

INVESTMENT REPORT

Frisco ISD

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January 1 to March 31, 2025



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Market Recap

Treasury yields edged lower once again in March, despite Fed officials holding the overnight rate steady for the second straight FOMC meeting. The overriding theme of the quarter was the Trump tariffs, more specifically the uncertainty fueled by the on-again/off-again series of threats aimed primarily at our neighbors to the north and south. Those threats became reality on March 3rd when a 25% tax was imposed on goods imported from Mexico and Canada, while an additional 10% tax was placed on Chinese imports, doubling the previously imposed 10%. Two days later, Trump decided that Mexican and Canadian goods falling under the USMCA agreement he himself negotiated five years ago would be exempt. The next day, a tariff on Canadian dairy products and lumber was announced, followed by a 25% tax on all steel and aluminum imported into the United States. This seemingly random pattern repeated itself throughout the month, shaking up consumer and business confidence. Trade partners quickly retaliated by levying new tariffs and increasing existing duties on U.S. goods. Perhaps more importantly, foreign countries scrambled to forge new agreements amongst themselves, reducing barriers to promote free trade.

Stocks experienced a particularly volatile month in which the S&P 500 lost nearly 6%, despite corporate profits reaching an all-time high in the prior quarter. Initial concerns over tariff-related inflation increasingly morphed into recession fears. Extreme uncertainty has likely stalled business investment and consumer spending. Very few of the economic releases in March reflected the rapidly evolving tariff situation, which makes the data less useful as a predictor of future activity, although still helpful to establish a base. Overall, employment held up well, while inflation generally moved lower and consumer spending weakened.

Nonfarm payrolls for February were roughly in line with forecasts at an acceptable +151k, while the unemployment rate ticked up from 4.0% to 4.1%, *still very near historical lows*. Both the overall CPI index and core CPI were up +0.2% in February, *a tenth below the +0.3% median forecasts*. On a year-over-year basis, headline CPI declined from +3.0% to +2.8% and the core decreased to +3.1%, which although still too high, was *a four-year low*. High

visibility grocery prices were unchanged and prices at the gas pump were slightly lower. Headline retail sales, expected to bounce back from a weak January reading, rose just +0.2% in February, well below the +0.6% median forecast, while the previously reported January sales decline was revised even lower, from -0.9% to -1.2%. Weakness was widespread as 7 of 13 spending categories were lower.

Tariff concerns were more evident in the soft data releases as survey results were mostly terrible. The Conference Board's main consumer confidence gauge for March dropped 7.2 points to 92.9, while expectations for the next six months fell nearly 10 points to 65.2, *the lowest in 12 years and consistent with an economic downturn*. Pessimism about future business conditions and employment prospects sharply increased, with inflation expectations rising to 6.2% for the next 12 months. The University of Michigan consumer sentiment survey made headlines with long-term inflation expectations reaching a three-decade high.

The Fed, as expected, held rates steady at the March FOMC meeting. The updated summary of economic projections (the first since December) showed slightly higher inflation for 2025 and slightly lower GDP growth. The new dot plot continued to indicate two rate cuts in 2025, although with less conviction than in December. Powell's belief that tariff-related inflation would be temporary suggested that policymakers could cut sooner and more aggressively if the labor market and the economy weakened, even if inflation moved higher. . . as long as it was the tariffs that drove those price increases.


Although near-term recession is still unlikely, the Atlanta Fed's GDPNow measure for Q1 was -3.7% as of April 1st. In all likelihood, this will climb as the March economic numbers are tallied, but there's no denying the abrupt and seemingly severe Q1 slowdown. With few positive catalysts expected in the second quarter, especially if the global trade war worsens, the financial markets will continue bracing for weakness and lower rates.

