

City of Frisco



T E X A S

CDC Funds

For the Quarter Ended

March 31, 2022

Report Name

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MARKET RECAP - MARCH 2022:

The first quarter of 2022, capped by a dramatic March, brought substantial changes to the financial landscape. However, the change wasn't due to a shift in the economy's performance but rather a begrudging acknowledgement by policy makers that inflation has become a problem that must be dealt with. February's consumer price index, based entirely on conditions that predate Russia's actions in Ukraine, was up +7.9% year-over-year with the core rate up +6.4%. Both were 40-year highs that will track even higher in the months ahead as Russia's invasion of Ukraine has exacerbated inflationary pressures that were already boiling over. Russia is the world's second leading producer of oil behind the United States and the third leading wheat producer, with Ukraine checking in at #9. Ukraine is also a major corn producer, and the world's leader in sunflower production (Russian is #2). The war, together with sanctions against Russia, have taken much of that supply out of the market and sent prices skyward. The S&P GSCI, a global commodities price index, rose 29% in the first quarter and is up 55% over the last year.

Meanwhile, U.S. employment conditions show no signs of moderating. The economy added another 678k jobs during February, taking the six-month tally to 3.5 million and pulling the unemployment rate down to 3.8%. Initial claims for unemployment benefits set new record lows during March while the Job Openings and Labor Turnover survey logged a third straight month with job openings above the 11 million mark. There are now 1.8 job openings for every officially unemployed American actively seeking work.

On March 16th, the Federal Reserve's FOMC finally raised the fed funds target rate, though only by a modest 25 basis points, and also projected at least a 25 basis point rate hike at all six of the year's remaining meetings, while cracking open the door for larger increases if necessary. A few days later, Chair Powell blew the door open in a speech, saying, "The labor market is very strong, and inflation is much too high." He added, "There is an obvious need to move expeditiously to return the stance of monetary policy to a more neutral level, and then to move to more restrictive levels if that is what is required to restore price stability." Near the end of his speech, Powell was even more clear: "If the committee concludes that it is appropriate to move more aggressively by raising the federal funds rate by more than 25 bps at a meeting or meetings, we will do so." In the days that followed, Powell's hawkish message was repeated by a parade of Fed speakers, all indicating in one way or another that they were either in favor of, or open to, a series of larger 50 basis point hikes.





Bond markets, already worried about inflation, were sent reeling by the Fed's abrupt shift to inflation fighting hawks. When the year began, fed funds futures were calling for a mere 75 basis points of hikes this year. By the end of March, fed funds futures were pricing in another 200 basis points of rate hikes and an implied fed funds rate of 2.40% by year end. The yield on the two-year Treasury note, which is very sensitive to monetary policy, shot up 90 basis points from 1.43% at the end of February to 2.34% at the end of March. The 10-year note rose 51 basis points to close at 2.34%. The first quarter will go down as one of the worst bond market performances ever.

For the Quarter Ended
March 31, 2022

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

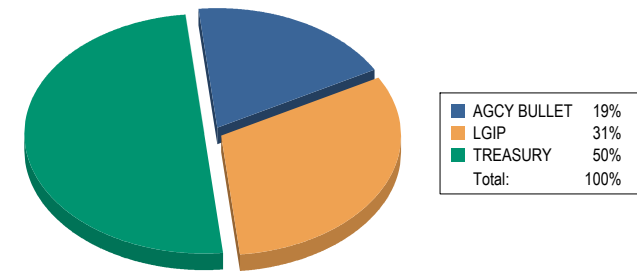
Allocation by Security Type

Beginning Values as of 12/31/21

Ending Values as of 03/31/22

Par Value	54,120,323.57	53,810,925.83
Market Value	54,165,207.07	53,596,775.03
Book Value	54,180,456.97	53,673,363.96
Unrealized Gain/(Loss)	(15,249.90)	(76,588.93)
Market Value %	99.97%	99.86%

