



PUBLIC FUNDS ADVISORY

City of Killeen

Quarterly Investment Report

PRESENTED BY:

SCOTT GRUBER, CMT - DIRECTOR, ADVISORY SERVICES

DECEMBER 31, 2024



MEEDER
PUBLIC FUNDS

Compliance Certification



The undersigned have acknowledged that they have reviewed this quarterly investment report for the period ending December 31, 2024. The City officials designated as investment officers by the City’s Investment Policy attest that all investments are in compliance with the Texas Public Funds Investment Act and the City’s Investment Policy.

Executive Director of Finance

Assistant Director of Executive Finance

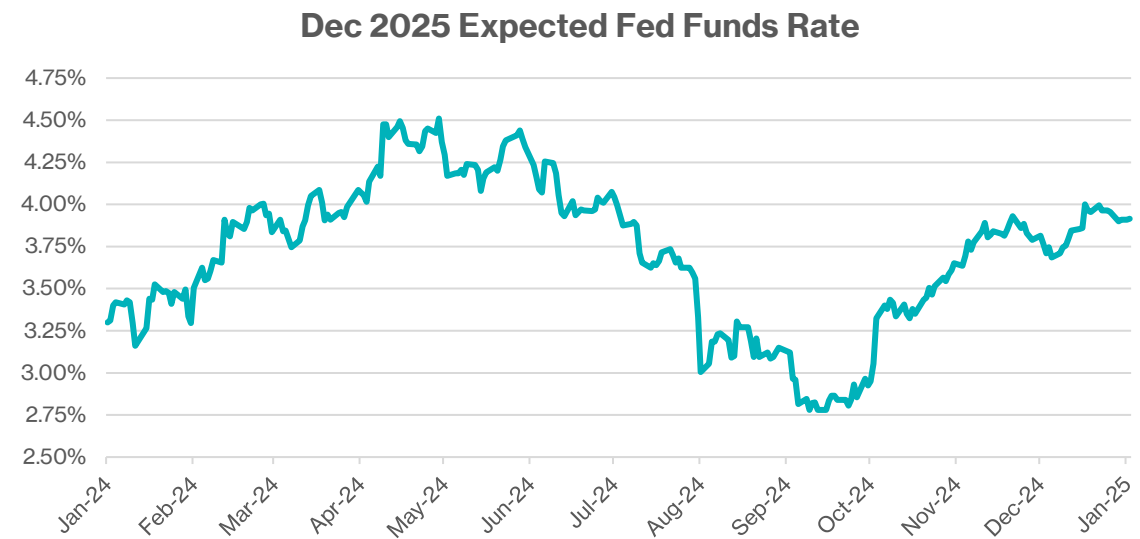
Controller

OBSERVATIONS AND EXPECTATIONS

- Market participants are expecting only ~1.5 Federal Reserve rate cuts for 2025
- Weekly unemployment claims remain near historically low levels
- Inflation has been trending higher the past few months
- U.S. Treasury rates were mixed for December--shorter rates lower, longer higher

What the Futures Market is Expecting from the Federal Reserve For 2025

- The Fed Funds futures market continually prices where it expects the Funds rate to be heading.
- At the end of December 2024, the futures market was showing only about 1.5 0.25% Fed cuts in 2025.

