

CITY OF LEE'S SUMMIT, MISSOURI
Quarterly Investment Report
Quarter Ended September 30, 2023

In compliance with the City of Lee's Summit Investment Policy, this investment report for the quarter ended September 30, 2023 is hereby submitted for City Council review.

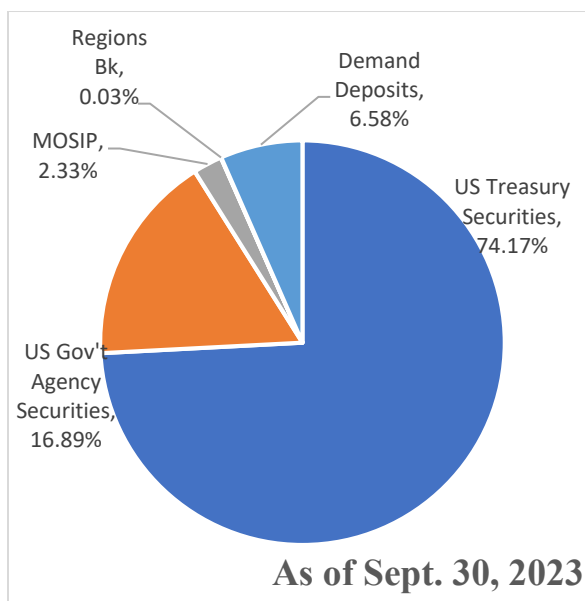
Current Portfolio

The City's investment portfolio as of September 30, 2023 in comparison to the same date of the prior year is summarized as follows:

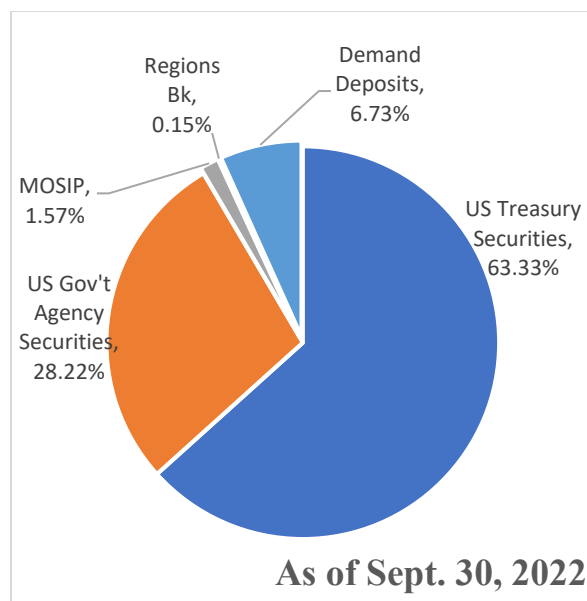
Distribution by Security Sector – Market Value
All Portfolios

Description	Market Value 09/30/2023	% of Portfolio 09/30/2023	Market Value 09/30/2022	% of Portfolio 09/30/2022
US Treasury Securities	\$191,225,202	74.17%	\$140,485,665	63.33%
US Gov't Agency Securities	\$43,537,424	16.89%	\$62,587,465	28.22%
Demand Deposits	\$16,968,113	6.58%	\$14,923,797	6.73%
Missouri Securities Investment Program (MOSIP)	\$5,997,312	2.33%	\$3,480,669	1.57%
Regions Bank	\$75,210	0.03%	\$336,986	0.15%
Total	\$257,803,261	100.00%	\$221,814,582	100.00%

Portfolio Holdings as of 09/30/2023



Portfolio Holdings as of 09/30/2022



Investment Diversifications

The allocation by investment type, shown in the table below as of September 30, 2023, is compliant with the diversification standards outlined in the City of Lee’s Summit Investment Policy (Section VI., A). The policy specifies the maximum allocation of each investment type to minimize the risk of loss resulting from excess concentration into a specific maturity, issuer, or class of securities.

