



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

March 31, 2021

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, 2020		March 31, 2021		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/Pools	\$ 15,988,804	\$ 15,988,804	\$ 24,852,462	\$ 24,852,462	0.17%
Securities/CDs	26,245,000	26,245,000	28,245,000	28,245,000	1.02%
Totals	\$ 42,233,804	\$ 42,233,804	\$ 53,097,462	\$ 53,097,462	0.62%

Current Quarter Average Yield (1)

Total Portfolio	0.62%
Rolling Three Month Treasury	0.06%
Rolling Six Month Treasury	0.09%
TexPool	0.02%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	0.78%
Rolling Three Month Treasury	0.08%
Rolling Six Month Treasury	0.10%
TexPool	0.05%

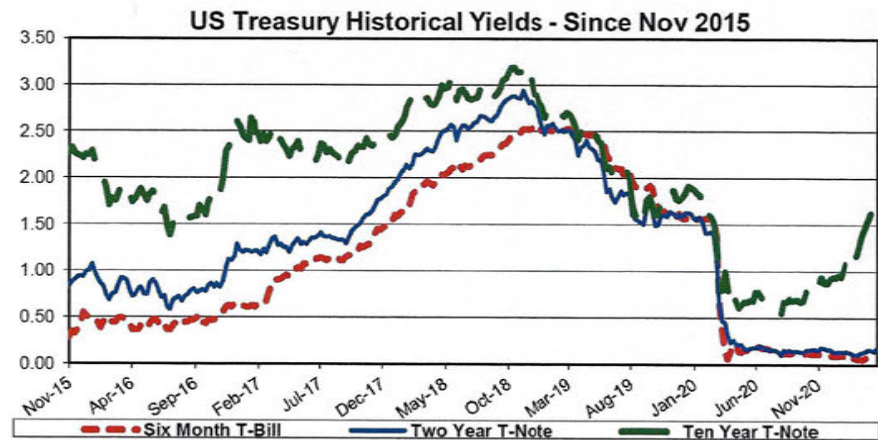
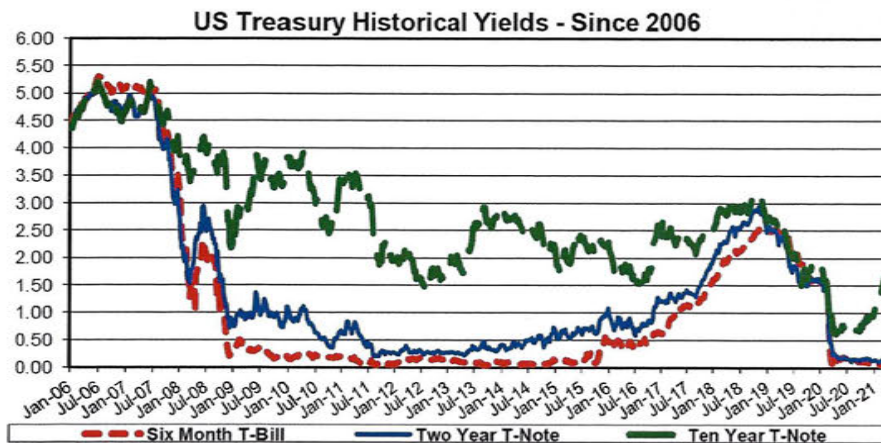
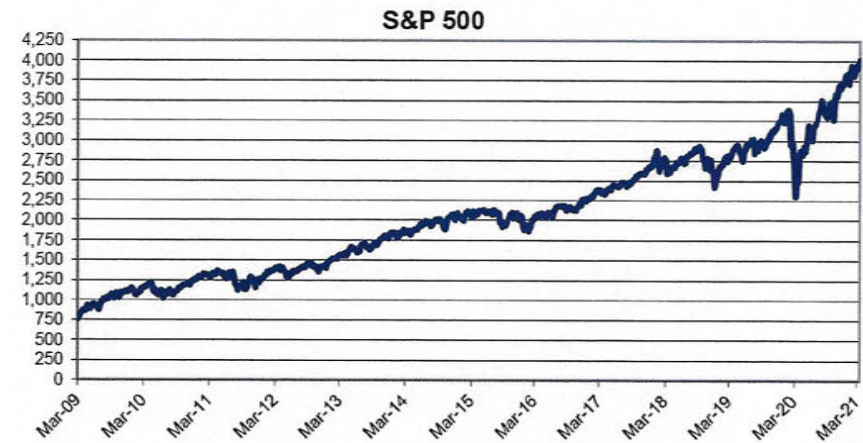
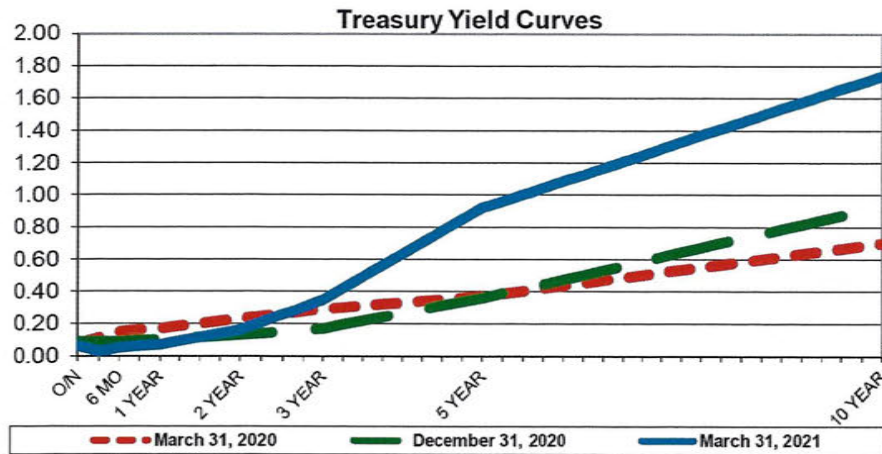
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

