



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

December 31, 2022

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Lufkin is in compliance with the Public Funds Investment Act and the City of Lufkin Investment Policy and Strategies.

City Manager

Director of Finance

Senior Accountant

Disclaimer: These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields, and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2022		December 31, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/MMF/Pools	\$ 19,743,426	\$ 19,743,426	\$ 21,188,585	\$ 21,188,585	2.33%
Securities/CDs	48,369,718	47,999,023	51,541,336	51,192,095	2.91%
Totals	\$ 68,113,145	\$ 67,742,449	\$ 72,729,920	\$ 72,380,679	2.91%

Current Quarter Average Yield (1)

Total Portfolio	2.91%
Rolling Three Month Treasury	4.19%
Rolling Six Month Treasury	3.90%
TexPool	3.98%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	2.91%
Rolling Three Month Treasury	4.19%
Rolling Six Month Treasury	3.90%
TexPool	3.98%

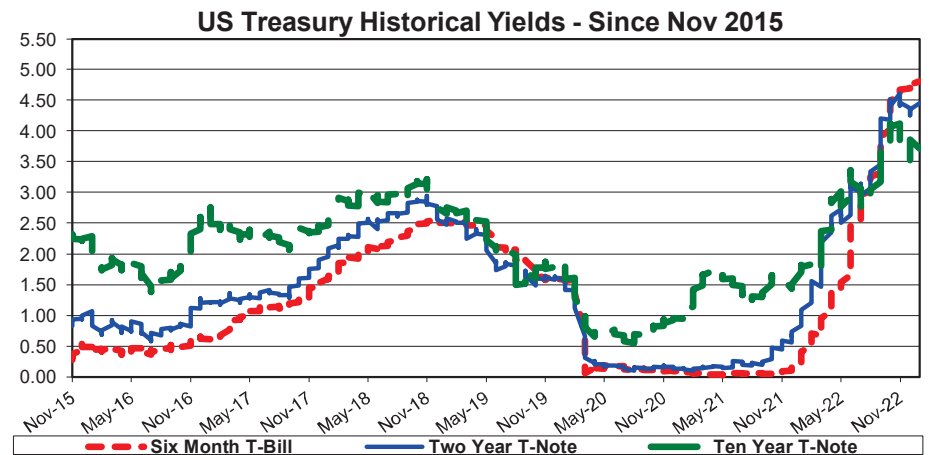
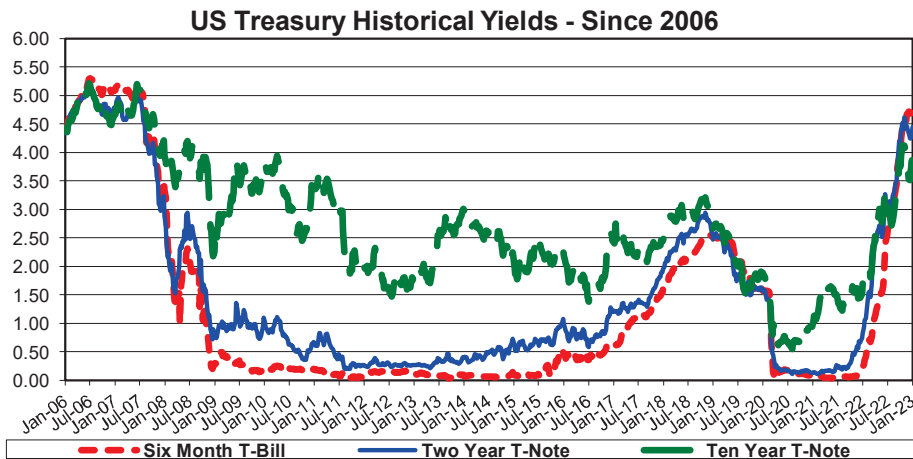
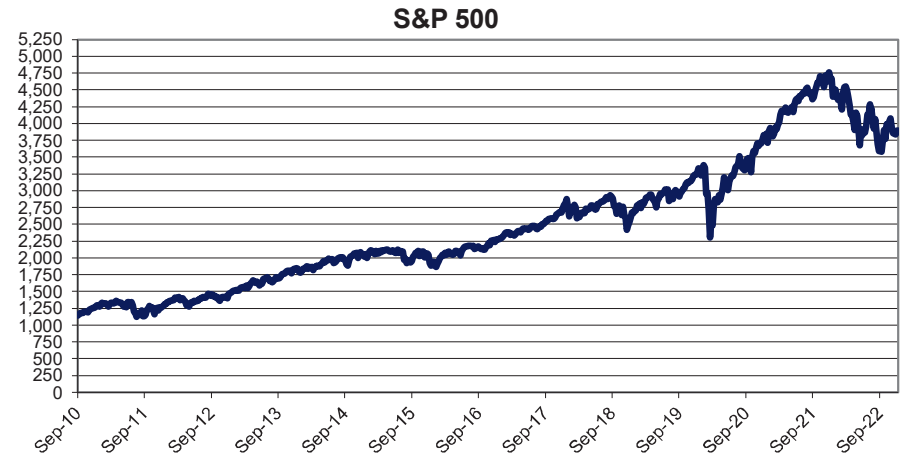
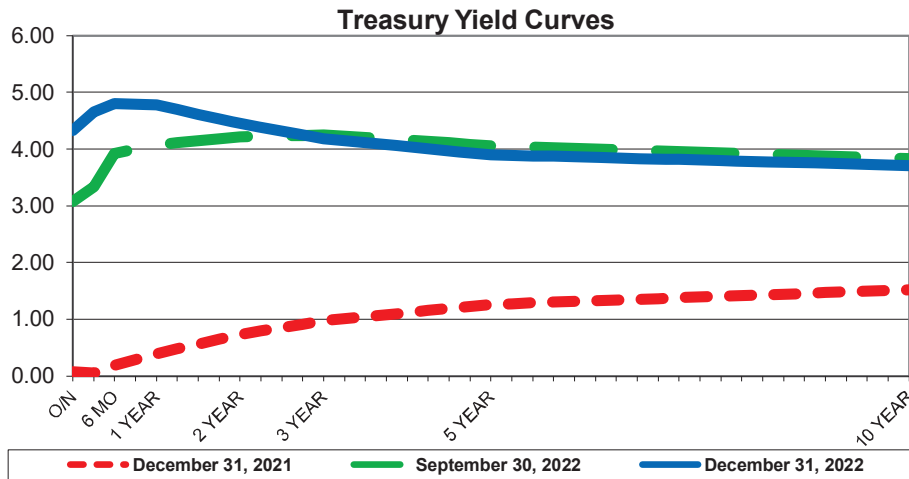
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

