

City of Frisco



T E X A S

CDC Funds

For the Quarter Ended

March 31, 2021

Report Name

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MARKET RECAP - MARCH 2021:

The economic outlook brightened considerably in March as the pace of vaccine distribution accelerated and Congress passed another massive stimulus package. Consumers were already sitting on an abundance of cash and the \$1.9 trillion American Rescue Plan will add to that pile. Progress on the vaccine front suggests herd immunity could be reached by early summer, several months sooner than previously expected, setting the stage for a return to something resembling normal in the second half of 2021.

The headline ISM manufacturing index climbed from 58.7 to a 10-year high of 60.8 in February. Numbers above 50 indicate expansion, while numbers above 60 are consistent with exceptionally strong growth. The ISM non-manufacturing index slipped to a nine-month low as the service sector remains hamstrung by the virus-related shutdowns and restrictions, but it is poised to rebound as the economy normalizes. Employment conditions improved as U.S. businesses added +379k jobs to payrolls in February, nearly twice the median forecast. Upward revisions to prior months boosted the tally by another +38k. The unemployment rate declined from 6.3% to 6.2% and while unemployment remains well above the five-decade low of 3.5% from a year ago, it is much improved from the 14.8% pandemic high ten months ago. Initial jobless claims, though still elevated relative to pre-pandemic levels, fell to their lowest level in over a year. Consumer spending soared in January, with the original +5.3% gain revised even higher to +7.6%. February retail sales couldn't keep up the pace, falling -3.0% month-over-month. This was to be expected as January's torrid pace, supported by stimulus checks, wasn't sustainable. Freezing weather across much of the nation had a negative impact as well. Spending is set to boom in the months ahead as the American Rescue Plan includes almost \$450 billion in aid to individuals and families. If the last round of \$600 stimulus checks managed to bolster retail sales so much in January, imagine what March's \$1,400 checks will do to sales in the next few months. That idea is supported by a big jump in March's consumer confidence index which posted its biggest single month gain in 18 years, climbing to 109.7. March's slate of housing data reflected February's freezing weather with both new and existing home sales declining, though home prices continue to rise. Existing home sales are being restrained by a lack of homes available for sale. Low inventories and higher prices are a recipe for new construction, which will further add to 2021 GDP growth.

With conditions rapidly improving on both the Covid-19 and economic fronts, economists have been busy revising their 2021 growth forecasts higher. The median forecast in Bloomberg's survey of economists currently shows first quarter gross domestic product advancing at a +4.7% quarter-over-quarter annualized rate, followed by a second quarter booming at +7%. GDP could easily expand more than +6% in 2021. Bond markets have taken note. Although the short end remains anchored by a Fed determined to stand pat until they see both sustained inflation and full employment, intermediate to long yields have climbed significantly. The five-year Treasury note yield, which rose 31 basis points during February, climbed another 21 basis points in March to close the month at 0.94%. The 10-year T-note closed March at 1.74%, up 83 bps since the year began.

**For the Quarter Ended
March 31, 2021**

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	Title: Chief Financial Officer
	
Name: Brett Peterson	Title: Treasury Manager

Account Summary

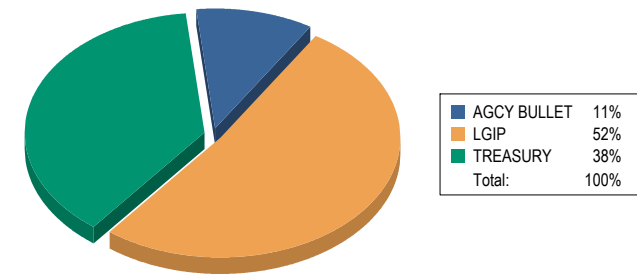
Allocation by Security Type

Beginning Values as of 12/31/20

Ending Values as of 03/31/21

Par Value	46,441,694.30	37,496,019.09
Market Value	46,504,061.80	37,714,280.89
Book Value	46,471,247.49	37,713,323.00
Unrealized Gain/(Loss)	32,814.31	957.89
Market Value %	100.07%	100.00%

