

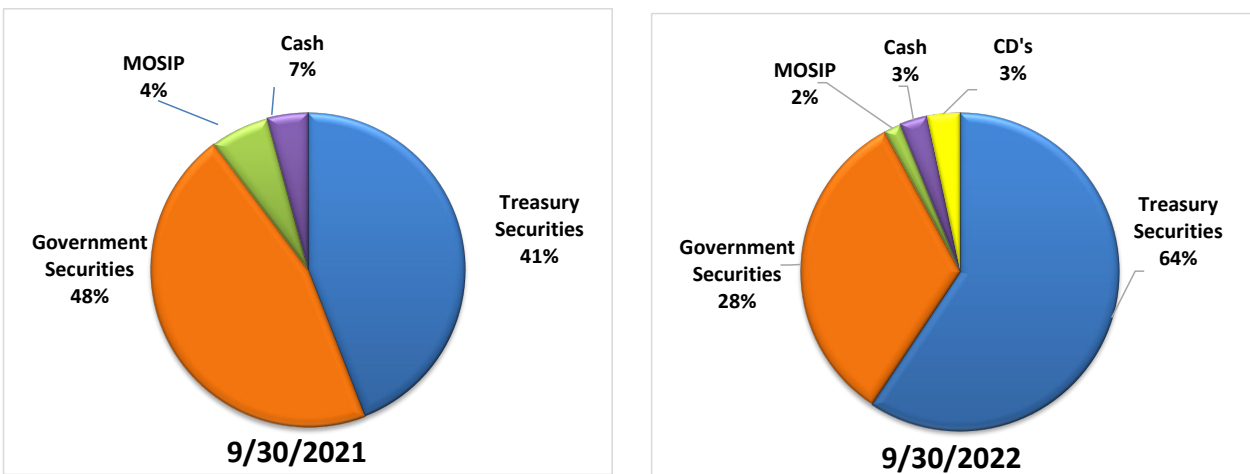
CITY OF LEE'S SUMMIT, MISSOURI

Quarterly Investment Report

Quarter Ended September 30, 2022

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

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



Description	September 30, 2021 (Par Value)	September 30, 2022 (Par Value)	% of Total
U.S. Treasury Securities	\$ 80,297,000	\$ 147,447,000	64%
U.S. Gov't Securities	94,359,000	65,000,000	28%
CD's	-	6,500,000	3%
Cash	14,413,722	7,242,514	3%
MOSIP	8,992,000	3,480,669	2%
Total	\$ 198,061,722	\$ 229,670,183	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%	64%
U.S. Gov't Securities	0%	50%	28%
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	September 30, 2021 (Par Value)	September 30, 2022 (Par Value)	% of Total
Year 1	\$ 81,587,507	\$ 64,223,183	28%
Year 2	\$ 53,397,191	73,000,000	32%
Year 3	43,895,043	78,447,000	34%
Year 4	19,181,980	14,000,000	6%
Total	\$ 198,061,722	\$ 229,670,183	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.

During calendar year 2022, the Federal Reserve raised the Fed Funds rate by 250 basis points. As a result, the interest rates on Treasury and Government Securities have increased. The City obtained yields of 3.9% on its latest September investment bids, which is significantly better than investment yields obtained in the prior two years due to historically low interest rates in calendar years 2020 and 2021.

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.

