

INVESTMENT REPORT

Northwest ISD

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October 1 to October 31, 2022



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Market Recap

The financial markets continued to focus attention squarely on inflation and the Fed's likely policy response. The headline consumer price index (CPI) for September rose +0.4%, unfortunately doubling the +0.2% median forecast. This uptick followed a +0.1% rise in August and an unchanged reading in July. On a year-over-year basis, overall CPI was up +8.2%, slightly above the +8.1% forecast. The annual rate peaked at +9.1% in June and declined in each of the subsequent three months, but the optics of the frustratingly slow pace of decline amid historically restrictive monetary policy was disturbing to both investors and the Fed. Although stocks rebounded from two-year lows during the month, bond yields climbed to fresh 20-year highs as persistent economic strength signaled the Fed's work was far from complete.

The September employment report turned out to be mostly a non-event. The nonfarm payroll increase was above forecast at +263k. Although this continued a gradual slowing trend in payrolls, the job gains were still too robust for the Fed. The unemployment rate fell from +3.7% to +3.5%, but no one cheered a return to the lowest rate of unemployment since 1969. Hourly earnings were up +0.3% for the fourth straight month and slipped from +5.2% to +5.0% year-over-year, but the rate of decline seemed painfully slow. A week earlier, the JOLT survey showed job openings had dropped from 11.2 million to 10.1 million in August. That was a historical monthly decline, but 10 million unfilled job openings are still too many when there are less than six million actively looking for work.

The initial reading of third quarter GDP did little to support the idea that the Fed's super-restrictive policy was having the desired effect on overall demand. GDP was up +2.6% (quarter-over-quarter, annualized) after being down -1.6% and -0.6% in the first and second quarters. However, the entire increase can be attributed to the volatile trade component which contributed a whopping 2.8 percentage points. If net exports had been unchanged, Q3 GDP would have been negative.

One sector that has felt the impact of the Fed's restrictive policy is housing. Mortgage rates climbed above 7% for the first time in two decades during the month and the slowdown

in sales is clear. Existing home sales (which typically account for 85% to 90% of all sales) fell to the lowest point since the 2020 shutdown in September, while the Mortgage Bankers Association mortgage applications index (both new purchases and refi's) fell to its lowest level in 25 years. The residential investment component of GDP fell -26.4% in the third quarter, subtracting 0.6 percentage points from the headline. This weakness has already begun dragging home prices lower and is expected to continue well into next year.

Central banks around the world indicated much of the front-loading of policy was nearing completion. The Bank of Canada surprised the markets in late October by hiking 50 bps instead of 75 after the Bank of Australia hiked 25 bps instead of 50. The European Central Bank increased its deposit rate by 75 but hinted at downshifting the pace at future meetings. The Fed, however, was showing few indications of releasing the brake. FOMC minutes from the September meeting showed committee members were concerned that inflation had remained so high. Member comments indicated upside risk to inflation and downside risk to economic growth, while the committee acknowledged the risk of overtightening policy but were firmly committed to their current tightening path. Economic growth will certainly slow in the fourth quarter, wringing out many of the unfilled jobs, easing wage pressures and dragging inflation lower. But at this point, the process seems to be taking too long and the markets have grown impatient.

Investment Officers' Certification

This report is prepared for the Northwest 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 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

Portfolio Overview

Portfolio Summary

	Prior 30 Sep-22	Current 31 Oct-22
Par Value	434,319,402.12	410,449,030.42
Original Cost	432,931,093.17	409,060,721.47
Book Value	432,990,083.81	409,339,132.58
Market Value	432,999,077.12	409,194,285.42
Accrued Interest	5,972.22	41,805.56
Book Value Plus Accrued	432,996,056.03	409,380,938.13
Market Value Plus Accrued	433,005,049.34	409,236,090.98
Net Unrealized Gain/Loss	8,993.31	(144,847.16)

