



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

March 31, 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	December 31, 2019		March 31, 2020		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/Pools	\$ 8,757,800	\$ 8,757,800	\$ 13,970,624	\$ 13,970,624	0.73%
Securities/CDs	30,245,000	30,245,000	28,245,000	28,245,000	2.53%
Totals	\$ 39,002,800	\$ 39,002,800	\$ 42,215,624	\$ 42,215,624	1.93%

Current Quarter Average Yield (1)

Total Portfolio	1.93%
Rolling Three Month Treasury	1.17%
Rolling Six Month Treasury	1.39%
TexPool	1.00%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	2.10%
Rolling Three Month Treasury	1.38%
Rolling Six Month Treasury	1.58%
TexPool	1.31%

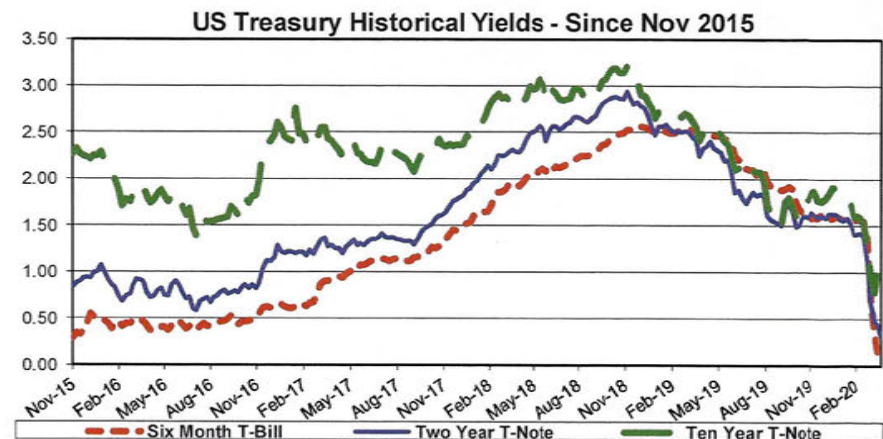
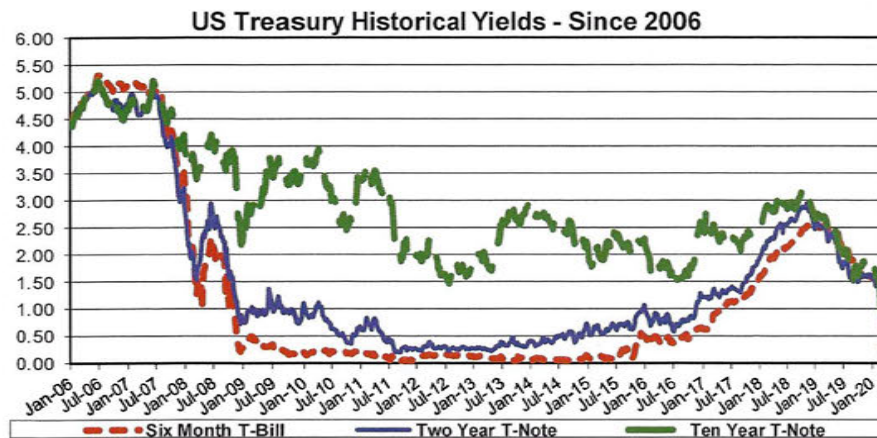
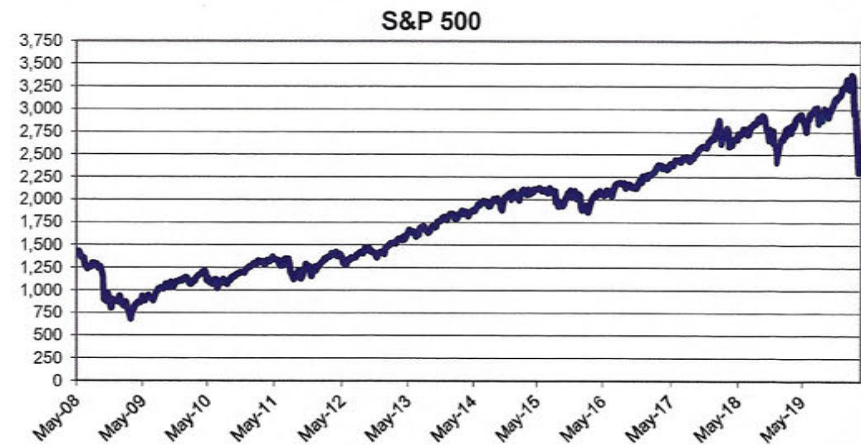
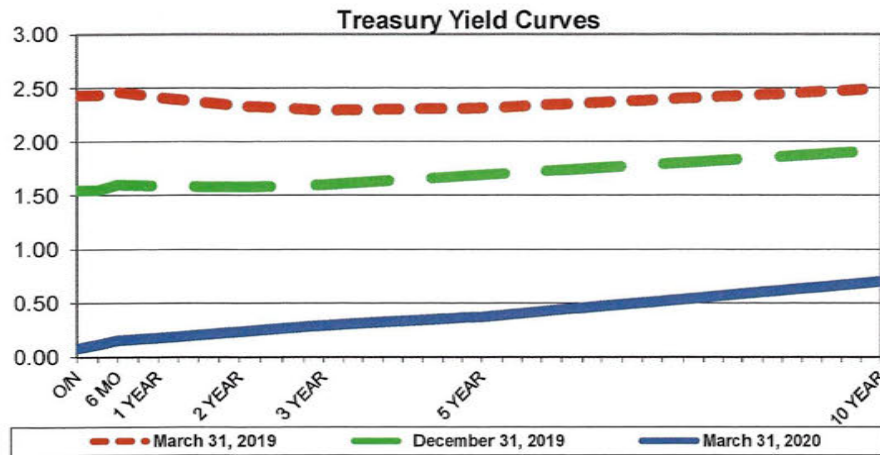
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

