



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

March 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 - Interim

A handwritten signature in blue ink, appearing to read "Kevin De", written over a horizontal line.

Director of Finance

A handwritten signature in blue ink, appearing to read "Dhyana Melton", written over a horizontal line.

Senior Accountant

A handwritten signature in blue ink, appearing to read "Theresa Casanova", written over a horizontal line.

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:

December 31, 2021				March 31, 2022			
Asset Type	Book Value	Market Value		Book Value	Market Value	Ave. Yield	
DDA/MMA/MMF/Pools	\$ 34,886,334	\$ 34,886,334		\$ 33,508,429	\$ 33,508,429	0.27%	
Securities/CDs	22,285,476	22,285,476		32,441,104	32,342,203	0.59%	
Totals	\$ 57,171,810	\$ 57,171,810		\$ 65,949,532	\$ 65,850,632	0.43%	

Current Quarter Average Yield (1)

Total Portfolio	0.43%
Rolling Three Month Treasury	0.31%
Rolling Six Month Treasury	0.36%
TexPool	0.15%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	0.43%
Rolling Three Month Treasury	0.18%
Rolling Six Month Treasury	0.22%
TexPool	0.10%

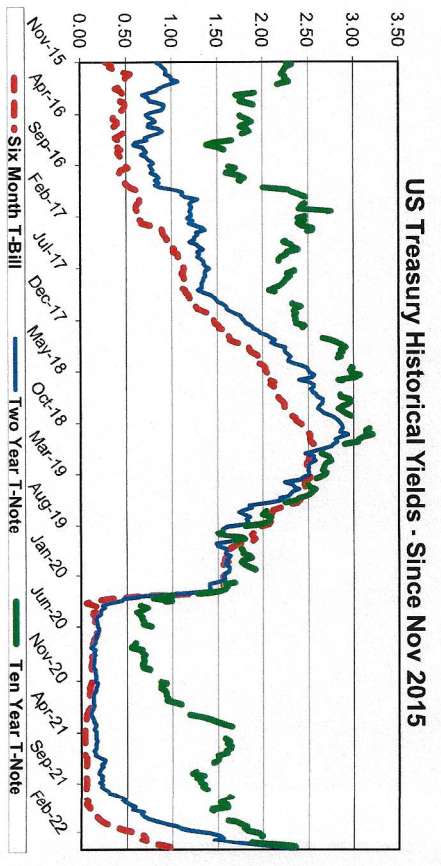
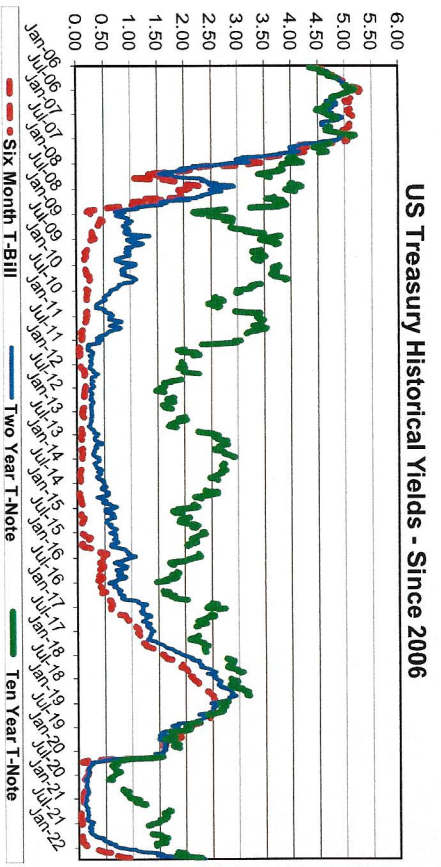
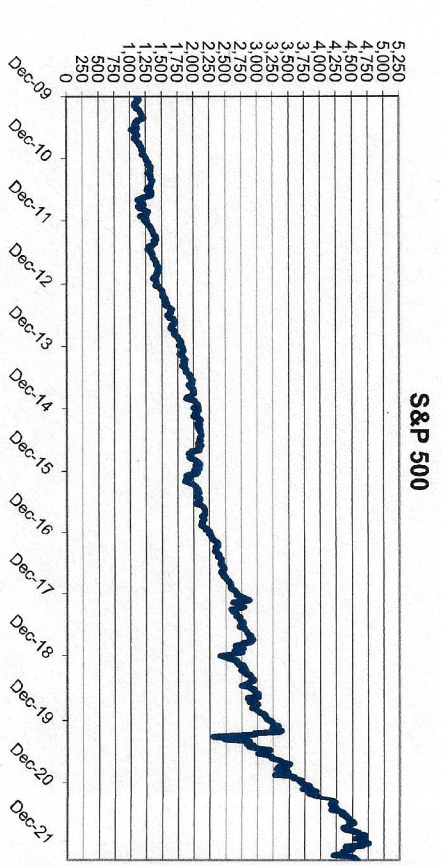
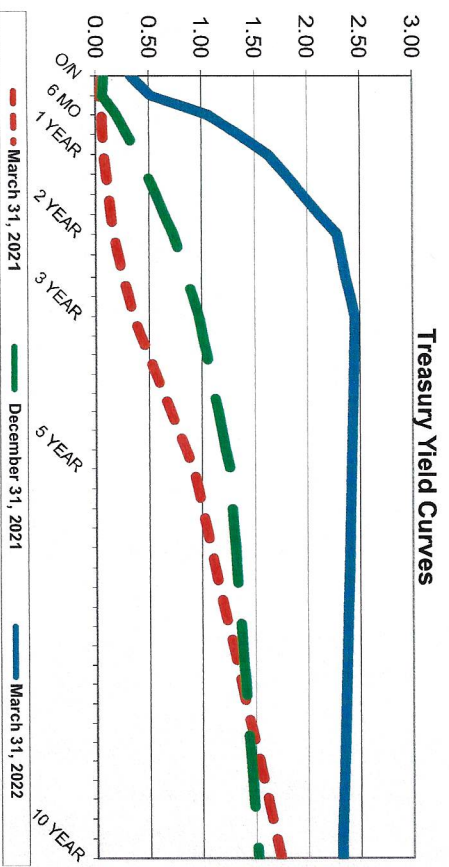
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

