

Board Information Item

	Information Packet	Board Agenda Information	Board Agenda Action	Board Agenda Consent
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
				10/28/2024
Subject:	Approve Quarterly Investment Report			
Contact Person:	Derick Sibley, Chief Financial Officer			
Policy/Code:	Public Funds Investment Act and Chapter 2256 of Government Code			
Priority and Performance Objective:	Priority 4: Strong Financial Stewardship and Internal System Efficiency Objective 4.1: Transparent Financial Stewardship			
Summary:	<p>The Public Funds Investment Act (PFIA), Chapter 2256 of the Government Code, requires the District to report, on at least a quarterly basis, information regarding the District’s investment portfolio. Board Policy CDA(LOCAL) requires that the Investment Officer prepare quarterly investment reports that present the book and market values of all investments held by the District and certify that the portfolio complies with District policy. To comply with PFIA, the District’s local policy must emphasize the safety of principal and liquidity, and address investment diversification, yield, maturity and the quality and capability of investment management.</p> <p>First Southwest Asset Management provides investment advisory services to the District in order to assist with investment diversification.</p> <p>The District is presenting the Quarterly Investment Report for the second quarter, ending September 30, 2024.</p>			
Attachment:	Quarterly Investment Report for quarter ending September 30, 2024			
Recommendation:	The recommendation is for the Board of Trustees to accept the Quarterly Investment Report ending September 30, 2024.			

INVESTMENT REPORT

Grapevine-Colleyville ISD

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July 1 to September 30, 2024



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Market Recap

Bond yields fell for the fifth straight month in September with the two-year Treasury note ending the quarter at its lowest point since September 2022. Continued progress on the Fed's inflation mandate has allowed committee members to shift their attention away from prices to the quickly softening labor market.

Job openings for July slipped to a 3½ year low of roughly 7.7 million, down from over 12 million in March 2022. At the high point, the ratio of available jobs to job seekers was roughly 2 to 1; suddenly, it's 1.1 to 1. At this pace, it's not hard to imagine a shortage of jobs in the near future. The August employment report added to the concern with softer-than-expected job gains. Non-farm payrolls rose by +142k, slightly below forecast, while downward revisions to prior periods subtracted 86k. This combined to drag the three-month average down to +116k, less than half of the 2023 average monthly pace. However, the unemployment rate actually decreased from 4.3% to 4.2%, and hourly earnings came in a little warmer than expected, making for a mixed report.

On the inflation side, the overall consumer price index (CPI) rose +0.2% for the second straight month, matching the median forecast as lower energy prices pulled the headline down. Overall food prices were up by just +0.1%, with the price of groceries unchanged. When food and energy are excluded, core CPI was up +0.3%, above both the +0.2% median forecast and the +0.2% July gain. Shelter costs were the unfortunate outlier in August with a +0.5% increase, contributing roughly 70% of the core rise. On an annual basis, overall CPI held steady at +2.5%, *the lowest since February 2021* while core CPI was unchanged at +3.2%. The so-called "super-core rate," which strips out food, energy, and housing, took an unexpected step forward, increasing by +0.33% in August after a +0.21% rise in July. Like the employment report, CPI was mixed. The inflation rate is well below its peak, but it's still above the Fed's target and it remains unclear that the recent downtrend will continue unabated.

As the September 18th FOMC meeting approached, Fed officials had yet to make their policy intentions clear. There was no doubt that the committee would announce its first

policy move in 14 months and the first rate cut since March 2020, but whether it would be 25 or 50 basis points was essentially a coin flip. Arguments against the larger cut included appearing to favor the incumbent party just seven weeks before the election and conveying the idea that deteriorating economic conditions required a stronger response. In what felt like a surprise (only because Fed officials had not telegraphed it sooner) the committee announced a 50 bp reduction with a new overnight target range of 4.75% to 5.00%. In the press conference that followed, Chairman Powell managed to soothe concerns over a weakening economy while citing progress on inflation.

The first "dot plot" since June showed a 2024 yearend overnight target of 4.25% to 4.50%, implying quarter point cuts at each of the two remaining meetings this year. Committee member forecasts indicate reductions of another 100 bps in both 2025 and 2026 with a neutral rate of 2.875%.

