



City of Killeen

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 30, 2015

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.



Executive Director of Finance



Assistant Director of Finance

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.

Strategy Summary:

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded +/-10 bps). The 2015 first quarter GDP was re-revised to -0.2%. The European Central Bank (ECB) Quantitative Easing plan continues. The June new payroll numbers recorded 223k with downward revisions of the previous two months. US stock markets maintained current levels. Greece debt default, and the referendum vote rejecting austerity plans, increased Euro uncertainty. Slower Chinese economic activity and stock market declines hamper long term outlooks. The FOMC met June 16 and 17 with no change in policy. With excess cash, continuing to ladder provides strategic advantage. Financial institution deposits generally provide the best interest earnings opportunity, if available.

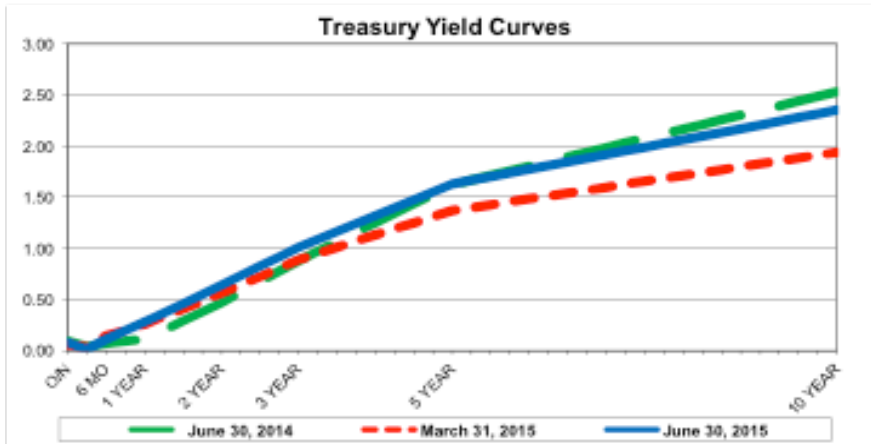
Quarter End Results by Investment Category:

Asset Type	Ave. Yield	June 30, 2015		March 31, 2015	
		Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.27%	\$ 10,659,212	\$ 10,659,212	\$ 6,554,641	\$ 6,554,641
Pools/MMA	0.16%	86,732,802	86,732,802	99,615,904	99,615,904
Securities/CDs	0.57%	30,611,407	30,611,407	30,600,042	30,600,042
Totals		\$ 128,003,421	\$ 128,003,421	\$ 136,770,587	\$ 136,770,587

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.26%	Total Portfolio	0.24%
Rolling Three Mo. Treas. Yield	0.02%	Rolling Three Mo. Treas. Yield	0.02%
Rolling Six Mo. Treas. Yield	0.09%	Rolling Six Mo. Treas. Yield	0.08%
		Quarterly TexPool Yield	0.05%
		Interest Income	Bank Fees Offset
	Quarterly	\$ 73,677	\$ 7,299
	Year-to-date	\$ 223,984	\$ 24,861

(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(2) Fiscal Year-to-Date 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.