3/31/2020

Due to COVID-19 pandemic concerns, the Federal Open Market Committee (FOMC) dramatically reduced the Fed Funds target range to 0.00% to 0.25% (Effective Fed Funds are trading +/- 0.10%). Worldwide economic activity has collapsed because of Coronavirus "social isolation" and other related actions. The Yield Curve plummeted. Crude oil declined severely to less than \$25 per barrel. Unemployment claims leaped to over 10 million. The Stock Market "corrected" into a full bear market. U.S. monetary and fiscal programs are designed to stabilize and improve near term economic conditions. Time will tell how long the pandemic lasts and full recovery takes.



Investment Holdings

March 31, 2020

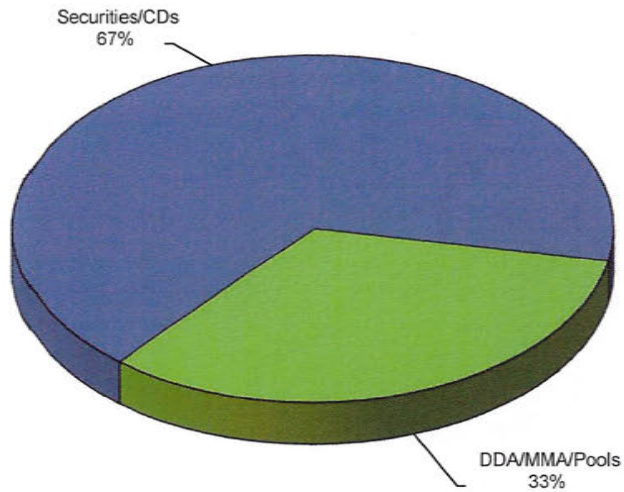
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA (3)		0.14%	04/01/20	03/31/20	\$ 5,210,996	\$ 5,210,996	1	\$ 5,210,996	1	0.14%
DDA Debit Card		0.00%	04/01/20	03/31/20	99,947	99,947	1	99,947	1	0.00%
TexPool	AAAm	1.00%	04/01/20	03/31/20	6,072,741	6,072,741	1	6,072,741	1	1.00%
TexSTAR	AAAm	0.96%	04/01/20	03/31/20	155,693	155,693	1	155,693	1	0.96%
Southside Bank MMA		1.33%	04/01/20	03/31/20	2,323,730	2,323,730	1	2,323,730	1	1.33%
BTH Bank MMA / ICS		1.60%	04/01/20	03/31/20	107,518	107,518	1	107,518	1	1.60%
Southside Bank CD		2.61%	04/01/20	04/01/19	2,000,000	2,000,000	100	2,000,000	1	2.63%
