



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 2025

**Prepared by
Prosper Finance Department**

The investment portfolio of the Town of Prosper is in compliance with the Public Funds Investment Act and the Town of Prosper Investment Policy and Strategies.

Robert B. Scott

Bob Scott, Deputy Town Manager

Chris Landrum

Chris Landrum, Finance Director

Ryan Patterson

Ryan Patterson, Assistant Finance Director

Summary

Quarter End Results by Investment Category:

| Asset Type | March 31, 2025 | | | June 30, 2025 | | |
|-------------------------|----------------|-----------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Ave. Yield | Book Value | Market Value | Ave. Yield | Book Value | Market Value |
| MMA/NOW | 4.13% | \$ 29,684,669 | \$ 29,684,669 | 4.12% | \$ 33,637,802 | \$ 33,637,802 |
| MMF/Pools | 4.40% | 138,727,411 | 138,727,411 | 4.36% | 97,234,992 | 97,234,992 |
| Securities | 4.57% | 19,991,017 | 19,961,900 | 4.32% | 34,743,131 | 34,747,759 |
| Certificates of Deposit | - | - | - | - | - | - |
| Total | 4.37% | \$ 188,403,097 | \$ 188,373,980 | 4.30% | \$ 165,615,924 | \$ 165,620,552 |

| Average Yield - Current Quarter (1) | | Fiscal Year-to-Date Average Yield (2) | |
|-------------------------------------|-------|---------------------------------------|-------|
| Total Portfolio | 4.30% | Total Portfolio | 4.42% |
| Rolling Three Month Treasury | 4.37% | Rolling Three Month Treasury | 4.43% |
| Rolling Six Month Treasury | 4.27% | Rolling Six Month Treasury | 4.31% |
| TexPool | 4.31% | TexPool | 4.47% |

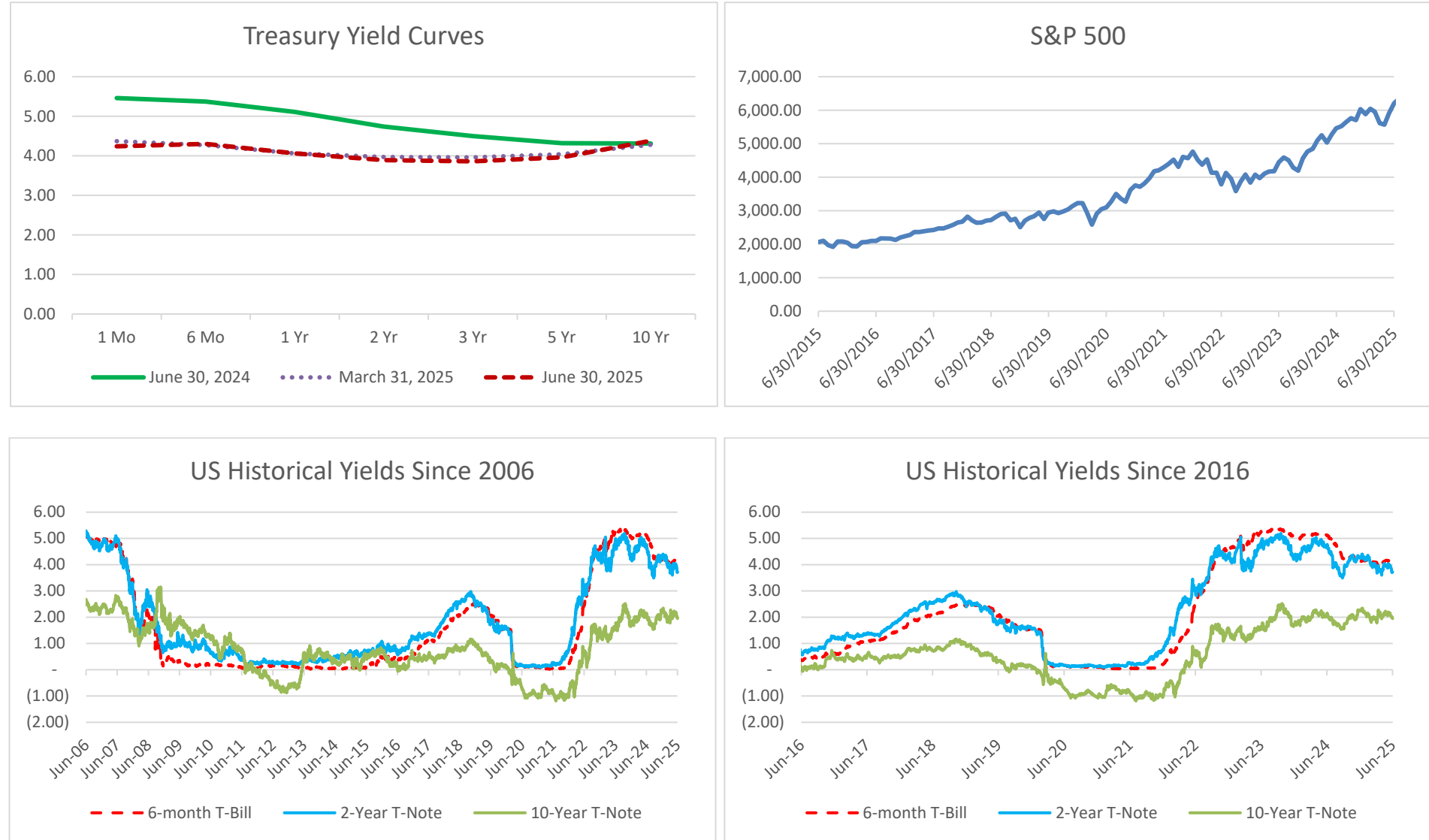
| Interest Earnings (Approximate) | |
|---------------------------------|--------------|
| Quarter | \$ 2,117,974 |
| Fiscal Year-to-date | \$ 6,192,934 |

