

**City of New Braunfels**



**For the Quarter Ended**

**June 30, 2020**

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#### MARKET RECAP - JUNE 2020:

Last month in our summary for May we wrote, “Phrases such as the “steepest decline ever” and the “worst in history” will apply to almost every piece of April economic data.” The opposite will be true for June as the economic reopening that started in May resulted in significant rebounds that in many cases were the “biggest gain in history.” We would, however, caution readers not to put too much stock into the big jumps in the monthly data as things had gotten so bad in April and May they just had to get better. And, despite the improvement evident in much of the economic data, we are nowhere near the levels that prevailed prior to the COVID-19 mandated shutdowns. The employment data is the most obvious place to start as non-farm payrolls grew by a stunning 2.5 million in May. The largest monthly gain in the history of this series going back to 1939 wildly surpassed the consensus forecast for a loss of 7.5 million jobs, and yet was only a tenth of the 22 million jobs lost in March and April. The unemployment rate, expected to climb to 19%, actually declined to 13.3%. The ISM surveys perked up as well with the manufacturing index climbing from 41.5 to 43.1 and the non-manufacturing index from 41.8 to 45.4. While both readings still indicated contraction, the improvement was viewed as a signal that the worst was behind us. Auto sales also topped expectations, rebounding from April’s pitiful 8.6 million unit annual pace to 12.2 million. Consumer spending came roaring back in May, too, no doubt reflecting some pent up demand as consumers emerged en masse from the nationwide lockout and began spending at a furious pace. Sales surged +17.7% during May after a revised -14.7% April decline. Spending was brisk across all categories as it appears the government’s response to the crisis has helped support consumer spending. Housing data for May was mixed as existing homes sales fell -9.7% to the lowest level since October 2010. However, since existing sales are measured at closing this data is more reflective of activity during March and April, when many buyers and sellers were in lockdown. By contrast, new home sales are measured when the contracts are signed and they climbed 16.6% during May.

The improving trend in economic data was countered in the later part of June by worrisome trends in COVID-19 data as states that had reopened to great fanfare around Memorial Day saw a dramatic surge in cases. Texas, Florida, and Arizona were hard hit, forcing renewed restrictions and closures as the Fourth of July holiday approached.

Equity markets focused on the positives and extended their rally, with the Dow Jones Industrial Average climbing +1.7% and the S&P 500 gaining +1.8% in June. The Nasdaq composite rose a remarkable +6%, hit a new record high, and is up +12.1% year-to-date as technology stocks have been a beneficiary of the stay at home economy. Bond markets were stable with slight declines of 1-2 basis points in yield across most tenors. The two-year T-note yield closed June at 0.15%, while both the three-year and five-year T-notes set record lows at 0.17% and 0.27% respectively on June 29th. The short end of the yield curve is likely to be anchored by Fed policy for years to come. All in all, it appears the recovery has begun in earnest, but it also appears likely that the path won’t be smooth and the outlook is still very much dependent on the path of the virus.

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**For the Quarter Ended**  
**June 30, 2020**

This report is prepared for the **City of New Braunfels** (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

**Officer Names and Titles:**

*Sandy Paulos*

Name: Sandy Paulos

Title: Asst. Chief Financial Officer

*Jared Werner*

Name: Jared Werner

Title: Chief Financial Officer

*Melinda Slusser*

Senior Accountant

Name: Melinda Slusser

Title: Senior Accountant / Finance

### Account Summary

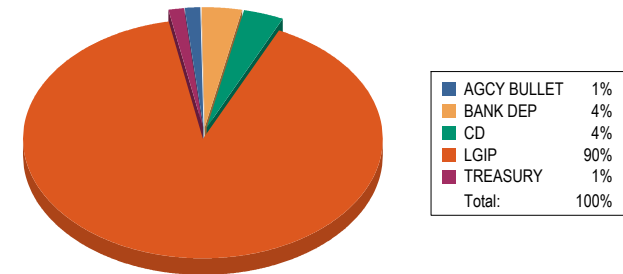
### Allocation by Security Type

Beginning Values as of 03/31/20

Ending Values as of 06/30/20

Par Value	151,482,366.24	143,558,792.00
Market Value	151,560,910.64	143,613,869.80
Book Value	151,513,669.90	143,580,415.76
Unrealized Gain/(Loss)	47,240.74	33,454.04
<b>Market Value %</b>	<b>100.03%</b>	<b>100.02%</b>