3/31/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range to 0.25% to 0.50% (Effective Fed Funds are trading +/-0.30%). The FOMC ended monthly security purchases and may begin reducing their balance sheet. The market projection 4 to 6 more increases this calendar year. Final Fourth Quarter GDP recorded +6.9%. March Non-Farm Payroll missed estimates adding 431k net new jobs. Decreasing the Three Month Average NFP to 562k. Crude oil declined to +/- \$100 per barrel. The Stock Markets have recovered from the "correction" and slowly regained some lost ground. Some domestic economic indicators, including housing, softened. Inflation remained well over the FOMC 2% target (Core PCE +/-5.4%). The FOMC Fed Funds target projections pushed the yield curve to a Three Year Maturity peak.



Investment Holdings

March 31, 2022

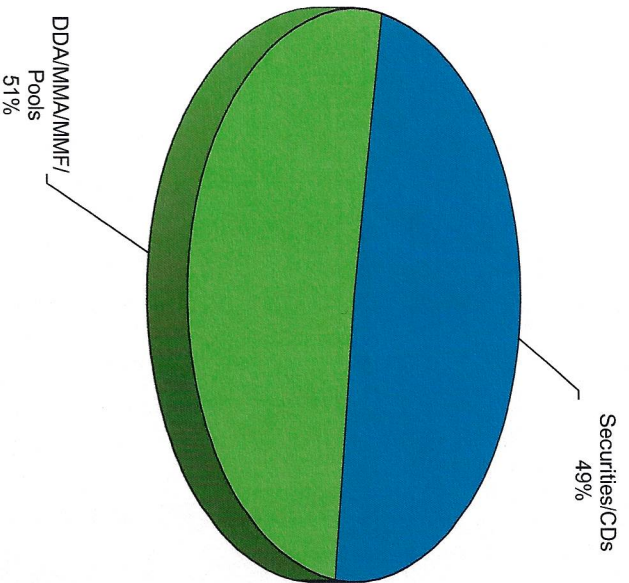
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield		
DDA (3)		0.18%	04/01/22	03/31/22	\$ 10,541,700	\$ 10,541,700	1	\$ 10,541,700	1	0.18%		
DDA Debit Card		0.00%	04/01/22	03/31/22	93,478	93,478	1	93,478	1	0.00%		
Southside Bank MMA		0.28%	04/01/22	03/31/22	14,458,128	14,458,128	1	14,458,128	1	0.28%		
NexBank IntraFi MMA		0.55%	04/01/22	03/31/22	5,006,401	5,006,401	1	5,006,401	1	0.55%		
BTB Bank IntraFi MMA		0.08%	04/01/22	03/31/22	107,757	107,757	1	107,757	1	0.08%		
Federated Govt-Premier MMF	AAAm	0.19%	04/01/22	03/31/22	51,185	51,185	1	51,185	1	0.19%		
TexPool	AAAm	0.15%	04/01/22	03/31/22	3,093,828	3,093,828	1	3,093,828	1	0.15%		
TexSTAR	AAAm	0.11%	04/01/22	03/31/22	155,952	155,952	1	155,952	1	0.11%		
Bank OZK CD		0.67%	05/29/22	05/29/20	2,024,742	2,024,742	100	2,024,742	59	0.67%		
