



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 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 - Interim

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	March 31, 2022		June 30, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/MMF/Pools	\$ 33,508,429	\$ 33,508,429	\$ 31,626,029	\$ 31,626,029	1.03%
Securities/CDs	32,441,104	32,342,203	36,396,949	36,211,342	0.90%
Totals	\$ 65,949,532	\$ 65,850,632	\$ 68,022,978	\$ 67,837,371	0.96%

Current Quarter Average Yield (1)

Total Portfolio	0.96%
Rolling Three Month Treasury	1.13%
Rolling Six Month Treasury	1.15%
TexPool	1.00%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	0.70%
Rolling Three Month Treasury	0.50%
Rolling Six Month Treasury	0.53%
TexPool	0.40%

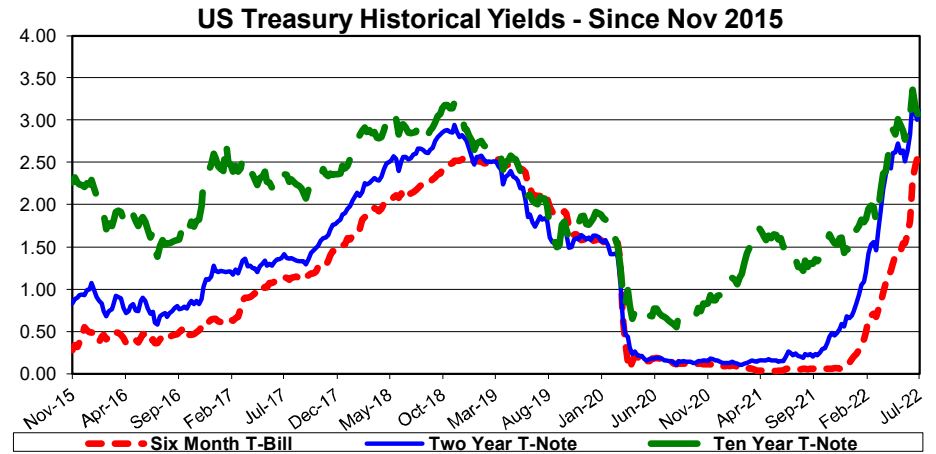
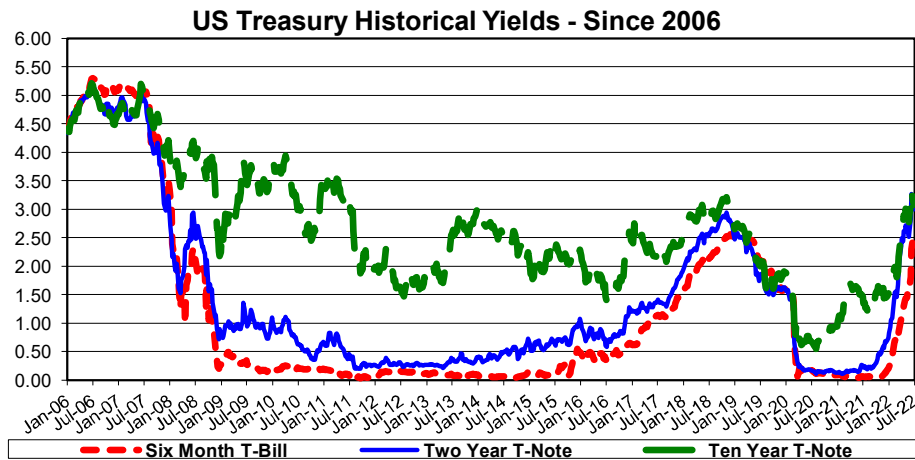
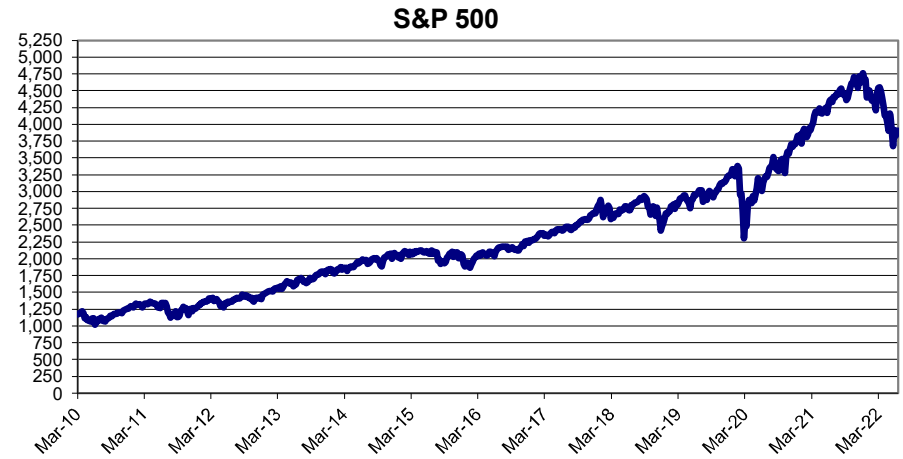
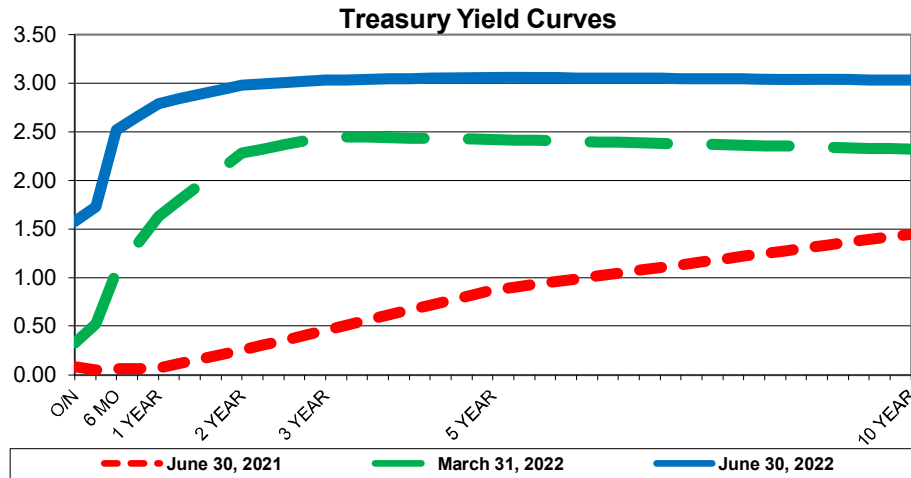
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

