QUARTERLY INVESTMENT REPORT

Quarter Ending May 31, 2026

(Unaudited)

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Gregory-Portland ISD
Quarterly Investment Report to Board of Trustees and Superintendent

Period Ending May 31, 2026

Internal Management Report

All investments have been made in accordance with the requirements of the Gregory-Portland ISD Investment Policy and Texas Government Code Chapter 2256 of the Public Funds Investment Act (PFIA). The investment officers are designated by the district and directed by the investment policy to meet certain requirements regarding investment strategy, earnings, diversity and liquidity. This report is presented in conformity with generally accepted accounting principles.

Investment Officers

Ismael Gonzalez, III
Assistant Superintendent for Business-Finance & Operations

Alberto Silguero
Director of Business Services

Investment Position

Total cash, cash equivalents, and investments as of May 31, 2026, have a current value of $403,396,172.44. As compared to the previous quarterly investment report, total balances increased by <$33,940,327.57>, down from $437,336,500.01. The decrease is primarily due to the capital project completion of the Operations and Family Resource Center on March 2, 2026, and significant construction progress of various other facilities such as the High School Fine Arts, Band Hall and Cafeteria Renovation, and the New TM Clark Elementary. Cash is comprised of the district's bank checking accounts that have ownership in the district's investments. Cash equivalents are highly liquid investments with a maturity of less than 90 days and include investment pools which have a weighted average maturity of one day. Investments are instruments that have either a short-term maturity (greater than 90 days but less than one year) or long-term maturity and can include CDs, and other obligations of governmental entities authorized under the PFIA.

Compliance Measures

- The weighted average maturity of the district's investment portfolio is one (1) day, which is compliant with the investment policy. The policy limits the weighted average of individually created investment pools to 180 days, and the maximum allowable stated maturity of any other investment owned by the district shall not exceed three (3) years from the time of purchase.

- The investment portfolio shall be diversified in terms of authorized investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

- The district shall maintain sufficient liquidity to meet anticipated cash flow requirements. The district's investment portfolios participate in local government investment pools and bank account balances are monitored to meet daily cash requirements while maintaining collateralization of depository funds.

Quarterly Economic Update

The Fed continued to signal a data-dependent easing path, with expectations building for additional rate cuts in 2026. Inflation trended closer to target, while growth moderated—supporting a more accommodative outlook.

Short-term rates / liquidity:

- Short-term rates gradually edged lower as markets priced in future Fed cuts.
- However, yields remained well above the long-term historical average (~3%), keeping LGIPs attractive for cash equivalents.

1-year Treasury trend:

- The 1-year Treasury yield was approximately ~3.8%–3.9% by May 2026, continuing a mild downward drift from late-2025 highs.
- The curve showed signs of steepening (short rates falling faster than long rates), a typical pattern ahead of or during Fed easing cycles.

Implications for the portfolio:

- A steepening curve increases the relative appeal of:
    - Rolling short-term investments (LGIPs, T-bills)
    - Gradually extending duration when reinvesting
- Potential for capital gains in longer-duration bonds (if rates decline materially) began to improve, but timing remained uncertain.

Summary of Investment Results

Investment earnings are calculated in accordance with Government Accounting Standards Board (GASB) Statement #31 which mandates that changes in the fair market value of investments longer than one (1) year should be reported as revenues in the financial statements. Since our investment strategy has been to buy and hold until maturity, changes in market value are reflected in gains or losses in the value of the portfolio as if they were liquidated on the period ending date of this report. As such, if the district's portfolio is comprised of any investments in Brokered CD's, US Agencies and/or Municipal Bonds, the value of these investments is being stated at market value.

Current quarterly earnings are $3,873,351.58. Compared to the quarterly earnings from the previous year, earnings increased by $236,155.71, up from $3,637,195.87. The increase is primarily due to favorable market conditions for short-term investments that had a direct impact on the district's capital projects investment portfolio with the recent addition of the 2025 Bond issue for $205 million.

Investment Strategy

Only eligible investments, as defined by the Investment Policy, may be purchased. Preservation and safety of principal is the number one consideration in selecting an investment instrument, followed by the availability of funds (liquidity) to ensure cash requirements are met, other strategies when considering investments is the diversification for further safeguarding of funds and laddering investments with varying maturity dates.

