



# INVESTMENT PORTFOLIO SUMMARY

**For the Quarter Ended**

**March 31, 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.

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City Manager

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Director of Finance

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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, 2022		March 31, 2023		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/MMF/Pools	\$ 21,188,585	\$ 21,188,585	\$ 28,852,518	\$ 28,852,518	3.38%
Securities/CDs	51,541,336	51,192,095	54,736,364	54,480,644	3.70%
<b>Totals</b>	<b>\$ 72,729,920</b>	<b>\$ 72,380,679</b>	<b>\$ 83,588,882</b>	<b>\$ 83,333,162</b>	3.59%

#### Current Quarter Average Yield (1)

Total Portfolio	3.59%
Rolling Three Month Treasury	4.78%
Rolling Six Month Treasury	4.73%
TexPool	4.61%

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

Total Portfolio	3.18%
Rolling Three Month Treasury	4.49%
Rolling Six Month Treasury	4.32%
TexPool	4.30%

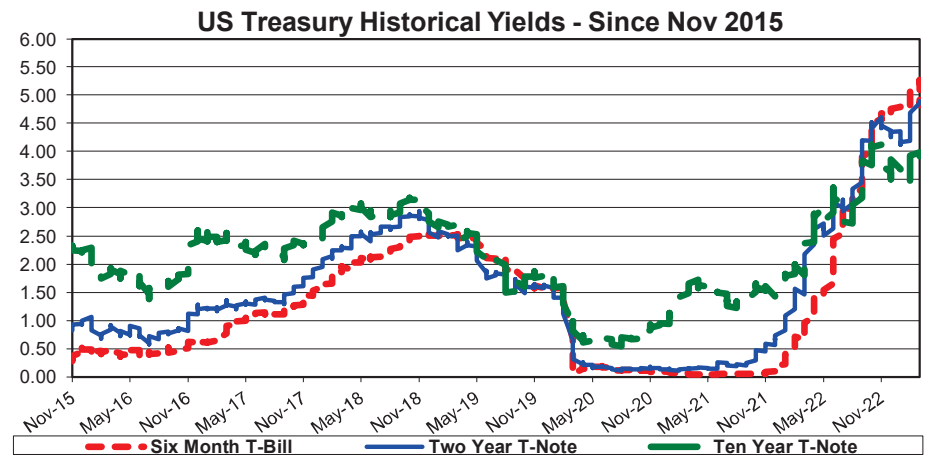
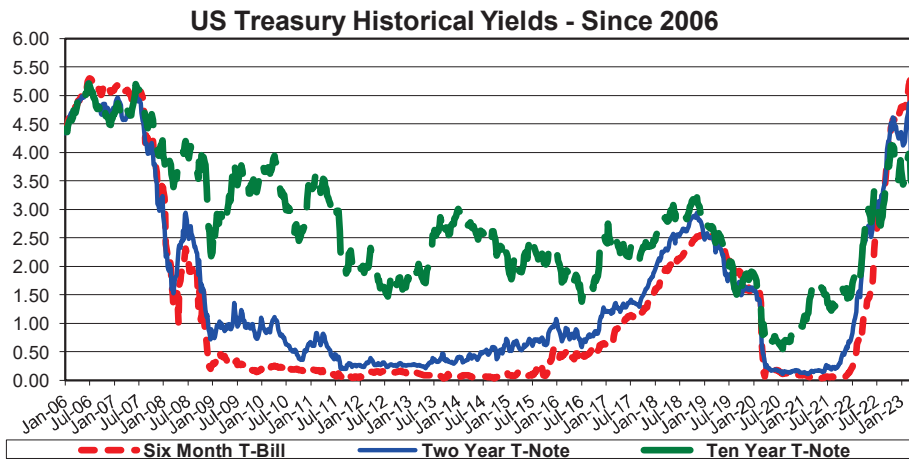
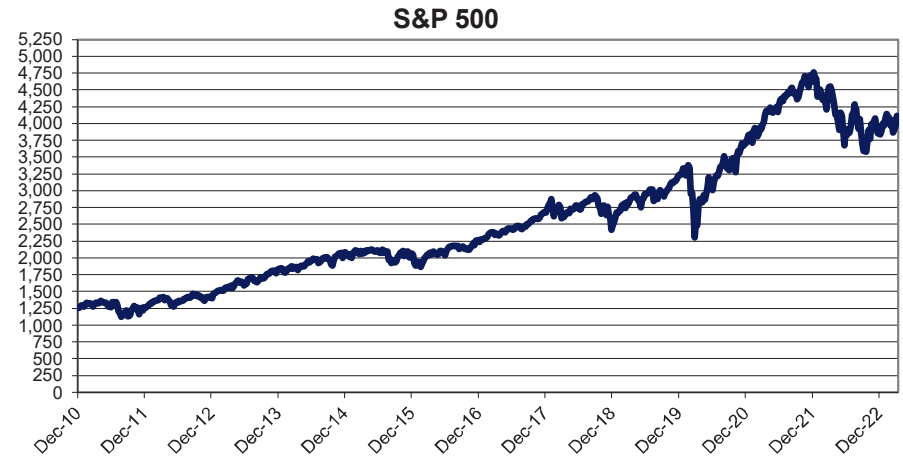
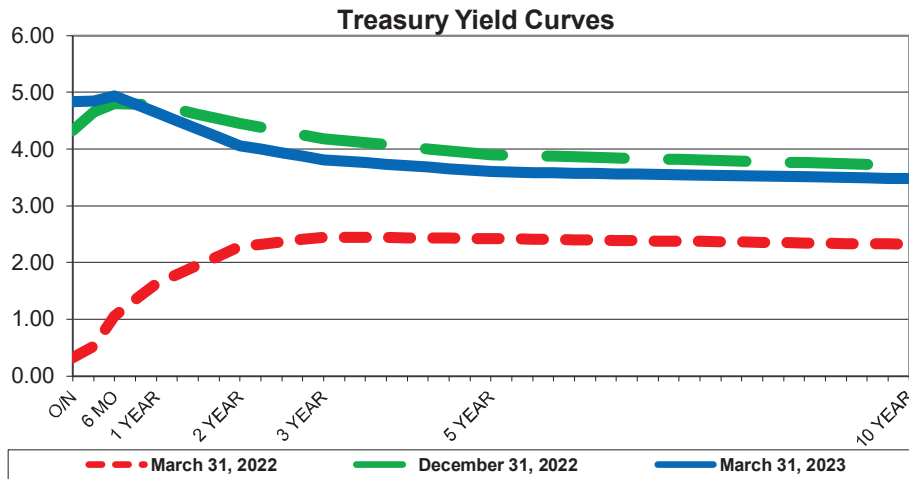
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