12/31/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.50% to 4.25% - 4.50% December 14th (Effective Fed Funds are trading +/-4.33%). A 0.25% increase is projected February 1st. Third Quarter GDP jumped to 3.2% in the final number. December Non-Farm Payroll added 223k new jobs with the Three Month Average declining to 247k. Crude oil continues moderating at +/- \$75 per barrel. The Stock Markets drifted between +/-15% to +/-19% below the 2021 peak. The yield curve is fully negatively sloped (3 months to 10 years, with peak yield at 6 months) and continues to indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-5% and CPI +/-6%). International challenges add to economic uncertainty.



Investment Holdings
December 31, 2022

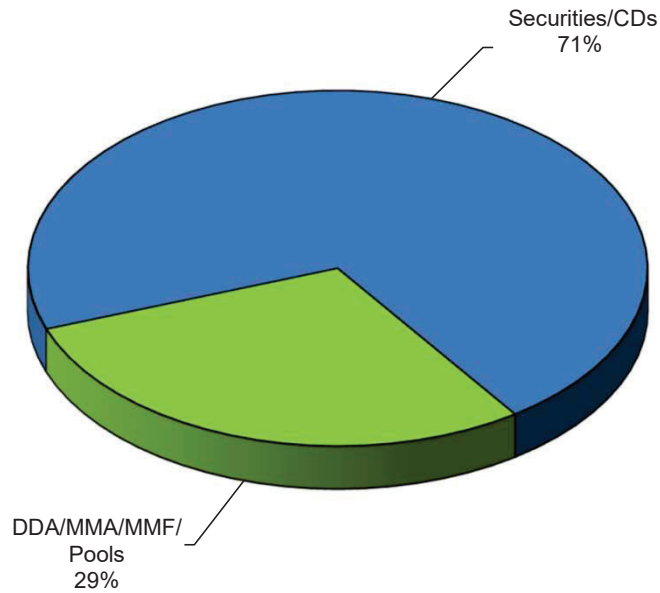
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA (3)		0.22%	01/01/23	12/31/22	\$ 10,159,047	\$ 10,159,047	\$ 1	\$ 10,159,047	1	0.22%
DDA Debit Card		0.57%	01/01/23	12/31/22	101,528	101,528	1	101,528	1	0.57%
Southside Bank MMA		4.15%	01/01/23	12/31/22	523,057	523,057	1	523,057	1	4.15%
NexBank IntraFi MMA		4.40%	01/01/23	12/31/22	8,100,549	8,100,549	1	8,100,549	1	4.40%
Federated Govt-Premier MMF	AAAm	4.16%	01/01/23	12/31/22	113,116	113,116	1	113,116	1	4.16%
TexPool	AAAm	3.98%	01/01/23	12/31/22	2,032,970	2,032,970	1	2,032,970	1	3.98%
TexSTAR	AAAm	3.97%	01/01/23	12/31/22	158,318	158,318	1	158,318	1	3.97%
East West Bank CD		4.13%	01/30/23	11/01/22	3,020,777	3,020,777	100.00	3,020,777	30	4.13%
East West Bank CD		0.67%	01/30/23	01/28/22	2,012,447	2,012,447	100.00	2,012,447	30	0.67%
Prosperity Bank CD		0.25%	03/13/23	03/11/21	2,008,703	2,008,703	100.00	2,008,703	72	0.25%
East West Bank CD		3.44%	03/13/23	09/13/22	3,031,262	3,031,262	100.00	3,031,262	72	3.44%
FHLMC	Aaa/AA+	0.25%	06/26/23	06/02/22	2,000,000	1,981,308	97.94	1,958,720	177	2.21%
East West Bank CD		2.90%	07/06/23	07/06/22	2,028,646	2,028,646	100.00	2,028,646	187	2.90%
Texas Bank CD		0.50%	07/28/23	01/28/22	245,917	245,917	100.00	245,917	209	0.50%
East West Bank CD		3.03%	08/04/23	08/04/22	2,025,059	2,025,059	100.00	2,025,059	216	3.03%
East West Bank CD		3.03%	08/04/23	08/04/22	2,025,059	2,025,059	100.00	2,025,059	216	3.03%
UST Note	Aaa/AA+	2.75%	08/31/23	02/02/22	2,000,000	2,022,319	98.73	1,974,620	243	1.05%
East West Bank CD		4.28%	10/19/23	10/19/22	2,017,166	2,017,166	100.00	2,017,166	292	4.28%
East West Bank CD		4.52%	10/31/23	10/30/22	2,016,163	2,016,163	100.00	2,016,163	304	4.52%
Southside Bank CD		4.50%	11/05/23	11/05/22	2,000,000	2,000,000	100.00	2,000,000	309	4.58%
FFCB	Aaa/AA+	0.55%	11/24/23	02/02/22	2,000,000	1,989,355	96.11	1,922,200	328	1.15%
East West Bank CD		4.75%	11/24/23	11/24/22	2,019,989	2,019,989	100.00	2,019,989	328	4.75%
CapTex Bank CD		4.85%	11/29/23	11/29/22	2,007,973	2,007,973	100.00	2,007,973	333	4.85%
East West Bank CD		4.74%	12/02/23	12/02/22	2,007,806	2,007,806	100.00	2,007,806	336	4.74%
East West Bank CD		4.72%	12/13/23	12/14/22	3,007,380	3,007,380	100.00	3,007,380	347	4.83%
Southside Bank CD		3.32%	02/02/24	08/02/22	4,033,473	4,033,473	100.00	4,033,473	398	3.32%
Southside Bank CD		3.32%	02/05/24	08/05/22	2,016,736	2,016,736	100.00	2,016,736	401	3.32%
UST Note	Aaa/AA+	2.38%	02/29/24	02/02/22	2,000,000	2,027,282	97.43	1,948,520	425	1.18%
UST Note	Aaa/AA+	2.50%	04/20/24	06/02/22	2,000,000	1,996,791	97.19	1,943,760	476	2.62%
FHLB	Aaa/AA+	2.88%	06/14/24	06/02/22	2,000,000	2,005,221	97.72	1,954,400	531	2.69%
FHLB	Aaa/AA+	3.50%	09/13/24	09/13/22	2,000,000	1,994,505	98.27	1,965,320	622	3.67%
					\$ 72,713,139	\$ 72,729,920		\$ 72,380,679	203	2.91%
									(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life, TexPool, TexSTAR, and Money Market investments are assumed to have a one day maturity.