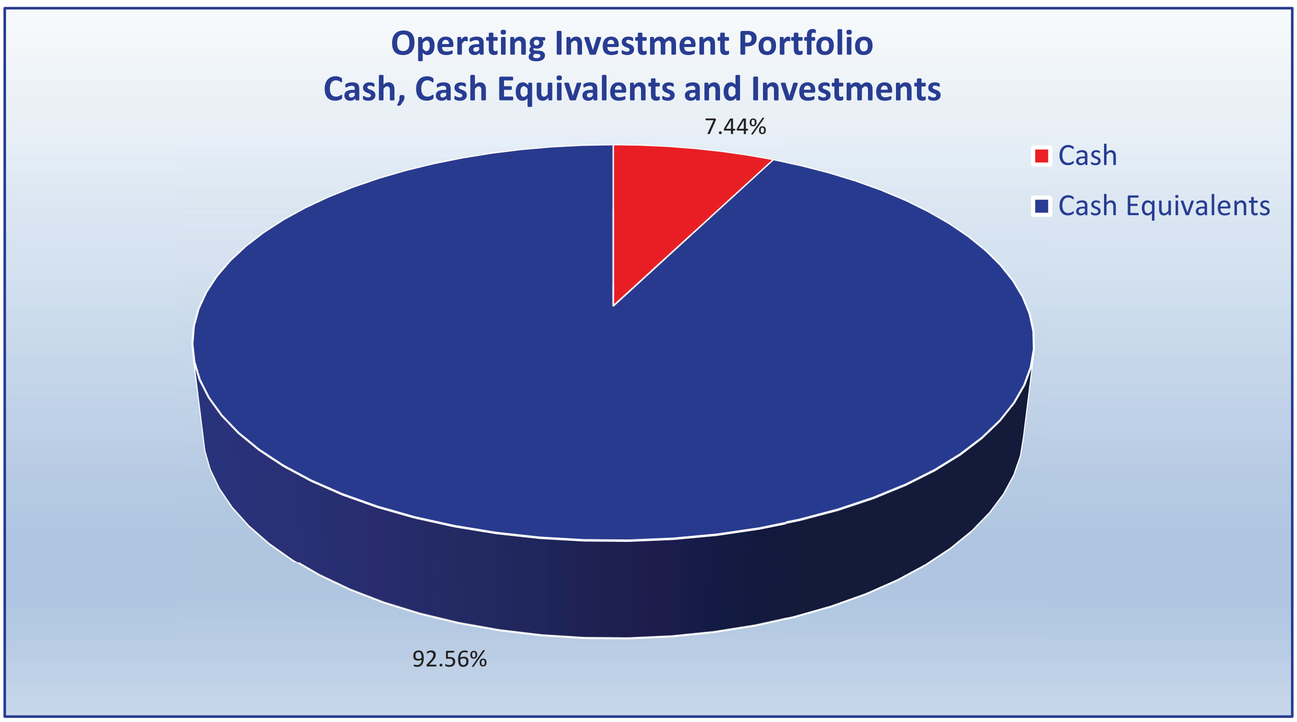
While maximizing return on investment is an objective of the district investment policy, safety of principal is always the first consideration in selecting investments.

This report has been prepared jointly by the Gregory-Portland ISD Investment Officers and in accordance with Government Code 2256.023. The Investment Officers have approved this report on this 10th day of July 2026.

Ismael Gonzalez, III	**Alberto Silguero**
Asst. Superintendent for Business-Finance & Operations	Director of Business Services

Gregory-Portland ISD
Quarterly Investment Report
Investment Portfolio Summary
Quarter Ending May 31, 2026
(Unaudited)

