



Palacios Independent School District

Quarterly Investment Report

For the Quarter Ended

August 31, 2026

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the Palacios Independent School District is in compliance with the Public Funds Investment Act and the District's Investment Policy.

Palacios ISD Investment Officer

Disclaimer: These reports were compiled using information provided by Palacios Independent School District. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Annual Summary

Fiscal Year End Results by Investment Category:

Asset Type	August 31, 2025			August 31, 2026		
	Avg. Yield	Book Value	Market Value	Avg. Yield	Book Value	Market Value
Pools/DDA/MMA	4.24%	\$ 15,996,071	\$ 15,996,071	3.61%	\$ 13,232,577	\$ 13,232,577
Securities/CDs	0.00%	—	—	0.00%	—	—
Totals		\$ 15,996,071	\$ 15,996,071		\$ 13,232,577	\$ 13,232,577
Fourth Quarter-End Yields	4.24%			3.61%		

Average Quarter-End Yields - Fiscal Year (1)

	2025 Fiscal Year	2026 Fiscal Year
PISD	3.94%	3.37%
Rolling Three Month Treasury	4.46%	3.81%
Rolling Six Month Treasury	4.44%	3.81%
TexPool	4.42%	3.74%
Fiscal YTD Interest Earnings	\$ 912,849	\$ 557,361

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

Series 2021 Bond Proceed SLGS balances reported separately.

Summary

Quarter End Results by Investment Category:

Asset Type	May 31, 2026		August 31, 2026		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Pools/DDA/MMA	\$ 16,684,815	\$ 16,684,815	\$ 13,232,577	\$ 13,232,577	3.61%
Totals	\$ 16,684,815	\$ 16,684,815	\$ 13,232,577	\$ 13,232,577	3.61%

Average Quarterly Yield (1)		Average Quarter-End Yields - Fiscal YTD	
Total Portfolio	3.61%	Total Portfolio	3.37%
Rolling Three Month Treasury	3.85%	Rolling Three Month Treasury	3.81%
Rolling Six Month Treasury	3.84%	Rolling Six Month Treasury	3.81%
TexPool	3.68%	TexPool	3.74%

Interest Earnings (Approximate)	
Quarter Interest Earnings	\$141,868
Year-to-Date Interest Earnings	\$557,361

(1) **Average Quarter Yield** - calculated using quarter end report yields and adjusted book values; does not reflect a total return analysis, realized or unrealized gains/losses, or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