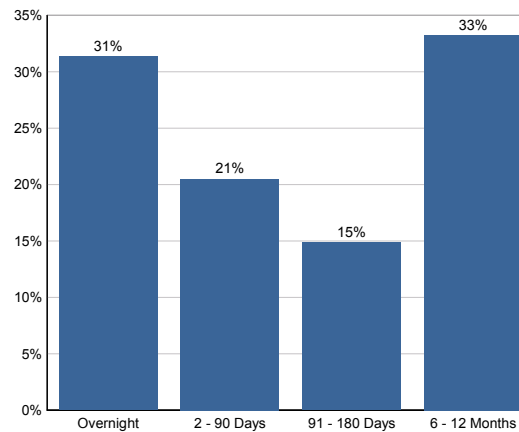
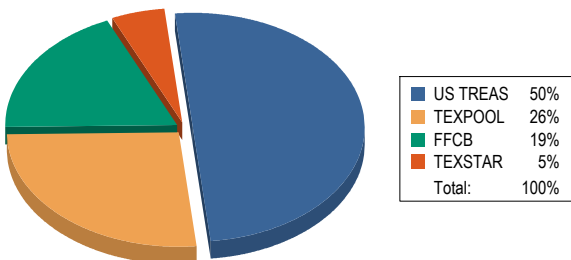
Weighted Avg. YTW	0.064%	0.410%
Weighted Avg. YTM	0.064%	0.410%



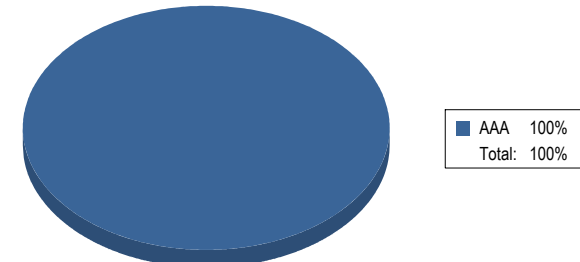
Allocation by Issuer

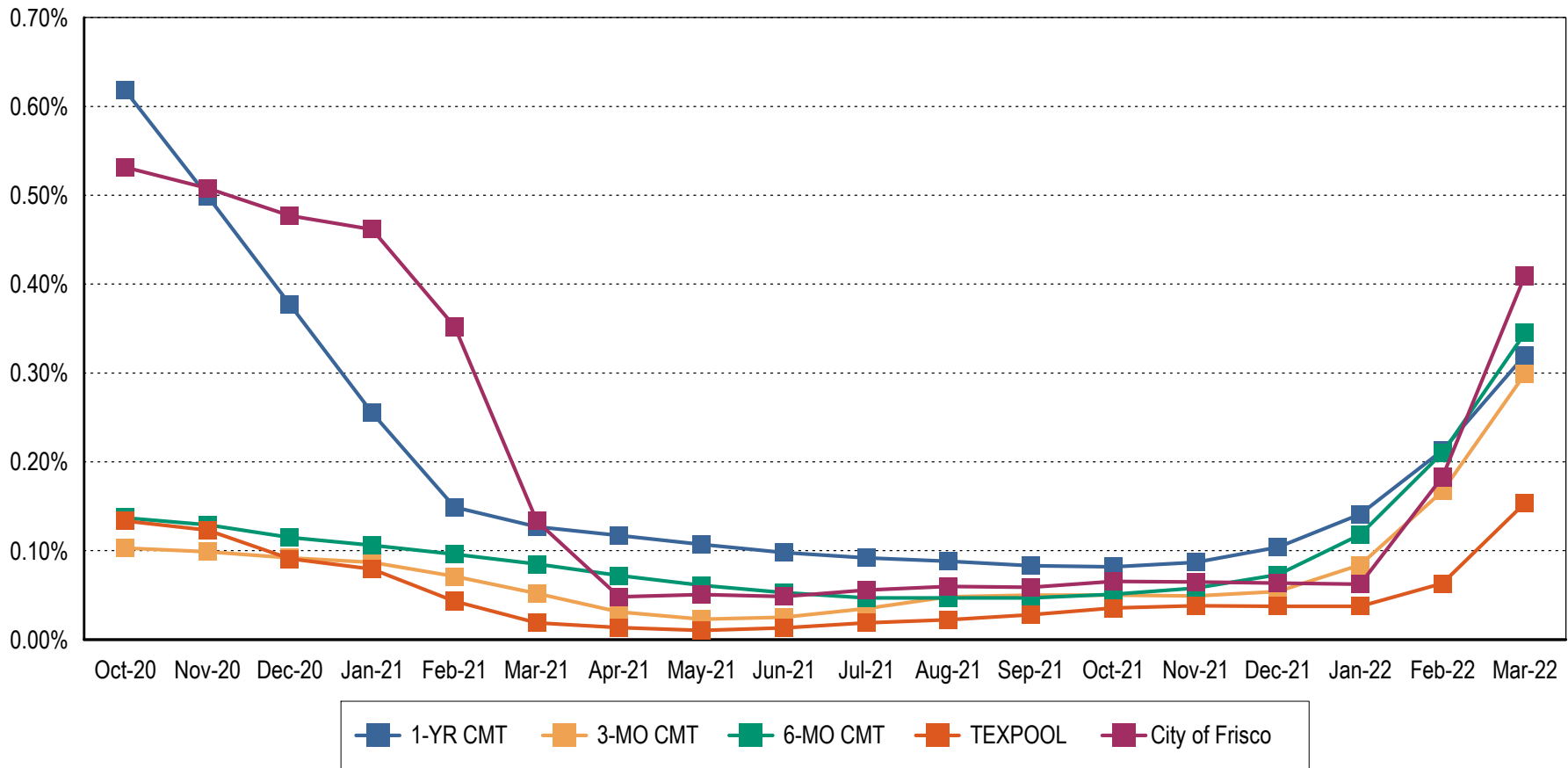
Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 122