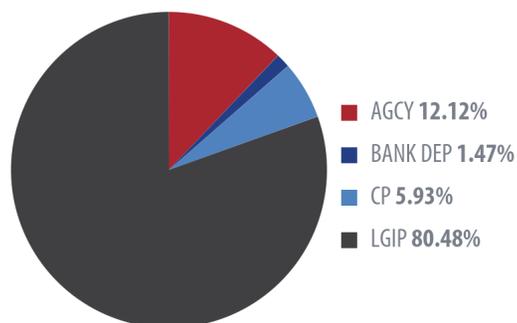
Income Summary

	1 Oct-22 to 31 Oct-22
Interest Income	\$892,106.16
Net Amortization/Accretion	\$219,420.47
Realized Gain/Loss	\$0.00
Net Income	\$1,111,526.63

Portfolio Characteristics

	Prior 30 Sep-22	Current 31 Oct-22
Yield to Maturity	2.674%	3.099%
Yield to Worst	2.674%	3.099%
Years to Final Maturity	0.10	0.09
Years to Effective Maturity	0.10	0.09
Duration	0.57	0.48

Asset Allocation

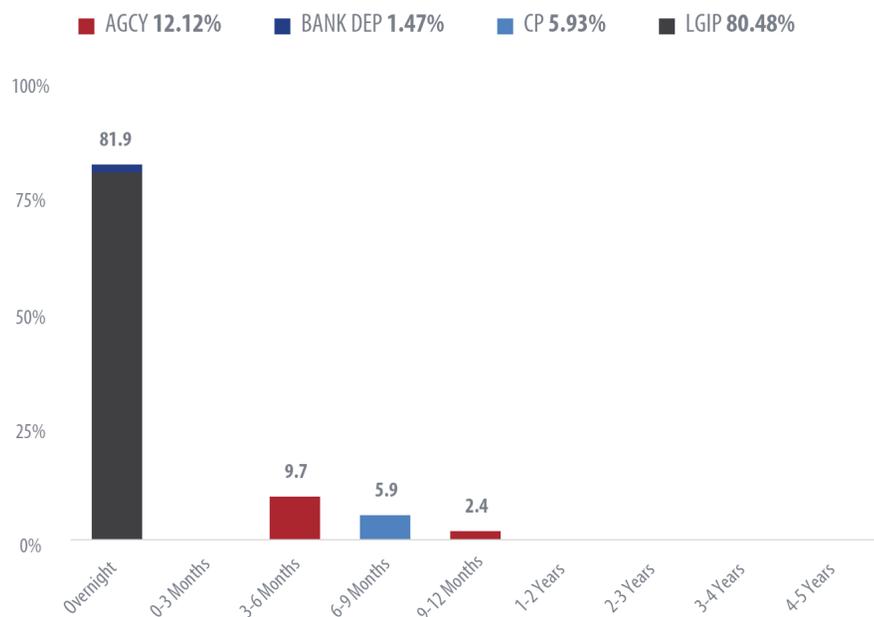


Transaction Summary

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

Maturity Distribution by Security Type



Top Ten Holdings

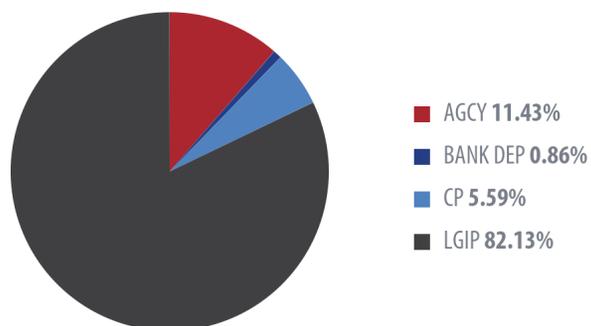
Issuer	Allocation
TEXPOOL	80.48%
Federal Home Loan Banks	12.12%
Royal Bank of Canada	3.56%
Toyota Motor Credit Corporation	2.38%
WF	1.47%

