



**City of Killeen**

## **QUARTERLY INVESTMENT REPORT**

**For the Quarter Ended**

**March 31, 2021**

**Prepared by**

**Valley View Consulting, L.L.C.**

The investment portfolio of the City of Killeen is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

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Jonathan Locke, Executive Director of Finance

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Judith Tangalin, Controller

**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, 2020		March 31, 2021		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Demand Accounts	\$ 2,556,385	\$ 2,556,385	\$ 5,183,276	\$ 5,183,276	1.17%
Pools/MMA	20,224,990	20,224,990	27,155,934	27,155,934	0.15%
Securities/CDs	126,776,017	126,776,017	122,643,672	122,643,672	0.67%
<b>Totals</b>	<b>\$ 149,557,392</b>	<b>\$ 149,557,392</b>	<b>\$ 154,982,881</b>	<b>\$ 154,982,881</b>	<b>0.60%</b>

Current Quarter Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.60%	Total Portfolio	0.69%
Rolling Three Month Treasury	0.06%	Rolling Three Month Treasury	0.08%
Rolling Six Month Treasury	0.09%	Rolling Six Month Treasury	0.10%
TexPool	0.02%	TexPool	0.05%
<b>Interest Earnings (Approximate)</b>		<b>Bank Fees Offset</b>	
Quarterly	\$ 241,279	\$ 9,699	
Year-to-date	\$ 520,865	\$ 19,664	

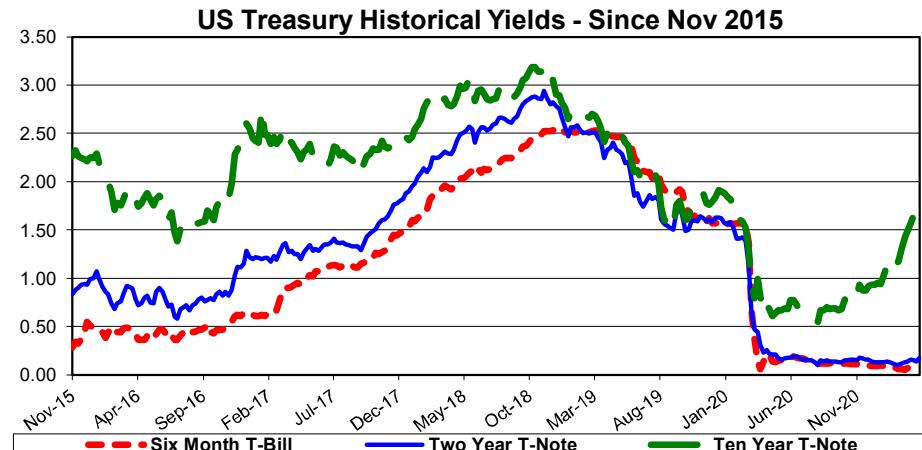
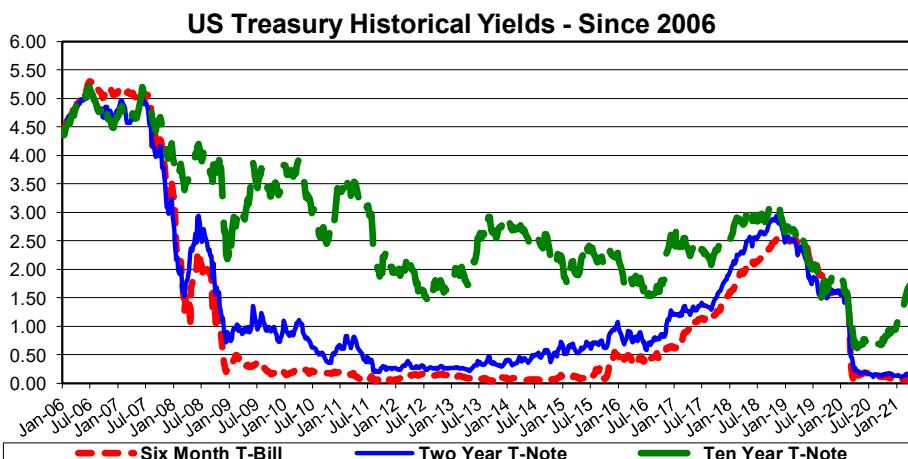
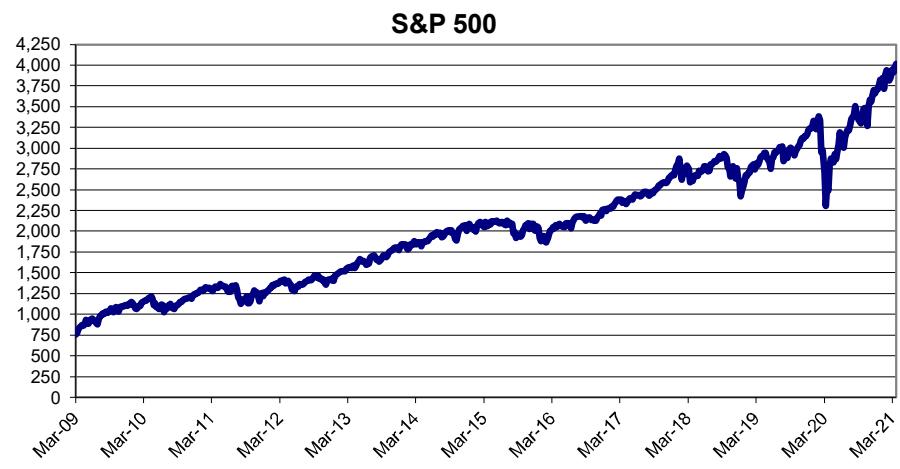
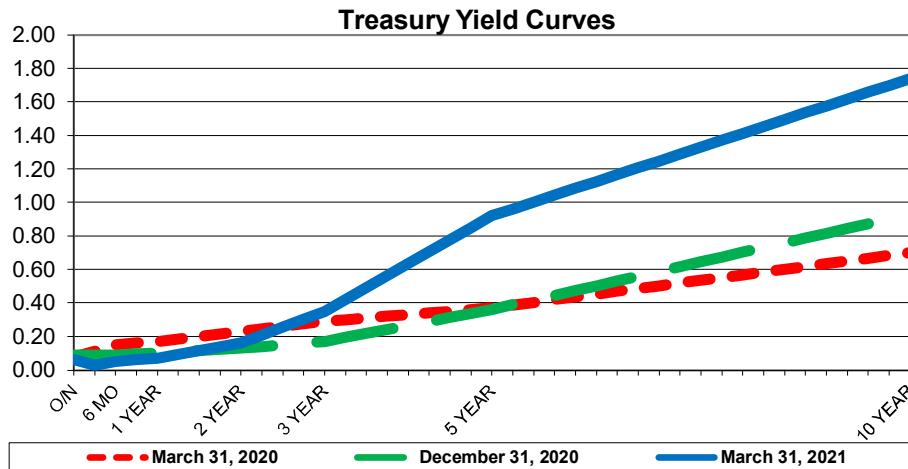
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values; does not reflect a total return analysis, realized or unrealized gains/losses, or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Weighted Average Yields** - 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

