

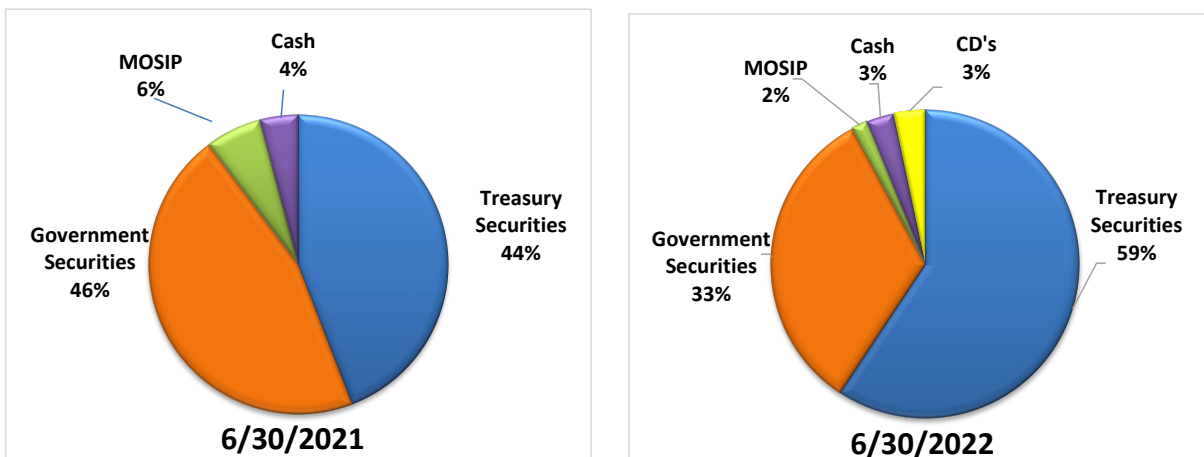
CITY OF LEE'S SUMMIT, MISSOURI

Quarterly Investment Report

Quarter Ended June 30, 2022

In compliance with the Investment Policy of the City of Lee's Summit, this quarterly investment report for the quarter ended June 30, 2022 is hereby submitted for City Council review.

The City's Investment Portfolio as of June 30, 2022 in comparison to the same date of the prior year is summarized as follows:



Description	June 30, 2021 (Par Value)	June 30, 2022 (Par Value)	% of Total
U.S. Treasury Securities	\$ 88,935,000	\$ 135,447,000	59%
U.S. Gov't Securities	92,010,000	75,000,000	33%
CD's	-	7,500,076	3%
Cash	8,378,100	6,461,694	3%
MOSIP	12,220,125	3,942,042	2%
Total	\$ 201,543,225	\$ 228,350,812	100.00%

City of Lee's Summit - Investment Policy Guidelines

Investment Diversification

The LS Investment Policy's "Minimum" and "Maximum" Diversification Allocations are shown below in comparison to the "Current Allocation" as of the date of this report. The far right hand column shows the City is in compliance with the investment diversification standards as stated in the Investment Policy.

Investment Diversification Policy			
Investment Type	Minimum Allocation	Maximum Allocation	Current Allocation
U.S. Treasury Securities	15%	100%	59%
U.S. Gov't Securities	0%	50%	33%
Cash / MOSIP	N/A	N/A	5%
Collateralized CD's	0%	50%	3%
Total			100%

Liquidity

Please see the table below of the City's Investment Portfolio's scheduled maturities. The tables on this page, plus pages four and five of this report demonstrate the City is in compliance with the Safety and Liquidity requirements of the City's Investment Policy.

Investment Maturities by Fiscal Year			
Fiscal Year	June 30, 2021 (Par Value)	June 30, 2022 (Par Value)	% of Total
Year 1	\$ 114,543,225	\$ 79,903,812	35%
Year 2	\$ 52,000,000	73,000,000	32%
Year 3	35,000,000	75,447,000	33%
Total	\$ 201,543,225	\$ 228,350,812	100.00%

Yield

The Investment Portfolio is managed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Please see pages four and five of this report for the investment yields on each investment security.

On June 15, the Federal Reserve raised the Fed Funds rate by 75 basis points. As a result, the interest rates on Treasury and Government Securities have increased. Thus, the City obtained yields of greater than 3% on its latest June investment bids, which is significantly better than investment yields obtained in the prior two years due to historically low interest rates.

