

City of Frisco



T E X A S

EDC Fund

For the Quarter Ended

December 31, 2020

Report Name

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MARKET RECAP - DECEMBER 2020:

The fourth quarter story was multifaceted, with a global resurgence of the virus, FDA approval of two extremely effective vaccines, a contested election that will presumably result in a Biden presidency, and signs of a slowdown in economic growth. During the quarter, Covid-19 hospitalizations quadrupled and the total number of Covid deaths jumped by 70%. Because the broad economy remained open for the most part during the holidays, experts are bracing for another rise in cases in January.

Economic data released during December confirmed prior signals that the economic recovery was slipping. The ISM manufacturing index fell from 59.3 to a still solid 56.7, but the employment index was more concerning as it fell from 53.2 into contraction territory at 48.4. November's employment report confirmed that signal and was clear in its depiction of moderating job growth with nonfarm payrolls increasing just 245k, well below the 460k median forecast. Payrolls are still down more than 10 million from the pre-pandemic period early in the year. The sidelined workers primarily represent the service sector, with restaurants, bars, gyms, conferences and sporting events still far from normal. The unemployment rate dropped from 6.9% to 6.7% last month, although this improvement is a little deceptive as it was driven by a decline in the labor force participation rate which, at 61.5%, is now within one tenth of a 45-year low. First time filings for unemployment benefits spiked to a three-month high of 892k in mid-December and stubbornly remain nearly 4x pre-pandemic norms. Some 20 million Americans continue to receive unemployment benefits in combined state and federal programs. Consumer spending has slowed as well, with overall retail sales for November down -1.1% following a downwardly revised -0.1% October decline. Inflation remains on the backburner with overall CPI holding steady at +1.6% year-over-year, while core CPI runs at a +1.2% pace. The 2020 housing boom finally moderated with existing home sales slipping by -2.5% in November, breaking a five-month string of advances. However, the 6.7 million unit annualized sales pace was still +25.8% above the same period a year ago. New home sales dropped -11.0% in November but are still up more than +20% year-over-year.

It's important to note that the recovery thus far has been wildly uneven. Census data revealed in early December that nearly 83 million adults in the U.S. are finding it "somewhat" or "very difficult" to cover basic monthly expenses such as food, rent or mortgage, car payments, medical expenses, or student loans. This is in sharp contrast to the surge in overall wealth that has driven household net worth to a new record high. Congress did finally pass an aid package by the end of the year, offering another month of eviction protection, an extension of federal jobless benefits and a \$600 stimulus check for individuals, in addition to a replenishing of the Paycheck Protection Program.

The forward-looking stock markets focused on the vaccine rollout and the additional aid package rather than the rapid spread of the virus and the weakening economic numbers. Both the DOW and the S&P 500 closed the year at fresh record highs. First quarter GDP growth is likely to be relatively weak, but should improve in subsequent quarters as an increasing number of Americans are vaccinated and begin a return to pre-pandemic normality.

For the Quarter Ended
December 31, 2020

This report is prepared for the **City of Frisco** (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

Officer Names and Titles:

Name: Anita Cothran

Anita Cothran

Title: Chief Financial Officer

Name: Brett Peterson

Brett Peterson

Title: Treasury Manager

Account Summary

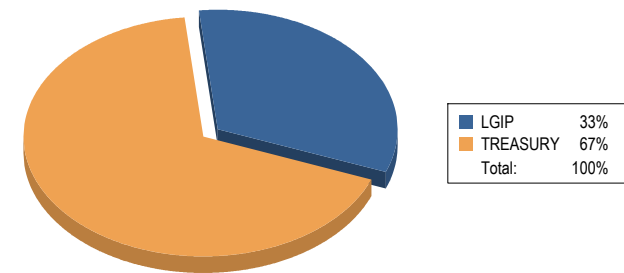
Allocation by Security Type

Beginning Values as of 09/30/20

Ending Values as of 12/31/20

Par Value	43,723,393.53	39,514,337.54
Market Value	43,905,490.33	39,721,329.48
Book Value	43,789,991.98	39,684,174.30
Unrealized Gain/(Loss)	115,498.35	37,155.18
Market Value %	100.26%	100.09%