The yield curve is indicating a more aggressive path with 75 basis points priced-in over the remainder of 2024 and another 125 basis points next year. Whether the Fed's dot plot, the futures market or some other rate path prevails will be determined entirely by upcoming data. If the economy proves resilient, job growth should pick up, giving the Fed pause, but if the economy weakens significantly, rate cuts could be fronted-loaded, driving yields still lower in the coming months. Adding to an already muddled economic picture is the upcoming presidential election, which promises anything but clarity.

Investment Officers' Certification

This report is prepared for the Grapevine-Colleyville 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

Derick Sibley
Chief Financial Officer

Portfolio Overview

Portfolio Summary

	Prior 30 Jun-24	Current 30 Sep-24
Par Value	193,727,752.27	85,524,461.78
Original Cost	193,727,752.27	85,524,461.78
Book Value	193,727,752.27	85,524,461.78
Market Value	193,727,752.27	85,524,461.78
Accrued Interest	0.00	0.00
Book Value Plus Accrued	193,727,752.27	85,524,461.78
Market Value Plus Accrued	193,727,752.27	85,524,461.78
Net Unrealized Gain/(Loss)	0.00	0.00

Income Summary

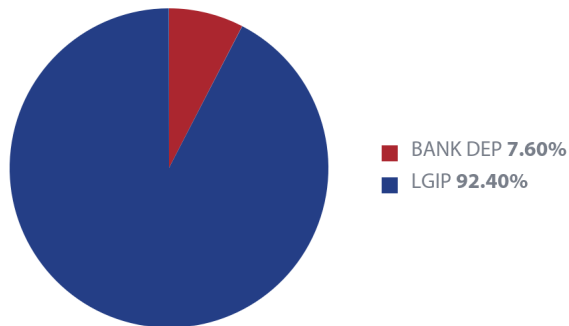
Current Period	1 Jul-24 to 30 Sep-24
Interest Income	1,650,940.49
Net Amortization/Accretion	
Realized Gain/(Loss)	0.00
Net Income	1,650,940.49

Fiscal Year-to-Date	1 Jul-24 to 30 Sep-24
Net Income	1,650,940.49

Portfolio Characteristics

	Prior 30 Jun-24	Current 30 Sep-24
Yield to Maturity	5.035%	4.788%
Yield to Worst	5.035%	4.788%
Days to Final Maturity	1	1
Days to Effective Maturity	1	1
Duration	0.00	--

Asset Allocation

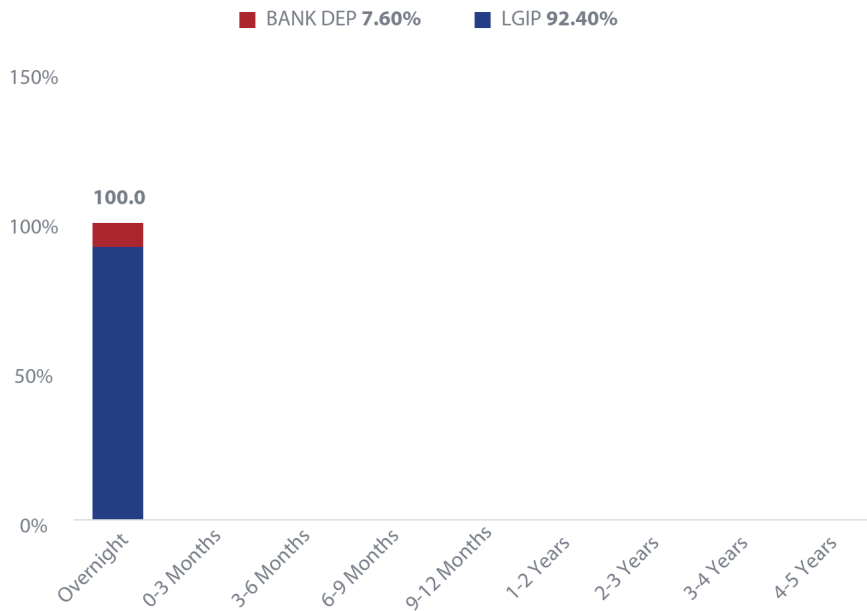


Transaction Summary

Transaction Type	Quantity	Principal	Interest	Total Amount	Realized Gain/Loss
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Portfolio Overview

