



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 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	March 31, 2021		June 30, 2021		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/Pools	\$ 24,852,462	\$ 24,852,462	\$ 36,943,747	\$ 36,943,747	0.14%
Securities/CDs	28,245,000	28,245,000	20,245,000	20,245,000	0.52%
Totals	\$ 53,097,462	\$ 53,097,462	\$ 57,188,747	\$ 57,188,747	0.27%

Current Quarter Average Yield (1)

Total Portfolio	0.27%
Rolling Three Month Treasury	0.02%
Rolling Six Month Treasury	0.06%
TexPool	0.01%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	0.61%
Rolling Three Month Treasury	0.06%
Rolling Six Month Treasury	0.09%
TexPool	0.04%

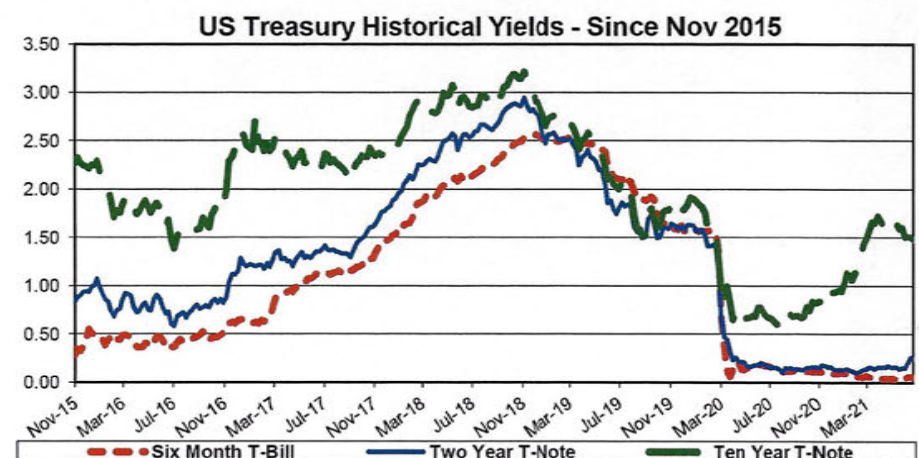
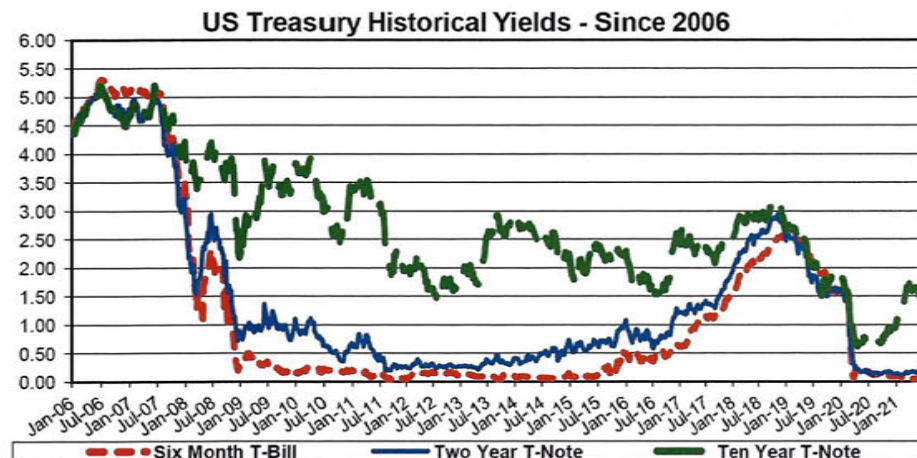
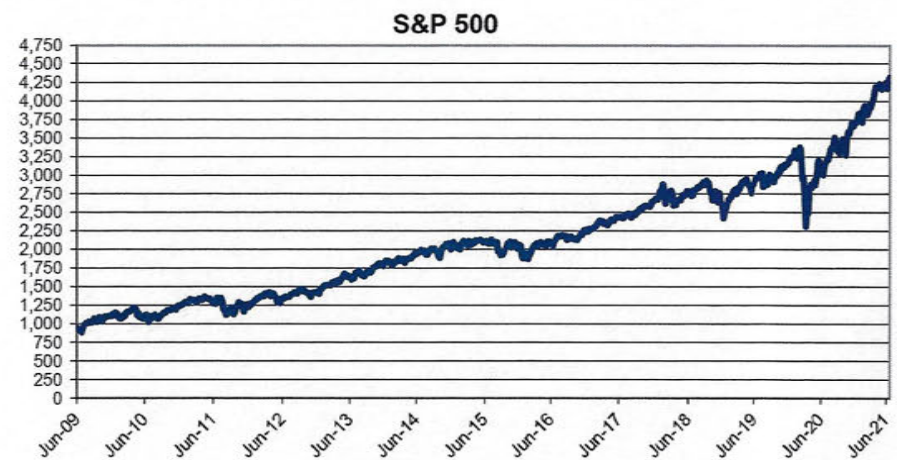
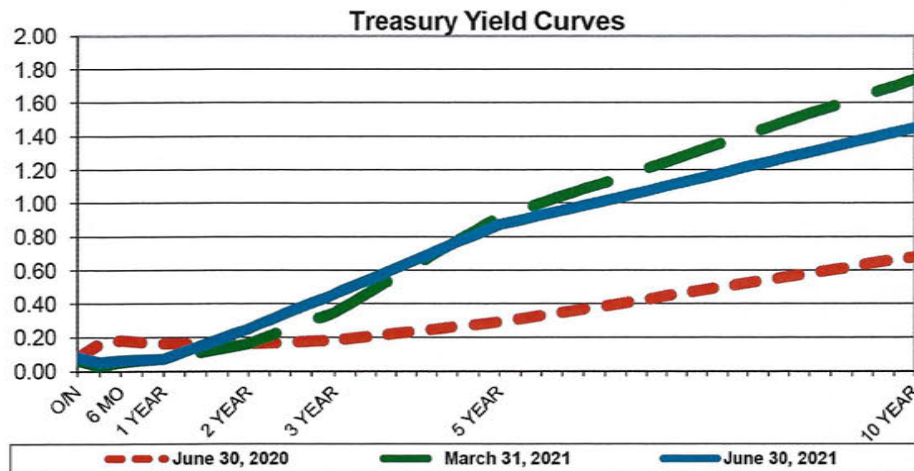
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