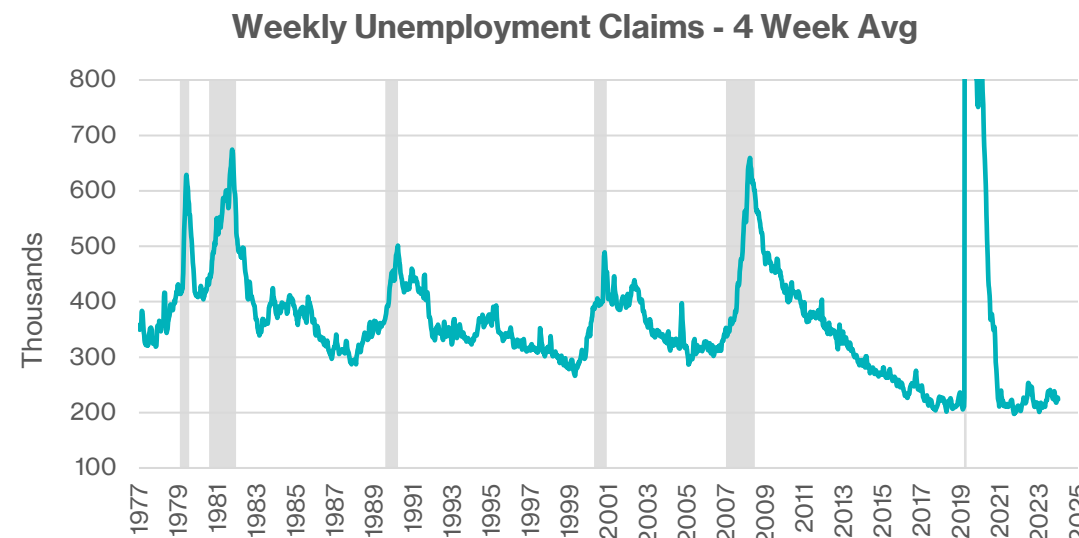


SOURCES: BLOOMBERG, CME

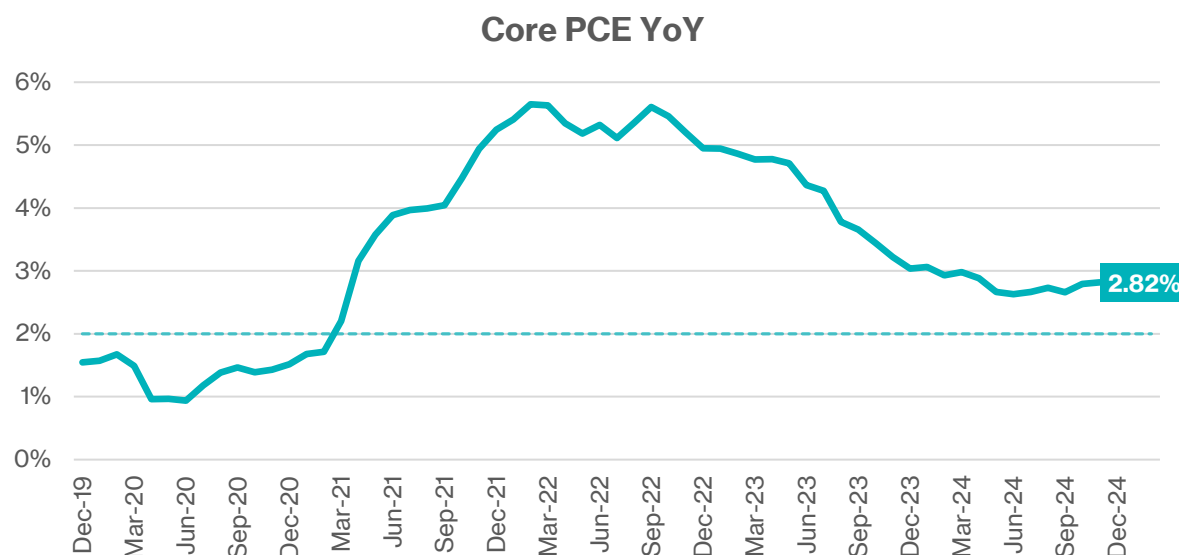
Labor Market Remains Resilient With Low Unemployment Claims

- Weekly unemployment claims remain near historically low levels.
- The Federal Reserve and many economists were expecting rate hikes to have taken more of a toll on the labor market.
- That has not been the case.

SOURCE: BLOOMBERG, DEPARTMENT OF LABOR – GRAPH AXIS IS CUT OFF DUE TO COVID DATA
EXTREME LEVELS – SHADED AREAS ARE RECESSIONS