Maturity Distribution by Security Type

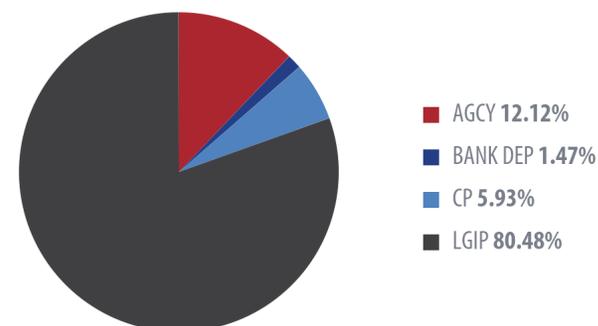
Security Type	Overnight	0-3 Months	3-6 Months	6-9 Months	9-12 Months	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Portfolio Total
AGCY	--	--	39,603,800.61	--	9,996,301.55	--	--	--	--	49,600,102.16
BANK DEP	6,002,407.87	--	--	--	--	--	--	--	--	6,002,407.87
CP	--	--	--	24,290,000.00	--	--	--	--	--	24,290,000.00
LGIP	329,446,622.55	--	--	--	--	--	--	--	--	329,446,622.55
Total	335,449,030.42	--	39,603,800.61	24,290,000.00	9,996,301.55	--	--	--	--	409,339,132.58

Asset Allocation

Asset Allocation by Security Type as of
30-Sep-2022



Asset Allocation by Security Type as of
31-Oct-2022



Book Value Basis Security Distribution

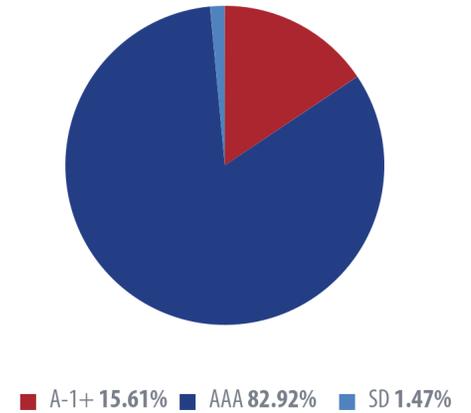
Security Type	Prior Balance 30-Sep-22	Prior Allocation 30-Sep-22	Change in Allocation	Current Balance 31-Oct-22	Current Allocation 31-Oct-22	Yield to Maturity
AGCY	49,475,877.52	11.43%	0.69%	49,600,102.16	12.12%	3.807%
BANK DEP	3,714,924.79	0.86%	0.61%	6,002,407.87	1.47%	0.500%
CP	24,194,804.17	5.59%	0.35%	24,290,000.00	5.93%	4.547%
LGIP	355,604,477.33	82.13%	(1.65%)	329,446,622.55	80.48%	2.934%
Portfolio Total	432,990,083.81	100.00%		409,339,132.58	100.00%	3.099%