6/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 1.50% - 1.75% June 15th (Effective Fed Funds are trading +/-1.60%). The FOMC begin actively reducing their balance sheet June 1. An additional 0.75% increase is anticipated July 27. First Quarter GDP (final) was -1.6%. June Non-Farm Payroll added 372k net new jobs while the Three Month Average NFP declined to 375k. Crude oil settled in at +/- \$105 per barrel. The Stock Markets continued sliding lower, but may be stabilizing. More domestic and international economic indicators softened, including housing data. A recession in the next 12 to 18 months is being openly discussed. Inflation remained well over the FOMC 2% target (Core PCE +/-4.7% and CPI exceeding 8%).



Investment Holdings

June 30, 2022

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA (3)		0.32%	07/01/22	06/30/22	\$ 4,361,354	\$ 4,361,354	\$ 1	\$ 4,361,354	1	0.32%
DDA Debit Card		0.35%	07/01/22	06/30/22	101,127	101,127	1	101,127	1	0.35%
Southside Bank MMA		1.07%	07/01/22	06/30/22	14,484,893	14,484,893	1	14,484,893	1	1.07%
NexBank IntraFi MMA		1.60%	07/01/22	06/30/22	5,017,117	5,017,117	1	5,017,117	1	1.60%
BTH Bank IntraFi MMA		0.71%	07/01/22	06/30/22	107,871	107,871	1	107,871	1	0.71%
Federated Govt-Premier MMF	AAAm	1.07%	07/01/22	06/30/22	87,842	87,842	1	87,842	1	1.07%
TexPool	AAAm	1.00%	07/01/22	06/30/22	7,309,619	7,309,619	1	7,309,619	1	1.00%
TexSTAR	AAAm	0.99%	07/01/22	06/30/22	156,206	156,206	1	156,206	1	0.99%
Texas Bank Fin IntraFi CD		0.75%	07/28/22	07/28/21	2,034,471	2,034,471	100.00	2,034,471	28	0.75%
Texas Bank Fin IntraFi CD		0.75%	08/04/22	08/05/21	2,033,788	2,033,788	100.00	2,033,788	35	0.75%
