



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

December 31, 2023

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, 2023 | | December 31, 2023 | | |
|-------------------|----------------------|----------------------|----------------------|----------------------|------------|
| | Book Value | Market Value | Book Value | Market Value | Ave. Yield |
| DDA/MMA/MMF/Pools | \$ 20,372,688 | \$ 20,372,688 | \$ 24,492,879 | \$ 24,492,879 | 4.25% |
| Securities/CDs | 58,584,048 | 58,429,281 | 58,398,607 | 58,327,390 | 4.78% |
| Totals | \$ 78,956,737 | \$ 78,801,970 | \$ 82,891,487 | \$ 82,820,270 | 4.62% |

Current Quarter Average Yield (1)

| | |
|------------------------------|-------|
| Total Portfolio | 4.62% |
| Rolling Three Month Treasury | 5.53% |
| Rolling Six Month Treasury | 5.49% |
| TexPool | 5.37% |

Fiscal Year-to-Date Average Yield (2)

| | |
|------------------------------|-------|
| Total Portfolio | 4.62% |
| Rolling Three Month Treasury | 5.53% |
| Rolling Six Month Treasury | 5.49% |
| TexPool | 5.37% |

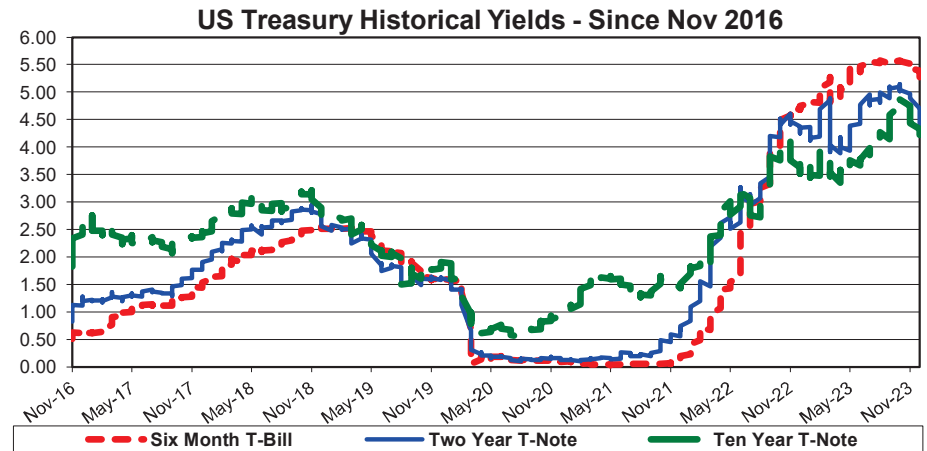
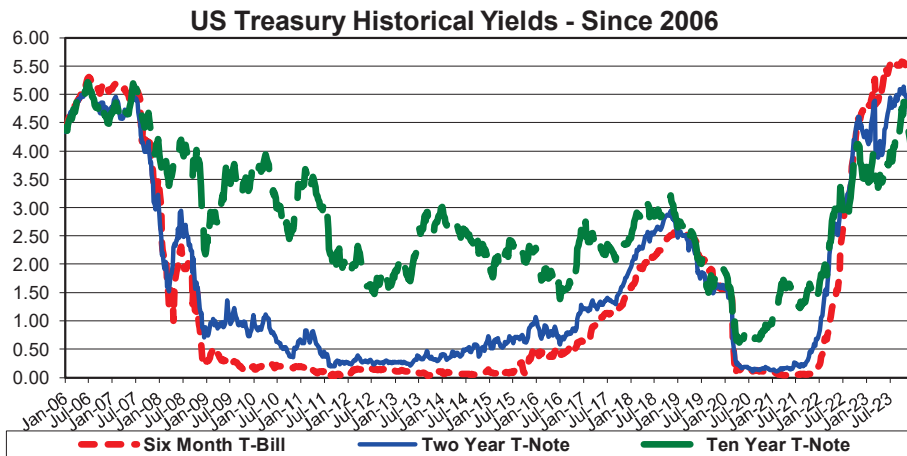
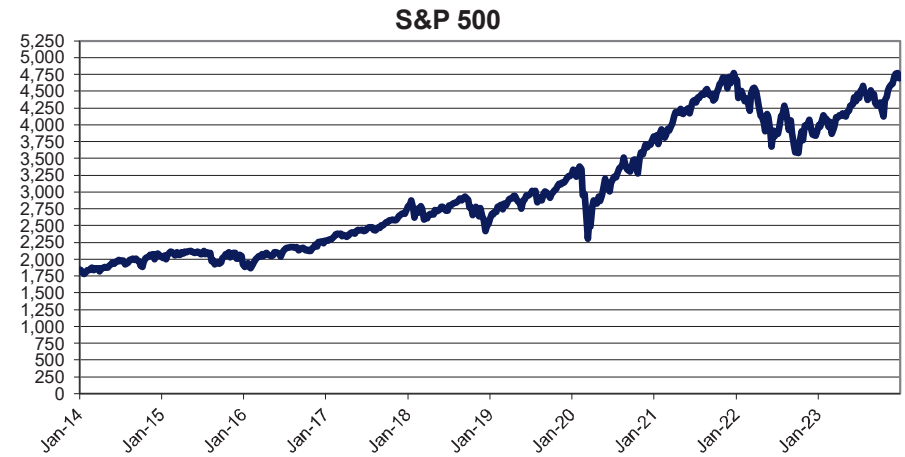
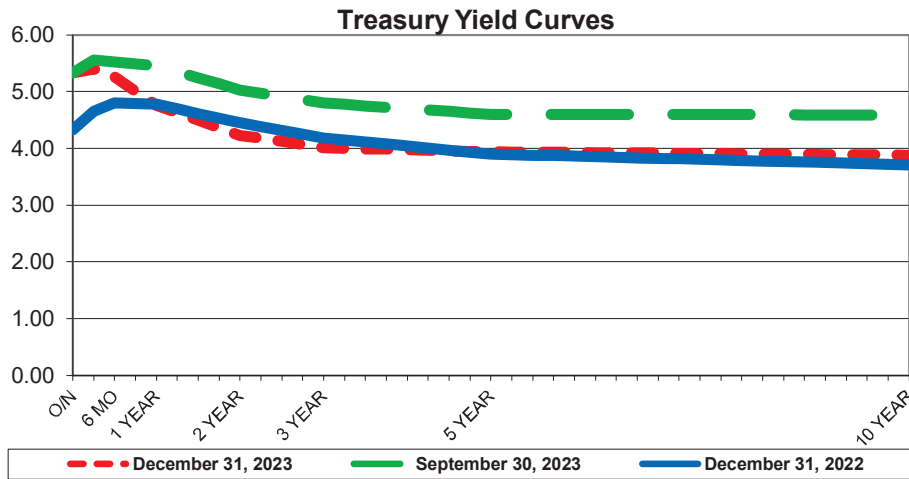
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

12/31/2023

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). Any additional actions, up or down, will be data-dependent. Final Third Quarter 2023 GDP revised downward to 4.9%, but still robust growth. December Non-Farm Payroll posted 216k new jobs (above the estimated 170k). The Three Month Rolling Average declined to 165k. The S&P 500 Stock Index reached a new peak trading over 4,770 (exceeding 4,766 in Dec 2021). The yield curve shifted lower anticipating future FOMC target reductions. Crude Oil stabilized at +/- \$73 per barrel. Inflation continued to decline but still remained above the FOMC 2% target (Core PCE +/-3.2% and Core CPI +/-4.0%). Reduced global economic outlooks and ongoing/expanding military conflicts increase uncertainty.