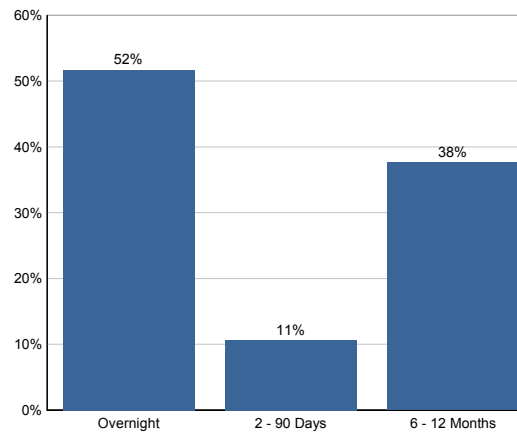
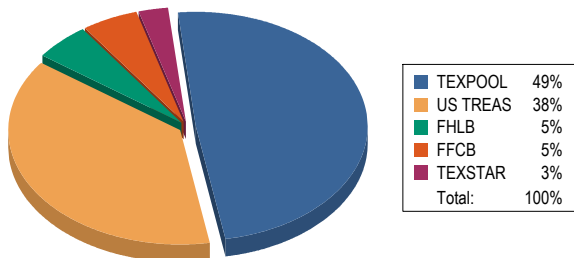
Weighted Avg. YTW	0.477%	0.133%
Weighted Avg. YTM	0.477%	0.133%



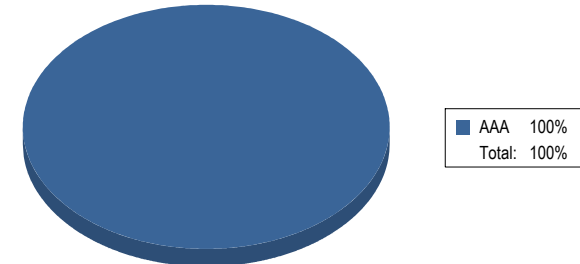
Allocation by Issuer

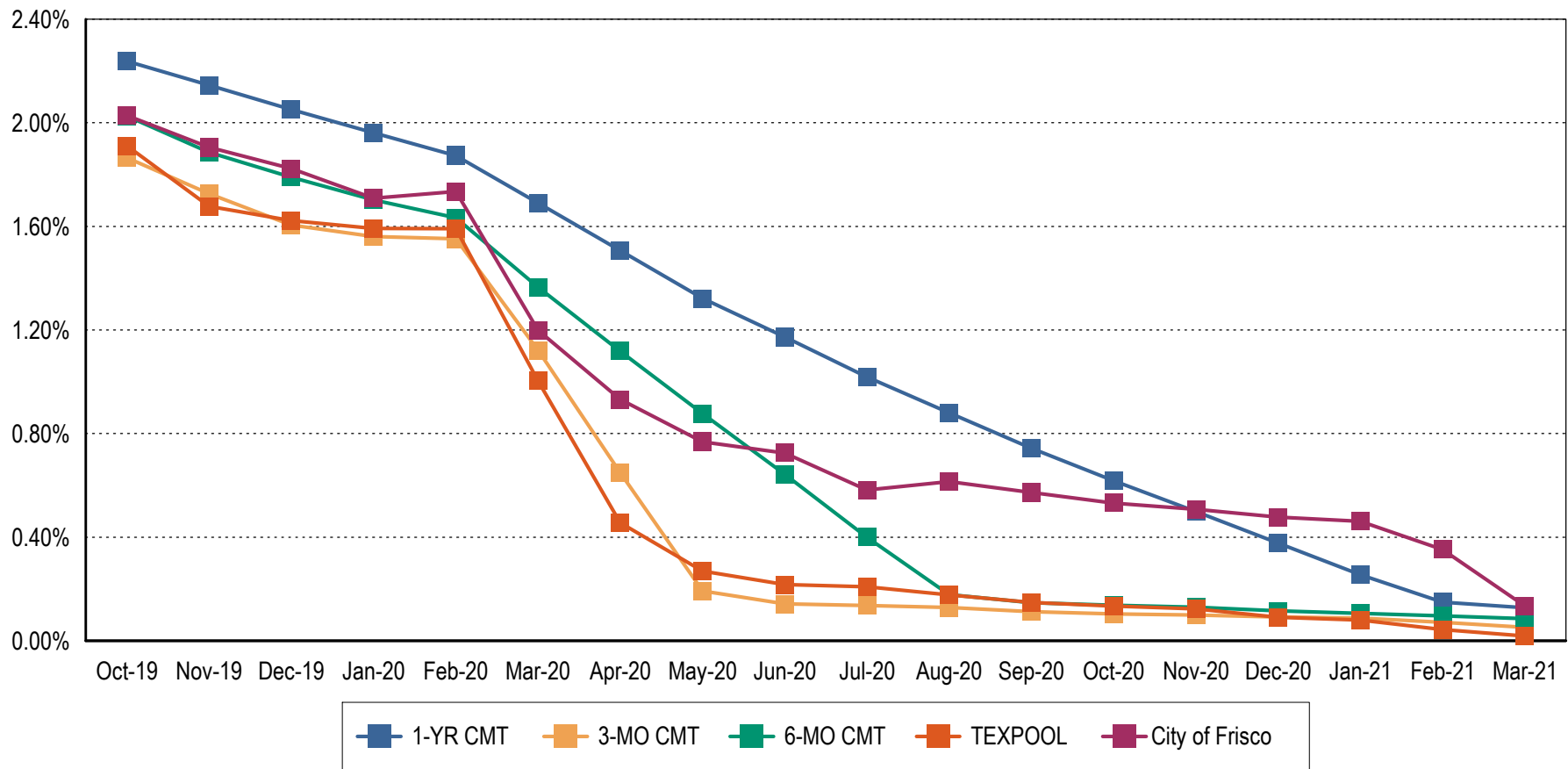
Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 138