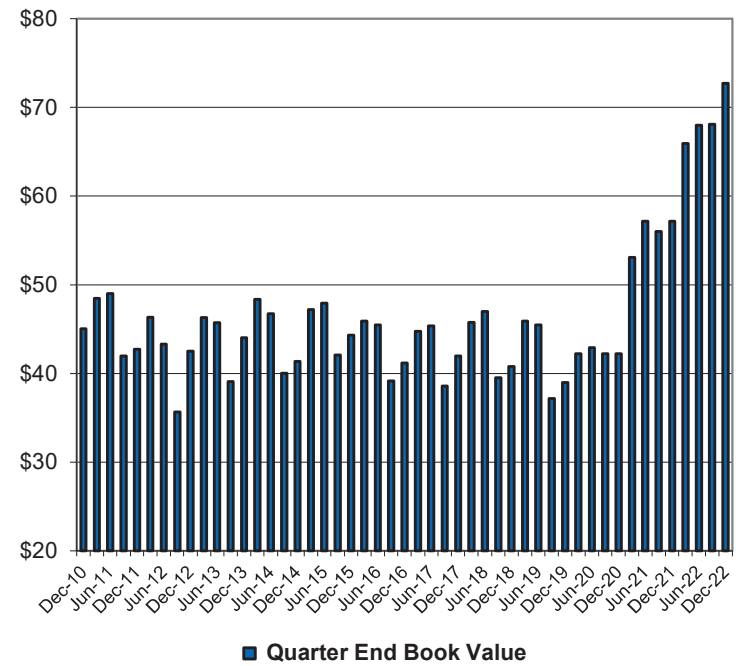
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

(3) **Earnings Credit Rate** - The City's DDA accrues earnings credit to offset service charges and fees. Rate estimated.