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					8,614,138.00	100.000	8,614,138.00	8,614,138.00	100.000	8,614,138.00	1		0.154	0.154
TEXSTAR		LGIP	TexSTAR					2,734,626.54	100.000	2,734,626.54	2,734,626.54	100.000	2,734,626.54	1		0.107	0.107
9128286M7	04/09/21	TREAS NOTE	U.S. Treasury	2.250	04/15/22			2,000,000.00	102.215	2,044,296.88	2,001,676.40	100.075	2,001,497.40	15		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	4,000,344.56	99.956	3,998,252.80	61		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	2,999,982.90	99.866	2,995,990.50	70		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	1,999,988.60	99.866	1,997,327.00	70		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	4,999,754.85	99.734	4,986,702.50	112		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	2,999,169.51	99.696	2,990,870.10	133		0.076	0.076
912796U64	03/31/22	TREAS BILL	U.S. Treasury		09/29/22			4,500,000.00	99.489	4,477,022.50	4,477,148.73	99.494	4,477,220.55	182		1.015	1.015
91282CAR2	10/08/21	TREAS NOTE	U.S. Treasury	0.125	10/31/22			4,000,000.00	100.023	4,000,937.50	4,000,512.00	99.383	3,975,312.40	214		0.103	0.103
91282CBN0	02/28/22	TREAS NOTE	U.S. Treasury	0.125	02/28/23			5,000,000.00	98.996	4,949,804.69	4,954,157.10	98.656	4,932,812.50	334		1.137	1.137
91282CBU4	03/31/22	TREAS NOTE	U.S. Treasury	0.125	03/31/23			4,500,000.00	98.434	4,429,511.72	4,429,703.48	98.441	4,429,863.45	365		1.712	1.712
Total for 700 - CDC Fund								48,348,764.54	99.797	48,249,291.45	48,211,202.67	99.560	48,134,613.74	136		0.439	0.439
720 - CDC Fund-Remediation																	
TEXPOOL		LGIP	TexPool					5,462,161.29	100.000	5,462,161.29	5,462,161.29	100.000	5,462,161.29	1		0.154	0.154
Total for 720 - CDC Fund-Remediation								5,462,161.29	100.000	5,462,161.29	5,462,161.29	100.000	5,462,161.29	1		0.154	0.154
Total for City of Frisco								53,810,925.83	99.818	53,711,452.74	53,673,363.96	99.604	53,596,775.03	122		0.410	0.410

