



## INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 2020

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.

[REDACTED]  
City Manager

[REDACTED]  
Director of Finance

[REDACTED]  
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, 2020		June 30, 2020		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/Pools	\$ 13,970,624	\$ 13,970,624	\$ 16,681,559	\$ 16,681,559	0.24%
Securities/CDs	28,245,000	28,245,000	26,245,000	26,245,000	2.22%
<b>Totals</b>	<b>\$ 42,215,624</b>	<b>\$ 42,215,624</b>	<b>\$ 42,926,559</b>	<b>\$ 42,926,559</b>	<b>1.45%</b>

#### Current Quarter Average Yield (1)

Total Portfolio	1.45%
Rolling Three Month Treasury	0.14%
Rolling Six Month Treasury	0.67%
TexPool	0.22%

#### Fiscal Year-to-Date Average Yield (2)

Total Portfolio	1.88%
Rolling Three Month Treasury	0.97%
Rolling Six Month Treasury	1.28%
TexPool	0.95%

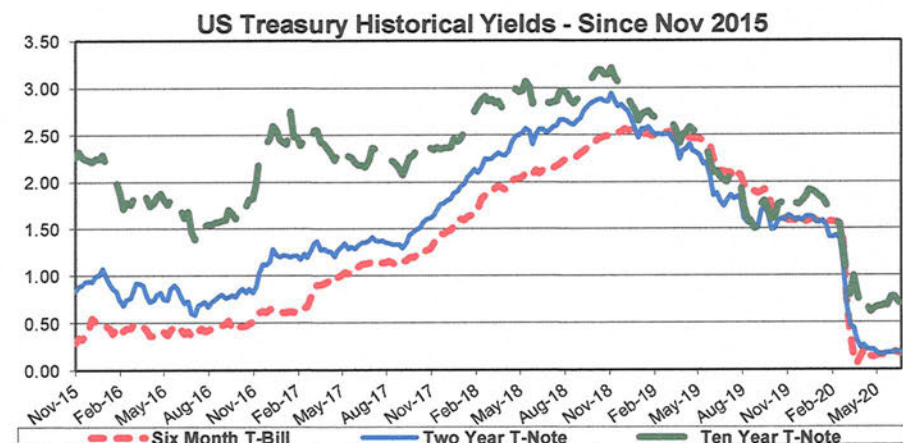
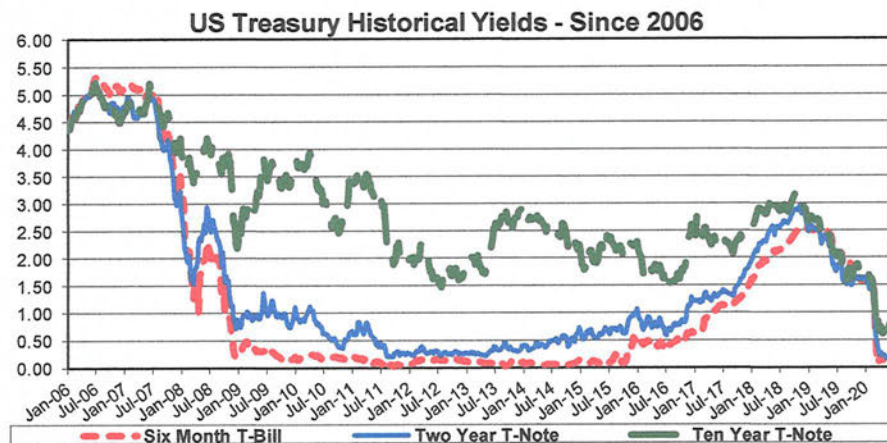
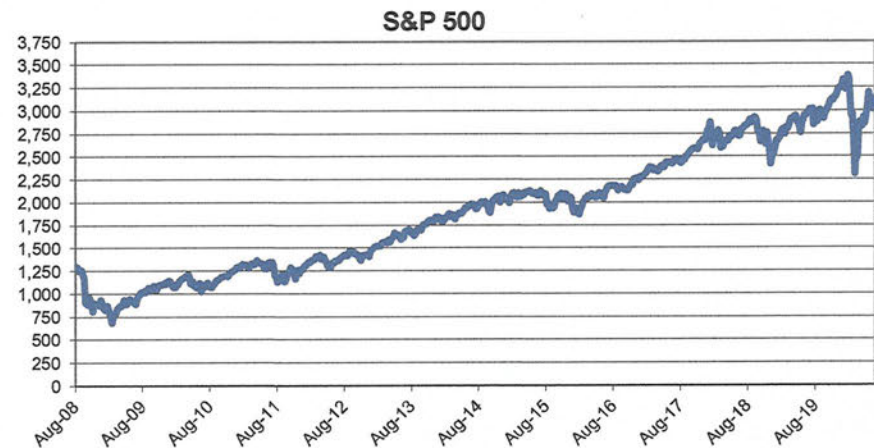
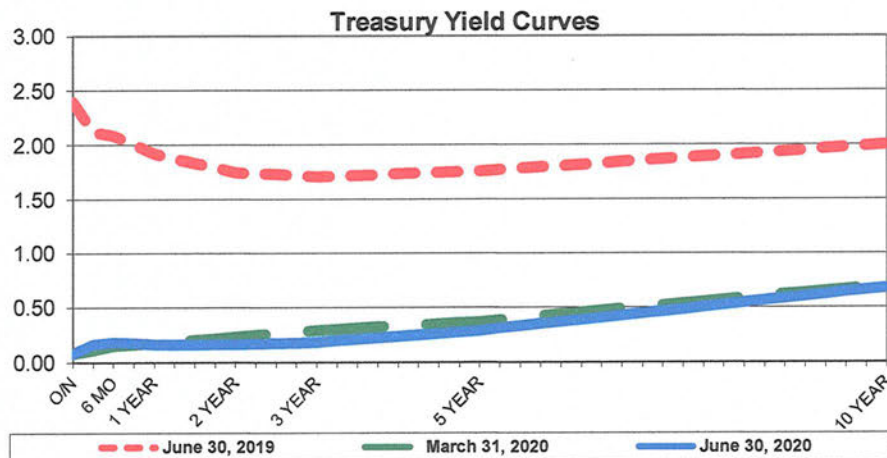
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