Investment Officers' Certification

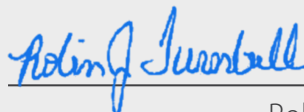
This report is prepared for the Frisco ISD (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written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



Kimberly Smith
CFO



04/08/2025

Robin J. Turnbull
Director of Accounting

Portfolio Overview

Portfolio Summary

	Prior 31 Dec-24	Current 31 Mar-25
Par Value	667,450,184.32	814,126,730.02
Original Cost	666,139,892.72	811,324,994.62
Book Value	667,015,052.37	812,433,670.19
Market Value	667,059,158.72	812,435,917.52
Accrued Interest	0.00	0.00
Book Value Plus Accrued	667,015,052.37	812,433,670.19
Market Value Plus Accrued	667,059,158.72	812,435,917.52
Net Unrealized Gain/(Loss)	44,106.35	2,247.33

Income Summary

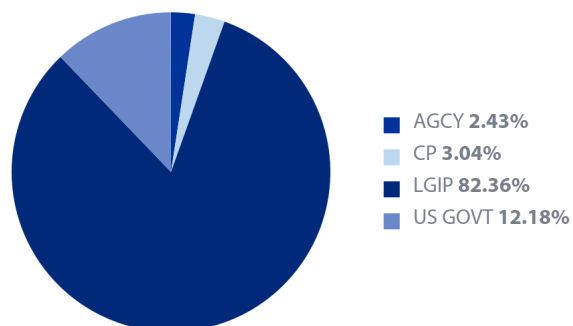
Current Period	1 Jan-25 to 31 Mar-25
Interest Income	7,144,172.53
Net Amortization/Accretion	1,543,807.51
Realized Gain/(Loss)	0.00
Net Income	8,687,980.05

Fiscal Year-to-Date	1 Jul-24 to 31 Mar-25
Net Income	21,051,847.68

Portfolio Characteristics

	Prior 31 Dec-24	Current 31 Mar-25
Yield to Maturity	4.566%	4.334%
Yield to Worst	4.566%	4.334%
Days to Final Maturity	6	19
Days to Effective Maturity	6	19
Duration	0.15	0.27

Asset Allocation

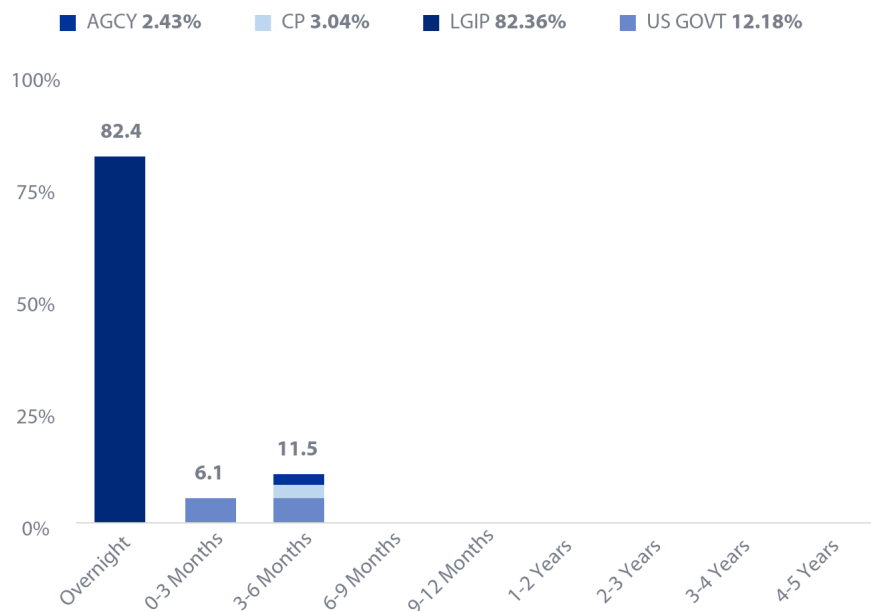


Transaction Summary

Transaction Type	Quantity	Principal	Interest	Total Amount	Realized Gain/Loss
Buy	145,000,000.00	(142,198,264.60)	0.00	(142,198,264.60)	0.00
Maturity	(65,000,000.00)	65,000,000.00	0.00	65,000,000.00	0.00