Veritex Comm. Bank CD		2.62%	04/20/20	04/24/18	2,000,000	2,000,000	100	2,000,000	20	2.62%
Landmark Bank CD		2.79%	05/24/20	05/24/18	2,000,000	2,000,000	100	2,000,000	54	2.79%
Texas Bank Financial CDARS		3.03%	07/23/20	07/26/18	2,000,000	2,000,000	100	2,000,000	114	3.07%
Texas Bank CD		1.70%	07/28/20	07/28/17	245,000	245,000	100	245,000	119	1.70%
Texas Bank Financial CDARS		2.98%	08/06/20	08/09/18	2,000,000	2,000,000	100	2,000,000	128	3.02%
Bank OZK CDARS		2.07%	09/05/20	09/05/19	2,000,000	2,000,000	100	2,000,000	158	2.09%
BTH Bank, NA CD		2.72%	11/18/20	03/05/19	2,000,000	2,000,000	100	2,000,000	232	2.75%
Southside Bank CD		2.84%	12/20/20	12/10/18	2,000,000	2,000,000	100	2,000,000	264	2.86%
Southside Bank CD		1.68%	02/19/21	01/21/20	2,000,000	2,000,000	100	2,000,000	325	1.69%
BTH Bank, NA CD		2.78%	03/05/21	03/05/19	2,000,000	2,000,000	100	2,000,000	339	2.82%
Bank OZK CD		1.72%	04/14/21	02/14/20	2,000,000	2,000,000	100	2,000,000	379	1.73%
CapTex Bank CD		2.50%	05/09/21	05/09/19	2,000,000	2,000,000	100	2,000,000	404	2.53%
Bank OZK CDARS		2.45%	05/09/21	05/09/19	2,000,000	2,000,000	100	2,000,000	404	2.45%
LegacyTexas Bank CD		2.38%	06/07/21	06/07/19	2,000,000	2,000,000	100	2,000,000	433	2.41%
					\$ 42,215,624	\$ 42,215,624		\$ 42,215,624	155	1.93%
										(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.

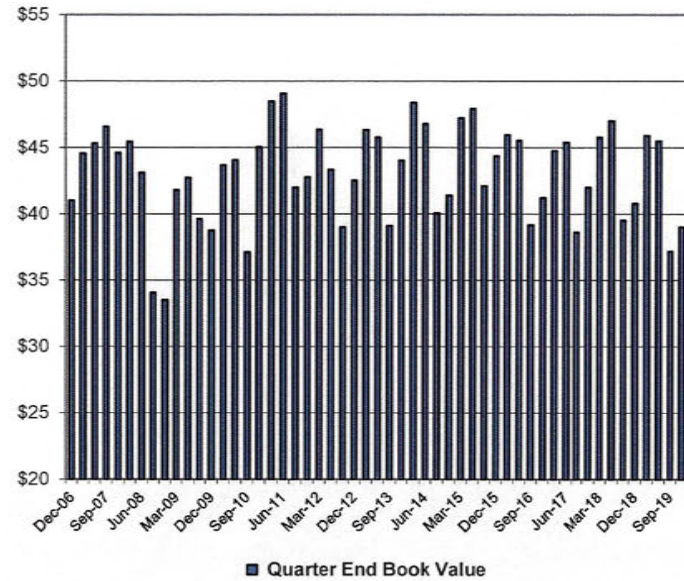
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