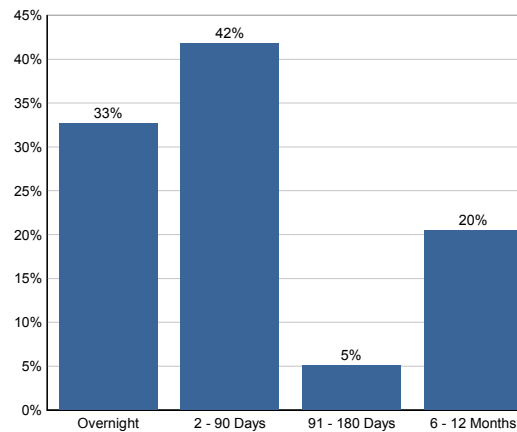
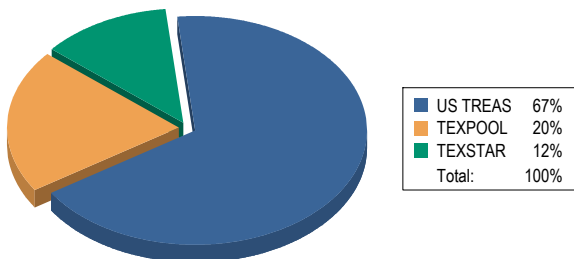
Weighted Avg. YTW	0.890%	0.749%
Weighted Avg. YTM	0.890%	0.749%



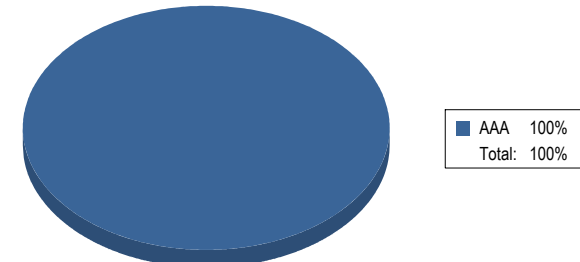
Allocation by Issuer

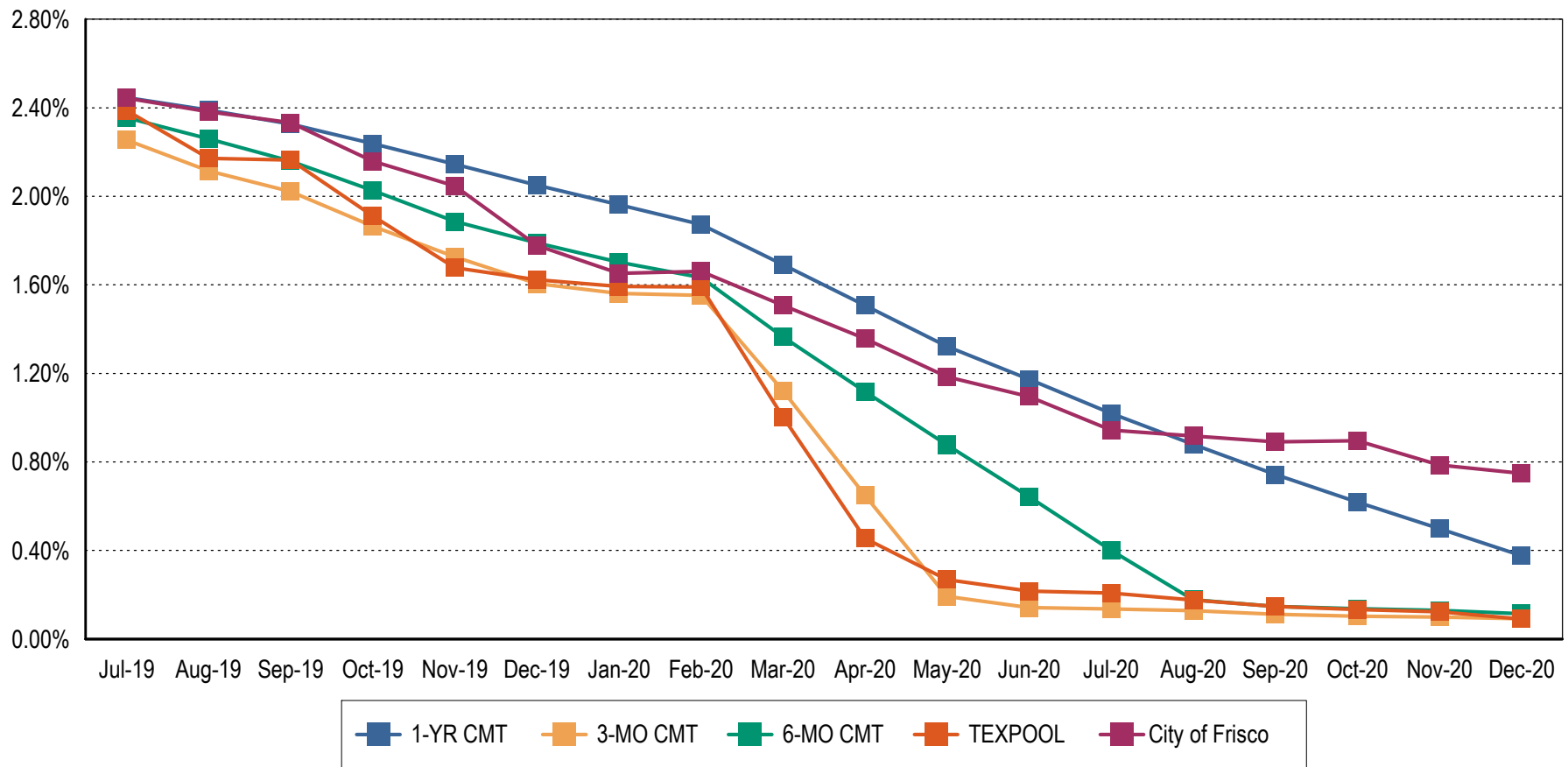
Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 103





