

# INVESTMENT REPORT

City of Frisco

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CDC Funds

January 1 to March 31, 2023



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## Market Recap

As the calendar turned to March investors were still digesting the stronger-than-expected January data released throughout the month of February. The first day of March brought the ISM manufacturing survey which remained in contraction but posted the first increase in six months to 47.7. But it was the prices paid component climbing from 44.5 to 51.3 that raised alarm bells and sparked another bout of inflation fears. A few days later, during his semi-annual testimony before Congress, Fed Chair Powell, sounding very hawkish, pointed to still tight labor markets and stubborn inflation as reasons the FOMC would need to raise rates further and keep them there for longer. Investors concluded the Fed might need to hike another 100 basis points in order to curtail demand and bring inflation back to its +2.0% target. The two-year Treasury note yield climbed above 5% for the first time in nearly 16 years, peaking at 5.07% on March 8<sup>th</sup>.

That same day, Silicon Valley Bank (SVB) announced it had taken a \$1.8 billion loss as it liquidated positions from its \$21 billion portfolio of mostly full-faith-and-credit U.S. Treasury securities. The sudden decision to realize such a massive loss signaled that SVB was in trouble. Panicked depositors tried to withdraw \$142 billion over a two-day period, representing 85% of the bank's total deposits. On Friday, March 10<sup>th</sup>, with SVB illiquid, unable to pay depositors and on the verge of collapse, the FDIC assumed control, resulting in the *second largest bank failure in U.S. history*. Two days later, New York's Signature Bank was closed.

Markets made the assumption that these weren't the only financial institutions with large fixed income portfolios that had suffered significant market losses as a result of Fed rate hikes and were vulnerable to a run on deposits. Fears of contagion ran rampant. As a result, bond yields plunged as depositors withdrew their funds from banks and moved into money market funds and the safe harbor of government bonds. Markets quickly concluded that tighter credit conditions would slow the economy rapidly in the months ahead.

Hoping to limit the damage, the Treasury Department announced that all depositors at the failed banks would be covered by the FDIC, and the Fed implemented an emergency

lending facility. These actions did stem the tide, but the damage to the outlook was done.

Government bond markets were wildly volatile in the wake of the bank failures. After topping 5% in early March, the two-year Treasury yield would plunge 150 basis points, trading as low as 3.58%. Fed funds futures would go from expecting another 100 basis points of rate hikes to expecting 100 basis points of rate cuts.

Economic data released during March was largely ignored, though the February employment report, CPI and retail sales all moderated from January's surge. The softer data sapped the Fed's urgency and added weight to the yield declines. Nonetheless, the FOMC did raise the fed funds target another 25 basis points at its March 22<sup>nd</sup> meeting, taking the upper bound to 5.00%. Chair Powell opened the door for a pause in May if the data were to support it, but the inflation battle remains the committee's top priority.

The economic outlook hasn't been remotely clear in years, but it's only grown cloudier. Analysts believe banking concerns will ultimately restrain credit conditions and increase the odds of recession, but the U.S. economy continues to expand, and inflation remains extremely elevated. The Fed's target rate is now at a 16-year high and the FOMC's updated "dot plot" showed one more 25 basis point hike in May, before holding steady through the remainder of the year. The bond market has parted company with Fed officials and is now signaling, through dramatically lower yields, that tightening is complete, and easing is on the near horizon.

## Investment Officers' Certification

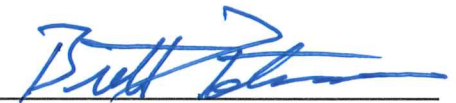
This report is prepared for the City of Frisco (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a 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.

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.

### Investment Officers



Anita Cothran  
Chief Financial Officer



Brett Peterson  
Treasury Manager

## Portfolio Overview

### Portfolio Summary

|                            | Prior<br>31 Dec-22 | Current<br>31 Mar-23 |
|----------------------------|--------------------|----------------------|
| Par Value                  | 88,334,245.53      | 84,466,222.45        |
| Original Cost              | 87,744,366.53      | 83,991,733.64        |
| Book Value                 | 88,007,085.36      | 84,276,982.85        |
| Market Value               | 87,754,600.40      | 84,181,902.71        |
| Accrued Interest           | 66,671.22          | 82,622.92            |
| Book Value Plus Accrued    | 88,073,756.58      | 84,359,605.77        |
| Market Value Plus Accrued  | 87,821,271.61      | 84,264,525.63        |
| Net Unrealized Gain/(Loss) | (252,484.97)       | (95,080.14)          |

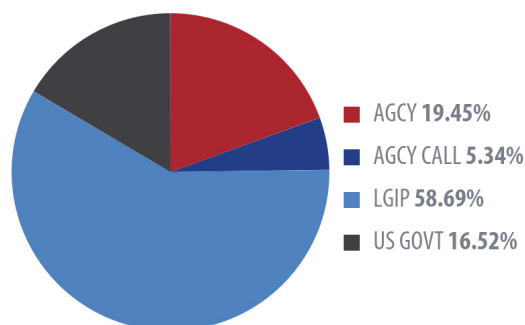
### Income Summary

|                            | 1 Jan-23 to 31 Mar-23 |
|----------------------------|-----------------------|
| Interest Income            | 657,576.16            |
| Net Amortization/Accretion | 143,213.97            |
| Realized Gain/(Loss)       | 0.00                  |
| Net Income                 | 800,790.13            |

### Portfolio Characteristics

|                            | Prior<br>31 Dec-22 | Current<br>31 Mar-23 |
|----------------------------|--------------------|----------------------|
| Yield to Maturity          | 3.451%             | 4.222%               |
| Yield to Worst             | 3.451%             | 4.222%               |
| Days to Final Maturity     | 68                 | 74                   |
| Days to Effective Maturity | 68                 | 74                   |
| Duration                   | 0.46               | 0.47                 |