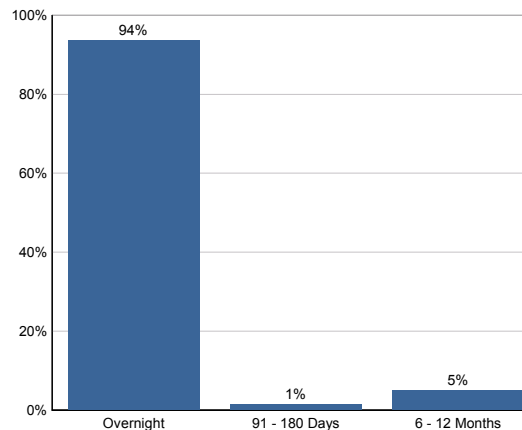
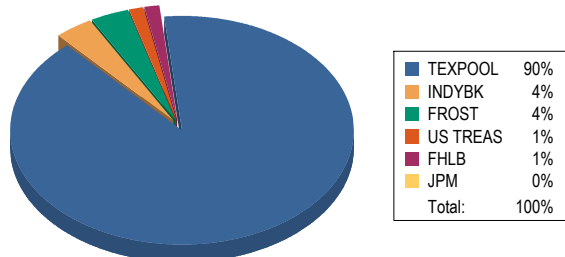
Weighted Avg. YTW	1.074%	0.261%
Weighted Avg. YTM	1.074%	0.261%



