



# City of Killeen

## QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 2017

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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Karen Evans, 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.

## Summary

### Quarter End Results by Investment Category:

Asset Type	Ave. Yield	March 31, 2017		December 31, 2016	
		Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.36%	\$ 10,974,715	\$ 10,974,715	\$ 10,072,588	\$ 10,072,588
Pools/MMA	0.87%	48,902,724	48,902,724	53,225,841	53,225,841
Securities/CDs	0.95%	31,890,067	31,890,067	34,406,061	34,406,061
<b>Totals</b>		<b>\$ 91,767,506</b>	<b>\$ 91,767,506</b>	<b>\$ 97,704,490</b>	<b>\$ 97,704,490</b>

#### Current Quarter Average Yield (1)

Total Portfolio 0.84%

Rolling Three Mo. Treas. Yield 0.60%

Rolling Six Mo. Treas. Yield 0.64%

#### Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.74%

Rolling Three Mo. Treas. Yield 0.52%

Rolling Six Mo. Treas. Yield 0.55%

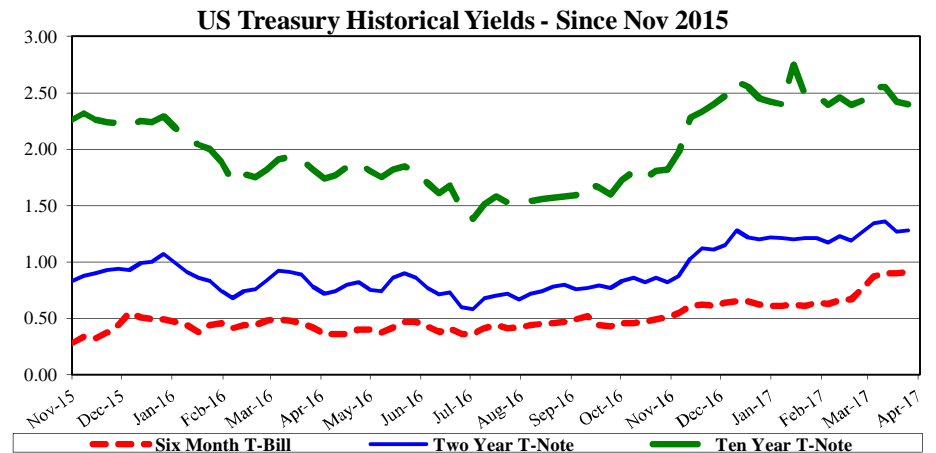
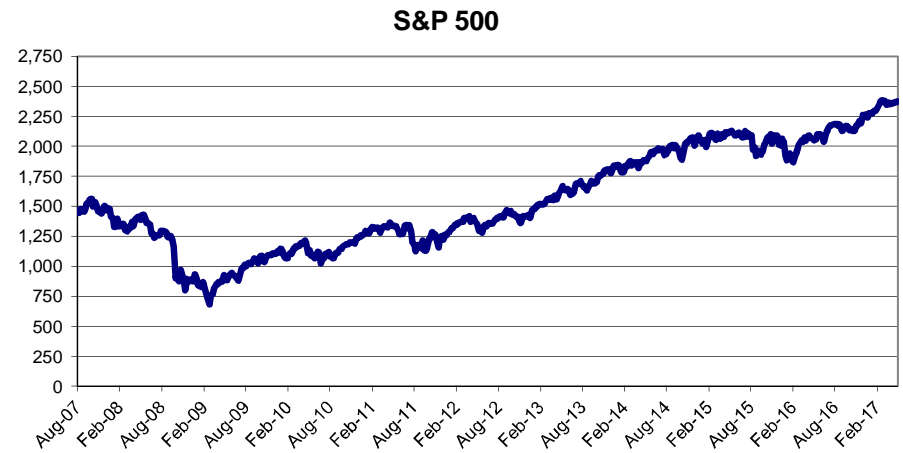
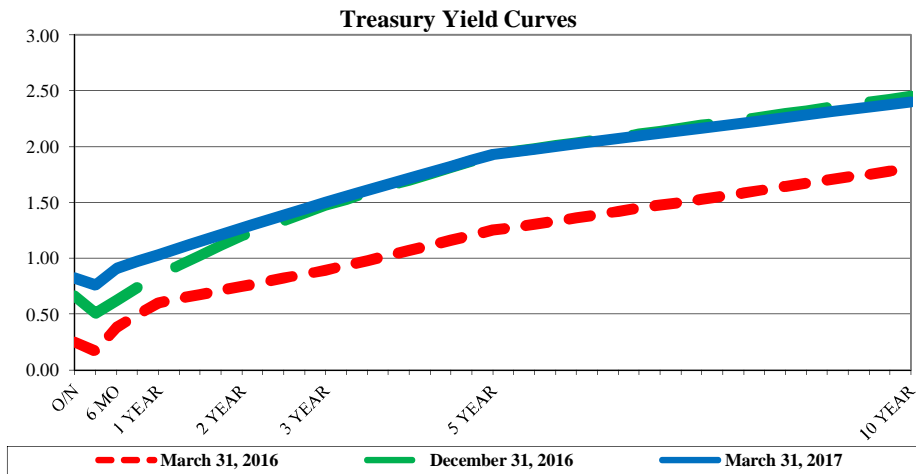
Quarterly TexPool Yield 0.54%