### Asset Allocation

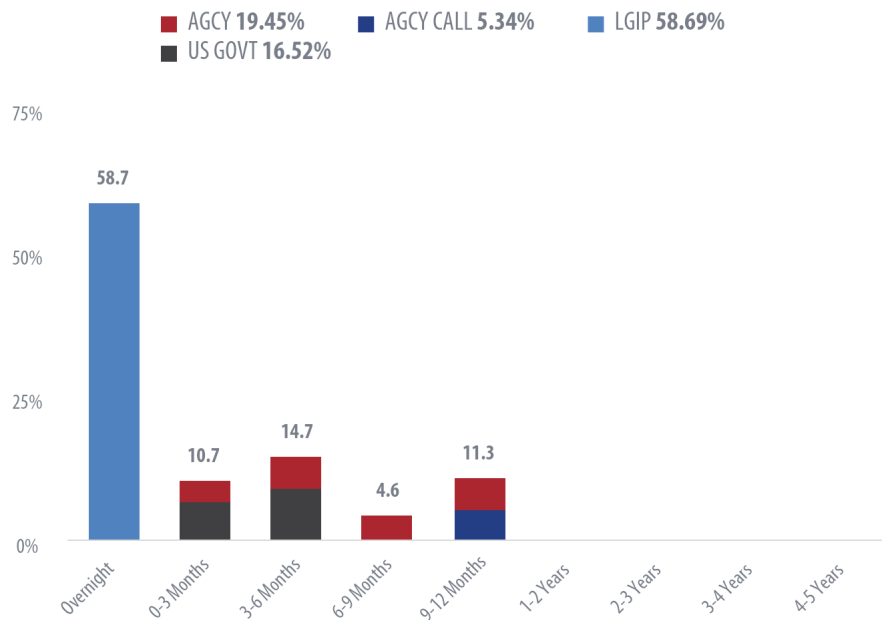


### Transaction Summary

| Transaction Type | Quantity       | Principal      | Interest   | Total Amount   | Realized Gain/Loss |
|------------------|----------------|----------------|------------|----------------|--------------------|
| Buy              | 9,500,000.00   | (9,494,706.60) | (3,559.03) | (9,498,265.63) | 0.00               |
| Maturity         | (9,500,000.00) | 9,500,000.00   | 0.00       | 9,500,000.00   | 0.00               |
| Coupon           | 0.00           | 0.00           | 90,625.00  | 90,625.00      | 0.00               |

## Portfolio Overview

### Maturity Distribution by Security Type



### Top Ten Holdings

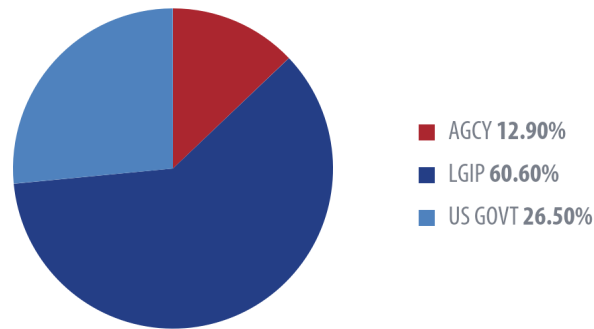
| Issuer  | Allocation |
|---|------------|
| TEXPOOL                                       | 55.36%     |
| United States Department of The Treasury      | 16.52%     |
| Federal Home Loan Banks                       | 15.89%     |
| Federal National Mortgage Association         | 5.34%      |
| Federal Farm Credit Banks Funding Corporation | 3.56%      |
| TEXSTAR                                       | 3.33%      |

### Maturity Distribution by Security Type

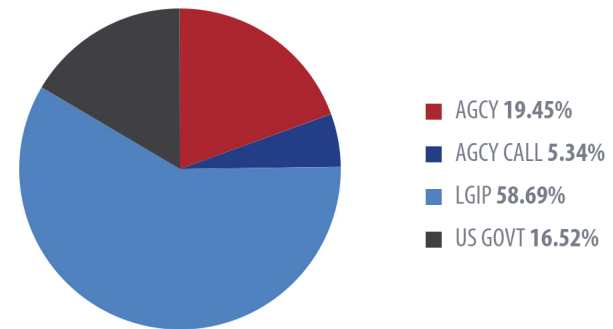
| Security Type | Overnight            | 0-3 Months          | 3-6 Months           | 6-9 Months          | 9-12 Months         | 1-2 Years | 2-3 Years | 3-4 Years | 4-5 Years | Portfolio Total      |
|---------------|----------------------|---------------------|----------------------|---------------------|---------------------|-----------|-----------|-----------|-----------|----------------------|
| AGCY          | --                   | 2,999,676.50        | 4,497,994.26         | 3,899,059.13        | 4,995,179.07        | --        | --        | --        | --        | 16,391,908.96        |
| AGCY CALL     | --                   | --                  | --                   | --                  | 4,500,000.00        | --        | --        | --        | --        | 4,500,000.00         |
| LGIP          | 49,466,222.45        | --                  | --                   | --                  | --                  | --        | --        | --        | --        | 49,466,222.45        |
| US GOVT       | --                   | 5,995,637.76        | 7,923,213.68         | --                  | --                  | --        | --        | --        | --        | 13,918,851.44        |
| <b>Total</b>  | <b>49,466,222.45</b> | <b>8,995,314.26</b> | <b>12,421,207.94</b> | <b>3,899,059.13</b> | <b>9,495,179.07</b> | <b>--</b> | <b>--</b> | <b>--</b> | <b>--</b> | <b>84,276,982.85</b> |