Credit Rating Summary

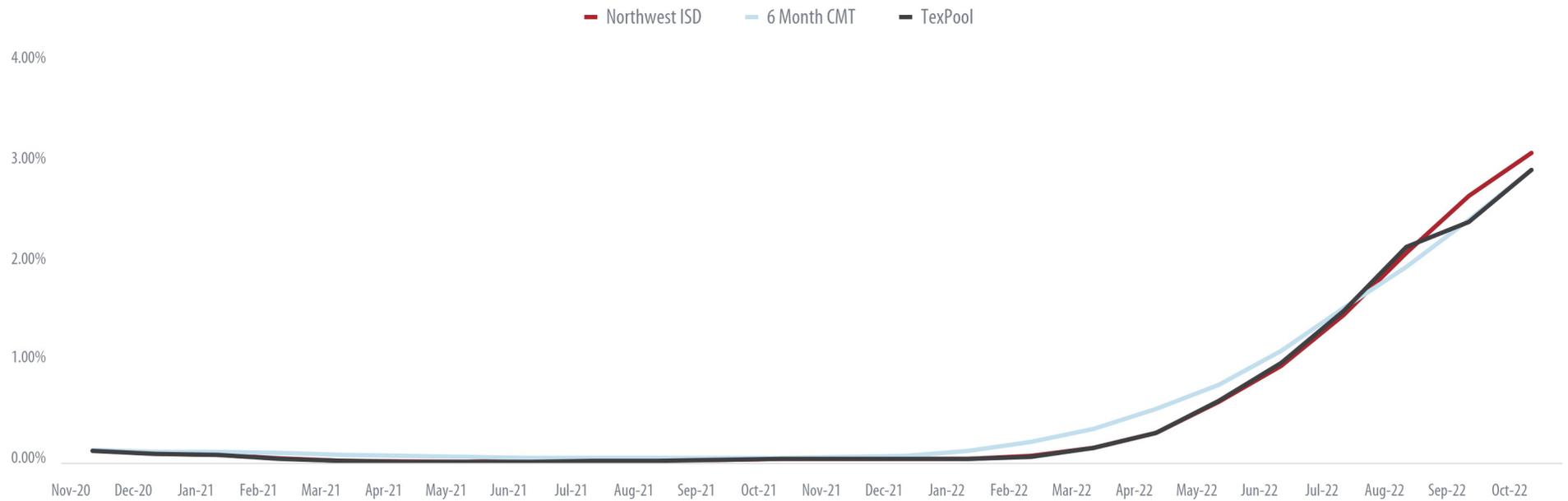
Rating Distribution

	Book Value	Portfolio Allocation
Secured Deposits (Insured or Collateralized)		
Demand Deposits	6,002,407.87	1.47%
Total Secured Deposits	6,002,407.87	1.47%
Local Government Investment Pools & Money Market Funds		
AAA	329,446,622.55	80.48%
Total Local Government Investment Pools & Money Market Funds	329,446,622.55	80.48%
Short Term Rating Distribution		
A-1+	63,893,800.61	15.61%
Total Short Term Rating Distribution	63,893,800.61	15.61%
Long Term Rating Distribution		
AAA	9,996,301.55	2.44%
Total Long Term Rating Distribution	9,996,301.55	2.44%
Portfolio Total	409,339,132.58	100.00%

Allocation by Rating



Benchmark Comparison



Yield Overview

	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
Northwest ISD	0.12	0.09	0.08	0.04	0.02	0.01	0.01	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.04	0.07	0.15	0.30	0.61	0.97	1.48	2.10	2.67	3.10
6 Month CMT	0.13	0.11	0.11	0.10	0.08	0.07	0.06	0.05	0.05	0.05	0.05	0.05	0.06	0.07	0.12	0.21	0.34	0.54	0.78	1.12	1.55	1.96	2.43	2.93
TexPool	0.12	0.09	0.08	0.04	0.02	0.01	0.01	0.01	0.02	0.02	0.03	0.04	0.04	0.04	0.04	0.06	0.15	0.30	0.62	1.00	1.52	2.16	2.41	2.93

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
Activity Account	173,429.45	173,429.45	432.10	173,861.55	173,861.55	432.10	1	2.934%	2.934%
Capital Project	323,025,364.14	323,031,104.97	(14,884,885.95)	308,198,179.02	308,146,219.02	805,417.03	12	3.010%	3.010%
Capital Project AFB	416,641.92	416,641.92	1,038.04	417,679.96	417,679.96	1,038.04	1	2.934%	2.934%
General Operating Fund	59,391,767.00	59,385,252.95	(12,248,500.60)	47,180,868.90	47,136,752.35	161,014.28	117	3.560%	3.560%
Interest & Sinking	46,921,042.51	46,930,809.04	1,006,981.43	47,986,561.08	47,937,790.47	141,843.72	82	3.514%	3.514%
Payroll Fund	3,061,838.79	3,061,838.79	2,320,143.28	5,381,982.07	5,381,982.07	1,781.46	1	0.500%	0.500%
Total	432,990,083.81	432,999,077.12	(23,804,791.70)	409,339,132.58	409,194,285.42	1,111,526.63	32	3.099%	3.099%