(1) Quarter End Average Yield - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) Fiscal Year-to-Date Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview 6/30/2025

The Federal Open Market Committee (FOMC) maintained the federal funds target range at 4.25-4.50% throughout Q2 2025. Effective Fed Funds consistently tracked near the midpoint at around 4.33%. Despite progress in reducing inflation, it remains above the 2% target, with Core PCE at approximately 2.5% year-over-year, only down from 2.6% in March. Core CPI averaged 2.4% during Q2, which brings the core CPI to 2.9% (YoY). The FOMC reiterated its commitment to a data-dependent approach, weighing mixed signals before any potential rate cuts. Q2 non-farm payrolls rose by a monthly average of 150k, an increase from Q1 revised payrolls gains of 111k jobs/month. The unemployment rate remained low at 4.2%, while labor force participation dipped slightly. Real GDP rebounded with a strong 3.0% annualized gain in Q2 2025, following a 0.5% contraction in Q1 2025. Growth was driven largely by increased consumer spending and a sharp decline in imports. Oil prices continued to decline during Q2, averaging \$64-\$65 per barrel, down from around \$72 in Q1 2025. This reflected increased global supply and softer demand expectations, easing some inflationary pressure. The treasury yield curve remained inverted, reflecting lingering recession concerns amid slow domestic demand and mixed macro data. The Fed continues to signal two 25-basis point rate cuts likely later in 2025. Global uncertainties, geopolitical risks, and trade policy volatility remained elevated through Q2 2025.



