

City of New Braunfels



For the Quarter Ended

December 31, 2020

Report Name

Certification Page

Executive Summary

Benchmark Comparison

Detail of Security Holdings

Change in Value

Earned Income

Investment Transactions

Amortization and Accretion

Projected Fixed Income Cash Flows

MARKET RECAP - DECEMBER 2020:

The fourth quarter story was multifaceted, with a global resurgence of the virus, FDA approval of two extremely effective vaccines, a contested election that will presumably result in a Biden presidency, and signs of a slowdown in economic growth. During the quarter, Covid-19 hospitalizations quadrupled and the total number of Covid deaths jumped by 70%. Because the broad economy remained open for the most part during the holidays, experts are bracing for another rise in cases in January.

Economic data released during December confirmed prior signals that the economic recovery was slipping. The ISM manufacturing index fell from 59.3 to a still solid 56.7, but the employment index was more concerning as it fell from 53.2 into contraction territory at 48.4. November's employment report confirmed that signal and was clear in its depiction of moderating job growth with nonfarm payrolls increasing just 245k, well below the 460k median forecast. Payrolls are still down more than 10 million from the pre-pandemic period early in the year. The sidelined workers primarily represent the service sector, with restaurants, bars, gyms, conferences and sporting events still far from normal. The unemployment rate dropped from 6.9% to 6.7% last month, although this improvement is a little deceptive as it was driven by a decline in the labor force participation rate which, at 61.5%, is now within one tenth of a 45-year low. First time filings for unemployment benefits spiked to a three-month high of 892k in mid-December and stubbornly remain nearly 4x pre-pandemic norms. Some 20 million Americans continue to receive unemployment benefits in combined state and federal programs. Consumer spending has slowed as well, with overall retail sales for November down -1.1% following a downwardly revised -0.1% October decline. Inflation remains on the backburner with overall CPI holding steady at +1.6% year-over-year, while core CPI runs at a +1.2% pace. The 2020 housing boom finally moderated with existing home sales slipping by -2.5% in November, breaking a five-month string of advances. However, the 6.7 million unit annualized sales pace was still +25.8% above the same period a year ago. New home sales dropped -11.0% in November but are still up more than +20% year-over-year.

It's important to note that the recovery thus far has been wildly uneven. Census data revealed in early December that nearly 83 million adults in the U.S. are finding it "somewhat" or "very difficult" to cover basic monthly expenses such as food, rent or mortgage, car payments, medical expenses, or student loans. This is in sharp contrast to the surge in overall wealth that has driven household net worth to a new record high. Congress did finally pass an aid package by the end of the year, offering another month of eviction protection, an extension of federal jobless benefits and a \$600 stimulus check for individuals, in addition to a replenishing of the Paycheck Protection Program.

The forward-looking stock markets focused on the vaccine rollout and the additional aid package rather than the rapid spread of the virus and the weakening economic numbers. Both the DOW and the S&P 500 closed the year at fresh record highs. First quarter GDP growth is likely to be relatively weak, but should improve in subsequent quarters as an increasing number of Americans are vaccinated and begin a return to pre-pandemic normality.

For the Quarter Ended
December 31, 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

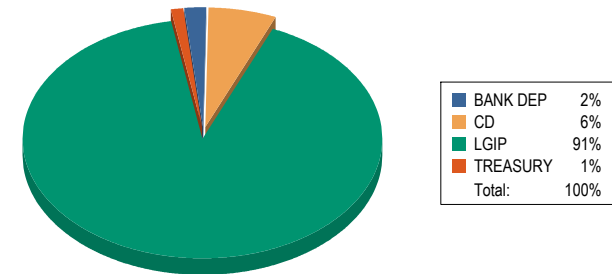
Allocation by Security Type

Beginning Values as of 09/30/20

Ending Values as of 12/31/20

Par Value	201,260,184.37	195,386,586.53
Market Value	201,291,043.77	195,404,867.73
Book Value	201,272,082.05	195,393,675.35
Unrealized Gain/(Loss)	18,961.72	11,192.38
Market Value %	100.01%	100.01%