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
Activity Account																		
TEXPOOL		LGIP	TexPool		10/31/22			173,861.55	100.000	173,861.55	173,861.55	100.000	173,861.55	1		2.934	2.934	AAA
Total Activity Account								173,861.55		173,861.55	173,861.55		173,861.55	1		2.934	2.934	
Capital Project																		
TEXPOOL		LGIP	TexPool		10/31/22			293,630,104.02	100.000	293,630,104.02	293,630,104.02	100.000	293,630,104.02	1		2.934	2.934	AAA
78009BTP7	09/29/22	CP	Royal Bank of Canada	0.000	06/23/23			15,000,000.00	96.714	14,507,162.50	14,568,075.00	96.774	14,516,115.00	235		4.556	4.556	A-1+
Total Capital Project								308,630,104.02		308,137,266.52	308,198,179.02		308,146,219.02	12		3.010	3.010	
Capital Project AFB																		
TEXPOOL		LGIP	TexPool		10/31/22			417,679.96	100.000	417,679.96	417,679.96	100.000	417,679.96	1		2.934	2.934	AAA
Total Capital Project AFB								417,679.96		417,679.96	417,679.96		417,679.96	1		2.934	2.934	
General Operating Fund																		
TEXPOOL		LGIP	TexPool		10/31/22			27,414,026.35	100.000	27,414,026.35	27,414,026.35	100.000	27,414,026.35	1		2.934	2.934	AAA
WF-NWISD		BANK DEP	Wells Fargo Bk		10/31/22			48,616.00	100.000	48,616.00	48,616.00	100.000	48,616.00	1		0.500	0.500	SD
89233HTG9	09/20/22	CP	Toyota Motor Credit Corporation	0.000	06/16/23			10,000,000.00	96.705	9,670,475.00	9,721,925.00	97.084	9,708,430.00	228		4.535	4.535	A-1+
3130ATGX9	09/26/22	AGCY	FEDERAL HOME LOAN BANKS	4.300	09/26/23			10,000,000.00	99.959	9,995,898.00	9,996,301.55	99.657	9,965,680.00	330		4.342	4.342	AAA
Total General Operating Fund								47,462,642.35		47,129,015.35	47,180,868.90		47,136,752.35	117		3.560	3.560	
Interest & Sinking																		
TEXPOOL		LGIP	TexPool		10/31/22			7,810,950.67	100.000	7,810,950.67	7,810,950.67	100.000	7,810,950.67	1		2.934	2.934	AAA
WF-NWISD		BANK DEP	Wells Fargo Bk		10/31/22			571,809.80	100.000	571,809.80	571,809.80	100.000	571,809.80	1		0.500	0.500	SD
313384BK4	09/20/22	AGCY	FEDERAL HOME LOAN BANKS	0.000	02/03/23			10,000,000.00	98.636	9,863,622.22	9,905,539.20	98.942	9,894,240.00	95		3.668	3.668	A-1+
313384BR9		AGCY	FEDERAL HOME LOAN BANKS	0.000	02/09/23			30,000,000.00	98.582	29,574,533.33	29,698,261.41	98.869	29,660,790.00	101		3.673	3.673	A-1+

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	
Total Interest & Sinking								48,382,760.47		47,820,916.02	47,986,561.08		47,937,790.47	82		3.514	3.514		
Payroll Fund																			
WF-NWISD		BANK DEP	Wells Fargo Bk		10/31/22			5,381,982.07	100.000	5,381,982.07	5,381,982.07	100.000	5,381,982.07	1		0.500	0.500	SD	
Total Payroll Fund								5,381,982.07		5,381,982.07	5,381,982.07		5,381,982.07	1		0.500	0.500		
Grand Total								410,449,030.42		409,060,721.47	409,339,132.58		409,194,285.42	32		3.099	3.099		