6/30/2020

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading +/-0.08%). Worldwide and domestic economic activity popped-up as isolation protocols eased. However, continued positive COVID test growth may impact additional activity. The Yield Curve remains stabilized at current levels. The FOMC has signaled reduced rates for an extended period. Crude oil increased to \$40+ per barrel. Unemployment claims continued to rise, but June Non Farm Payroll surged to 4.8 million. The Stock Market wobbled but stabilized. Full recovery timeline still very uncertain.



## Investment Holdings

June 30, 2020

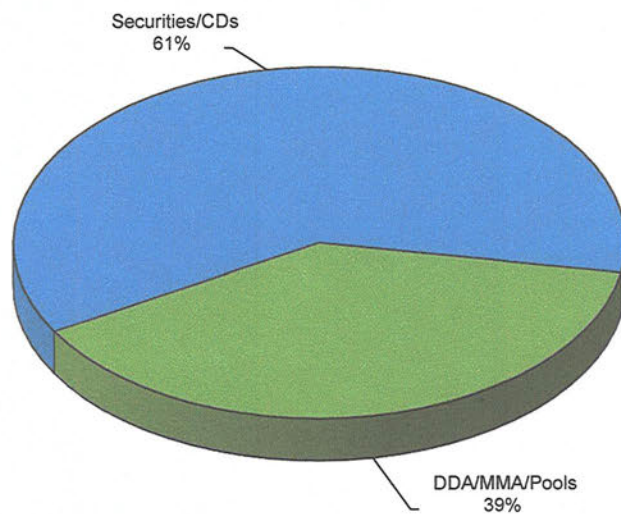
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA (3)		0.13%	07/01/20	06/30/20	\$ 2,736,028	\$ 2,736,028	1	\$ 2,736,028	1	0.13%
DDA Debit Card		0.00%	07/01/20	06/30/20	100,397	100,397	1	100,397	1	0.00%
TexPool	AAAm	0.22%	07/01/20	06/30/20	9,199,866	9,199,866	1	9,199,866	1	0.22%
TexSTAR	AAAm	0.20%	07/01/20	06/30/20	155,807	155,807	1	155,807	1	0.20%
Southside Bank MMA		0.37%	07/01/20	06/30/20	4,381,838	4,381,838	1	4,381,838	1	0.37%
BTH Bank MMA / ICS		0.23%	07/01/20	06/30/20	107,622	107,622	1	107,622	1	0.23%
Texas Bank Financial CDARS		3.03%	07/23/20	07/26/18	2,000,000	2,000,000	100	2,000,000	23	3.07%
Texas Bank CD		1.70%	07/28/20	07/28/17	245,000	245,000	100	245,000	28	1.70%
Texas Bank Financial CDARS		2.98%	08/06/20	08/09/18	2,000,000	2,000,000	100	2,000,000	37	3.02%
Bank OZK CDARS		2.07%	09/05/20	09/05/19	2,000,000	2,000,000	100	2,000,000	67	2.09%
BTH Bank, NA CD		2.72%	11/18/20	03/05/19	2,000,000	2,000,000	100	2,000,000	141	2.75%
Southside Bank CD		2.84%	12/20/20	12/10/18	2,000,000	2,000,000	100	2,000,000	173	2.86%
Southside Bank CD		1.68%	02/19/21	01/21/20	2,000,000	2,000,000	100	2,000,000	234	1.69%
BTH Bank, NA CD		2.78%	03/05/21	03/05/19	2,000,000	2,000,000	100	2,000,000	248	2.82%
Bank OZK CD		1.72%	04/14/21	02/14/20	2,000,000	2,000,000	100	2,000,000	288	1.73%
CapTex Bank CD		2.50%	05/09/21	05/09/19	2,000,000	2,000,000	100	2,000,000	313	2.53%
Bank OZK CDARS		2.45%	05/09/21	05/09/19	2,000,000	2,000,000	100	2,000,000	313	2.45%
Prosperity Bank CD		2.38%	06/07/21	06/07/19	2,000,000	2,000,000	100	2,000,000	342	2.41%
Bank OZK CD		0.85%	11/05/21	05/05/20	2,000,000	2,000,000	100	2,000,000	493	0.85%
Bank OZK CD		0.67%	05/29/22	05/29/20	2,000,000	2,000,000	100	2,000,000	698	0.67%
					<u>\$ 42,926,559</u>	<u>\$ 42,926,559</u>		<u>\$ 42,926,559</u>	<u>158</u>	<u>1.45%</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.

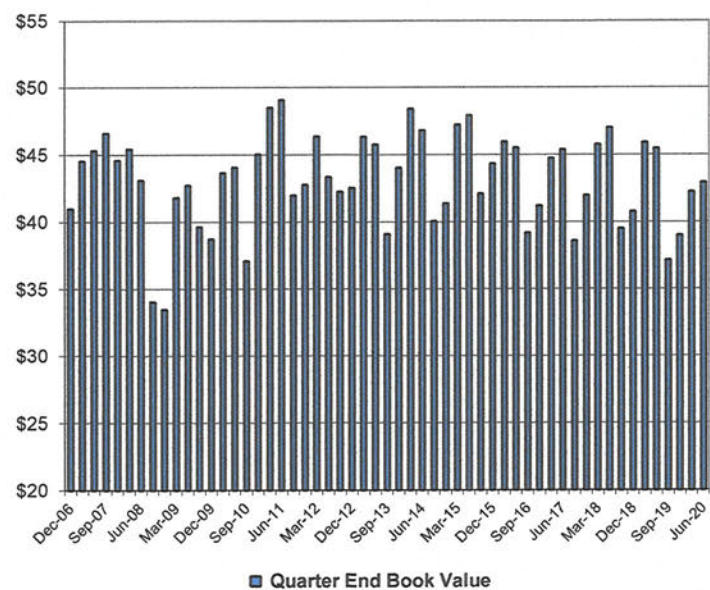
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