Competitive Bidding

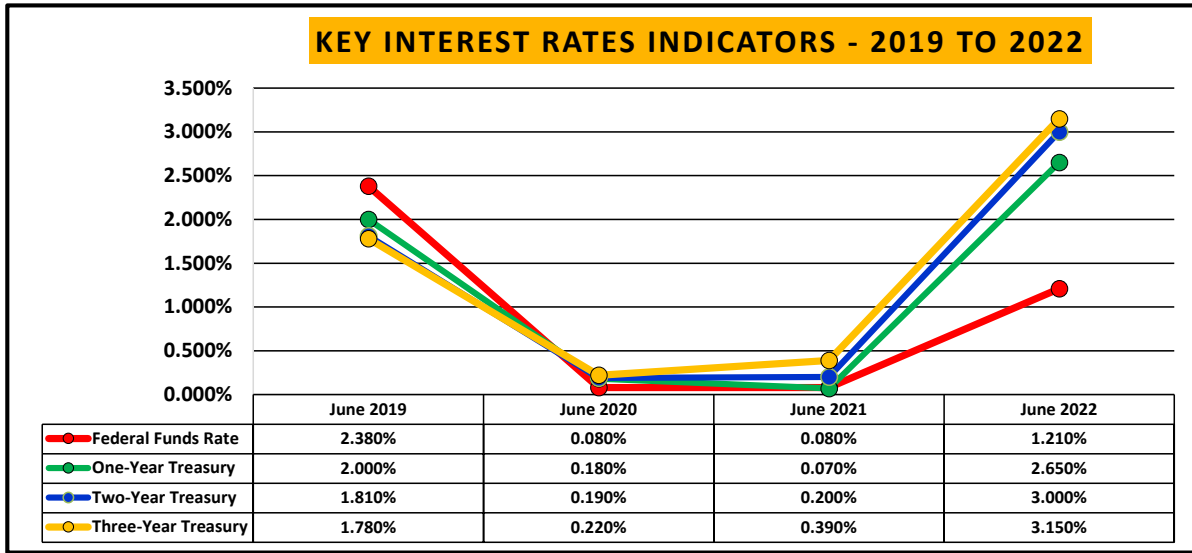
Investment bids are submitted to all financial institutions on the City's approved bid list to ensure the City obtains the most competitive yields for each investment. The City's approved bid list typically has six to ten financial institutions at any given time.

Mark to Market Adjustment

The City's general operating practice is to hold all securities until maturity whereby proceeds at maturity equal 100% of par value.

At the end of each fiscal quarter, the Governmental Accounting Standards Board (GASB) and Governmental Finance Officers Association (GFOA) guidelines require governmental entities to adjust their fixed income portfolio either up or down based on current market values as compared to the original cost of the investment securities at the time of purchase. During periods of rising interest rates, increased rates provide the opportunity for increased investment earnings yields on new investment purchases. However, rising interest rates have a negative impact on the "Mark to Market" adjustment for the existing fixed-income investments purchased in prior months / years causing a downward adjustment.

The recent interest rate increases initiated by the Federal Reserve have resulted in a mark to market adjustment of \$1.4 million for the 4th quarter resulting in a cumulative market allowance of \$7.8 million as of June 30, 2022. The current mark to market adjustment reflects the fact that current market interest rates are higher than the interest rates on the City's portfolio for those investments purchased prior to June 1, 2022 as listed on pages four and five of this report. The City's practice is to hold all securities until maturity, so the mark to market adjustment is a paper entry as no actual loss is incurred at maturity.



Source: St Louis Federal Reserve Statistics Website

City of Lee's Summit

Investment Portfolio

As of 6/30/2022

Note: Shaded line items in "green" represent the most recent fiscal quarter's purchases.

Description of Investment	Purchase Date	Maturity Date	Yield To Maturity	Par Value	Purchase Cost	Market Value
U.S. Treasury Securities:						
Treasury Note	11/07/19	08/31/22	1.6060%	\$ 2,000,000	\$ 2,001,016	\$ 1,999,954
Treasury Note	11/07/19	10/31/22	1.6090%	1,000,000	1,011,328	999,560
Treasury Note	01/21/21	08/31/22	0.1190%	3,000,000	3,072,445	2,999,931
Treasury Note	01/21/21	11/30/22	0.1250%	3,000,000	3,000,000	2,972,694
Treasury Note	02/04/21	03/31/23	0.1210%	6,000,000	6,177,656	5,941,638
Treasury Note	02/19/21	02/28/23	0.1170%	5,000,000	5,139,844	4,959,570
Treasury Note	04/08/21	04/30/23	0.1670%	5,000,000	5,265,625	4,993,750
Treasury Note	04/08/21	05/31/23	0.1800%	5,000,000	5,154,688	4,942,385
Treasury Note	06/04/21	09/15/23	0.1910%	5,000,000	4,992,500	4,829,100
Treasury Note	06/04/21	10/31/23	0.2030%	4,000,000	4,136,400	3,928,124
Treasury Note	06/09/21	11/30/23	0.2120%	5,000,000	5,236,090	4,938,475
Treasury Note	06/30/21	04/15/24	0.4200%	4,000,000	3,995,000	3,812,968
Treasury Note	06/30/21	05/15/24	0.4360%	4,000,000	3,978,750	3,795,156
Treasury Note	07/23/21	02/29/24	0.2882%	4,000,000	4,216,197	3,957,032
Treasury Note	08/25/21	08/15/24	0.4346%	6,000,000	5,989,448	5,665,548
Treasury Note	09/02/21	09/30/24	0.4096%	4,000,000	4,209,531	3,917,188
Treasury Note	10/06/21	10/31/24	0.5220%	4,000,000	4,118,880	3,855,468
Treasury Note	11/15/21	11/15/24	0.8310%	4,000,000	3,990,469	3,783,436
Treasury Note	12/10/21	11/30/24	0.9540%	3,000,000	3,047,891	2,887,383
Treasury Note	12/16/21	04/15/24	0.8022%	2,000,000	1,980,313	1,906,484
Treasury Note	12/16/21	05/31/24	0.8260%	3,000,000	3,085,430	2,941,056
Treasury Note	12/30/21	07/15/24	0.8859%	4,000,000	3,948,750	3,786,876
Treasury Note	12/30/21	08/31/24	0.9170%	4,000,000	4,035,000	3,846,092
Treasury Note	01/05/22	03/31/24	0.8300%	5,000,000	5,142,967	4,919,725
Treasury Note	01/05/22	06/30/24	0.9050%	3,000,000	3,062,160	2,922,891
Treasury Note	01/12/22	09/30/23	0.8290%	3,000,000	2,970,469	2,899,218
Treasury Note	01/12/22	10/31/23	0.8690%	2,000,000	1,982,422	1,931,718
Treasury Note	01/20/22	06/30/23	0.7970%	2,000,000	2,016,563	1,968,828
Treasury Note	02/10/22	02/29/24	1.3530%	5,000,000	5,102,930	4,946,290
Treasury Note	03/09/22	03/31/25	1.6700%	5,000,000	4,818,164	4,653,125
Treasury Note	04/21/22	04/30/25	2.8060%	4,922,000	4,931,806	4,886,429
Treasury Note	05/05/22	11/30/22	1.5870%	5,000,000	4,958,569	4,954,490
Treasury Note	06/14/22	04/30/25	3.3830%	5,000,000	4,590,862	4,626,365
Treasury Note	06/15/22	05/15/25	3.4500%	5,000,000	4,902,930	4,966,405
Treasury Note	06/28/22	06/30/25	3.1800%	525,000	481,239	481,749
Total Treasuries				\$ 135,447,000	\$ 136,744,329	\$ 131,817,101