CUSIP	Security Type	Security Description	12/31/21 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	03/31/22 Book Value	12/31/21 Market Value	03/31/22 Market Value	Change in Mkt Value
700 - CDC Fund											
TEXPOOL	LGIP	TexPool	11,888,829.46	6,009,913.29	(9,284,604.75)	0.00	0.00	8,614,138.00	11,888,829.46	8,614,138.00	(3,274,691.46)
TEXSTAR	LGIP	TexSTAR	1,007,671.17	1,726,955.37	0.00	0.00	0.00	2,734,626.54	1,007,671.17	2,734,626.54	1,726,955.37
912828ZA1	TREAS NOTE	U.S. Treasury 1.125 02/28/22	5,008,361.65	0.00	(5,000,000.00)	(8,361.65)	0.00	0.00	5,008,275.00	0.00	(5,008,275.00)
912828W89	TREAS NOTE	U.S. Treasury 1.875 03/31/22	9,039,634.38	0.00	(9,000,000.00)	(39,634.38)	0.00	0.00	9,038,358.00	0.00	(9,038,358.00)
9128286M7	TREAS NOTE	U.S. Treasury 2.250 04/15/22	2,012,453.30	0.00	0.00	(10,776.90)	0.00	2,001,676.40	2,011,936.00	2,001,497.40	(10,438.60)
912828ZR4	TREAS NOTE	U.S. Treasury 0.125 05/31/22	4,000,861.40	0.00	0.00	(516.84)	0.00	4,000,344.56	3,999,376.00	3,998,252.80	(1,123.20)
3133EMF64	AGCY BULET	FFCB 0.060 06/09/22	4,999,933.80	0.00	0.00	37.70	0.00	4,999,971.50	4,998,646.50	4,993,317.50	(5,329.00)
3133EMU42	AGCY BULET	FFCB 0.060 07/21/22	4,999,554.25	0.00	0.00	200.60	0.00	4,999,754.85	4,998,633.00	4,986,702.50	(11,930.50)
912796L64	TREAS BILL	U.S. Treasury 0.000 08/11/22	2,998,603.26	0.00	0.00	566.25	0.00	2,999,169.51	2,996,379.00	2,990,870.10	(5,508.90)
912796U64	TREAS BILL	U.S. Treasury 0.000 09/29/22	0.00	4,477,022.50	0.00	126.23	0.00	4,477,148.73	0.00	4,477,220.55	4,477,220.55
91282CAR2	TREAS NOTE	U.S. Treasury 0.125 10/31/22	4,000,731.36	0.00	0.00	(219.36)	0.00	4,000,512.00	3,993,280.00	3,975,312.40	(17,967.60)
91282CBN0	TREAS NOTE	U.S. Treasury 0.125 02/28/23	0.00	4,949,804.69	0.00	4,352.41	0.00	4,954,157.10	0.00	4,932,812.50	4,932,812.50
91282CBU4	TREAS NOTE	U.S. Treasury 0.125 03/31/23	0.00	4,429,511.72	0.00	191.76	0.00	4,429,703.48	0.00	4,429,863.45	4,429,863.45
Total for 700 - CDC Fund			49,956,634.03	21,593,207.57	(23,284,604.75)	(54,034.18)	0.00	48,211,202.67	49,941,384.13	48,134,613.74	(1,806,770.39)
720 - CDC Fund-Remediation											
TEXPOOL	LGIP	TexPool	4,223,822.94	1,338,910.71	(100,572.36)	0.00	0.00	5,462,161.29	4,223,822.94	5,462,161.29	1,238,338.35
Total for 720 - CDC Fund-Remediation			4,223,822.94	1,338,910.71	(100,572.36)	0.00	0.00	5,462,161.29	4,223,822.94	5,462,161.29	1,238,338.35
Total for City of Frisco			54,180,456.97	22,932,118.28	(23,385,177.11)	(54,034.18)	0.00	53,673,363.96	54,165,207.07	53,596,775.03	(568,432.04)