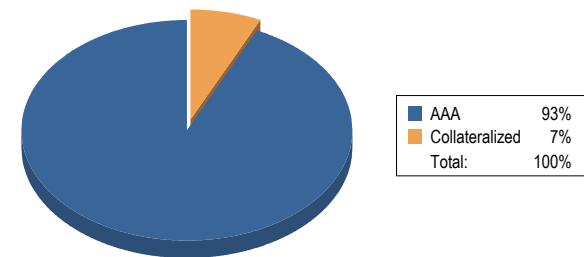
### Allocation by Issuer

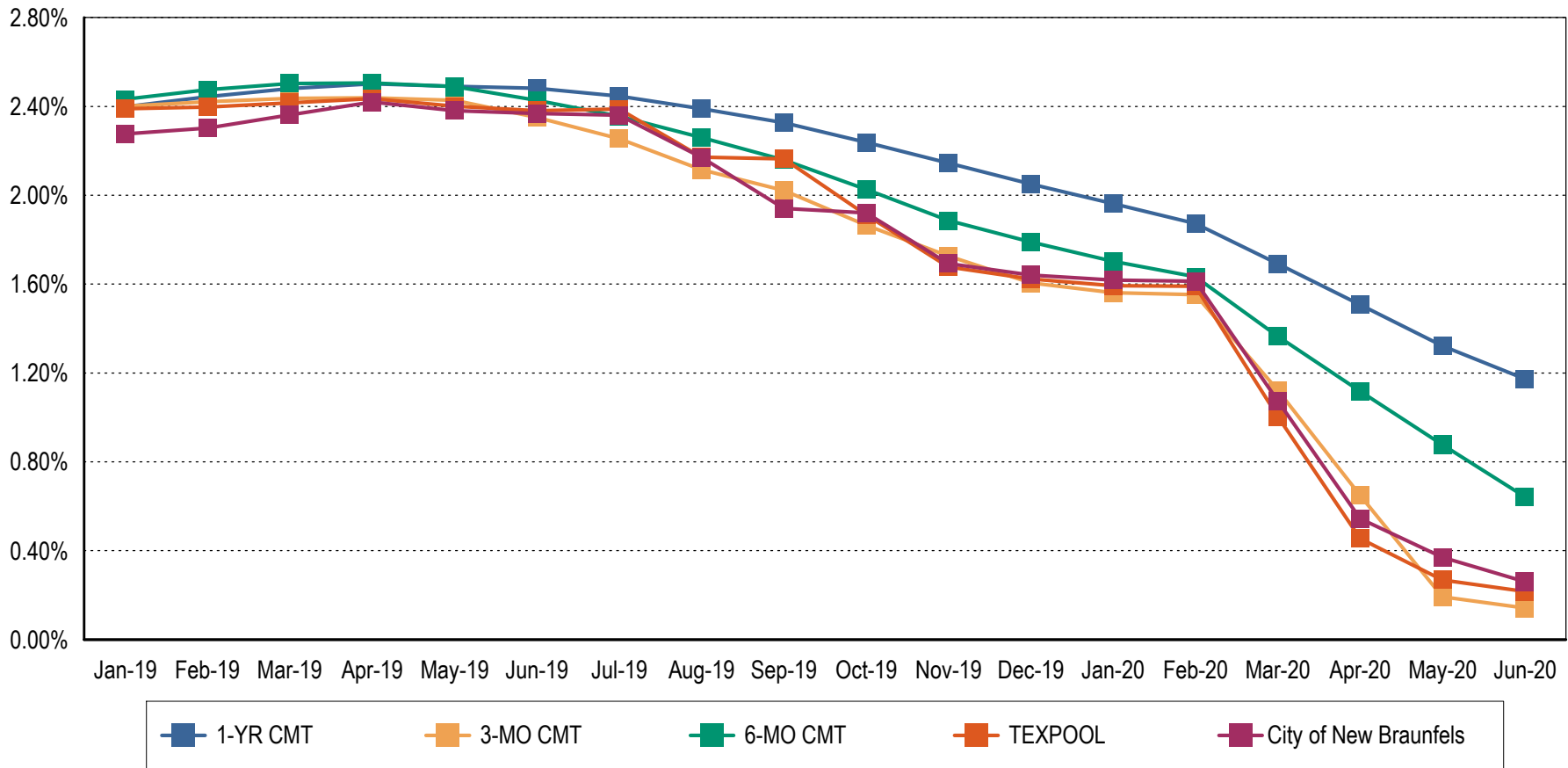
### Maturity Distribution %

### Credit Quality



Weighted Average Days to Maturity: 16





**Note 1:** CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12-months.

**Note 2:** Benchmark data for TexPool is the monthly average yield.

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
<b>101 - General Fund</b>																	
FROST-NBR		BANK DEP	Frost Bk					5,044,869.91	100.000	5,044,869.91	5,044,869.91	100.000	5,044,869.91	1		0.000	0.000
TEXPOOL		LGIP	TexPool					32,569,802.89	100.000	32,569,802.89	32,569,802.89	100.000	32,569,802.89	1		0.216	0.216
CD-7730-1	06/13/20	CD	Independent Bk CD	0.550	03/13/21			5,124,328.76	100.000	5,124,328.76	5,124,328.76	100.000	5,124,328.76	256		0.550	0.550
<b>Total for 101 - General Fund</b>								<b>42,739,001.56</b>	<b>100.000</b>	<b>42,739,001.56</b>	<b>42,739,001.56</b>	<b>100.000</b>	<b>42,739,001.56</b>	<b>32</b>		<b>0.231</b>	<b>0.231</b>
<b>212 - NB Industrial Dev Corp</b>																	
TEXPOOL		LGIP	TexPool					13,949,360.09	100.000	13,949,360.09	13,949,360.09	100.000	13,949,360.09	1		0.216	0.216
<b>Total for 212 - NB Industrial Dev Corp</b>								<b>13,949,360.09</b>	<b>100.000</b>	<b>13,949,360.09</b>	<b>13,949,360.09</b>	<b>100.000</b>	<b>13,949,360.09</b>	<b>1</b>		<b>0.216</b>	<b>0.216</b>
<b>999 - Pooled Funds</b>																	
TEXPOOL		LGIP	TexPool					82,870,430.35	100.000	82,870,430.35	82,870,430.35	100.000	82,870,430.35	1		0.216	0.216
3130AEWA4	11/22/19	AGCY BULET	FHLB	2.625	10/01/20			2,000,000.00	100.851	2,017,020.00	2,004,977.90	100.613	2,012,265.20	93		1.621	1.621
9128284P2	11/22/19	TREAS NOTE	U.S. Treasury	2.625	05/15/21			2,000,000.00	101.406	2,028,125.00	2,016,645.86	102.141	2,042,812.60	319		1.660	1.660
<b>Total for 999 - Pooled Funds</b>								<b>86,870,430.35</b>	<b>100.052</b>	<b>86,915,575.35</b>	<b>86,892,054.11</b>	<b>100.064</b>	<b>86,925,508.15</b>	<b>11</b>		<b>0.282</b>	<b>0.282</b>
<b>Total for City of New Braunfels</b>								<b>143,558,792.00</b>	<b>100.032</b>	<b>143,603,937.00</b>	<b>143,580,415.76</b>	<b>100.039</b>	<b>143,613,869.80</b>	<b>16</b>		<b>0.261</b>	<b>0.261</b>