Southside Bank CD		0.20%	08/05/22	11/05/21	2,001,984	2,001,984	100.00	2,001,984	36	0.20%
Bank OZK CD		0.40%	09/05/22	09/04/20	2,014,065	2,014,065	100.00	2,014,065	67	0.40%
Prosperity Bank CD		0.20%	10/11/22	03/11/21	2,005,014	2,005,014	100.00	2,005,014	103	0.20%
East West Bank CD		0.54%	10/28/22	01/28/22	2,004,531	2,004,531	100.00	2,004,531	120	0.54%
Southside Bank CD		0.22%	11/05/22	11/05/21	2,002,183	2,002,183	100.00	2,002,183	128	0.22%
Allegiance Bank CD		0.30%	11/20/22	11/20/20	2,008,992	2,008,992	100.00	2,008,992	143	0.30%
East West Bank CD		0.23%	11/24/22	11/24/21	2,002,762	2,002,762	100.00	2,002,762	147	0.23%
East West Bank CD		0.89%	12/02/22	03/02/22	2,005,858	2,005,858	100.00	2,005,858	155	0.89%
East West Bank CD		0.67%	01/30/23	01/28/22	2,005,623	2,005,623	100.00	2,005,623	214	0.67%
Prosperity Bank CD		0.25%	03/13/23	03/11/21	2,006,187	2,006,187	100.00	2,006,187	256	0.25%
FHLMC	Aaa/AA+	0.25%	06/26/23	06/02/22	2,000,000	1,961,936	97.33	1,946,620	361	2.21%
Texas Bank CD		0.50%	07/28/23	01/28/22	245,302	245,302	100.00	245,302	393	0.50%
UST Note	Aaa/AA+	2.75%	08/31/23	02/02/22	2,000,000	2,039,219	99.78	1,995,540	427	1.05%
FFCB	Aaa/AA+	0.55%	11/24/23	02/02/22	2,000,000	1,983,331	96.86	1,937,280	512	1.15%
UST Note	Aaa/AA+	2.38%	02/29/24	02/02/22	2,000,000	2,039,093	99.13	1,982,500	609	1.18%
UST Note	Aaa/AA+	2.50%	04/20/24	06/02/22	2,000,000	1,995,576	99.21	1,984,220	660	2.62%
FHLB	Aaa/AA+	2.88%	06/14/24	06/02/22	2,000,000	2,007,032	99.72	1,994,420	715	2.69%
					\$ 67,996,791	\$ 68,022,978		\$ 67,837,371	141	0.96%

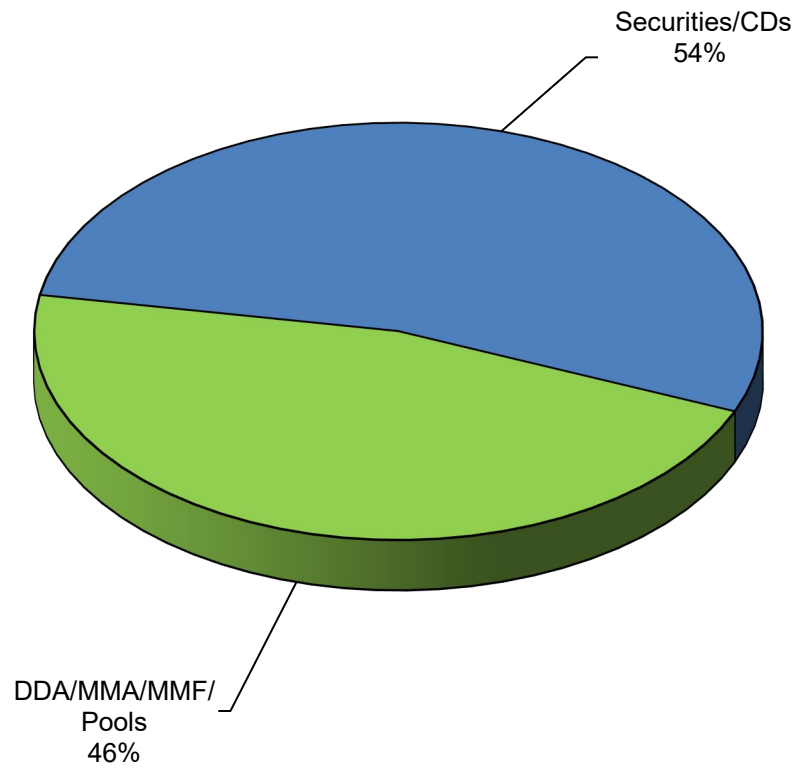
(1) (2)

(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.