3/31/2021

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 projected that reduced rates could remain into 2023 or longer. Fourth Quarter GDP finalized at +4.3%. March Non Farm Payroll added 916k and Unemployment declined to 6.0%. Crude oil traded above \$60 per barrel. The Stock Markets reached new highs. Housing, Industrial Production, Durable Goods, Consumer Spending, and other indicators showed solid gains. An additional \$1.9 trillion stimulus package passed Congress and was signed by the President. The Yield Curve continued steepening on longer maturities.



## Investment Holdings

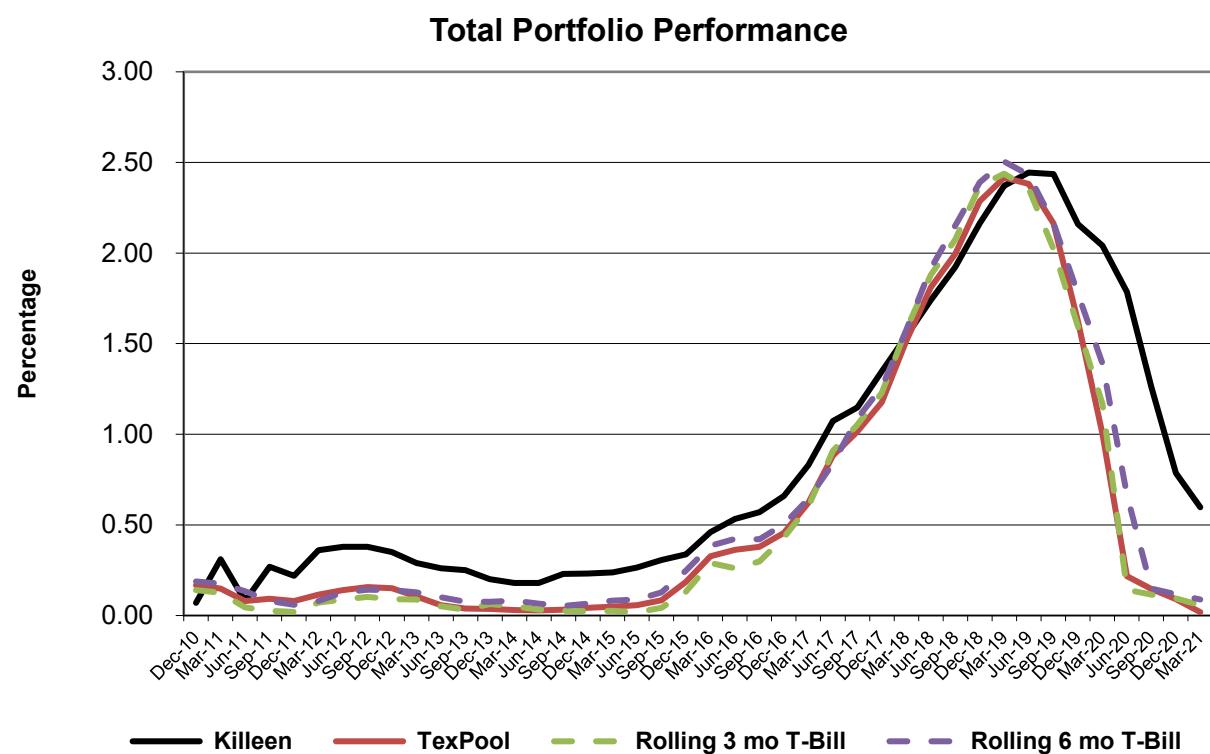
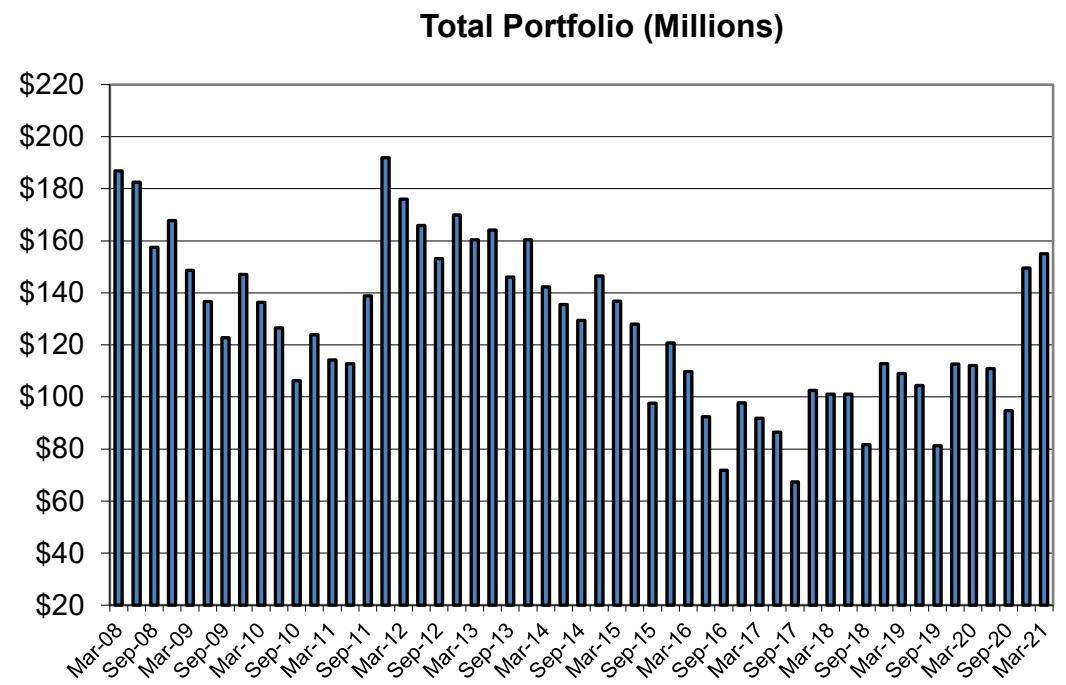
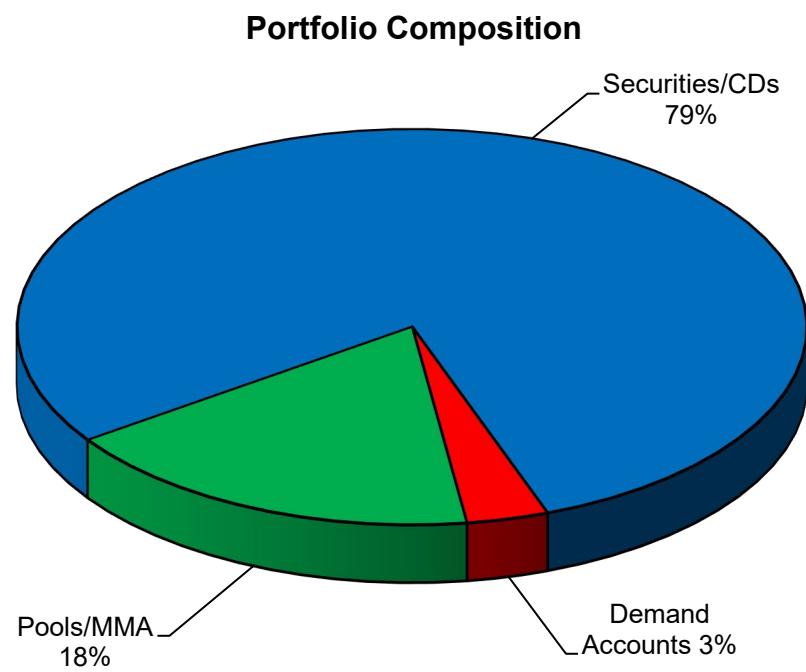
March 31, 2021