3/31/2023

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.25% to 4.75% - 5.00% March 22nd (Effective Fed Funds are trading +/-4.82%). An additional 0.25% increase is projected May 3rd. Fourth Quarter 2022 GDP was revised downward to 2.6% (final number). March Non-Farm Payroll saw 236k new jobs. OPEC announced production cuts and Crude Oil moved up slightly to +/- \$80 per barrel. The S&P Stock Index still oscillates on either side of 4,000. In early March, two large US banks and one European bank required bail-outs to prevent wider financial market disruption. The yield curve shifted lower on broader economic concerns, even with the expectation of additional FOMC rate increases. The Market is now considering lower future interest rates as early as this fall. Inflation is still over the FOMC 2% target (Core PCE +/-4.7% and CPI +/-6.4%). International challenges add to economic uncertainty.



**Investment Holdings**  
**March 31, 2023**

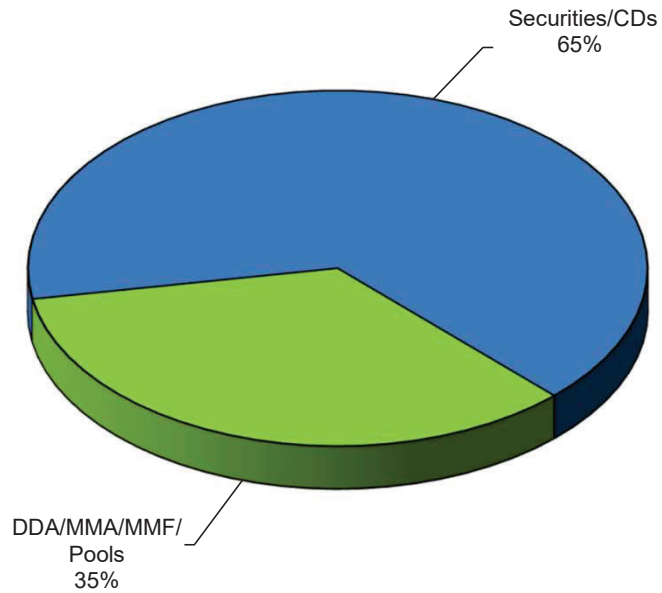
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA (3)		0.18%	04/01/23	03/31/23	\$ 8,906,604	\$ 8,906,604	\$ 1	\$ 8,906,604	1	0.18%
DDA Debit Card		0.70%	04/01/23	03/31/23	100,792	100,792	1	100,792	1	0.70%
Southside Bank MMA		4.88%	04/01/23	03/31/23	4,538,378	4,538,378	1	4,538,378	1	4.88%
NexBank IntraFi MMA		5.00%	04/01/23	03/31/23	8,193,923	8,193,923	1	8,193,923	1	5.00%
Federated Govt-Premier MMF	AAAm	4.71%	04/01/23	03/31/23	202,570	202,570	1	202,570	1	4.71%
TexPool	AAAm	4.62%	04/01/23	03/31/23	6,750,191	6,750,191	1	6,750,191	1	4.62%
TexSTAR	AAAm	4.61%	04/01/23	03/31/23	160,061	160,061	1	160,061	1	4.61%
FHLMC	Aaa/AA+	0.25%	06/26/23	06/02/22	2,000,000	1,990,921	99.00	1,979,900	87	2.21%
East West Bank CD		2.90%	07/06/23	07/06/22	2,043,204	2,043,204	100.00	2,043,204	97	2.90%
Texas Bank CD		0.50%	07/28/23	01/28/22	246,227	246,227	100.00	246,227	119	0.50%
East West Bank CD		3.03%	08/04/23	08/04/22	2,040,245	2,040,245	100.00	2,040,245	126	3.03%
East West Bank CD		3.03%	08/04/23	08/04/22	2,040,245	2,040,245	100.00	2,040,245	126	3.03%
UST Note	Aaa/AA+	2.75%	08/31/23	02/02/22	2,000,000	2,014,053	99.21	1,984,140	153	1.05%
East West Bank CD		4.28%	10/19/23	10/19/22	2,038,529	2,038,529	100.00	2,038,529	202	4.28%
East West Bank CD		4.52%	10/31/23	10/30/22	2,038,758	2,038,758	100.00	2,038,758	214	4.52%
Southside Bank CD		4.50%	11/05/23	11/05/22	2,022,685	2,022,685	100.00	2,022,685	219	4.58%
FFCB	Aaa/AA+	0.55%	11/24/23	02/02/22	2,000,000	1,992,321	97.40	1,947,940	238	1.15%
East West Bank CD		4.75%	11/24/23	11/24/22	2,043,785	2,043,785	100.00	2,043,785	238	4.75%
CapTex Bank CD		4.85%	11/29/23	11/29/22	2,032,082	2,032,082	100.00	2,032,082	243	4.85%
East West Bank CD		4.74%	12/02/23	12/02/22	2,031,364	2,031,364	100.00	2,031,364	246	4.74%
East West Bank CD		4.72%	12/13/23	12/14/22	3,042,583	3,042,583	100.00	3,042,583	257	4.83%
Bank OZK CD		4.88%	12/23/23	03/23/23	2,000,000	2,000,000	100.00	2,000,000	267	5.00%
Wallis Bank CD		4.85%	02/02/24	02/03/23	5,000,000	5,000,000	100.00	5,000,000	308	4.94%
Southside Bank CD		3.32%	02/02/24	08/02/22	4,067,226	4,067,226	100.00	4,067,226	308	3.32%
Southside Bank CD		3.32%	02/05/24	08/05/22	2,033,613	2,033,613	100.00	2,033,613	311	3.32%
UST Note	Aaa/AA+	2.38%	02/29/24	02/02/22	2,000,000	2,021,505	97.91	1,958,200	335	1.18%
Bank OZK CD		4.88%	03/23/24	03/23/23	2,000,000	2,000,000	100.00	2,000,000	358	5.00%
UST Note	Aaa/AA+	2.50%	04/30/24	06/02/22	2,000,000	1,997,385	97.80	1,955,940	396	2.62%
FHLB	Aaa/AA+	2.88%	06/14/24	06/02/22	2,000,000	2,004,323	98.11	1,962,220	441	2.69%
FHLB	Aaa/AA+	3.50%	09/13/24	09/13/22	2,000,000	1,995,313	98.59	1,971,760	532	3.67%
Southside Bank CD		4.60%	09/20/24	03/20/23	2,000,000	2,000,000	100.00	2,000,000	539	4.68%
Southside Bank CD		4.65%	03/20/25	03/20/23	2,000,000	2,000,000	100.00	2,000,000	720	4.73%
					<b>\$ 83,573,062</b>	<b>\$ 83,588,882</b>		<b>\$ 83,333,162</b>	<b>190</b>	<b>3.59%</b>
									(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.