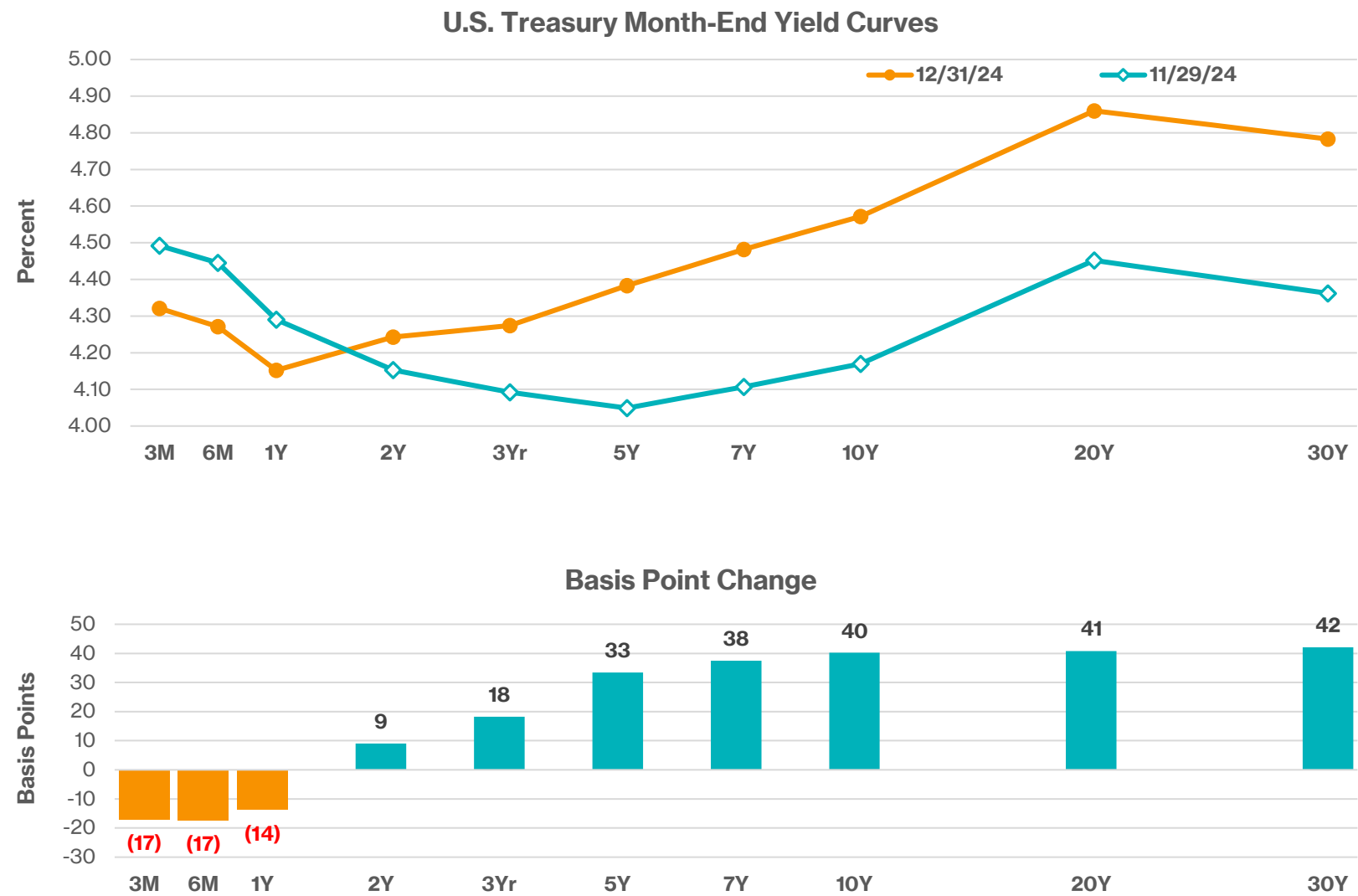
Core Personal Consumption Expenditures Trending Higher



- Core Personal Consumption Expenditure YoY is the Fed's preferred inflation gauge. Core excludes food and energy components.
- Core PCE YoY is currently at 2.8%, not quite at the Fed's 2% target, but far below the 5.6% peak in 2022.
- The Fed expects Core PCE YoY will most likely get much closer to the Fed's 2% in the first half of 2025.