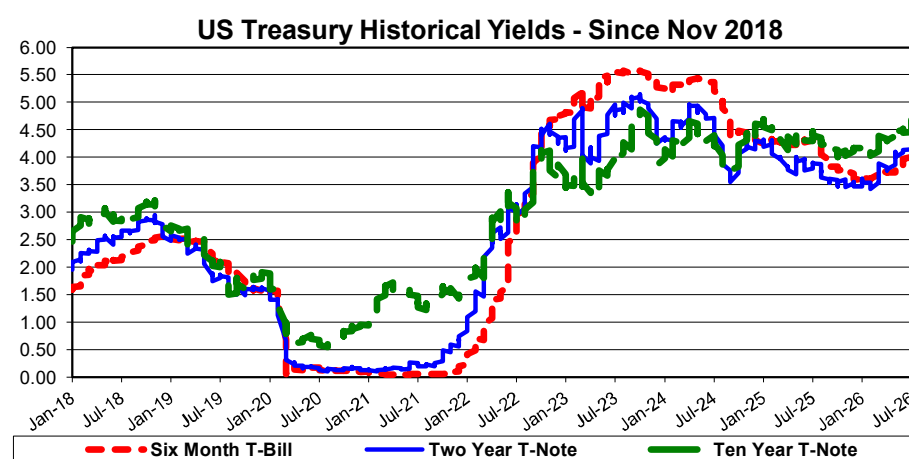
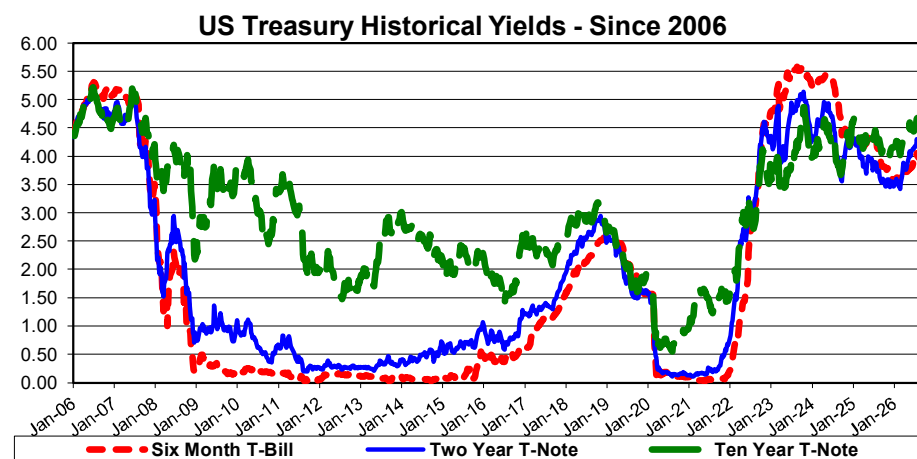
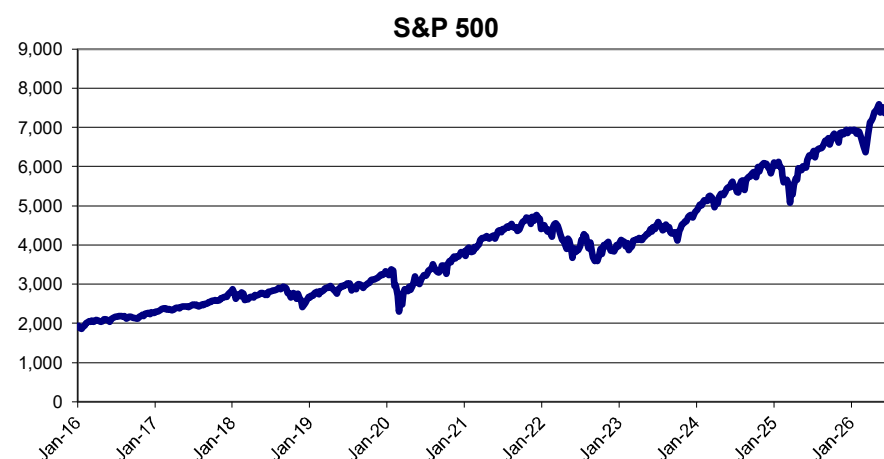
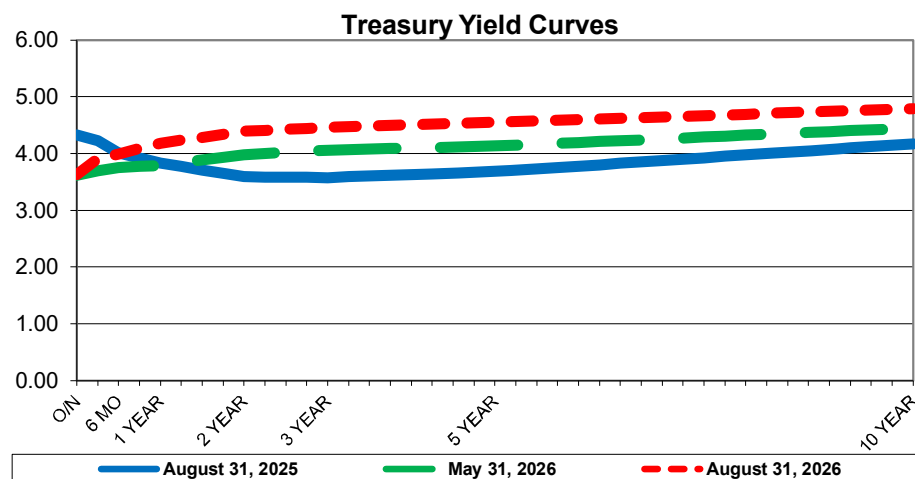
(2) **Average Quarter-End Yields** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Series 2021 Bond Proceed SLGS balances reported separately.