	Interest Income	Bank Fees Offset
Quarterly \$	179,725	\$ 10,195
Year-to-date \$	298,628	\$ 20,921

(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.

The Federal Open Market Committee (FOMC) raised the Fed Funds target range of 0.75% - 1.00% (actual Fed Funds are trading +/-90 bps). There are mixed anticipations for additional FOMC actions this year. Some look for another rise as early as the June FOMC meeting. Final revision 4th Quarter 2016 GDP increased to 2.1%. US data reflects continuing modest to moderate economic growth. The Stock Markets recorded new highs. Financial Institution deposits (MMAs and CDs) generally offer the best interest earnings opportunity.



**Investment Holdings**  
**March 31, 2017**

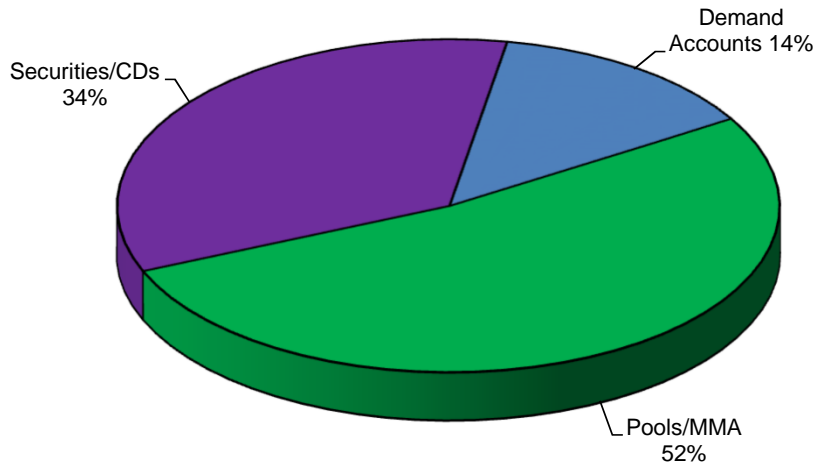
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
BBVA Demand Account (3)		0.36%	04/01/17	03/31/17	\$ 10,952,415	\$ 10,952,415	1.00	\$ 10,952,415	1	0.36%
Cash on Hand		0.00%	04/01/17	03/31/17	11,180	11,180	1.00	11,180	1	0.00%
Union State Bank		0.15%	04/01/17	03/31/17	11,120	11,120	1.00	11,120	1	0.15%
FILA (IDP)		0.68%	04/01/17	03/31/17	6,096,992	6,096,992	1.00	6,096,992	1	0.68%
Southside Bank MMA		0.76%	04/01/17	03/31/17	4,623,632	4,623,632	1.00	4,623,632	1	0.76%
LegacyTexas MMA		0.67%	04/01/17	03/31/17	2,661,786	2,661,786	1.00	2,661,786	1	0.67%
Green Bank MMA		0.86%	04/01/17	03/31/17	9,055,487	9,055,487	1.00	9,055,487	1	0.86%
NexBank MMA		1.07%	04/01/17	03/31/17	20,054,668	20,054,668	1.00	20,054,668	1	1.07%
TexasDAILY	AAA	0.66%	04/01/17	03/31/17	2,804	2,804	1.00	2,804	1	0.66%
TexPool	AAA	0.62%	04/01/17	03/31/17	6,404,015	6,404,015	1.00	6,404,015	1	0.62%
TexSTAR	AAA	0.63%	04/01/17	03/31/17	3,339	3,339	1.00	3,339	1	0.63%
Central National Bank CD		0.95%	04/26/17	04/26/15	2,055,010	2,055,010	100.00	2,055,010	26	0.95%