Portfolio Overview

Maturity Distribution by Security Type



Top Ten Holdings

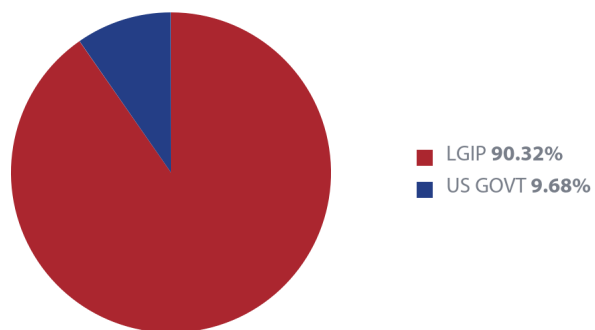
Issuer	Allocation
LONESTRGOV	79.50%
United States Department of The Treasury	12.18%
Toyota Motor Credit Corporation	3.04%
TXDLY	2.86%
Federal Home Loan Banks	2.43%

Maturity Distribution by Security Type

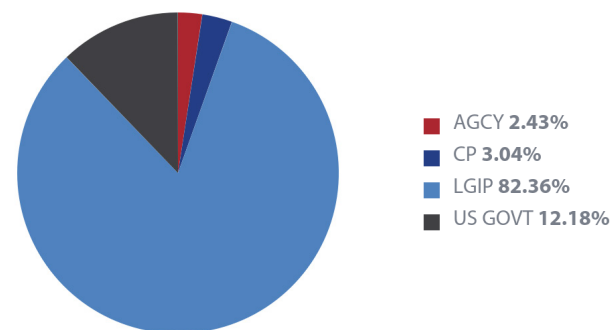
Security Type	Overnight	0-3 Months	3-6 Months	6-9 Months	9-12 Months	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Portfolio Total
AGCY	--	--	19,703,923.49	--	--	--	--	--	--	19,703,923.49
CP	--	--	24,680,625.01	--	--	--	--	--	--	24,680,625.01
LGIP	669,126,730.02	--	--	--	--	--	--	--	--	669,126,730.02
US GOVT	--	49,689,127.78	49,233,263.89	--	--	--	--	--	--	98,922,391.67
Total	669,126,730.02	49,689,127.78	93,617,812.39	--	--	--	--	--	--	812,433,670.19

Asset Allocation

Asset Allocation by Security Type as of
31-Dec-2024



Asset Allocation by Security Type as of
31-Mar-2025



Book Value Basis Security Distribution

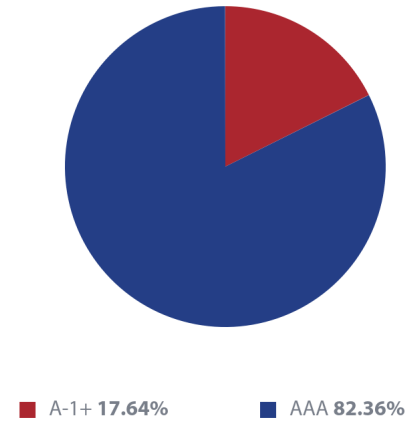
Security Type	Prior Balance 31-Dec-24	Prior Allocation 31-Dec-24	Change in Allocation	Current Balance 31-Mar-25	Current Allocation 31-Mar-25	Yield to Maturity
AGCY	0.00	0.00%	2.43%	19,703,923.49	2.43%	4.294%
CP	0.00	0.00%	3.04%	24,680,625.01	3.04%	4.478%
LGIP	602,450,184.32	90.32%	(7.96%)	669,126,730.02	82.36%	4.331%
US GOVT	64,564,868.05	9.68%	2.50%	98,922,391.67	12.18%	4.330%
Portfolio Total	667,015,052.37	100.00%		812,433,670.19	100.00%	4.334%