Investment Holdings
December 31, 2023

| Description | Ratings | Coupon/ Discount | Maturity Date | Settlement Date | Par Value | Book Value | Market Price | Market Value | Life (days) | Yield |
|----------------------------|---------|---------------------|------------------|--------------------|----------------------|----------------------|-----------------|----------------------|----------------|--------------|
| DDA (3) | | 0.43% | 01/01/24 | 12/31/23 | \$ 6,131,545 | \$ 6,131,545 | \$ 1 | \$ 6,131,545 | 1 | 0.43% |
| DDA Debit Card | | 0.75% | 01/01/24 | 12/31/23 | 101,980 | 101,980 | 1 | 101,980 | 1 | 0.75% |
| Southside Bank MMA | | 5.66% | 01/01/24 | 12/31/23 | 4,723,980 | 4,723,980 | 1 | 4,723,980 | 1 | 5.66% |
| NexBank IntraFi MMA | | 5.60% | 01/01/24 | 12/31/23 | 8,534,384 | 8,534,384 | 1 | 8,534,384 | 1 | 5.60% |
| Federated Govt-Premier MMF | AAAm | 5.29% | 01/01/24 | 12/31/23 | 42,101 | 42,101 | 1 | 42,101 | 1 | 5.29% |
| TexPool | AAAm | 5.37% | 01/01/24 | 12/31/23 | 4,792,464 | 4,792,464 | 1 | 4,792,464 | 1 | 5.37% |
| TexSTAR | AAAm | 5.34% | 01/01/24 | 12/31/23 | 166,424 | 166,424 | 1 | 166,424 | 1 | 5.34% |
| Wallis Bank CD | | 4.85% | 02/02/24 | 02/03/23 | 5,183,578 | 5,183,578 | 100.00 | 5,183,578 | 33 | 4.94% |
| Southside Bank CD | | 3.32% | 02/02/24 | 08/02/22 | 4,169,061 | 4,169,061 | 100.00 | 4,169,061 | 33 | 3.32% |
| Southside Bank CD | | 3.32% | 02/05/24 | 08/05/22 | 2,084,530 | 2,084,530 | 100.00 | 2,084,530 | 36 | 3.32% |
| UST Note | Aaa/AA+ | 2.38% | 02/29/24 | 02/02/22 | 2,000,000 | 2,003,852 | 99.53 | 1,990,580 | 60 | 1.18% |
| East West Bank CD | | 5.54% | 03/04/24 | 12/04/23 | 2,008,517 | 2,008,517 | 100.00 | 2,008,517 | 64 | 5.70% |
| Bank OZK CD | | 4.88% | 03/23/24 | 03/23/23 | 2,074,747 | 2,074,747 | 100.00 | 2,074,747 | 83 | 5.00% |
| East West Bank CD | | 5.71% | 03/25/24 | 09/25/23 | 2,030,896 | 2,030,896 | 100.00 | 2,030,896 | 85 | 5.88% |
| UST Note | Aaa/AA+ | 2.50% | 04/30/24 | 06/02/22 | 2,000,000 | 1,999,201 | 99.09 | 1,981,720 | 121 | 2.62% |
| East West Bank CD | | 5.74% | 04/30/24 | 10/31/23 | 2,019,594 | 2,019,594 | 100.00 | 2,019,594 | 121 | 5.91% |
| East West Bank CD | | 5.45% | 05/24/24 | 11/24/23 | 2,011,379 | 2,011,379 | 100.00 | 2,011,379 | 145 | 5.60% |
| FHLB | Aaa/AA+ | 2.88% | 06/14/24 | 06/02/22 | 2,000,000 | 2,001,627 | 98.93 | 1,978,580 | 166 | 2.69% |
| Third Coast Bank CD | | 5.60% | 06/29/24 | 06/29/23 | 3,084,821 | 3,084,821 | 100.00 | 3,084,821 | 181 | 5.72% |
| East West Bank CD | | 5.59% | 07/05/24 | 07/06/23 | 2,115,952 | 2,115,952 | 100.00 | 2,115,952 | 187 | 5.75% |
| Texas Bank CD | | 4.50% | 08/28/24 | 07/28/23 | 247,779 | 247,779 | 100.00 | 247,779 | 241 | 4.50% |
| FHLB | Aaa/AA+ | 3.50% | 09/13/24 | 09/13/22 | 2,000,000 | 1,997,737 | 99.02 | 1,980,320 | 257 | 3.67% |
| Southside Bank CD | | 4.60% | 09/20/24 | 03/20/23 | 2,070,119 | 2,070,119 | 100.00 | 2,070,119 | 264 | 4.68% |
| Third Coast Bank CD | | 5.40% | 09/29/24 | 06/29/23 | 3,081,772 | 3,081,772 | 100.00 | 3,081,772 | 273 | 5.51% |
| East West Bank CD | | 5.24% | 09/30/24 | 12/28/23 | 2,001,149 | 2,001,149 | 100.00 | 2,001,149 | 274 | 5.38% |
| East West Bank CD | | 5.58% | 10/15/24 | 10/12/23 | 2,024,909 | 2,024,909 | 100.00 | 2,024,909 | 289 | 5.74% |
| East West Bank CD | | 5.56% | 10/21/24 | 10/19/23 | 2,022,359 | 2,022,359 | 100.00 | 2,022,359 | 295 | 5.72% |
| Bank OZK CD | | 5.50% | 11/17/24 | 11/17/23 | 2,009,041 | 2,009,041 | 100.00 | 2,009,041 | 322 | 5.65% |
| Veritex Community Bank CD | | 5.37% | 12/05/24 | 12/05/23 | 2,000,000 | 2,000,000 | 100.00 | 2,000,000 | 340 | 5.50% |
| East West Bank CD | | 5.05% | 12/13/24 | 12/13/23 | 3,007,896 | 3,007,896 | 100.00 | 3,007,896 | 348 | 5.18% |
| Southside Bank CD | | 4.65% | 03/20/25 | 03/20/23 | 2,070,890 | 2,070,890 | 100.00 | 2,070,890 | 445 | 4.73% |
| Third Coast Bank CD | | 5.10% | 06/29/25 | 06/29/23 | 3,077,200 | 3,077,200 | 100.00 | 3,077,200 | 546 | 5.20% |
| | | | | | \$ 82,889,070 | \$ 82,891,487 | | \$ 82,820,270 | 142 | 4.62% |