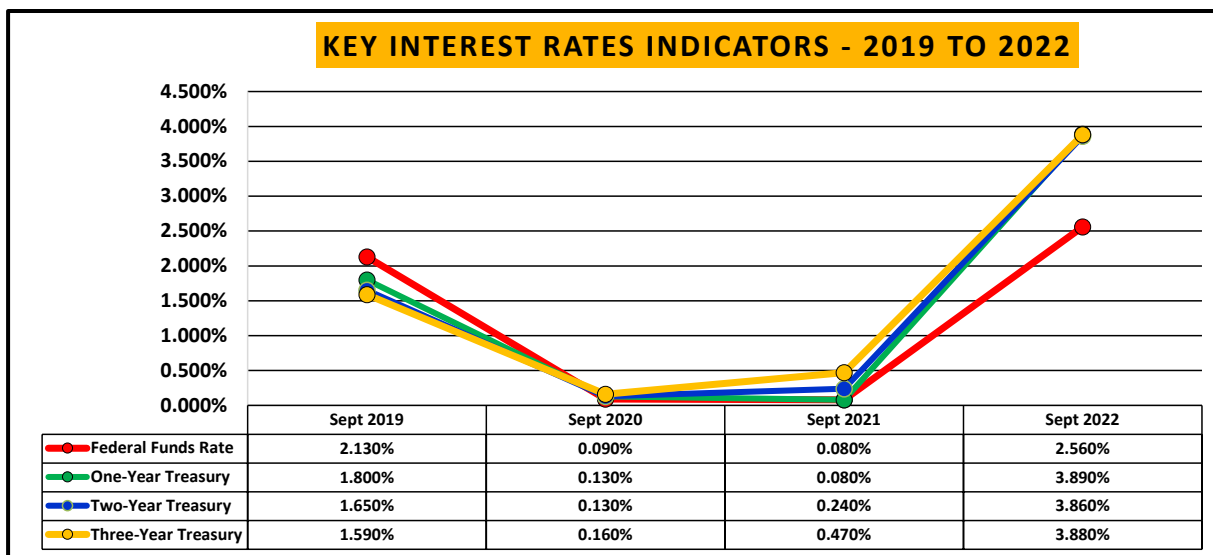
Mark to Market Adjustment

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. This is called the "Mark to Market Adjustment".

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 \$2.3 million for the 1st quarter ended September 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 September 30, 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 because the City receives the full par value of each investment at maturity.



Source: St Louis Federal Reserve Statistics Website

City of Lee's Summit Investment Portfolio As of 9/30/2022

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	10/31/22	1.609%	\$ 1,000,000	\$ 1,049,560	999,390
Treasury Note	01/21/21	11/30/22	0.125%	3,000,000	3,000,000	2,985,492
Treasury Note	02/04/21	03/31/23	0.121%	6,000,000	6,177,656	5,928,984
Treasury Note	02/19/21	02/28/23	0.117%	5,000,000	5,139,844	4,955,080
Treasury Note	04/08/21	04/30/23	0.167%	5,000,000	5,265,625	4,966,015
Treasury Note	04/08/21	05/31/23	0.180%	5,000,000	5,154,688	4,921,095
Treasury Note	06/04/21	09/15/23	0.191%	5,000,000	4,992,500	4,810,545
Treasury Note	06/04/21	10/31/23	0.203%	4,000,000	4,136,400	3,888,908
Treasury Note	06/09/21	11/30/23	0.212%	5,000,000	5,236,090	4,880,275
Treasury Note	06/30/21	04/15/24	0.420%	4,000,000	3,995,000	3,768,280
Treasury Note	06/30/21	05/15/24	0.436%	4,000,000	3,978,750	3,749,376
Treasury Note	07/23/21	02/29/24	0.288%	4,000,000	4,216,197	3,896,876
Treasury Note	08/25/21	08/15/24	0.435%	6,000,000	5,989,448	5,586,330
Treasury Note	09/02/21	09/30/24	0.410%	4,000,000	4,209,531	3,842,032
Treasury Note	10/06/21	10/31/24	0.522%	4,000,000	4,118,880	3,785,624
Treasury Note	11/15/21	11/15/24	0.831%	4,000,000	3,990,469	3,719,844
Treasury Note	12/10/21	11/30/24	0.954%	3,000,000	3,047,891	2,832,423
Treasury Note	12/16/21	04/15/24	0.802%	2,000,000	1,980,313	1,884,140
Treasury Note	12/16/21	05/31/24	0.826%	3,000,000	3,085,430	2,890,899
Treasury Note	12/30/21	07/15/24	0.886%	4,000,000	3,948,750	3,737,188
Treasury Note	12/30/21	08/31/24	0.917%	4,000,000	4,035,000	3,783,280
Treasury Note	01/05/22	03/31/24	0.830%	5,000,000	5,142,967	4,844,140
Treasury Note	01/05/22	06/30/24	0.905%	3,000,000	3,062,160	2,874,258
Treasury Note	01/12/22	09/30/23	0.829%	3,000,000	2,970,469	2,883,750
Treasury Note	01/12/22	10/31/23	0.869%	2,000,000	1,982,422	1,918,204
Treasury Note	01/20/22	06/30/23	0.797%	2,000,000	2,016,563	1,959,922
Treasury Note	02/10/22	02/29/24	1.353%	5,000,000	5,102,930	4,871,095
Treasury Note	03/09/22	03/31/25	1.670%	5,000,000	4,818,164	4,566,210
Treasury Note	04/21/22	04/30/25	2.806%	4,922,000	4,931,806	4,760,691
Treasury Note	05/05/22	11/30/22	1.059%	5,000,000	4,958,569	4,975,820
Treasury Note	06/14/22	04/30/25	3.383%	5,000,000	4,590,862	4,532,615
Treasury Note	06/15/22	05/15/25	3.450%	5,000,000	4,902,930	4,812,305
Treasury Note	06/28/22	06/30/25	3.180%	525,000	481,239	471,741
Treasury Note	07/28/22	06/15/25	2.825%	3,000,000	3,004,102	2,896,875
Treasury Note	08/10/22	07/15/25	3.202%	3,000,000	2,983,132	2,903,202
Treasury Note	09/02/22	08/15/25	3.437%	2,000,000	1,920,000	1,881,094
Treasury Note	09/09/22	09/30/25	3.534%	3,000,000	2,716,875	2,669,883
Treasury Note	09/19/22	08/15/25	3.925%	3,000,000	2,934,609	2,911,875
Treasury Note	09/20/22	09/15/25	3.936%	3,000,000	2,963,438	2,939,298
Total Treasuries				\$ 147,447,000	\$ 148,231,255	\$ 141,485,055