Credit Rating Summary

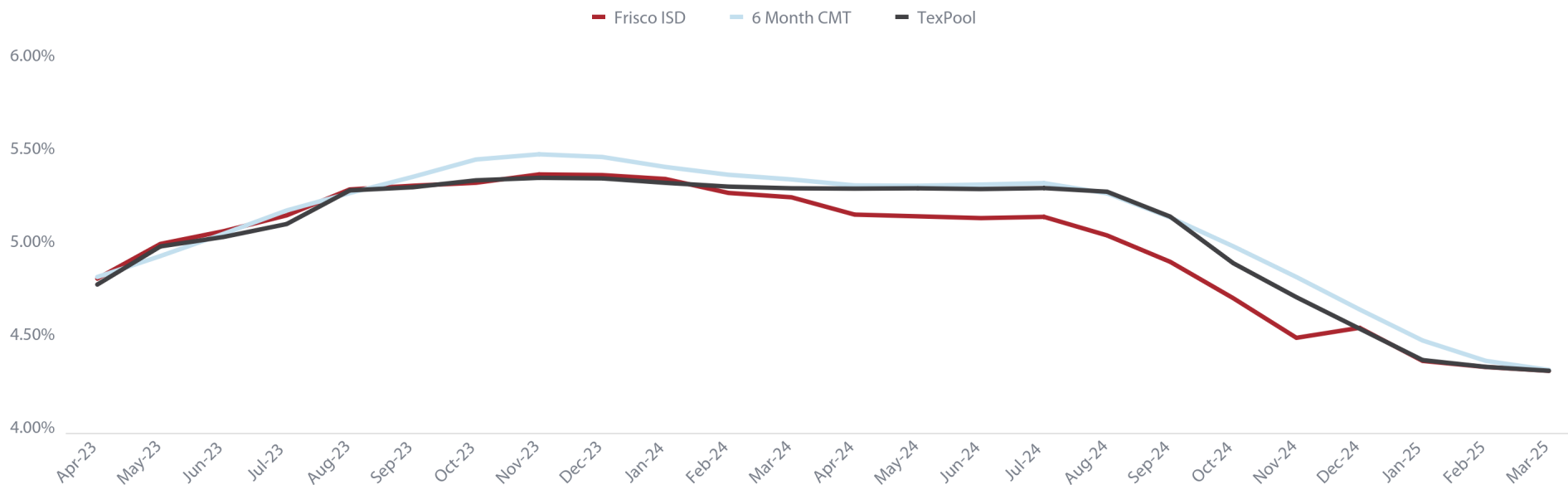
Rating Distribution

	Book Value	Portfolio Allocation
Local Government Investment Pools & Money Market Funds		
AAA	669,126,730.02	82.36%
Total Local Government Investment Pools & Money Market Funds	669,126,730.02	82.36%
Short Term Rating Distribution		
A-1+	143,306,940.17	17.64%
Total Short Term Rating Distribution	143,306,940.17	17.64%
Portfolio Total	812,433,670.19	100.00%

Allocation by Rating



Benchmark Comparison



Yield Overview

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Frisco ISD	4.83	5.02	5.09	5.17	5.31	5.33	5.35	5.39	5.39	5.37	5.29	5.27	5.17	5.17	5.16	5.16	5.06	4.92	4.73	4.51	4.57	4.39	4.36	4.33
6 Month CMT	4.84	4.95	5.07	5.20	5.29	5.38	5.47	5.50	5.48	5.43	5.39	5.36	5.33	5.33	5.34	5.34	5.29	5.16	5.00	4.84	4.66	4.50	4.39	4.34
TexPool	4.80	5.00	5.05	5.12	5.30	5.32	5.36	5.37	5.37	5.35	5.33	5.32	5.31	5.32	5.31	5.32	5.30	5.16	4.91	4.73	4.56	4.39	4.36	4.33

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
Capital Projects Fund	200,069,590.76	200,098,118.61	(6,839,121.11)	193,258,997.50	193,258,997.50	2,114,805.90	1	4.330%	4.330%
Child Nutrition	10,771,809.81	10,771,809.81	(755,170.79)	10,016,639.02	10,016,639.02	104,076.22	1	4.330%	4.330%
Debt Service Fund	132,375,018.42	132,390,596.92	(7,456,142.65)	124,933,177.76	124,934,454.27	1,651,467.81	21	4.324%	4.324%
General Fund	323,798,633.38	323,798,633.38	160,427,193.35	484,224,855.91	484,225,826.73	4,817,630.12	25	4.339%	4.339%
Total	667,015,052.37	667,059,158.72	145,376,758.80	812,433,670.19	812,435,917.52	8,687,980.05	19	4.334%	4.334%