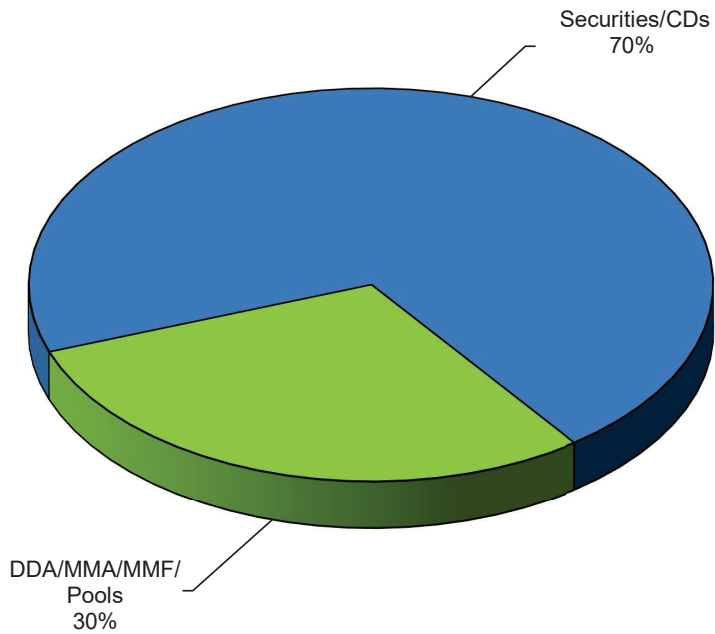
(1) (2)

(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.