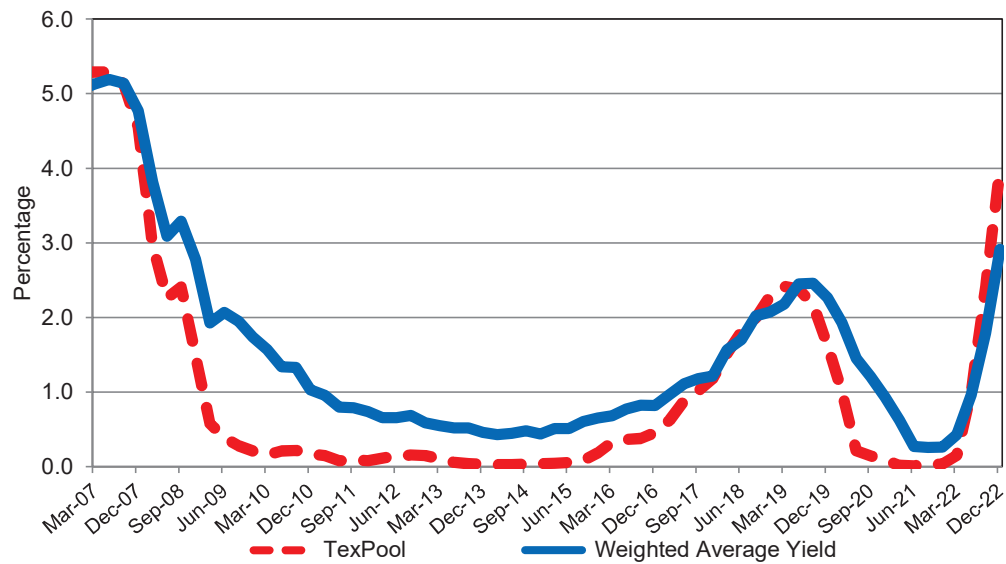
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/22	Increases	Decreases	Book Value 12/31/22	Market Value 09/30/22	Change in Market Value	Market Value 12/31/22
DDA	0.22%	01/01/23	\$ 10,111,491	\$ 47,556	\$ -	\$ 10,159,047	\$ 10,111,491	\$ 47,556	\$ 10,159,047
DDA Debit Card	0.57%	01/01/23	98,811	2,717	-	101,528	98,811	2,717	101,528
Southside Bank MMA	4.15%	01/01/23	518,339	4,718	-	523,057	518,339	4,718	523,057
NexBank IntraFi MMA	4.40%	01/01/23	5,044,565	3,055,985	-	8,100,549	5,044,565	3,055,985	8,100,549
BTH Bank IntraFi MMA	2.23%	01/01/23	108,338	-	(108,338)	-	108,338	(108,338)	-
Federated Govt-Premier MMF	4.16%	01/01/23	51,239	61,878	-	113,116	51,239	61,878	113,116
TexPool	3.98%	01/01/23	3,653,699	-	(1,620,729)	2,032,970	3,653,699	(1,620,729)	2,032,970
TexSTAR	3.97%	01/01/23	156,945	1,372	-	158,318	156,945	1,372	158,318
Prosperity Bank CD	0.20%	10/11/22	2,006,025	-	(2,006,025)	-	2,006,025	(2,006,025)	-
East West Bank CD	0.54%	10/28/22	2,007,292	-	(2,007,292)	-	2,007,292	(2,007,292)	-
Southside Bank CD	0.22%	11/05/22	2,003,293	-	(2,003,293)	-	2,003,293	(2,003,293)	-
Allegiance Bank CD	0.30%	11/20/22	2,010,511	-	(2,010,511)	-	2,010,511	(2,010,511)	-
East West Bank CD	0.23%	11/24/22	2,009,341	-	(2,009,341)	-	2,009,341	(2,009,341)	-
East West Bank CD	0.89%	12/02/22	2,010,414	-	(2,010,414)	-	2,010,414	(2,010,414)	-
East West Bank CD	3.07%	12/13/22	3,004,545	-	(3,004,545)	-	3,004,545	(3,004,545)	-
East West Bank CD	4.13%	01/30/23	-	3,020,777	-	3,020,777	-	3,020,777	3,020,777
East West Bank CD	0.67%	01/30/23	2,009,052	3,396	-	2,012,447	2,009,052	3,396	2,012,447
Prosperity Bank CD	0.25%	03/13/23	2,007,451	1,251	-	2,008,703	2,007,451	1,251	2,008,703
East West Bank CD	3.44%	03/13/23	3,005,093	26,168	-	3,031,262	3,005,093	26,168	3,031,262
