



**City of Duncanville, Texas**  
**QUARTERLY INVESTMENT REPORT**

**For the Quarter Ended**

**September 30, 2021**

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

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

*Agustin Garcia*

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Agustin (Gus) Garcia, Director of Economic Development

*Edena Atmore*

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Edena Atmore, Interim Finance Director

*Lauren Peterson*

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Lauren Peterson, Accountant

**Disclaimer:** These reports were compiled using information provided by the City of Duncanville. 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, 2020			September 30, 2021		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
DDA	0.00%	\$ 1,838,319	\$ 1,838,319	0.59%	\$ 8,868,228	\$ 8,868,228
MMA/LGIPs	0.44%	26,884,812	26,884,812	0.32%	26,676,579	26,676,579
CDs	1.44%	33,500,000	33,500,000	0.27%	33,066,723	33,066,723
<b>Totals</b>		<b>\$ 62,223,131</b>	<b>\$ 62,223,131</b>		<b>\$ 68,611,531</b>	<b>\$ 68,611,531</b>

Fourth Quarter-End Yield                      **0.99%**    **0.33%**

### Fiscal Year Average Yield (1):

	2020 Fiscal Year	2021 Fiscal Year
Duncanville	1.52%	0.46%
Rolling Three Month Treasury	0.76%	0.06%
Rolling Six Month Treasury	0.99%	0.08%
TexPool	0.76%	0.05%
<b>Fiscal YTD Interest Earnings</b>	<b>\$ 1,029,639</b> Approximate	<b>\$ 315,810</b> Approximate

(1) **Fiscal Year Average Yield** - calculated using the City's annual interest income divided by average quarter end portfolio Book Value, and does not reflect a total return analysis or account for advisory fees. Benchmark average yields calculated using quarter end report yields.

## Strategy Summary

### Quarter End Results by Investment Category:

Asset Type	June 30, 2021		September 30, 2021		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA	\$ 2,313,490	\$ 2,313,490	\$ 8,868,228	\$ 8,868,228	0.59%
MMA/LGIPs	27,156,710	27,156,710	26,676,579	26,676,579	0.32%
CDs	43,634,839	43,634,839	33,066,723	33,066,723	0.27%
<b>Totals</b>	<b>\$ 73,105,039</b>	<b>\$ 73,105,039</b>	<b>\$ 68,611,531</b>	<b>\$ 68,611,531</b>	<b>0.33%</b>

#### Current Quarter Weighted Average Yield (1)

Total Portfolio	0.33%
Rolling Three Month Treasury	0.05%
Rolling Six Month Treasury	0.05%
TexPool	0.03%

#### Fiscal Year-to-Date Weighted Average Yield (2)

Total Portfolio	0.46%
Rolling Three Month Treasury	0.06%
Rolling Six Month Treasury	0.08%
Average Monthly TexPool	0.05%