Detail of Holdings

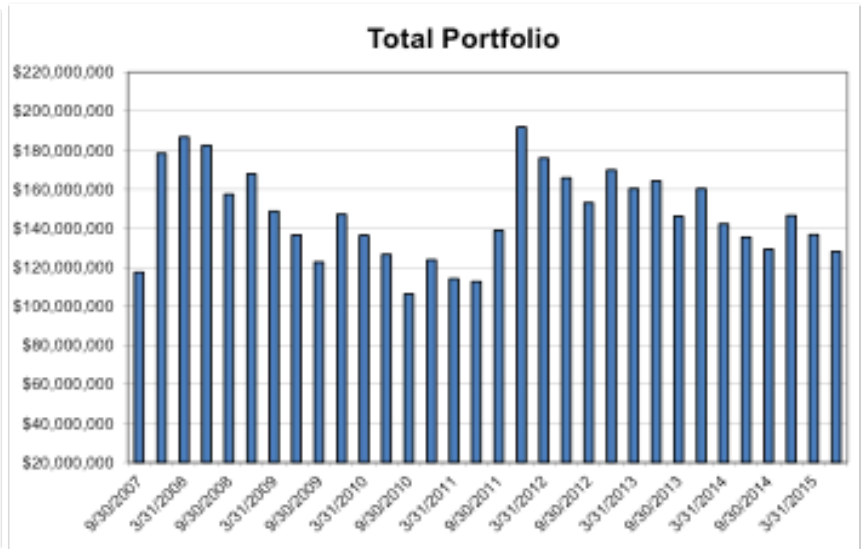
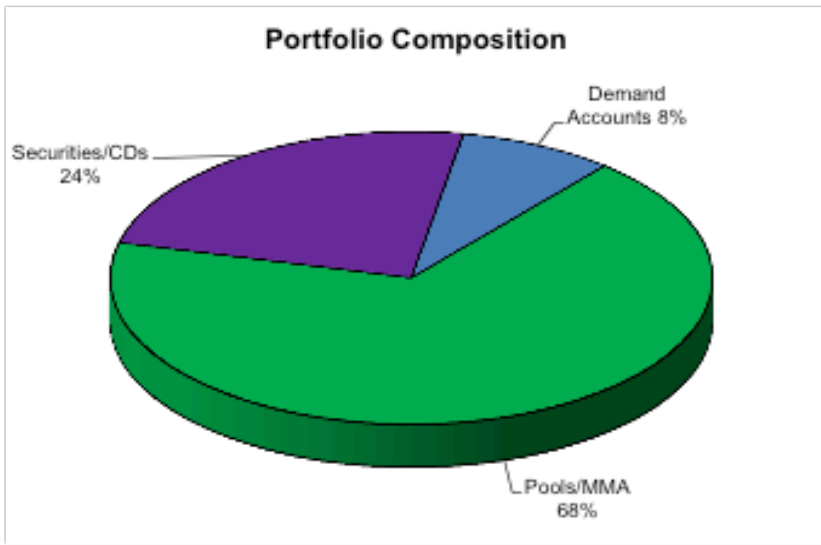
June 30, 2015

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
BBVA Demand Account (3)		0.27%	07/01/15	06/30/15	10,648,121	\$ 10,648,121	1.00	\$ 10,648,121	1	0.27%
Union State Bank		0.15%	07/01/15	06/30/15	11,091	11,091	1.00	11,091	1	0.15%
BBVA Compass MMA 3		0.23%	07/01/15	06/30/15	5,025,305	5,025,305	1.00	5,025,305	1	0.23%
BBVA Compass MMA 4		0.28%	07/01/15	06/30/15	14,585,774	14,585,774	1.00	14,585,774	1	0.28%
FILA (IDP)		0.22%	07/01/15	06/30/15	7,012,032	7,012,032	1.00	7,012,032	1	0.22%
FILA (IDP) 2		0.21%	07/01/15	06/30/15	12,020,551	12,020,551	1.00	12,020,551	1	0.21%
Comerica MMA		0.15%	07/01/15	06/30/15	3,153,888	3,153,888	1.00	3,153,888	1	0.15%
Southside Bank MMA		0.21%	07/01/15	06/30/15	7,082,178	7,082,178	1.00	7,082,178	1	0.21%
TexasTerm	AAAm	0.10%	07/01/15	06/30/15	394,223	394,223	1.00	394,223	1	0.10%
TexPool	AAAm	0.06%	07/01/15	06/30/15	33,813,166	33,813,166	1.00	33,813,166	1	0.06%
TexStar	AAAm	0.07%	07/01/15	06/30/15	3,645,686	3,645,686	1.00	3,645,686	1	0.07%
Central National Bank CD		0.61%	09/05/15	09/05/14	2,009,139	2,009,139	100.00	2,009,139	67	0.61%
Independent Bank CD		0.38%	09/09/15	09/09/14	3,008,535	3,008,535	100.00	3,008,535	71	0.38%
Independent Bank CD		0.38%	09/09/15	09/09/14	3,008,535	3,008,535	100.00	3,008,535	71	0.38%
Independent Bank CD		0.37%	09/17/15	06/17/14	3,018,952	3,018,952	100.00	3,018,952	79	0.37%
Independent Bank CD		0.55%	12/12/15	09/12/14	3,012,358	3,012,358	100.00	3,012,358	165	0.55%
Independent Bank CD		0.35%	03/04/16	03/04/15	1,501,323	1,501,323	100.00	1,501,323	248	0.35%
Central National Bank CD		0.74%	03/05/16	09/05/14	2,011,090	2,011,090	100.00	2,011,090	249	0.74%
Southside Bank CD		0.60%	03/08/16	09/08/14	1,004,494	1,004,494	100.00	1,004,494	252	0.60%
Central National Bank CD		0.55%	05/06/16	05/06/15	2,500,000	2,500,000	100.00	2,500,000	311	0.55%
Independent Bank CD		0.55%	06/04/16	03/04/15	2,503,466	2,503,466	100.00	2,503,466	340	0.55%
Southside Bank CD		0.70%	09/08/16	09/08/14	1,005,245	1,005,245	100.00	1,005,245	436	0.70%
Comerica Bank CD		0.72%	09/08/16	09/08/14	2,010,796	2,010,796	100.00	2,010,796	436	0.72%
Comerica Bank CD		0.80%	03/02/17	03/02/15	2,004,036	2,004,036	100.00	2,004,036	611	0.80%
Central National Bank CD		0.95%	04/26/17	04/26/15	2,013,439	2,013,439	100.00	2,013,439	666	0.95%
					\$ 128,003,421	\$ 128,003,421		\$ 128,003,421	63	0.26%
									(1)	(2)

