



City of Duncanville, Texas
QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2022

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 (Gus) Garcia, Managing Director of Development Services



Edena Atmore, Managing Director of Fiscal Services



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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, 2021			September 30, 2022		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
DDA	0.59%	\$ 8,868,228	\$ 8,868,228	0.60%	\$ 34,626,146	\$ 34,626,146
MMA/LGIPs	0.32%	26,676,579	26,676,579	2.52%	31,912,698	31,912,698
CDs	0.27%	33,066,723	33,066,723	3.11%	12,505,086	12,505,086
Totals		\$ 68,611,531	\$ 68,611,531		\$ 79,043,930	\$ 79,043,930
Fourth Quarter-End Yield	0.33%			1.77%		

Fiscal Year Average Yield (1):

	2021 Fiscal Year	2022 Fiscal Year
Duncanville	0.46%	0.86%
Rolling Three Month Treasury	0.06%	1.06%
Rolling Six Month Treasury	0.08%	1.01%
TexPool	0.05%	0.70%
Fiscal YTD Interest Earnings	\$ 315,810 Approximate	\$ 262,112 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, 2022		September 30, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA	\$ 41,968,751	\$ 41,968,751	\$ 34,626,146	\$ 34,626,146	0.60%
MMA/LGIPs	31,766,112	31,766,112	31,912,698	31,912,698	2.52%
CDs	2,502,218	2,502,218	12,505,086	12,505,086	3.11%
Totals	\$ 76,237,081	\$ 76,237,081	\$ 79,043,930	\$ 79,043,930	1.77%

Current Quarter Weighted Average Yield (1)

Total Portfolio	1.77%
Rolling Three Month Treasury	2.76%
Rolling Six Month Treasury	2.46%
TexPool	2.41%

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

Total Portfolio	0.86%
Rolling Three Month Treasury	1.06%
Rolling Six Month Treasury	1.01%
Average Monthly TexPool	0.70%

Interest Earnings (Approximate)

Quarterly Interest Income	\$ 150,472
Year-to-date Interest Income	\$ 262,112

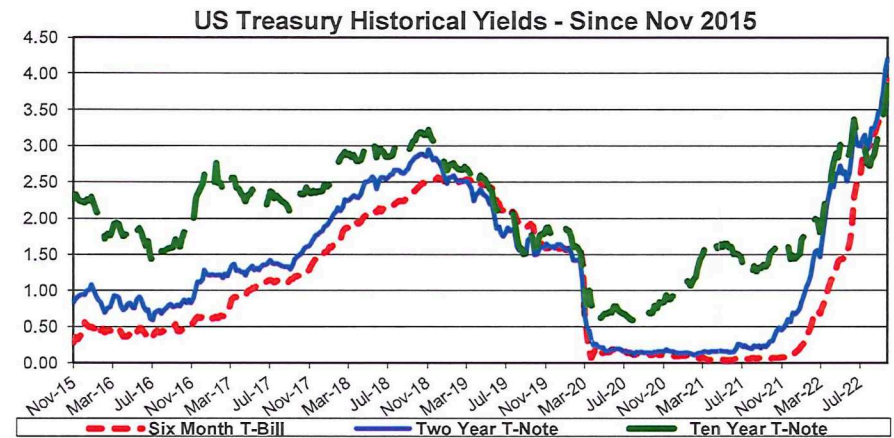
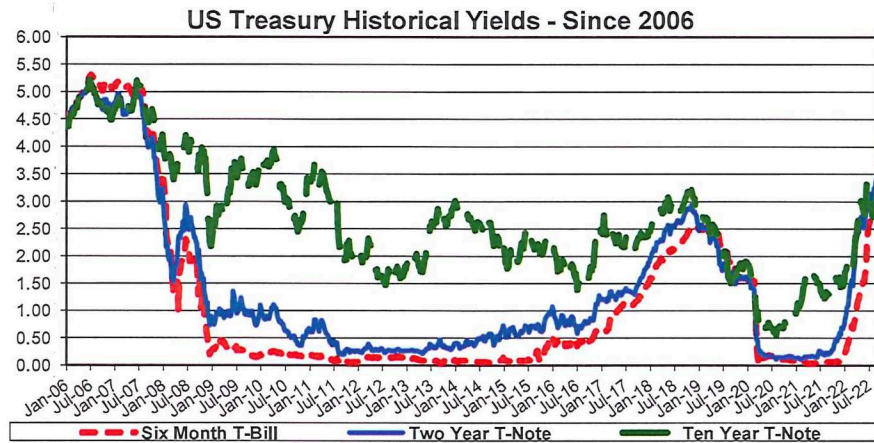
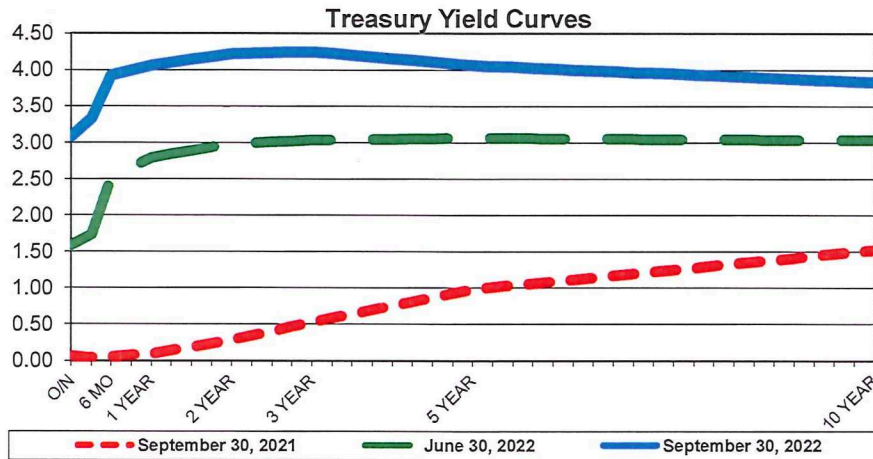
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. The yield for the reporting month is used for bank and money market balances.