#### Interest Earnings (Approximate)

Quarterly Interest Income	\$ 56,672
Year-to-date Interest Income	\$ 315,810

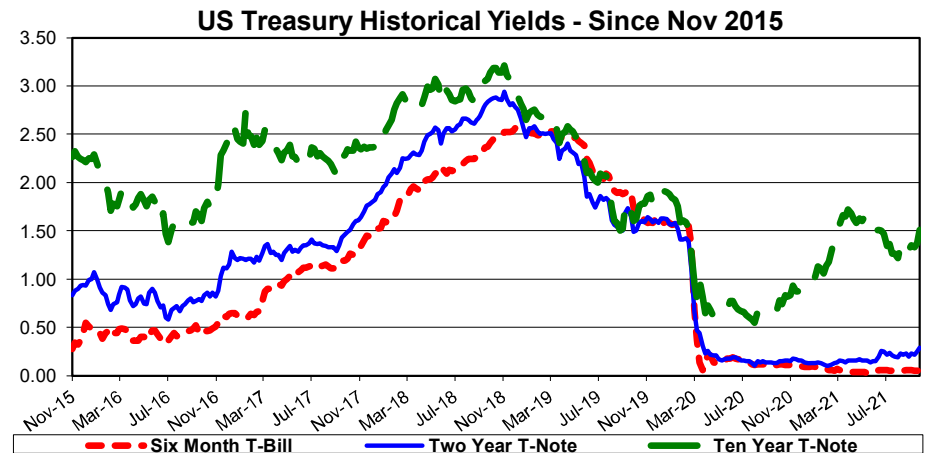
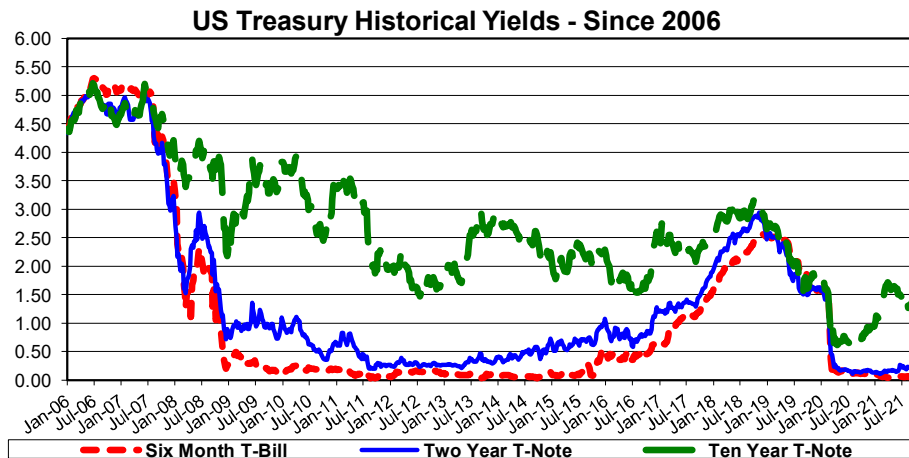
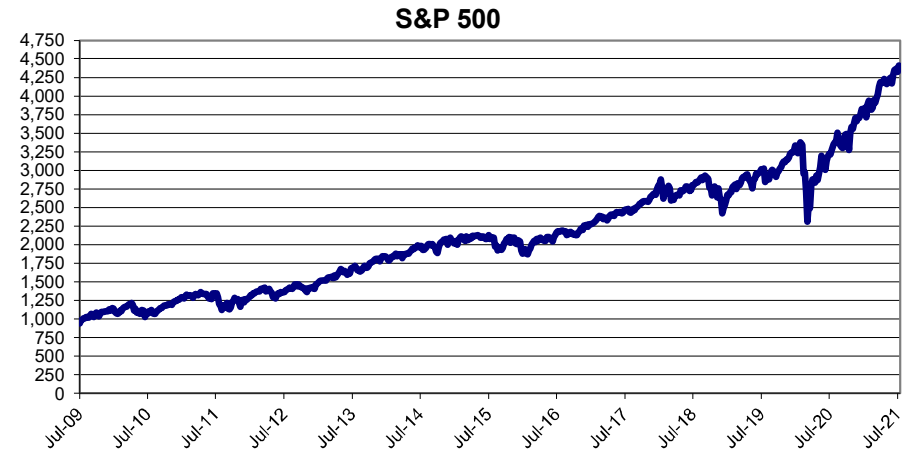
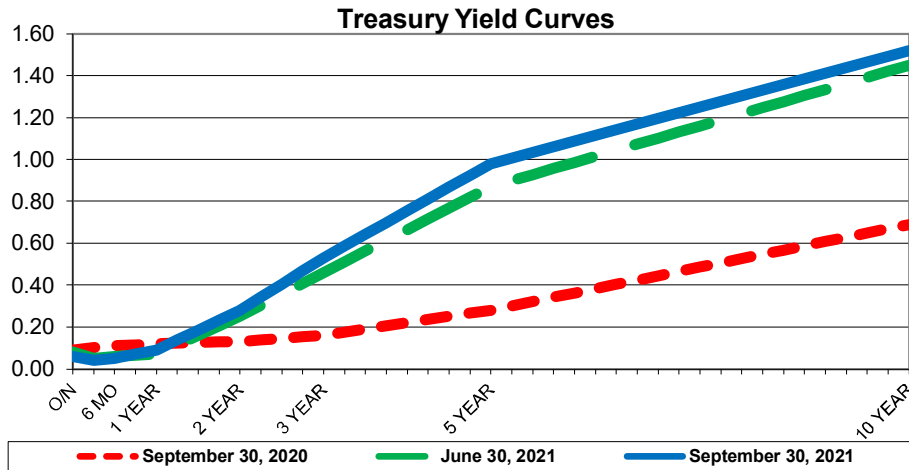
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. The yield for the reporting month is used for bank and money market balances.