3/31/2021

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading <0.10%), and projected that reduced rates could remain into 2023 or longer. Fourth Quarter GDP finalized at +4.3%. March Non Farm Payroll added 916k and Unemployment declined to 6.0%. Crude oil traded above \$60 per barrel. The Stock Markets reached new highs. Housing, Industrial Production, Durable Goods, Consumer Spending, and other indicators showed solid gains. An additional \$1.9 trillion stimulus package passed Congress and was signed by the President. The Yield Curve continued steepening on longer maturities.



Investment Holdings

March 31, 2021

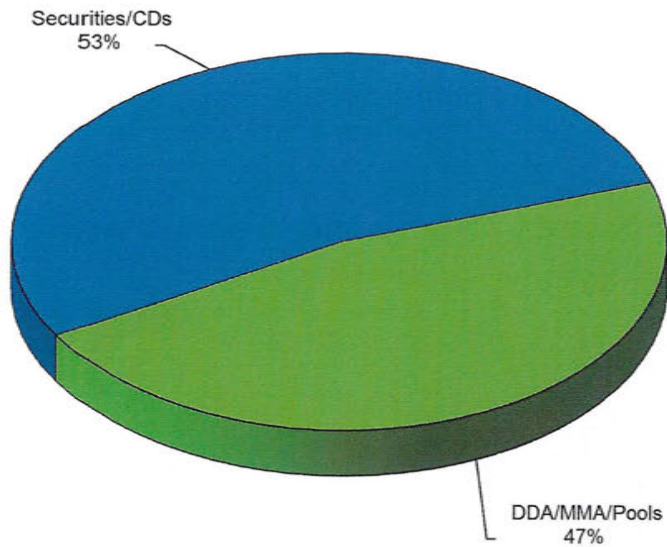
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA (3)		0.22%	04/01/21	03/31/21	\$ 6,558,272	\$ 6,558,272	1	\$ 6,558,272	1	0.22%
DDA Debit Card		0.00%	04/01/21	03/31/21	100,740	100,740	1	100,740	1	0.00%
Southside Bank MMA		0.17%	04/01/21	03/31/21	16,429,258	16,429,258	1	16,429,258	1	0.17%
BTH Bank MMA / ICS		0.03%	04/01/21	03/31/21	107,724	107,724	1	107,724	1	0.03%
TexPool	AAAm	0.02%	04/01/21	03/31/21	1,500,545	1,500,545	1	1,500,545	1	0.02%
TexSTAR	AAAm	0.02%	04/01/21	03/31/21	155,923	155,923	1	155,923	1	0.02%
Bank OZK CD		1.72%	04/14/21	02/14/20	2,000,000	2,000,000	100	2,000,000	14	1.73%
CapTex Bank CD		2.50%	05/09/21	05/09/19	2,000,000	2,000,000	100	2,000,000	39	2.53%
