TexasCLASS LGIP-Gov't	0.14%	10/01/20	492,167	447,390	-	939,557	492,167	447,390	939,557
TOTAL / AVERAGE	0.28%		\$ 16,801,680	\$ 3,056,738	\$ (5,923,186)	\$ 13,935,231	\$ 16,801,680	\$ (2,866,448)	\$ 13,935,231

**Allocation
September 30, 2020
Book and Market Value**

	Total	General Fund	CARES Funds	Debt Service	Storm Drainage Utility	Hotel Occupancy Tax	Parkland Dedication	2017 CO Bond Funds
Wells Fargo - Cash	\$ 2,172,788	\$ 1,499,203	\$ 673,585	\$ -	\$ -	\$ -	\$ -	\$ -
InterBank Money Market	249,092	124,546	-	-	-	-	-	124,546
InterBank Insured Cash Sweep MMA	6,762,851	4,734,184	-	-	-	-	-	2,028,667
TexPool LGIP	2,854,487	1,556,254	-	753,986	544,248	-	-	-
TexasCLASS LGIP-non Gov't	956,456	-	-	-	-	763,431	193,025	-
TexasCLASS LGIP-Gov't	939,557	-	-	-	-	746,856	192,701	-
Total	\$ 13,935,231	\$ 7,914,187	\$ 673,585	\$ 753,986	\$ 544,248	\$ 1,510,286	\$ 385,727	\$ 2,153,213

**Allocation
June 30, 2020
Book and Market Value**

	Total	General Fund	CARES Funds	Debt Service	Storm Drainage Utility	Hotel Occupancy Tax	Parkland Dedication	2017 CO Bond Funds
Wells Fargo - Cash	\$ 27,159	\$ 6,479	\$ 20,680	\$ -	\$ -	\$ -	\$ -	\$ -
Wells Fargo - MMF Sweep	1,000,108	150,252	-	-	-	849,857	-	-
InterBank Money Market	249,091	124,546	-	-	-	-	-	124,546
InterBank Insured Cash Sweep MMA	6,902,257	4,728,678	-	-	-	-	-	2,173,580
TexPool LGIP	7,638,158	5,576,520	-	1,833,841	227,798	-	-	-
TexasCLASS LGIP-non Gov't	492,738	-	-	-	-	299,879	192,859	-
TexasCLASS LGIP-Gov't	492,167	-	-	-	-	299,561	192,606	-
Total	\$ 16,801,680	\$ 10,586,474	\$ 20,680	\$ 1,833,841	\$ 227,798	\$ 1,449,297	\$ 385,465	\$ 2,298,125