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

9/30/2021

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 projects that reduced rates could remain into 2023. Monthly government security purchases may begin tapering as early as Nov 2021. Second Quarter GDP posted +6.7% (Final). Employment recovery/growth has moderated, but job openings remain high. August Non-Farm Payroll only added 194k net new jobs. Crude oil bounced up to +/- \$77 per barrel, with fuel shortages in England and other countries. The Stock Markets reached new highs, but have retrenched slightly. Housing, Industrial Production, Durable Goods, Consumer Spending, and other indicators remain positive but constrained. The Biden administration and Congress continue to negotiate infrastructure, fiscal and debt limit packages. Inflation remained over the FOMC 2+% target and may not be as temporary as initially projected. The Yield Curve rose slightly from two years to ten years.



**Investment Holdings**  
**September 30, 2021**

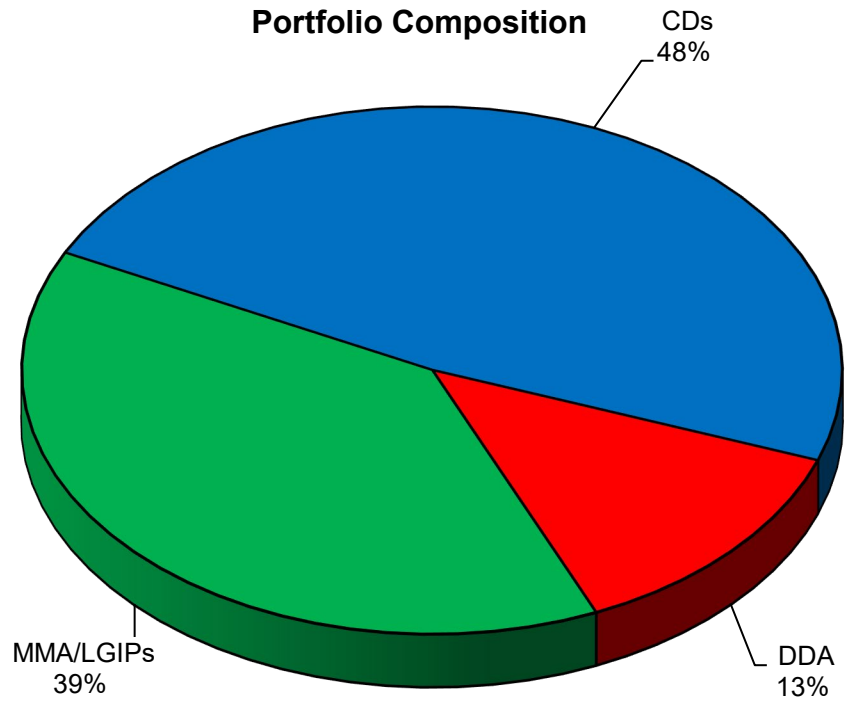
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo Bank DDA (3)		0.59%	10/01/21	09/30/21	\$ 8,868,228	\$ 8,868,228	1.00	\$ 8,868,228	1	0.59%
NexBank MMA		0.40%	10/01/21	09/30/21	10,633,187	10,633,187	1.00	10,633,187	1	0.40%
NexBank MMA/ICS		0.40%	10/01/21	09/30/21	7,817,134	7,817,134	1.00	7,817,134	1	0.40%
Prosperity Bank MMA		0.15%	10/01/21	09/30/21	6,503,861	6,503,861	1.00	6,503,861	1	0.15%
TexPool	AAAm	0.03%	10/01/21	09/30/21	5,036	5,036	1.00	5,036	1	0.03%
LOGIC LGIP	AAAm	0.04%	10/01/21	09/30/21	1,717,361	1,717,361	1.00	1,717,361	1	0.04%
Prosperity Bank CD		0.30%	10/22/21	10/22/20	7,018,008	7,018,008	100.00	7,018,008	22	0.30%
Prosperity Bank CD		0.30%	11/19/21	11/19/20	6,015,584	6,015,584	100.00	6,015,584	50	0.30%
Prosperity Bank CD		0.40%	11/23/21	09/23/20	3,012,230	3,012,230	100.00	3,012,230	54	0.40%
American Nat'l Bank of TX CD		0.25%	02/01/22	02/02/21	6,009,904	6,009,904	100.00	6,009,904	124	0.25%
Prosperity Bank CD		0.20%	03/28/22	03/26/21	7,007,249	7,007,249	100.00	7,007,249	179	0.20%
Prosperity Bank CD		0.20%	04/12/22	04/12/21	4,003,748	4,003,748	100.00	4,003,748	194	0.20%
					<b>\$ 68,611,531</b>	<b>\$ 68,611,531</b>		<b>\$ 68,611,531</b>	<b>50</b>	<b>0.33%</b>
									<b>(1)</b>	<b>(2)</b>