Description	Minimum Allocation	Maximum Allocation	Current Allocation
US Treasury Securities	15%	100%	74.17%
US Gov’t Agency Securities and Government Sponsored Enterprises	0%	50%	16.89%
US Government Agency Callable Securities	0%	15%	0.00%
Collateralized Time Deposits/Certificates of Deposit	0%	30%	0.00%
Demand Deposits, Domestic Time Deposits and MOSIP	N/A	N/A	8.94%

Investment Strategy

The primary objectives for the City of Lee’s Summit investment portfolio, in order of priority, is safety, liquidity, and yield. The City’s investment portfolio must remain sufficiently liquid to meet all reasonably anticipated operating requirements. This is accomplished by structuring the portfolio so that securities mature concurrent with cash necessary to meet anticipated demand.

The City’s policy requires that investments in repurchase agreements mature and become payable not more than ninety days (90) from the date of purchase. All other investments must mature within 5 years from the date of purchase.

The following table lists the distribution by maturity range as of September 30, 2023:

Distribution by Maturity Range – Market Value

Maturity	Market Value \$	Percent of Total
0– 6 months	\$51,728,290	20.07%
6–12 months	\$52,179,315	20.24%
1–2 years	\$74,054,112	28.73%
2-3 years	\$38,498,789	14.93%
3-4 years	\$19,833,283	7.69%
4-5 years	\$21,509,472	8.34%
Total	\$257,803,261	100.00%

The City continues efforts to extend its portfolio beyond three years to capitalize on higher yields in the four- and five-year scheme. The City’s general operating practice is to buy and hold all securities until maturity thereby avoiding any losses on sale of securities.

Yield

The investment portfolio is managed with the objective of attaining a market rate of return throughout budgetary and economic cycles, while considering the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to safety and liquidity objectives.

During the quarter ended September 30, 2023, the City of Lee's Summit has obtained yields ranging from 4.63% to 5.08% on new purchases. (Refer to pages 6-7 of this report for the investment yields on each investment security.)

Competitive Bidding

Requests for Bid are submitted to financial institutions on the City's approved bid list to ensure the most competitive yields for each investment.

Mark to Market Adjustment

In accordance with requirements of the Governmental Accounting Standards Board (GASB) and the Governmental Finance Officers Association (GFOA), a mark to market adjustment is made at the end of each fiscal quarter. The purpose of the accounting requirement is to avoid misrepresentation of the value of investments for those public entities that may find it necessary or desirable to sell investments prior to maturity.

The fiscal year-to-date mark to market allowance is (\$7,015,820.28), while the quarterly adjustment for the period ending September 30, 2023 is \$468,633.73.

CITY OF LEE'S SUMMIT, MISSOURI
Quarterly Portfolio Transactions
Quarter Ended September 30, 2023

Purchases

Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transaction Amount (\$)	Yield
07/31/2023	\$4,000,000.00	3133EPQC2	Fed'l Farm Cr Bank	4.625	07/17/2026	\$4,006,571.23	4.630
09/18/2023	\$5,200,000.00	31422XG63	Farmer Mac	3.500	09/20/2027	\$5,060,339.05	4.723
09/27/2023	\$5,000,000.00	91282CFP1	US Treasury Note	4.250	10/15/2025	\$5,015,916.37	5.080
09/28/2023	\$6,000,000.00	91282CGR6	US Treasury Note	4.625	03/15/2026	\$5,959,725.33	4.989
Total	\$20,200,000.00					\$20,042,551.98	