6/30/2021

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 projects that reduced rates could remain into 2023. First Quarter GDP posted +6.4% (Final). In June, Payrolls added 850k and Unemployment (U2) rose slightly to 5.9%. Crude oil traded up to +/- \$75 per barrel. The Stock Markets reached new highs. Housing, Industrial Production, Durable Goods, Consumer Spending, and other indicators moderated and showed signs of strain. The Biden administration and Congress continue to negotiate an infrastructure package. Inflation surged over the FOMC 2% target, but is considered to be temporary. The Yield Curve "humped" slightly in the two-to-three year maturity sector while the long end fell.



Investment Holdings

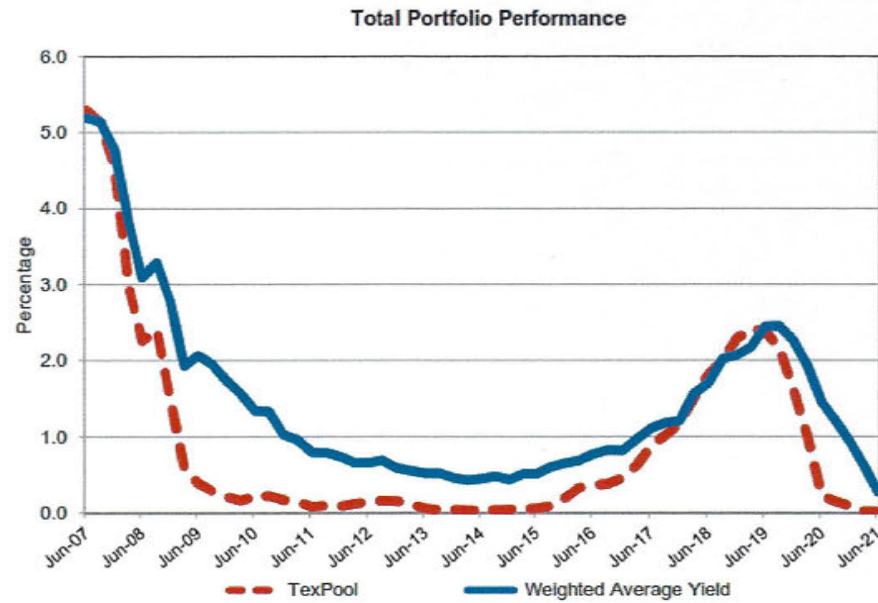
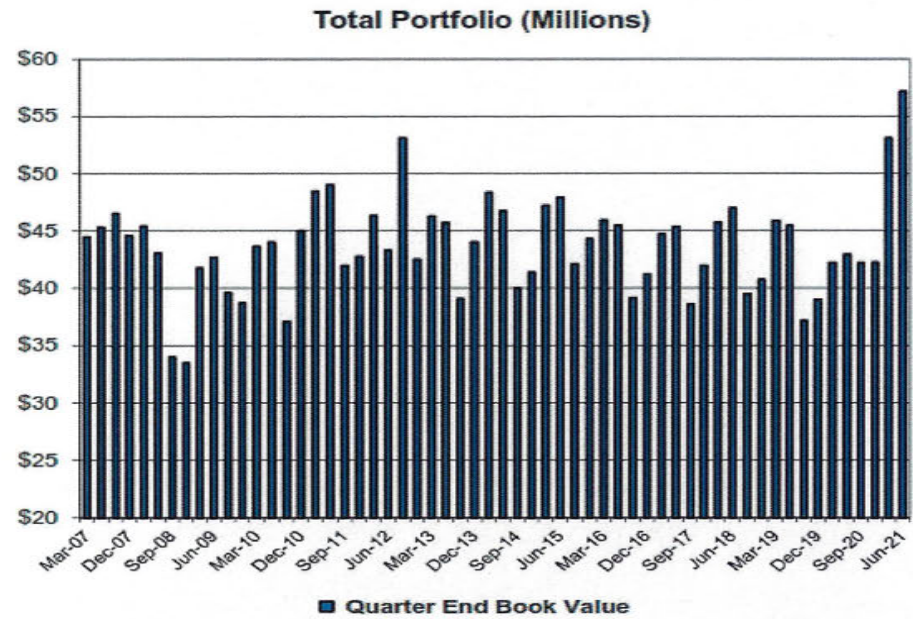
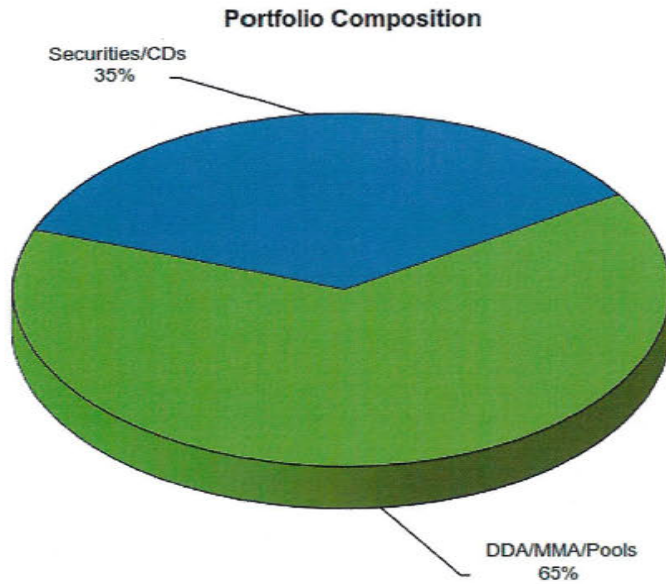
June 30, 2021

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA (3)		0.16%	07/01/21	06/30/21	\$ 14,556,359	\$ 14,556,359	1	\$ 14,556,359	1	0.16%
DDA Debit Card		0.00%	07/01/21	06/30/21	100,875	100,875	1	100,875	1	0.00%
Southside Bank MMA		0.17%	07/01/21	06/30/21	16,435,922	16,435,922	1	16,435,922	1	0.17%
BTH Bank MMA / ICS		0.01%	07/01/21	06/30/21	107,726	107,726	1	107,726	1	0.01%