CUSIP	Security Type	Security Description	03/31/20 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	06/30/20 Book Value	03/31/20 Market Value	06/30/20 Market Value	Change in Mkt Value
<b>101 - General Fund</b>											
FROST-NBR	BANK DEP	Frost Bk	3,876,938.71	1,285,473.96	(117,542.76)	0.00	0.00	5,044,869.91	3,876,938.71	5,044,869.91	1,167,931.20
JPM-NBRE	BANK DEP	JPM Chase Bk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JPM-NBRH	BANK DEP	JPM Chase Bk High Yield	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TEXPOOL	LGIP	TexPool	40,040,683.48	0.00	(7,470,880.59)	0.00	0.00	32,569,802.89	40,040,683.48	32,569,802.89	(7,470,880.59)
CD-7730	CD	Independent Bk CD 2.460 06/13/20	5,092,836.67	0.00	(5,092,836.67)	0.00	0.00	0.00	5,092,836.67	0.00	(5,092,836.67)
CD-7730-1	CD	Independent Bk CD 0.550 03/13/21	0.00	5,124,328.76	0.00	0.00	0.00	5,124,328.76	0.00	5,124,328.76	5,124,328.76
<b>Total for 101 - General Fund</b>			<b>49,010,458.86</b>	<b>6,409,802.72</b>	<b>(12,681,260.02)</b>	<b>0.00</b>	<b>0.00</b>	<b>42,739,001.56</b>	<b>49,010,458.86</b>	<b>42,739,001.56</b>	<b>(6,271,457.30)</b>
<b>212 - NB Industrial Dev Corp</b>											
TEXPOOL	LGIP	TexPool	13,938,484.69	10,875.40	0.00	0.00	0.00	13,949,360.09	13,938,484.69	13,949,360.09	10,875.40
<b>Total for 212 - NB Industrial Dev Corp</b>			<b>13,938,484.69</b>	<b>10,875.40</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13,949,360.09</b>	<b>13,938,484.69</b>	<b>13,949,360.09</b>	<b>10,875.40</b>
<b>999 - Pooled Funds</b>											
TEXPOOL	LGIP	TexPool	84,533,422.69	50,908.52	(1,713,900.86)	0.00	0.00	82,870,430.35	84,533,422.69	82,870,430.35	(1,662,992.34)
3130AEWA4	AGCY BULET	FHLB 2.625 10/01/20	2,009,955.80	0.00	0.00	(4,977.90)	0.00	2,004,977.90	2,022,763.20	2,012,265.20	(10,498.00)
9128284P2	TREAS NOTE	U.S. Treasury 2.625 05/15/21	2,021,347.86	0.00	0.00	(4,702.00)	0.00	2,016,645.86	2,055,781.20	2,042,812.60	(12,968.60)
<b>Total for 999 - Pooled Funds</b>			<b>88,564,726.35</b>	<b>50,908.52</b>	<b>(1,713,900.86)</b>	<b>(9,679.90)</b>	<b>0.00</b>	<b>86,892,054.11</b>	<b>88,611,967.09</b>	<b>86,925,508.15</b>	<b>(1,686,458.94)</b>
<b>Total for City of New Braunfels</b>			<b>151,513,669.90</b>	<b>6,471,586.64</b>	<b>(14,395,160.88)</b>	<b>(9,679.90)</b>	<b>0.00</b>	<b>143,580,415.76</b>	<b>151,560,910.64</b>	<b>143,613,869.80</b>	<b>(7,947,040.84)</b>