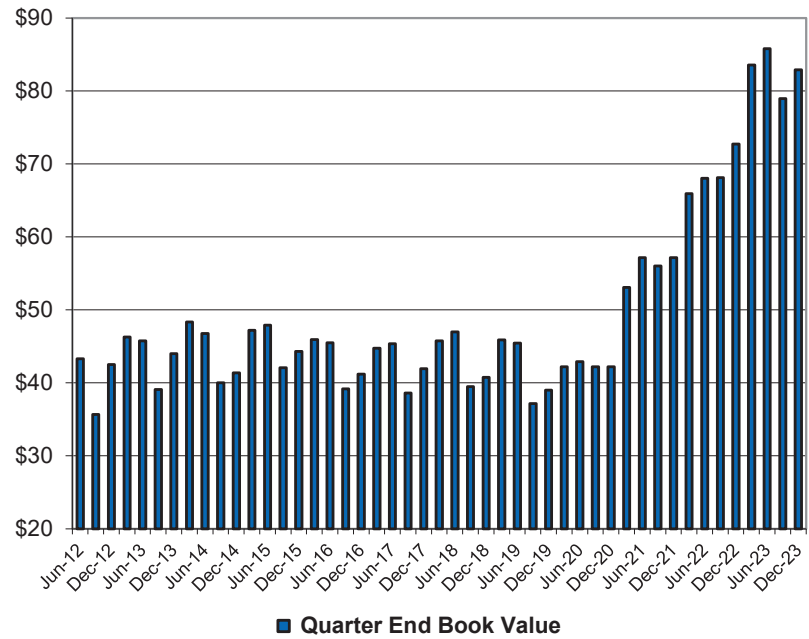
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

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

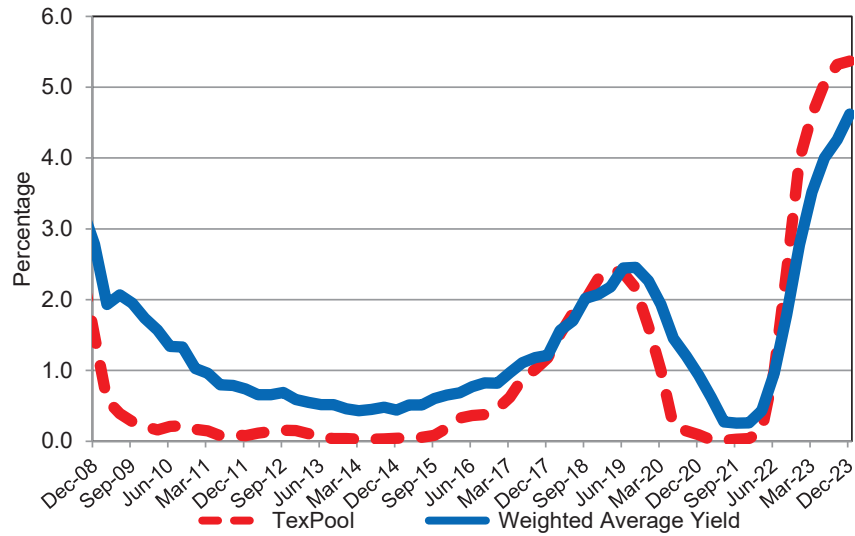
Portfolio Composition



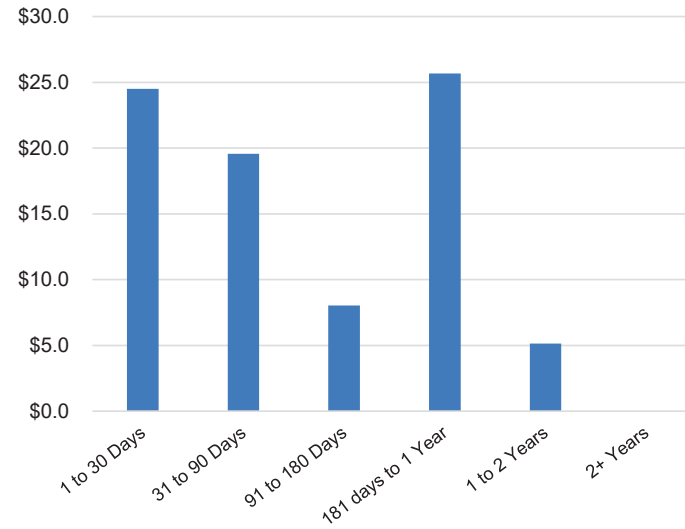
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity Range (Millions)