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
700 - CDC Fund																	
TEXPOOL		LGIP	TexPool					14,429,446.69	100.000	14,429,446.69	14,429,446.69	100.000	14,429,446.69	1		0.019	0.019
TEXSTAR		LGIP	TexSTAR					1,007,590.18	100.000	1,007,590.18	1,007,590.18	100.000	1,007,590.18	1		0.022	0.022
3133ELGL2	01/14/20	AGCY BULET	FFCB	1.600	04/09/21			2,000,000.00	99.989	1,999,780.00	1,999,995.76	100.035	2,000,700.40	9		1.610	1.610
3130A1W95	06/29/20	AGCY BULET	FHLB	2.250	06/11/21			2,000,000.00	101.963	2,039,260.00	2,008,039.12	100.425	2,008,499.00	72		0.181	0.181
912828ZA1	02/16/21	TREAS NOTE	U.S. Treasury	1.125	02/28/22			5,000,000.00	101.078	5,053,906.25	5,047,641.45	100.961	5,048,047.00	334		0.081	0.081
912828W89	03/31/21	TREAS NOTE	U.S. Treasury	1.875	03/31/22			9,000,000.00	101.801	9,162,070.31	9,161,627.58	101.789	9,161,015.40	365		0.073	0.073
Total for 700 - CDC Fund								33,437,036.87	100.768	33,692,053.43	33,654,340.78	100.659	33,655,298.67	155		0.147	0.147
720 - CDC Fund-Remediation																	
TEXPOOL		LGIP	TexPool					4,058,982.22	100.000	4,058,982.22	4,058,982.22	100.000	4,058,982.22	1		0.019	0.019
Total for 720 - CDC Fund-Remediation								4,058,982.22	100.000	4,058,982.22	4,058,982.22	100.000	4,058,982.22	1		0.019	0.019
Total for City of Frisco								37,496,019.09	100.686	37,751,035.65	37,713,323.00	100.588	37,714,280.89	138		0.133	0.133