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
<b>101 - General Fund</b>									
FROST-NBR	BANK DEP	Frost Bk	0.00	552.88	552.88	0.00	0.00	0.00	552.88
TEXPOOL	LGIP	TexPool	0.00	29,119.41	29,119.41	0.00	0.00	0.00	29,119.41
CD-7730	CD	Independent Bk CD 2.460 06/13/20	6,521.62	24,970.47	31,492.09	0.00	0.00	0.00	24,970.47
CD-7730-1	CD	Independent Bk CD 0.550 03/13/21	0.00	1,389.89	0.00	0.00	1,389.89	0.00	1,389.89
<b>Total for 101 - General Fund</b>			<b>6,521.62</b>	<b>56,032.65</b>	<b>61,164.38</b>	<b>0.00</b>	<b>1,389.89</b>	<b>0.00</b>	<b>56,032.65</b>
<b>212 - NB Industrial Dev Corp</b>									
TEXPOOL	LGIP	TexPool	0.00	10,875.40	10,875.40	0.00	0.00	0.00	10,875.40
<b>Total for 212 - NB Industrial Dev Corp</b>			<b>0.00</b>	<b>10,875.40</b>	<b>10,875.40</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,875.40</b>
<b>999 - Pooled Funds</b>									
TEXPOOL	LGIP	TexPool	0.00	65,690.15	65,690.15	0.00	0.00	0.00	65,690.15
3130AEWA4	AGCY BULET	FHLB 2.625 10/01/20	26,250.00	13,125.00	26,250.00	0.00	13,125.00	(4,977.90)	8,147.10
9128284P2	TREAS NOTE	U.S. Treasury 2.625 05/15/21	19,903.85	13,051.31	26,250.00	0.00	6,705.16	(4,702.00)	8,349.31
<b>Total for 999 - Pooled Funds</b>			<b>46,153.85</b>	<b>91,866.46</b>	<b>118,190.15</b>	<b>0.00</b>	<b>19,830.16</b>	<b>(9,679.90)</b>	<b>82,186.56</b>
<b>Total for City of New Braunfels</b>			<b>52,675.47</b>	<b>158,774.51</b>	<b>190,229.93</b>	<b>0.00</b>	<b>21,220.05</b>	<b>(9,679.90)</b>	<b>149,094.61</b>



Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
<b>101 - General Fund</b>															
<b>Maturities</b>															
06/13/20	06/13/20	CD-7730	CD	Independent Bk CD	2.460	06/13/20		5,092,836.67	100.000	5,092,836.67	0.00	5,092,836.67		2.460	
<b>Total for: Maturities</b>								<b>5,092,836.67</b>		<b>5,092,836.67</b>	<b>0.00</b>	<b>5,092,836.67</b>		<b>2.460</b>	
<b>Purchases</b>															
06/13/20	06/13/20	CD-7730-1	CD	Independent Bk CD	0.550	03/13/21		5,124,328.76	100.000	5,124,328.76	0.00	5,124,328.76		0.550	0.550
<b>Total for: Purchases</b>								<b>5,124,328.76</b>		<b>5,124,328.76</b>	<b>0.00</b>	<b>5,124,328.76</b>		<b>0.550</b>	<b>0.550</b>
<b>Income Payments</b>															
06/13/20	06/13/20	CD-7730	CD	Independent Bk CD	2.460	06/13/20				0.00	31,492.09	31,492.09			
<b>Total for: Income Payments</b>										<b>0.00</b>	<b>31,492.09</b>	<b>31,492.09</b>			
<b>999 - Pooled Funds</b>															
<b>Income Payments</b>															
04/01/20	04/01/20	3130AEWA4	AGCY BULET	FHLB	2.625	10/01/20				0.00	26,250.00	26,250.00			
05/15/20	05/15/20	9128284P2	TREAS NOTE	U.S. Treasury	2.625	05/15/21				0.00	26,250.00	26,250.00			
<b>Total for: Income Payments</b>										<b>0.00</b>	<b>52,500.00</b>	<b>52,500.00</b>			