Texas Bank Fin IntraFi CD		0.75%	07/28/22	07/28/21	2,030,671	2,030,671	100	2,030,671	119	0.75%		
Texas Bank Fin IntraFi CD		0.75%	08/04/22	08/05/21	2,029,989	2,029,989	100	2,029,989	126	0.75%		
Southside Bank CD		0.20%	08/05/22	11/05/21	2,001,008	2,001,008	100	2,001,008	127	0.20%		
Bank OZK CD		0.40%	09/05/22	09/04/20	2,012,031	2,012,031	100	2,012,031	158	0.40%		
Prosperity Bank CD		0.20%	10/11/22	03/11/21	2,004,004	2,004,004	100	2,004,004	194	0.20%		
East West Bank CD		0.54%	10/28/22	01/28/22	2,001,835	2,001,835	100	2,001,835	211	0.54%		
Southside Bank CD		0.22%	11/05/22	11/05/21	2,001,109	2,001,109	100	2,001,109	219	0.22%		
Allegiance Bank CD		0.30%	11/20/22	11/20/20	2,007,524	2,007,524	100	2,007,524	234	0.30%		
East West Bank CD		0.23%	11/24/22	11/24/21	2,001,614	2,001,614	100	2,001,614	238	0.23%		
East West Bank CD		0.89%	12/02/22	03/02/22	2,001,414	2,001,414	100	2,001,414	246	0.89%		
East West Bank CD		0.67%	01/30/23	01/28/22	2,002,277	2,002,277	100	2,002,277	305	0.67%		
Prosperity Bank CD		0.25%	03/13/23	03/11/21	2,005,006	2,005,006	100	2,005,006	347	0.25%		
Texas Bank CD		0.50%	07/28/23	01/28/22	245,000	245,000	100	245,000	484	0.50%		
UST Note	Aaa/AAA	2.75%	08/31/23	02/02/22	2,047,577	2,047,577	100	2,019,220	518	1.05%		
FFCB	Aaa/AA+	0.55%	11/24/23	02/02/22	1,980,369	1,980,369	100	1,951,320	603	1.15%		
UST Note	Aaa/AAA	2.38%	02/29/24	02/02/22	2,044,935	2,044,935	100	2,003,440	700	1.18%		
					\$ 65,949,532	\$ 65,949,532			\$ 65,850,632	137	0.43%	
											(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.

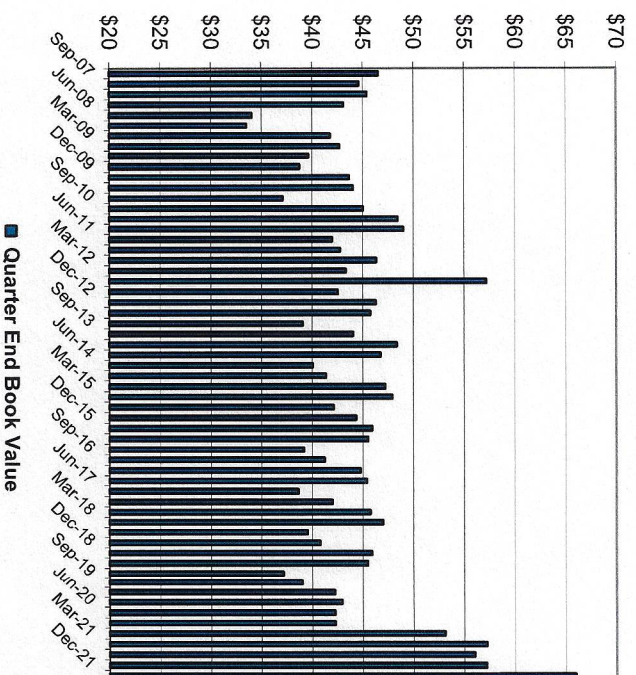
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