TexPool	AAAm	0.01%	07/01/21	06/30/21	5,586,938	5,586,938	1	5,586,938	1	0.01%
TexSTAR	AAAm	0.01%	07/01/21	06/30/21	155,927	155,927	1	155,927	1	0.01%
Texas Bank Financial CDARS		1.00%	07/29/21	07/30/20	2,000,000	2,000,000	100	2,000,000	29	1.00%
Texas Bank Financial CDARS		1.00%	08/06/21	08/06/20	2,000,000	2,000,000	100	2,000,000	37	1.00%
Bank OZK CD		0.85%	11/05/21	05/05/20	2,000,000	2,000,000	100	2,000,000	128	0.85%
East West Bank CD		0.27%	11/20/21	11/20/20	2,000,000	2,000,000	100	2,000,000	143	0.27%
Texas Bank CD		0.90%	01/28/22	07/28/20	245,000	245,000	100	245,000	212	0.90%
Prosperity Bank CD		0.20%	03/02/22	03/02/21	2,000,000	2,000,000	100	2,000,000	245	0.20%
Bank OZK CD		0.67%	05/29/22	05/29/20	2,000,000	2,000,000	100	2,000,000	333	0.67%
Bank OZK CD		0.40%	09/05/22	09/04/20	2,000,000	2,000,000	100	2,000,000	432	0.40%
Prosperity Bank CD		0.20%	10/11/22	03/11/21	2,000,000	2,000,000	100	2,000,000	468	0.20%
Allegiance Bank CD		0.30%	11/20/22	11/20/20	2,000,000	2,000,000	100	2,000,000	508	0.30%
Prosperity Bank CD		0.25%	03/13/23	03/11/21	2,000,000	2,000,000	100	2,000,000	621	0.25%
					<u>\$ 57,188,747</u>	<u>\$ 57,188,747</u>		<u>\$ 57,188,747</u>	<u>105</u>	<u>0.27%</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.