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
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**Total for All Portfolios**

Transaction Type	Quantity	Total Amount	Realized G/L	YTM	YTW
Total Maturities	5,092,836.67	5,092,836.67		2.460	
Total Purchases	5,124,328.76	5,124,328.76		0.550	0.550
Total Income Payments	0.00	83,992.09			

CUSIP	Settle Date	Security Type	Security Description	Next Call Date	Purchase Qty	Orig Price	Original Cost	Amrt/Accr for Period	Total Amrt/Accr Since Purch	Remaining Disc / Prem	Book Value
<b>101 - General Fund</b>											
CD-7730	06/13/19	CD	Independent Bk CD 2.460 06/13/20		0.00	100.000	0.00	0.00	0.00	0.00	0.00
CD-7730-1	06/13/20	CD	Independent Bk CD 0.550 03/13/21		5,124,328.76	100.000	5,124,328.76	0.00	0.00	0.00	5,124,328.76
<b>Total for 101 - General Fund</b>					<b>5,124,328.76</b>		<b>5,124,328.76</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,124,328.76</b>
<b>999 - Pooled Funds</b>											
3130AEWA4	11/22/19	AGCY BULET	FHLB 2.625 10/01/20		2,000,000.00	100.851	2,017,020.00	(4,977.90)	(12,042.10)	(4,977.90)	2,004,977.90
9128284P2	11/22/19	TREAS NOTE	U.S. Treasury 2.625 05/15/21		2,000,000.00	101.406	2,028,125.00	(4,702.00)	(11,479.14)	(16,645.86)	2,016,645.86
<b>Total for 999 - Pooled Funds</b>					<b>4,000,000.00</b>		<b>4,045,145.00</b>	<b>(9,679.90)</b>	<b>(23,521.24)</b>	<b>(21,623.76)</b>	<b>4,021,623.76</b>
<b>Total for City of New Braunfels</b>					<b>9,124,328.76</b>		<b>9,169,473.76</b>	<b>(9,679.90)</b>	<b>(23,521.24)</b>	<b>(21,623.76)</b>	<b>9,145,952.52</b>

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
<b>101 - General Fund</b>						
CD-7730-1	CD	Independent Bk CD 0.550 03/13/21	09/13/20	7,045.95	0.00	7,045.95
CD-7730-1	CD	Independent Bk CD 0.550 03/13/21	12/13/20	7,045.95	0.00	7,045.95
<b>Total for 101 - General Fund</b>				<b>14,091.90</b>	<b>0.00</b>	<b>14,091.90</b>
<b>999 - Pooled Funds</b>						
3130AEWA4	AGCY BULET	FHLB 2.625 10/01/20	10/01/20	26,250.00	2,000,000.00	2,026,250.00
9128284P2	TREAS NOTE	U.S. Treasury 2.625 05/15/21	11/15/20	26,250.00	0.00	26,250.00
<b>Total for 999 - Pooled Funds</b>				<b>52,500.00</b>	<b>2,000,000.00</b>	<b>2,052,500.00</b>

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
Total for All Portfolios						
			September 2020	7,045.95	0.00	7,045.95
			October 2020	26,250.00	2,000,000.00	2,026,250.00
			November 2020	26,250.00	0.00	26,250.00
			December 2020	7,045.95	0.00	7,045.95
<b>Total Projected Cash Flows for City of New Braunfels</b>				<b>66,591.90</b>	<b>2,000,000.00</b>	<b>2,066,591.90</b>