Book & Market Value Comparison

| Issuer/Description | Yield | Maturity Date | Book Value 09/30/23 | Increases | Decreases | Book Value 12/31/23 | Market Value 09/30/23 | Change in Market Value | Market Value 12/31/23 |
|----------------------------|--------------|---------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|------------------------|-----------------------|
| DDA | 0.43% | 01/01/24 | \$ 6,547,499 | \$ - | \$ (415,953) | \$ 6,131,545 | \$ 6,547,499 | \$ (415,953) | \$ 6,131,545 |
| DDA Debit Card | 0.75% | 01/01/24 | 101,684 | 297 | - | 101,980 | 101,684 | 297 | 101,980 |
| Southside Bank MMA | 5.66% | 01/01/24 | 4,658,915 | 65,066 | - | 4,723,980 | 4,658,915 | 65,066 | 4,723,980 |
| NexBank IntraFi MMA | 5.60% | 01/01/24 | 8,414,903 | 119,480 | - | 8,534,384 | 8,414,903 | 119,480 | 8,534,384 |
| Federated Govt-Premier MMF | 5.29% | 01/01/24 | 40,369 | 1,733 | - | 42,101 | 40,369 | 1,733 | 42,101 |
| TexPool | 5.37% | 01/01/24 | 445,112 | 4,347,353 | - | 4,792,464 | 445,112 | 4,347,353 | 4,792,464 |
| TexSTAR | 5.34% | 01/01/24 | 164,208 | 2,216 | - | 166,424 | 164,208 | 2,216 | 166,424 |
| East West Bank CD | 4.28% | 10/19/23 | 2,082,666 | - | (2,082,666) | - | 2,082,666 | (2,082,666) | - |
| East West Bank CD | 4.52% | 10/31/23 | 2,085,484 | - | (2,085,484) | - | 2,085,484 | (2,085,484) | - |
| Southside Bank CD | 4.58% | 11/05/23 | 2,068,073 | - | (2,068,073) | - | 2,068,073 | (2,068,073) | - |
| FFCB | 1.15% | 11/24/23 | 1,998,220 | - | (1,998,220) | - | 1,986,200 | (1,986,200) | - |
| East West Bank CD | 4.75% | 11/24/23 | 2,093,039 | - | (2,093,039) | - | 2,093,039 | (2,093,039) | - |
| CapTex Bank CD | 4.85% | 11/29/23 | 2,082,273 | - | (2,082,273) | - | 2,082,273 | (2,082,273) | - |
| East West Bank CD | 4.74% | 12/02/23 | 2,080,120 | - | (2,080,120) | - | 2,080,120 | (2,080,120) | - |
| East West Bank CD | 4.83% | 12/13/23 | 3,115,438 | - | (3,115,438) | - | 3,115,438 | (3,115,438) | - |
| Bank OZK CD | 5.00% | 12/23/23 | 2,049,708 | - | (2,049,708) | - | 2,049,708 | (2,049,708) | - |
| Wallis Bank CD | 4.94% | 02/02/24 | 5,120,976 | 62,602 | - | 5,183,578 | 5,120,976 | 62,602 | 5,183,578 |
| Southside Bank CD | 3.32% | 02/02/24 | 4,134,462 | 34,598 | - | 4,169,061 | 4,134,462 | 34,598 | 4,169,061 |
| Southside Bank CD | 3.32% | 02/05/24 | 2,067,231 | 17,299 | - | 2,084,530 | 2,067,231 | 17,299 | 2,084,530 |