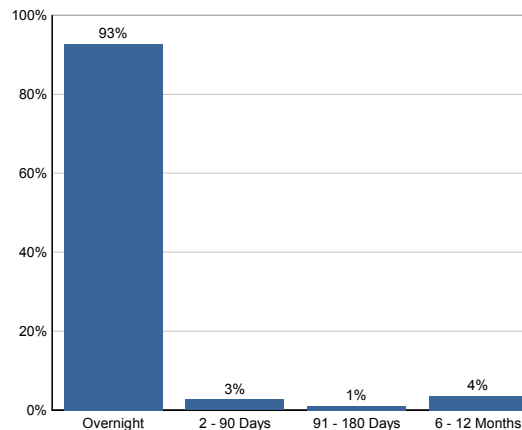
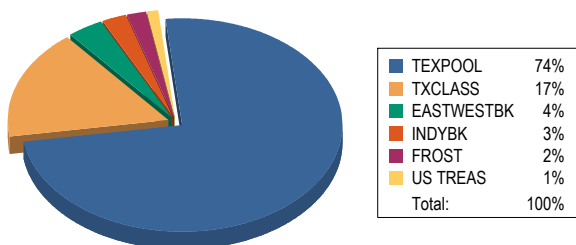
Weighted Avg. YTW	0.132%	0.124%
Weighted Avg. YTM	0.132%	0.124%



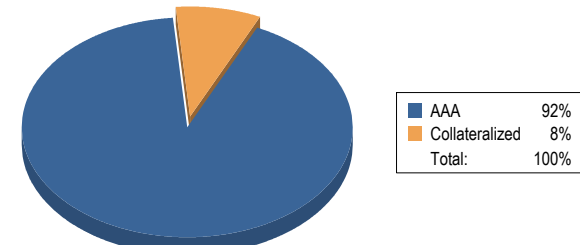
Allocation by Issuer

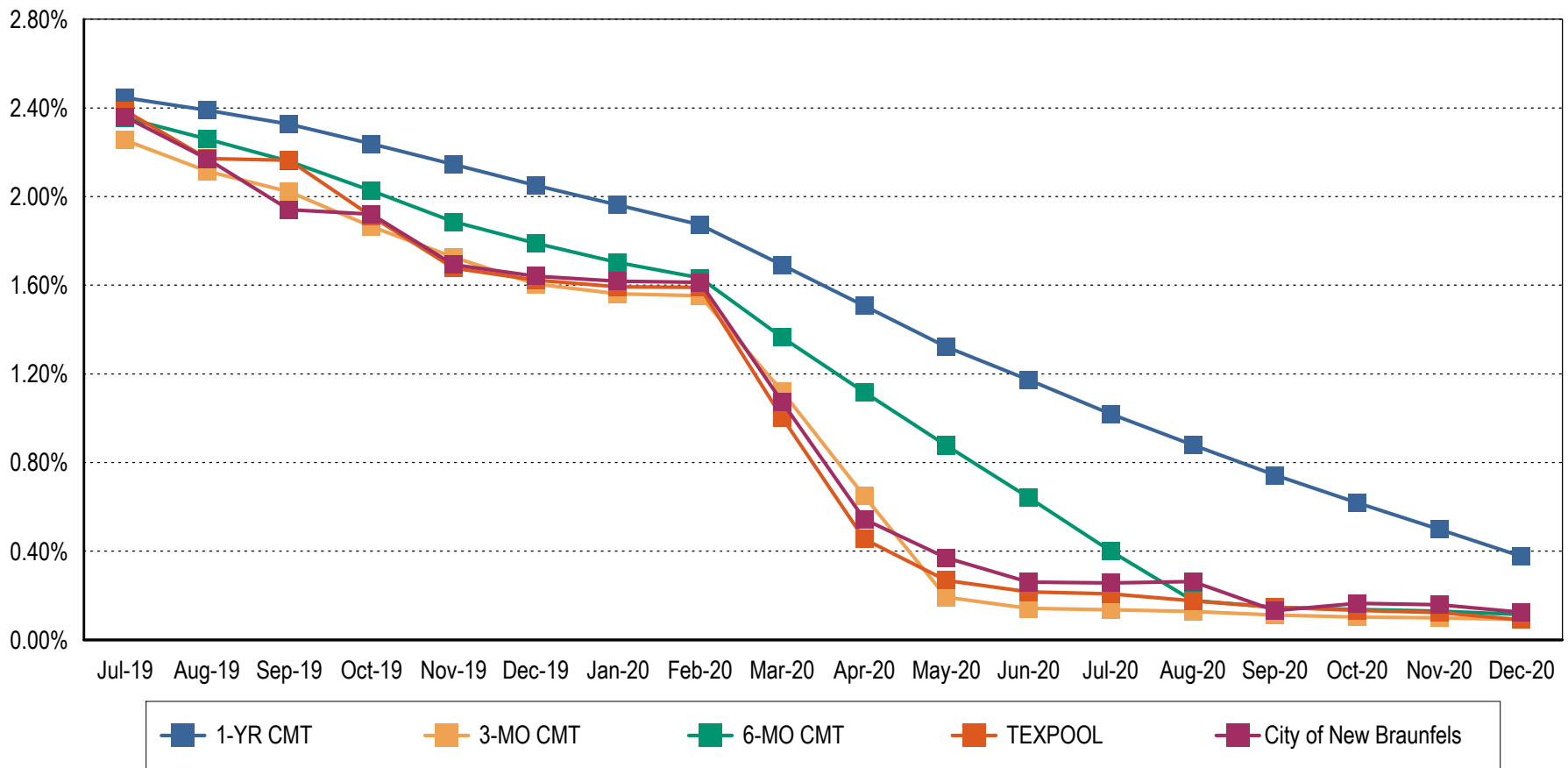
Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 14