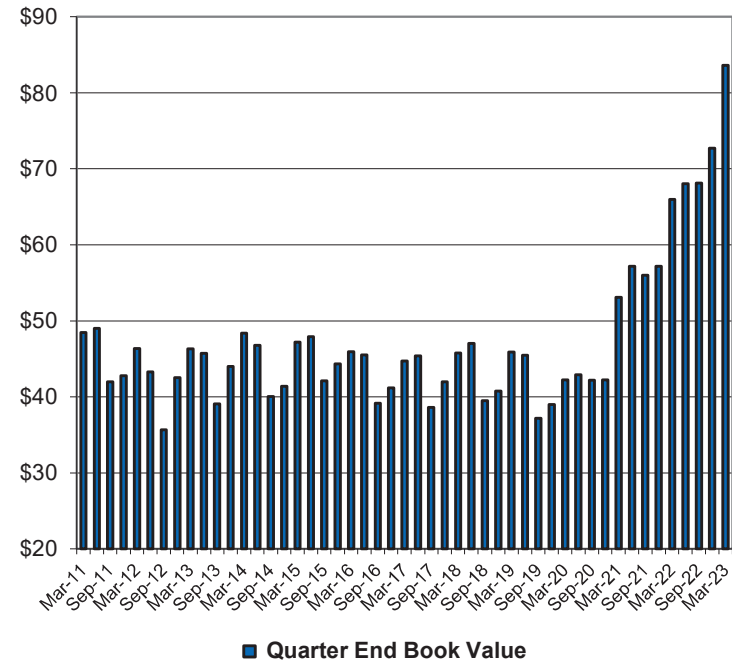
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