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

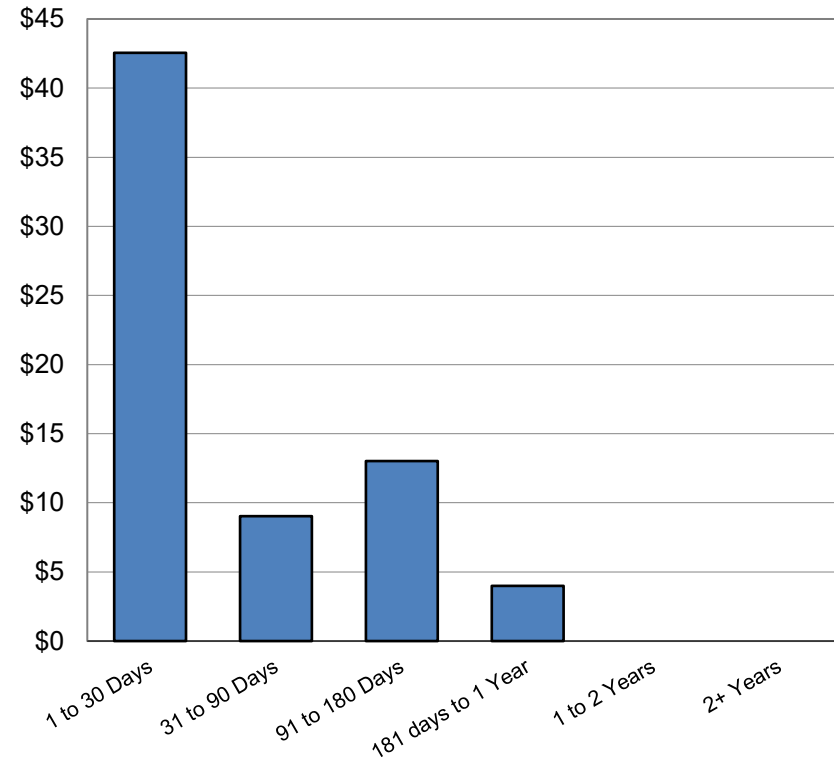
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts and money market funds.

(3) **Earnings Credit Rate** - Wells Fargo balances are used to to offset bank fees generating an estimated Earnings Credit Rate.