8/31/2026

Economic Overview

The Federal Open Market Committee (FOMC) did not meet in August. Chairman Warsh's Jackson Hole Symposium speech implied a rate hike before year end (Effective Fed Funds trade +/- 3.63%). Second Quarter GDP (Second Estimate) expanded by 1.5%. August Non-Farm Payroll added 162k (versus +56k expected). The three month average increased to +71k. The S&P 500 Stock Index reached new highs and trades +/-7,700. The positively sloped yield curve increased slightly. Crude Oil continues +/- \$85. Inflation stabilized above the FOMC 2% target (Core CPI 2.5% and Core PCE +/-3.3%). The uncertain world events still influence volatility.



Investment Holdings
August 31, 2026



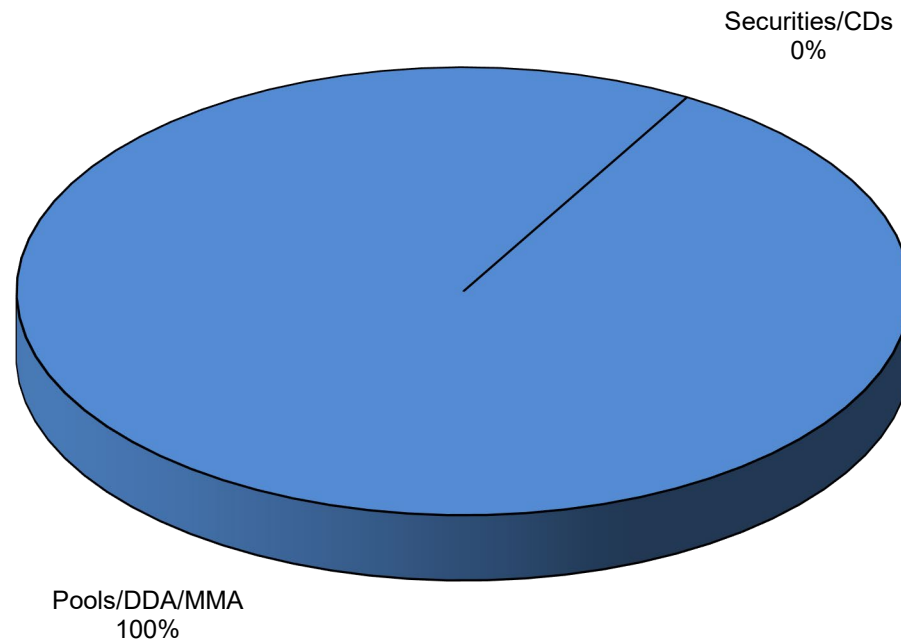
	Description	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Life (days)	Yield	
	First Financial Bank	Checking	2.00%	09/01/26	08/31/22	\$ 1,758,108	1.00	\$ 1,758,108	1.00	\$ 1,758,108	1	2.00%
	First Financial Bank	MMA	3.68%	09/01/26	08/31/22	103,230	1.00	103,230	1.00	103,230	1	3.68%
	American Nat'l Bank & Trust	MMA	3.85%	09/01/26	11/29/22	6,156,351	1.00	6,156,351	1.00	6,156,351	1	3.85%
	TexPool	LGIP	3.68%	09/01/26	08/31/22	29,783	1.00	29,783	1.00	29,783	1	3.68%
	Lone Star Corp O/N+	LGIP	3.86%	09/01/26	08/31/22	5,185,105	1.00	5,185,105	1.00	5,185,105	1	3.86%

(1) **Weighted average life** - For purposes of calculating weighted average life, Bank Deposit, Local Government Investment Pool, and Money Market Mutual Fund investments are assumed to have a one day maturity.