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
BBVA Demand Account (3)		1.17%	04/01/21	03/31/21	\$ 5,171,767	\$ 5,171,767	1.00	\$ 5,171,767	1	1.17%
Cash on Hand		0.00%	04/01/21	03/31/21	10,400	10,400	1.00	10,400	1	0.00%
Hometown Cash on Hand		0.00%	04/01/21	03/31/21	1,109	1,109	1.00	1,109	1	0.00%
BBVA MMA		0.03%	04/01/21	03/31/21	11,280,563	11,280,563	1.00	11,280,563	1	0.03%
LegacyTexas MMA		0.07%	04/01/21	03/31/21	71,812	71,812	1.00	71,812	1	0.07%
Veritex Community Bank MMA		0.10%	04/01/21	03/31/21	126,205	126,205	1.00	126,205	1	0.10%
NexBank MMA		0.45%	04/01/21	03/31/21	7,578,520	7,578,520	1.00	7,578,520	1	0.45%
TexSTAR	AAAm	0.02%	04/01/21	03/31/21	8,098,834	8,098,834	1.00	8,098,834	1	0.02%
BTH Bank CDARS		2.63%	04/08/21	04/11/19	2,106,646	2,106,646	100.00	2,106,646	8	2.66%
East West Bank CD		1.69%	05/03/21	12/19/19	1,021,952	1,021,952	100.00	1,021,952	33	1.70%
Central Nat'l Bank CD		2.40%	06/02/21	07/02/19	4,147,939	4,147,939	100.00	4,147,939	63	2.42%
Prosperity Bank CD		0.25%	06/10/21	12/10/20	2,001,233	2,001,233	100.00	2,001,233	71	0.25%
Bank OZK CD		0.50%	07/01/21	06/11/20	5,018,767	5,018,767	100.00	5,018,767	92	0.50%
Veritex Community Bank CD		1.67%	07/02/21	12/19/19	10,210,384	10,210,384	100.00	10,210,384	93	1.68%
Prosperity Bank CD		0.60%	08/02/21	07/03/20	5,015,135	5,015,135	100.00	5,015,135	124	0.60%
Bank OZK CD		0.50%	08/02/21	06/11/20	1,003,753	1,003,753	100.00	1,003,753	124	0.50%
East West Bank CD		1.71%	08/02/21	01/14/20	6,125,824	6,125,824	100.00	6,125,824	124	1.72%
East West Bank CD		1.70%	09/02/21	01/14/20	2,041,924	2,041,924	100.00	2,041,924	155	1.71%
East West Bank CD		0.24%	09/02/21	12/23/20	17,011,070	17,011,070	100.00	17,011,070	155	0.24%
East West Bank CD		0.26%	12/09/21	12/09/20	3,202,577	3,202,577	100.00	3,202,577	253	0.26%
Bank OZK CD		0.60%	01/04/22	05/12/20	3,015,051	3,015,051	100.00	3,015,051	279	0.60%
Central Nat'l Bank CD		1.66%	01/04/22	03/04/20	3,049,959	3,049,959	100.00	3,049,959	279	1.67%
Prosperity Bank CD		0.40%	03/01/22	08/11/20	2,505,044	2,505,044	100.00	2,505,044	335	0.40%
Prosperity Bank CD		0.40%	04/01/22	08/11/20	2,505,044	2,505,044	100.00	2,505,044	366	0.40%
Prosperity Bank CD		0.40%	05/03/22	09/01/20	1,001,985	1,001,985	100.00	1,001,985	398	0.40%
Prosperity Bank CD		0.40%	06/01/22	09/01/20	2,003,969	2,003,969	100.00	2,003,969	427	0.40%
Allegiance Bank CD		0.20%	06/09/22	12/09/20	6,203,058	6,203,058	100.00	6,203,058	435	0.20%
Bank OZK CD		0.25%	06/09/22	12/09/20	1,100,681	1,100,681	100.00	1,100,681	435	0.25%
Prosperity Bank CD		0.40%	07/01/22	09/01/20	5,435,459	5,435,459	100.00	5,435,459	457	0.40%
Veritex Community Bank CD		0.24%	07/01/22	2/5/2021	6,000,000	6,000,000	100.00	6,000,000	457	0.24%
Prosperity Bank CD		0.20%	08/01/22	3/3/2021	3,000,000	3,000,000	100.00	3,000,000	488	0.20%
Bank OZK CD		0.28%	08/01/22	12/02/20	6,004,158	6,004,158	100.00	6,004,158	488	0.28%
Veritex Community Bank CD		0.18%	08/02/22	12/23/20	3,001,332	3,001,332	100.00	3,001,332	489	0.18%
Veritex Community Bank CD		0.18%	09/01/22	12/23/20	5,002,219	5,002,219	100.00	5,002,219	519	0.18%
Veritex Community Bank CD		0.19%	09/30/22	12/23/20	5,002,342	5,002,342	100.00	5,002,342	548	0.19%
Bank OZK CD		0.28%	12/09/22	12/09/20	8,906,168	8,906,168	100.00	8,906,168	618	0.28%
					<b>\$154,982,881</b>	<b>\$154,982,881</b>		<b>\$154,982,881</b>	<b>239</b>	<b>0.60%</b>
									<b>(1)</b>	<b>(2)</b>