Interest Income

Transaction Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transaction Amount (\$)	Yield
07/03/2023	\$3,000,000.00	3135GOV75	Fedl Matl Mortgage Assn	1.750	07/02/2024	\$26,250.00	0.866
07/17/2023	\$4,000,000.00	91282CCL3	US Treasury Note	0.375	07/15/2024	\$7,500.00	0.886
07/17/2023	\$5,000,000.00	91282CEY3	US Treasury Note	3.000	07/15/2025	\$75,000.00	4.307
07/17/2023	\$3,000,000.00	91282CEY3	US Treasury Note	3.000	07/15/2025	\$45,000.00	3.202
07/19/2023	\$4,000,000.00	3133EMWL2	Federal Farm Credit Bank	0.200	07/19/2023	\$4,000.00	0.205
07/24/2023	\$5,000,000.00	31422XKC5	Farmer Mac	0.450	07/22/2024	\$11,250.00	0.455
07/24/2023	\$3,000,000.00	3133ENEY2	Fedl Farm Credit Bk	0.450	07/24/2023	\$6,750.00	0.851
08/15/2023	\$6,000,000.00	91282CCT6	US Treasury Note	0.375	08/15/2024	\$11,250.00	0.435
08/15/2023	\$2,000,000.00	912828K74	US Treasury Note	2.000	08/15/2025	\$20,000.00	3.437
08/15/2023	\$3,000,000.00	91282CFE6	US Treasury Note	3.125	08/15/2025	\$46,875.00	3.202
08/15/2023	\$3,000,000.00	91282CFE6	US Treasury Note	3.125	08/15/2025	\$46,875.00	4.307
08/15/2023	\$6,000,000.00	9128282R0	US Treasury Note	2.250	08/15/2027	\$67,500.00	4.040
08/15/2023	\$4,000,000.00	9128283W8	US Treasury Note	2.750	02/15/2028	\$55,000.00	3.976
08/15/2023	\$5,000,000.00	912828P46	US Treasury Note	1.625	02/15/2026	\$40,625.00	3.834
08/24/2023	\$5,000,000.00	3137EAEV7	Federal Home Loan Mtg Corp	0.250	08/24/2023	\$6,250.00	0.192
08/24/2023	\$4,000,000.00	3137EAEV7	Federal Home Loan Mtg Corp	.0250	08/24/2023	\$5,000.00	0.891
08/25/2023	\$5,000,000.00	3133ENPY0	Federal Farm Cr Bks	1.750	02/25/2025	\$43,750.00	1.760
08/31/2023	\$4,000,000.00	9128286G0	US Treasury Note	2.375	02/29/2024	\$47,500.00	0.288
08/31/2023	\$4,000,000.00	912828YE4	US Treasury Note	1.250	08/31/2024	\$25,000.00	0.917
08/31/2023	\$5,000,000.00	9128286G0	US Treasury Note	2.375	02/29/2024	\$59,375.00	1.353
09/08/2023	\$4,000,000.00	3130A7PH2	Federal Home Loan Bank	1.875	03/08/2024	\$37,500.00	0.269
09/13/2023	\$4,000,000.00	3130A2UW4	Federal Home Loan Bank	2.875	09/13/2024	\$57,500.00	0.782
09/13/2023	\$4,000,000.00	3130ANR28	Federal Home Loan Bank	.375	09/13/2024	\$7,500.00	0.513
09/15/2023	\$5,000,000.00	91282CAK7	US Treasury Note	1.25	09/15/2023	\$3,125.00	0.191
09/15/2023	\$3,000,000.00	91282CFK2	US Treasury Note	3.500	09/15/2025	\$52,500.00	3.936
09/15/2023	\$5,253,000.00	91282CED9	US Treasury Note	1.750	03/15/2025	\$45,963.75	4.297
09/20/2023	\$5,200,000.00	31422XG63	Farmer Mac	3.500	09/20/2027	\$91,000.00	4.723
Total						\$945,862.71	

Maturities/Sell

Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transaction Amount (\$)	Yield
04/19/2021	\$4,000,000.00	3133EMWL2	Federal Farm Credit Bank	.200	07/19/2023	\$4,000,000.00	0.205
01/20/2022	\$3,000,000.00	3133ENEY2	Federal Farm Cr Bks	.450	07/24/2023	\$3,000,000.00	0.851
05/17/2021	\$5,000,000.00	3137EAEV7	Federal Home Loan Mtg Corp	.250	08/24/2023	\$5,000,000.00	0.192
01/24/2022	\$4,000,000.00	3137EAEV7	Federal Home Loan Mtg Corp	.250	08/24/2023	\$4,000,000.00	0.891
06/04/2021	\$5,000,000.00	91282CFK2	US Treasury Note	.125	09/15/2023	\$5,000,000.00	0.191
Total	\$21,000,000.00					\$21,000,000.00	