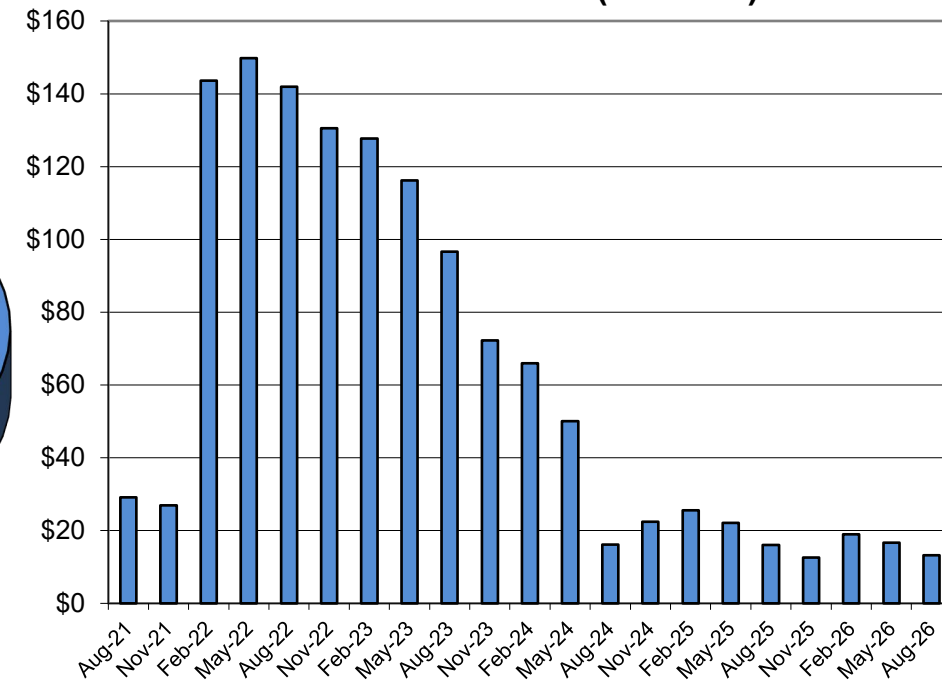
(2) **Weighted average yield to maturity** - For purposes of calculating weighted average yield to maturity, realized and unrealized gains/losses, and Investment Advisor fees are not considered.

Series 2021 Bond Proceed SLGS balances reported separately.