Note 1: CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12-months.

Note 2: Benchmark data for TexPool is the monthly average yield.

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
800 - EDC Fund																	
TEXPOOL		LGIP	TexPool					8,141,356.58	100.000	8,141,356.58	8,141,356.58	100.000	8,141,356.58	1		0.091	0.091
TEXSTAR		LGIP	TexSTAR					4,822,980.96	100.000	4,822,980.96	4,822,980.96	100.000	4,822,980.96	1		0.068	0.068
9128283Q1	01/15/20	TREAS NOTE	U.S. Treasury	2.000	01/15/21			4,750,000.00	100.402	4,769,111.33	4,750,729.93	100.056	4,752,639.10	15		1.593	1.593
9128284B3	12/12/19	TREAS NOTE	U.S. Treasury	2.375	03/15/21			10,000,000.00	100.867	10,086,718.75	10,014,006.20	100.434	10,043,382.00	74		1.675	1.675
912828Q37	12/17/19	TREAS NOTE	U.S. Treasury	1.250	03/31/21			1,800,000.00	99.469	1,790,437.50	1,798,173.45	100.264	1,804,759.74	90		1.668	1.668
9128284T4	06/05/20	TREAS NOTE	U.S. Treasury	2.625	06/15/21			2,000,000.00	102.492	2,049,843.75	2,022,004.72	101.117	2,022,343.80	166		0.195	0.195
912828YT1	11/30/20	TREAS NOTE	U.S. Treasury	1.500	11/30/21			5,000,000.00	101.391	5,069,531.25	5,063,420.25	101.250	5,062,500.00	334		0.108	0.108
9128285R7	12/03/20	TREAS NOTE	U.S. Treasury	2.625	12/15/21			3,000,000.00	102.582	3,077,460.94	3,071,502.21	102.379	3,071,367.30	349		0.123	0.123
Total for 800 - EDC Fund								39,514,337.54	100.747	39,807,441.06	39,684,174.30	100.529	39,721,329.48	103		0.749	0.749
Total for City of Frisco								39,514,337.54	100.747	39,807,441.06	39,684,174.30	100.529	39,721,329.48	103		0.749	0.749

CUSIP	Security Type	Security Description	09/30/20 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/20 Book Value	09/30/20 Market Value	12/31/20 Market Value	Change in Mkt Value
800 - EDC Fund											
TEXPOOL	LGIP	TexPool	12,351,534.67	1,317,746.67	(5,527,924.76)	0.00	0.00	8,141,356.58	12,351,534.67	8,141,356.58	(4,210,178.09)
TEXSTAR	LGIP	TexSTAR	4,821,858.86	1,122.10	0.00	0.00	0.00	4,822,980.96	4,821,858.86	4,822,980.96	1,122.10
912828M98	TREAS NOTE	U.S. Treasury 1.625 11/30/20	4,999,816.60	0.00	(5,000,000.00)	183.40	0.00	0.00	5,012,411.00	0.00	(5,012,411.00)
912796TU3	TREAS BILL	U.S. Treasury 0.000 12/03/20	2,999,102.25	0.00	(3,000,000.00)	897.75	0.00	0.00	2,999,475.00	0.00	(2,999,475.00)
9128283Q1	TREAS NOTE	U.S. Treasury 2.000 01/15/21	4,755,526.72	0.00	0.00	(4,796.79)	0.00	4,750,729.93	4,775,234.38	4,752,639.10	(22,595.28)
9128284B3	TREAS NOTE	U.S. Treasury 2.375 03/15/21	10,031,657.90	0.00	0.00	(17,651.70)	0.00	10,014,006.20	10,100,000.00	10,043,382.00	(56,618.00)
912828Q37	TREAS NOTE	U.S. Treasury 1.250 03/31/21	1,796,285.32	0.00	0.00	1,888.13	0.00	1,798,173.45	1,810,054.62	1,804,759.74	(5,294.88)
9128284T4	TREAS NOTE	U.S. Treasury 2.625 06/15/21	2,034,209.66	0.00	0.00	(12,204.94)	0.00	2,022,004.72	2,034,921.80	2,022,343.80	(12,578.00)
912828YT1	TREAS NOTE	U.S. Treasury 1.500 11/30/21	0.00	5,069,531.25	0.00	(6,111.00)	0.00	5,063,420.25	0.00	5,062,500.00	5,062,500.00
9128285R7	TREAS NOTE	U.S. Treasury 2.625 12/15/21	0.00	3,077,460.94	0.00	(5,958.73)	0.00	3,071,502.21	0.00	3,071,367.30	3,071,367.30
Total for 800 - EDC Fund			43,789,991.98	9,465,860.96	(13,527,924.76)	(43,753.88)	0.00	39,684,174.30	43,905,490.33	39,721,329.48	(4,184,160.85)
Total for City of Frisco			43,789,991.98	9,465,860.96	(13,527,924.76)	(43,753.88)	0.00	39,684,174.30	43,905,490.33	39,721,329.48	(4,184,160.85)