SOURCES: BLOOMBERG, BUREAU OF ECONOMIC ANALYSIS

Treasury Rates Were Mixed for the Month of December





PORTFOLIO REVIEW

Quarterly Portfolio Summary – All Funds



This quarterly report is prepared in compliance with the Investment Policy and Strategy of the City of Killeen and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

Portfolio as of September 30, 2024		Portfolio as of December 31, 2024	
Beginning Book Value	\$231,315,157	Ending Book Value	\$246,448,330
Beginning Market Value	\$233,707,257	Ending Market Value	\$246,431,458
Unrealized Gain/(Loss)	\$2,392,100	Unrealized Gain/(Loss)	(\$16,872)
		Change in Unrealized Gain/(Loss)	(\$2,408,972)
Weighted Average Maturity	636 days	Weighted Average Maturity	521 days
Weighted Average Yield	4.55%	Weighted Average Yield	4.40%

Portfolio Market Value by Fund	9/30/2024	12/31/2024	Change
Pooled Investments	\$233,361,314.76	\$246,021,072.07	\$12,659,757.31
Internal Services Fund	\$159,000.00	\$157,970.98	(\$1,029.02)
Employee Benefits Trust Fund	\$0.00	\$0.00	\$0.00
Enterprise Funds	\$4,000.78	\$204.09	(\$3,796.69)
General Fund	\$182,941.60	\$252,211.15	\$69,269.55
Special Revenue Fund	\$0.00	\$0.00	\$0.00
Total	\$233,707,257.14	\$246,431,458.29	\$12,724,201.15

Portfolio Summary – Investment Pool

As of 12/31/2024



Your Portfolio

Cash/LGIPs	\$59,206,184
Securities Book Value	\$186,831,760
Total Portfolio Book Value	\$246,037,944

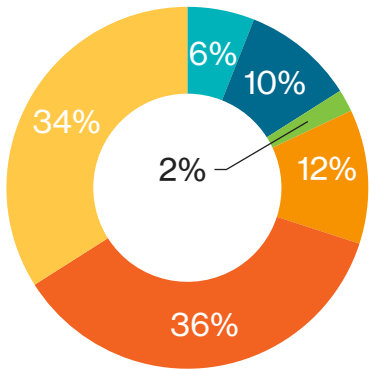
Your Securities

Weighted Average Maturity	1.43 years
Weighted Average Yield	4.41%

Interest Earnings:

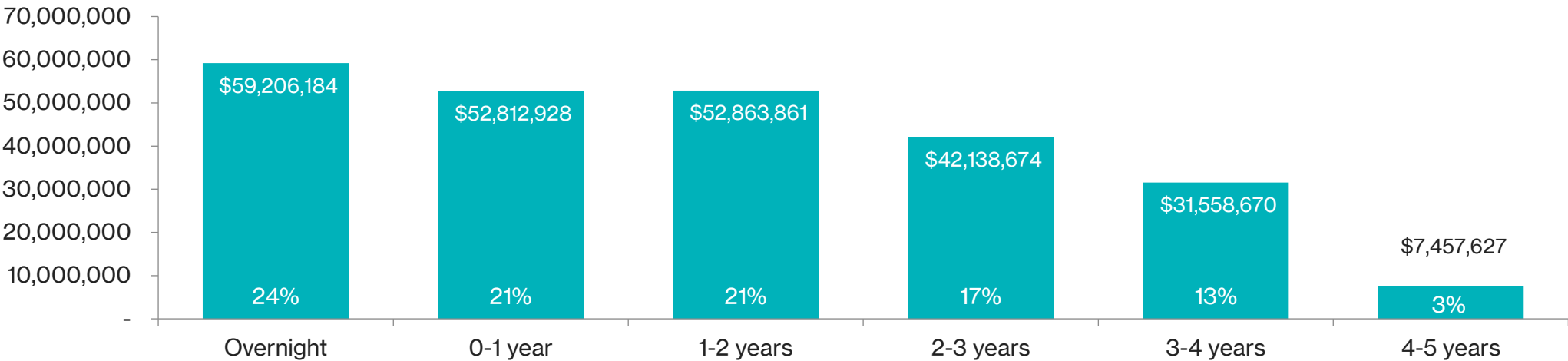
Quarterly Interest Earned	\$2,777,229
Year-to-date Interest Earned	\$2,777,229

