



PUBLIC FUNDS ADVISORY

City of Killeen

Quarterly Investment Report

PRESENTED BY:

SCOTT GRUBER, CMT - DIRECTOR, ADVISORY SERVICES

DECEMBER 31, 2025



MEEDER
PUBLIC FUNDS

Compliance Certification



The undersigned have acknowledged that they have reviewed this quarterly investment report for the period ending December 31, 2025. 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

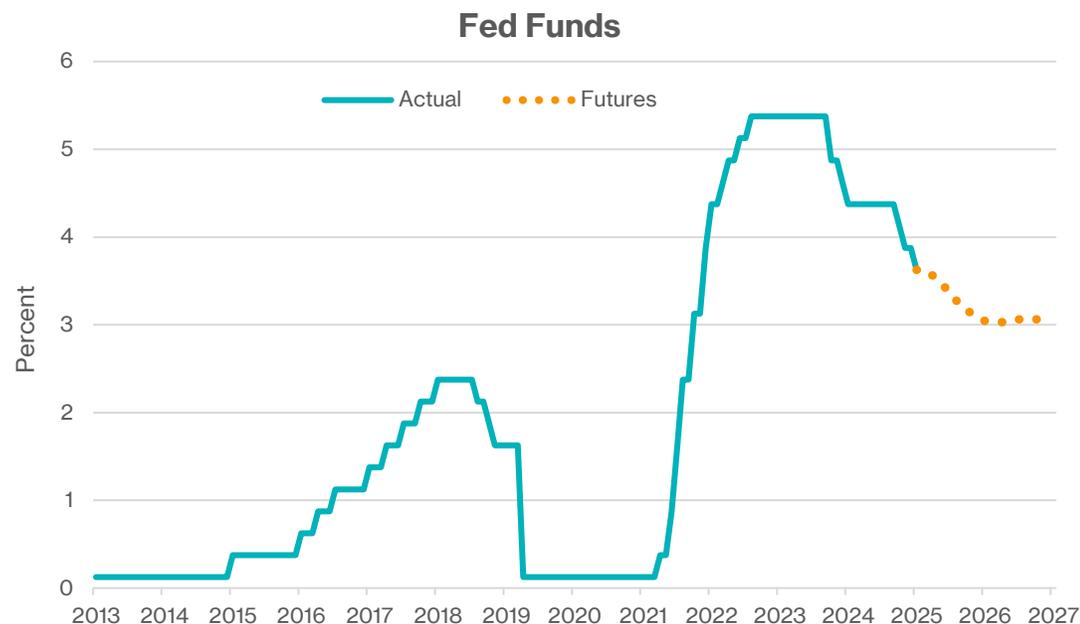
Assistant Director of Executive Finance

Controller

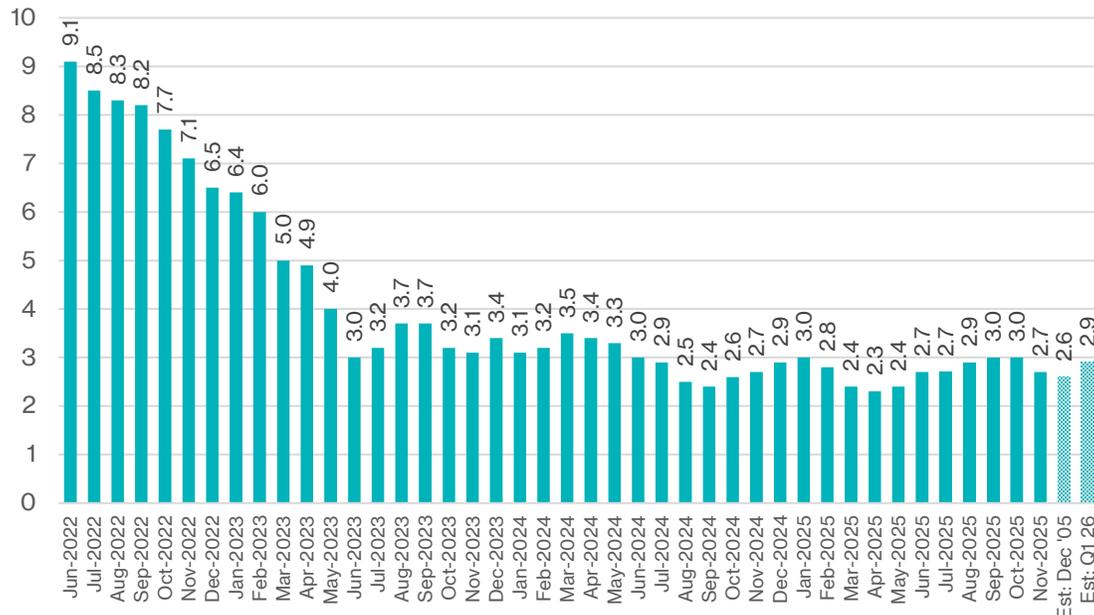
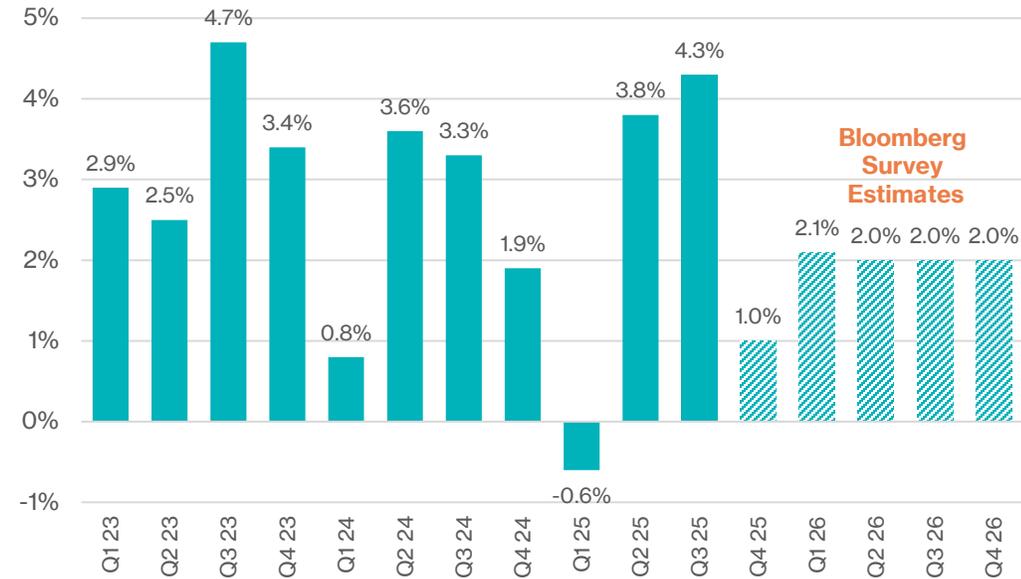
OBSERVATIONS AND EXPECTATIONS

- Interest rates across the yield curve were lower for 2025, except for the 30-Yr T-Bond
- Softening of the labor market was the primary catalyst for lower rates
- GDP continued to grow strongly in Q3 2025, posting a 4.3% rate
- The futures market is projecting the Fed Funds rate to bottom out around 3% in 2026-27
- Inflation remains sticky and above the Fed 2 percent target rate

- The Fed Funds futures market is expecting two .25% rate cuts during 2026.
- The Federal Reserve's median Dot Plot shows only one cut for 2026.



- Economists surveyed by Bloomberg are expecting a slowing of GDP for Q4 2025 due to the federal government shutdown.
- Consumer spending, which comprises about 70% of U.S. economic activity, is projected to remain positive for 2026, especially spending by those in the upper-half of income levels.