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
800 - EDC Fund									
TEXPOOL	LGIP	TexPool	0.00	3,012.93	3,012.93	0.00	0.00	0.00	3,012.93
TEXSTAR	LGIP	TexSTAR	0.00	1,122.10	1,122.10	0.00	0.00	0.00	1,122.10
912828M98	TREAS NOTE	U.S. Treasury 1.625 11/30/20	27,305.33	13,319.67	40,625.00	0.00	0.00	183.40	13,503.07
912796TU3	TREAS BILL	U.S. Treasury 0.000 12/03/20	0.00	0.00	0.00	0.00	0.00	897.75	897.75
9128283Q1	TREAS NOTE	U.S. Treasury 2.000 01/15/21	20,135.87	23,750.00	0.00	0.00	43,885.87	(4,796.79)	18,953.21
9128284B3	TREAS NOTE	U.S. Treasury 2.375 03/15/21	10,497.24	60,359.11	0.00	0.00	70,856.35	(17,651.70)	42,707.41
912828Q37	TREAS NOTE	U.S. Treasury 1.250 03/31/21	61.81	5,686.82	0.00	0.00	5,748.63	1,888.13	7,574.95
9128284T4	TREAS NOTE	U.S. Treasury 2.625 06/15/21	15,491.80	13,210.12	26,250.00	0.00	2,451.92	(12,204.94)	1,005.18
912828YT1	TREAS NOTE	U.S. Treasury 1.500 11/30/21	0.00	6,593.41	0.00	0.00	6,593.41	(6,111.00)	482.41
9128285R7	TREAS NOTE	U.S. Treasury 2.625 12/15/21	0.00	6,259.85	39,375.00	(36,793.03)	3,677.88	(5,958.73)	301.12
Total for 800 - EDC Fund			73,492.05	133,314.01	110,385.03	(36,793.03)	133,214.06	(43,753.88)	89,560.13
Total for City of Frisco			73,492.05	133,314.01	110,385.03	(36,793.03)	133,214.06	(43,753.88)	89,560.13

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
800 - EDC Fund															
Maturities															
11/30/20	11/30/20	912828M98	TREAS NOTE	U.S. Treasury	1.625	11/30/20		5,000,000.00	100.000	5,000,000.00	0.00	5,000,000.00		1.648	
12/03/20	12/03/20	912796TU3	TREAS BILL	U.S. Treasury		12/03/20		3,000,000.00	100.000	3,000,000.00	0.00	3,000,000.00		0.171	
Total for: Maturities								8,000,000.00		8,000,000.00	0.00	8,000,000.00		1.094	
Purchases															
11/24/20	11/30/20	912828YT1	TREAS NOTE	U.S. Treasury	1.500	11/30/21		5,000,000.00	101.391	5,069,531.25	0.00	5,069,531.25		0.108	0.108
12/02/20	12/03/20	9128285R7	TREAS NOTE	U.S. Treasury	2.625	12/15/21		3,000,000.00	102.582	3,077,460.94	36,793.03	3,114,253.97		0.123	0.123
Total for: Purchases								8,000,000.00		8,146,992.19	36,793.03	8,183,785.22		0.114	0.114
Income Payments															
11/30/20	11/30/20	912828M98	TREAS NOTE	U.S. Treasury	1.625	11/30/20				0.00	40,625.00	40,625.00			
12/16/20	12/15/20	9128284T4	TREAS NOTE	U.S. Treasury	2.625	06/15/21				0.00	26,250.00	26,250.00			
12/16/20	12/15/20	9128285R7	TREAS NOTE	U.S. Treasury	2.625	12/15/21				0.00	39,375.00	39,375.00			
Total for: Income Payments										0.00	106,250.00	106,250.00			

