



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

June 30, 2023

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

Director of Finance

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, 2023		June 30, 2023		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/MMF/Pools	\$ 28,852,518	\$ 28,852,518	\$ 20,650,763	\$ 20,650,763	3.89%
Securities/CDs	49,670,929	49,415,376	60,038,320	59,798,140	4.04%
Totals	\$ 78,523,447	\$ 78,267,894	\$ 80,689,083	\$ 80,448,903	4.00%

Current Quarter Average Yield (1)

Total Portfolio	4.00%
Rolling Three Month Treasury	5.28%
Rolling Six Month Treasury	5.08%
TexPool	5.05%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	3.43%
Rolling Three Month Treasury	4.75%
Rolling Six Month Treasury	4.57%
TexPool	4.55%

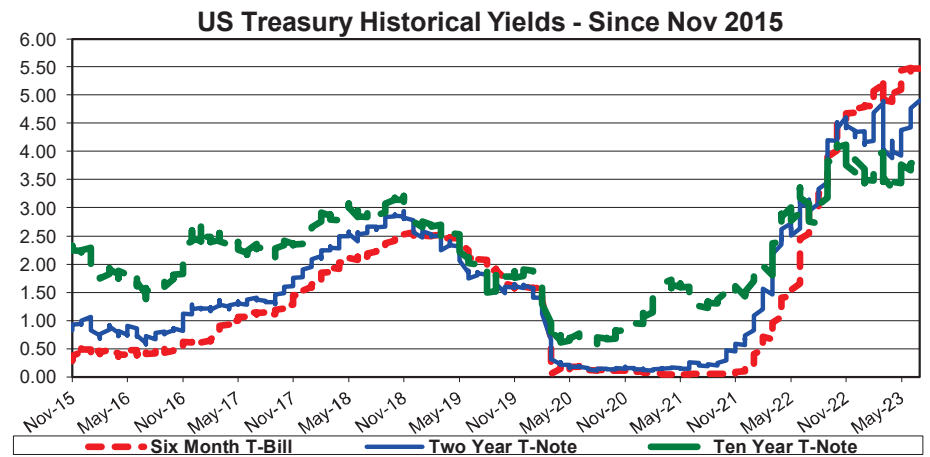
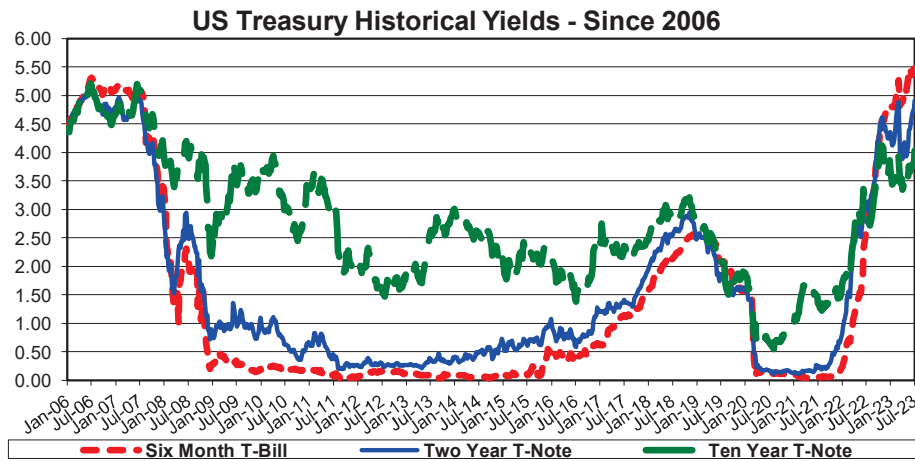
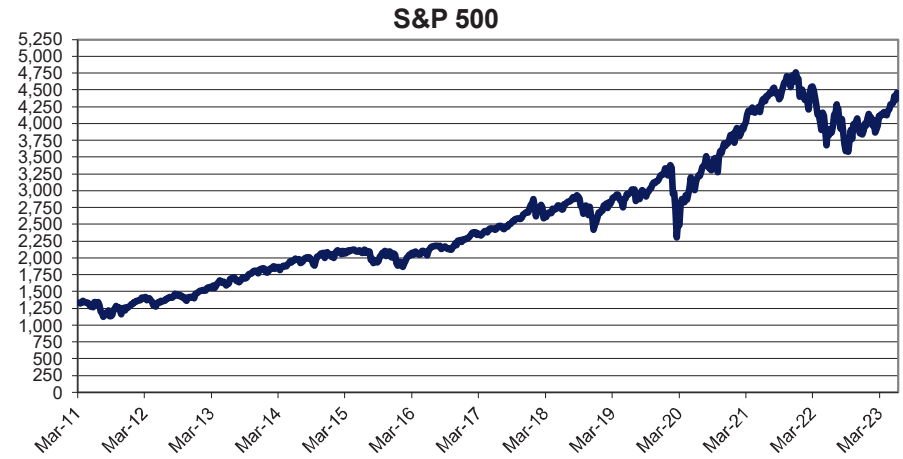
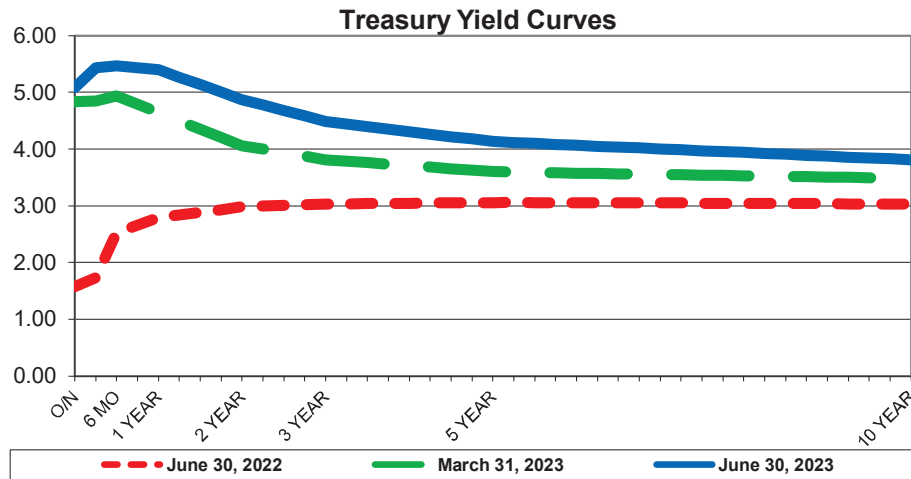
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