Book & Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/21	Increases	Decreases	Book Value 06/30/21	Market Value 03/31/21	Change in Market Value	Market Value 06/30/21
DDA	0.16%	07/01/21	\$ 6,558,272	\$ 7,998,087	\$ —	\$ 14,556,359	\$ 6,558,272	\$ 7,998,087	\$ 14,556,359
DDA Debit Card	0.00%	07/01/21	100,740	135	—	100,875	100,740	135	100,875
Southside Bank MMA	0.17%	07/01/21	16,429,258	6,664	—	16,435,922	16,429,258	6,664	16,435,922
BTH Bank MMA / ICS	0.01%	07/01/21	107,724	3	—	107,726	107,724	3	107,726
TexPool	0.01%	07/01/21	1,500,545	4,086,392	—	5,586,938	1,500,545	4,086,392	5,586,938
TexSTAR	0.01%	07/01/21	155,923	4	—	155,927	155,923	4	155,927
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	0.27%		\$ 53,097,462	\$ 12,091,286	\$ (8,000,000)	\$ 57,188,747	\$ 53,097,462	\$ 4,091,286	\$ 57,188,747

FUND EQUITY IN POOLED CASH AND INVESTMENTS

FUND NO	FUND NAME	3/31/2021	6/30/2021
101	GENERAL FUND	\$ 17,170,524	\$ 20,385,528
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	964,382	1,036,761
217	PROPERTY INSURANCE LOSS FUND	(47,943)	19,594
221	SPECIAL RECREATION FUND	40,092	11,011
225	PINES THEATER SPECIAL EVENTS FUND	(84,188)	(70,013)
226	ELLEN TROUT ZOO FUND	1,824,255	1,994,482
227	POLICE FORFEITURE FUND	225,739	240,776
228	COURT SECURITY/TECHNOLOGY FUND	89,118	95,039
230	POLICE DARE CONTRIBUTION FUND	109	109
232	DRAINAGE MITIGATION	27,549	27,770
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	37,545	42,159
241	ANIMAL CONTROL - KURTH GRANT	62,787	48,497
242	ANIMAL'S ATTIC GIFT SHOP	53,740	58,831
250	POLICE GRANTS & PROPERTY	(5,627)	(9,281)
251	FIRE GRANTS	13,683	13,683
252	FEMA FUNDED GRANTS	25,898	26,106
253	CARES ACT FUND	1,514,564	-
290	ECONOMIC DEVELOPMENT	27,378	(2,880)
295	LCVB FUND	(202)	345
300	GF STREET CONSTRUCTION FUND	26,075	26,080
308	CONVENTION CENTER - EDI	29,889	29,899
313	2010 CAPITAL IMPROVEMENTS FUND	55,865	2,131
314	2012 CAPITAL IMPROVEMENTS FUND	16,214	(2,931)
315	2020 CAPITAL IMPROVEMENTS FUND	3,963,647	3,936,523
340	TEXAS CAPITAL GRANT FUND	53	53
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	(128,270)	(128,270)
348	SOLID WASTE DEPRECIATION	670,440	683,163
357	2009 WATER/SEWER CO'S	277,712	16,155
358	2013 WWATER/SEWER CO'S	(494,252)	(600,265)
380	WATER & WASTEWATER DEPRECIATION	8,333,114	8,753,498
401	GENERAL OBLIGATION DEBT SERVICE	5,647,366	6,550,300
451	REVENUE BOND DEBT SERVICE	1,734	1,744
501	WATER/WASTEWATER FUND	4,659,179	5,194,629
548	SOLID WASTE DISPOSAL FUND	2,122,897	2,487,365
615	HEALTH INSURANCE - ACTIVE	2,689,692	2,459,807
616	RETIREEES HEALTH INSURANCE FUND	23,391	23,315
641	EQUIPMENT ACQ & REPLACEMENT FUND	3,259,904	3,833,627
747	MEDICAL SAVINGS FUND	3,407	3,407
TOTAL POOLED CASH & INVESTMENTS		\$ 53,097,462	\$ 57,188,747

Investment Holdings - EDC

June 30, 2021

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	0.01%	07/01/21	06/30/21	\$ 3,779,009	\$ 3,779,009	1.00	\$ 3,779,009	1	0.01%
					<u>\$ 3,779,009</u>	<u>\$ 3,779,009</u>		<u>\$ 3,779,009</u>	<u>1</u>	<u>0.01%</u>
									(1)	(2)

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