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
Capital Projects Fund																		
LNSTGOV		LGIP	LoneStar Gov O/N		03/31/25			193,258,997.50	100.000	193,258,997.50	193,258,997.50	100.000	193,258,997.50	1		4.330	4.330	AAA
Total Capital Projects Fund								193,258,997.50		193,258,997.50	193,258,997.50		193,258,997.50	1		4.330	4.330	
Child Nutrition																		
LNSTGOV		LGIP	LoneStar Gov O/N		03/31/25			10,016,639.02	100.000	10,016,639.02	10,016,639.02	100.000	10,016,639.02	1		4.330	4.330	AAA
Total Child Nutrition								10,016,639.02		10,016,639.02	10,016,639.02		10,016,639.02	1		4.330	4.330	
Debt Service Fund																		
LNSTGOV		LGIP	LoneStar Gov O/N		03/31/25			105,229,254.27	100.000	105,229,254.27	105,229,254.27	100.000	105,229,254.27	1		4.330	4.330	AAA
313385KC9	01/14/25	AGCY	FEDERAL HOME LOAN BANKS	0.000	08/07/25			20,000,000.00	97.640	19,527,930.56	19,703,923.49	98.526	19,705,200.00	129		4.294	4.294	A-1+
Total Debt Service Fund								125,229,254.27		124,757,184.83	124,933,177.76		124,934,454.27	21		4.324	4.324	
General Fund																		
LNSTGOV		LGIP	LoneStar Gov O/N		03/31/25			337,352,741.32	100.000	337,352,741.32	337,352,741.32	100.000	337,352,741.32	1		4.330	4.330	AAA
TXDAILY		LGIP	TexasDAILY		03/31/25			23,269,097.91	100.000	23,269,097.91	23,269,097.91	100.000	23,269,097.91	1		4.350	4.350	AAA
912797PC5	01/14/25	US GOVT	U.S. Treasury Bill	0.000	05/06/25			25,000,000.00	98.688	24,672,088.89	24,897,527.78	99.588	24,897,066.00	36		4.331	4.331	A-1+
912797LN5	01/14/25	US GOVT	U.S. Treasury Bill	0.000	06/12/25			25,000,000.00	98.275	24,568,727.78	24,791,600.00	99.161	24,790,250.00	73		4.300	4.300	A-1+
89233GUF1	01/17/25	CP	Toyota Motor Credit Corp	0.000	07/15/25			25,000,000.00	97.822	24,455,541.67	24,680,625.01	98.706	24,676,425.00	106		4.478	4.478	A-1+
912797MG9	02/11/25	US GOVT	U.S. Treasury Bill	0.000	08/07/25			25,000,000.00	97.947	24,486,822.92	24,628,888.89	98.519	24,629,777.75	129		4.322	4.322	A-1+
912797PN1	02/20/25	US GOVT	U.S. Treasury Bill	0.000	08/14/25			25,000,000.00	97.949	24,487,152.78	24,604,375.00	98.442	24,610,468.75	136		4.368	4.368	A-1+
Total General Fund								485,621,839.23		483,292,173.27	484,224,855.91		484,225,826.73	25		4.339	4.339	
Grand Total								814,126,730.02		811,324,994.62	812,433,670.19		812,435,917.52	19		4.334	4.334	