(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

9/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 3.00% - 3.25% September 21st (Effective Fed Funds are trading +/-3.10%). The FOMC continued actively reducing their balance sheet. An additional 0.50% - 0.75% increase is currently anticipated November 2nd. Second Quarter GDP was confirmed at -0.6%. Domestic and international economies are slowing. September Non-Farm Payroll added 263k new jobs with a Three Month Average of 372k. Crude oil fell below \$80 per barrel, but OPEC+ announced a target production reduction of 2 million barrels/day. The Stock Markets continued bouncing down and are +/-20% below the 2021 peak. The negatively sloped yield curve (6 months to 10 years, with peak yield at 3 years) may indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-4.9% and CPI exceeding 8%).



Investment Holdings
September 30, 2022

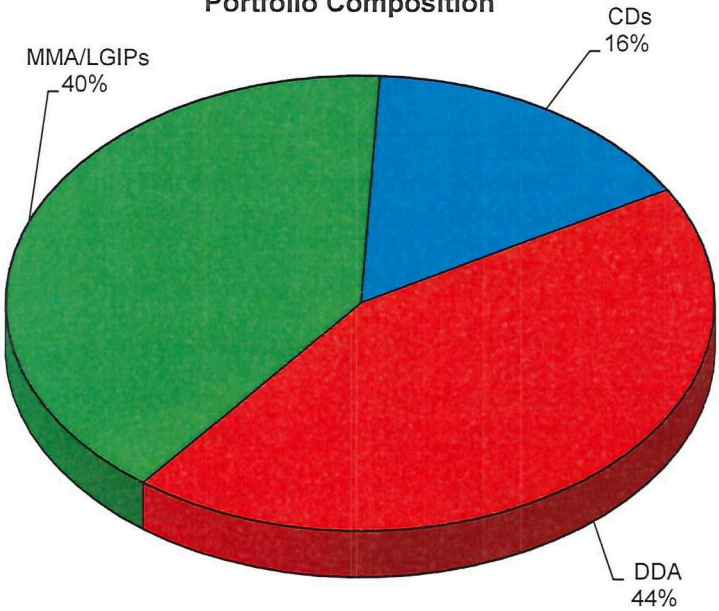
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Wells Fargo Bank DDA (3)		0.60%	10/01/22	09/30/22	\$ 34,626,146	\$ 34,626,146	1.00	\$ 34,626,146	1	0.60%
NexBank IntraFi MMA		3.05%	10/01/22	09/30/22	23,656,414	23,656,414	1.00	23,656,414	1	3.05%
Prosperity Bank MMA		0.60%	10/01/22	09/30/22	6,520,460	6,520,460	1.00	6,520,460	1	0.60%
TexPool	AAAm	2.41%	10/01/22	09/30/22	5,071	5,071	1.00	5,071	1	2.41%
LOGIC LGIP	AAAm	2.48%	10/01/22	09/30/22	1,730,753	1,730,753	1.00	1,730,753	1	2.48%
East West Bank CD		0.17%	11/04/22	11/04/21	2,003,076	2,003,076	100.00	2,003,076	35	0.17%
Texas Brand Bank CD		0.30%	04/07/23	04/07/22	500,374	500,374	100.00	500,374	189	0.30%
Texas Capital Bank		3.70%	06/28/23	09/28/22	5,000,000	5,000,000	100.00	5,000,000	271	3.70%
East West Bank CD		3.98%	09/28/23	09/28/22	5,001,636	5,001,636	100.00	5,001,636	363	3.98%
					\$ 79,043,930	\$ 79,043,930		\$ 79,043,930	43	1.77%
									(1)	(2)