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

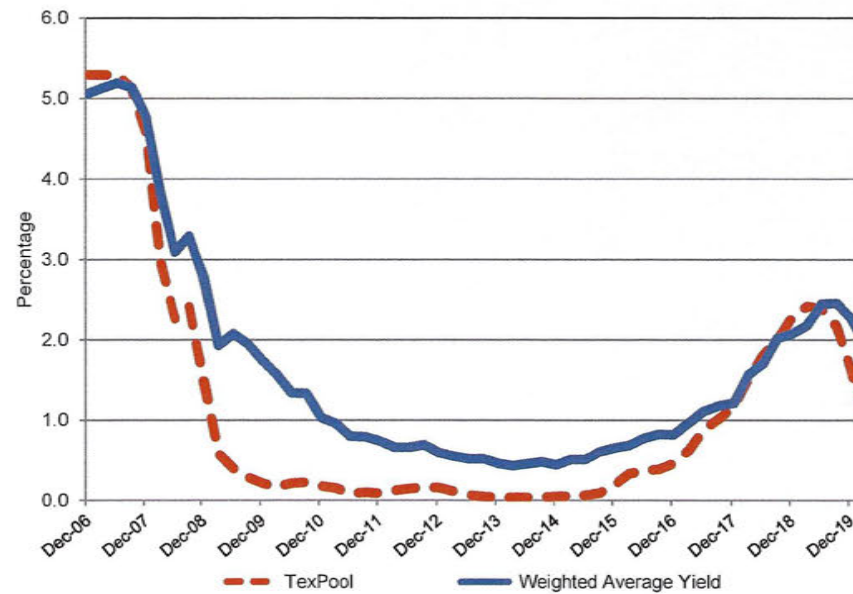
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book Value Comparison

Investment Description	Coupon/Discount	Maturity Date	December 31, 2019		Purchases/Adjustments	Sales/Adjust/Maturities	March 31, 2020	
			Par Value	Book Value			Par Value	Book Value
DDA	0.14%	04/01/20	\$ 3,525,698	\$ 3,525,698	\$ 1,685,298	\$ —	\$ 5,210,996	\$ 5,210,996
DDA Debit Card	0.00%	04/01/20	94,820	94,820	5,128		99,947	99,947
TexPool	1.00%	04/01/20	2,560,567	2,560,567	3,512,174		6,072,741	6,072,741
TexSTAR	0.96%	04/01/20	155,169	155,169	524		155,693	155,693
Southside Bank MMA	1.33%	04/01/20	2,314,455	2,314,455	9,275		2,323,730	2,323,730
BTH Bank MMA / ICS	1.60%	04/01/20	107,091	107,091	426		107,518	107,518
LegacyTexas Bank CD	2.33%	01/20/20	2,000,000	2,000,000		(2,000,000)	—	—
LegacyTexas Bank CD	2.33%	02/03/20	2,000,000	2,000,000		(2,000,000)	—	—
East West Bank CD	2.45%	03/20/20	2,000,000	2,000,000		(2,000,000)	—	—
Southside Bank CD	2.61%	04/01/20	2,000,000	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	2,000,000
Landmark Bank CD	2.79%	05/24/20	2,000,000	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
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
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
LegacyTexas Bank CD	2.38%	06/07/21	2,000,000	2,000,000			2,000,000	2,000,000
TOTAL			\$ 39,002,800	\$ 39,002,800	\$ 9,212,824	\$ (6,000,000)	\$ 42,215,624	\$ 42,215,624