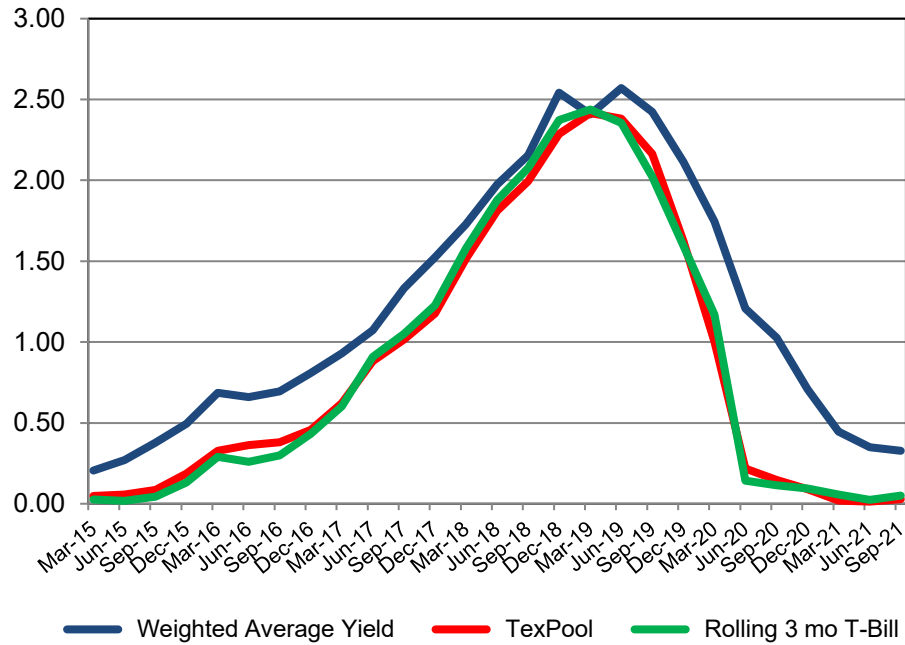
**Portfolio Composition**



**Distribution by Maturity (Millions)**



**Total Portfolio Performance**



## Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/21	Increases	Decreases	Book Value 09/30/21	Market Value 06/30/21	Change in Market Value	Market Value 09/30/21
Wells Fargo Bank DDA (3)	0.59%	10/01/21	\$ 2,313,490	\$ 6,554,738	\$ -	\$ 8,868,228	\$ 2,313,490	\$ 6,554,738	\$ 8,868,228
NexBank MMA	0.40%	10/01/21	10,622,474	10,713	-	10,633,187	10,622,474	10,713	10,633,187
NexBank MMA/ICS	0.40%	10/01/21	7,809,258	7,877	-	7,817,134	7,809,258	7,877	7,817,134
Prosperity Bank MMA	0.15%	10/01/21	2,003,029	4,500,831	-	6,503,861	2,003,029	4,500,831	6,503,861
TexPool	0.03%	10/01/21	5,036	-	-	5,036	5,036	-	5,036
LOGIC LGIP	0.04%	10/01/21	6,716,913	-	(4,999,552)	1,717,361	6,716,913	(4,999,552)	1,717,361
Prosperity Bank CD	0.40%	09/10/21	6,520,871	-	(6,520,871)	-	6,520,871	(6,520,871)	-
Prosperity Bank CD	2.80%	09/20/21	1,063,901	-	(1,063,901)	-	1,063,901	(1,063,901)	-
Prosperity Bank CD	0.25%	09/30/21	3,003,740	-	(3,003,740)	-	3,003,740	(3,003,740)	-
Prosperity Bank CD	0.30%	10/22/21	7,014,499	3,509	-	7,018,008	7,014,499	3,509	7,018,008
Prosperity Bank CD	0.30%	11/19/21	6,011,047	4,537	-	6,015,584	6,011,047	4,537	6,015,584
Prosperity Bank CD	0.40%	11/23/21	3,009,206	3,025	-	3,012,230	3,009,206	3,025	3,012,230
American Nat'l Bank of TX CD	0.25%	02/01/22	6,006,123	3,781	-	6,009,904	6,006,123	3,781	6,009,904
Prosperity Bank CD	0.20%	03/28/22	7,003,721	3,529	-	7,007,249	7,003,721	3,529	7,007,249
Prosperity Bank CD	0.20%	04/12/22	4,001,732	2,016	-	4,003,748	4,001,732	2,016	4,003,748
<b>TOTAL/AVERAGE</b>	<b>0.33%</b>		<b>\$ 73,105,039</b>	<b>\$ 11,094,556</b>	<b>\$ (15,588,064)</b>	<b>\$ 68,611,531</b>	<b>\$ 73,105,039</b>	<b>\$ (4,493,508)</b>	<b>\$ 68,611,531</b>