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	1,730.77	1,730.77	0.00	0.00	0.00	1,730.77
TEXSTAR	LGIP	TexSTAR	0.00	265.10	265.10	0.00	0.00	0.00	265.10
912828ZA1	TREAS NOTE	U.S. Treasury 1.125 02/28/22	19,112.57	9,012.43	28,125.00	0.00	0.00	(8,361.65)	650.78
912828W89	TREAS NOTE	U.S. Treasury 1.875 03/31/22	43,114.70	41,260.30	84,375.00	0.00	0.00	(39,634.38)	1,625.92
912828M7	TREAS NOTE	U.S. Treasury 2.250 04/15/22	9,642.86	11,126.37	0.00	0.00	20,769.23	(10,776.90)	349.47
912828ZR4	TREAS NOTE	U.S. Treasury 0.125 05/31/22	439.56	1,236.26	0.00	0.00	1,675.82	(516.84)	719.42
3133EMF64	AGCY BULET	FFCB 0.060 06/09/22	183.33	750.00	0.00	0.00	933.33	37.70	787.70
3133EMU42	AGCY BULET	FFCB 0.060 07/21/22	1,333.33	750.00	1,500.00	0.00	583.33	200.60	950.60
912796L64	TREAS BILL	U.S. Treasury 0.000 08/11/22	0.00	0.00	0.00	0.00	0.00	566.25	566.25
912796U64	TREAS BILL	U.S. Treasury 0.000 09/29/22	0.00	0.00	0.00	0.00	0.00	126.23	126.23
91282CAR2	TREAS NOTE	U.S. Treasury 0.125 10/31/22	856.35	1,243.10	0.00	0.00	2,099.45	(219.36)	1,023.74
91282CBN0	TREAS NOTE	U.S. Treasury 0.125 02/28/23	0.00	543.48	0.00	0.00	543.48	4,352.41	4,895.89
91282CBU4	TREAS NOTE	U.S. Treasury 0.125 03/31/23	0.00	15.37	0.00	0.00	15.37	191.76	207.13
Total for 700 - CDC Fund			74,682.70	67,933.18	115,995.87	0.00	26,620.01	(54,034.18)	13,899.00
720 - CDC Fund-Remediation									
TEXPOOL	LGIP	TexPool	0.00	883.75	883.75	0.00	0.00	0.00	883.75
Total for 720 - CDC Fund-Remediation			0.00	883.75	883.75	0.00	0.00	0.00	883.75
Total for City of Frisco			74,682.70	68,816.93	116,879.62	0.00	26,620.01	(54,034.18)	14,782.75

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															
02/28/22	02/28/22	912828ZA1	TREAS NOTE	U.S. Treasury	1.125	02/28/22		5,000,000.00	100.000	5,000,000.00	0.00	5,000,000.00		0.081	
03/31/22	03/31/22	912828W89	TREAS NOTE	U.S. Treasury	1.875	03/31/22		9,000,000.00	100.000	9,000,000.00	0.00	9,000,000.00		0.073	
Total for: Maturities								14,000,000.00		14,000,000.00	0.00	14,000,000.00		0.076	
Purchases															
02/25/22	02/28/22	91282CBN0	TREAS NOTE	U.S. Treasury	0.125	02/28/23		5,000,000.00	98.996	4,949,804.69	0.00	4,949,804.69		1.137	1.137
03/30/22	03/31/22	912796U64	TREAS BILL	U.S. Treasury		09/29/22		4,500,000.00	99.489	4,477,022.50	0.00	4,477,022.50		1.015	1.015
03/30/22	03/31/22	91282CBU4	TREAS NOTE	U.S. Treasury	0.125	03/31/23		4,500,000.00	98.434	4,429,511.72	0.00	4,429,511.72		1.712	1.712
Total for: Purchases								14,000,000.00		13,856,338.91	0.00	13,856,338.91		1.283	1.283
Income Payments															
01/21/22	01/21/22	3133EMU42	AGCY BULET	FFCB	0.060	07/21/22				0.00	1,500.00	1,500.00			
02/28/22	02/28/22	912828ZA1	TREAS NOTE	U.S. Treasury	1.125	02/28/22				0.00	28,125.00	28,125.00			
03/31/22	03/31/22	912828W89	TREAS NOTE	U.S. Treasury	1.875	03/31/22				0.00	84,375.00	84,375.00			
Total for: Income Payments										0.00	114,000.00	114,000.00			

