

**City of Frisco**



**T E X A S**

**CDC Funds**

**For the Quarter Ended**

**December 31, 2021**

### Report Name

---

Certification Page

Executive Summary

Benchmark Comparison

Detail of Security Holdings

Change in Value

Earned Income

Investment Transactions

Amortization and Accretion

Projected Fixed Income Cash Flows

#### MARKET RECAP - DECEMBER 2021:

The month of December was a headscratcher. Omicron cases absolutely exploded, becoming the dominant strain within three weeks of detection, while new daily COVID cases smashed the previous high from last January and quickly climbed toward the one million new cases per day mark. Fortunately, hospitalizations and fatalities haven't followed the same trajectory as prior strains, which supports the belief that the latest variant isn't nearly as severe. The front-loaded holiday spending season appeared to be solid, and GDP growth improved significantly from the previous quarter as indicated by the Atlanta's Fed's GDPNow measure of +7.4% as of January 4th. Usually, hiring is well correlated with economic growth, but the November employment report was a disappointment as only 210k jobs were added to company payrolls. Some of the miss can be blamed on faulty seasonal adjustment factors, but it's becoming clear that the labor market is very tight, which means continued pressure on wages.

As growth accelerated in the final quarter of another uneven year, and employers paid higher wages to attract and retain workers, inflation climbed higher. Both the Consumer Price Index (CPI) and Personal Consumption Expenditures (PCE) climbed to levels not seen since the early 80's, and Fed officials finally acknowledged that inflationary pressure would not be retreating any time soon. At the December FOMC meeting, committee members announced a doubling of the taper pace, which would effectively end asset purchases in mid-March. Fed officials also released an updated "dot plot" that was significantly more hawkish than the previous rate outlook. September's dot plot showed committee members were equally split on whether the first 25 bps hike would take place at the end of 2022 or the beginning of 2023. The updated December outlook clearly indicated three 25 bps hikes in 2022, with liftoff occurring as early as the second quarter. The most recent Bloomberg survey showed forecasts by U.S. economists mirrored Fed expectations. Yields climbed throughout month as the bond market adjusted to the dramatic shift in the outlook. The two-year Treasury note, trading at a yield of 0.26% in early October, ended December at 0.73% and would drift higher in the initial days of 2022.

The bond market ended the month of December having priced-in all three expected rate increases for the year 2022. Although at this point it would be a surprise if the Fed did not begin the tightening process in May or June, the past two years have introduced quite a few surprises. If inflation were to rise further in 2022, the Fed could hike more aggressively, but if prices retreat, the Fed would be afforded patience. Both the FOMC and the nation's economists expect inflationary pressure to fall; what's far from clear, with CPI at a 40-year high, is when this price moderation will start.

---

**For the Quarter Ended**  
**December 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

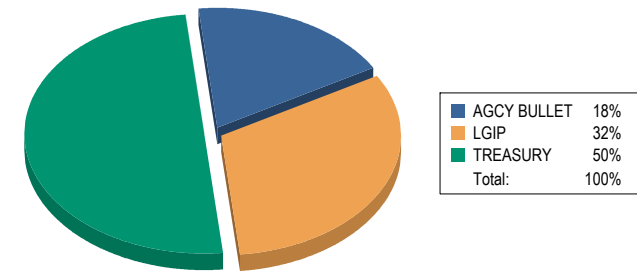
### Allocation by Security Type

Beginning Values as of 09/30/21

Ending Values as of 12/31/21

Par Value	47,579,635.14	54,120,323.57
Market Value	47,705,174.94	54,165,207.07
Book Value	47,703,986.64	54,180,456.97
Unrealized Gain/(Loss)	1,188.30	(15,249.90)
<b>Market Value %</b>	<b>100.00%</b>	<b>99.97%</b>