Investment Holdings
June 30, 2025

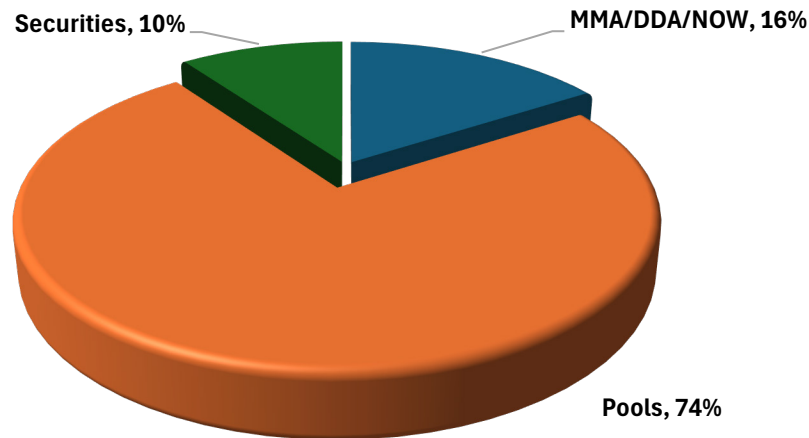
| Description | Ratings | Coupon/ Discount | Maturity Date | Settlement Date | Par Value | Book Value | Market Price | Market Value | Life (Days) | Yield |
|------------------------|------------|---------------------|------------------|--------------------|-----------------------|-----------------------|-----------------|-----------------------|----------------|--------------|
| Independent DDA | | 1.76% | 07/01/25 | 06/30/25 | 4,638,073 | 4,638,073 | 100.00 | 4,638,073 | 1 | 1.76% |
| Independent DDA #2 | | 4.50% | 07/01/25 | 06/30/25 | 15,271,636 | 15,271,636 | 100.00 | 15,271,636 | 1 | 4.50% |
| Independent DDA #3 | | 4.50% | 07/01/25 | 06/30/25 | 7,920,717 | 7,920,717 | 100.00 | 7,920,717 | 1 | 4.50% |
| NexBank MMA | | 4.45% | 07/01/25 | 06/30/25 | 5,807,375 | 5,807,375 | 100.00 | 5,807,375 | 1 | 4.45% |
| TexSTAR | | 4.29% | 07/01/25 | 06/30/25 | 29,208,716 | 29,208,716 | 100.00 | 29,208,716 | 1 | 4.29% |
| TexPool | | 4.40% | 07/01/25 | 06/30/25 | 68,026,276 | 68,026,276 | 100.00 | 68,026,276 | 1 | 4.40% |
| FHLB | Moodys-Aaa | 4.38% | 10/15/27 | 10/22/24 | 2,000,000 | 2,000,000 | 99.89 | 1,997,700 | 837 | 4.38% |
| FNMA | S&P-AA+ | 4.50% | 10/15/27 | 10/22/24 | 3,000,000 | 2,998,269 | 99.89 | 2,996,550 | 837 | 4.53% |
| FFCB | S&P-AA+ | 4.67% | 12/15/27 | 12/18/24 | 5,000,000 | 4,993,586 | 100.01 | 5,000,550 | 898 | 4.73% |
| FHLM | NR | 4.50% | 12/17/27 | 12/19/24 | 5,000,000 | 5,000,000 | 99.97 | 4,998,350 | 900 | 4.50% |
| FFCB | S&P-AA+ | 4.22% | 05/23/28 | 06/30/25 | 5,000,000 | 5,000,000 | 100.16 | 5,007,900 | 1,058 | 4.22% |
| FHLB | NR | 4.38% | 06/23/28 | 06/30/25 | 5,000,000 | 5,000,000 | 100.00 | 5,000,000 | 1,089 | 4.38% |
| FNMA | S&P-AA+ | 4.20% | 07/10/28 | 06/30/25 | 4,740,000 | 4,739,526 | 99.94 | 4,737,109 | 1,106 | 4.20% |
| FHLB | S&P-AA+ | 3.88% | 06/04/27 | 06/30/25 | 5,000,000 | 5,011,750 | 100.19 | 5,009,600 | 704 | 3.75% |
| Total Portfolio | | | | | \$ 165,612,794 | \$ 165,615,924 | | \$ 165,620,552 | 198 | 4.30% |

(1) (2)

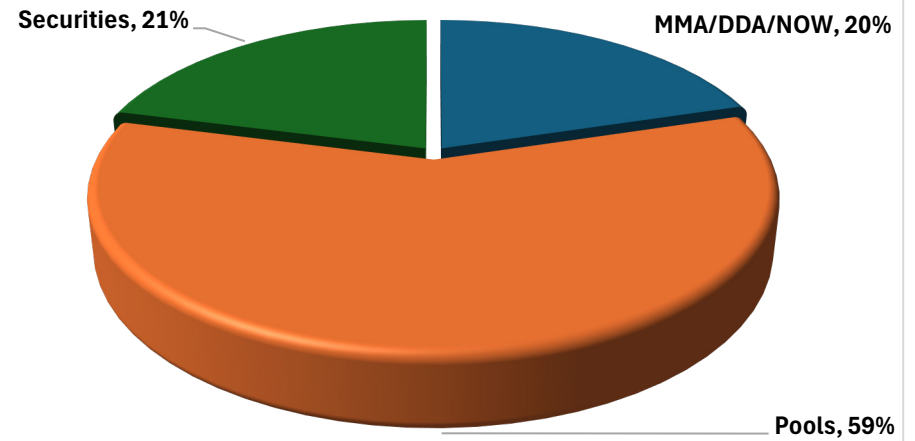
(1) Weighted average life - For purposes of calculating weighted average life, overnight bank and pool balances are assumed to have a one-day maturity.