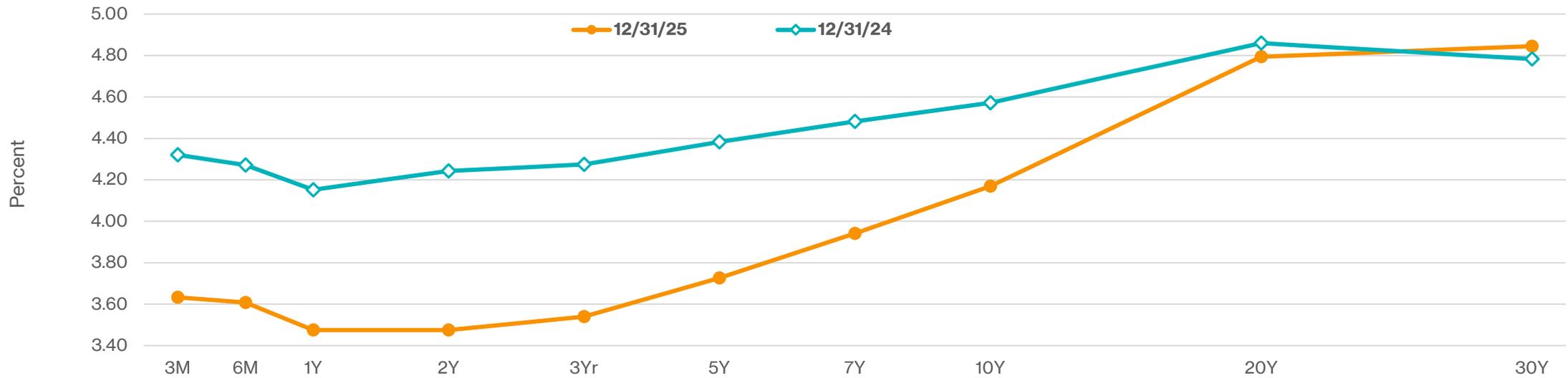
CPI YoY Percent

Real GDP QoQ


SOURCES: BLOOMBERG

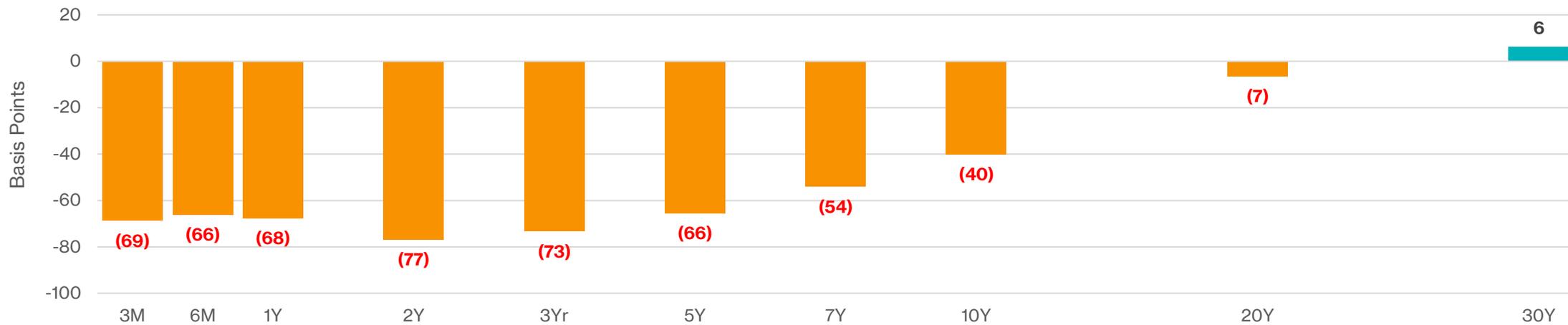
- Inflation remains above the Fed's 2% target on a year-over-year basis.
- Bloomberg's survey of economists predicts inflation will climb in the first part of 2026.

SOURCE: BLOOMBERG

U.S. Treasury Yield Curve Change



Basis Point Change





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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, 2025		Portfolio as of December 31, 2025	
Beginning Book Value	\$285,761,373	Ending Book Value	\$333,268,156
Beginning Market Value	\$287,119,929	Ending Market Value	\$335,003,094
Unrealized Gain/(Loss)	\$1,358,556	Unrealized Gain/(Loss)	\$1,734,939
		Change in Unrealized Gain/(Loss)	\$133,459
Weighted Average Maturity	500 days	Weighted Average Maturity	439 days
Weighted Average Yield	4.27%	Weighted Average Yield	4.03%