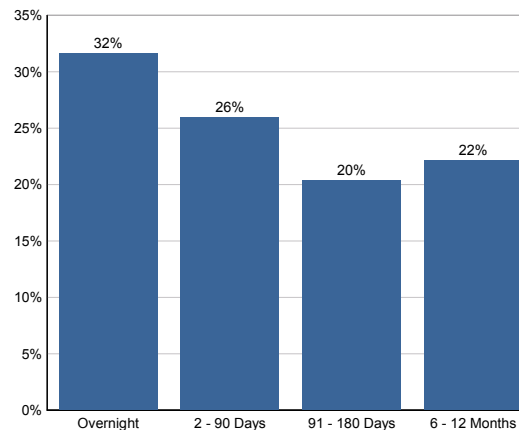
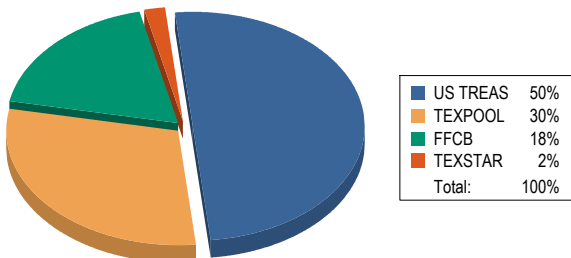
Weighted Avg. YTW	0.059%	0.064%
Weighted Avg. YTM	0.059%	0.064%