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

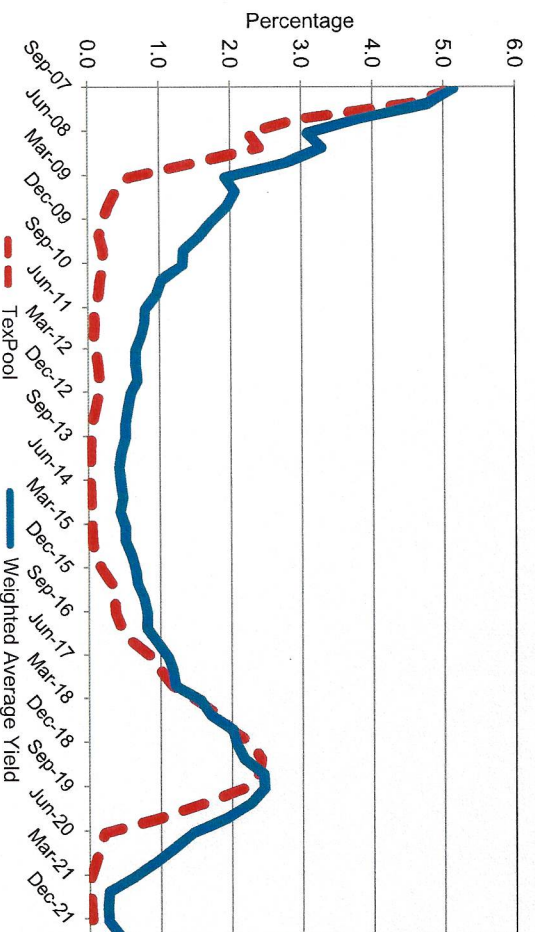
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/21	Increases	Decreases	Book Value 03/31/22	Market Value 12/31/21	Change in Market Value	Market Value 03/31/22
DDA	0.18%	04/01/22	\$ 6,294,146	\$ 4,247,555	\$ -	\$ 10,541,700	\$ 6,294,146	\$ 4,247,555	\$ 10,541,700
DDA Debit Card	0.00%	04/01/22	99,269	-	(5,791)	93,478	99,269	(5,791)	93,478
Southside Bank MMA	0.28%	04/01/22	14,450,204	7,923	-	14,458,128	14,450,204	7,923	14,458,128
NexBank IntraFi MMA	0.55%	04/01/22	5,001,260	5,140	-	5,006,401	5,001,260	5,140	5,006,401
BTB Bank IntraFi MMA	0.08%	04/01/22	107,743	14	-	107,757	107,743	14	107,757
Federated Govt-Premier MMF	0.19%	04/01/22	-	51,185	-	51,185	-	51,185	51,185
TexPool	0.15%	04/01/22	8,777,776	-	(5,683,948)	3,093,828	8,777,776	(5,683,948)	3,093,828
TexSTAR	0.11%	04/01/22	155,936	17	-	155,952	155,936	17	155,952
Texas Bank CD	0.90%	01/28/22	245,000	-	(245,000)	-	245,000	(245,000)	-
Prosperity Bank CD	0.20%	03/02/22	2,000,000	-	(2,000,000)	-	2,000,000	(2,000,000)	-
Bank OZK CD	0.67%	05/29/22	2,000,000	24,742	-	2,024,742	2,000,000	24,742	2,024,742
Texas Bank Fin IntraFi CD	0.75%	07/28/22	2,020,432	10,239	-	2,030,671	2,020,432	10,239	2,030,671
Texas Bank Fin IntraFi CD	0.75%	08/04/22	2,020,044	9,945	-	2,029,989	2,020,044	9,945	2,029,989
Southside Bank CD	0.20%	08/05/22	2,000,000	1,008	-	2,001,008	2,000,000	1,008	2,001,008
Bank OZK CD	0.40%	09/05/22	2,000,000	12,031	-	2,012,031	2,000,000	12,031	2,012,031
Prosperity Bank CD	0.20%	10/11/22	2,000,000	4,004	-	2,004,004	2,000,000	4,004	2,004,004
East West Bank CD	0.54%	10/28/22	-	2,001,835	-	2,001,835	-	2,001,835	2,001,835
Southside Bank CD	0.22%	11/05/22	2,000,000	1,109	-	2,001,109	2,000,000	1,109	2,001,109
Allegiance Bank CD	0.30%	11/20/22	2,000,000	7,524	-	2,007,524	2,000,000	7,524	2,007,524
East West Bank CD	0.23%	11/24/22	2,000,000	1,614	-	2,001,614	2,000,000	1,614	2,001,614
East West Bank CD	0.89%	12/02/22	-	2,001,414	-	2,001,414	-	2,001,414	2,001,414
East West Bank CD	0.67%	01/30/23	-	2,002,277	-	2,002,277	-	2,002,277	2,002,277
Prosperity Bank CD	0.25%	03/13/23	2,000,000	5,006	-	2,005,006	2,000,000	5,006	2,005,006
Texas Bank CD	0.50%	07/28/23	-	245,000	-	245,000	-	245,000	245,000
UST Note	1.05%	08/31/23	-	2,047,577	-	2,047,577	-	2,019,220	2,019,220
FFCB	1.15%	11/24/23	-	1,980,369	-	1,980,369	-	1,951,320	1,951,320
UST Note	1.18%	02/29/24	-	2,044,935	-	2,044,935	-	2,003,440	2,003,440
TOTAL / AVERAGE	0.43%		\$ 57,171,810	\$ 16,712,462	\$ (7,934,739)	\$ 65,949,532	\$ 57,171,810	\$ 8,678,822	\$ 65,850,632