Maturity Distribution by Security Type



Top Ten Holdings

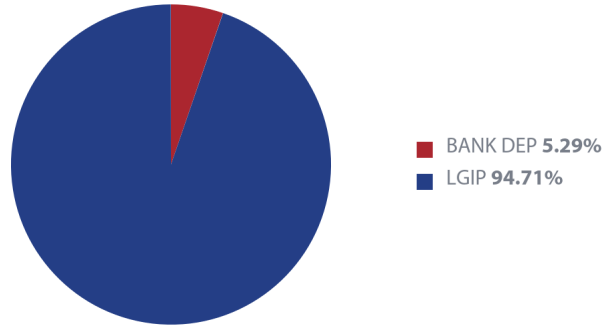
Issuer	Allocation
TXDLY	56.57%
TEXPOOL	34.91%
PROSP BANK	7.56%
TEXSTAR	0.91%
WF	0.05%

Maturity Distribution by Security Type

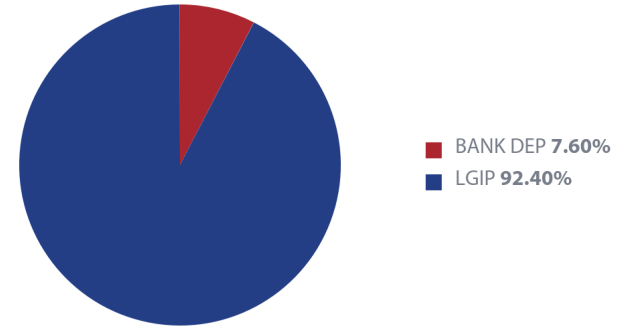
Security Type	Overnight	0-3 Months	3-6 Months	6-9 Months	9-12 Months	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Portfolio Total
BANK DEP	6,501,920.69	--	--	--	--	--	--	--	--	6,501,920.69
LGIP	79,022,541.09	--	--	--	--	--	--	--	--	79,022,541.09
Total	85,524,461.78	--	--	--	--	--	--	--	--	85,524,461.78

Asset Allocation

Asset Allocation by Security Type as of 30-Jun-2024



Asset Allocation by Security Type as of 30-Sep-2024



Book Value Basis Security Distribution

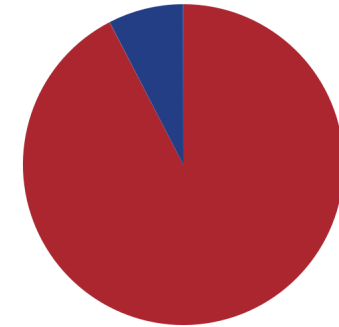
Security Type	Prior Balance 30-Jun-24	Prior Allocation 30-Jun-24	Change in Allocation	Current Balance 30-Sep-24	Current Allocation 30-Sep-24	Yield to Maturity
BANK DEP	10,242,579.02	5.29%	2.32%	6,501,920.69	7.60%	0.248%
LGIP	183,485,173.25	94.71%	(2.32%)	79,022,541.09	92.40%	5.161%
Portfolio Total	193,727,752.27	100.00%		85,524,461.78	100.00%	4.788%