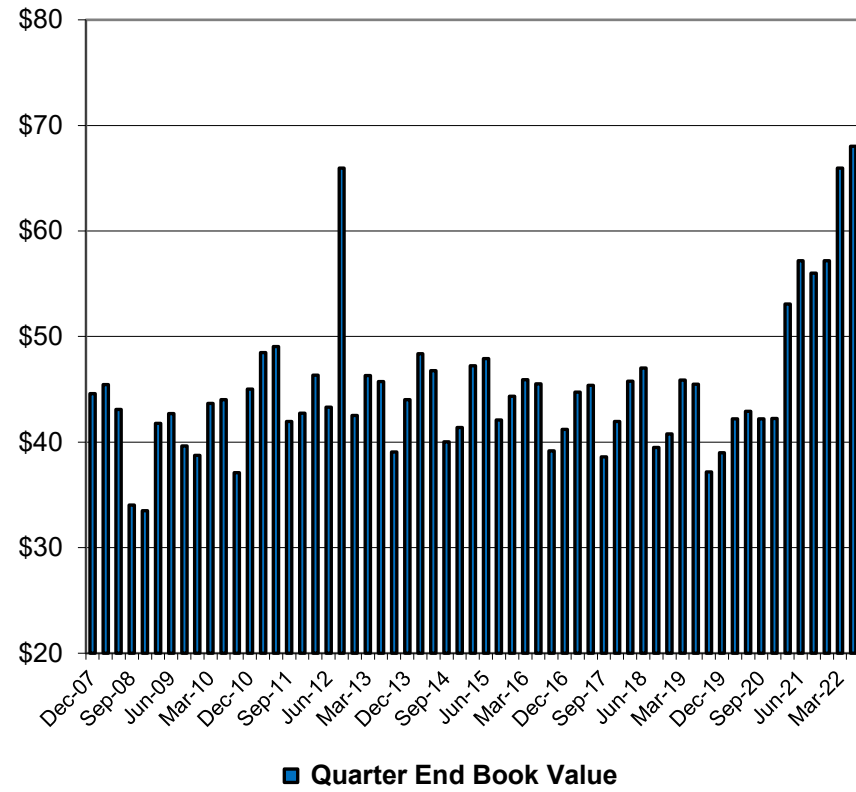
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