## Asset Allocation

Asset Allocation by Security Type as of  
31-Dec-2022



Asset Allocation by Security Type as of  
31-Mar-2023



## Book Value Basis Security Distribution

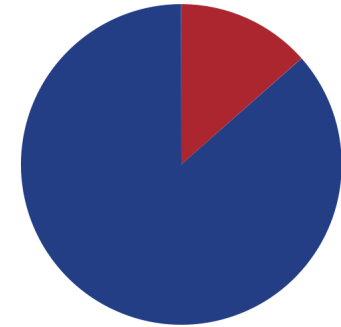
| Security Type          | Prior Balance<br>31-Dec-22 | Prior Allocation<br>31-Dec-22 | Change in Allocation | Current Balance<br>31-Mar-23 | Current Allocation<br>31-Mar-23 | Yield to Maturity |
|------------------------|----------------------------|-------------------------------|----------------------|------------------------------|---------------------------------|-------------------|
| AGCY                   | 11,351,696.02              | 12.90%                        | 6.55%                | 16,391,908.96                | 19.45%                          | 4.120%            |
| AGCY CALL              | 0.00                       | 0.00%                         | 5.34%                | 4,500,000.00                 | 5.34%                           | 5.115%            |
| LGIP                   | 53,334,245.53              | 60.60%                        | (1.91%)              | 49,466,222.45                | 58.69%                          | 4.611%            |
| US GOVT                | 23,321,143.81              | 26.50%                        | (9.98%)              | 13,918,851.44                | 16.52%                          | 2.669%            |
| <b>Portfolio Total</b> | <b>88,007,085.36</b>       | <b>100.00%</b>                |                      | <b>84,276,982.85</b>         | <b>100.00%</b>                  | <b>4.222%</b>     |

## Credit Rating Summary

### Rating Distribution

|   | Book Value           | Portfolio Allocation |
|---|----------------------|----------------------|
| <b>Local Government Investment Pools &amp; Money Market Funds</b>       |                      |                      |
| AAA   | 49,466,222.45        | 58.69%               |
| <b>Total Local Government Investment Pools &amp; Money Market Funds</b> | <b>49,466,222.45</b> | <b>58.69%</b>        |
| <b>Short Term Rating Distribution</b>                                   |                      |                      |
| A-1+  | 11,365,326.63        | 13.49%               |
| <b>Total Short Term Rating Distribution</b>                             | <b>11,365,326.63</b> | <b>13.49%</b>        |
| <b>Long Term Rating Distribution</b>                                    |                      |                      |
| AAA   | 23,445,433.77        | 27.82%               |
| <b>Total Long Term Rating Distribution</b>                              | <b>23,445,433.77</b> | <b>27.82%</b>        |
| <b>Portfolio Total</b>  | <b>84,276,982.85</b> | <b>100.00%</b>       |