CUSIP	Security Type	Security Description	12/31/20 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	03/31/21 Book Value	12/31/20 Market Value	03/31/21 Market Value	Change in Mkt Value
700 - CDC Fund											
TEXPOOL	LGIP	TexPool	23,008,131.11	1,054,802.08	(9,633,486.50)	0.00	0.00	14,429,446.69	23,008,131.11	14,429,446.69	(8,578,684.42)
TEXSTAR	LGIP	TexSTAR	1,007,496.04	94.14	0.00	0.00	0.00	1,007,590.18	1,007,496.04	1,007,590.18	94.14
9128283X6	TREAS NOTE	U.S. Treasury 2.250 02/15/21	5,004,586.90	0.00	(5,000,000.00)	(4,586.90)	0.00	0.00	5,011,974.00	0.00	(5,011,974.00)
912828Q37	TREAS NOTE	U.S. Treasury 1.250 03/31/21	9,006,643.01	0.00	(9,000,000.00)	(6,643.01)	0.00	0.00	9,023,798.70	0.00	(9,023,798.70)
3133ELGL2	AGCY BULET	FFCB 1.600 04/09/21	1,999,948.12	0.00	0.00	47.64	0.00	1,999,995.76	2,008,339.00	2,000,700.40	(7,638.60)
3130A1W95	AGCY BULET	FHLB 2.250 06/11/21	2,018,375.16	0.00	0.00	(10,336.04)	0.00	2,008,039.12	2,018,255.80	2,008,499.00	(9,756.80)
912828ZA1	TREAS NOTE	U.S. Treasury 1.125 02/28/22	0.00	5,053,906.25	0.00	(6,264.80)	0.00	5,047,641.45	0.00	5,048,047.00	5,048,047.00
912828W89	TREAS NOTE	U.S. Treasury 1.875 03/31/22	0.00	9,162,070.31	0.00	(442.73)	0.00	9,161,627.58	0.00	9,161,015.40	9,161,015.40
Total for 700 - CDC Fund			42,045,180.34	15,270,872.78	(23,633,486.50)	(28,225.84)	0.00	33,654,340.78	42,077,994.65	33,655,298.67	(8,422,695.98)
720 - CDC Fund-Remediation											
TEXPOOL	LGIP	TexPool	4,426,067.15	0.00	(367,084.93)	0.00	0.00	4,058,982.22	4,426,067.15	4,058,982.22	(367,084.93)
Total for 720 - CDC Fund-Remediation			4,426,067.15	0.00	(367,084.93)	0.00	0.00	4,058,982.22	4,426,067.15	4,058,982.22	(367,084.93)
Total for City of Frisco			46,471,247.49	15,270,872.78	(24,000,571.43)	(28,225.84)	0.00	37,713,323.00	46,504,061.80	37,714,280.89	(8,789,780.91)

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
700 - CDC Fund									
TEXPOOL	LGIP	TexPool	0.00	2,483.51	2,483.51	0.00	0.00	0.00	2,483.51
TEXSTAR	LGIP	TexSTAR	0.00	94.14	94.14	0.00	0.00	0.00	94.14
9128283X6	TREAS NOTE	U.S. Treasury 2.250 02/15/21	42,493.21	13,756.79	56,250.00	0.00	0.00	(4,586.90)	9,169.89
912828Q37	TREAS NOTE	U.S. Treasury 1.250 03/31/21	28,743.14	27,506.86	56,250.00	0.00	0.00	(6,643.01)	20,863.85
3133ELGL2	AGCY BULET	FFCB 1.600 04/09/21	7,288.89	8,000.00	0.00	0.00	15,288.89	47.64	8,047.64
3130A1W95	AGCY BULET	FHLB 2.250 06/11/21	2,500.00	11,250.00	0.00	0.00	13,750.00	(10,336.04)	913.96
912828ZA1	TREAS NOTE	U.S. Treasury 1.125 02/28/22	0.00	6,755.94	28,125.00	(26,260.36)	4,891.30	(6,264.80)	491.14
912828W89	TREAS NOTE	U.S. Treasury 1.875 03/31/22	0.00	461.07	0.00	0.00	461.07	(442.73)	18.34
Total for 700 - CDC Fund			81,025.24	70,308.31	143,202.65	(26,260.36)	34,391.26	(28,225.84)	42,082.47
720 - CDC Fund-Remediation									
TEXPOOL	LGIP	TexPool	0.00	507.41	507.41	0.00	0.00	0.00	507.41
Total for 720 - CDC Fund-Remediation			0.00	507.41	507.41	0.00	0.00	0.00	507.41
Total for City of Frisco			81,025.24	70,815.72	143,710.06	(26,260.36)	34,391.26	(28,225.84)	42,589.88