(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent 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 cash equivalent investments.

(3) **Bank Fees Offset Equivalent Yield** - Compensating balance in bank operating account yielded a blended equivalent investment yield as a result of Bank fees offset.



## Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/20	Increases	Decreases	Book Value 03/31/21	Market Value 12/31/20	Change in Market Value	Market Value 03/31/21
BBVA Demand Account	1.17%	04/01/21	\$ 2,544,876	\$ 2,626,891	\$ —	\$ 5,171,767	\$ 2,544,876	\$ 2,626,891	\$ 5,171,767
Cash on Hand	0.00%	04/01/21	10,400	—	—	10,400	10,400	—	10,400
Hometown Cash on Hand	0.00%	04/01/21	1,109	—	—	1,109	1,109	—	1,109
BBVA MMA	0.03%	04/01/21	9,003,636	2,276,927	—	11,280,563	9,003,636	2,276,927	11,280,563
LegacyTexas MMA	0.07%	04/01/21	71,794	18	—	71,812	71,794	18	71,812
Veritex Community Bank MMA	0.10%	04/01/21	126,156	49	—	126,205	126,156	49	126,205
NexBank MMA	0.45%	04/01/21	7,570,117	8,403	—	7,578,520	7,570,117	8,403	7,578,520
TexSTAR	0.02%	04/01/21	3,453,287	4,645,547	—	8,098,834	3,453,287	4,645,547	8,098,834
East West Bank CD	1.70%	01/04/21	4,064,972	—	(4,064,972)	—	4,064,972	(4,064,972)	—
BBVA Compass CD	2.03%	01/08/21	2,040,310	—	(2,040,310)	—	2,040,310	(2,040,310)	—
East West Bank CD	1.70%	02/01/21	2,035,405	—	(2,035,405)	—	2,035,405	(2,035,405)	—
Prosperity Bank CD	2.73%	02/01/21	2,096,992	—	(2,096,992)	—	2,096,992	(2,096,992)	—
Central Nat'l Bank CD	2.42%	03/02/21	3,092,248	—	(3,092,248)	—	3,092,248	(3,092,248)	—
BTH Bank CDARS	2.66%	04/08/21	2,093,029	13,617	—	2,106,646	2,093,029	13,617	2,106,646
East West Bank CD	1.70%	05/03/21	1,017,703	4,250	—	1,021,952	1,017,703	4,250	1,021,952
Central Nat'l Bank CD	2.42%	06/02/21	4,122,998	24,941	—	4,147,939	4,122,998	24,941	4,147,939
Prosperity Bank CD	0.25%	06/10/21	2,000,000	1,233	—	2,001,233	2,000,000	1,233	2,001,233
Bank OZK CD	0.50%	07/01/21	5,012,572	6,195	—	5,018,767	5,012,572	6,195	5,018,767
Veritex Community Bank CD	1.68%	07/02/21	10,168,512	41,872	—	10,210,384	10,168,512	41,872	10,210,384
Prosperity Bank CD	0.60%	08/02/21	5,007,562	7,573	—	5,015,135	5,007,562	7,573	5,015,135
Bank OZK CD	0.50%	08/02/21	1,002,514	1,239	—	1,003,753	1,002,514	1,239	1,003,753
East West Bank CD	1.72%	08/02/21	6,100,049	25,774	—	6,125,824	6,100,049	25,774	6,125,824
East West Bank CD	1.71%	09/02/21	2,033,333	8,591	—	2,041,924	2,033,333	8,591	2,041,924
East West Bank CD	0.24%	09/02/21	17,001,006	10,064	—	17,011,070	17,001,006	10,064	17,011,070
East West Bank CD	0.26%	12/09/21	3,200,524	2,052	—	3,202,577	3,200,524	2,052	3,202,577
Bank OZK CD	0.60%	01/04/22	3,010,587	4,464	—	3,015,051	3,010,587	4,464	3,015,051
Central Nat'l Bank CD	1.67%	01/04/22	3,037,563	12,396	—	3,049,959	3,037,563	12,396	3,049,959
Prosperity Bank CD	0.40%	03/01/22	2,502,521	2,523	—	2,505,044	2,502,521	2,523	2,505,044
Prosperity Bank CD	0.40%	04/01/22	2,502,521	2,523	—	2,505,044	2,502,521	2,523	2,505,044
Prosperity Bank CD	0.40%	05/03/22	1,000,997	987	—	1,001,985	1,000,997	987	1,001,985
Prosperity Bank CD	0.40%	06/01/22	2,001,995	1,975	—	2,003,969	2,001,995	1,975	2,003,969
Allegiance Bank CD	0.20%	06/09/22	6,200,000	3,058	—	6,203,058	6,200,000	3,058	6,203,058
Bank OZK CD	0.25%	06/09/22	1,100,000	681	—	1,100,681	1,100,000	681	1,100,681
Prosperity Bank CD	0.40%	07/01/22	5,430,103	5,356	—	5,435,459	5,430,103	5,356	5,435,459
Veritex Community Bank CD	0.24%	07/01/22	—	6,000,000	—	6,000,000	—	6,000,000	6,000,000
Prosperity Bank CD	0.20%	08/01/22	—	3,000,000	—	3,000,000	—	3,000,000	3,000,000
Bank OZK CD	0.28%	08/01/22	6,000,000	4,158	—	6,004,158	6,000,000	4,158	6,004,158
Veritex Community Bank CD	0.18%	08/02/22	3,000,000	1,332	—	3,001,332	3,000,000	1,332	3,001,332
Veritex Community Bank CD	0.18%	09/01/22	5,000,000	2,219	—	5,002,219	5,000,000	2,219	5,002,219

## Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/20	Increases	Decreases	Book Value 03/31/21	Market Value 12/31/20	Change in Market Value	Market Value 03/31/21
Veritex Community Bank CD	0.19%	09/30/22	5,000,000	2,342	–	5,002,342	5,000,000	2,342	5,002,342
Bank OZK CD	0.28%	12/09/22	8,900,000	6,168	–	8,906,168	8,900,000	6,168	8,906,168
<b>TOTAL/AVERAGE</b>	<b>0.60%</b>		<b>\$ 149,557,392</b>	<b>\$ 18,755,417</b>	<b>\$ (13,329,928)</b>	<b>\$ 154,982,881</b>	<b>\$ 149,557,392</b>	<b>\$ 5,425,490</b>	<b>\$ 154,982,881</b>

**Allocation**
**March 31, 2021**

<b>Book &amp; Market Value</b>	<b>Maturity Date</b>	<b>Total</b>	<b>Pooled Investments</b>	<b>General Fund</b>	<b>Special Revenue</b>	<b>Enterprise Funds</b>	<b>Employee Benefit Trust</b>
BBVA Demand Account	04/01/21	\$ 5,171,767	\$ 4,945,806	\$ —	\$ 93,890	\$ 22	\$ 132,049
Cash on Hand	04/01/21	10,400	—	4,400	2,000	4,000	—
Hometown Cash on Hand	04/01/21	1,109	—	1,109	—	—	—
BBVA MMA	04/01/21	11,280,563	11,280,563	—	—	—	—
LegacyTexas MMA	04/01/21	71,812	71,812	—	—	—	—
Veritex Community Bank MMA	04/01/21	126,205	126,205	—	—	—	—
NexBank MMA	04/01/21	7,578,520	7,578,520	—	—	—	—
TexSTAR	04/01/21	8,098,834	8,098,834	—	—	—	—
 BTH Bank CDARS	 04/08/21	 2,106,646	 2,106,646	 —	 —	 —	 —
East West Bank CD	05/03/21	1,021,952	1,021,952	—	—	—	—
Central Nat'l Bank CD	06/02/21	4,147,939	4,147,939	—	—	—	—
Prosperity Bank CD	06/10/21	2,001,233	2,001,233	—	—	—	—
Bank OZK CD	07/01/21	5,018,767	5,018,767	—	—	—	—
Veritex Community Bank CD	07/02/21	10,210,384	10,210,384	—	—	—	—
Prosperity Bank CD	08/02/21	5,015,135	5,015,135	—	—	—	—
Bank OZK CD	08/02/21	1,003,753	1,003,753	—	—	—	—
East West Bank CD	08/02/21	6,125,824	6,125,824	—	—	—	—
East West Bank CD	09/02/21	2,041,924	2,041,924	—	—	—	—
East West Bank CD	09/02/21	17,011,070	17,011,070	—	—	—	—
East West Bank CD	12/09/21	3,202,577	3,202,577	—	—	—	—
Bank OZK CD	01/04/22	3,015,051	3,015,051	—	—	—	—
Central Nat'l Bank CD	01/04/22	3,049,959	3,049,959	—	—	—	—
Prosperity Bank CD	03/01/22	2,505,044	2,505,044	—	—	—	—
Prosperity Bank CD	04/01/22	2,505,044	2,505,044	—	—	—	—
Prosperity Bank CD	05/03/22	1,001,985	1,001,985	—	—	—	—
Prosperity Bank CD	06/01/22	2,003,969	2,003,969	—	—	—	—
Allegiance Bank CD	06/09/22	6,203,058	6,203,058	—	—	—	—
Bank OZK CD	06/09/22	1,100,681	1,100,681	—	—	—	—
Prosperity Bank CD	07/01/22	5,435,459	5,435,459	—	—	—	—
Veritex Community Bank CD	07/01/22	6,000,000	6,000,000	—	—	—	—
Prosperity Bank CD	08/01/22	3,000,000	3,000,000	—	—	—	—
Bank OZK CD	08/01/22	6,004,158	6,004,158	—	—	—	—
Veritex Community Bank CD	08/02/22	3,001,332	3,001,332	—	—	—	—
Veritex Community Bank CD	09/01/22	5,002,219	5,002,219	—	—	—	—
Veritex Community Bank CD	09/30/22	5,002,342	5,002,342	—	—	—	—
Bank OZK CD	12/09/22	8,906,168	8,906,168	—	—	—	—
 <b>Totals</b>		<b>\$ 154,982,881</b>	<b>\$ 154,745,411</b>	<b>\$ 5,509</b>	<b>\$ 95,890</b>	<b>\$ 4,022</b>	<b>\$ 132,049</b>