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
101 - General Fund																	
FROST-NBR		BANK DEP	Frost Bk					3,869,818.74	100.000	3,869,818.74	3,869,818.74	100.000	3,869,818.74	1		0.000	0.000
TEXPOOL		LGIP	TexPool					10,123,851.43	100.000	10,123,851.43	10,123,851.43	100.000	10,123,851.43	1		0.091	0.091
CD-7730-1	06/13/20	CD	Independent Bk CD	0.550	03/13/21			5,138,412.78	100.000	5,138,412.78	5,138,412.78	100.000	5,138,412.78	72		0.550	0.550
Total for 101 - General Fund								19,132,082.95	100.000	19,132,082.95	19,132,082.95	100.000	19,132,082.95	20		0.196	0.196
212 - NB Industrial Dev Corp																	
TXCLASS		LGIP	Texas CLASS					13,958,080.82	100.000	13,958,080.82	13,958,080.82	100.000	13,958,080.82	1		0.088	0.088
CD-7984	10/02/20	CD	East West Bk CD	0.300	10/04/21			5,003,741.12	100.000	5,003,741.12	5,003,741.12	100.000	5,003,741.12	277		0.300	0.300
Total for 212 - NB Industrial Dev Corp								18,961,821.94	100.000	18,961,821.94	18,961,821.94	100.000	18,961,821.94	74		0.144	0.144
999 - Pooled Funds																	
TEXPOOL		LGIP	TexPool					134,733,430.22	100.000	134,733,430.22	134,733,430.22	100.000	134,733,430.22	1		0.091	0.091
TXCLASS		LGIP	Texas CLASS					18,557,754.97	100.000	18,557,754.97	18,557,754.97	100.000	18,557,754.97	1		0.088	0.088
9128284P2	11/22/19	TREAS NOTE	U.S. Treasury	2.625	05/15/21			2,000,000.00	101.406	2,028,125.00	2,007,088.82	100.914	2,018,281.20	135		1.660	1.660
CD-7984	10/02/20	CD	East West Bk CD	0.300	10/04/21			2,001,496.45	100.000	2,001,496.45	2,001,496.45	100.000	2,001,496.45	277		0.300	0.300
Total for 999 - Pooled Funds								157,292,681.64	100.018	157,320,806.64	157,299,770.46	100.012	157,310,962.84	6		0.113	0.113
Total for City of New Braunfels								195,386,586.53	100.014	195,414,711.53	195,393,675.35	100.009	195,404,867.73	14		0.124	0.124