(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 Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2015		Purchases/ Adjustments	Sales/Adjust/ Maturities	June 30, 2015	
			Par Value	Book Value			Par Value	Book Value
BBVA Demand Account	0.27%	07/01/15	\$ 6,543,555	\$ 6,543,555	\$ 4,104,566	\$ -	\$ 10,648,121	\$ 10,648,121
Union State Bank	0.15%	07/01/15	11,086	11,086	4		11,091	11,091
BBVA Compass MMA 3	0.23%	07/01/15	5,023,063	5,023,063	2,242		5,025,305	5,025,305
BBVA Compass MMA 4	0.28%	07/01/15	14,575,865	14,575,865	9,910		14,585,774	14,585,774
FILA (IDP)	0.22%	07/01/15	7,008,246	7,008,246	3,785		7,012,032	7,012,032
FILA (IDP) 2	0.21%	07/01/15	12,014,062	12,014,062	6,489		12,020,551	12,020,551
Comerica MMA	0.15%	07/01/15	3,152,708	3,152,708	1,179		3,153,888	3,153,888
Southside Bank MMA	0.21%	07/01/15	10,077,048	10,077,048		(2,994,870)	7,082,178	7,082,178
TexasTerm	0.10%	07/01/15	645,055	645,055		(250,831)	394,223	394,223
TexPool	0.06%	07/01/15	43,474,796	43,474,796		(9,661,630)	33,813,166	33,813,166
TexStar	0.07%	07/01/15	3,645,061	3,645,061	625		3,645,686	3,645,686
Central National Bank CD	0.31%	04/26/15	2,011,901	2,011,901		(2,011,901)		
Comerica Bank CD	0.53%	04/27/15	2,525,498	2,525,498		(2,525,498)		
Central National Bank CD	0.61%	09/05/15	2,006,054	2,006,054	3,084		2,009,139	2,009,139
Independent Bank CD	0.38%	09/09/15	3,005,656	3,005,656	2,879		3,008,535	3,008,535
Independent Bank CD	0.38%	09/09/15	3,005,656	3,005,656	2,879		3,008,535	3,008,535
Independent Bank CD	0.37%	09/17/15	3,016,139	3,016,139	2,813		3,018,952	3,018,952
Independent Bank CD	0.55%	12/12/15	3,008,188	3,008,188	4,170		3,012,358	3,012,358
Independent Bank CD	0.35%	03/04/16	1,500,000	1,500,000	1,323		1,501,323	1,501,323
Central National Bank CD	0.74%	03/05/16	2,007,346	2,007,346	3,744		2,011,090	2,011,090
Southside Bank CD	0.60%	03/08/16	1,002,978	1,002,978	1,517		1,004,494	1,004,494
Central National Bank CD	0.55%	05/06/16			2,500,000		2,500,000	2,500,000
Independent Bank CD	0.55%	06/04/16	2,500,000	2,500,000	3,466		2,503,466	2,503,466
Southside Bank CD	0.70%	09/08/16	1,003,474	1,003,474	1,771		1,005,245	1,005,245
Comerica Bank CD	0.72%	09/08/16	2,007,151	2,007,151	3,645		2,010,796	2,010,796
Comerica Bank CD	0.80%	03/02/17	2,000,000	2,000,000	4,036		2,004,036	2,004,036
Central National Bank CD	0.95%	04/26/17			2,013,439		2,013,439	2,013,439
TOTAL			\$ 136,770,587	\$ 136,770,587	\$ 8,677,565	\$ (17,444,732)	\$ 128,003,421	\$ 128,003,421