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

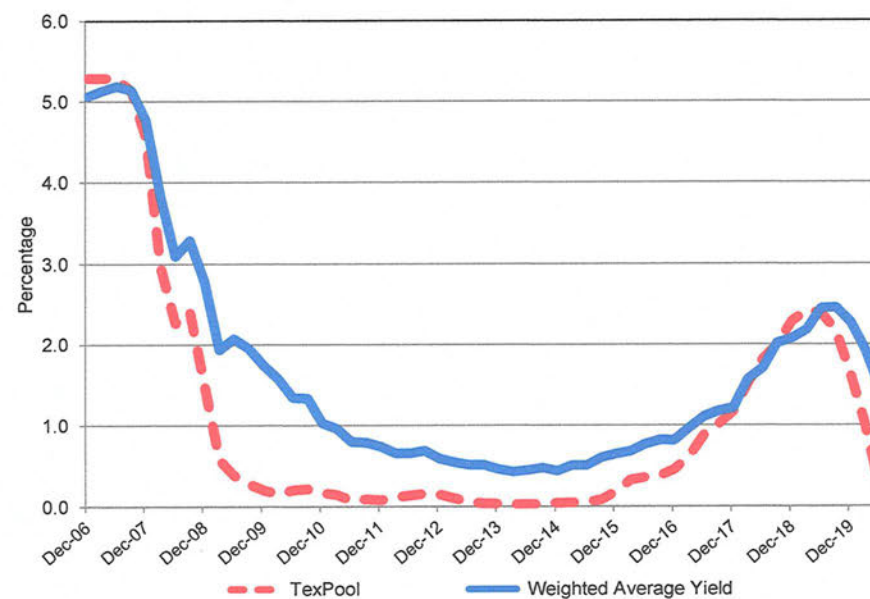
**Portfolio Composition**



**Total Portfolio (Millions)**



**Total Portfolio Performance**





## Book Value Comparison

Investment Description	Coupon/ Discount	Maturity Date	March 31, 2020		Purchases/ Adjustments	Sales/Adjust/ Maturities	June 30, 2020	
			Par Value	Book Value			Par Value	Book Value
DDA	0.13%	07/01/20	\$ 5,210,996	\$ 5,210,996	\$ —	\$ (2,474,968)	\$ 2,736,028	\$ 2,736,028
DDA Debit Card	0.00%	07/01/20	99,947	99,947	450		100,397	100,397
TexPool	0.22%	07/01/20	6,072,741	6,072,741	3,127,125		9,199,866	9,199,866
TexSTAR	0.20%	07/01/20	155,693	155,693	115		155,807	155,807
Southside Bank MMA	0.37%	07/01/20	2,323,730	2,323,730	2,058,109		4,381,838	4,381,838
BTH Bank MMA / ICS	0.23%	07/01/20	107,518	107,518	105		107,622	107,622
Southside Bank CD	2.61%	04/01/20	2,000,000	2,000,000		(2,000,000)	—	—
Veritex Comm. Bank CD	2.62%	04/20/20	2,000,000	2,000,000		(2,000,000)	—	—
Landmark Bank CD	2.79%	05/24/20	2,000,000	2,000,000		(2,000,000)	—	—
Texas Bank Financial CDARS	3.03%	07/23/20	2,000,000	2,000,000			2,000,000	2,000,000
Texas Bank CD	1.70%	07/28/20	245,000	245,000			245,000	245,000
Texas Bank Financial CDARS	2.98%	08/06/20	2,000,000	2,000,000			2,000,000	2,000,000
Bank OZK CDARS	2.07%	09/05/20	2,000,000	2,000,000			2,000,000	2,000,000
BTH Bank, NA CD	2.72%	11/18/20	2,000,000	2,000,000			2,000,000	2,000,000
Southside Bank CD	2.84%	12/20/20	2,000,000	2,000,000			2,000,000	2,000,000
Southside Bank CD	1.68%	02/19/21	2,000,000	2,000,000			2,000,000	2,000,000
BTH Bank, NA CD	2.78%	03/05/21	2,000,000	2,000,000			2,000,000	2,000,000
Bank OZK CD	1.72%	04/14/21	2,000,000	2,000,000			2,000,000	2,000,000
CapTex Bank CD	2.50%	05/09/21	2,000,000	2,000,000			2,000,000	2,000,000
Bank OZK CDARS	2.45%	05/09/21	2,000,000	2,000,000			2,000,000	2,000,000
Prosperity Bank CD	2.38%	06/07/21	2,000,000	2,000,000			2,000,000	2,000,000
Bank OZK CD	0.85%	11/05/21	—	—	2,000,000		2,000,000	2,000,000
Bank OZK CD	0.67%	05/29/22	—	—	2,000,000		2,000,000	2,000,000
<b>TOTAL</b>			<b>\$ 42,215,624</b>	<b>\$ 42,215,624</b>	<b>\$ 9,185,903</b>	<b>\$ (8,474,968)</b>	<b>\$ 42,926,559</b>	<b>\$ 42,926,559</b>