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
Activity Account										
TEXPOOL	LGIP	TexPool 0.0 10/31/2022	0.00	432.10	432.10	0.00	0.00	0.00	0.00	432.10
Total Activity Account			0.00	432.10	432.10	0.00	0.00	0.00	0.00	432.10
Capital Project										
TEXPOOL	LGIP	TexPool 0.0 10/31/2022	0.00	748,196.20	748,196.20	0.00	0.00	0.00	0.00	748,196.20
78009BTP7	CP	Royal Bank of Canada 0.0 06/23/2023	0.00	0.00	0.00	0.00	0.00	57,220.83	0.00	57,220.83
Total Capital Project			0.00	748,196.20	748,196.20	0.00	0.00	57,220.83	0.00	805,417.03
Capital Project AFB										
TEXPOOL	LGIP	TexPool 0.0 10/31/2022	0.00	1,038.04	1,038.04	0.00	0.00	0.00	0.00	1,038.04
Total Capital Project AFB			0.00	1,038.04	1,038.04	0.00	0.00	0.00	0.00	1,038.04
General Operating Fund										
TEXPOOL	LGIP	TexPool 0.0 10/31/2022	0.00	86,858.44	86,858.44	0.00	0.00	0.00	0.00	86,858.44
WF-NWISD	BANK DEP	Wells Fargo Bk 0.0 10/31/2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
89233HTG9	CP	Toyota Motor Credit Corporation 0.0 06/16/2023	0.00	0.00	0.00	0.00	0.00	37,975.00	0.00	37,975.00
3130ATGX9	AGCY	FEDERAL HOME LOAN BANKS 4.3 09/26/2023	5,972.22	35,833.33	0.00	0.00	41,805.56	347.50	0.00	36,180.84
Total General Operating Fund			5,972.22	122,691.77	86,858.44	0.00	41,805.56	38,322.50	0.00	161,014.28
Interest & Sinking										
TEXPOOL	LGIP	TexPool 0.0 10/31/2022	0.00	17,726.54	17,726.54	0.00	0.00	0.00	0.00	17,726.54
WF-NWISD	BANK DEP	Wells Fargo Bk 0.0 10/31/2022	0.00	240.05	240.05	0.00	0.00	0.00	0.00	240.05
313384BK4	AGCY	FEDERAL HOME LOAN BANKS 0.0 02/03/2023	0.00	0.00	0.00	0.00	0.00	30,955.90	0.00	30,955.90
313384BR9	AGCY	FEDERAL HOME LOAN BANKS 0.0 02/09/2023	0.00	0.00	0.00	0.00	0.00	92,921.24	0.00	92,921.24
Total Interest & Sinking			0.00	17,966.59	17,966.59	0.00	0.00	123,877.13	0.00	141,843.72
Payroll Fund										
WF-NWISD	BANK DEP	Wells Fargo Bk 0.0 10/31/2022	0.00	1,781.46	1,781.46	0.00	0.00	0.00	0.00	1,781.46

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
Total Payroll Fund			0.00	1,781.46	1,781.46	0.00	0.00	0.00	0.00	1,781.46
Grand Total			5,972.22	892,106.16	856,272.83	0.00	41,805.56	219,420.47	0.00	1,111,526.63