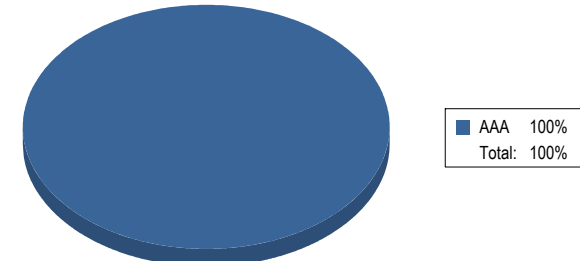
### Allocation by Issuer

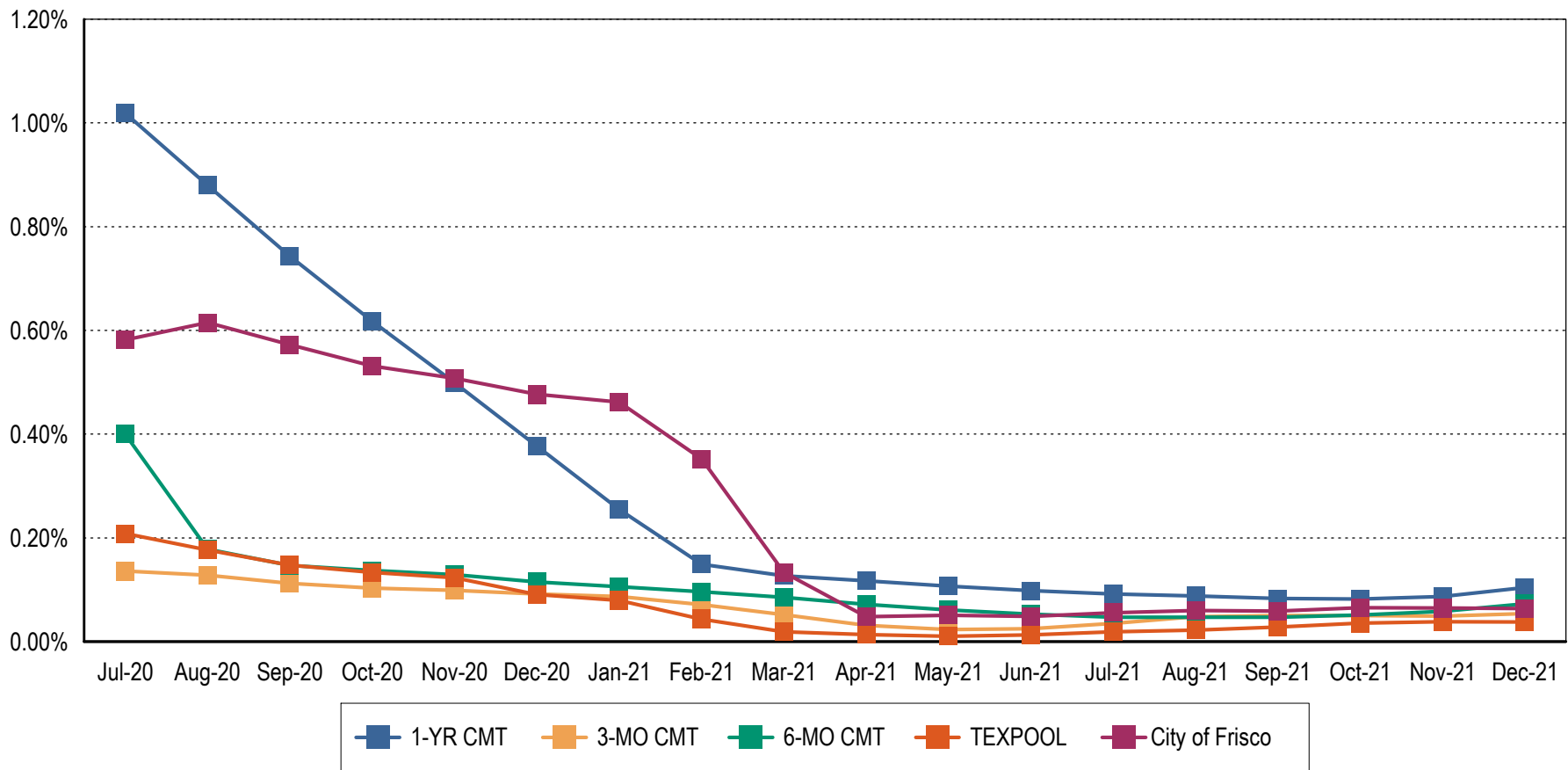
### Maturity Distribution %

### Credit Quality



Weighted Average Days to Maturity: 104





**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
<b>700 - CDC Fund</b>																	
TEXPOOL		LGIP	TexPool					11,888,829.46	100.000	11,888,829.46	11,888,829.46	100.000	11,888,829.46	1		0.038	0.038
TEXSTAR		LGIP	TexSTAR					1,007,671.17	100.000	1,007,671.17	1,007,671.17	100.000	1,007,671.17	1		0.014	0.014
912828ZA1	02/16/21	TREAS NOTE	U.S. Treasury	1.125	02/28/22			5,000,000.00	101.078	5,053,906.25	5,008,361.65	100.165	5,008,275.00	59		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	9,039,634.38	100.426	9,038,358.00	90		0.073	0.073
912828M7	04/09/21	TREAS NOTE	U.S. Treasury	2.250	04/15/22			2,000,000.00	102.215	2,044,296.88	2,012,453.30	100.597	2,011,936.00	105		0.070	0.070
912828ZR4	05/14/21	TREAS NOTE	U.S. Treasury	0.125	05/31/22			4,000,000.00	100.055	4,002,187.50	4,000,861.40	99.984	3,999,376.00	151		0.073	0.073
3133EMF64	06/11/21	AGCY BULET	FFCB	0.060	06/09/22			3,000,000.00	99.997	2,999,910.00	2,999,960.28	99.973	2,999,187.90	160		0.063	0.063
3133EMF64	06/11/21	AGCY BULET	FFCB	0.060	06/09/22			2,000,000.00	99.997	1,999,940.00	1,999,973.52	99.973	1,999,458.60	160		0.063	0.063
3133EMU42	07/22/21	AGCY BULET	FFCB	0.060	07/21/22			5,000,000.00	99.984	4,999,200.00	4,999,554.25	99.973	4,998,633.00	202		0.076	0.076
912796L64	08/13/21	TREAS BILL	U.S. Treasury		08/11/22			3,000,000.00	99.924	2,997,716.12	2,998,603.26	99.879	2,996,379.00	223		0.076	0.076
91282CAR2	10/08/21	TREAS NOTE	U.S. Treasury	0.125	10/31/22			4,000,000.00	100.023	4,000,937.50	4,000,731.36	99.832	3,993,280.00	304		0.103	0.103
<b>Total for 700 - CDC Fund</b>								<b>49,896,500.63</b>	<b>100.523</b>	<b>50,156,665.19</b>	<b>49,956,634.03</b>	<b>100.090</b>	<b>49,941,384.13</b>	<b>113</b>		<b>0.066</b>	<b>0.066</b>
<b>720 - CDC Fund-Remediation</b>																	
TEXPOOL		LGIP	TexPool					4,223,822.94	100.000	4,223,822.94	4,223,822.94	100.000	4,223,822.94	1		0.038	0.038
<b>Total for 720 - CDC Fund-Remediation</b>								<b>4,223,822.94</b>	<b>100.000</b>	<b>4,223,822.94</b>	<b>4,223,822.94</b>	<b>100.000</b>	<b>4,223,822.94</b>	<b>1</b>		<b>0.038</b>	<b>0.038</b>
<b>Total for City of Frisco</b>								<b>54,120,323.57</b>	<b>100.482</b>	<b>54,380,488.13</b>	<b>54,180,456.97</b>	<b>100.083</b>	<b>54,165,207.07</b>	<b>104</b>		<b>0.064</b>	<b>0.064</b>