Earned Income

CUSIP	Security Type	Security Description	Beginning Accrued	Interest Earned	Interest Rec'd/ Sold/Matured	Interest Purchased	Ending Accrued	Disc Accr/Prem Amort	Net Realized Gain/Loss	Net Income
Capital Projects Fund										
912797KA4	US GOVT	U.S. Treasury Bill	0.00	0.00	0.00	0.00	0.00	131,263.90	0.00	131,263.90
912797NR4	US GOVT	U.S. Treasury Bill	0.00	0.00	0.00	0.00	0.00	185,355.55	0.00	185,355.55
LNSTGOV	LGIP	LoneStar Gov O/N	0.00	1,798,186.45	1,798,186.45	0.00	0.00	0.00	0.00	1,798,186.45
Total Capital Projects Fund			0.00	1,798,186.45	1,798,186.45	0.00	0.00	316,619.45	0.00	2,114,805.90
Child Nutrition										
LNSTGOV	LGIP	LoneStar Gov O/N	0.00	104,076.22	104,076.22	0.00	0.00	0.00	0.00	104,076.22
Total Child Nutrition			0.00	104,076.22	104,076.22	0.00	0.00	0.00	0.00	104,076.22
Debt Service Fund										
912797MJ3	US GOVT	U.S. Treasury Bill	0.00	0.00	0.00	0.00	0.00	118,512.49	0.00	118,512.49
LNSTGOV	LGIP	LoneStar Gov O/N	0.00	1,356,962.37	1,356,962.37	0.00	0.00	0.00	0.00	1,356,962.37
313385KC9	AGCY	FEDERAL HOME LOAN BANKS	0.00	0.00	0.00	0.00	0.00	175,992.93	0.00	175,992.93
Total Debt Service Fund			0.00	1,356,962.37	1,356,962.37	0.00	0.00	294,505.42	0.00	1,651,467.79
General Fund										
LNSTGOV	LGIP	LoneStar Gov O/N	0.00	3,635,552.57	3,635,552.57	0.00	0.00	0.00	0.00	3,635,552.57
TXDAILY	LGIP	TexasDAILY	0.00	249,394.92	249,394.92	0.00	0.00	0.00	0.00	249,394.92
912797PC5	US GOVT	U.S. Treasury Bill	0.00	0.00	0.00	0.00	0.00	225,438.89	0.00	225,438.89
912797LN5	US GOVT	U.S. Treasury Bill	0.00	0.00	0.00	0.00	0.00	222,872.22	0.00	222,872.22
89233GUF1	CP	Toyota Motor Credit Corp	0.00	0.00	0.00	0.00	0.00	225,083.34	0.00	225,083.34
912797MG9	US GOVT	U.S. Treasury Bill	0.00	0.00	0.00	0.00	0.00	142,065.97	0.00	142,065.97
912797PN1	US GOVT	U.S. Treasury Bill	0.00	0.00	0.00	0.00	0.00	117,222.22	0.00	117,222.22
Total General Fund			0.00	3,884,947.49	3,884,947.49	0.00	0.00	932,682.64	0.00	4,817,630.13
Grand Total			0.00	7,144,172.53	7,144,172.53	0.00	0.00	1,543,807.51	0.00	8,687,980.04