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

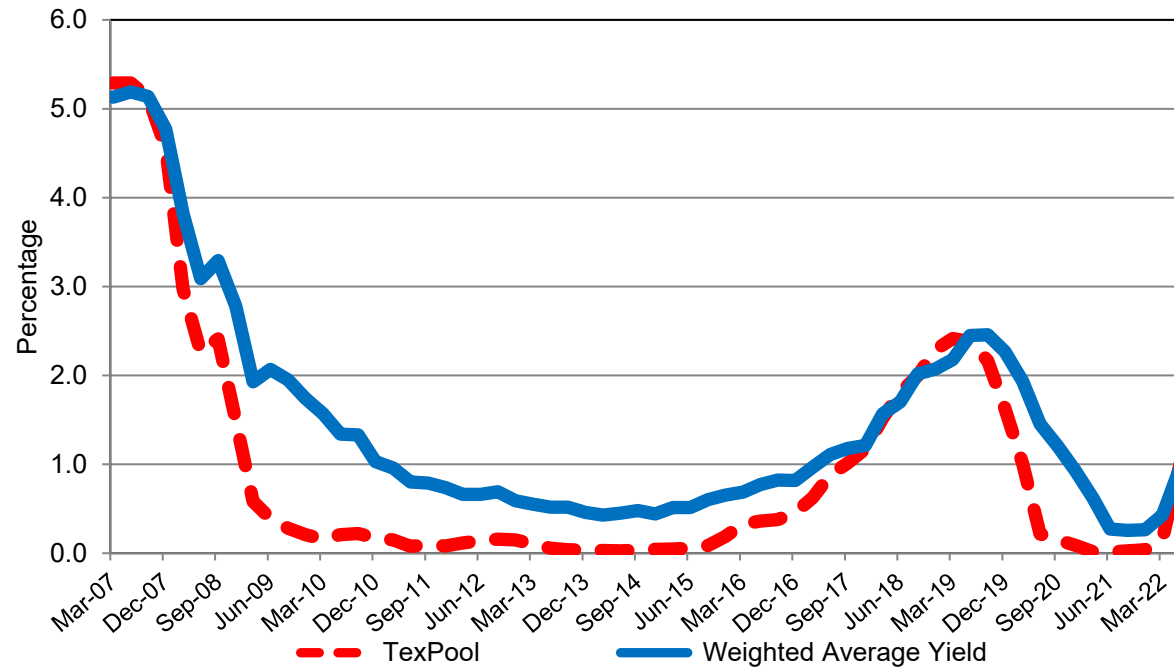
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/22	Increases	Decreases	Book Value 06/30/22	Market Value 03/31/22	Change in Market Value	Market Value 06/30/22
DDA	0.32%	07/01/22	\$ 10,541,700	\$ -	\$ (6,180,346)	\$ 4,361,354	\$ 10,541,700	\$ (6,180,346)	\$ 4,361,354
DDA Debit Card	0.35%	07/01/22	93,478	7,649	-	101,127	93,478	7,649	101,127
Southside Bank MMA	1.07%	07/01/22	14,458,128	26,765	-	14,484,893	14,458,128	26,765	14,484,893
NexBank IntraFi MMA	1.60%	07/01/22	5,006,401	10,716	-	5,017,117	5,006,401	10,716	5,017,117
BTH Bank IntraFi MMA	0.71%	07/01/22	107,757	114	-	107,871	107,757	114	107,871
Federated Govt-Premier MMF	1.07%	07/01/22	51,185	36,657	-	87,842	51,185	36,657	87,842
TexPool	1.00%	07/01/22	3,093,828	4,215,791	-	7,309,619	3,093,828	4,215,791	7,309,619
TexSTAR	0.99%	07/01/22	155,952	253	-	156,206	155,952	253	156,206
Bank OZK CD	0.67%	05/29/22	2,024,742	-	(2,024,742)	-	2,024,742	(2,024,742)	-
Texas Bank Fin IntraFi CD	0.75%	07/28/22	2,030,671	3,801	-	2,034,471	2,030,671	3,801	2,034,471
Texas Bank Fin IntraFi CD	0.75%	08/04/22	2,029,989	3,799	-	2,033,788	2,029,989	3,799	2,033,788
Southside Bank CD	0.20%	08/05/22	2,001,008	976	-	2,001,984	2,001,008	976	2,001,984
Bank OZK CD	0.40%	09/05/22	2,012,031	2,034	-	2,014,065	2,012,031	2,034	2,014,065
Prosperity Bank CD	0.20%	10/11/22	2,004,004	1,010	-	2,005,014	2,004,004	1,010	2,005,014
East West Bank CD	0.54%	10/28/22	2,001,835	2,696	-	2,004,531	2,001,835	2,696	2,004,531
Southside Bank CD	0.22%	11/05/22	2,001,109	1,073	-	2,002,183	2,001,109	1,073	2,002,183
Allegiance Bank CD	0.30%	11/20/22	2,007,524	1,469	-	2,008,992	2,007,524	1,469	2,008,992
East West Bank CD	0.23%	11/24/22	2,001,614	1,148	-	2,002,762	2,001,614	1,148	2,002,762
East West Bank CD	0.89%	12/02/22	2,001,414	4,444	-	2,005,858	2,001,414	4,444	2,005,858
East West Bank CD	0.67%	01/30/23	2,002,277	3,346	-	2,005,623	2,002,277	3,346	2,005,623
Prosperity Bank CD	0.25%	03/13/23	2,005,006	1,181	-	2,006,187	2,005,006	1,181	2,006,187
FHLMC	2.21%	06/26/23	-	1,961,936	-	1,961,936	-	1,966,620	1,946,620
Texas Bank CD	0.50%	07/28/23	245,000	302	-	245,302	245,000	302	245,302
UST Note	1.05%	08/31/23	2,047,577	-	(8,358)	2,039,219	2,019,220	(23,680)	1,995,540
FFCB	1.15%	11/24/23	1,980,369	2,963	-	1,983,331	1,951,320	(14,040)	1,937,280
UST Note	1.18%	02/29/24	2,044,935	-	(5,842)	2,039,093	2,003,440	(20,940)	1,982,500
UST Note	2.62%	04/20/24	-	1,995,576	-	1,995,576	-	1,984,220	1,984,220
FHLB	2.69%	06/14/24	-	2,007,032	-	2,007,032	-	1,994,420	1,994,420
TOTAL / AVERAGE	0.96%		\$ 65,949,532	\$ 10,292,734	\$ (8,219,288)	\$ 68,022,978	\$ 65,850,632	\$ 1,986,739	\$ 67,837,371