CUSIP	Security Type	Security Description	09/30/21 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/21 Book Value	09/30/21 Market Value	12/31/21 Market Value	Change in Mkt Value
<b>700 - CDC Fund</b>											
TEXPOOL	LGIP	TexPool	9,110,127.92	4,507,372.34	(1,728,670.80)	0.00	0.00	11,888,829.46	9,110,127.92	11,888,829.46	2,778,701.54
TEXSTAR	LGIP	TexSTAR	1,007,642.18	28.99	0.00	0.00	0.00	1,007,671.17	1,007,642.18	1,007,671.17	28.99
912828ZA1	TREAS NOTE	U.S. Treasury 1.125 02/28/22	5,021,624.95	0.00	0.00	(13,263.30)	0.00	5,008,361.65	5,021,875.00	5,008,275.00	(13,600.00)
912828W89	TREAS NOTE	U.S. Treasury 1.875 03/31/22	9,080,604.63	0.00	0.00	(40,970.25)	0.00	9,039,634.38	9,080,859.60	9,038,358.00	(42,501.60)
9128286M7	TREAS NOTE	U.S. Treasury 2.250 04/15/22	2,023,459.94	0.00	0.00	(11,006.64)	0.00	2,012,453.30	2,023,593.80	2,011,936.00	(11,657.80)
912828ZR4	TREAS NOTE	U.S. Treasury 0.125 05/31/22	4,001,387.72	0.00	0.00	(526.32)	0.00	4,000,861.40	4,001,093.60	3,999,376.00	(1,717.60)
3133EMF64	AGCY BULET	FFCB 0.060 06/09/22	4,999,896.10	0.00	0.00	37.70	0.00	4,999,933.80	5,000,012.50	4,998,646.50	(1,366.00)
3133EMU42	AGCY BULET	FFCB 0.060 07/21/22	4,999,353.75	0.00	0.00	200.50	0.00	4,999,554.25	5,000,002.50	4,998,633.00	(1,369.50)
912796L64	TREAS BILL	U.S. Treasury 0.000 08/11/22	2,998,024.41	0.00	0.00	578.85	0.00	2,998,603.26	2,998,102.80	2,996,379.00	(1,723.80)
91282CAR2	TREAS NOTE	U.S. Treasury 0.125 10/31/22	0.00	4,000,937.50	0.00	(206.14)	0.00	4,000,731.36	0.00	3,993,280.00	3,993,280.00
<b>Total for 700 - CDC Fund</b>			<b>43,242,121.60</b>	<b>8,508,338.83</b>	<b>(1,728,670.80)</b>	<b>(65,155.60)</b>	<b>0.00</b>	<b>49,956,634.03</b>	<b>43,243,309.90</b>	<b>49,941,384.13</b>	<b>6,698,074.23</b>
<b>720 - CDC Fund-Remediation</b>											
TEXPOOL	LGIP	TexPool	4,461,865.04	134.11	(238,176.21)	0.00	0.00	4,223,822.94	4,461,865.04	4,223,822.94	(238,042.10)
<b>Total for 720 - CDC Fund-Remediation</b>			<b>4,461,865.04</b>	<b>134.11</b>	<b>(238,176.21)</b>	<b>0.00</b>	<b>0.00</b>	<b>4,223,822.94</b>	<b>4,461,865.04</b>	<b>4,223,822.94</b>	<b>(238,042.10)</b>
<b>Total for City of Frisco</b>			<b>47,703,986.64</b>	<b>8,508,472.94</b>	<b>(1,966,847.01)</b>	<b>(65,155.60)</b>	<b>0.00</b>	<b>54,180,456.97</b>	<b>47,705,174.94</b>	<b>54,165,207.07</b>	<b>6,460,032.13</b>