**Allocation  
September 30, 2021**

**Book & Market Value**

	<b>Total</b>	<b>General</b>	<b>ARPA</b>	<b>Utility</b>	<b>Debt Service</b>	<b>Comp. Self Insurance</b>	<b>Hotel/Motel Tax</b>	<b>Economic Development</b>
<b>Wells Fargo Bank DDA</b>	\$ 8,868,228	\$ 8,868,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NexBank MMA</b>	10,633,187	6,385,287	-	3,718,592	-	-	-	-
<b>NexBank MMA/ICS</b>	7,817,134	-	-	-	-	-	-	-
<b>Prosperity Bank MMA</b>	6,503,861	1,502,729	4,500,222	500,910	-	-	-	-
<b>TexPool LGIP</b>	5,036	5,036	-	-	-	-	-	-
<b>LOGIC LGIP</b>	1,717,361	1,717,361	-	-	-	-	-	-
<b>10/22/21-Prosperity Bank CD</b>	7,018,008	7,018,008	-	-	-	-	-	-
<b>11/19/21-Prosperity Bank CD</b>	6,015,584	6,015,584	-	-	-	-	-	-
<b>11/23/21-Prosperity Bank CD</b>	3,012,230	1,506,115	-	1,506,115	-	-	-	-
<b>02/01/22-American Nat'l Bank of TX CD</b>	6,009,904	6,009,904	-	-	-	-	-	-
<b>03/28/22-Prosperity Bank CD</b>	7,007,249	7,007,249	-	-	-	-	-	-
<b>04/12/22-Prosperity Bank CD</b>	4,003,748	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 68,611,531</b>	<b>\$ 46,035,501</b>	<b>\$ 4,500,222</b>	<b>\$ 5,725,617</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**Allocation  
September 30, 2021**

(Continued)

**Book & Market Value**

	<b>Drainage Fees</b>	<b>Capital Replacement</b>	<b>Utility Capital Improvement</b>	<b>Court Technology</b>	<b>Solid Waste</b>	<b>Capital Projects Construction</b>	<b>Court Security</b>	<b>Juvenile Case Manager</b>
Wells Fargo Bank DDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NexBank MMA	-	529,308	-	-	-	-	-	-
NexBank MMA/ICS	-	-	-	-	-	7,817,134	-	-
Prosperity Bank MMA	-	-	-	-	-	-	-	-
TexPool LGIP	-	-	-	-	-	-	-	-
LOGIC LGIP	-	-	-	-	-	-	-	-
10/22/21-Prosperity Bank CD	-	-	-	-	-	-	-	-
11/19/21-Prosperity Bank CD	-	-	-	-	-	-	-	-
11/23/21-Prosperity Bank CD	-	-	-	-	-	-	-	-
02/01/22-American Nat'l Bank of TX CD	-	-	-	-	-	-	-	-
03/28/22-Prosperity Bank CD	-	-	-	-	-	-	-	-
04/12/22-Prosperity Bank CD	-	-	-	-	-	4,003,748	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 529,308</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,820,882</b>	<b>\$ -</b>	<b>\$ -</b>