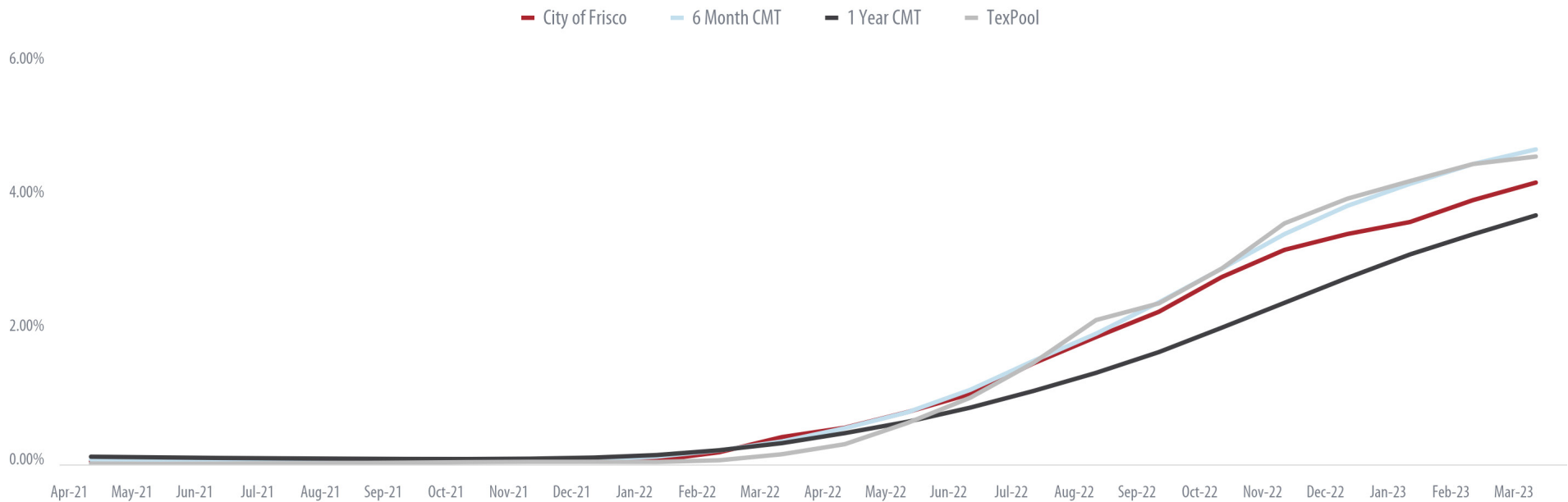
### Allocation by Rating



■ A-1+ 13.49% ■ AAA 86.51%



## Benchmark Comparison



## Yield Overview

|                | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| City of Frisco | 0.05   | 0.05   | 0.05   | 0.06   | 0.06   | 0.06   | 0.06   | 0.06   | 0.06   | 0.06   | 0.18   | 0.41   | 0.55   | 0.78   | 1.06   | 1.51   | 1.91   | 2.29   | 2.81   | 3.21   | 3.45   | 3.63   | 3.96   | 4.22   |
| 6 Month CMT    | 0.07   | 0.06   | 0.05   | 0.05   | 0.05   | 0.05   | 0.05   | 0.06   | 0.07   | 0.12   | 0.21   | 0.34   | 0.54   | 0.78   | 1.12   | 1.55   | 1.96   | 2.43   | 2.93   | 3.45   | 3.87   | 4.20   | 4.50   | 4.72   |
| 1 Year CMT     | 0.12   | 0.11   | 0.10   | 0.09   | 0.09   | 0.08   | 0.08   | 0.09   | 0.10   | 0.14   | 0.21   | 0.32   | 0.47   | 0.64   | 0.85   | 1.10   | 1.37   | 1.68   | 2.05   | 2.42   | 2.79   | 3.15   | 3.45   | 3.73   |
| TexPool        | 0.01   | 0.01   | 0.01   | 0.02   | 0.02   | 0.03   | 0.04   | 0.04   | 0.04   | 0.04   | 0.06   | 0.15   | 0.30   | 0.62   | 1.00   | 1.52   | 2.16   | 2.41   | 2.93   | 3.61   | 3.98   | 4.24   | 4.50   | 4.61   |

## Fund Overview

| Fund Name                | Prior Book Value     | Prior Market Value   | Changes to Market Value | Current Book Value   | Current Market Value | Net Income        | Days to Final Mty | YTM           | YTW           |
|--------------------------|----------------------|----------------------|-------------------------|----------------------|----------------------|-------------------|-------------------|---------------|---------------|
| 700-CDC Fund             | 57,965,138.34        | 57,712,653.38        | (15,591,511.89)         | 42,216,221.63        | 42,121,141.49        | 432,788.64        | 148               | 3.834%        | 3.834%        |
| 720-CDC Fund-Remediation | 30,041,947.02        | 30,041,947.02        | 12,018,814.20           | 42,060,761.22        | 42,060,761.22        | 368,001.49        | 1                 | 4.611%        | 4.611%        |
| <b>Total</b>             | <b>88,007,085.36</b> | <b>87,754,600.40</b> | <b>(3,572,697.69)</b>   | <b>84,276,982.85</b> | <b>84,181,902.71</b> | <b>800,790.13</b> | <b>74</b>         | <b>4.222%</b> | <b>4.222%</b> |

## Detail of Security Holdings

| CUSIP                                      | Settle Date | Security Type | Security Description                      | CPN   | Maturity Date | Next Call Date | Call Type | Par Value            | Purch Price | Original Cost        | Book Value           | Mkt Price | Market Value         | Days to Mty | Days to Call | YTM          | YTW          | Rating |
|--|-------------|---------------|---|-------|---------------|----------------|-----------|----------------------|-------------|----------------------|----------------------|-----------|----------------------|-------------|--------------|--------------|--------------|--------|
| <b>700-CDC Fund</b>                        |             |               |   |       |               |                |           |                      |             |                      |                      |           |                      |             |              |              |              |        |
| TEXPOOL                                    |             | LGIP          | TexPool                                   |       | 03/31/23      |                |           | 4,598,797.61         | 100.000     | 4,598,797.61         | 4,598,797.61         | 100.000   | 4,598,797.61         | 1           |              | 4.611        | 4.611        | AAA    |
| TEXSTAR                                    |             | LGIP          | TexSTAR                                   |       | 03/31/23      |                |           | 2,806,663.62         | 100.000     | 2,806,663.62         | 2,806,663.62         | 100.000   | 2,806,663.62         | 1           |              | 4.607        | 4.607        | AAA    |
| 912828ZH6                                  | 04/18/22    | US GOVT       | UNITED STATES TREASURY                    | 0.250 | 04/15/23      |                |           | 2,000,000.00         | 98.465      | 1,969,296.88         | 1,998,804.06         | 99.859    | 1,997,187.50         | 15          |              | 1.819        | 1.819        | AAA    |
| 912828R69                                  | 05/23/22    | US GOVT       | UNITED STATES TREASURY                    | 1.625 | 05/31/23      |                |           | 4,000,000.00         | 99.512      | 3,980,468.75         | 3,996,833.70         | 99.500    | 3,980,000.00         | 61          |              | 2.110        | 2.110        | AAA    |
| 3133ENYG9                                  | 06/09/22    | AGCY          | FEDERAL FARM CREDIT<br>BANKS FUNDING CORP | 2.250 | 06/07/23      |                |           | 3,000,000.00         | 99.942      | 2,998,260.00         | 2,999,676.50         | 99.519    | 2,985,576.00         | 68          |              | 2.309        | 2.309        | AAA    |
| 912828ZY9                                  | 07/21/22    | US GOVT       | UNITED STATES TREASURY                    | 0.125 | 07/15/23      |                |           | 5,000,000.00         | 97.102      | 4,855,078.13         | 4,956,946.18         | 98.672    | 4,933,593.75         | 106         |              | 3.140        | 3.140        | AAA    |
| 912796XY0                                  | 08/11/22    | US GOVT       | UNITED STATES TREASURY                    | 0.000 | 08/10/23      |                |           | 3,000,000.00         | 96.876      | 2,906,270.00         | 2,966,267.50         | 98.319    | 2,949,582.51         | 132         |              | 3.208        | 3.208        | A-1+   |
| 3130ATCR6                                  | 09/13/22    | AGCY          | FEDERAL HOME LOAN<br>BANKS                | 3.625 | 09/13/23      |                |           | 4,500,000.00         | 99.902      | 4,495,567.50         | 4,497,994.26         | 99.417    | 4,473,774.00         | 166         |              | 3.726        | 3.726        | AAA    |
| 313384NH8                                  | 10/31/22    | AGCY          | FEDERAL HOME LOAN<br>BANKS                | 0.000 | 10/23/23      |                |           | 4,000,000.00         | 95.647      | 3,825,863.33         | 3,899,059.13         | 97.307    | 3,892,280.00         | 206         |              | 4.539        | 4.539        | A-1+   |
| 3130AV3G5                                  | 02/28/23    | AGCY          | FEDERAL HOME LOAN<br>BANKS                | 5.125 | 02/23/24      |                |           | 5,000,000.00         | 99.894      | 4,994,706.60         | 4,995,179.07         | 100.218   | 5,010,900.00         | 329         |              | 5.236        | 5.236        | AAA    |
| 3135GAG70                                  | 03/31/23    | AGCY CALL     | FEDERAL NATIONAL<br>MORTGAGE ASSOCIATION  | 5.100 | 03/28/24      | 06/28/23       | Quarterly | 4,500,000.00         | 100.000     | 4,500,000.00         | 4,500,000.00         | 99.840    | 4,492,786.50         | 363         | 89           | 5.115        | 5.115        | A-1+   |
| <b>Total 700-CDC Fund</b>                  |             |               |   |       |               |                |           | <b>42,405,461.23</b> |             | <b>41,930,972.42</b> | <b>42,216,221.63</b> |           | <b>42,121,141.49</b> | <b>148</b>  | <b>89</b>    | <b>3.834</b> | <b>3.834</b> |        |
| <b>720-CDC Fund-<br/>Remediation</b>       |             |               |   |       |               |                |           |                      |             |                      |                      |           |                      |             |              |              |              |        |
| TEXPOOL                                    |             | LGIP          | TexPool                                   |       | 03/31/23      |                |           | 42,060,761.22        | 100.000     | 42,060,761.22        | 42,060,761.22        | 100.000   | 42,060,761.22        | 1           |              | 4.611        | 4.611        | AAA    |
| <b>Total 720-CDC Fund-<br/>Remediation</b> |             |               |   |       |               |                |           | <b>42,060,761.22</b> |             | <b>42,060,761.22</b> | <b>42,060,761.22</b> |           | <b>42,060,761.22</b> | <b>1</b>    |              | <b>4.611</b> | <b>4.611</b> |        |
| <b>Grand Total</b>                         |             |               |   |       |               |                |           | <b>84,466,222.45</b> |             | <b>83,991,733.64</b> | <b>84,276,982.85</b> |           | <b>84,181,902.71</b> | <b>74</b>   | <b>89</b>    | <b>4.222</b> | <b>4.222</b> |        |