| UST Note | 1.18% | 02/29/24 | 2,009,757 | - | (5,906) | 2,003,852 | 1,975,080 | 15,500 | 1,990,580 |
| East West Bank CD | 5.70% | 03/04/24 | - | 2,008,517 | - | 2,008,517 | - | 2,008,517 | 2,008,517 |
| Bank OZK CD | 5.00% | 03/23/24 | 2,049,708 | 25,039 | - | 2,074,747 | 2,049,708 | 25,039 | 2,074,747 |
| East West Bank CD | 5.88% | 03/25/24 | 2,001,878 | 29,018 | - | 2,030,896 | 2,001,878 | 29,018 | 2,030,896 |
| UST Note | 2.62% | 04/30/24 | 1,998,593 | 608 | - | 1,999,201 | 1,966,020 | 15,700 | 1,981,720 |
| East West Bank CD | 5.91% | 04/30/24 | - | 2,019,594 | - | 2,019,594 | - | 2,019,594 | 2,019,594 |
| East West Bank CD | 5.60% | 05/24/24 | - | 2,011,379 | - | 2,011,379 | - | 2,011,379 | 2,011,379 |
| FHLB | 2.69% | 06/14/24 | 2,002,536 | - | (908) | 2,001,627 | 1,961,680 | 16,900 | 1,978,580 |
| Third Coast Bank CD | 5.72% | 06/29/24 | 3,042,345 | 42,476 | - | 3,084,821 | 3,042,345 | 42,476 | 3,084,821 |
| East West Bank CD | 5.75% | 07/05/24 | 2,086,417 | 29,536 | - | 2,115,952 | 2,086,417 | 29,536 | 2,115,952 |
| Texas Bank CD | 4.50% | 08/28/24 | 245,000 | 2,779 | - | 247,779 | 245,000 | 2,779 | 247,779 |
| FHLB | 3.67% | 09/13/24 | 1,996,920 | 817 | - | 1,997,737 | 1,962,280 | 18,040 | 1,980,320 |
| Southside Bank CD | 4.68% | 09/20/24 | 2,046,647 | 23,472 | - | 2,070,119 | 2,046,647 | 23,472 | 2,070,119 |
| Third Coast Bank CD | 5.51% | 09/29/24 | 3,040,833 | 40,939 | - | 3,081,772 | 3,040,833 | 40,939 | 3,081,772 |
| East West Bank CD | 5.38% | 09/30/24 | - | 2,001,149 | - | 2,001,149 | - | 2,001,149 | 2,001,149 |
| East West Bank CD | 5.74% | 10/15/24 | - | 2,024,909 | - | 2,024,909 | - | 2,024,909 | 2,024,909 |
| East West Bank CD | 5.72% | 10/21/24 | - | 2,022,359 | - | 2,022,359 | - | 2,022,359 | 2,022,359 |
| Bank OZK CD | 5.65% | 11/17/24 | - | 2,009,041 | - | 2,009,041 | - | 2,009,041 | 2,009,041 |
| Veritex Community Bank CD | 5.50% | 12/05/24 | - | 2,000,000 | - | 2,000,000 | - | 2,000,000 | 2,000,000 |
| East West Bank CD | 5.18% | 12/13/24 | - | 3,007,896 | - | 3,007,896 | - | 3,007,896 | 3,007,896 |
| Southside Bank CD | 4.73% | 03/20/25 | 2,047,157 | 23,733 | - | 2,070,890 | 2,047,157 | 23,733 | 2,070,890 |
| Third Coast Bank CD | 5.20% | 06/29/25 | 3,038,564 | 38,636 | - | 3,077,200 | 3,038,564 | 38,636 | 3,077,200 |
| TOTAL / AVERAGE | 4.62% | | \$ 78,956,737 | \$ 24,012,540 | \$(20,077,790) | \$ 82,891,487 | \$ 78,801,970 | \$ 4,018,300 | \$ 82,820,270 |