Bank OZK CDARS		2.45%	05/09/21	05/09/19	2,000,000	2,000,000	100	2,000,000	39	2.45%
Prosperity Bank CD		2.38%	06/07/21	06/07/19	2,000,000	2,000,000	100	2,000,000	68	2.41%
Texas Bank Financial CDARS		1.00%	07/29/21	07/30/20	2,000,000	2,000,000	100	2,000,000	120	1.00%
Texas Bank Financial CDARS		1.00%	08/06/21	08/06/20	2,000,000	2,000,000	100	2,000,000	128	1.00%
Bank OZK CD		0.85%	11/05/21	05/05/20	2,000,000	2,000,000	100	2,000,000	219	0.85%
East West Bank CD		0.27%	11/20/21	11/20/20	2,000,000	2,000,000	100	2,000,000	234	0.27%
Texas Bank CD		0.90%	01/28/22	07/28/20	245,000	245,000	100	245,000	303	0.90%
Prosperity Bank CD		0.20%	03/02/22	03/02/21	2,000,000	2,000,000	100	2,000,000	336	0.20%
Bank OZK CD		0.67%	05/29/22	05/29/20	2,000,000	2,000,000	100	2,000,000	424	0.67%
Bank OZK CD		0.40%	09/05/22	09/04/20	2,000,000	2,000,000	100	2,000,000	523	0.40%
Prosperity Bank CD		0.20%	10/11/22	03/11/21	2,000,000	2,000,000	100	2,000,000	559	0.20%
Allegiance Bank CD		0.30%	11/20/22	11/20/20	2,000,000	2,000,000	100	2,000,000	599	0.30%
Prosperity Bank CD		0.25%	03/13/23	03/11/21	2,000,000	2,000,000	100	2,000,000	712	0.25%
					\$ 53,097,462	\$ 53,097,462		\$ 53,097,462	153	0.62%
									(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.

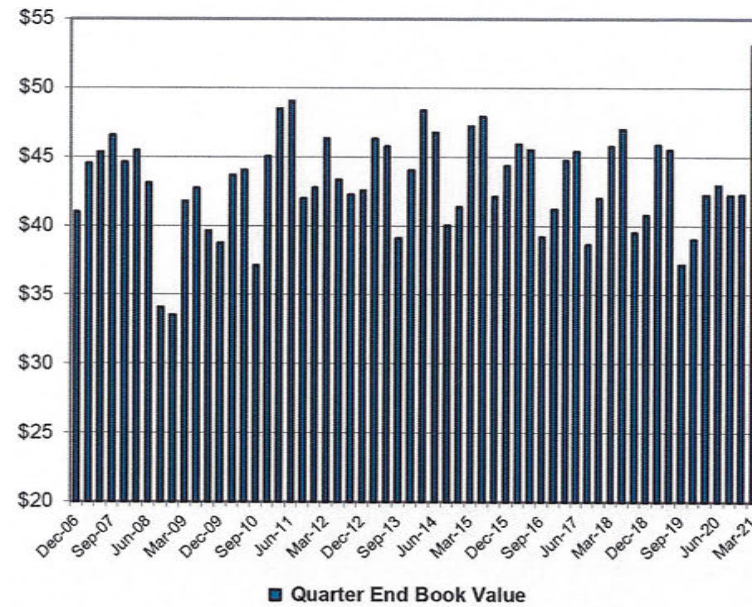
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