Description of Investment	Purchase Date	Maturity Date	Yield To Maturity	Par Value	Purchase Cost	Market Value
U.S. Government Securities - (S&P Rating of AA+)						
Federal National Mortgage Assn	11/07/19	10/05/22	1.617%	\$ 2,000,000	\$ 2,021,685	\$ 1,999,574
Federal Home Loan Bank	03/09/21	03/10/23	0.170%	6,000,000	6,234,102	5,950,242
Federal Farm Credit Bank	04/16/21	06/09/23	0.193%	4,000,000	4,165,480	3,943,468
Federal Home Loan Bank	04/19/21	07/19/23	0.205%	4,000,000	3,999,560	3,874,988
Federal Farm Credit Bank	05/17/21	08/24/23	0.192%	5,000,000	5,006,563	4,826,255
Federal Farm Credit Bank	06/09/21	03/08/24	0.269%	4,000,000	4,175,730	3,868,460
Freddie Mac	07/23/21	06/14/24	0.373%	4,000,000	4,158,253	3,832,248
Freddie Mac	08/12/21	07/22/24	0.455%	5,000,000	4,999,250	4,674,575
Federal Home Loan Banks	09/24/21	09/13/24	0.513%	4,000,000	3,983,751	3,712,904
Federal Home Loan Banks	10/29/21	10/25/24	0.785%	5,000,000	4,987,450	4,647,295
Federal National Mortgage Assn	11/15/21	09/13/24	0.782%	4,000,000	4,233,640	3,892,196
Farmer Mac	12/10/21	07/02/24	0.866%	3,000,000	3,067,023	2,874,273
Federal Home Loan Banks	01/20/22	07/24/23	0.851%	3,000,000	2,981,970	2,986,122
Federal Home Loan Banks	01/24/22	05/23/23	0.777%	3,000,000	2,984,064	2,930,181
Federal Farm Credit Bank	01/24/22	08/24/23	0.891%	4,000,000	3,959,776	3,861,004
Federal Farm Credit Bank	03/09/22	02/25/25	1.760%	5,000,000	4,995,400	4,713,680
Total Government Securities				\$ 65,000,000	\$ 65,953,697	\$ 62,587,465
Missouri Securities Investment Program - (MOSIP)			2.78%	\$ 3,480,669	\$ 3,480,669	\$ 3,480,669
US Bank - (Collateralized with Letter of Credit)			Fee Credit	\$ 7,242,514	\$ 7,242,514	\$ 7,242,514
US Bank - Insured Cash Sweep - (26 Individual CD's - FDIC Insured)			0.005%	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000
Grand Total - City of Lee's Summit Investments As of 9/30/2022				\$ 229,670,183	\$ 231,408,135	\$ 221,295,702