FUND EQUITY IN POOLED CASH AND INVESTMENTS

| FUND NO | FUND NAME | 9/30/2023 | 12/31/2023 | Quarterly Change |
|----------------|--|----------------------|----------------------|-------------------------|
| 101 | GENERAL FUND | \$ 13,771,804 | \$ 16,770,863 | \$ 2,999,058 |
| 206 | CONVENTION CENTER-HOTEL/MOTEL TAX FUND | 203,057 | 279,849 | 76,792 |
| 207 | CONVENTION SERVICES FUND | 698,738 | 604,138 | (94,600) |
| 217 | PROPERTY INSURANCE LOSS FUND | (6,910) | 49,979 | 56,889 |
| 221 | SPECIAL RECREATION FUND | (26,251) | (40,281) | (14,030) |
| 225 | PINES THEATER SPECIAL EVENTS FUND | 67,510 | 64,884 | (2,627) |
| 226 | ELLEN TROUT ZOO FUND | 2,730,131 | 2,722,747 | (7,384) |
| 227 | POLICE FORFEITURE FUND | 284,585 | 218,713 | (65,872) |
| 228 | COURT SECURITY/TECHNOLOGY FUND | 92,684 | 97,462 | 4,778 |
| 230 | POLICE DARE CONTRIBUTION FUND | 109 | 109 | - |
| 232 | DRAINAGE MITIGATION | 37,101 | 37,187 | 86 |
| 234 | COMMUNITY DEV/DWNTWN IMPROVEMENT | 23 | 23 | 0 |
| 241 | ANIMAL CONTROL - KURTH GRANT | 87,344 | 93,462 | 6,119 |
| 242 | ANIMAL'S ATTIC GIFT SHOP | 121,863 | 113,128 | (8,736) |
| 250 | POLICE GRANTS & PROPERTY | 17,949 | 17,949 | - |
| 251 | FIRE GRANTS | 2,764 | 2,764 | - |
| 252 | FEMA FUNDED GRANTS | 26,294 | 26,294 | - |
| 253 | CARES ACT FUND | 5,369,587 | 4,713,144 | (656,443) |
| 290 | ECONOMIC DEVELOPMENT | 2,370,766 | 2,393,633 | 22,867 |
| 295 | LCVB FUND | 769,506 | 733,727 | (35,779) |
| 300 | GF STREET CONSTRUCTION FUND | 7,838,294 | 7,772,281 | (66,013) |
| 308 | CONVENTION CENTER - EDI | 30,128 | 30,224 | 96 |
| 313 | 2010 CAPITAL IMPROVEMENTS FUND | 2,150 | 2,182 | 32 |
| 314 | 2012 CAPITAL IMPROVEMENTS FUND | (2,931) | (2,931) | - |
| 315 | 2020 CAPITAL IMPROVEMENTS FUND | 3,588,766 | 3,564,907 | (23,860) |
| 340 | TEXAS CAPITAL GRANT FUND | 53 | 53 | - |
| 341 | ECONOMIC DEVELOPMENT PROJECTS/GRANTS | 107,518 | (203,309) | (310,827) |
| 348 | SOLID WASTE DEPRECIATION | 819,983 | 835,005 | 15,022 |
| 357 | 2009 WATER/SEWER CO'S | 16,454 | 16,733 | 279 |
| 358 | 2013 WWATER/SEWER CO'S | 443,110 | 442,821 | (289) |
| 380 | WATER & WASTEWATER DEPRECIATION | 12,182,569 | 12,835,868 | 653,298 |
| 401 | GENERAL OBLIGATION DEBT SERVICE | 2,710,015 | 3,482,149 | 772,134 |
| 451 | REVENUE BOND DEBT SERVICE | 1,755 | 1,761 | 6 |
| 501 | WATER/WASTEWATER FUND | 10,648,692 | 11,870,490 | 1,221,797 |
| 548 | SOLID WASTE DISPOSAL FUND | 4,628,309 | 4,497,357 | (130,952) |
| 615 | HEALTH INSURANCE - ACTIVE | 1,110,540 | 527,193 | (583,346) |
| 616 | RETIREEES HEALTH INSURANCE FUND | 58,734 | 88,959 | 30,225 |
| 641 | EQUIPMENT ACQ & REPLACEMENT FUND | 4,331,166 | 5,110,874 | 779,708 |
| 642 | TECHNOLOGY AMORTIZATION | 999,100 | 1,024,321 | 25,221 |
| 747 | MEDICAL SAVINGS FUND | 3,657 | 3,657 | - |
| | TOTAL POOLED CASH & INVESTMENTS | \$ 76,136,715 | \$ 80,800,366 | \$ 4,663,650 |