6/30/2023

The Federal Open Market Committee (FOMC) paused and kept the Fed Funds target range 5.00% - 5.25% June 14th (Effective Fed Funds are trading +/-5.08%). Another increase is projected after the July 25-26 meeting. First quarter 2023 GDP (Final) recorded 2.0%. June Non-Farm Payroll added 209k new jobs, below the 230k projection. The three month average declined to 244k. The S&P Stock Index continues moderate increases, trading +/-4,400. The yield curve rose from last month but remains steeply inverted with the expectation of future FOMC rate decreases. Crude Oil trades over +/--\$70 per barrel. Inflation declined slightly but is still over the FOMC 2% target (Core PCE +/-4.6% and CPI +/-5.3%). The Ukrainian/Russian war and Middle East conflicts increase market anxiety.



Investment Holdings

June 30, 2023

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA (3)		0.70%	07/01/23	06/30/23	\$ 6,164,645	\$ 6,164,645	\$ 1	\$ 6,164,645	1	0.70%
DDA Debit Card		0.70%	07/01/23	06/30/23	101,003	101,003	1	101,003	1	0.70%
Southside Bank MMA		5.33%	07/01/23	06/30/23	4,596,212	4,596,212	1	4,596,212	1	5.33%
NexBank IntraFi MMA		5.30%	07/01/23	06/30/23	8,299,835	8,299,835	1	8,299,835	1	5.30%
Federated Govt-Premier MMF	AAAm	4.99%	07/01/23	06/30/23	31,951	31,951	1	31,951	1	4.99%
TexPool	AAAm	5.05%	07/01/23	06/30/23	1,295,060	1,295,060	1	1,295,060	1	5.05%
TexSTAR	AAAm	5.08%	07/01/23	06/30/23	162,058	162,058	1	162,058	1	5.08%
East West Bank CD		2.90%	07/06/23	07/06/22	2,058,029	2,058,029	100.00	2,058,029	6	2.90%
Texas Bank CD		0.50%	07/28/23	01/28/22	246,531	246,531	100.00	246,531	28	0.50%
East West Bank CD		3.03%	08/04/23	08/04/22	2,055,715	2,055,715	100.00	2,055,715	35	3.03%
East West Bank CD		3.03%	08/04/23	08/04/22	2,055,715	2,055,715	100.00	2,055,715	35	3.03%
UST Note	Aaa/AA+	2.75%	08/31/23	02/02/22	2,000,000	2,005,695	99.59	1,991,800	62	1.05%
Third Coast Bank CD		5.70%	09/27/23	06/29/23	3,000,000	3,000,000	100.00	3,000,000	89	5.82%