(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.

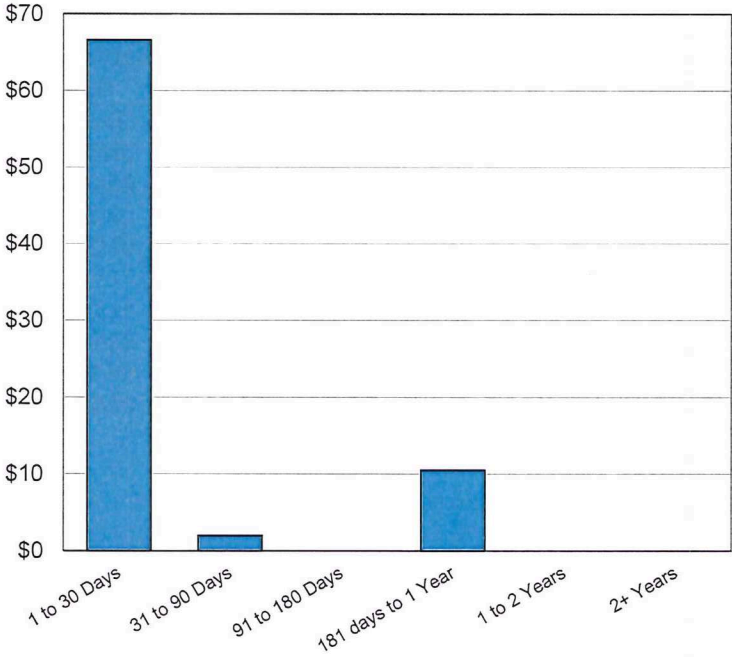
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts and money market funds.