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
Capital Projects Fund															
Maturity															
912797KA4	02/20/25	02/20/25	US GOVT	U.S. Treasury Bill	0.000	02/20/25		(20,000,000.00)	100.000	20,000,000.00	0.00	20,000,000.00	0.00	--	--
912797NR4	03/18/25	03/18/25	US GOVT	U.S. Treasury Bill	0.000	03/18/25		(20,000,000.00)	100.000	20,000,000.00	0.00	20,000,000.00	0.00	--	--
Total Maturity								(40,000,000.00)		40,000,000.00	0.00	40,000,000.00	0.00		
Debt Service Fund															
Buy															
313385KC9	01/13/25	01/14/25	AGCY	FEDERAL HOME LOAN BANKS	0.000	08/07/25		20,000,000.00	97.640	19,527,930.56	0.00	19,527,930.56	0.00	4.294	4.294
Total Buy								20,000,000.00		19,527,930.56	0.00	19,527,930.56	0.00		
Maturity															
912797MJ3	02/06/25	02/06/25	US GOVT	U.S. Treasury Bill	0.000	02/06/25		(25,000,000.00)	100.000	25,000,000.00	0.00	25,000,000.00	0.00	--	--
Total Maturity								(25,000,000.00)		25,000,000.00	0.00	25,000,000.00	0.00		
General Fund															
Buy															
912797LN5	01/13/25	01/14/25	US GOVT	U.S. Treasury Bill	0.000	06/12/25		25,000,000.00	98.275	24,568,727.78	0.00	24,568,727.78	0.00	4.300	4.300
912797PC5	01/13/25	01/14/25	US GOVT	U.S. Treasury Bill	0.000	05/06/25		25,000,000.00	98.688	24,672,088.89	0.00	24,672,088.89	0.00	4.331	4.331
89233GUF1	01/16/25	01/17/25	CP	Toyota Motor Credit Corp	0.000	07/15/25		25,000,000.00	97.822	24,455,541.67	0.00	24,455,541.67	0.00	4.478	4.478
912797MG9	02/10/25	02/11/25	US GOVT	U.S. Treasury Bill	0.000	08/07/25		25,000,000.00	97.947	24,486,822.92	0.00	24,486,822.92	0.00	4.322	4.322
912797PN1	02/19/25	02/20/25	US GOVT	U.S. Treasury Bill	0.000	08/14/25		25,000,000.00	97.949	24,487,152.78	0.00	24,487,152.78	0.00	4.368	4.368
Total Buy								125,000,000.00		122,670,334.04	0.00	122,670,334.04	0.00		

Investment Transactions Totals

Transaction Type	Quantity	Principal Amount	Interest	Total Amount	Realized G/L	YTM	YTW
Total Buy	145,000,000.00	(142,198,264.60)	0.00	(142,198,264.60)	0.00	4.351	4.351
Total Maturity	(65,000,000.00)	65,000,000.00	0.00	65,000,000.00	0.00	4.794	4.794