FUND EQUITY IN POOLED CASH AND INVESTMENTS

FUND NO.	FUND NAME	3/31/2022	6/30/2022
101	GENERAL FUND	\$ 21,307,174	\$ 21,892,291
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	988,406	(91,036)
207	CONVENTION SERVICES FUND	373,713	402,300
217	PROPERTY INSURANCE LOSS FUND	(64,883)	35,285
221	SPECIAL RECREATION FUND	2,332	(47,196)
225	PINES THEATER SPECIAL EVENTS FUND	27,363	39,730
226	ELLEN TROUT ZOO FUND	2,250,134	2,431,617
227	POLICE FORFEITURE FUND	207,379	197,190
228	COURT SECURITY/TECHNOLOGY FUND	104,763	106,865
230	POLICE DARE CONTRIBUTION FUND	109	109
232	DRAINAGE MITIGATION	36,844	36,898
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	39,766	39,919
241	ANIMAL CONTROL - KURTH GRANT	83,086	92,649
242	ANIMAL'S ATTIC GIFT SHOP	103,635	106,971
250	POLICE GRANTS & PROPERTY	(12,776)	(14,730)
251	FIRE GRANTS	11,144	11,144
252	FEMA FUNDED GRANTS	26,172	26,210
253	CARES ACT FUND	3,743,725	3,086,845
290	ECONOMIC DEVELOPMENT	(3,793)	(185,255)
295	LCVB FUND	6,660	913,324
300	GF STREET CONSTRUCTION FUND	1,316,423	1,081,348
308	CONVENTION CENTER - EDI	29,931	29,948
313	2010 CAPITAL IMPROVEMENTS FUND	2,171	2,172
314	2012 CAPITAL IMPROVEMENTS FUND	(2,921)	(2,921)
315	2020 CAPITAL IMPROVEMENTS FUND	3,906,273	3,895,016
340	TEXAS CAPITAL GRANT FUND	53	53
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	(16,934)	(63,753)
348	SOLID WASTE DEPRECIATION	721,405	751,983
357	2009 WATER/SEWER CO'S	16,371	16,390
358	2013 WWATER/SEWER CO'S	(607,210)	(607,210)
380	WATER & WASTEWATER DEPRECIATION	9,531,510	9,559,154
401	GENERAL OBLIGATION DEBT SERVICE	5,422,416	6,069,994
451	REVENUE BOND DEBT SERVICE	1,748	1,749
501	WATER/WASTEWATER FUND	7,057,670	7,639,863
548	SOLID WASTE DISPOSAL FUND	3,167,533	3,536,632
615	HEALTH INSURANCE - ACTIVE	1,356,765	1,531,171
616	RETIREEES HEALTH INSURANCE FUND	1,167	(1,821)
641	EQUIPMENT ACQ & REPLACEMENT FUND	4,055,461	3,923,431
642	TECHNOLOGY AMORTIZATION	628,447	620,298
747	MEDICAL SAVINGS FUND	3,407	(4,149)
	TOTAL POOLED CASH & INVESTMENTS	\$ 65,822,639	\$ 67,060,478

Investment Holdings - EDC

June 30, 2022

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	1.00%	07/01/22	06/30/22	\$ 4,820,795	\$ 4,820,795	1.00	\$ 4,820,795	1	1.00%
					<u>\$ 4,820,795</u>	<u>\$ 4,820,795</u>		<u>\$ 4,820,795</u>	<u>1</u>	<u>1.00%</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.