## Earned Income

| CUSIP                                 | Security Type | Security Description                                   | Beginning Accrued | Interest Earned   | Interest Rec'd/<br>Sold/Matured | Interest Purchased | Ending Accrued   | Disc Accr/Prem Amort | Net Realized Gain/Loss | Net Income        |
|---------------------------------------|---------------|--|-------------------|-------------------|---------------------------------|--------------------|------------------|----------------------|------------------------|-------------------|
| <b>700-CDC Fund</b>                   |               |  |                   |                   |                                 |                    |                  |                      |                        |                   |
| 91282CBN0                             | US GOVT       | UNITED STATES TREASURY 0.125 02/28/2023                | 2,123.62          | 1,001.38          | 3,125.00                        | 0.00               | 0.00             | 8,063.13             | 0.00                   | 9,064.51          |
| 91282CBU4                             | US GOVT       | UNITED STATES TREASURY 0.125 03/31/2023                | 1,437.16          | 1,375.34          | 2,812.50                        | 0.00               | 0.00             | 17,307.99            | 0.00                   | 18,683.33         |
| TEXPOOL                               | LGIP          | TexPool 0.0 03/31/2023                                 | 0.00              | 155,996.14        | 155,996.14                      | 0.00               | 0.00             | 0.00                 | 0.00                   | 155,996.14        |
| TEXSTAR                               | LGIP          | TexSTAR 0.0 03/31/2023                                 | 0.00              | 30,560.86         | 30,560.86                       | 0.00               | 0.00             | 0.00                 | 0.00                   | 30,560.86         |
| 912828ZH6                             | US GOVT       | UNITED STATES TREASURY 0.25 04/15/2023                 | 1,071.43          | 1,236.26          | 0.00                            | 0.00               | 2,307.69         | 7,688.20             | 0.00                   | 8,924.47          |
| 912828R69                             | US GOVT       | UNITED STATES TREASURY 1.625 05/31/2023                | 5,714.29          | 16,071.43         | 0.00                            | 0.00               | 21,785.71        | 4,749.45             | 0.00                   | 20,820.88         |
| 3133ENYG9                             | AGCY          | FEDERAL FARM CREDIT BANKS FUNDING CORP 2.25 06/07/2023 | 4,500.00          | 16,875.00         | 0.00                            | 0.00               | 21,375.00        | 434.55               | 0.00                   | 17,309.55         |
| 912828ZY9                             | US GOVT       | UNITED STATES TREASURY 0.125 07/15/2023                | 2,887.23          | 1,549.93          | 3,125.00                        | 0.00               | 1,312.15         | 36,723.86            | 0.00                   | 38,273.78         |
| 912796XY0                             | US GOVT       | UNITED STATES TREASURY 0.0 08/10/2023                  | 0.00              | 0.00              | 0.00                            | 0.00               | 0.00             | 23,175.00            | 0.00                   | 23,175.00         |
| 3130ATCR6                             | AGCY          | FEDERAL HOME LOAN BANKS 3.625 09/13/2023               | 48,937.50         | 40,781.25         | 81,562.50                       | 0.00               | 8,156.25         | 1,092.30             | 0.00                   | 41,873.55         |
| 313384NH8                             | AGCY          | FEDERAL HOME LOAN BANKS 0.0 10/23/2023                 | 0.00              | 0.00              | 0.00                            | 0.00               | 0.00             | 43,507.03            | 0.00                   | 43,507.03         |
| 3130AV3G5                             | AGCY          | FEDERAL HOME LOAN BANKS 5.125 02/23/2024               | 0.00              | 23,489.58         | 0.00                            | (3,559.03)         | 27,048.61        | 472.47               | 0.00                   | 23,962.05         |
| 3135GAG70                             | AGCY CALL     | FEDERAL NATIONAL MORTGAGE ASSOCIATION 5.1 03/28/2024   | 0.00              | 637.50            | 0.00                            | 0.00               | 637.50           | 0.00                 | 0.00                   | 637.50            |
| <b>Total 700-CDC Fund</b>             |               |  | <b>66,671.22</b>  | <b>289,574.67</b> | <b>277,182.00</b>               | <b>(3,559.03)</b>  | <b>82,622.92</b> | <b>143,213.97</b>    | <b>0.00</b>            | <b>432,788.64</b> |
| <b>720-CDC Fund-Remediation</b>       |               |  |                   |                   |                                 |                    |                  |                      |                        |                   |
| TEXPOOL                               | LGIP          | TexPool 0.0 03/31/2023                                 | 0.00              | 368,001.49        | 368,001.49                      | 0.00               | 0.00             | 0.00                 | 0.00                   | 368,001.49        |
| <b>Total 720-CDC Fund-Remediation</b> |               |  | <b>0.00</b>       | <b>368,001.49</b> | <b>368,001.49</b>               | <b>0.00</b>        | <b>0.00</b>      | <b>0.00</b>          | <b>0.00</b>            | <b>368,001.49</b> |
| <b>Grand Total</b>                    |               |  | <b>66,671.22</b>  | <b>657,576.16</b> | <b>645,183.49</b>               | <b>(3,559.03)</b>  | <b>82,622.92</b> | <b>143,213.97</b>    | <b>0.00</b>            | <b>800,790.13</b> |