**Allocation** **December 31, 2020**

<b>Book &amp; Market Value</b>	<b>Maturity Date</b>	<b>Total</b>	<b>Pooled Investments</b>	<b>General Fund</b>	<b>Special Revenue</b>	<b>Enterprise Funds</b>	<b>Employee Benefit Trust</b>
BBVA Demand Account	01/01/21	\$ 2,544,876	\$ 2,365,892	\$ —	\$ 82,705	\$ 18	\$ 96,262
Cash on Hand	01/01/21	10,400	—	4,400	2,000	4,000	—
Hometown Cash on Hand	01/01/21	1,109	—	1,109	—	—	—
BBVA MMA	01/01/21	9,003,636	9,003,636	—	—	—	—
LegacyTexas MMA	01/01/21	71,794	71,794	—	—	—	—
Veritex Community Bank MMA	01/01/21	126,156	126,156	—	—	—	—
NexBank MMA	01/01/21	7,570,117	7,570,117	—	—	—	—
TexSTAR	01/01/21	3,453,287	3,453,287	—	—	—	—
East West Bank CD	01/04/21	4,064,972	4,064,972	—	—	—	—
BBVA Compass CD	01/08/21	2,040,310	2,040,310	—	—	—	—
East West Bank CD	02/01/21	2,035,405	2,035,405	—	—	—	—
Prosperity Bank CD	02/01/21	2,096,992	2,096,992	—	—	—	—
Central National Bank CD	03/02/21	3,092,248	3,092,248	—	—	—	—
BTH Bank CDARS	04/08/21	2,093,029	2,093,029	—	—	—	—
East West Bank CD	05/03/21	1,017,703	1,017,703	—	—	—	—
Central National Bank CD	06/02/21	4,122,998	4,122,998	—	—	—	—
Prosperity Bank CD	06/10/21	2,000,000	2,000,000	—	—	—	—
Bank OZK CD	07/01/21	5,012,572	5,012,572	—	—	—	—
Veritex Community Bank CD	07/02/21	10,168,512	10,168,512	—	—	—	—
Prosperity Bank CD	08/02/21	5,007,562	5,007,562	—	—	—	—
Bank OZK CD	08/02/21	1,002,514	1,002,514	—	—	—	—
East West Bank CD	08/02/21	6,100,049	6,100,049	—	—	—	—
East West Bank CD	09/02/21	2,033,333	2,033,333	—	—	—	—
East West Bank CD	09/02/21	17,001,006	17,001,006	—	—	—	—
East West Bank CD	12/09/21	3,200,524	3,200,524	—	—	—	—
Bank OZK CD	01/04/22	3,010,587	3,010,587	—	—	—	—
Central Nat'l Bank CD	01/04/22	3,037,563	3,037,563	—	—	—	—
Prosperity Bank CD	03/01/22	2,502,521	2,502,521	—	—	—	—
Prosperity Bank CD	04/01/22	2,502,521	2,502,521	—	—	—	—
Prosperity Bank CD	05/03/22	1,000,997	1,000,997	—	—	—	—
Prosperity Bank CD	06/01/22	2,001,995	2,001,995	—	—	—	—
Allegiance Bank CD	06/09/22	6,200,000	6,200,000	—	—	—	—
Bank OZK CD	06/09/22	1,100,000	1,100,000	—	—	—	—
Prosperity Bank CD	07/01/22	5,430,103	5,430,103	—	—	—	—
Bank OZK CD	08/01/22	6,000,000	6,000,000	—	—	—	—
Veritex Community Bank CD	08/02/22	3,000,000	3,000,000	—	—	—	—
Veritex Community Bank CD	09/01/22	5,000,000	5,000,000	—	—	—	—
Veritex Community Bank CD	09/30/22	5,000,000	5,000,000	—	—	—	—
Bank OZK CD	12/09/22	8,900,000	8,900,000	—	—	—	—
<b>Totals</b>		<b>\$ 149,557,392</b>	<b>\$ 149,366,899</b>	<b>\$ 5,509</b>	<b>\$ 84,705</b>	<b>\$ 4,018</b>	<b>\$ 96,262</b>