Portfolio Market Value by Fund	9/30/2025	12/31/2025	Change
Pooled Investments	\$286,292,061.65	\$334,549,442.42	\$48,257,380.77
Internal Services Fund	\$189,553.28	\$188,208.53	(\$1,344.75)
Enterprise Funds	\$261.47	\$289.27	\$27.80
General Fund	\$308,081.11	\$265,153.94	(\$42,927.17)
Total	\$286,789,957.51	\$335,003,094.16	\$48,213,136.65

Portfolio Summary – Investment Pool

As of 12/31/2025

Your Portfolio

Cash/LGIPs	\$123,947,102
Securities Book Value	\$208,867,402
Total Portfolio Book Value	\$332,814,504

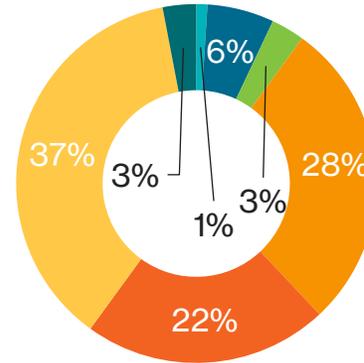
Your Securities

Weighted Average Maturity	1.21 years
Weighted Average Yield	4.04%

Interest Earnings:

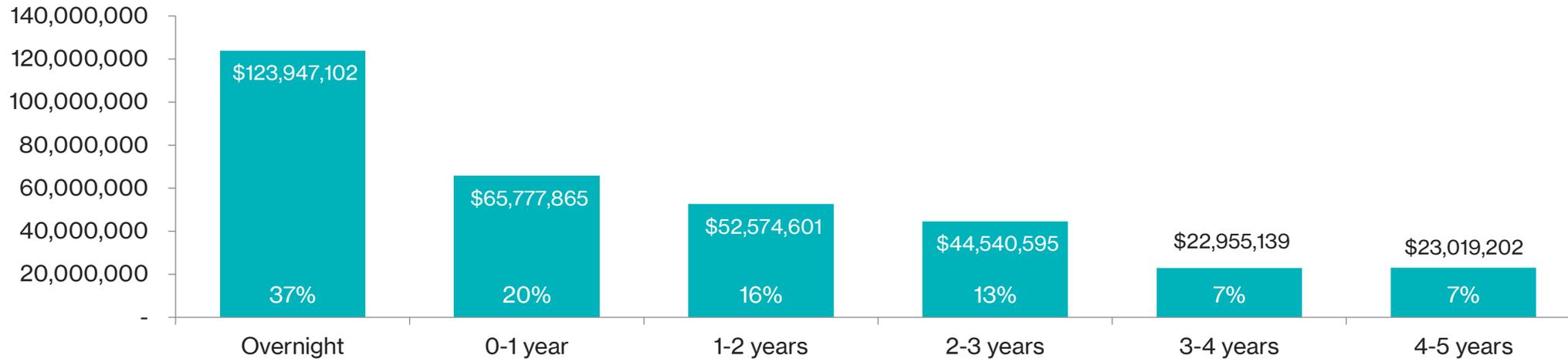
Quarterly Interest Earned	\$3,098,789
Year-to-date Interest Earned	\$3,098,789