## Investment Transactions

| CUSIP                 | Trade Date | Settle Date | Security Type | Security Description                  | Coupon | Maturity Date | Call Date | Par Value             | Price   | Principal Amount    | Interest Purchased/Received | Total Amount        | Realized Gain/Loss | YTM   | YTW   |
|-----------------------|------------|-------------|---------------|---------------------------------------|--------|---------------|-----------|-----------------------|---------|---------------------|-----------------------------|---------------------|--------------------|-------|-------|
| <b>700-CDC Fund</b>   |            |             |               |                                       |        |               |           |                       |         |                     |                             |                     |                    |       |       |
| <b>Buy</b>            |            |             |               |                                       |        |               |           |                       |         |                     |                             |                     |                    |       |       |
| 3130AV3G5             | 02/24/23   | 02/28/23    | AGCY          | FEDERAL HOME LOAN BANKS               | 5.125  | 02/23/24      |           | 5,000,000.00          | 99.894  | 4,994,706.60        | 3,559.03                    | 4,998,265.63        | 0.00               | 5.236 | 5.236 |
| 3135GAG70             | 03/29/23   | 03/31/23    | AGCY CALL     | FEDERAL NATIONAL MORTGAGE ASSOCIATION | 5.100  | 03/28/24      | 06/28/23  | 4,500,000.00          | 100.000 | 4,500,000.00        | 0.00                        | 4,500,000.00        | 0.00               | 5.115 | 5.115 |
| <b>Total Buy</b>      |            |             |               |                                       |        |               |           | <b>9,500,000.00</b>   |         | <b>9,494,706.60</b> | <b>3,559.03</b>             | <b>9,498,265.63</b> | <b>0.00</b>        |       |       |
| <b>Coupon</b>         |            |             |               |                                       |        |               |           |                       |         |                     |                             |                     |                    |       |       |
| 912828ZY9             | 01/15/23   | 01/15/23    | US GOVT       | UNITED STATES TREASURY                | 0.125  | 07/15/23      |           | 0.00                  |         | 0.00                | 3,125.00                    | 3,125.00            | 0.00               | --    | --    |
| 91282CBN0             | 02/28/23   | 02/28/23    | US GOVT       | UNITED STATES TREASURY                | 0.125  | 02/28/23      |           | 0.00                  |         | 0.00                | 3,125.00                    | 3,125.00            | 0.00               | --    | --    |
| 3130ATCR6             | 03/13/23   | 03/13/23    | AGCY          | FEDERAL HOME LOAN BANKS               | 3.625  | 09/13/23      |           | 0.00                  |         | 0.00                | 81,562.50                   | 81,562.50           | 0.00               | --    | --    |
| 91282CBU4             | 03/31/23   | 03/31/23    | US GOVT       | UNITED STATES TREASURY                | 0.125  | 03/31/23      |           | 0.00                  |         | 0.00                | 2,812.50                    | 2,812.50            | 0.00               | --    | --    |
| <b>Total Coupon</b>   |            |             |               |                                       |        |               |           | <b>0.00</b>           |         | <b>0.00</b>         | <b>90,625.00</b>            | <b>90,625.00</b>    | <b>0.00</b>        |       |       |
| <b>Maturity</b>       |            |             |               |                                       |        |               |           |                       |         |                     |                             |                     |                    |       |       |
| 91282CBN0             | 02/28/23   | 02/28/23    | US GOVT       | UNITED STATES TREASURY                | 0.125  | 02/28/23      |           | (5,000,000.00)        | 100.000 | 5,000,000.00        | 0.00                        | 5,000,000.00        | 0.00               | --    | --    |
| 91282CBU4             | 03/31/23   | 03/31/23    | US GOVT       | UNITED STATES TREASURY                | 0.125  | 03/31/23      |           | (4,500,000.00)        | 100.000 | 4,500,000.00        | 0.00                        | 4,500,000.00        | 0.00               | --    | --    |
| <b>Total Maturity</b> |            |             |               |                                       |        |               |           | <b>(9,500,000.00)</b> |         | <b>9,500,000.00</b> | <b>0.00</b>                 | <b>9,500,000.00</b> | <b>0.00</b>        |       |       |