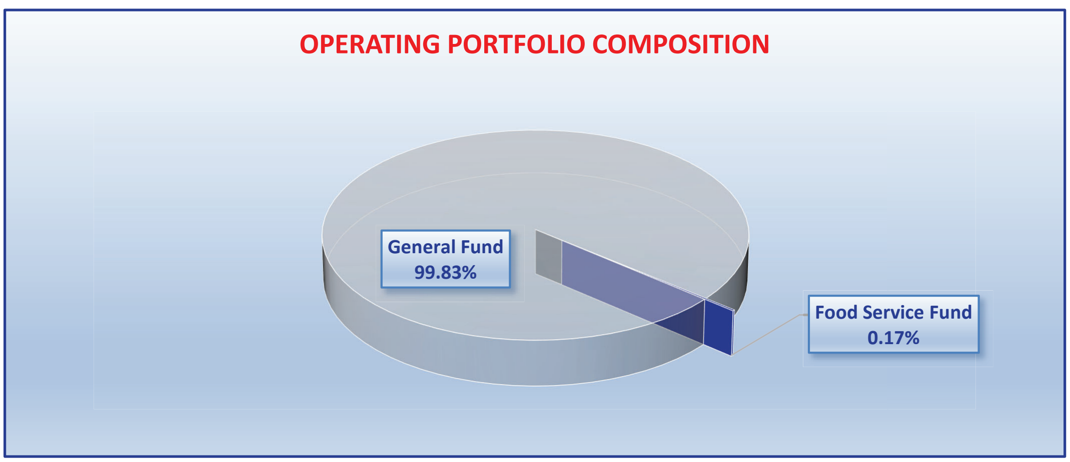
Investment Type	Operating Investment Portfolio	Worker's Compensation Portfolio	Debt Service Portfolio	Capital Projects Portfolio	Total
Cash	$ 15,139,275.37	$ 148,108.30		$ 1,615,459.91	$ 16,902,843.58
Cash Equivalents	$ 188,211,691.77	$ 7,175,562.48	$ 189,089,996.88	$ 2,016,077.73	$ 386,493,328.86
Total Investment Portfolio	$ 203,350,967.14	$ 7,323,670.78	$ 189,089,996.88	$ 3,631,537.64	$ 403,396,172.44



Gregory-Portland ISD
Quarterly Investment Report
Changes in Investment Portfolio
Quarter Ending May 31, 2026
(Unaudited)

Investment Portfolio	Beginning Market Value	Ending Market Value	Net Change
Operating Portfolio	$ 182,759,258.77	$ 203,350,967.14	$ 20,591,708.37
Worker's Compensation Portfolio	$ 4,684,096.29	$ 3,631,537.64	$ (1,052,558.65)
Debt Service Portfolio	$ 6,601,784.55	$ 7,323,670.78	$ 721,886.23
Capital Projects Portfolio	$ 243,291,360.40	$ 189,089,996.88	$ (54,201,363.52)
Grand Total	$ 437,336,500.01	$ 403,396,172.44	$ (33,940,327.57)

Operating Portfolio Composition	Beginning Market Value	Ending Market Value	Net Change
General Fund	$ 182,451,205.04	$ 203,040,074.86	$ 20,588,869.82
Food Service Fund	$ 308,053.73	$ 310,892.28	$ 2,838.55
Grand Total	$ 182,759,258.77	$ 203,350,967.14	$ 20,591,708.37



Gregory-Portland ISD
Quarterly Investment Report
Investment Portfolio Performance
Quarter Ending May 31, 2026
(Unaudited)

Investment Portfolio	Prior FY 3rd Quarter Interest Earnings 03/01/2025 to 05/31/2025	Current FY 3rd Quarter Interest Earnings 03/01/2026 to 05/31/2026	Increase (Decrease) Same QTR Prior Year Comparison	FY 2025-2026 FYTD Interest Earnings
Operating Portfolio	$ 1,620,814.01	$ 1,869,901.79	$ 249,087.78	$ 4,909,098.41
Worker's Compensation Portfolio	$ 20,977.80	$ 18,442.86	$ (2,534.94)	$ 56,987.06
Debt Service Portfolio	$ 310,461.08	$ 67,587.11	$ (242,873.97)	$ 159,587.35
Capital Projects Portfolio	$ 1,684,942.98	$ 1,917,419.82	$ 232,476.84	$ 7,289,468.42
Total Investment Portfolio Earnings	$ 3,637,195.87	$ 3,873,351.58	$ 236,155.71	$ 12,415,141.24