Credit Rating Summary

Rating Distribution

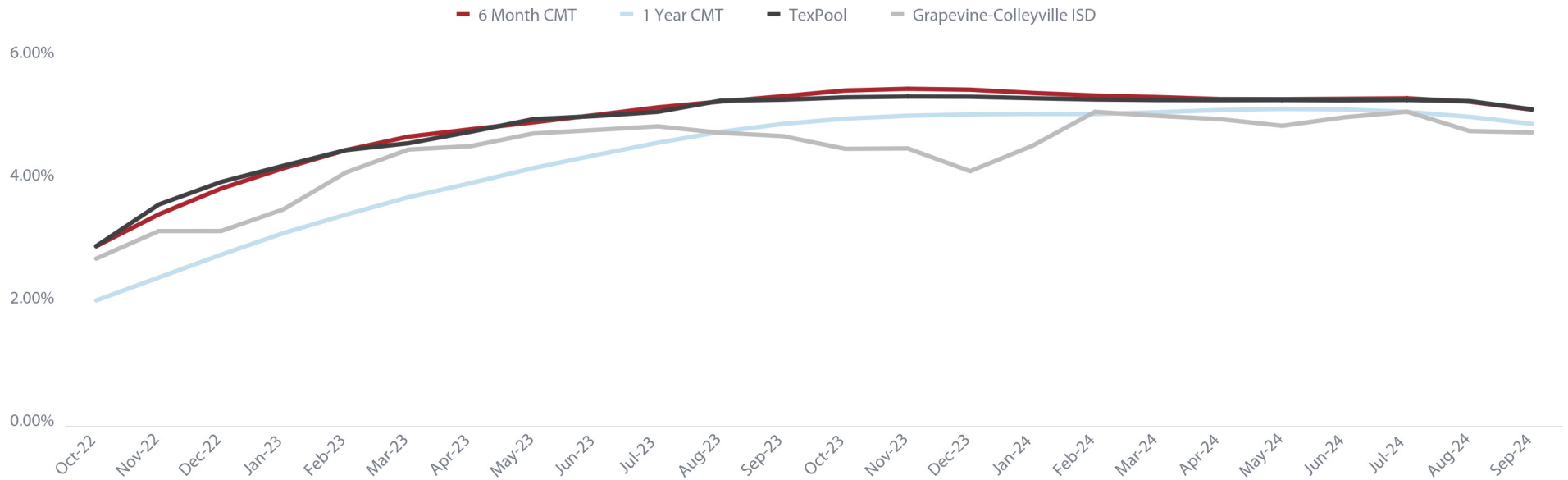
	Book Value	Portfolio Allocation
Secured Deposits (Insured or Collateralized)		
Demand Deposits	6,501,920.69	7.60%
Total Secured Deposits	6,501,920.69	7.60%
Local Government Investment Pools & Money Market Funds		
AAA	79,022,541.09	92.40%
Total Local Government Investment Pools & Money Market Funds	79,022,541.09	92.40%
Portfolio Total	85,524,461.78	100.00%

Allocation by Rating



■ AAA 92.40% ■ SD 7.60%

Benchmark Comparison



Yield Overview

	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	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
Grapevine-Colleyville ISD	2.73	3.18	3.18	3.53	4.14	4.51	4.56	4.77	4.83	4.89	4.78	4.73	4.52	4.53	4.16	4.57	5.12	5.06	5.00	4.90	5.04	5.13	4.81	4.79
6 Month CMT	2.93	3.45	3.87	4.20	4.50	4.72	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
1 Year CMT	2.05	2.42	2.79	3.15	3.45	3.73	3.96	4.21	4.42	4.62	4.80	4.93	5.01	5.06	5.08	5.09	5.09	5.12	5.15	5.17	5.16	5.12	5.04	4.93
TexPool	2.93	3.61	3.98	4.24	4.50	4.61	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

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
2016 Bond Issue Fund	32,928,806.16	32,928,806.16	(7,207,015.61)	25,721,790.55	25,721,790.55	355,327.00	1	5.160%	5.160%
Administration Land Sale	466,945.69	466,945.69	6,218.93	473,164.62	473,164.62	6,218.93	1	5.164%	5.164%
Child Nutrition Fund	1,607,665.40	1,607,665.40	815,182.17	2,422,847.57	2,422,847.57	17,592.59	1	2.914%	2.914%
Debt Service Fund	66,986,282.42	66,986,282.42	(34,275,646.61)	32,710,635.81	32,710,635.81	649,476.93	1	5.124%	5.124%
General Fund	89,880,120.88	89,880,120.88	(67,570,629.31)	22,309,491.57	22,309,491.57	598,059.96	1	4.038%	4.038%
Scholarship Fund	231,780.67	231,780.67	3,086.93	234,867.60	234,867.60	3,086.93	1	5.164%	5.164%
Workers Comp Fund	1,626,151.05	1,626,151.05	25,513.01	1,651,664.06	1,651,664.06	21,178.15	1	5.038%	5.038%
Total	193,727,752.27	193,727,752.27	(108,203,290.49)	85,524,461.78	85,524,461.78	1,650,940.49	1	4.788%	4.788%