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
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Total for All Portfolios

Transaction Type	Quantity	Total Amount	Realized G/L	YTM	YTW
Total Maturities	8,000,000.00	8,000,000.00		1.094	
Total Purchases	8,000,000.00	8,183,785.22		0.114	0.114
Total Income Payments	0.00	106,250.00			

CUSIP	Settle Date	Security Type	Security Description	Next Call Date	Purchase Qty	Orig Price	Original Cost	Amrt/Accr for Period	Total Amrt/Accr Since Purch	Remaining Disc / Prem	Book Value
800 - EDC Fund											
912828M98	11/15/19	TREAS NOTE	U.S. Treasury 1.625 11/30/20		0.00	99.977	0.00	183.40	0.00	0.00	0.00
912796TU3	06/05/20	TREAS BILL	U.S. Treasury 0.000 12/03/20		0.00	99.914	0.00	897.75	0.00	0.00	0.00
9128283Q1	01/15/20	TREAS NOTE	U.S. Treasury 2.000 01/15/21		4,750,000.00	100.402	4,769,111.33	(4,796.79)	(18,381.40)	(729.93)	4,750,729.93
9128284B3	12/12/19	TREAS NOTE	U.S. Treasury 2.375 03/15/21		10,000,000.00	100.867	10,086,718.75	(17,651.70)	(72,712.55)	(14,006.20)	10,014,006.20
912828Q37	12/17/19	TREAS NOTE	U.S. Treasury 1.250 03/31/21		1,800,000.00	99.469	1,790,437.50	1,888.13	7,735.95	1,826.55	1,798,173.45
9128284T4	06/05/20	TREAS NOTE	U.S. Treasury 2.625 06/15/21		2,000,000.00	102.492	2,049,843.75	(12,204.94)	(27,839.03)	(22,004.72)	2,022,004.72
912828YT1	11/30/20	TREAS NOTE	U.S. Treasury 1.500 11/30/21		5,000,000.00	101.391	5,069,531.25	(6,111.00)	(6,111.00)	(63,420.25)	5,063,420.25
9128285R7	12/03/20	TREAS NOTE	U.S. Treasury 2.625 12/15/21		3,000,000.00	102.582	3,077,460.94	(5,958.73)	(5,958.73)	(71,502.21)	3,071,502.21
Total for 800 - EDC Fund					26,550,000.00		26,843,103.52	(43,753.88)	(123,266.76)	(169,836.76)	26,719,836.76
Total for City of Frisco					26,550,000.00		26,843,103.52	(43,753.88)	(123,266.76)	(169,836.76)	26,719,836.76

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
800 - EDC Fund						
9128283Q1	TREAS NOTE	U.S. Treasury 2.000 01/15/21	01/15/21	47,500.00	4,750,000.00	4,797,500.00
9128284B3	TREAS NOTE	U.S. Treasury 2.375 03/15/21	03/15/21	118,750.00	10,000,000.00	10,118,750.00
912828Q37	TREAS NOTE	U.S. Treasury 1.250 03/31/21	03/31/21	11,250.00	1,800,000.00	1,811,250.00
912828YT1	TREAS NOTE	U.S. Treasury 1.500 11/30/21	05/31/21	37,500.00	0.00	37,500.00
9128284T4	TREAS NOTE	U.S. Treasury 2.625 06/15/21	06/15/21	26,250.00	2,000,000.00	2,026,250.00
9128285R7	TREAS NOTE	U.S. Treasury 2.625 12/15/21	06/15/21	39,375.00	0.00	39,375.00
Total for 800 - EDC Fund				280,625.00	18,550,000.00	18,830,625.00

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
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Total for All Portfolios

January 2021	47,500.00	4,750,000.00	4,797,500.00
March 2021	130,000.00	11,800,000.00	11,930,000.00
May 2021	37,500.00	0.00	37,500.00
June 2021	65,625.00	2,000,000.00	2,065,625.00
Total Projected Cash Flows for City of Frisco	280,625.00	18,550,000.00	18,830,625.00