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
<b>700 - CDC Fund</b>									
TEXPOOL	LGIP	TexPool	0.00	880.93	880.93	0.00	0.00	0.00	880.93
TEXSTAR	LGIP	TexSTAR	0.00	28.99	28.99	0.00	0.00	0.00	28.99
912828ZA1	TREAS NOTE	U.S. Treasury 1.125 02/28/22	4,816.99	14,295.58	0.00	0.00	19,112.57	(13,263.30)	1,032.28
912828W89	TREAS NOTE	U.S. Treasury 1.875 03/31/22	463.60	42,651.10	0.00	0.00	43,114.70	(40,970.25)	1,680.85
912828M7	TREAS NOTE	U.S. Treasury 2.250 04/15/22	20,778.69	11,364.17	22,500.00	0.00	9,642.86	(11,006.64)	357.53
912828ZR4	TREAS NOTE	U.S. Treasury 0.125 05/31/22	1,680.33	1,259.23	2,500.00	0.00	439.56	(526.32)	732.91
3133EMF64	AGCY BULET	FFCB 0.060 06/09/22	933.33	750.00	1,500.00	0.00	183.33	37.70	787.70
3133EMU42	AGCY BULET	FFCB 0.060 07/21/22	583.33	750.00	0.00	0.00	1,333.33	200.50	950.50
912796L64	TREAS BILL	U.S. Treasury 0.000 08/11/22	0.00	0.00	0.00	0.00	0.00	578.85	578.85
91282CAR2	TREAS NOTE	U.S. Treasury 0.125 10/31/22	0.00	1,168.85	2,500.00	(2,187.50)	856.35	(206.14)	962.71
<b>Total for 700 - CDC Fund</b>			<b>29,256.27</b>	<b>73,148.85</b>	<b>29,909.92</b>	<b>(2,187.50)</b>	<b>74,682.70</b>	<b>(65,155.60)</b>	<b>7,993.25</b>
<b>720 - CDC Fund-Remediation</b>									
TEXPOOL	LGIP	TexPool	0.00	409.99	409.99	0.00	0.00	0.00	409.99
<b>Total for 720 - CDC Fund-Remediation</b>			<b>0.00</b>	<b>409.99</b>	<b>409.99</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>409.99</b>
<b>Total for City of Frisco</b>			<b>29,256.27</b>	<b>73,558.84</b>	<b>30,319.91</b>	<b>(2,187.50)</b>	<b>74,682.70</b>	<b>(65,155.60)</b>	<b>8,403.24</b>



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
<b>700 - CDC Fund</b>															
<b>Purchases</b>															
10/07/21	10/08/21	91282CAR2	TREAS NOTE	U.S. Treasury	0.125	10/31/22		4,000,000.00	100.023	4,000,937.50	2,187.50	4,003,125.00		0.103	0.103
<b>Total for: Purchases</b>								<b>4,000,000.00</b>		<b>4,000,937.50</b>	<b>2,187.50</b>	<b>4,003,125.00</b>		<b>0.103</b>	<b>0.103</b>
<b>Income Payments</b>															
10/15/21	10/15/21	9128286M7	TREAS NOTE	U.S. Treasury	2.250	04/15/22				0.00	22,500.00	22,500.00			
11/01/21	10/31/21	91282CAR2	TREAS NOTE	U.S. Treasury	0.125	10/31/22				0.00	2,500.00	2,500.00			
11/30/21	11/30/21	912828ZR4	TREAS NOTE	U.S. Treasury	0.125	05/31/22				0.00	2,500.00	2,500.00			
12/09/21	12/09/21	3133EMF64	AGCY BULET	FFCB	0.060	06/09/22				0.00	900.00	900.00			
12/09/21	12/09/21	3133EMF64	AGCY BULET	FFCB	0.060	06/09/22				0.00	600.00	600.00			
<b>Total for: Income Payments</b>										<b>0.00</b>	<b>29,000.00</b>	<b>29,000.00</b>			

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
------------	-------------	-------	---------------	----------------------	--------	----------	-----------	-----------	-------	------------------	--------------------------	--------------	----------------------	-----	-----

**Total for All Portfolios**

Transaction Type	Quantity	Total Amount	Realized G/L	YTM	YTW
Total Purchases	4,000,000.00	4,003,125.00		0.103	0.103
Total Income Payments	0.00	29,000.00			