Description of Investment	Purchase Date	Maturity Date	Yield To Maturity	Par Value	Purchase Cost	Market Value
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U.S. Government Agency Securities

Federal Farm Credit Bank	09/05/19	07/19/22	1.408%	\$ 3,000,000	\$ 3,041,387	\$ 3,000,528
Federal Home Loan Banks	09/05/19	08/15/22	1.433%	1,750,000	1,770,961	1,750,436
Federal Home Loan Banks	09/05/19	09/09/22	1.433%	1,250,000	1,270,814	1,250,506
Federal Home Loan Banks	10/04/19	09/09/22	1.387%	4,000,000	4,070,162	4,001,620
Federal National Mortgage Assn	11/07/19	10/05/22	1.617%	2,000,000	2,021,685	1,999,548
Federal Home Loan Bank	03/09/21	03/10/23	0.170%	6,000,000	6,234,102	5,974,938
Federal Home Loan Bank	04/16/21	06/09/23	0.193%	4,000,000	4,165,480	3,967,324
Federal Farm Credit Bank	04/19/21	07/19/23	0.205%	4,000,000	3,999,560	3,885,304
Freddie Mac	05/17/21	08/24/23	0.192%	5,000,000	5,006,563	4,847,440
Federal Home Loan Banks	06/09/21	03/08/24	0.269%	4,000,000	4,175,730	3,920,896
Federal Home Loan Banks	07/23/21	06/14/24	0.373%	4,000,000	4,158,253	3,893,156
Farmer Mac	08/12/21	07/22/24	0.455%	5,000,000	4,999,250	4,739,625
Federal Home Loan Banks	09/24/21	09/13/24	0.513%	4,000,000	3,983,751	3,768,656
Federal Farm Credit Bank	10/29/21	10/25/24	0.785%	5,000,000	4,987,450	4,726,335
Federal Home Loan Banks	11/15/21	09/13/24	0.782%	4,000,000	4,233,640	3,975,208
Federal National Mortgage Assn	12/10/21	07/02/24	0.866%	3,000,000	3,067,023	2,920,947
Federal Farm Credit Bank	01/20/22	07/24/23	0.851%	3,000,000	2,981,970	2,929,776
Federal Farm Credit Bank	01/24/22	05/23/23	0.777%	3,000,000	2,984,064	2,934,651
Freddie Mac	01/24/22	08/24/23	0.891%	4,000,000	3,959,776	3,877,952
Federal Farm Credit Bank	03/09/22	02/25/25	1.760%	5,000,000	4,995,400	4,841,395

Total Government Agency Securities				\$ 75,000,000	\$ 76,107,020	\$ 73,206,241
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Missouri Securities Investment Program - (MOSIP)			1.16%	\$ 3,942,042	\$ 3,942,042	\$ 3,942,042
US Bank Trustee Account (Collateralized with Letter of Credit)			Fee Credit	\$ 6,461,694	\$ 6,461,694	\$ 6,461,694
US Bank - Insured Cash Sweep - (17 Individual CD's - FDIC Insured)			0.50%	\$ 7,500,076	\$ 7,500,076	\$ 7,500,076

Grand Total - City of Lee's Summit Investments	As of 6/30/2022			\$ 228,350,812	\$ 230,755,161	\$ 222,927,154
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