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
700 - CDC Fund															
Maturities															
02/15/21	02/15/21	9128283X6	TREAS NOTE	U.S. Treasury	2.250	02/15/21		5,000,000.00	100.000	5,000,000.00	0.00	5,000,000.00		1.494	
03/31/21	03/31/21	912828Q37	TREAS NOTE	U.S. Treasury	1.250	03/31/21		4,000,000.00	100.000	4,000,000.00	0.00	4,000,000.00		1.652	
03/31/21	03/31/21	912828Q37	TREAS NOTE	U.S. Treasury	1.250	03/31/21		5,000,000.00	100.000	5,000,000.00	0.00	5,000,000.00		0.386	
Total for: Maturities								14,000,000.00		14,000,000.00	0.00	14,000,000.00		1.143	
Purchases															
02/12/21	02/16/21	912828ZA1	TREAS NOTE	U.S. Treasury	1.125	02/28/22		5,000,000.00	101.078	5,053,906.25	26,260.36	5,080,166.61		0.081	0.081
03/29/21	03/31/21	912828W89	TREAS NOTE	U.S. Treasury	1.875	03/31/22		9,000,000.00	101.801	9,162,070.31	0.00	9,162,070.31		0.073	0.073
Total for: Purchases								14,000,000.00		14,215,976.56	26,260.36	14,242,236.92		0.076	0.076
Income Payments															
02/16/21	02/15/21	9128283X6	TREAS NOTE	U.S. Treasury	2.250	02/15/21				0.00	56,250.00	56,250.00			
03/01/21	02/28/21	912828ZA1	TREAS NOTE	U.S. Treasury	1.125	02/28/22				0.00	28,125.00	28,125.00			
03/31/21	03/31/21	912828Q37	TREAS NOTE	U.S. Treasury	1.250	03/31/21				0.00	25,000.00	25,000.00			
03/31/21	03/31/21	912828Q37	TREAS NOTE	U.S. Treasury	1.250	03/31/21				0.00	31,250.00	31,250.00			
Total for: Income Payments										0.00	140,625.00	140,625.00			

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	14,000,000.00	14,000,000.00		1.143	
Total Purchases	14,000,000.00	14,242,236.92		0.076	0.076
Total Income Payments	0.00	140,625.00			

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
700 - CDC Fund											
9128283X6	01/31/20	TREAS NOTE	U.S. Treasury 2.250 02/15/21		0.00	100.777	0.00	(4,586.90)	0.00	0.00	0.00
912828Q37	12/16/19	TREAS NOTE	U.S. Treasury 1.250 03/31/21		0.00	100.906	0.00	(6,643.01)	0.00	0.00	0.00
3133ELGL2	01/14/20	AGCY BULET	FFCB 1.600 04/09/21		2,000,000.00	99.989	1,999,780.00	47.64	215.76	4.24	1,999,995.76
3130A1W95	06/29/20	AGCY BULET	FHLB 2.250 06/11/21		2,000,000.00	101.963	2,039,260.00	(10,336.04)	(31,220.88)	(8,039.12)	2,008,039.12
912828ZA1	02/16/21	TREAS NOTE	U.S. Treasury 1.125 02/28/22		5,000,000.00	101.078	5,053,906.25	(6,264.80)	(6,264.80)	(47,641.45)	5,047,641.45
912828W89	03/31/21	TREAS NOTE	U.S. Treasury 1.875 03/31/22		9,000,000.00	101.801	9,162,070.31	(442.73)	(442.73)	(161,627.58)	9,161,627.58
Total for 700 - CDC Fund					18,000,000.00		18,255,016.56	(28,225.84)	(37,712.65)	(217,303.91)	18,217,303.91
Total for City of Frisco					18,000,000.00		18,255,016.56	(28,225.84)	(37,712.65)	(217,303.91)	18,217,303.91

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
700 - CDC Fund						
3133ELGL2	AGCY BULET	FFCB 1.600 04/09/21	04/09/21	16,000.00	2,000,000.00	2,016,000.00
3130A1W95	AGCY BULET	FHLB 2.250 06/11/21	06/11/21	22,500.00	2,000,000.00	2,022,500.00
912828ZA1	TREAS NOTE	U.S. Treasury 1.125 02/28/22	08/31/21	28,125.00	0.00	28,125.00
Total for 700 - CDC Fund				66,625.00	4,000,000.00	4,066,625.00

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

April 2021	16,000.00	2,000,000.00	2,016,000.00
June 2021	22,500.00	2,000,000.00	2,022,500.00
August 2021	28,125.00	0.00	28,125.00
Total Projected Cash Flows for City of Frisco	66,625.00	4,000,000.00	4,066,625.00