District Investment Portfolio Performance

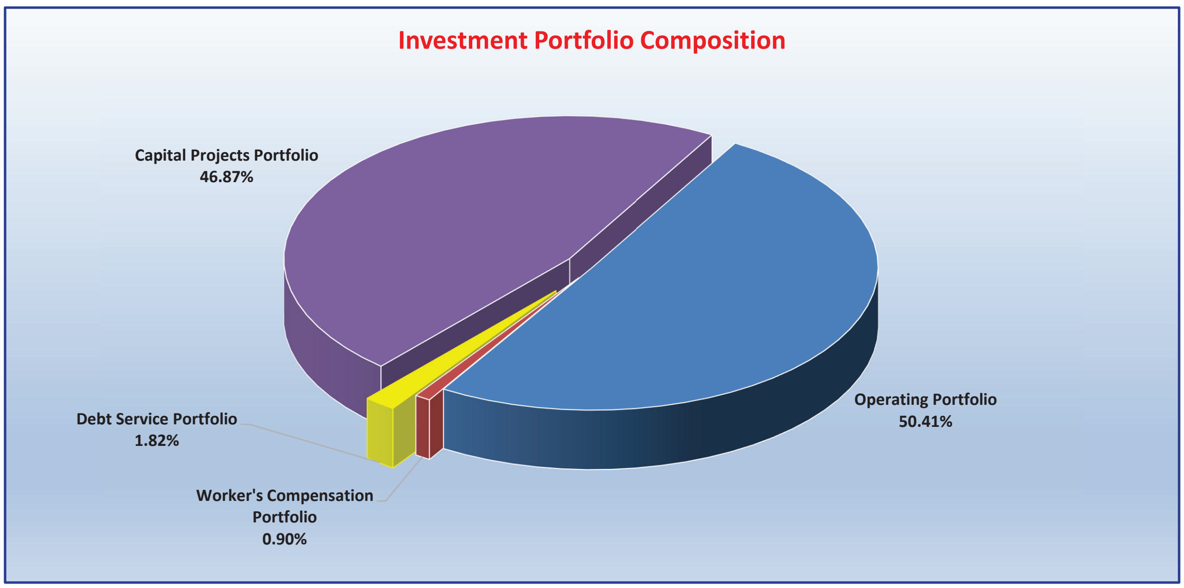
Average Portfolio Balance	$ 3,755,273.73
Annualized Portfolio Yield	4.0921%
Weighted Average Maturity (WAM)	1 Day

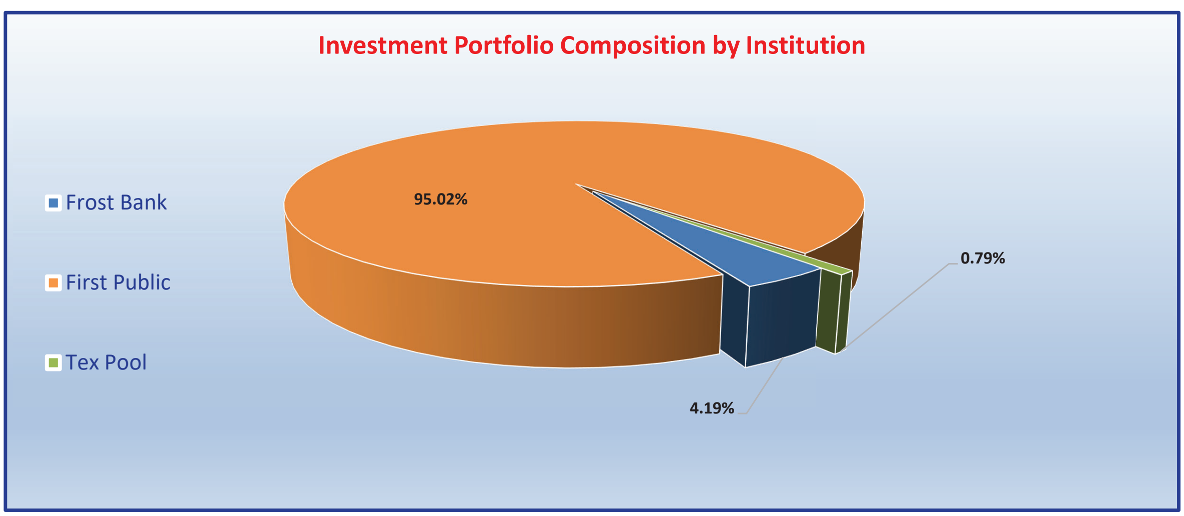
Benchmark Yield Comparison Chart

Lone Star Corporate Overnight Plus Fund (Quarterly Average Annualized Yield)	3.8099%
1-Yr Treasury Bill (Average Par Yield)	3.8375%

Gregory-Portland ISD
Quarterly Investment Report
Investment Portfolio Position
Quarter Ending May 31, 2026
(Unaudited)

Investment Portfolio	Book Value	Market Value	Unrealized Gain (Loss)
Operating Portfolio	$ 203,350,967.14	$ 203,350,967.14	$ -
Worker's Compensation Portfolio	$ 3,631,537.64	$ 3,631,537.64	$ -
Debt Service Portfolio	$ 7,323,670.78	$ 7,323,670.78	$ -
Capital Projects Portfolio	$ 189,089,996.88	$ 189,089,996.88	$ -
Grand Total	$ 403,396,172.44	$ 403,396,172.44	$ -





Approved Investment Pools, Broker, Dealers and Consultants

Investment Pools

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  (800) 558-8875

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  1001 Texas Ave, Suite 1150
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  (866) 839-7665

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