East West Bank CD		4.28%	10/19/23	10/19/22	2,060,359	2,060,359	100.00	2,060,359	111	4.28%
East West Bank CD		4.52%	10/31/23	10/30/22	2,061,861	2,061,861	100.00	2,061,861	123	4.52%
FFCB	Aaa/AA+	0.55%	11/24/23	02/02/22	2,000,000	1,995,214	98.11	1,962,160	147	1.15%
East West Bank CD		4.75%	11/24/23	11/24/22	2,068,131	2,068,131	100.00	2,068,131	147	4.75%
CapTex Bank CD		4.85%	11/29/23	11/29/22	2,057,024	2,057,024	100.00	2,057,024	152	4.85%
East West Bank CD		4.74%	12/02/23	12/02/22	2,055,465	2,055,465	100.00	2,055,465	155	4.74%
Bank OZK CD		4.88%	12/23/23	03/23/23	2,024,702	2,024,702	100.00	2,024,702	176	5.00%
Wallis Bank CD		4.85%	02/02/24	02/03/23	5,059,130	5,059,130	100.00	5,059,130	217	4.94%
Southside Bank CD		3.32%	02/02/24	08/02/22	4,100,151	4,100,151	100.00	4,100,151	217	3.32%
Southside Bank CD		3.32%	02/05/24	08/05/22	2,050,076	2,050,076	100.00	2,050,076	220	3.32%
UST Note	Aaa/AA+	2.38%	02/29/24	02/02/22	2,000,000	2,015,663	98.03	1,960,540	244	1.18%
Bank OZK CD		4.88%	03/23/24	03/23/23	2,024,702	2,024,702	100.00	2,024,702	267	5.00%
UST Note	Aaa/AA+	2.50%	04/30/24	06/02/22	2,000,000	1,997,986	97.61	1,952,260	305	2.62%
FHLB	Aaa/AA+	2.88%	06/14/24	06/02/22	2,000,000	2,003,442	97.57	1,951,400	350	2.69%
Third Coast Bank CD		5.60%	06/29/24	06/29/23	3,000,000	3,000,000	100.00	3,000,000	365	5.72%
FHLB	Aaa/AA+	3.50%	09/13/24	09/13/22	2,000,000	1,996,100	97.79	1,955,760	441	3.67%
Southside Bank CD		4.60%	09/20/24	03/20/23	2,023,189	2,023,189	100.00	2,023,189	448	4.68%
Third Coast Bank CD		5.40%	09/29/24	06/29/23	3,000,000	3,000,000	100.00	3,000,000	457	5.51%
Southside Bank CD		4.65%	03/20/25	03/20/23	2,023,441	2,023,441	100.00	2,023,441	629	4.73%
Third Coast Bank CD		5.10%	06/29/25	06/29/23	3,000,000	3,000,000	100.00	3,000,000	730	5.20%
					\$ 80,674,983	\$ 80,689,083		\$ 80,448,903	188	4.00%

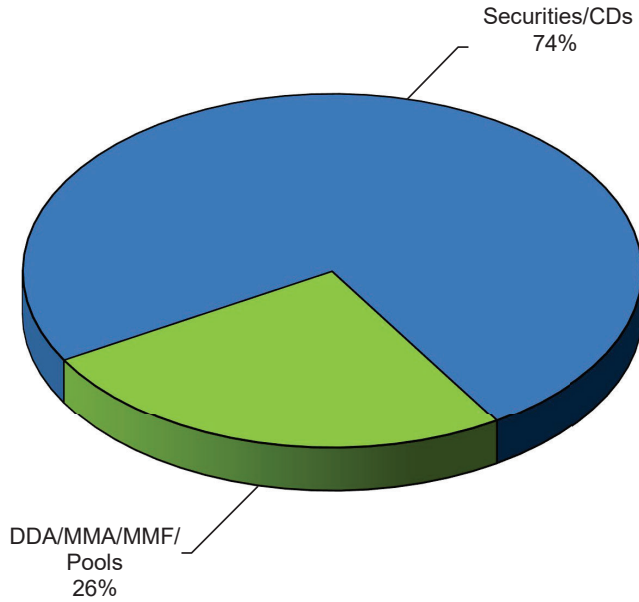
(1) (2)

(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.