Your Asset Allocation



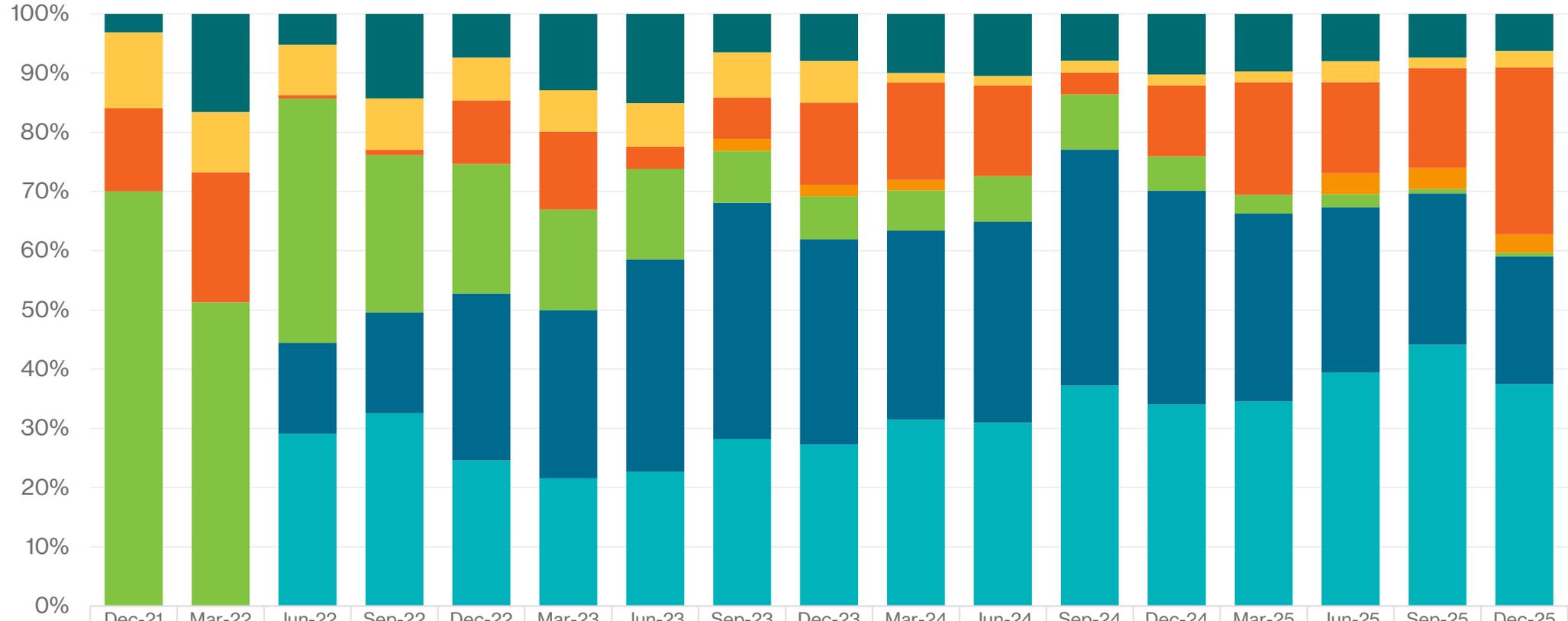
- Certificates of Deposit
- Cash & Equivalents
- Money market
- Local Government Investment Pools
- US Government Agencies
- US Treasuries
- Commercial Paper

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



	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
■ Cash	3.11%	16.59%	5.19%	14.28%	7.38%	12.88%	15.07%	6.49%	7.95%	10.01%	10.48%	7.91%	10.25%	9.70%	7.98%	7.36%	6.28%
■ Money Market	12.83%	10.18%	8.52%	8.71%	7.25%	7.01%	7.40%	7.63%	7.05%	1.61%	1.65%	1.99%	1.89%	1.84%	3.55%	1.77%	2.77%
■ LGIPs	14.02%	21.93%	0.61%	0.87%	10.73%	13.14%	3.69%	6.97%	13.89%	16.43%	15.26%	3.68%	11.93%	19.00%	15.39%	16.89%	28.19%
■ Commercial Paper	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.08%	1.92%	1.79%	0.00%	0.00%	0.00%	0.00%	3.52%	3.57%	3.08%
■ Certificates of Deposit	70.03%	51.29%	41.26%	26.53%	21.89%	17.00%	15.30%	8.76%	7.25%	6.72%	7.68%	9.32%	5.81%	3.15%	2.21%	0.72%	0.62%
■ U.S. Government Agencies	0.00%	0.00%	15.31%	17.04%	28.15%	28.39%	35.83%	39.88%	34.63%	31.97%	33.94%	39.86%	36.08%	31.73%	27.89%	25.54%	21.59%
■ U.S. Treasury Securities	0.00%	0.00%	29.11%	32.57%	24.59%	21.59%	22.70%	28.20%	27.31%	31.48%	30.99%	37.23%	34.05%	34.59%	39.46%	44.16%	37.46%

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