LegacyTexas Bank CD		0.75%	05/01/17	05/06/16	1,006,264	1,006,264	100.00	1,006,264	31	0.75%
LegacyTexas Bank CD		0.86%	05/01/17	06/21/16	1,006,451	1,006,451	100.00	1,006,451	31	0.86%
LegacyTexas Bank CD		0.75%	05/01/17	08/09/16	2,008,729	2,008,729	100.00	2,008,729	31	0.75%
LegacyTexas Bank CD		0.77%	06/01/17	05/06/16	1,006,432	1,006,432	100.00	1,006,432	62	0.77%
LegacyTexas Bank CD		0.90%	06/01/17	06/21/16	1,006,752	1,006,752	100.00	1,006,752	62	0.90%
LegacyTexas Bank CD		0.79%	07/03/17	05/06/16	1,006,599	1,006,599	100.00	1,006,599	94	0.79%
Central National Bank CD		0.82%	08/01/17	09/30/16	1,000,000	1,000,000	100.00	1,000,000	123	0.82%
LegacyTexas Bank CD		0.80%	08/01/17	08/09/16	2,009,312	2,009,312	100.00	2,009,312	123	0.80%
LegacyTexas Bank CD		0.75%	08/01/17	10/03/16	1,003,107	1,003,107	100.00	1,003,107	123	0.75%
LegacyTexas Bank CD		0.85%	09/01/17	08/09/16	2,009,895	2,009,895	100.00	2,009,895	154	0.85%
Green Bank CD		0.80%	09/01/17	11/01/16	4,008,066	4,008,066	100.00	4,008,066	154	0.80%
Origin Bank CD		1.25%	01/02/18	12/02/16	245,000	245,000	100.00	245,000	277	1.25%
Southside Bank CD		0.97%	01/03/18	12/02/16	4,009,567	4,009,567	100.00	4,009,567	278	0.97%
Lubbock National Bank CD		1.20%	03/01/18	03/14/17	2,500,000	2,500,000	100.00	2,500,000	335	1.20%
Lubbock National Bank CD		1.25%	04/02/18	03/14/17	2,000,000	2,000,000	100.00	2,000,000	367	1.25%
Lubbock National Bank CD		1.25%	05/01/18	03/14/17	1,000,000	1,000,000	100.00	1,000,000	396	1.25%
LegacyTexas Bank CD		1.20%	06/01/18	12/29/16	3,008,885	3,008,885	100.00	3,008,885	427	1.20%
					<b>\$ 91,767,506</b>	<b>\$ 91,767,506</b>		<b>\$ 91,767,506</b>	<b>69</b>	<b>0.84%</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.

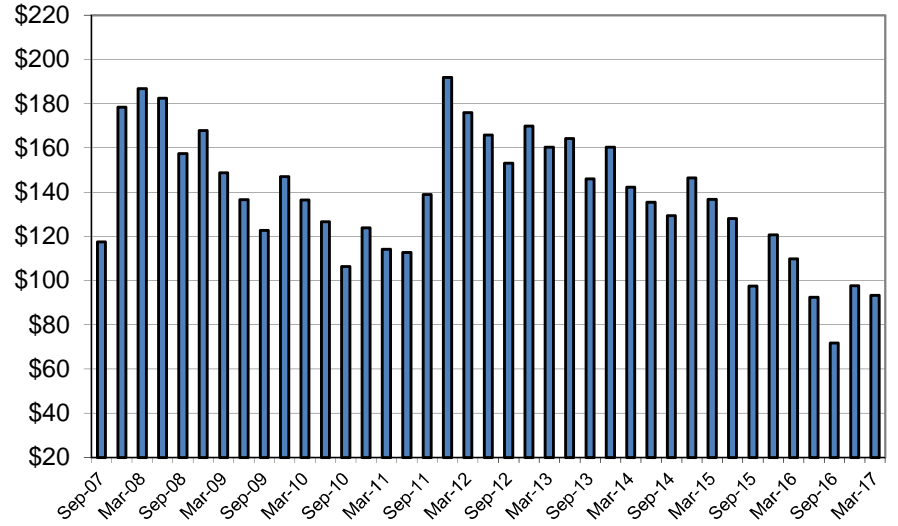
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for cash equivalent investments.