CITY OF LEE'S SUMMIT, MISSOURI

Investment Portfolio As of September 30, 2023

Description	Settle Date	Maturity Date	Yield to Maturity	Par Value	Purchase Cost	Market Value
US Treasury Securities:						
Treasury Note	06/04/21	10/31/23	0.203%	\$4,000,000	\$4,142,582	\$3,986,946
Treasury Note	01/12/22	10/31/23	0.869%	\$2,000,000	\$1,983,934	\$1,991,357
Treasury Note	06/09/21	11/30/23	0.212%	\$5,000,000	\$5,238,703	\$4,971,525
Treasury Note	07/23/21	02/29/24	0.288%	\$4,000,000	\$4,253,629	\$3,949,062
Treasury Note	02/10/22	02/29/24	1.353%	\$5,000,000	\$5,156,400	\$4,936,328
Treasury Note	01/05/22	03/31/24	0.830%	\$5,000,000	\$5,171,281	\$4,917,969
Treasury Note	06/30/21	04/15/24	0.420%	\$4,000,000	\$3,998,115	\$3,891,719
Treasury Note	12/16/21	04/15/24	0.802%	\$2,000,000	\$1,981,590	\$1,945,859
Treasury Note	06/30/21	05/15/24	0.436%	\$4,000,000	\$3,980,000	\$3,871,562
Treasury Note	12/16/21	05/31/24	0.826%	\$3,000,000	\$3,088,067	\$2,931,328
Treasury Note	01/05/22	06/30/24	0.905%	\$3,000,000	\$3,062,885	\$2,917,383
Treasury Note	12/30/21	07/15/24	0.886%	\$4,000,000	\$3,955,598	\$3,842,344
Treasury Note	08/25/21	08/15/24	0.435%	\$6,000,000	\$5,990,060	\$5,738,672
Treasury Note	12/30/21	08/31/24	0.917%	\$4,000,000	\$4,051,713	\$3,848,594
Treasury Note	09/02/21	09/30/24	0.410%	\$4,000,000	\$4,245,529	\$3,870,312
Treasury Note	10/06/21	10/31/24	0.522%	\$4,000,000	\$4,144,804	\$3,834,219
Treasury Note	11/15/21	11/15/24	0.831%	\$4,000,000	\$3,990,469	\$3,797,500
Treasury Note	12/10/21	11/30/24	0.954%	\$3,000,000	\$3,049,127	\$2,868,984
Treasury Note	12/28/22	03/15/25	4.297%	\$5,253,000	\$4,999,694	\$4,992,402
Treasury Note	03/09/22	03/31/25	1.670%	\$5,000,000	\$4,829,153	\$4,656,836
Treasury Note	04/21/22	04/30/25	2.806%	\$4,922,000	\$4,999,041	\$4,744,539
Treasury Note	06/14/22	04/30/25	3.383%	\$5,000,000	\$4,593,155	\$4,632,031
Treasury Note	06/15/22	05/15/25	3.450%	\$5,000,000	\$4,914,513	\$4,810,547
Treasury Note	07/28/22	06/15/25	2.825%	\$3,000,000	\$3,014,235	\$2,886,328
Treasury Note	01/12/23	06/15/25	3.979%	\$4,000,000	\$3,907,752	\$3,848,438
Treasury Note	06/28/22	06/30/25	3.180%	\$525,000	\$481,888	\$482,118
Treasury Note	08/10/22	07/15/25	3.202%	\$3,000,000	\$2,989,490	\$2,889,023
Treasury Note	12/30/22	07/15/25	4.307%	\$5,000,000	\$4,912,561	\$4,815,039
Treasury Note	09/02/22	08/15/25	3.437%	\$2,000,000	\$1,921,957	\$1,888,516
Treasury Note	09/19/22	08/15/25	3.925%	\$3,000,000	\$2,943,526	\$2,892,773
Treasury Note	12/30/22	08/15/25	4.292%	\$3,000,000	\$2,948,651	\$2,892,773
Treasury Note	09/20/22	09/15/25	3.936%	\$3,000,000	\$2,964,888	\$2,910,234
Treasury Note	09/09/22	09/30/25	3.534%	\$3,000,000	\$2,720,195	\$2,727,422
Treasury Note	12/30/22	09/30/25	4.280%	\$2,052,000	\$1,999,840	\$1,971,042
Treasury Note	11/30/22	10/15/25	4.305%	\$4,000,000	\$4,015,426	\$3,934,844
Treasury Note	09/27/23	10/15/25	5.080%	\$5,000,000	\$5,015,916	\$4,918,555
Treasury Note	12/22/22	11/15/25	4.037%	\$3,000,000	\$3,051,298	\$2,966,250
Treasury Note	01/13/22	02/15/26	3.834%	\$5,000,000	\$4,714,394	\$4,627,734
Treasury Note	09/28/23	03/15/26	4.989%	\$6,000,000	\$5,959,725	\$5,953,828
Treasury Note	12/07/22	03/31/26	3.902%	\$4,420,000	\$3,997,055	\$3,992,676
Treasury Note	01/10/23	05/31/26	3.907%	\$4,000,000	\$3,606,348	\$3,588,125
Treasury Note	01/10/23	06/30/26	3.879%	\$3,000,000	\$2,710,568	\$2,696,250
Treasury Note	02/07/23	03/31/27	3.910%	\$4,000,000	\$3,821,808	\$3,711,562
Treasury Note	02/10/23	05/15/27	3.881%	\$3,000,000	\$2,841,183	\$2,763,281
Treasury Note	03/10/23	08/15/27	4.040%	\$6,000,000	\$5,576,155	\$5,476,641
Treasury Note	02/10/23	09/30/27	3.839%	\$3,000,000	\$3,081,193	\$2,934,258
Treasury Note	05/03/23	10/31/27	3.461%	\$4,000,000	\$4,111,033	\$3,914,688
Treasury Note	06/07/23	02/15/28	3.976%	\$4,000,000	\$3,825,908	\$3,693,750
Treasury Note	06/09/23	03/31/28	3.970%	\$5,000,000	\$4,421,914	\$4,308,308