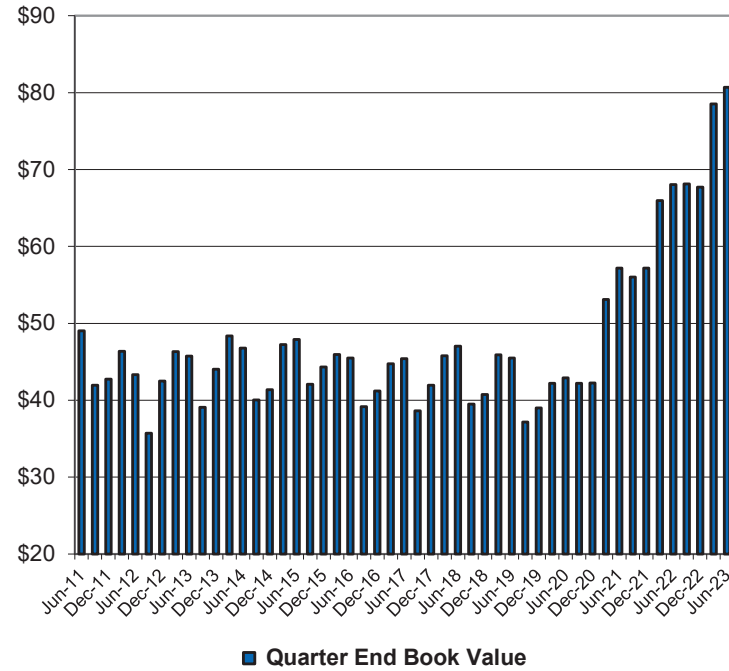
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