Amortization and Accretion

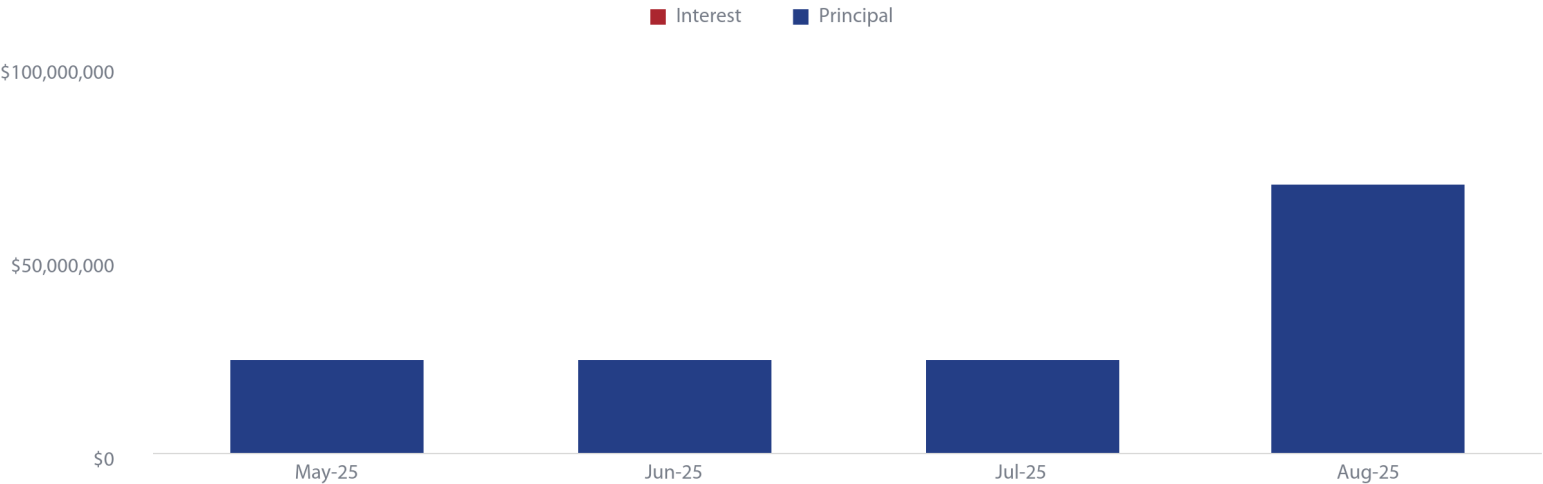
CUSIP	Settle Date	Security Type	Security Description	Purchase Qty	Orig Price	Original Cost	Amort/Accr for Period	Total Amort/Accr Since Purch	Remaining Disc/Premium	Ending Book Value
Capital Projects Fund										
912797KA4	08/23/24	US GOVT	U.S. Treasury Bill	0.00	0.000	0.00	131,263.90	0.00	0.00	0.00
912797NR4	11/21/24	US GOVT	U.S. Treasury Bill	0.00	0.000	0.00	185,355.55	0.00	0.00	0.00
Total Capital Projects Fund				0.00		0.00	316,619.45	0.00	0.00	0.00
Debt Service Fund										
912797MJ3	08/23/24	US GOVT	U.S. Treasury Bill	0.00	0.000	0.00	118,512.49	0.00	0.00	0.00
313385KC9	01/14/25	AGCY	FEDERAL HOME LOAN BANKS	20,000,000.00	97.640	19,527,930.56	175,992.93	175,992.94	(296,076.51)	19,703,923.49
Total Debt Service Fund				20,000,000.00		19,527,930.56	294,505.42	175,992.94	(296,076.51)	19,703,923.49
General Fund										
912797PC5	01/14/25	US GOVT	U.S. Treasury Bill	25,000,000.00	98.688	24,672,088.89	225,438.89	225,438.89	(102,472.22)	24,897,527.78
912797LN5	01/14/25	US GOVT	U.S. Treasury Bill	25,000,000.00	98.275	24,568,727.78	222,872.22	222,872.22	(208,400.00)	24,791,600.00
89233GUF1	01/17/25	CP	Toyota Motor Credit Corp	25,000,000.00	97.822	24,455,541.67	225,083.34	225,083.34	(319,374.99)	24,680,625.01
912797MG9	02/11/25	US GOVT	U.S. Treasury Bill	25,000,000.00	97.947	24,486,822.92	142,065.97	142,065.97	(371,111.11)	24,628,888.89
912797PN1	02/20/25	US GOVT	U.S. Treasury Bill	25,000,000.00	97.949	24,487,152.78	117,222.22	117,222.22	(395,625.00)	24,604,375.00
Total General Fund				125,000,000.00		122,670,334.04	932,682.64	932,682.64	(1,396,983.32)	123,603,016.68
Grand Total				145,000,000.00		142,198,264.60	1,543,807.51	1,108,675.58	(1,693,059.83)	143,306,940.17

Projected Cash Flows

CUSIP	Security Description	Post Date	Interest	Principal	Total Amount
Debt Service Fund					
313385KC9	FEDERAL HOME LOAN BANKS	08/07/25		20,000,000.00	20,000,000.00
General Fund					
912797PC5	U.S. Treasury Bill	05/06/25		25,000,000.00	25,000,000.00
912797LN5	U.S. Treasury Bill	06/12/25		25,000,000.00	25,000,000.00
89233GUF1	Toyota Motor Credit Corp	07/15/25		25,000,000.00	25,000,000.00
912797MG9	U.S. Treasury Bill	08/07/25		25,000,000.00	25,000,000.00
912797PN1	U.S. Treasury Bill	08/14/25		25,000,000.00	25,000,000.00
Grand Total				145,000,000.00	145,000,000.00

Projected Cash Flows Totals

Month and Year	Interest	Principal	Total Amount
May 2025		25,000,000.00	25,000,000.00
June 2025		25,000,000.00	25,000,000.00
July 2025		25,000,000.00	25,000,000.00
August 2025		70,000,000.00	70,000,000.00
Total		145,000,000.00	145,000,000.00



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