CUSIP	Security Type	Security Description	09/30/20 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/20 Book Value	09/30/20 Market Value	12/31/20 Market Value	Change in Mkt Value
101 - General Fund											
FROST-NBR	BANK DEP	Frost Bk	74,765,916.60	316,116.78	(71,212,214.64)	0.00	0.00	3,869,818.74	74,765,916.60	3,869,818.74	(70,896,097.86)
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	23,982,125.26	0.00	(13,858,273.83)	0.00	0.00	10,123,851.43	23,982,125.26	10,123,851.43	(13,858,273.83)
CD-7730-1	CD	Independent Bk CD 0.550 03/13/21	5,131,376.47	7,036.31	0.00	0.00	0.00	5,138,412.78	5,131,376.47	5,138,412.78	7,036.31
Total for 101 - General Fund			103,879,418.33	323,153.09	(85,070,488.47)	0.00	0.00	19,132,082.95	103,879,418.33	19,132,082.95	(84,747,335.38)
212 - NB Industrial Dev Corp											
TEXPOOL	LGIP	TexPool	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TXCLASS	LGIP	Texas CLASS	13,954,147.41	3,933.41	0.00	0.00	0.00	13,958,080.82	13,954,147.41	13,958,080.82	3,933.41
CD-7984	CD	East West Bk CD 0.300 10/04/21	0.00	5,003,741.12	0.00	0.00	0.00	5,003,741.12	0.00	5,003,741.12	5,003,741.12
Total for 212 - NB Industrial Dev Corp			13,954,147.41	5,007,674.53	0.00	0.00	0.00	18,961,821.94	13,954,147.41	18,961,821.94	5,007,674.53
999 - Pooled Funds											
TEXPOOL	LGIP	TexPool	60,874,093.09	73,859,337.13	0.00	0.00	0.00	134,733,430.22	60,874,093.09	134,733,430.22	73,859,337.13
TXCLASS	LGIP	Texas CLASS	18,552,525.54	5,229.43	0.00	0.00	0.00	18,557,754.97	18,552,525.54	18,557,754.97	5,229.43
3130AEWA4	AGCY BULET	FHLB 2.625 10/01/20	2,000,000.00	0.00	(2,000,000.00)	0.00	0.00	0.00	2,000,000.00	0.00	(2,000,000.00)
9128284P2	TREAS NOTE	U.S. Treasury 2.625 05/15/21	2,011,897.68	0.00	0.00	(4,808.86)	0.00	2,007,088.82	2,030,859.40	2,018,281.20	(12,578.20)
CD-7984	CD	East West Bk CD 0.300 10/04/21	0.00	2,001,496.45	0.00	0.00	0.00	2,001,496.45	0.00	2,001,496.45	2,001,496.45
Total for 999 - Pooled Funds			83,438,516.31	75,866,063.01	(2,000,000.00)	(4,808.86)	0.00	157,299,770.46	83,457,478.03	157,310,962.84	73,853,484.81
Total for City of New Braunfels			201,272,082.05	81,196,890.63	(87,070,488.47)	(4,808.86)	0.00	195,393,675.35	201,291,043.77	195,404,867.73	(5,886,176.04)

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
101 - General Fund									
FROST-NBR	BANK DEP	Frost Bk	0.00	141.51	141.51	0.00	0.00	0.00	141.51
TEXPOOL	LGIP	TexPool	0.00	4,069.60	4,069.60	0.00	0.00	0.00	4,069.60
CD-7730-1	CD	Independent Bk CD 0.550 03/13/21	1,391.80	7,115.64	7,036.31	0.00	1,471.13	0.00	7,115.64
Total for 101 - General Fund			1,391.80	11,326.75	11,247.42	0.00	1,471.13	0.00	11,326.75
212 - NB Industrial Dev Corp									
TXCLASS	LGIP	Texas CLASS	0.00	3,933.41	3,933.41	0.00	0.00	0.00	3,933.41
CD-7984	CD	East West Bk CD 0.300 10/04/21	0.00	3,782.25	3,741.12	0.00	41.13	0.00	3,782.25
Total for 212 - NB Industrial Dev Corp			0.00	7,715.66	7,674.53	0.00	41.13	0.00	7,715.66
999 - Pooled Funds									
TEXPOOL	LGIP	TexPool	0.00	38,329.52	38,329.52	0.00	0.00	0.00	38,329.52
TXCLASS	LGIP	Texas CLASS	0.00	5,229.43	5,229.43	0.00	0.00	0.00	5,229.43
3130AEWA4	AGCY BULET	FHLB 2.625 10/01/20	26,250.00	0.00	26,250.00	0.00	0.00	0.00	0.00
9128284P2	TREAS NOTE	U.S. Treasury 2.625 05/15/21	19,830.16	13,236.14	26,250.00	0.00	6,816.30	(4,808.86)	8,427.28
CD-7984	CD	East West Bk CD 0.300 10/04/21	0.00	1,512.90	1,496.45	0.00	16.45	0.00	1,512.90
Total for 999 - Pooled Funds			46,080.16	58,307.99	97,555.40	0.00	6,832.75	(4,808.86)	53,499.13
Total for City of New Braunfels			47,471.96	77,350.40	116,477.35	0.00	8,345.01	(4,808.86)	72,541.54