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

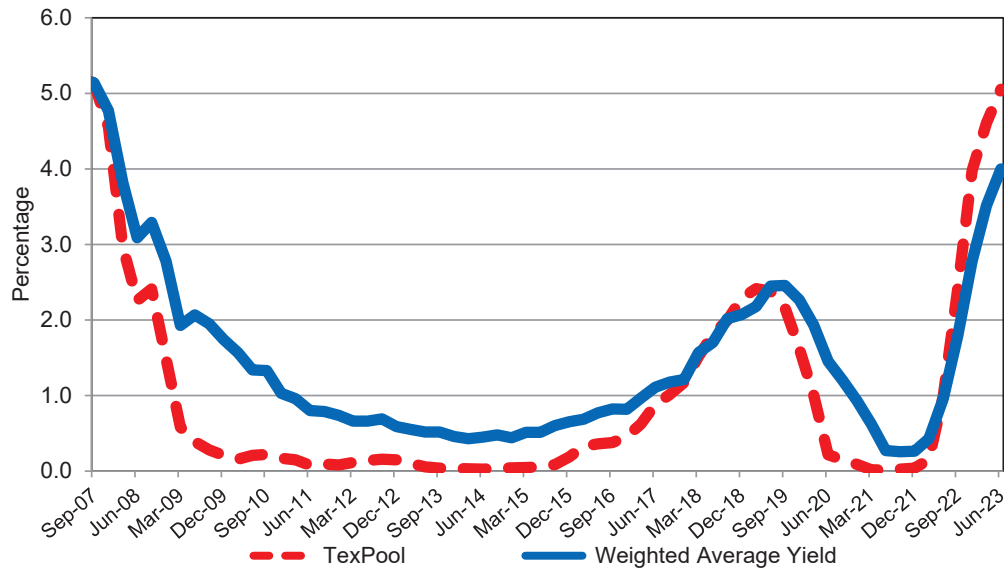
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/23	Increases	Decreases	Book Value 06/30/23	Market Value 03/31/23	Change in Market Value	Market Value 06/30/23
DDA	0.70%	07/01/23	\$ 8,906,604	\$ -	\$ (2,741,959)	\$ 6,164,645	\$ 8,906,604	\$ (2,741,959)	\$ 6,164,645
DDA Debit Card	0.70%	07/01/23	100,792	211	-	101,003	100,792	211	101,003
Southside Bank MMA	5.33%	07/01/23	4,538,378	57,835	-	4,596,212	4,538,378	57,835	4,596,212
NexBank IntraFi MMA	5.30%	07/01/23	8,193,923	105,912	-	8,299,835	8,193,923	105,912	8,299,835
Federated Govt-Premier MMF	4.99%	07/01/23	202,570	-	(170,619)	31,951	202,570	(170,619)	31,951
TexPool	5.05%	07/01/23	6,750,191	-	(5,455,131)	1,295,060	6,750,191	(5,455,131)	1,295,060
TexSTAR	5.08%	07/01/23	160,061	1,997	-	162,058	160,061	1,997	162,058
FHLMC	2.21%	06/26/23	1,990,827	-	(1,990,827)	-	1,979,900	(1,979,900)	-
East West Bank CD	2.90%	07/06/23	2,043,204	14,826	-	2,058,029	2,043,204	14,826	2,058,029
Texas Bank CD	0.50%	07/28/23	246,227	304	-	246,531	246,227	304	246,531
East West Bank CD	3.03%	08/04/23	2,040,245	15,470	-	2,055,715	2,040,245	15,470	2,055,715
East West Bank CD	3.03%	08/04/23	2,040,245	15,470	-	2,055,715	2,040,245	15,470	2,055,715
UST Note	1.05%	08/31/23	2,014,053	-	(8,358)	2,005,695	1,984,140	7,660	1,991,800
Third Coast Bank CD	5.82%	09/27/23	-	3,000,000	-	3,000,000	-	3,000,000	3,000,000
East West Bank CD	4.28%	10/19/23	2,038,529	21,830	-	2,060,359	2,038,529	21,830	2,060,359
East West Bank CD	4.52%	10/31/23	2,038,758	23,103	-	2,061,861	2,038,758	23,103	2,061,861
FFCB	1.15%	11/24/23	1,992,252	2,963	-	1,995,214	1,947,940	14,220	1,962,160
East West Bank CD	4.75%	11/24/23	2,043,785	24,346	-	2,068,131	2,043,785	24,346	2,068,131
CapTex Bank CD	4.85%	11/29/23	2,032,082	24,943	-	2,057,024	2,032,082	24,943	2,057,024
East West Bank CD	4.74%	12/02/23	2,031,364	24,100	-	2,055,465	2,031,364	24,100	2,055,465
Bank OZK CD	5.00%	12/23/23	2,000,000	24,702	-	2,024,702	2,000,000	24,702	2,024,702
Wallis Bank CD	4.94%	02/02/24	5,000,000	59,130	-	5,059,130	5,000,000	59,130	5,059,130
Southside Bank CD	3.32%	02/02/24	4,067,226	32,926	-	4,100,151	4,067,226	32,926	4,100,151
Southside Bank CD	3.32%	02/05/24	2,033,613	16,463	-	2,050,076	2,033,613	16,463	2,050,076
UST Note	1.18%	02/29/24	2,021,505	-	(5,842)	2,015,663	1,958,200	2,340	1,960,540
Bank OZK CD	5.00%	03/23/24	2,000,000	24,702	-	2,024,702	2,000,000	24,702	2,024,702
UST Note	2.62%	04/30/24	1,997,385	601	-	1,997,986	1,955,940	(3,680)	1,952,260
FHLB	2.69%	06/14/24	2,004,337	-	(895)	2,003,442	1,962,220	(10,820)	1,951,400
Third Coast Bank CD	5.72%	06/29/24	-	3,000,000	-	3,000,000	-	3,000,000	3,000,000
FHLB	3.67%	09/13/24	1,995,295	805	-	1,996,100	1,971,760	(16,000)	1,955,760
Southside Bank CD	4.68%	09/20/24	2,000,000	23,189	-	2,023,189	2,000,000	23,189	2,023,189
Third Coast Bank CD	5.51%	09/29/24	-	3,000,000	-	3,000,000	-	3,000,000	3,000,000
Southside Bank CD	4.73%	03/20/25	2,000,000	23,441	-	2,023,441	2,000,000	23,441	2,023,441
Third Coast Bank CD	5.20%	06/29/25	-	3,000,000	-	3,000,000	-	3,000,000	3,000,000
TOTAL / AVERAGE	4.00%		\$ 78,523,447	\$ 12,539,267	\$ (10,373,631)	\$ 80,689,083	\$ 78,267,894	\$ 2,181,009	\$ 80,448,903