## Market Value Comparison

Investment Description	Coupon/Discount	Maturity Date	March 31, 2020		Qtr to Qtr Change	June 30, 2020	
			Par Value	Market Value		Par Value	Market Value
DDA	0.13%	07/01/20	\$ 5,210,996	\$ 5,210,996	\$ (2,474,968)	\$ 2,736,028	\$ 2,736,028
DDA Debit Card	0.00%	07/01/20	99,947	99,947	450	100,397	100,397
TexPool	0.22%	07/01/20	6,072,741	6,072,741	3,127,125	9,199,866	9,199,866
TexSTAR	0.20%	07/01/20	155,693	155,693	115	155,807	155,807
Southside Bank MMA	0.37%	07/01/20	2,323,730	2,323,730	2,058,109	4,381,838	4,381,838
BTH Bank MMA / ICS	0.23%	07/01/20	107,518	107,518	105	107,622	107,622
Southside Bank CD	2.61%	04/01/20	2,000,000	2,000,000	(2,000,000)	—	—
Veritex Comm. Bank CD	2.62%	04/20/20	2,000,000	2,000,000	(2,000,000)	—	—
Landmark Bank CD	2.79%	05/24/20	2,000,000	2,000,000	(2,000,000)	—	—
Texas Bank Financial CDARS	3.03%	07/23/20	2,000,000	2,000,000		2,000,000	2,000,000
Texas Bank CD	1.70%	07/28/20	245,000	245,000		245,000	245,000
Texas Bank Financial CDARS	2.98%	08/06/20	2,000,000	2,000,000		2,000,000	2,000,000
Bank OZK CDARS	2.07%	09/05/20	2,000,000	2,000,000		2,000,000	2,000,000
BTH Bank, NA CD	2.72%	11/18/20	2,000,000	2,000,000		2,000,000	2,000,000
Southside Bank CD	2.84%	12/20/20	2,000,000	2,000,000		2,000,000	2,000,000
Southside Bank CD	1.68%	02/19/21	2,000,000	2,000,000		2,000,000	2,000,000
BTH Bank, NA CD	2.78%	03/05/21	2,000,000	2,000,000		2,000,000	2,000,000
Bank OZK CD	1.72%	04/14/21	2,000,000	2,000,000		2,000,000	2,000,000
CapTex Bank CD	2.50%	05/09/21	2,000,000	2,000,000		2,000,000	2,000,000
Bank OZK CDARS	2.45%	05/09/21	2,000,000	2,000,000		2,000,000	2,000,000
Prosperity Bank CD	2.38%	06/07/21	2,000,000	2,000,000		2,000,000	2,000,000
Bank OZK CD	0.85%	11/05/21	—	—	2,000,000	2,000,000	2,000,000
Bank OZK CD	0.67%	05/29/22	—	—	2,000,000	2,000,000	2,000,000
<b>TOTAL</b>			<b>\$ 42,215,624</b>	<b>\$ 42,215,624</b>	<b>\$ 710,935</b>	<b>\$ 42,926,559</b>	<b>\$ 42,926,559</b>