FHLMC	2.21%	06/26/23	1,971,637	9,671	-	1,981,308	1,944,100	14,620	1,958,720
East West Bank CD	2.90%	07/06/23	2,013,872	14,774	-	2,028,646	2,013,872	14,774	2,028,646
Texas Bank CD	0.50%	07/28/23	245,608	310	-	245,917	245,608	310	245,917
East West Bank CD	3.03%	08/04/23	2,009,652	15,406	-	2,025,059	2,009,652	15,406	2,025,059
East West Bank CD	3.03%	08/04/23	2,009,652	15,406	-	2,025,059	2,009,652	15,406	2,025,059
UST Note	1.05%	08/31/23	2,030,769	-	(8,450)	2,022,319	1,973,820	800	1,974,620
East West Bank CD	4.28%	10/19/23	-	2,017,166	-	2,017,166	-	2,017,166	2,017,166
East West Bank CD	4.52%	10/31/23	-	2,016,163	-	2,016,163	-	2,016,163	2,016,163
Southside Bank CD	4.58%	11/05/23	-	2,000,000	-	2,000,000	-	2,000,000	2,000,000
FFCB	1.15%	11/24/23	1,986,327	3,029	-	1,989,355	1,916,540	5,660	1,922,200
East West Bank CD	4.75%	11/24/23	-	2,019,989	-	2,019,989	-	2,019,989	2,019,989
CapTex Bank CD	4.85%	11/29/23	-	2,007,973	-	2,007,973	-	2,007,973	2,007,973
East West Bank CD	4.74%	12/02/23	-	2,007,806	-	2,007,806	-	2,007,806	2,007,806
East West Bank CD	4.83%	12/13/23	-	3,007,380	-	3,007,380	-	3,007,380	3,007,380
Southside Bank CD	3.32%	02/02/24	4,000,000	33,473	-	4,033,473	4,000,000	33,473	4,033,473
Southside Bank CD	3.32%	02/05/24	2,000,000	16,736	-	2,016,736	2,000,000	16,736	2,016,736
UST Note	1.18%	02/29/24	2,033,188	-	(5,906)	2,027,282	1,947,500	1,020	1,948,520
UST Note	2.62%	04/20/24	1,996,183	608	-	1,996,791	1,944,840	(1,080)	1,943,760
FHLB	2.69%	06/14/24	2,006,127	-	(906)	2,005,221	1,950,320	4,080	1,954,400
FHLB	3.67%	09/13/24	1,993,685	819	-	1,994,505	1,970,100	(4,780)	1,965,320
TOTAL / AVERAGE	2.91%		\$ 68,113,145	\$ 21,412,526	\$(16,795,751)	\$ 72,729,920	\$ 67,742,449	\$ 4,638,231	\$ 72,380,679