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2015		Qtr to Qtr Change	June 30, 2015	
			Par Value	Market Value		Par Value	Market Value
BBVA Demand Account	0.27%	07/01/15	\$ 6,543,555	\$ 6,543,555	\$ 4,104,566	\$ 10,648,121	\$ 10,648,121
Union State Bank	0.15%	07/01/15	11,086	11,086	4	11,091	11,091
BBVA Compass MMA 3	0.23%	07/01/15	5,023,063	5,023,063	2,242	5,025,305	5,025,305
BBVA Compass MMA 4	0.28%	07/01/15	14,575,865	14,575,865	9,910	14,585,774	14,585,774
FILA (IDP)	0.22%	07/01/15	7,008,246	7,008,246	3,785	7,012,032	7,012,032
FILA (IDP) 2	0.21%	07/01/15	12,014,062	12,014,062	6,489	12,020,551	12,020,551
Comerica MMA	0.15%	07/01/15	3,152,708	3,152,708	1,179	3,153,888	3,153,888
Southside Bank MMA	0.21%	07/01/15	10,077,048	10,077,048	(2,994,870)	7,082,178	7,082,178
TexasTerm	0.10%	07/01/15	645,055	645,055	(250,831)	394,223	394,223
TexPool	0.06%	07/01/15	43,474,796	43,474,796	(9,661,630)	33,813,166	33,813,166
TexStar	0.07%	07/01/15	3,645,061	3,645,061	625	3,645,686	3,645,686
Central National Bank CD	0.31%	04/26/15	2,011,901	2,011,901	(2,011,901)		
Comerica Bank CD	0.53%	04/27/15	2,525,498	2,525,498	(2,525,498)		
Central National Bank CD	0.61%	09/05/15	2,006,054	2,006,054	3,084	2,009,139	2,009,139
Independent Bank CD	0.38%	09/09/15	3,005,656	3,005,656	2,879	3,008,535	3,008,535
Independent Bank CD	0.38%	09/09/15	3,005,656	3,005,656	2,879	3,008,535	3,008,535
Independent Bank CD	0.37%	09/17/15	3,016,139	3,016,139	2,813	3,018,952	3,018,952
Independent Bank CD	0.55%	12/12/15	3,008,188	3,008,188	4,170	3,012,358	3,012,358
Independent Bank CD	0.35%	03/04/16	1,500,000	1,500,000	1,323	1,501,323	1,501,323
Central National Bank CD	0.74%	03/05/16	2,007,346	2,007,346	3,744	2,011,090	2,011,090
Southside Bank CD	0.60%	03/08/16	1,002,978	1,002,978	1,517	1,004,494	1,004,494
Central National Bank CD	0.55%	05/06/16			2,500,000	2,500,000	2,500,000
Independent Bank CD	0.55%	06/04/16	2,500,000	2,500,000	3,466	2,503,466	2,503,466
Southside Bank CD	0.70%	09/08/16	1,003,474	1,003,474	1,771	1,005,245	1,005,245
Comerica Bank CD	0.72%	09/08/16	2,007,151	2,007,151	3,645	2,010,796	2,010,796
Comerica Bank CD	0.80%	03/02/17	2,000,000	2,000,000	4,036	2,004,036	2,004,036
Central National Bank CD	0.95%	04/26/17			2,013,439	2,013,439	2,013,439
TOTAL			\$ 136,770,587	\$ 136,770,587	\$ (8,767,166)	\$ 128,003,421	\$ 128,003,421