FUND EQUITY IN POOLED CASH AND INVESTMENTS

FUND NO	FUND NAME	12/31/2021	3/31/2022
101	GENERAL FUND	\$ 15,330,957	\$ 21,307,174
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	482,244	988,406
207	CONVENTION SERVICES FUND	327,479	373,713
217	PROPERTY INSURANCE LOSS FUND	(53,017)	(64,883)
221	SPECIAL RECREATION FUND	(11,934)	2,332
225	PINES THEATER SPECIAL EVENTS FUND	46,173	27,363
226	ELLEN TROUT ZOO FUND	2,173,478	2,250,134
227	POLICE FORFEITURE FUND	203,108	207,379
228	COURT SECURITY/TECHNOLOGY FUND	101,532	104,763
230	POLICE DARE CONTRIBUTION FUND	109	109
232	DRAINAGE MITIGATION	36,802	36,844
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	39,736	39,766
241	ANIMAL CONTROL - KURTH GRANT	82,183	83,086
242	ANIMAL'S ATTIC GIFT SHOP	90,558	103,635
250	POLICE GRANTS & PROPERTY	(24,562)	(12,776)
251	FIRE GRANTS	11,144	11,144
252	FEMA FUNDED GRANTS	26,159	26,172
253	CARES ACT FUND	4,263,907	3,743,725
290	ECONOMIC DEVELOPMENT	146,342	(3,793)
295	LCVB FUND	386,704	6,660
300	GF STREET CONSTRUCTION FUND	1,431,413	1,316,423
308	CONVENTION CENTER - EDI	29,919	29,931
313	2010 CAPITAL IMPROVEMENTS FUND	2,170	2,171
314	2012 CAPITAL IMPROVEMENTS FUND	(2,921)	(2,921)
315	2020 CAPITAL IMPROVEMENTS FUND	3,907,623	3,906,273
340	TEXAS CAPITAL GRANT FUND	53	53
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	112	(16,934)
348	SOLID WASTE DEPRECIATION	708,626	721,405
357	2009 WATER/SEWER CO'S	16,359	16,371
358	2013 WWATER/SEWER CO'S	(603,777)	(607,210)
380	WATER & WASTEWATER DEPRECIATION	9,573,342	9,531,510
401	GENERAL OBLIGATION DEBT SERVICE	3,702,786	5,422,416
451	REVENUE BOND DEBT SERVICE	1,748	1,748
501	WATER/WASTEWATER FUND	5,808,887	7,057,670
548	SOLID WASTE DISPOSAL FUND	2,764,346	3,167,533
615	HEALTH INSURANCE - ACTIVE	1,584,883	1,356,765
616	RETIREE'S HEALTH INSURANCE FUND	10,518	1,167
641	EQUIPMENT ACQ. & REPLACEMENT FUND	3,635,644	4,055,461
642	TECHNOLOGY AMORTIZATION	937,572	628,447
747	MEDICAL SAVINGS FUND	3,407	3,407
TOTAL POOLED CASH & INVESTMENTS		\$ 57,171,810	\$ 65,822,639

Investment Holdings - EDC
March 31, 2022

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	0.15%	04/01/22	03/31/22	\$ 4,420,779	\$ 4,420,779	1.00	\$ 4,420,779	1	0.15%
					<u>\$ 4,420,779</u>	<u>\$ 4,420,779</u>		<u>\$ 4,420,779</u>	<u>1</u>	<u>0.15%</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.