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	
2016 Bond Issue Fund																			
TXDAILY3		LGIP	TexasDAILY-2016 Bonds B		09/30/24			25,721,790.55	100.000	25,721,790.55	25,721,790.55	100.000	25,721,790.55	1		5.160	5.160	AAA	
Total 2016 Bond Issue Fund								25,721,790.55	25,721,790.55	25,721,790.55	25,721,790.55	1	5.160	5.160					
Administration Land Sale																			
TEXPOOL		LGIP	TexPool		09/30/24			473,164.62	100.000	473,164.62	473,164.62	100.000	473,164.62	1		5.164	5.164	AAA	
Total Administration Land Sale								473,164.62	473,164.62	473,164.62	473,164.62	1	5.164	5.164					
Child Nutrition Fund																			
PROSBKGC		BANK DEP	Prosperity Bk		09/30/24			927,978.32	100.000	927,978.32	927,978.32	100.000	927,978.32	1		0.250	0.250	SD	
PROSBKGCE		BANK DEP	Prosperity Bk Enterprise		09/30/24			179,357.91	100.000	179,357.91	179,357.91	100.000	179,357.91	1		0.250	0.250	SD	
TEXPOOL		LGIP	TexPool		09/30/24			461,923.54	100.000	461,923.54	461,923.54	100.000	461,923.54	1		5.164	5.164	AAA	
TEXSTAR		LGIP	TexSTAR		09/30/24			203,838.06	100.000	203,838.06	203,838.06	100.000	203,838.06	1		5.132	5.132	AAA	
TXDAILY		LGIP	TexasDAILY		09/30/24			649,749.74	100.000	649,749.74	649,749.74	100.000	649,749.74	1		5.160	5.160	AAA	
Total Child Nutrition Fund								2,422,847.57	2,422,847.57	2,422,847.57	2,422,847.57	1	2.914	2.914					
Debt Service Fund																			
PROSBKGC		BANK DEP	Prosperity Bk		09/30/24			257,238.75	100.000	257,238.75	257,238.75	100.000	257,238.75	1		0.250	0.250	SD	
TEXPOOL		LGIP	TexPool		09/30/24			26,252,800.89	100.000	26,252,800.89	26,252,800.89	100.000	26,252,800.89	1		5.164	5.164	AAA	
TEXSTAR		LGIP	TexSTAR		09/30/24			4,590.69	100.000	4,590.69	4,590.69	100.000	4,590.69	1		5.132	5.132	AAA	
TXDAILY		LGIP	TexasDAILY		09/30/24			6,196,005.48	100.000	6,196,005.48	6,196,005.48	100.000	6,196,005.48	1		5.160	5.160	AAA	
Total Debt Service Fund								32,710,635.81	32,710,635.81	32,710,635.81	32,710,635.81	1	5.124	5.124					
General Fund																			
PROSBKGC		BANK DEP	Prosperity Bk		09/30/24			4,064,543.79	100.000	4,064,543.79	4,064,543.79	100.000	4,064,543.79	1		0.250	0.250	SD	
PROSBKGCT		BANK DEP	Prosperity Bk - Tax		09/30/24			1,032,470.08	100.000	1,032,470.08	1,032,470.08	100.000	1,032,470.08	1		0.250	0.250	SD	
TEXPOOL		LGIP	TexPool		09/30/24			825,819.84	100.000	825,819.84	825,819.84	100.000	825,819.84	1		5.164	5.164	AAA	
TEXSTAR		LGIP	TexSTAR		09/30/24			570,130.41	100.000	570,130.41	570,130.41	100.000	570,130.41	1		5.132	5.132	AAA	

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	
TXDAILY		LGIP	TexasDAILY		09/30/24			14,961,148.37	100.000	14,961,148.37	14,961,148.37	100.000	14,961,148.37	1		5.160	5.160	AAA	
TXDAILY2		LGIP	TexasDAILY - Tax		09/30/24			855,379.08	100.000	855,379.08	855,379.08	100.000	855,379.08	1		5.160	5.160	AAA	
Total General Fund								22,309,491.57		22,309,491.57	22,309,491.57		22,309,491.57	1		4.038	4.038		
Scholarship Fund																			
TEXPOOL		LGIP	TexPool		09/30/24			234,867.60	100.000	234,867.60	234,867.60	100.000	234,867.60	1		5.164	5.164	AAA	
Total Scholarship Fund								234,867.60		234,867.60	234,867.60		234,867.60	1		5.164	5.164		
Workers Comp Fund																			
TEXPOOL		LGIP	TexPool		09/30/24			1,611,332.22	100.000	1,611,332.22	1,611,332.22	100.000	1,611,332.22	1		5.164	5.164	AAA	
WF-GCWC		BANK DEP	Wells Fargo Bk		09/30/24			40,331.84	100.000	40,331.84	40,331.84	100.000	40,331.84	1		0.000	0.000	SD	
Total Workers Comp Fund								1,651,664.06		1,651,664.06	1,651,664.06		1,651,664.06	1		5.038	5.038		
Grand Total								85,524,461.78		85,524,461.78	85,524,461.78		85,524,461.78	1		4.788	4.788		