Allocation

June 30, 2015

Book & Market Value	Maturity Date	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Capital Projects	KEDC
BBVA Demand Account	07/01/15	\$ 10,648,121	\$ 1,715,930	\$ 2,384,662	\$ 4,338,682	\$ (181,376)	\$ 2,326,116	\$ 64,108
Union State Bank	07/01/15	11,091					11,091	
BBVA Compass MMA 3	07/01/15	5,025,305	2,010,157			1,507,580	1,507,569	
BBVA Compass MMA 4	07/01/15	14,585,774	13,577,967				1,007,807	
FILA (IDP)	07/01/15	7,012,032	2,002,770				5,009,261	
FILA (IDP) 2	07/01/15	12,020,551				9,016,016	3,004,534	
Comerica MMA	07/01/15	3,153,888	3,020,525				133,362	
Southside Bank MMA	07/01/15	7,082,178					7,082,178	
TexasTerm	07/01/15	394,223	52,403			52,360	289,461	
TexPool	07/01/15	33,813,166	175,742	707,811	13,428,265	5,636,032	9,282,782	4,582,533
TexStar	07/01/15	3,645,686	2,430,457			1,215,229		
Central National Bank CD	09/05/15	2,009,139					2,009,139	
Independent Bank CD	09/09/15	3,008,535					3,008,535	
Independent Bank CD	09/09/15	3,008,535					3,008,535	
Independent Bank CD	09/17/15	3,018,952					3,018,952	
Independent Bank CD	12/12/15	3,012,358					3,012,358	
Independent Bank CD	03/04/16	1,501,323				1,501,323		
Central National Bank CD	03/05/16	2,011,090					2,011,090	
Southside Bank CD	03/08/16	1,004,494				1,004,494		
Central National Bank CD	05/06/16	2,500,000					2,500,000	
Independent Bank CD	06/04/16	2,503,466					2,503,466	
Southside Bank CD	09/08/16	1,005,245				1,005,245		
Comerica Bank CD	09/08/16	2,010,796				2,010,796		
Comerica Bank CD	03/02/17	2,004,036	2,004,036					
Central National Bank CD	04/26/17	2,013,439					2,013,439	
Totals		\$ 128,003,421	\$ 26,989,986	\$ 3,092,472	\$ 17,766,947	\$ 22,767,700	\$ 52,739,674	\$ 4,646,641

Allocation

March 31, 2015

Book & Market Value	Maturity Date	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Capital Projects	KEDC
BBVA Demand Account	04/01/15	\$ 6,543,555	\$ 1,688,843	\$ 2,592,748	\$ 829,083	\$ (219,323)	\$ 1,418,453	\$ 233,751
Union State Bank	04/01/15	11,086					11,086	
BBVA Compass MMA 3	04/01/15	5,023,063	2,009,164			1,507,035	1,506,864	
BBVA Compass MMA 4	04/01/15	14,575,865	13,568,601				1,007,264	
FILA (IDP)	04/01/15	7,008,246	2,001,689				5,006,557	
FILA (IDP) 2	04/01/15	12,014,062				9,011,149	3,002,912	
Comerica MMA	04/01/15	3,152,708	3,019,396				133,313	
Southside Bank MMA	04/01/15	10,077,048					10,077,048	
TexasTerm	04/01/15	645,055	52,391			52,348	540,315	
TexPool	04/01/15	43,474,796	2,488,530	1,007,678	13,451,276	6,035,245	15,910,162	4,581,904
TexStar	04/01/15	3,645,061	2,430,041			1,215,020		
Central National Bank CD	04/26/15	2,011,901					2,011,901	
Comerica Bank CD	04/27/15	2,525,498					2,525,498	
Central National Bank CD	09/05/15	2,006,054					2,006,054	
Independent Bank CD	09/09/15	3,005,656					3,005,656	
Independent Bank CD	09/09/15	3,005,656					3,005,656	
Independent Bank CD	09/17/15	3,016,139					3,016,139	
Independent Bank CD	12/12/15	3,008,188					3,008,188	
Independent Bank CD	03/04/16	1,500,000				1,500,000		
Central National Bank CD	03/05/16	2,007,346					2,007,346	
Southside Bank CD	03/08/16	1,002,978				1,002,978		
Independent Bank CD	06/04/16	2,500,000					2,500,000	
Southside Bank CD	09/08/16	1,003,474				1,003,474		
Comerica Bank CD	09/08/16	2,007,151				2,007,151		
Comerica Bank CD	03/02/17	2,000,000	2,000,000					
Totals		\$ 136,770,587	\$ 29,258,655	\$ 3,600,426	\$ 14,280,360	\$ 23,115,079	\$ 61,700,413	\$ 4,815,655