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
101 - General Fund															
Income Payments															
12/13/20	12/13/20	CD-7730-1	CD	Independent Bk CD	0.550	03/13/21				0.00	7,036.31	7,036.31			
Total for: Income Payments										0.00	7,036.31	7,036.31			
Capitalized Interest															
12/13/20	12/13/20	CD-7730-1	CD	Independent Bk CD	0.550	03/13/21		7,036.31	100.000	7,036.31	0.00	7,036.31			
Total for: Capitalized Interest								7,036.31		7,036.31	0.00	7,036.31			
212 - NB Industrial Dev Corp															
Purchases															
10/02/20	10/02/20	CD-7984	CD	East West Bk CD	0.300	10/04/21		5,000,000.00	100.000	5,000,000.00	0.00	5,000,000.00		0.300	0.300
Total for: Purchases								5,000,000.00		5,000,000.00	0.00	5,000,000.00		0.300	0.300
Income Payments															
10/31/20	10/31/20	CD-7984	CD	East West Bk CD	0.300	10/04/21				0.00	1,233.03	1,233.03			
11/30/20	11/30/20	CD-7984	CD	East West Bk CD	0.300	10/04/21				0.00	1,233.33	1,233.33			
12/31/20	12/31/20	CD-7984	CD	East West Bk CD	0.300	10/04/21				0.00	1,274.76	1,274.76			
Total for: Income Payments										0.00	3,741.12	3,741.12			
Capitalized Interest															
10/31/20	10/31/20	CD-7984	CD	East West Bk CD	0.300	10/04/21		1,233.03	100.000	1,233.03	0.00	1,233.03			
11/30/20	11/30/20	CD-7984	CD	East West Bk CD	0.300	10/04/21		1,233.33	100.000	1,233.33	0.00	1,233.33			
12/31/20	12/31/20	CD-7984	CD	East West Bk CD	0.300	10/04/21		1,274.76	100.000	1,274.76	0.00	1,274.76			
Total for: Capitalized Interest								3,741.12		3,741.12	0.00	3,741.12			

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
999 - Pooled Funds															
Maturities															
10/01/20	10/01/20	3130AEWA4	AGCY BULET	FHLB	2.625	10/01/20		2,000,000.00	100.000	2,000,000.00	0.00	2,000,000.00		1.621	
Total for: Maturities								2,000,000.00		2,000,000.00	0.00	2,000,000.00		1.621	
Purchases															
10/02/20	10/02/20	CD-7984	CD	East West Bk CD	0.300	10/04/21		2,000,000.00	100.000	2,000,000.00	0.00	2,000,000.00		0.300	0.300
Total for: Purchases								2,000,000.00		2,000,000.00	0.00	2,000,000.00		0.300	0.300
Income Payments															
10/01/20	10/01/20	3130AEWA4	AGCY BULET	FHLB	2.625	10/01/20				0.00	26,250.00	26,250.00			
10/31/20	10/31/20	CD-7984	CD	East West Bk CD	0.300	10/04/21				0.00	493.21	493.21			
11/16/20	11/15/20	9128284P2	TREAS NOTE	U.S. Treasury	2.625	05/15/21				0.00	26,250.00	26,250.00			
11/30/20	11/30/20	CD-7984	CD	East West Bk CD	0.300	10/04/21				0.00	493.33	493.33			
12/31/20	12/31/20	CD-7984	CD	East West Bk CD	0.300	10/04/21				0.00	509.91	509.91			
Total for: Income Payments										0.00	53,996.45	53,996.45			
Capitalized Interest															
10/31/20	10/31/20	CD-7984	CD	East West Bk CD	0.300	10/04/21		493.21	100.000	493.21	0.00	493.21			
11/30/20	11/30/20	CD-7984	CD	East West Bk CD	0.300	10/04/21		493.33	100.000	493.33	0.00	493.33			
12/31/20	12/31/20	CD-7984	CD	East West Bk CD	0.300	10/04/21		509.91	100.000	509.91	0.00	509.91			
Total for: Capitalized Interest								1,496.45		1,496.45	0.00	1,496.45			