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
2016 Bond Issue Fund										
TXDAILY3	LGIP	TexasDAILY-2016 Bonds B	0.00	355,327.00	355,327.00	0.00	0.00	0.00	0.00	355,327.00
Total 2016 Bond Issue Fund			0.00	355,327.00	355,327.00	0.00	0.00	0.00	0.00	355,327.00
Administration Land Sale										
TEXPOOL	LGIP	TexPool	0.00	6,218.93	6,218.93	0.00	0.00	0.00	0.00	6,218.93
Total Administration Land Sale			0.00	6,218.93	6,218.93	0.00	0.00	0.00	0.00	6,218.93
Child Nutrition Fund										
PROSBKGC	BANK DEP	Prosperity Bk	0.00	252.95	252.95	0.00	0.00	0.00	0.00	252.95
PROSBKGCE	BANK DEP	Prosperity Bk Enterprise	0.00	88.90	88.90	0.00	0.00	0.00	0.00	88.90
TEXPOOL	LGIP	TexPool	0.00	6,071.14	6,071.14	0.00	0.00	0.00	0.00	6,071.14
TEXSTAR	LGIP	TexSTAR	0.00	2,672.31	2,672.31	0.00	0.00	0.00	0.00	2,672.31
TXDAILY	LGIP	TexasDAILY	0.00	8,507.29	8,507.29	0.00	0.00	0.00	0.00	8,507.29
Total Child Nutrition Fund			0.00	17,592.59	17,592.59	0.00	0.00	0.00	0.00	17,592.59
Debt Service Fund										
PROSBKGC	BANK DEP	Prosperity Bk	0.00	86.83	86.83	0.00	0.00	0.00	0.00	86.83
TEXPOOL	LGIP	TexPool	0.00	345,046.65	345,046.65	0.00	0.00	0.00	0.00	345,046.65
TEXSTAR	LGIP	TexSTAR	0.00	60.19	60.19	0.00	0.00	0.00	0.00	60.19
TXDAILY	LGIP	TexasDAILY	0.00	304,283.26	304,283.26	0.00	0.00	0.00	0.00	304,283.26
Total Debt Service Fund			0.00	649,476.93	649,476.93	0.00	0.00	0.00	0.00	649,476.93
General Fund										
PROSBKGC	BANK DEP	Prosperity Bk	0.00	4,147.45	4,147.45	0.00	0.00	0.00	0.00	4,147.45
PROSBKGCT	BANK DEP	Prosperity Bk - Tax	0.00	701.41	701.41	0.00	0.00	0.00	0.00	701.41
TEXPOOL	LGIP	TexPool	0.00	10,853.92	10,853.92	0.00	0.00	0.00	0.00	10,853.92
TEXSTAR	LGIP	TexSTAR	0.00	7,474.44	7,474.44	0.00	0.00	0.00	0.00	7,474.44

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
TXDAILY	LGIP	TexasDAILY	0.00	561,671.95	561,671.95	0.00	0.00	0.00	0.00	561,671.95
TXDAILY2	LGIP	TexasDAILY - Tax	0.00	13,210.79	13,210.79	0.00	0.00	0.00	0.00	13,210.79
Total General Fund			0.00	598,059.96	598,059.96	0.00	0.00	0.00	0.00	598,059.96
Scholarship Fund										
TEXPOOL	LGIP	TexPool	0.00	3,086.93	3,086.93	0.00	0.00	0.00	0.00	3,086.93
Total Scholarship Fund			0.00	3,086.93	3,086.93	0.00	0.00	0.00	0.00	3,086.93
Workers Comp Fund										
TEXPOOL	LGIP	TexPool	0.00	21,178.15	21,178.15	0.00	0.00	0.00	0.00	21,178.15
WF-GCWC	BANK DEP	Wells Fargo Bk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Workers Comp Fund			0.00	21,178.15	21,178.15	0.00	0.00	0.00	0.00	21,178.15
Grand Total			0.00	1,650,940.49	1,650,940.49	0.00	0.00	0.00	0.00	1,650,940.49

Disclosures & Disclaimers

As a courtesy to investors this information: (1) is provided for informational purposes only; (2) should not be construed as an offer to sell or a solicitation of an offer to buy any security; and (3) does not replace customer statements.

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