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

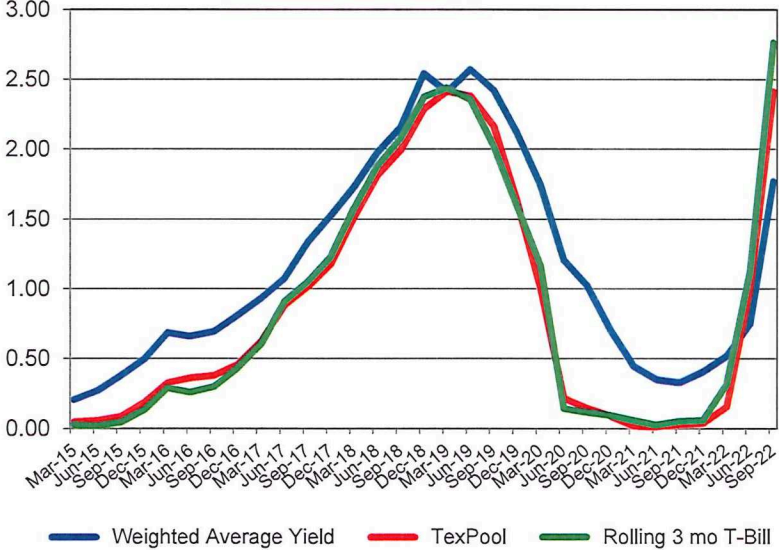
Portfolio Composition



Distribution by Maturity (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/22	Increases	Decreases	Book Value 09/30/22	Market Value 06/30/22	Change in Market Value	Market Value 09/30/22
Wells Fargo Bank DDA	0.60%	10/01/22	\$ 41,968,751	\$ -	\$ (7,342,605)	\$ 34,626,146	\$ 41,968,751	\$ (7,342,605)	\$ 34,626,146
NexBank MMA	1.18%	10/01/22	9,966	-	(9,966)	-	9,966	(9,966)	-
NexBank IntraFi MMA	3.05%	10/01/22	23,517,732	138,682	-	23,656,414	23,517,732	138,682	23,656,414
Prosperity Bank MMA	0.60%	10/01/22	6,511,714	8,746	-	6,520,460	6,511,714	8,746	6,520,460
TexPool	2.41%	10/01/22	5,045	26	-	5,071	5,045	26	5,071
LOGIC LGIP	2.48%	10/01/22	1,721,654	9,098	-	1,730,753	1,721,654	9,098	1,730,753
East West Bank CD	0.17%	11/04/22	2,002,218	858	-	2,003,076	2,002,218	858	2,003,076
Texas Brand Bank CD	0.30%	04/07/23	500,000	374	-	500,374	500,000	374	500,374
Texas Capital Bank	3.70%	06/28/23	-	5,000,000	-	5,000,000	-	5,000,000	5,000,000
East West Bank CD	3.98%	09/28/23	-	5,001,636	-	5,001,636	-	5,001,636	5,001,636
TOTAL/AVERAGE	1.77%		\$ 76,237,081	\$ 10,159,420	\$ (7,352,571)	\$ 79,043,930	\$ 76,237,081	\$ 2,806,849	\$ 79,043,930

**Allocation
September 30, 2022**

Book & Market Value

	Total	General	ARPA	Utility	Economic Development	Capital Projects Construction
Wells Fargo Bank DDA	\$ 34,626,146	\$34,626,146	\$ -	\$ -	\$ -	\$ -
NexBank MMA	-	-	-	-	-	-
NexBank IntraFi MMA	23,656,414	15,763,640	-	-	-	7,892,774
Prosperity Bank MMA	6,520,460	1,506,878	4,511,506	502,075	-	-
TexPool LGIP	5,071	5,071	-	-	-	-
LOGIC LGIP	1,730,753	1,730,753	-	-	-	-
11/04/22–East West Bank CD	2,003,076	2,003,076	-	-	-	-
04/07/23–Texas Brand Bank CD	500,374	-	-	-	500,374	-
06/28/23–Texas Capital Bank	5,000,000	-	-	5,000,000	-	-
09/28/23–East West Bank CD	5,001,636	-	-	-	-	5,001,636
Total	\$ 79,043,930	\$55,635,564	\$ 4,511,506	\$ 5,502,075	\$ 500,374	\$ 12,894,410

Allocation
June 30, 2022

Book & Market Value

	Total	General	ARPA	Utility	Economic Development	Capital Replacement	Capital Projects Construction
Wells Fargo Bank DDA	\$ 41,968,751	\$41,968,751	\$ -	\$ -	\$ -	\$ -	\$ -
NexBank MMA	9,966	5,985	-	3,485	-	496	-
NexBank IntraFi MMA	23,517,732	15,667,903	-	-	-	-	7,849,829
Prosperity Bank MMA	6,511,714	1,504,544	4,505,656	501,515	-	-	-
TexPool LGIP	5,045	5,045	-	-	-	-	-
LOGIC LGIP	1,721,654	1,721,654	-	-	-	-	-
11/04/22–East West Bank CD	2,002,218	2,002,218	-	-	-	-	-
04/07/23–Texas Brand Bank CD	500,000	-	-	-	500,000	-	-
Total	\$ 76,237,081	\$62,876,100	\$ 4,505,656	\$ 505,000	\$ 500,000	\$ 496	\$ 7,849,829