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
<b>700 - CDC Fund</b>											
912828ZA1	02/16/21	TREAS NOTE	U.S. Treasury 1.125 02/28/22		5,000,000.00	101.078	5,053,906.25	(13,263.30)	(45,544.60)	(8,361.65)	5,008,361.65
912828W89	03/31/21	TREAS NOTE	U.S. Treasury 1.875 03/31/22		9,000,000.00	101.801	9,162,070.31	(40,970.25)	(122,435.93)	(39,634.38)	9,039,634.38
912828M7	04/09/21	TREAS NOTE	U.S. Treasury 2.250 04/15/22		2,000,000.00	102.215	2,044,296.88	(11,006.64)	(31,843.58)	(12,453.30)	2,012,453.30
912828ZR4	05/14/21	TREAS NOTE	U.S. Treasury 0.125 05/31/22		4,000,000.00	100.055	4,002,187.50	(526.32)	(1,326.10)	(861.40)	4,000,861.40
3133EMF64	06/11/21	AGCY BULET	FFCB 0.060 06/09/22		5,000,000.00	99.997	4,999,850.00	37.70	83.80	66.20	4,999,933.80
3133EMU42	07/22/21	AGCY BULET	FFCB 0.060 07/21/22		5,000,000.00	99.984	4,999,200.00	200.50	354.25	445.75	4,999,554.25
912796L64	08/13/21	TREAS BILL	U.S. Treasury 0.000 08/11/22		3,000,000.00	99.924	2,997,716.12	578.85	887.14	1,396.74	2,998,603.26
91282CAR2	10/08/21	TREAS NOTE	U.S. Treasury 0.125 10/31/22		4,000,000.00	100.023	4,000,937.50	(206.14)	(206.14)	(731.36)	4,000,731.36
<b>Total for 700 - CDC Fund</b>					<b>37,000,000.00</b>		<b>37,260,164.56</b>	<b>(65,155.60)</b>	<b>(200,031.16)</b>	<b>(60,133.40)</b>	<b>37,060,133.40</b>
<b>Total for City of Frisco</b>					<b>37,000,000.00</b>		<b>37,260,164.56</b>	<b>(65,155.60)</b>	<b>(200,031.16)</b>	<b>(60,133.40)</b>	<b>37,060,133.40</b>

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
<b>700 - CDC Fund</b>						
3133EMU42	AGCY BULET	FFCB 0.060 07/21/22	01/21/22	1,500.00	0.00	1,500.00
912828ZA1	TREAS NOTE	U.S. Treasury 1.125 02/28/22	02/28/22	28,125.00	5,000,000.00	5,028,125.00
912828W89	TREAS NOTE	U.S. Treasury 1.875 03/31/22	03/31/22	84,375.00	9,000,000.00	9,084,375.00
9128286M7	TREAS NOTE	U.S. Treasury 2.250 04/15/22	04/15/22	22,500.00	2,000,000.00	2,022,500.00
91282CAR2	TREAS NOTE	U.S. Treasury 0.125 10/31/22	04/30/22	2,500.00	0.00	2,500.00
912828ZR4	TREAS NOTE	U.S. Treasury 0.125 05/31/22	05/31/22	2,500.00	4,000,000.00	4,002,500.00
3133EMF64	AGCY BULET	FFCB 0.060 06/09/22	06/09/22	1,500.00	5,000,000.00	5,001,500.00
<b>Total for 700 - CDC Fund</b>				<b>143,000.00</b>	<b>25,000,000.00</b>	<b>25,143,000.00</b>

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
-------	---------------	----------------------	----------	----------	-----------	--------------

**Total for All Portfolios**

January 2022	1,500.00	0.00	1,500.00
February 2022	28,125.00	5,000,000.00	5,028,125.00
March 2022	84,375.00	9,000,000.00	9,084,375.00
April 2022	25,000.00	2,000,000.00	2,025,000.00
May 2022	2,500.00	4,000,000.00	4,002,500.00
June 2022	1,500.00	5,000,000.00	5,001,500.00
<b>Total Projected Cash Flows for City of Frisco</b>	<b>143,000.00</b>	<b>25,000,000.00</b>	<b>25,143,000.00</b>