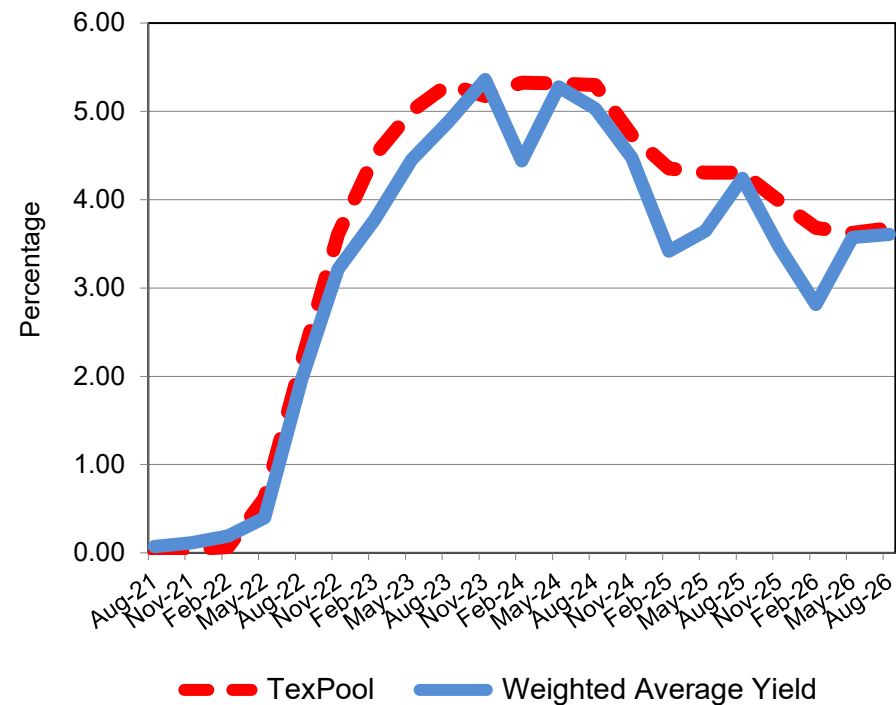
Portfolio Composition



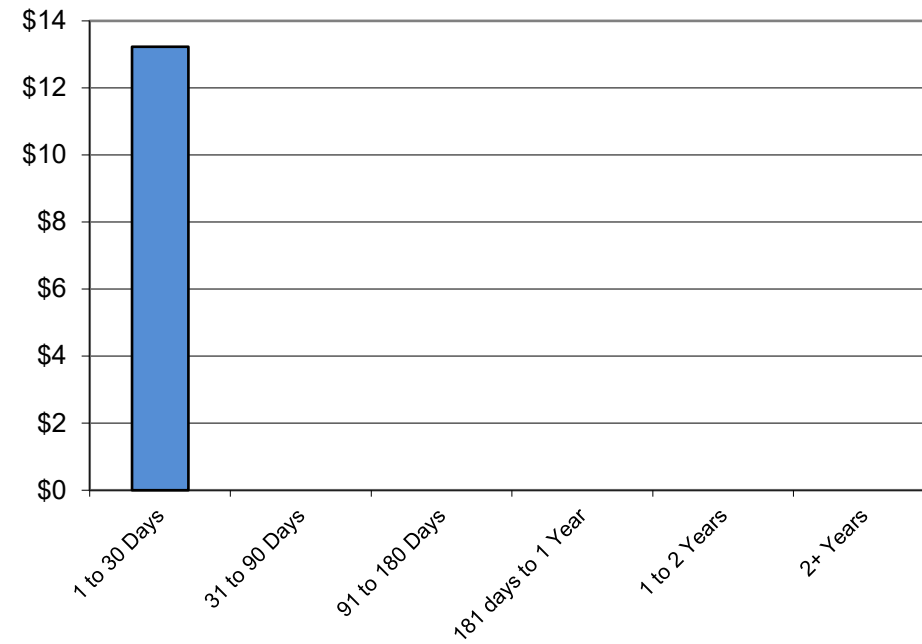
Total Portfolio (Millions)



Portfolio Performance



Distribution by Maturity Range (Millions)



Series 2021 Bond Proceed SLGS balances reported separately.

Book & Market Value Comparison



Issuer/Description	Yield	Maturity Date	Book Value 05/31/26	Increases	Decreases	Book Value 08/31/26	Market Value 05/31/26	Change in Market Value	Market Value 08/31/26
First Financial Bank	2.00%	09/01/26	\$2,162,698	\$ —	\$ (404,590)	\$ 1,758,108	\$2,162,698	\$ (404,590)	\$ 1,758,108
First Financial Bank	3.68%	09/01/26	570,724	—	(467,494)	103,230	570,724	(467,494)	103,230
American Nat'l Bank & Trust	3.85%	09/01/26	6,096,997	59,354	—	6,156,351	6,096,997	59,354	6,156,351
TexPool	3.68%	09/01/26	29,510	273	—	29,783	29,510	273	29,783
Lone Star Corp O/N+	3.86%	09/01/26	7,824,887	—	(2,639,782)	5,185,105	7,824,887	(2,639,782)	5,185,105
TOTAL / AVERAGE	3.61%		\$ 16,684,815	\$ 59,627	\$ (3,511,866)	\$ 13,232,577	\$ 16,684,815	\$ (3,452,238)	\$ 13,232,577

Series 2021 Bond Proceed SLGS balances reported separately.