Amortization and Accretion

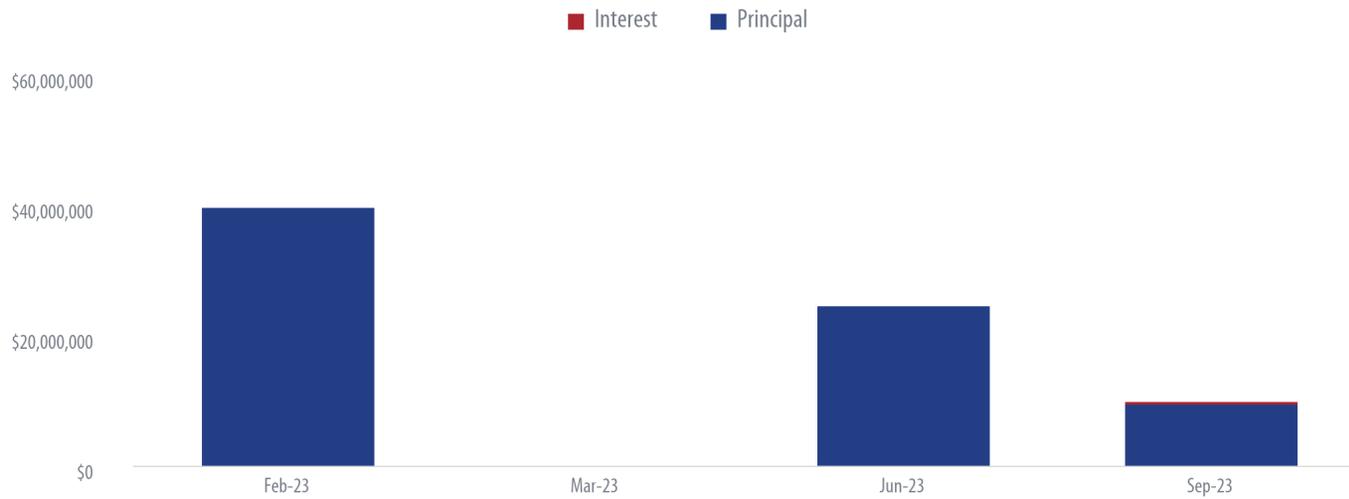
CUSIP	Settle Date	Security Type	Security Description	Purchase Qty	Orig Price	Original Cost	Amort/Accr for Period	Total Amort/Accr Since Purch	Remaining Disc/Premium	Ending Book Value
Capital Project										
78009BTP7	09/29/22	CP	Royal Bank of Canada 0.0 06/23/2023	15,000,000.00	96.714	14,507,162.50	57,220.83	60,912.50	(431,925.00)	14,568,075.00
Total Capital Project				15,000,000.00		14,507,162.50	57,220.83	60,912.50	(431,925.00)	14,568,075.00
General Operating Fund										
89233HTG9	09/20/22	CP	Toyota Motor Credit Corporation 0.0 06/16/2023	10,000,000.00	96.705	9,670,475.00	37,975.00	51,450.00	(278,075.00)	9,721,925.00
3130ATGX9	09/26/22	AGCY	FEDERAL HOME LOAN BANKS 4.3 09/26/2023	10,000,000.00	99.959	9,995,898.00	347.50	403.55	(3,698.45)	9,996,301.55
Total General Operating Fund				20,000,000.00		19,666,373.00	38,322.50	51,853.55	(281,773.45)	19,718,226.55
Interest & Sinking										
313384BK4	09/20/22	AGCY	FEDERAL HOME LOAN BANKS 0.0 02/03/2023	10,000,000.00	98.636	9,863,622.22	30,955.90	41,916.98	(94,460.80)	9,905,539.20
313384BR9		AGCY	FEDERAL HOME LOAN BANKS 0.0 02/09/2023	30,000,000.00	98.582	29,574,533.33	92,921.24	123,728.08	(301,738.59)	29,698,261.41
Total Interest & Sinking				40,000,000.00		39,438,155.55	123,877.13	165,645.06	(396,199.39)	39,603,800.61
Grand Total				75,000,000.00		73,611,691.05	219,420.47	278,411.11	(1,109,897.84)	73,890,102.16

Projected Cash Flows

CUSIP	Security Description	Post Date	Interest	Principal	Total Amount
Capital Project					
78009BTP7	Royal Bank of Canada 0.0 06/23/2023	06/23/23		15,000,000.00	15,000,000.00
General Operating Fund					
3130ATGX9	FEDERAL HOME LOAN BANKS 4.3 09/26/2023	03/27/23	215,000.00		215,000.00
89233HTG9	Toyota Motor Credit Corporation 0.0 06/16/2023	06/16/23		10,000,000.00	10,000,000.00
3130ATGX9	FEDERAL HOME LOAN BANKS 4.3 09/26/2023	09/26/23	215,000.00		215,000.00
3130ATGX9	FEDERAL HOME LOAN BANKS 4.3 09/26/2023	09/26/23		10,000,000.00	10,000,000.00
Interest & Sinking					
313384BK4	FEDERAL HOME LOAN BANKS 0.0 02/03/2023	02/03/23		10,000,000.00	10,000,000.00
313384BR9	FEDERAL HOME LOAN BANKS 0.0 02/09/2023	02/09/23		30,000,000.00	30,000,000.00
Grand Total			430,000.00	75,000,000.00	75,430,000.00

Projected Cash Flows Totals

Month and Year	Interest	Principal	Total Amount
February 2023		40,000,000.00	40,000,000.00
March 2023	215,000.00		215,000.00
June 2023		25,000,000.00	25,000,000.00
September 2023	215,000.00	10,000,000.00	10,215,000.00
Total	430,000.00	75,000,000.00	75,430,000.00



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