(2) Weighted average yield to maturity - The weighted average yield to maturity is based on Book Value, realized and unrealized gains/losses and investment advisory fees are not included. The yield for the reporting month is used for overnight bank and pool balances.

COMPOSITION - PRIOR QUARTER



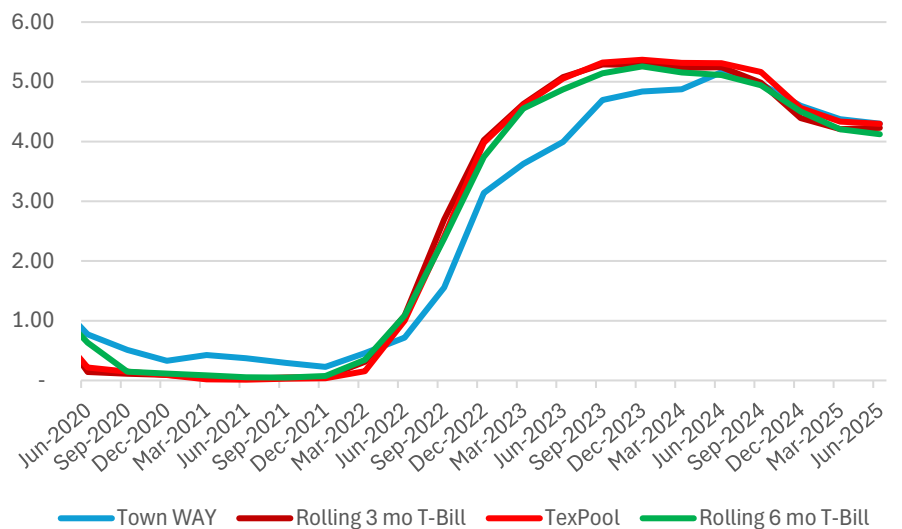
COMPOSITION - CURRENT QUARTER



Total Portfolio



Portfolio Performance



Book and Market Value Comparison

| Issuer/Description | Yield | Maturity Date | Book Value 3/31/25 | Increases | Decreases | Book Value 6/30/25 | Market Value 3/31/25 | Change in Market Value | Market Value 6/30/25 |
|------------------------|--------------|---------------|-----------------------|----------------------|------------------------|-----------------------|-------------------------|---------------------------|-------------------------|
| Independent DDA | 1.76% | 07/01/25 | \$ 4,654,398 | | \$ (16,325) | \$ 4,638,073 | \$ 4,654,398 | \$ (16,325) | \$ 4,638,073 |
| Independent DDA #2 | 4.50% | 07/01/25 | 15,002,970 | 268,666 | | 15,271,636 | 15,002,970 | 268,666 | 15,271,636 |
| Independent DDA #3 | 4.50% | 07/01/25 | 4,284,326 | 3,636,392 | | 7,920,717 | 4,284,326 | 3,636,392 | 7,920,717 |
| NexBank MMA | 4.45% | 07/01/25 | 5,742,975 | 64,400 | | 5,807,375 | 5,742,975 | 64,400 | 5,807,375 |
| TexSTAR | 4.29% | 07/01/25 | 44,431,653 | | (15,222,937) | 29,208,716 | 44,431,653 | (15,222,937) | 29,208,716 |
| TexPool | 4.40% | 07/01/25 | 94,295,758 | | (26,269,482) | 68,026,276 | 94,295,758 | (26,269,482) | 68,026,276 |
| FFCB | 4.22% | 05/23/28 | - | 5,000,000 | | 5,000,000 | - | 5,007,900 | 5,007,900 |
| FFCB | 4.73% | 12/15/27 | 4,992,936 | 650 | | 4,993,586 | 4,980,900 | 19,650 | 5,000,550 |
| FHLB | 3.75% | 06/04/27 | - | 5,011,750 | | 5,011,750 | - | 5,009,600 | 5,009,600 |
| FHLB | 4.38% | 10/15/27 | 2,000,000 | | | 2,000,000 | 1,993,040 | 4,660 | 1,997,700 |
| FHLB | 4.38% | 06/23/28 | - | 5,000,000 | | 5,000,000 | - | 5,000,000 | 5,000,000 |
| FHLMC | 4.50% | 12/17/27 | 5,000,000 | | | 5,000,000 | 4,999,750 | (1,400) | 4,998,350 |
| FHLMC | 4.60% | 10/23/26 | 5,000,000 | | (5,000,000) | - | 4,996,550 | (4,996,550) | - |
| FNMA | 4.20% | 07/10/28 | - | 4,739,526 | | 4,739,526 | - | 4,737,109 | 4,737,109 |
| FNMA | 4.53% | 10/15/27 | 2,998,081 | 188 | | 2,998,269 | 2,991,660.00 | 4,890 | 2,996,550 |
| TOTAL / AVERAGE | 4.30% | | \$ 188,403,097 | \$ 23,721,572 | \$ (46,508,744) | \$ 165,615,924 | \$ 188,373,980 | \$ (22,753,428) | \$ 165,620,552 |