**Book & Market Value Allocated by Fund
August 31, 2026**



	Description/ Maturity	Total	General Operating	Debt Service	2021 Bond Fund	2025 Bond Fund	Payroll Fund	Workers Compensation Fund
First Financial Bank	Checking	\$ 1,758,108	\$ 1,478,934	\$ 10,650	\$ —	\$ —	\$ 195,503	\$ 73,021
First Financial Bank	MMA	103,230	—	—	103,230	—	—	—
American Nat'l Bank & Trust	MMA	6,156,351	6,156,351	—	—	—	—	—
TexPool	LGIP	29,783	29,783	—	—	—	—	—
Lone Star Corp O/N+	LGIP	5,185,105	3,269,465	—	—	1,915,640	—	—
TOTALS		\$ 13,232,577	\$ 10,934,533	\$ 10,650	\$ 103,230	\$ 1,915,640	\$ 195,503	\$ 73,021

Series 2021 Bond Proceed SLGS balances reported separately.

**Book & Market Value Allocated by Fund
May 31, 2026**



	Description/ Maturity	Total	General Operating	Debt Service	2021 Bond Fund	2025 Bond Fund	Payroll Fund	Workers Compensation Fund
First Financial Bank	Checking	\$ 2,162,698	\$ 1,289,268	\$ 644,176	\$ —	\$ —	\$ 154,618	\$ 74,636
First Financial Bank	MMA	570,724	—	—	570,724	—	—	—
American Nat'l Bank & Trust	MMA	6,096,997	6,096,997	—	—	—	—	—
TexPool	LGIP	29,510	29,510	—	—	—	—	—
Lone Star Corp O/N+	LGIP	7,824,887	5,828,535	—	—	1,996,352	—	—
TOTALS		\$ 16,684,815	\$ 13,244,310	\$ 644,176	\$ 570,724	\$ 1,996,352	\$ 154,618	\$ 74,636

Series 2021 Bond Proceed SLGS balances reported separately.

Summary - 2021 Bond Fund SLGS Account

Quarter End Results by Investment Category:

Asset Type	May 31, 2026		August 31, 2026		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
UST SLGS	\$ 4,214,250	\$ 4,214,250	\$ 4,245,262	\$ 4,245,262	2.97%
Totals	\$ 4,214,250	\$ 4,214,250	\$ 4,245,262	\$ 4,245,262	2.97%

Average Quarterly Yield (1)

Total Portfolio 2.97%

Arbitrage Yield 2.03%

Average Quarter-End Yields - Fiscal YTD

Total Portfolio 2.90%

Interest Earnings (Approximate)

Quarter Interest Earnings \$31,012

Year-to-Date Interest Earnings \$137,721

(1) **Average Quarter Yield** - calculated using quarter end report yields and adjusted book values; does not reflect a total return analysis, realized or unrealized gains/losses, or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Average Quarter-End Yields** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

State and Local Government Series (SLGS) securities are special purpose securities that Treasury issues to state and local governments to assist with compliance of federal tax laws and IRS regulations governing the investment of cash proceeds generated from a tax-exempt bond issuance.

Investment Holdings - 2021 Bond Fund SLGS Account

August 31, 2026

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Life (days)	Yield
U.S. Treasury - SLGS DDA	DDA	2.97%	09/01/25	11/29/22	4,245,262	1.00	4,245,262	1.00	4,245,262	1	2.97%
TOTAL					<u>\$ 4,245,262</u>		<u>\$ 4,245,262</u>		<u>\$ 4,245,262</u>	<u>1</u>	<u>2.97%</u>