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	2,000,000.00	2,000,000.00		1.621	
Total Purchases	7,000,000.00	7,000,000.00		0.300	0.300
Total Income Payments	0.00	64,773.88			
Total Capitalized Interest	12,273.88	12,273.88			

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
101 - General Fund											
CD-7730-1	06/13/20	CD	Independent Bk CD 0.550 03/13/21		5,138,412.78	100.000	5,138,412.78	0.00	0.00	0.00	5,138,412.78
Total for 101 - General Fund					5,138,412.78		5,138,412.78	0.00	0.00	0.00	5,138,412.78
212 - NB Industrial Dev Corp											
CD-7984	10/02/20	CD	East West Bk CD 0.300 10/04/21		5,003,741.12	100.000	5,003,741.12	0.00	0.00	0.00	5,003,741.12
Total for 212 - NB Industrial Dev Corp					5,003,741.12		5,003,741.12	0.00	0.00	0.00	5,003,741.12
999 - Pooled Funds											
3130AEWA4	11/22/19	AGCY BULET	FHLB 2.625 10/01/20		0.00	100.851	0.00	0.00	0.00	0.00	0.00
9128284P2	11/22/19	TREAS NOTE	U.S. Treasury 2.625 05/15/21		2,000,000.00	101.406	2,028,125.00	(4,808.86)	(21,036.18)	(7,088.82)	2,007,088.82
CD-7984	10/02/20	CD	East West Bk CD 0.300 10/04/21		2,001,496.45	100.000	2,001,496.45	0.00	0.00	0.00	2,001,496.45
Total for 999 - Pooled Funds					4,001,496.45		4,029,621.45	(4,808.86)	(21,036.18)	(7,088.82)	4,008,585.27
Total for City of New Braunfels					14,143,650.35		14,171,775.35	(4,808.86)	(21,036.18)	(7,088.82)	14,150,739.17

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
101 - General Fund						
CD-7730-1	CD	Independent Bk CD 0.550 03/13/21	03/13/21	7,065.31	5,138,412.78	5,145,478.09
Total for 101 - General Fund				7,065.31	5,138,412.78	5,145,478.09
212 - NB Industrial Dev Corp						
CD-7984	CD	East West Bk CD 0.300 10/04/21	01/31/21	1,250.93	0.00	1,250.93
CD-7984	CD	East West Bk CD 0.300 10/04/21	02/28/21	1,250.93	0.00	1,250.93
CD-7984	CD	East West Bk CD 0.300 10/04/21	03/31/21	1,250.93	0.00	1,250.93
CD-7984	CD	East West Bk CD 0.300 10/04/21	04/30/21	1,250.93	0.00	1,250.93
CD-7984	CD	East West Bk CD 0.300 10/04/21	05/31/21	1,250.93	0.00	1,250.93
Total for 212 - NB Industrial Dev Corp				6,254.65	0.00	6,254.65
999 - Pooled Funds						
CD-7984	CD	East West Bk CD 0.300 10/04/21	01/31/21	500.37	0.00	500.37
CD-7984	CD	East West Bk CD 0.300 10/04/21	02/28/21	500.37	0.00	500.37
CD-7984	CD	East West Bk CD 0.300 10/04/21	03/31/21	500.37	0.00	500.37
CD-7984	CD	East West Bk CD 0.300 10/04/21	04/30/21	500.37	0.00	500.37
9128284P2	TREAS NOTE	U.S. Treasury 2.625 05/15/21	05/15/21	26,250.00	2,000,000.00	2,026,250.00
CD-7984	CD	East West Bk CD 0.300 10/04/21	05/31/21	500.37	0.00	500.37
Total for 999 - Pooled Funds				28,751.85	2,000,000.00	2,028,751.85

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
Total for All Portfolios						
			January 2021	1,751.30	0.00	1,751.30
			February 2021	1,751.30	0.00	1,751.30
			March 2021	8,816.61	5,138,412.78	5,147,229.39
			April 2021	1,751.30	0.00	1,751.30
			May 2021	28,001.30	2,000,000.00	2,028,001.30
Total Projected Cash Flows for City of New Braunfels				42,071.81	7,138,412.78	7,180,484.59