Market Value Comparison

Investment Description	Coupon/ Discount	Maturity Date	December 31, 2019		Qtr to Qtr Change	March 31, 2020	
			Par Value	Market Value		Par Value	Market Value
DDA	0.14%	04/01/20	\$ 3,525,698	\$ 3,525,698	\$ 1,685,298	\$ 5,210,996	\$ 5,210,996
DDA Debit Card	0.00%	04/01/20	94,820	94,820	5,128	99,947	99,947
TexPool	1.00%	04/01/20	2,560,567	2,560,567	3,512,174	6,072,741	6,072,741
TexSTAR	0.96%	04/01/20	155,169	155,169	524	155,693	155,693
Southside Bank MMA	1.33%	04/01/20	2,314,455	2,314,455	9,275	2,323,730	2,323,730
BTH Bank MMA / ICS	1.60%	04/01/20	107,091	107,091	426	107,518	107,518
LegacyTexas Bank CD	2.33%	01/20/20	2,000,000	2,000,000	(2,000,000)	—	—
LegacyTexas Bank CD	2.33%	02/03/20	2,000,000	2,000,000	(2,000,000)	—	—
East West Bank CD	2.45%	03/20/20	2,000,000	2,000,000	(2,000,000)	—	—
Southside Bank CD	2.61%	04/01/20	2,000,000	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	2,000,000
Landmark Bank CD	2.79%	05/24/20	2,000,000	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
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
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
LegacyTexas Bank CD	2.38%	06/07/21	2,000,000	2,000,000		2,000,000	2,000,000
TOTAL			\$ 39,002,800	\$ 39,002,800	\$ 3,212,824	\$ 42,215,624	\$ 42,215,624

FUND EQUITY IN POOLED CASH AND INVESTMENTS

FUND NO	FUND NAME	12/31/2019	3/31/2020
101	GENERAL FUND	\$ 11,410,768	\$ 13,946,847
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	169,815	153,396
217	PROPERTY INSURANCE LOSS FUND	(79,816)	(83,183)
221	SPECIAL RECREATION FUND	90,294	88,779
225	PINES THEATER SPECIAL EVENTS FUND	(91,316)	(73,569)
226	ELLEN TROUT ZOO FUND	1,809,166	1,810,400
227	POLICE FORFEITURE FUND	174,030	175,416
228	COURT SECURITY/TECHNOLOGY FUND	65,318	71,510
230	POLICE DARE CONTRIBUTION FUND	109	109
232	DRAINAGE MITIGATION	19,289	26,988
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	37,241	39,189
241	ANIMAL CONTROL - KURTH GRANT	35,269	63,401
242	ANIMAL'S ATTIC GIFT SHOP	43,966	48,886
250	POLICE GRANTS & PROPERTY	6,834	18,385
251	FIRE GRANTS	128,560	128,560
252	FEMA FUNDED GRANTS	25,201	25,397
290	ECONOMIC DEVELOPMENT	(194,578)	(863,693)
295	LCVB FUND	738,676	703,772
300	GF STREET CONSTRUCTION FUND	(125,330)	(143,703)
308	CONVENTION CENTER - EDI	29,723	29,746
313	2010 CAPITAL IMPROVEMENTS FUND	54,179	54,620
314	2012 CAPITAL IMPROVEMENTS FUND	132,014	357,579
315	2020 CAPITAL IMPROVEMENTS FUND	(63,938)	140,938
340	TEXAS CAPITAL GRANT FUND	53	53
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	(1,839,992)	(1,634,065)
348	SOLID WASTE DEPRECIATION	666,174	679,199
357	2009 WATER/SEWER CO'S	269,326	271,523
358	2013 WWATER/SEWER CO'S	976,770	976,770
380	WATER & WASTEWATER DEPRECIATION	7,354,487	7,310,625
401	GENERAL OBLIGATION DEBT SERVICE	4,006,243	6,008,772
451	REVENUE BOND DEBT SERVICE	1,682	1,696
501	WATER/WASTEWATER FUND	4,138,011	3,682,445
548	SOLID WASTE DISPOSAL FUND	4,470,295	3,241,551
615	HEALTH INSURANCE - ACTIVE	2,526,085	2,622,357
616	RETIREEES HEALTH INSURANCE FUND	(397,600)	(149,049)
641	EQUIPMENT ACQ & REPLACEMENT FUND	2,426,276	2,495,083
747	MEDICAL SAVINGS FUND	(10,483)	(11,107)
TOTAL POOLED CASH & INVESTMENTS		\$ 39,002,800	\$ 42,215,624

Investment Holdings - EDC

March 31, 2020

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	1.00%	04/01/20	03/31/20	\$ 2,580,777	\$ 2,580,777	1.00	\$ 2,580,777	1	1.00%
					<u>\$ 2,580,777</u>	<u>\$ 2,580,777</u>		<u>\$ 2,580,777</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.