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

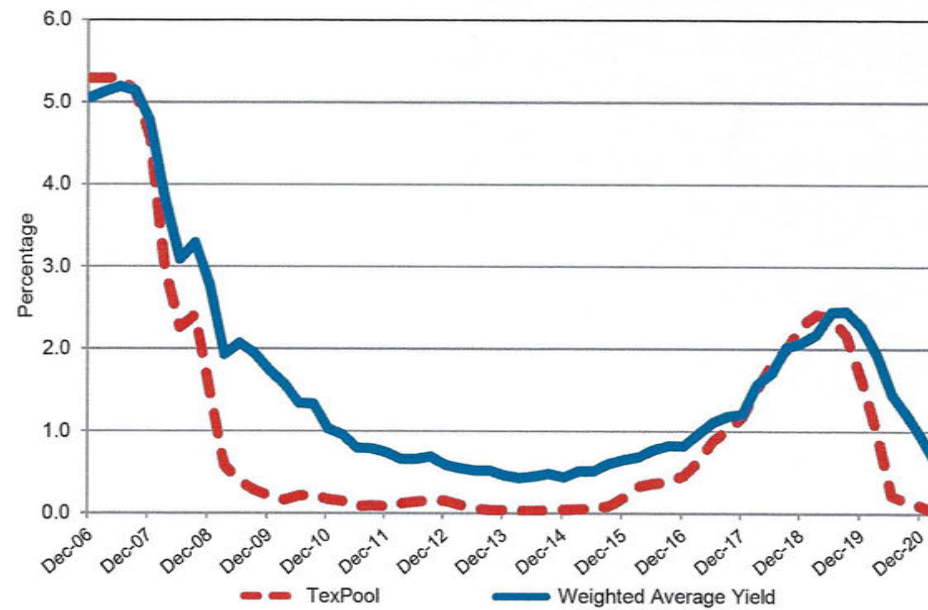
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/20	Increases	Decreases	Book Value 03/31/21	Market Value 12/31/20	Change in Market Value	Market Value 03/31/21
DDA	0.22%	04/01/21	\$ 4,548,460	\$ 2,009,811	\$ —	\$ 6,558,272	\$ 4,548,460	\$ 2,009,811	\$ 6,558,272
DDA Debit Card	0.00%	04/01/21	100,517	223	—	100,740	100,517	223	100,740
Southside Bank MMA	0.17%	04/01/21	4,388,655	12,040,603	—	16,429,258	4,388,655	12,040,603	16,429,258
BTH Bank MMA / ICS	0.03%	04/01/21	107,708	16	—	107,724	107,708	16	107,724
TexPool	0.02%	04/01/21	6,687,555	—	(5,187,010)	1,500,545	6,687,555	(5,187,010)	1,500,545
TexSTAR	0.02%	04/01/21	155,909	15	—	155,923	155,909	15	155,923
Southside Bank CD	1.69%	02/19/21	2,000,000	—	(2,000,000)	—	2,000,000	(2,000,000)	—
BTH Bank, NA CD	2.82%	03/05/21	2,000,000	—	(2,000,000)	—	2,000,000	(2,000,000)	—
Bank OZK CD	1.73%	04/14/21	2,000,000	—	—	2,000,000	2,000,000	—	2,000,000
CapTex Bank CD	2.53%	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	2.41%	06/07/21	2,000,000	—	—	2,000,000	2,000,000	—	2,000,000
Texas Bank Financial CDARS	1.00%	07/29/21	2,000,000	—	—	2,000,000	2,000,000	—	2,000,000
Texas Bank Financial CDARS	1.00%	08/06/21	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	—	2,000,000
East West Bank CD	0.27%	11/20/21	2,000,000	—	—	2,000,000	2,000,000	—	2,000,000
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	—	—	2,000,000	2,000,000	—	2,000,000
Bank OZK CD	0.40%	09/05/22	—	2,000,000	—	2,000,000	—	2,000,000	2,000,000
Prosperity Bank CD	0.20%	10/11/22	2,000,000	—	—	2,000,000	2,000,000	—	2,000,000
Allegiance Bank CD	0.30%	11/20/22	2,000,000	—	—	2,000,000	2,000,000	—	2,000,000
Prosperity Bank CD	0.25%	03/13/23	—	2,000,000	—	2,000,000	—	2,000,000	2,000,000
TOTAL / AVERAGE	0.62%		\$ 42,233,804	\$ 20,050,668	\$ (9,187,010)	\$ 53,097,462	\$ 42,233,804	\$ 10,863,658	\$ 53,097,462