### FUND EQUITY IN POOLED CASH AND INVESTMENTS

FUND NO	FUND NAME	3/31/2020	6/30/2020
101	GENERAL FUND	\$ 13,946,847	\$ 13,851,645
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	153,396	218,301
217	PROPERTY INSURANCE LOSS FUND	(83,183)	(90,704)
221	SPECIAL RECREATION FUND	88,779	54,448
225	PINES THEATER SPECIAL EVENTS FUND	(73,569)	(70,848)
226	ELLEN TROUT ZOO FUND	1,810,400	1,866,724
227	POLICE FORFEITURE FUND	175,416	224,532
228	COURT SECURITY/TECHNOLOGY FUND	71,510	74,878
230	POLICE DARE CONTRIBUTION FUND	109	109
232	DRAINAGE MITIGATION	26,988	27,142
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	39,189	39,315
241	ANIMAL CONTROL - KURTH GRANT	63,401	94,916
242	ANIMAL'S ATTIC GIFT SHOP	48,886	48,335
250	POLICE GRANTS & PROPERTY	18,385	7,789
251	FIRE GRANTS	128,560	(70,705)
252	FEMA FUNDED GRANTS	25,397	25,570
290	ECONOMIC DEVELOPMENT	(863,693)	157,687
295	LCVB FUND	703,772	668,992
300	GF STREET CONSTRUCTION FUND	(143,703)	(170,271)
308	CONVENTION CENTER - EDI	29,746	29,757
313	2010 CAPITAL IMPROVEMENTS FUND	54,620	54,999
314	2012 CAPITAL IMPROVEMENTS FUND	357,579	21,563
315	2020 CAPITAL IMPROVEMENTS FUND	140,938	104,962
340	TEXAS CAPITAL GRANT FUND	53	53
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	(1,634,065)	(2,368,676)
348	SOLID WASTE DEPRECIATION	679,199	691,938
357	2009 WATER/SEWER CO'S	271,523	273,407
358	2013 WWATER/SEWER CO'S	976,770	975,721
380	WATER & WASTEWATER DEPRECIATION	7,310,625	6,988,284
401	GENERAL OBLIGATION DEBT SERVICE	6,008,772	7,047,381
451	REVENUE BOND DEBT SERVICE	1,696	1,707
501	WATER/WASTEWATER FUND	3,682,445	4,024,829
548	SOLID WASTE DISPOSAL FUND	3,241,551	3,270,587
615	HEALTH INSURANCE - ACTIVE	2,622,357	2,669,189
616	RETIREEES HEALTH INSURANCE FUND	(149,049)	23,344
641	EQUIPMENT ACQ & REPLACEMENT FUND	2,495,083	2,172,136
747	MEDICAL SAVINGS FUND	(11,107)	(12,478)
<b>TOTAL POOLED CASH &amp; INVESTMENTS</b>		<b>\$ 42,215,624</b>	<b>\$ 42,926,559</b>



## Investment Holdings - EDC

June 30, 2020

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	0.22%	07/01/20	06/30/20	\$ 2,196,242	\$ 2,196,242	1.00	\$ 2,196,242	1	0.22%
					<u>\$ 2,196,242</u>	<u>\$ 2,196,242</u>		<u>\$ 2,196,242</u>	<u>1</u>	<u>0.22%</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.