FUND EQUITY IN POOLED CASH AND INVESTMENTS

FUND NO	FUND NAME	9/30/2022	12/31/2022
101	GENERAL FUND	\$ 17,101,549	\$ 20,468,457
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	115,060	260,783
207	CONVENTION SERVICES FUND	414,778	411,999
217	PROPERTY INSURANCE LOSS FUND	13,144	54,236
221	SPECIAL RECREATION FUND	(22,085)	(31,198)
225	PINES THEATER SPECIAL EVENTS FUND	49,928	50,319
226	ELLEN TROUT ZOO FUND	2,459,337	2,428,544
227	POLICE FORFEITURE FUND	312,418	314,768
228	COURT SECURITY/TECHNOLOGY FUND	108,652	111,812
230	POLICE DARE CONTRIBUTION FUND	109	109
232	DRAINAGE MITIGATION	36,969	37,104
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	23	23
241	ANIMAL CONTROL - KURTH GRANT	121,799	113,871
242	ANIMAL'S ATTIC GIFT SHOP	107,923	129,689
250	POLICE GRANTS & PROPERTY	17,936	17,964
251	FIRE GRANTS	2,779	2,779
252	FEMA FUNDED GRANTS	26,279	26,353
253	CARES ACT FUND	6,993,787	2,607,753
290	ECONOMIC DEVELOPMENT	(26,940)	43,223
295	LCVB FUND	831,456	738,857
300	GF STREET CONSTRUCTION FUND	1,986,256	1,978,096
308	CONVENTION CENTER - EDI	29,977	30,015
313	2010 CAPITAL IMPROVEMENTS FUND	2,141	2,181
314	2012 CAPITAL IMPROVEMENTS FUND	(2,931)	(2,921)
315	2020 CAPITAL IMPROVEMENTS FUND	3,884,874	3,804,586
340	TEXAS CAPITAL GRANT FUND	53	53
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	(126,355)	(136,355)
348	SOLID WASTE DEPRECIATION	765,572	774,870
357	2009 WATER/SEWER CO'S	16,269	16,499
358	2013 WWATER/SEWER CO'S	(607,210)	(616,653)
380	WATER & WASTEWATER DEPRECIATION	11,113,381	11,279,813
401	GENERAL OBLIGATION DEBT SERVICE	2,609,214	3,881,583
451	REVENUE BOND DEBT SERVICE	1,753	1,757
501	WATER/WASTEWATER FUND	8,440,258	9,321,715
548	SOLID WASTE DISPOSAL FUND	3,649,682	3,998,731
615	HEALTH INSURANCE - ACTIVE	1,992,830	2,400,563
616	RETIREEES HEALTH INSURANCE FUND	21,908	50,566
641	EQUIPMENT ACQ & REPLACEMENT FUND	3,671,828	3,424,734
642	TECHNOLOGY AMORTIZATION	1,160,593	1,149,936
747	MEDICAL SAVINGS FUND	3,407	3,557
	TOTAL POOLED CASH & INVESTMENTS	\$ 67,278,400	\$ 69,150,767

Investment Holdings - EDC
December 31, 2022

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	3.98%	01/01/23	12/31/22	\$ 5,362,228	\$ 5,362,228	1.00	\$ 5,362,228	1	3.98%
					<u>\$ 5,362,228</u>	<u>\$ 5,362,228</u>		<u>\$ 5,362,228</u>	<u>1</u>	<u>3.98%</u>
									(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life, TexPool, TexSTAR, and Money Market investments are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.