FUND EQUITY IN POOLED CASH AND INVESTMENTS

FUND NO	FUND NAME	12/31/2020	3/31/2021
101	GENERAL FUND	\$ 11,943,883	\$ 17,170,524
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	699,960	964,382
217	PROPERTY INSURANCE LOSS FUND	(79,757)	(47,943)
221	SPECIAL RECREATION FUND	28,231	40,092
225	PINES THEATER SPECIAL EVENTS FUND	(90,582)	(84,188)
226	ELLEN TROUT ZOO FUND	1,840,172	1,824,255
227	POLICE FORFEITURE FUND	224,974	225,739
228	COURT SECURITY/TECHNOLOGY FUND	83,119	89,118
230	POLICE DARE CONTRIBUTION FUND	109	109
232	DRAINAGE MITIGATION	27,443	27,549
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	34,868	37,545
241	ANIMAL CONTROL - KURTH GRANT	74,130	62,787
242	ANIMAL'S ATTIC GIFT SHOP	43,420	53,740
250	POLICE GRANTS & PROPERTY	(5,409)	(5,627)
251	FIRE GRANTS	13,683	13,683
252	FEMA FUNDED GRANTS	25,869	25,898
253	CARES ACT FUND	115,504	1,514,564
290	ECONOMIC DEVELOPMENT	(1,503,473)	27,378
295	LCVB FUND	262,198	(202)
300	GF STREET CONSTRUCTION FUND	(11,193)	26,075
308	CONVENTION CENTER - EDI	29,774	29,889
313	2010 CAPITAL IMPROVEMENTS FUND	55,650	55,865
314	2012 CAPITAL IMPROVEMENTS FUND	16,151	16,214
315	2020 CAPITAL IMPROVEMENTS FUND	3,971,521	3,963,647
340	TEXAS CAPITAL GRANT FUND	53	53
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	(128,270)	(128,270)
348	SOLID WASTE DEPRECIATION	717,358	670,440
357	2009 WATER/SEWER CO'S	276,644	277,712
358	2013 WWATER/SEWER CO'S	(272,945)	(494,252)
380	WATER & WASTEWATER DEPRECIATION	7,943,013	8,333,114
401	GENERAL OBLIGATION DEBT SERVICE	3,854,260	5,647,366
451	REVENUE BOND DEBT SERVICE	1,727	1,734
501	WATER/WASTEWATER FUND	4,297,550	4,659,179
548	SOLID WASTE DISPOSAL FUND	1,991,537	2,122,897
615	HEALTH INSURANCE - ACTIVE	3,134,809	2,689,692
616	RETIREEES HEALTH INSURANCE FUND	28,332	23,391
641	EQUIPMENT ACQ & REPLACEMENT FUND	2,834,717	3,259,904
747	MEDICAL SAVINGS FUND	(14,221)	3,407
TOTAL POOLED CASH & INVESTMENTS		<u>\$ 42,233,804</u>	<u>\$ 53,097,462</u>

Investment Holdings - EDC
March 31, 2021

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	0.02%	04/01/21	03/31/21	\$ 3,325,430	\$ 3,325,430	1.00	\$ 3,325,430	1	0.02%
					<u>\$ 3,325,430</u>	<u>\$ 3,325,430</u>		<u>\$ 3,325,430</u>	<u>1</u>	<u>0.02%</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.