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

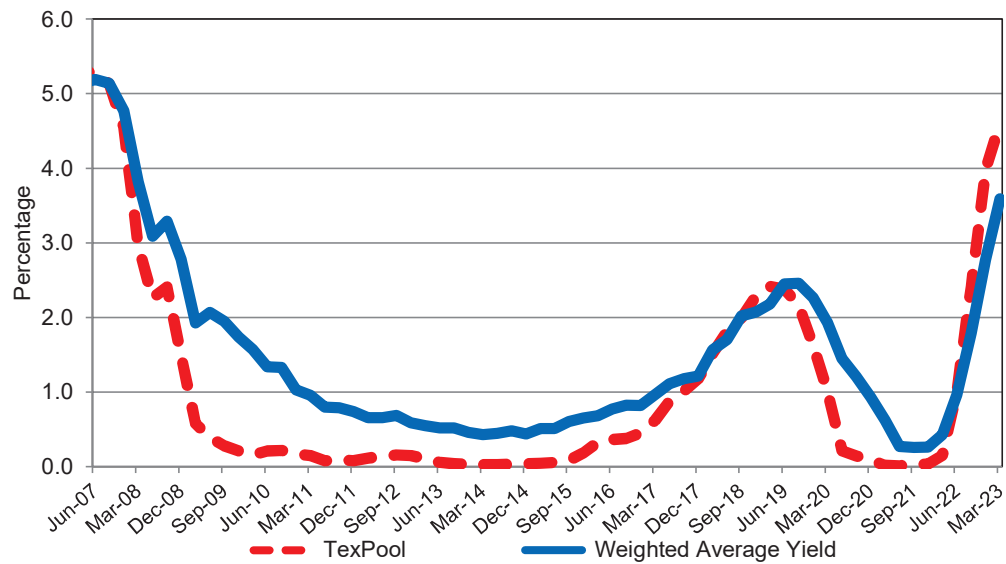
**Portfolio Composition**



**Total Portfolio (Millions)**



**Total Portfolio Performance**



## Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/22	Increases	Decreases	Book Value 03/31/23	Market Value 12/31/22	Change in Market Value	Market Value 03/31/23
DDA	0.18%	04/01/23	\$ 10,159,047	\$ -	\$ (1,252,444)	\$ 8,906,604	\$ 10,159,047	\$ (1,252,444)	\$ 8,906,604
DDA Debit Card	0.70%	04/01/23	101,528	-	(736)	100,792	101,528	(736)	100,792
Southside Bank MMA	4.88%	04/01/23	523,057	4,015,321	-	4,538,378	523,057	4,015,321	4,538,378
NexBank IntraFi MMA	5.00%	04/01/23	8,100,549	93,373	-	8,193,923	8,100,549	93,373	8,193,923
Federated Govt-Premier MMF	4.71%	04/01/23	113,116	89,454	-	202,570	113,116	89,454	202,570
TexPool	4.62%	04/01/23	2,032,970	4,717,221	-	6,750,191	2,032,970	4,717,221	6,750,191
TexSTAR	4.61%	04/01/23	158,318	1,743	-	160,061	158,318	1,743	160,061
East West Bank CD	4.13%	01/30/23	3,020,777	-	(3,020,777)	-	3,020,777	(3,020,777)	-
East West Bank CD	0.67%	01/30/23	2,012,447	-	(2,012,447)	-	2,012,447	(2,012,447)	-
Prosperity Bank CD	0.25%	03/13/23	2,008,703	-	(2,008,703)	-	2,008,703	(2,008,703)	-
East West Bank CD	3.44%	03/13/23	3,031,262	-	(3,031,262)	-	3,031,262	(3,031,262)	-
FHLMC	2.21%	06/26/23	1,981,308	9,613	-	1,990,921	1,958,720	21,180	1,979,900
East West Bank CD	2.90%	07/06/23	2,028,646	14,558	-	2,043,204	2,028,646	14,558	2,043,204
Texas Bank CD	0.50%	07/28/23	245,917	310	-	246,227	245,917	310	246,227
East West Bank CD	3.03%	08/04/23	2,025,059	15,186	-	2,040,245	2,025,059	15,186	2,040,245
East West Bank CD	3.03%	08/04/23	2,025,059	15,186	-	2,040,245	2,025,059	15,186	2,040,245
UST Note	1.05%	08/31/23	2,022,319	-	(8,266)	2,014,053	1,974,620	9,520	1,984,140