## Investment Transactions Totals

| Transaction Type | Quantity       | Principal Amount | Interest   | Total Amount   | Realized G/L | YTM   | YTW   |
|------------------|----------------|------------------|------------|----------------|--------------|-------|-------|
| Total Buy        | 9,500,000.00   | (9,494,706.60)   | (3,559.03) | (9,498,265.63) | 0.00         | 5.178 | 5.178 |
| Total Maturity   | (9,500,000.00) | 9,500,000.00     | 0.00       | 9,500,000.00   | 0.00         | 1.409 | 1.409 |
| Total Coupon     | 0.00           | 0.00             | 90,625.00  | 90,625.00      | 0.00         |       |       |

## Amortization and Accretion

| CUSIP                     | Settle Date | Security Type | Security Description                                   | Purchase Qty         | Orig Price | Original Cost        | Amort/Accr for Period | Total Amort/Accr Since Purch | Remaining Disc/Premium | Ending Book Value    |
|---------------------------|-------------|---------------|--|----------------------|------------|----------------------|-----------------------|------------------------------|------------------------|----------------------|
| <b>700-CDC Fund</b>       |             |               |  |                      |            |                      |                       |                              |                        |                      |
| 91282CBN0                 | 02/28/22    | US GOVT       | UNITED STATES TREASURY 0.125 02/28/2023                | 0.00                 | 0.000      | 0.00                 | 8,063.13              | 0.00                         | 0.00                   | 0.00                 |
| 91282CBU4                 | 03/31/22    | US GOVT       | UNITED STATES TREASURY 0.125 03/31/2023                | 0.00                 | 0.000      | 0.00                 | 17,307.99             | 0.00                         | 0.00                   | 0.00                 |
| 912828ZH6                 | 04/18/22    | US GOVT       | UNITED STATES TREASURY 0.25 04/15/2023                 | 2,000,000.00         | 98.465     | 1,969,296.88         | 7,688.20              | 29,507.18                    | (1,195.94)             | 1,998,804.06         |
| 912828R69                 | 05/23/22    | US GOVT       | UNITED STATES TREASURY 1.625 05/31/2023                | 4,000,000.00         | 99.512     | 3,980,468.75         | 4,749.45              | 16,364.95                    | (3,166.30)             | 3,996,833.70         |
| 3133ENYG9                 | 06/09/22    | AGCY          | FEDERAL FARM CREDIT BANKS FUNDING CORP 2.25 06/07/2023 | 3,000,000.00         | 99.942     | 2,998,260.00         | 434.55                | 1,416.50                     | (323.50)               | 2,999,676.50         |
| 912828ZY9                 | 07/21/22    | US GOVT       | UNITED STATES TREASURY 0.125 07/15/2023                | 5,000,000.00         | 97.102     | 4,855,078.13         | 36,723.86             | 101,868.05                   | (43,053.82)            | 4,956,946.18         |
| 912796XY0                 | 08/11/22    | US GOVT       | UNITED STATES TREASURY 0.0 08/10/2023                  | 3,000,000.00         | 96.876     | 2,906,270.00         | 23,175.00             | 59,997.50                    | (33,732.50)            | 2,966,267.50         |
| 3130ATCR6                 | 09/13/22    | AGCY          | FEDERAL HOME LOAN BANKS 3.625 09/13/2023               | 4,500,000.00         | 99.902     | 4,495,567.50         | 1,092.30              | 2,426.76                     | (2,005.74)             | 4,497,994.26         |
| 313384NH8                 | 10/31/22    | AGCY          | FEDERAL HOME LOAN BANKS 0.0 10/23/2023                 | 4,000,000.00         | 95.647     | 3,825,863.33         | 43,507.03             | 73,195.80                    | (100,940.87)           | 3,899,059.13         |
| 3130AV3G5                 | 02/28/23    | AGCY          | FEDERAL HOME LOAN BANKS 5.125 02/23/2024               | 5,000,000.00         | 99.894     | 4,994,706.60         | 472.47                | 472.47                       | (4,820.93)             | 4,995,179.07         |
| 3135GAG70                 | 03/31/23    | AGCY CALL     | FEDERAL NATIONAL MORTGAGE ASSOCIATION 5.1 03/28/2024   | 4,500,000.00         | 100.000    | 4,500,000.00         | 0.00                  | 0.00                         | 0.00                   | 4,500,000.00         |
| <b>Total 700-CDC Fund</b> |             |               |  | <b>35,000,000.00</b> |            | <b>34,525,511.19</b> | <b>143,213.97</b>     | <b>285,249.21</b>            | <b>(189,239.60)</b>    | <b>34,810,760.40</b> |
| <b>Grand Total</b>        |             |               |  | <b>35,000,000.00</b> |            | <b>34,525,511.19</b> | <b>143,213.97</b>     | <b>285,249.21</b>            | <b>(189,239.60)</b>    | <b>34,810,760.40</b> |