FUND EQUITY IN POOLED CASH AND INVESTMENTS

FUND NO	FUND NAME	3/31/2023	6/30/2023	Quarterly Change
101	GENERAL FUND	\$ 25,629,116	\$ 25,117,476	\$ (511,640)
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	192,750	204,317	11,567
207	CONVENTION SERVICES FUND	500,598	528,122	27,523
217	PROPERTY INSURANCE LOSS FUND	44,341	104,602	60,261
221	SPECIAL RECREATION FUND	35,208	(56,293)	(91,501)
225	PINES THEATER SPECIAL EVENTS FUND	60,780	65,430	4,650
226	ELLEN TROUT ZOO FUND	2,535,760	2,684,767	149,007
227	POLICE FORFEITURE FUND	259,129	280,060	20,930
228	COURT SECURITY/TECHNOLOGY FUND	90,051	93,533	3,482
230	POLICE DARE CONTRIBUTION FUND	109	109	-
232	DRAINAGE MITIGATION	37,212	37,245	33
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	23	23	-
241	ANIMAL CONTROL - KURTH GRANT	107,407	80,012	(27,396)
242	ANIMAL'S ATTIC GIFT SHOP	126,650	117,336	(9,314)
250	POLICE GRANTS & PROPERTY	18,035	(9,463)	(27,498)
251	FIRE GRANTS	2,779	2,779	-
252	FEMA FUNDED GRANTS	26,415	26,423	8
253	CARES ACT FUND	6,182,343	5,707,522	(474,821)
290	ECONOMIC DEVELOPMENT	32,586	2,326,491	2,293,905
295	LCVB FUND	857,168	796,046	(61,123)
300	GF STREET CONSTRUCTION FUND	1,917,591	1,863,187	(54,404)
308	CONVENTION CENTER - EDI	30,091	30,198	107
313	2010 CAPITAL IMPROVEMENTS FUND	2,149	2,155	6
314	2012 CAPITAL IMPROVEMENTS FUND	(2,931)	(2,931)	-
315	2020 CAPITAL IMPROVEMENTS FUND	3,699,297	3,610,482	(88,815)
340	TEXAS CAPITAL GRANT FUND	53	53	0
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	(262,355)	(271,775)	(9,420)
348	SOLID WASTE DEPRECIATION	793,792	809,133	15,341
357	2009 WATER/SEWER CO'S	16,378	16,451	73
358	2013 WWATER/SEWER CO'S	(617,256)	465,435	1,082,690
380	WATER & WASTEWATER DEPRECIATION	11,911,093	11,922,648	11,555
401	GENERAL OBLIGATION DEBT SERVICE	5,423,272	5,992,332	569,060
451	REVENUE BOND DEBT SERVICE	1,758	1,763	4
501	WATER/WASTEWATER FUND	9,907,137	9,764,844	(142,293)
548	SOLID WASTE DISPOSAL FUND	3,960,754	4,112,614	151,861
615	HEALTH INSURANCE - ACTIVE	1,861,874	1,504,114	(357,760)
616	RETIREEES HEALTH INSURANCE FUND	27,194	42,644	15,449
641	EQUIPMENT ACQ & REPLACEMENT FUND	3,954,949	4,170,346	215,398
642	TECHNOLOGY AMORTIZATION	1,134,851	1,140,553	5,702
747	MEDICAL SAVINGS FUND	3,657	3,657	-
	TOTAL POOLED CASH & INVESTMENTS	\$ 80,501,807	\$ 83,284,435	\$ 2,782,628

Investment Holdings - EDC

June 30, 2023

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	5.05%	07/01/23	06/30/23	\$ 6,129,299	\$ 6,129,299	1.00	\$ 6,129,299	1	5.05%
					<u>\$ 6,129,299</u>	<u>\$ 6,129,299</u>		<u>\$ 6,129,299</u>	<u>1</u>	<u>5.05%</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.