(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.

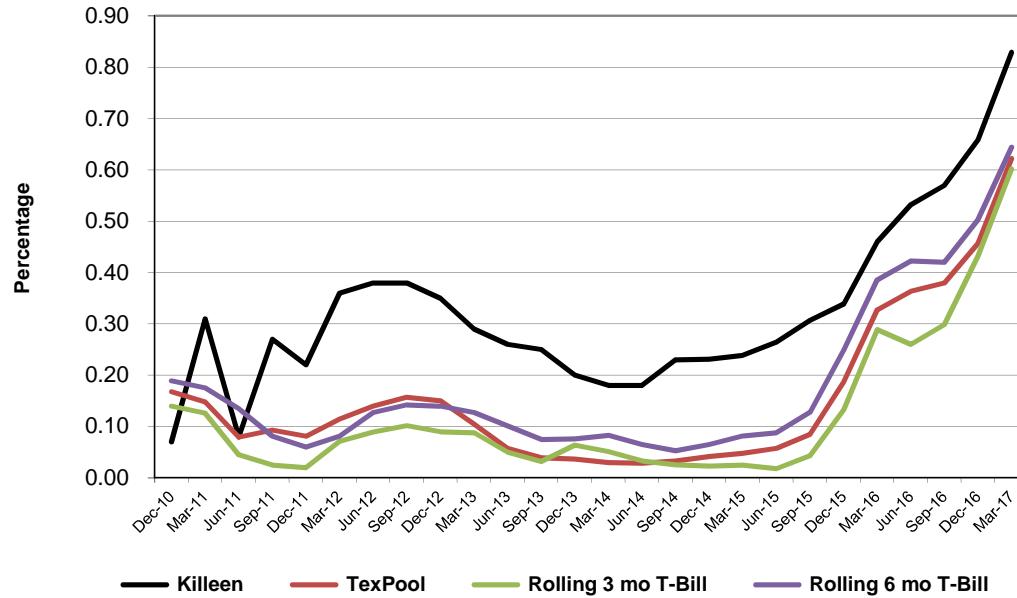
**Portfolio Composition**



**Total Portfolio (Millions)**



**Total Portfolio Performance**



## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2016		Purchases/ Adjustments	Sales/Adjust/ Maturities	March 31, 2017	
			Par Value	Book Value			Par Value	Book Value
BBVA Demand Account	0.36%	04/01/17	\$ 10,050,293	\$ 10,050,293	\$ 902,122	\$ -	\$ 10,952,415	\$ 10,952,415
Cash on Hand	0.00%	04/01/17	11,180	11,180			11,180	11,180
Union State Bank	0.15%	04/01/17	11,116	11,116	4		11,120	11,120
FILA (IDP)	0.68%	04/01/17	6,087,092	6,087,092	9,900		6,096,992	6,096,992
Southside Bank MMA	0.76%	04/01/17	4,615,506	4,615,506	8,126		4,623,632	4,623,632
LegacyTexas MMA	0.67%	04/01/17	2,658,164	2,658,164	3,622		2,661,786	2,661,786
Green Bank MMA	0.86%	04/01/17	9,037,524	9,037,524	17,963		9,055,487	9,055,487
NexBank MMA	1.07%	04/01/17	10,006,679	10,006,679	10,047,989		20,054,668	20,054,668
TexasDAILY	0.66%	04/01/17	2,799	2,799	4		2,804	2,804
TexPool	0.62%	04/01/17	20,814,741	20,814,741		(14,410,726)	6,404,015	6,404,015
TexSTAR	0.63%	04/01/17	3,335	3,335	5		3,339	3,339
Central National Bank CD	0.71%	01/03/17	1,000,000	1,000,000		(1,000,000)	-	-
Central National Bank CD	0.80%	01/03/17	1,006,018	1,006,018		(1,006,018)	-	-
Central National Bank CD	0.85%	02/01/17	1,006,394	1,006,394		(1,006,394)	-	-
Comerica Bank CD	0.80%	03/02/17	2,028,287	2,028,287		(2,028,287)	-	-
Central National Bank CD	1.01%	03/09/17	3,030,537	3,030,537		(3,030,537)	-	-
Central National Bank CD	0.95%	04/26/17	2,050,101	2,050,101	4,909		2,055,010	2,055,010
LegacyTexas Bank CD	0.75%	05/01/17	1,004,406	1,004,406	1,859		1,006,264	1,006,264
LegacyTexas Bank CD	0.86%	05/01/17	1,004,320	1,004,320	2,131		1,006,451	1,006,451
LegacyTexas Bank CD	0.75%	05/01/17	2,005,018	2,005,018	3,710		2,008,729	2,008,729
LegacyTexas Bank CD	0.77%	06/01/17	1,004,523	1,004,523	1,908		1,006,432	1,006,432