East West Bank CD	4.28%	10/19/23	2,017,166	21,363	-	2,038,529	2,017,166	21,363	2,038,529
East West Bank CD	4.52%	10/31/23	2,016,163	22,595	-	2,038,758	2,016,163	22,595	2,038,758
Southside Bank CD	4.58%	11/05/23	2,000,000	22,685	-	2,022,685	2,000,000	22,685	2,022,685
FFCB	1.15%	11/24/23	1,989,355	2,966	-	1,992,321	1,922,200	25,740	1,947,940
East West Bank CD	4.75%	11/24/23	2,019,989	23,796	-	2,043,785	2,019,989	23,796	2,043,785
CapTex Bank CD	4.85%	11/29/23	2,007,973	24,109	-	2,032,082	2,007,973	24,109	2,032,082
East West Bank CD	4.74%	12/02/23	2,007,806	23,558	-	2,031,364	2,007,806	23,558	2,031,364
East West Bank CD	4.83%	12/13/23	3,007,380	35,203	-	3,042,583	3,007,380	35,203	3,042,583
Bank OZK CD	5.00%	12/23/23	-	2,000,000	-	2,000,000	-	2,000,000	2,000,000
Wallis Bank CD	4.94%	02/02/24	-	5,000,000	-	5,000,000	-	5,000,000	5,000,000
Southside Bank CD	3.32%	02/02/24	4,033,473	33,753	-	4,067,226	4,033,473	33,753	4,067,226
Southside Bank CD	3.32%	02/05/24	2,016,736	16,876	-	2,033,613	2,016,736	16,876	2,033,613
UST Note	1.18%	02/29/24	2,027,282	-	(5,777)	2,021,505	1,948,520	9,680	1,958,200
Bank OZK CD	5.00%	03/23/24	-	2,000,000	-	2,000,000	-	2,000,000	2,000,000
UST Note	2.62%	04/30/24	1,996,791	594	-	1,997,385	1,943,760	12,180	1,955,940
FHLB	2.69%	06/14/24	2,005,221	-	(898)	2,004,323	1,954,400	7,820	1,962,220
FHLB	3.67%	09/13/24	1,994,505	808	-	1,995,313	1,965,320	6,440	1,971,760
Southside Bank CD	4.68%	09/20/24	-	2,000,000	-	2,000,000	-	2,000,000	2,000,000
Southside Bank CD	4.73%	03/20/25	-	2,000,000	-	2,000,000	-	2,000,000	2,000,000
<b>TOTAL / AVERAGE</b>	<b>3.59%</b>		<b>\$ 72,729,920</b>	<b>\$ 22,200,272</b>	<b>\$ (11,341,310)</b>	<b>\$ 83,588,882</b>	<b>\$ 72,380,679</b>	<b>\$ 10,952,482</b>	<b>\$ 83,333,162</b>