**Allocation  
June 30, 2021**

**Book & Market Value**

	<b>Total</b>	<b>General</b>	<b>Utility</b>	<b>Debt Service</b>	<b>Comp. Self Insurance</b>	<b>Hotel/Motel Tax</b>	<b>Economic Development</b>
<b>Wells Fargo Bank DDA</b>	\$ 2,313,490	\$ 2,313,490	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NexBank MMA</b>	10,622,474	6,378,854	3,714,846	-	-	-	-
<b>NexBank MMA/ICS</b>	7,809,258	-	-	-	-	-	-
<b>Prosperity Bank MMA</b>	2,003,029	1,502,272	500,757	-	-	-	-
<b>TexPool LGIP</b>	5,036	5,036	-	-	-	-	-
<b>LOGIC LGIP</b>	6,716,913	2,339,602	891,899	425,502	410,292	110,040	530,328
<b>09/10/21-Prosperity Bank CD</b>	6,520,871	6,520,871	-	-	-	-	-
<b>09/20/21-Prosperity Bank CD</b>	1,063,901	-	-	-	-	-	-
<b>09/30/21-Prosperity Bank CD</b>	3,003,740	-	-	-	-	-	-
<b>10/22/21-Prosperity Bank CD</b>	7,014,499	7,014,499	-	-	-	-	-
<b>11/19/21-Prosperity Bank CD</b>	6,011,047	6,011,047	-	-	-	-	-
<b>11/23/21-Prosperity Bank CD</b>	3,009,206	1,504,603	1,504,603	-	-	-	-
<b>02/01/22-American Nat'l Bank of TX CD</b>	6,006,123	6,006,123	-	-	-	-	-
<b>03/28/22-Prosperity Bank CD</b>	7,003,721	7,003,721	-	-	-	-	-
<b>04/12/22-Prosperity Bank CD</b>	4,001,732	-	-	-	-	-	-
<b>Total</b>	<b>\$ 73,105,039</b>	<b>\$46,600,117</b>	<b>\$ 6,612,104</b>	<b>\$ 425,502</b>	<b>\$ 410,292</b>	<b>\$ 110,040</b>	<b>\$ 530,328</b>

**Allocation  
June 30, 2021**

(Continued)

**Book & Market Value**

	<b>Drainage Fees</b>	<b>Capital Replacement</b>	<b>Utility Capital Improvement</b>	<b>Court Technology</b>	<b>Solid Waste</b>	<b>Capital Projects Construction</b>	<b>Court Security</b>	<b>Juvenile Case Manager</b>
Wells Fargo Bank DDA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NexBank MMA	-	528,775	-	-	-	-	-	-
NexBank MMA/ICS	-	-	-	-	-	7,809,258	-	-
Prosperity Bank MMA	-	-	-	-	-	-	-	-
TexPool LGIP	-	-	-	-	-	-	-	-
LOGIC LGIP	105,394	380,182	131,482	303,155	355,834	416	543,429	189,360
09/10/21-Prosperity Bank CD	-	-	-	-	-	-	-	-
09/20/21-Prosperity Bank CD	-	-	-	-	-	1,063,901	-	-
09/30/21-Prosperity Bank CD	-	-	-	-	-	3,003,740	-	-
10/22/21-Prosperity Bank CD	-	-	-	-	-	-	-	-
11/19/21-Prosperity Bank CD	-	-	-	-	-	-	-	-
11/23/21-Prosperity Bank CD	-	-	-	-	-	-	-	-
02/01/22-American Nat'l Bank of TX CD	-	-	-	-	-	-	-	-
03/28/22-Prosperity Bank CD	-	-	-	-	-	-	-	-
04/12/22-Prosperity Bank CD	-	-	-	-	-	4,001,732	-	-
<b>Total</b>	<b>\$ 105,394</b>	<b>\$ 908,957</b>	<b>\$ 131,482</b>	<b>\$ 303,155</b>	<b>\$ 355,834</b>	<b>\$ 15,879,046</b>	<b>\$ 543,429</b>	<b>\$ 189,360</b>