Allocation**June 30, 2025**

| Book Value | Yield | Maturity Date | Total | Pooled Funds | Debt Service Fund |
|--------------------|--------------|----------------------|-----------------------|-----------------------|--------------------------|
| Independent DDA | 1.76% | | \$ 4,638,073 | \$ 4,638,073 | \$ — |
| Independent DDA #2 | 4.50% | | 15,271,636 | 15,271,636 | — |
| Independent DDA #3 | 4.50% | | 7,920,717 | 7,920,717 | — |
| NexBank MMA | 4.45% | | 5,807,375 | 5,807,375 | — |
| TexSTAR | 4.29% | | 29,208,716 | 29,208,716 | — |
| TexPool | 4.40% | | 68,026,276 | 62,876,830 | 5,158,446 |
| FFCB | 4.22% | 05/23/28 | 5,000,000 | 5,000,000 | — |
| FFCB | 4.73% | 12/15/27 | 4,993,586 | 4,993,586 | — |
| FHLB | 3.75% | 06/04/27 | 5,011,750 | 5,011,750 | — |
| FHLB | 4.38% | 10/15/27 | 2,000,000 | 2,000,000 | — |
| FHLB | 4.38% | 06/23/28 | 5,000,000 | 5,000,000 | — |
| FHLMC | 4.50% | 12/17/27 | 5,000,000 | 5,000,000 | — |
| FNMA | 4.20% | 07/10/28 | 4,739,526 | 4,739,526 | — |
| FNMA | 4.53% | 10/15/27 | 2,998,269 | 2,998,269 | — |
| Totals | | | \$ 165,615,924 | \$ 160,457,478 | \$ 5,158,446 |

Allocation**March 31, 2025**

| Book Value | Yield | Maturity Date | Total | Pooled Funds | Debt Service Fund |
|------------------------------|--------------|----------------------|-----------------------|-----------------------|--------------------------|
| Independent Financial DDA | 1.76% | | \$ 4,654,398 | \$ 4,654,398 | \$ — |
| Independent Financial DDA #2 | 4.59% | | 15,002,970 | 15,002,970 | — |
| Independent Financial DDA #3 | 4.59% | | 4,284,326 | 4,284,326 | — |
| NexBank MMA | 4.50% | | 5,742,975 | 5,742,975 | — |
| TexSTAR | 4.40% | | 44,431,653 | 44,431,653 | — |
| TexPool | 4.43% | | 94,295,758 | 89,472,901 | 4,822,857 |
| FFCB | 4.73% | 12/15/27 | 4,992,936 | 4,992,936 | — |
| FHLB | 4.38% | 10/15/27 | 2,000,000 | 2,000,000 | — |
| FHLMC | 4.60% | 10/23/26 | 5,000,000 | 5,000,000 | — |
| FHLMC | 4.50% | 12/17/27 | 5,000,000 | 5,000,000 | — |
| FNMA | 4.53% | 10/15/27 | 2,998,081 | 2,998,081 | — |
| Totals | | | \$ 188,403,097 | \$ 183,580,240 | \$ 4,822,857 |