**FUND EQUITY IN POOLED CASH AND INVESTMENTS**

<b>FUND NO</b>	<b>FUND NAME</b>	<b>12/31/2022</b>	<b>3/31/2023</b>	<b>Quarterly Change</b>
101	GENERAL FUND	\$ 20,468,457	\$ 25,629,116	\$ 5,160,659
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	260,783	192,750	(68,033)
207	CONVENTION SERVICES FUND	411,999	500,598	88,599
217	PROPERTY INSURANCE LOSS FUND	54,236	44,341	(9,895)
221	SPECIAL RECREATION FUND	(31,198)	35,208	66,406
225	PINES THEATER SPECIAL EVENTS FUND	50,319	60,780	10,461
226	ELLEN TROUT ZOO FUND	2,428,544	2,535,760	107,216
227	POLICE FORFEITURE FUND	314,768	259,129	(55,639)
228	COURT SECURITY/TECHNOLOGY FUND	111,812	90,051	(21,761)
230	POLICE DARE CONTRIBUTION FUND	109	109	-
232	DRAINAGE MITIGATION	37,104	37,212	108
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	23	23	-
241	ANIMAL CONTROL - KURTH GRANT	113,871	107,407	(6,464)
242	ANIMAL'S ATTIC GIFT SHOP	129,689	126,650	(3,039)
250	POLICE GRANTS & PROPERTY	17,964	18,035	71
251	FIRE GRANTS	2,779	2,779	-
252	FEMA FUNDED GRANTS	26,353	26,415	62
253	CARES ACT FUND	2,607,753	6,182,343	3,574,590
290	ECONOMIC DEVELOPMENT	43,223	32,586	(10,637)
295	LCVB FUND	738,857	857,168	118,311
300	GF STREET CONSTRUCTION FUND	1,978,096	1,917,591	(60,505)
308	CONVENTION CENTER - EDI	30,015	30,091	76
313	2010 CAPITAL IMPROVEMENTS FUND	2,181	2,149	(32)
314	2012 CAPITAL IMPROVEMENTS FUND	(2,921)	(2,931)	(10)
315	2020 CAPITAL IMPROVEMENTS FUND	3,804,586	3,699,297	(105,289)
340	TEXAS CAPITAL GRANT FUND	53	53	0
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	(136,355)	(262,355)	(126,000)
348	SOLID WASTE DEPRECIATION	774,870	793,792	18,921
357	2009 WATER/SEWER CO'S	16,499	16,378	(121)
358	2013 WWATER/SEWER CO'S	(616,653)	(617,256)	(603)
380	WATER & WASTEWATER DEPRECIATION	11,279,813	11,911,093	631,280
401	GENERAL OBLIGATION DEBT SERVICE	3,881,583	5,423,272	1,541,688
451	REVENUE BOND DEBT SERVICE	1,757	1,758	2
501	WATER/WASTEWATER FUND	9,321,715	9,907,137	585,423
548	SOLID WASTE DISPOSAL FUND	3,998,731	3,960,754	(37,977)
615	HEALTH INSURANCE - ACTIVE	2,400,563	1,861,874	(538,690)
616	RETIREEES HEALTH INSURANCE FUND	50,566	27,194	(23,371)
641	EQUIPMENT ACQ & REPLACEMENT FUND	3,424,734	3,954,949	530,214
642	TECHNOLOGY AMORTIZATION	1,149,936	1,134,851	(15,085)
747	MEDICAL SAVINGS FUND	3,557	3,657	100
	<b>TOTAL POOLED CASH &amp; INVESTMENTS</b>	<b>\$ 69,150,767</b>	<b>\$ 80,501,807</b>	<b>\$ 11,351,040</b>

## Investment Holdings - EDC

March 31, 2023

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	4.62%	04/01/23	03/31/23	\$ 5,742,611	\$ 5,742,611	1.00	\$ 5,742,611	1	4.62%
					<u>\$ 5,742,611</u>	<u>\$ 5,742,611</u>		<u>\$ 5,742,611</u>	<u>1</u>	<u>4.62%</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.