Description	Settle Date	Maturity Date	Yield to Maturity	Par Value	Purchase Cost	Market Value
Treasury Note	06/27/23	04/30/28	4.030%	\$5,670,000	\$4,993,916	\$4,873,542
Treasury Note	06/30/23	05/15/28	4.183%	\$2,600,000	\$2,460,708	\$2,405,813
Treasury Note	06/30/23	05/15/28	4.179%	\$2,500,000	\$2,366,509	\$2,313,281
Total US Treasury Securities:				\$200,942,000	\$197,196,081	\$191,225,202

Description	Settle Date	Maturity Date	Yield to Maturity	Par Value	Purchase Cost	Market Value
US Gov't Agency Securities:						
Federal Home Loan Bank	06/09/21	03/08/24	0.269%	\$4,000,000	\$4,194,688	\$3,934,468
Federal Home Loan Bank	07/23/21	06/14/24	0.373%	\$4,000,000	\$4,165,836	\$3,895,615
Fed'l Nat'l Mortgage Assn	12/10/21	07/02/24	0.866%	\$3,000,000	\$3,090,065	\$2,916,139
Farmer Mac	08/12/21	07/22/24	0.455%	\$5,000,000	\$5,000,500	\$4,795,738
Federal Home Loan Bank	09/24/21	09/13/24	0.513%	\$4,000,000	\$3,985,251	\$3,902,410
Federal Home Loan Bank	11/15/21	09/13/24	0.782%	\$4,000,000	\$4,253,446	\$3,811,640
Federal Farm Credit Bank	10/29/21	10/25/24	0.785%	\$5,000,000	\$4,987,839	\$4,753,904
Federal Farm Credit Bank	03/09/22	02/25/25	1.760%	\$5,000,000	\$4,998,803	\$4,759,443
Federal Natl Mortgage Assn	12/08/22	04/24/26	3.960%	\$2,000,000	\$1,890,194	\$1,863,052
Federal Farm Credit Bank	07/31/23	07/17/26	4.630%	\$4,000,000	\$4,006,571	\$3,957,475
Farmer Mac	09/18/23	09/20/27	4.723%	\$5,200,000	\$5,060,339	\$4,947,541
Total Gov't Agency Securities:				\$45,200,000	\$45,633,532	\$43,537,424

Description	Settle Date	Maturity Date	Yield to Maturity	Par Value	Purchase Cost	Market Value
Missouri Securities Investment Program				\$5,997,312		\$5,997,312
Regions Bank				\$75,210		\$75,210
Demand Deposits				\$16,968,113		\$16,968,113

TOTAL				\$269,182,635		\$257,803,261
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