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		0.076	
Total Purchases	14,000,000.00	13,856,338.91		1.283	1.283
Total Income Payments	0.00	114,000.00			

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
700 - CDC Fund											
912828ZA1	02/16/21	TREAS NOTE	U.S. Treasury 1.125 02/28/22		0.00	101.078	0.00	(8,361.65)	0.00	0.00	0.00
912828W89	03/31/21	TREAS NOTE	U.S. Treasury 1.875 03/31/22		0.00	101.801	0.00	(39,634.38)	0.00	0.00	0.00
912828M7	04/09/21	TREAS NOTE	U.S. Treasury 2.250 04/15/22		2,000,000.00	102.215	2,044,296.88	(10,776.90)	(42,620.48)	(1,676.40)	2,001,676.40
912828ZR4	05/14/21	TREAS NOTE	U.S. Treasury 0.125 05/31/22		4,000,000.00	100.055	4,002,187.50	(516.84)	(1,842.94)	(344.56)	4,000,344.56
3133EMF64	06/11/21	AGCY BULET	FFCB 0.060 06/09/22		5,000,000.00	99.997	4,999,850.00	37.70	121.50	28.50	4,999,971.50
3133EMU42	07/22/21	AGCY BULET	FFCB 0.060 07/21/22		5,000,000.00	99.984	4,999,200.00	200.60	554.85	245.15	4,999,754.85
912796L64	08/13/21	TREAS BILL	U.S. Treasury 0.000 08/11/22		3,000,000.00	99.924	2,997,716.12	566.25	1,453.39	830.49	2,999,169.51
912796U64	03/31/22	TREAS BILL	U.S. Treasury 0.000 09/29/22		4,500,000.00	99.489	4,477,022.50	126.23	126.23	22,851.27	4,477,148.73
91282CAR2	10/08/21	TREAS NOTE	U.S. Treasury 0.125 10/31/22		4,000,000.00	100.023	4,000,937.50	(219.36)	(425.50)	(512.00)	4,000,512.00
91282CBN0	02/28/22	TREAS NOTE	U.S. Treasury 0.125 02/28/23		5,000,000.00	98.996	4,949,804.69	4,352.41	4,352.41	45,842.90	4,954,157.10
91282CBU4	03/31/22	TREAS NOTE	U.S. Treasury 0.125 03/31/23		4,500,000.00	98.434	4,429,511.72	191.76	191.76	70,296.52	4,429,703.48
Total for 700 - CDC Fund					37,000,000.00		36,900,526.91	(54,034.18)	(38,088.78)	137,561.87	36,862,438.13
Total for City of Frisco					37,000,000.00		36,900,526.91	(54,034.18)	(38,088.78)	137,561.87	36,862,438.13

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
700 - CDC Fund						
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
3133EMU42	AGCY BULET	FFCB 0.060 07/21/22	07/21/22	1,500.00	5,000,000.00	5,001,500.00
912796L64	TREAS BILL	U.S. Treasury 0.000 08/11/22	08/11/22	0.00	3,000,000.00	3,000,000.00
91282CBN0	TREAS NOTE	U.S. Treasury 0.125 02/28/23	08/31/22	3,125.00	0.00	3,125.00
Total for 700 - CDC Fund				33,625.00	19,000,000.00	19,033,625.00



City of Frisco

Projected Cash Flows

Cash Flows for next 180 days from 03/31/2022

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

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
July 2022	1,500.00	5,000,000.00	5,001,500.00
August 2022	3,125.00	3,000,000.00	3,003,125.00

Total Projected Cash Flows for City of Frisco	33,625.00	19,000,000.00	19,033,625.00
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