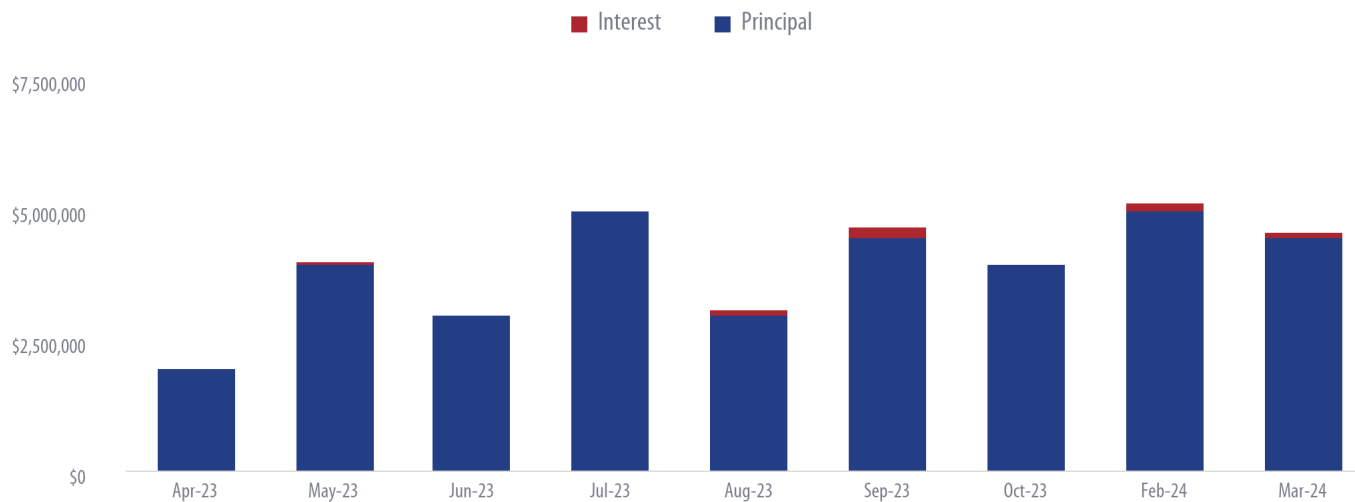
## Projected Cash Flows

| CUSIP               | Security Description                                   | Post Date | Interest          | Principal            | Total Amount         |
|---------------------|--|-----------|-------------------|----------------------|----------------------|
| <b>700-CDC Fund</b> |  |           |                   |                      |                      |
| 912828ZH6           | UNITED STATES TREASURY 0.25 04/15/2023                 | 04/17/23  | 2,500.00          |                      | 2,500.00             |
| 912828ZH6           | UNITED STATES TREASURY 0.25 04/15/2023                 | 04/17/23  |                   | 2,000,000.00         | 2,000,000.00         |
| 912828R69           | UNITED STATES TREASURY 1.625 05/31/2023                | 05/31/23  | 32,500.00         |                      | 32,500.00            |
| 912828R69           | UNITED STATES TREASURY 1.625 05/31/2023                | 05/31/23  |                   | 4,000,000.00         | 4,000,000.00         |
| 3133ENYG9           | FEDERAL FARM CREDIT BANKS FUNDING CORP 2.25 06/07/2023 | 06/07/23  | 33,750.00         |                      | 33,750.00            |
| 3133ENYG9           | FEDERAL FARM CREDIT BANKS FUNDING CORP 2.25 06/07/2023 | 06/07/23  |                   | 3,000,000.00         | 3,000,000.00         |
| 912828ZY9           | UNITED STATES TREASURY 0.125 07/15/2023                | 07/17/23  | 3,125.00          |                      | 3,125.00             |
| 912828ZY9           | UNITED STATES TREASURY 0.125 07/15/2023                | 07/17/23  |                   | 5,000,000.00         | 5,000,000.00         |
| 912796XY0           | UNITED STATES TREASURY 0.0 08/10/2023                  | 08/10/23  |                   | 3,000,000.00         | 3,000,000.00         |
| 3130AV3G5           | FEDERAL HOME LOAN BANKS 5.125 02/23/2024               | 08/23/23  | 128,125.00        |                      | 128,125.00           |
| 3130ATCR6           | FEDERAL HOME LOAN BANKS 3.625 09/13/2023               | 09/13/23  | 81,562.50         |                      | 81,562.50            |
| 3130ATCR6           | FEDERAL HOME LOAN BANKS 3.625 09/13/2023               | 09/13/23  |                   | 4,500,000.00         | 4,500,000.00         |
| 3135GAG70           | FEDERAL NATIONAL MORTGAGE ASSOCIATION 5.1 03/28/2024   | 09/28/23  | 113,475.00        |                      | 113,475.00           |
| 313384NH8           | FEDERAL HOME LOAN BANKS 0.0 10/23/2023                 | 10/23/23  |                   | 4,000,000.00         | 4,000,000.00         |
| 3130AV3G5           | FEDERAL HOME LOAN BANKS 5.125 02/23/2024               | 02/23/24  | 128,125.00        |                      | 128,125.00           |
| 3130AV3G5           | FEDERAL HOME LOAN BANKS 5.125 02/23/2024               | 02/23/24  |                   | 5,000,000.00         | 5,000,000.00         |
| 3135GAG70           | FEDERAL NATIONAL MORTGAGE ASSOCIATION 5.1 03/28/2024   | 03/28/24  | 114,750.00        |                      | 114,750.00           |
| 3135GAG70           | FEDERAL NATIONAL MORTGAGE ASSOCIATION 5.1 03/28/2024   | 03/28/24  |                   | 4,500,000.00         | 4,500,000.00         |
| <b>Grand Total</b>  |  |           | <b>637,912.50</b> | <b>35,000,000.00</b> | <b>35,637,912.50</b> |



## Projected Cash Flows Totals

| Month and Year | Interest          | Principal            | Total Amount         |
|----------------|-------------------|----------------------|----------------------|
| April 2023     | 2,500.00          | 2,000,000.00         | 2,002,500.00         |
| May 2023       | 32,500.00         | 4,000,000.00         | 4,032,500.00         |
| June 2023      | 33,750.00         | 3,000,000.00         | 3,033,750.00         |
| July 2023      | 3,125.00          | 5,000,000.00         | 5,003,125.00         |
| August 2023    | 128,125.00        | 3,000,000.00         | 3,128,125.00         |
| September 2023 | 195,037.50        | 4,500,000.00         | 4,695,037.50         |
| October 2023   |                   | 4,000,000.00         | 4,000,000.00         |
| February 2024  | 128,125.00        | 5,000,000.00         | 5,128,125.00         |
| March 2024     | 114,750.00        | 4,500,000.00         | 4,614,750.00         |
| <b>Total</b>   | <b>637,912.50</b> | <b>35,000,000.00</b> | <b>35,637,912.50</b> |



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