Your Asset Allocation



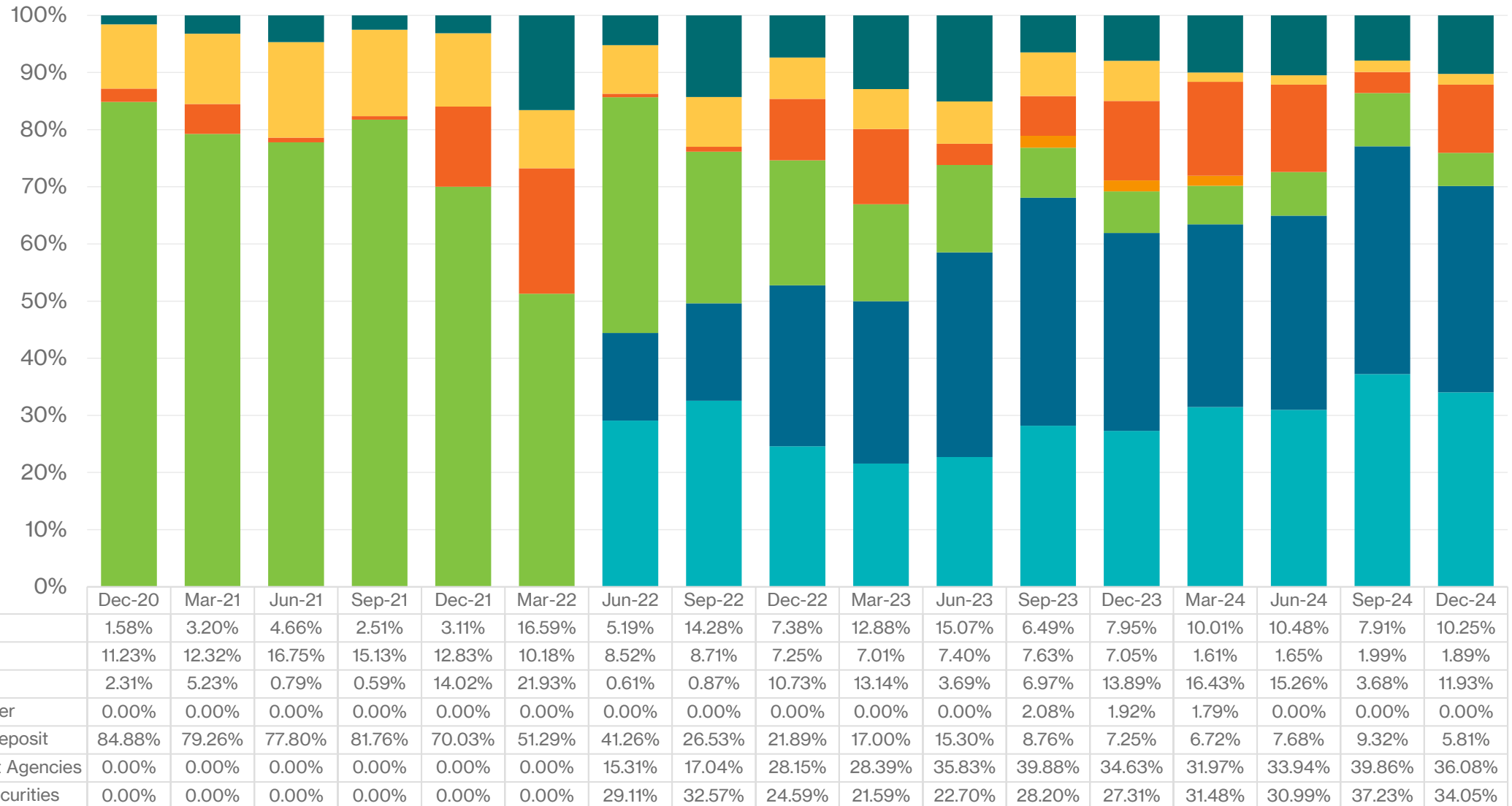
- Certificates of Deposit
- Cash & Equivalents
- Money market
- Local Government Investment Pools
- US Government Agencies
- US Treasuries

Your Maturity Distribution



YIELD AND INTEREST INCOME INFORMATION IS ANNUALIZED. ALL YIELD INFORMATION IS SHOWN GROSS OF ANY ADVISORY AND CUSTODY FEES AND IS BASED ON YIELD TO MATURITY AT COST. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Asset Composition



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