LegacyTexas Bank CD	0.90%	06/01/17	1,004,521	1,004,521	2,231		1,006,752	1,006,752
LegacyTexas Bank CD	0.79%	07/03/17	1,004,641	1,004,641	1,958		1,006,599	1,006,599
Central National Bank CD	0.82%	08/01/17	1,000,000	1,000,000			1,000,000	1,000,000
LegacyTexas Bank CD	0.80%	08/01/17	2,005,353	2,005,353	3,958		2,009,312	2,009,312
LegacyTexas Bank CD	0.75%	08/01/17	1,001,254	1,001,254	1,853		1,003,107	1,003,107
LegacyTexas Bank CD	0.85%	09/01/17	2,005,688	2,005,688	4,207		2,009,895	2,009,895
Green Bank CD	0.80%	09/01/17	4,000,000	4,000,000	8,066		4,008,066	4,008,066
Origin Bank CD	1.25%	01/02/18	245,000	245,000			245,000	245,000
Southside Bank CD	0.97%	01/03/18	4,000,000	4,000,000	9,567		4,009,567	4,009,567
Lubbock National Bank CD	1.20%	03/01/18	-	-	2,500,000		2,500,000	2,500,000
Lubbock National Bank CD	1.25%	04/02/18	-	-	2,000,000		2,000,000	2,000,000
Lubbock National Bank CD	1.25%	05/01/18	-	-	1,000,000		1,000,000	1,000,000
LegacyTexas Bank CD	1.20%	06/01/18	3,000,000	3,000,000	8,885		3,008,885	3,008,885
<b>TOTAL</b>			<b>\$ 97,704,490</b>	<b>\$ 97,704,490</b>	<b>\$ 16,544,978</b>	<b>\$ (22,481,962)</b>	<b>\$ 91,767,506</b>	<b>\$ 91,767,506</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2016		Qtr to Qtr Change	March 31, 2017	
			Par Value	Market Value		Par Value	Market Value
BBVA Demand Account	0.36%	04/01/17	\$ 10,050,293	\$ 10,050,293	\$ 902,122	\$ 10,952,415	\$ 10,952,415
Cash on Hand	0.00%	04/01/17	11,180	11,180		11,180	11,180
Union State Bank	0.15%	04/01/17	11,116	11,116	4	11,120	11,120
FILA (IDP)	0.68%	04/01/17	6,087,092	6,087,092	9,900	6,096,992	6,096,992
Southside Bank MMA	0.76%	04/01/17	4,615,506	4,615,506	8,126	4,623,632	4,623,632
LegacyTexas MMA	0.67%	04/01/17	2,658,164	2,658,164	3,622	2,661,786	2,661,786
Green Bank MMA	0.86%	04/01/17	9,037,524	9,037,524	17,963	9,055,487	9,055,487
NexBank MMA	1.07%	04/01/17	10,006,679	10,006,679	10,047,989	20,054,668	20,054,668
TexasDAILY	0.66%	04/01/17	2,799	2,799	4	2,804	2,804
TexPool	0.62%	04/01/17	20,814,741	20,814,741	(14,410,726)	6,404,015	6,404,015
TexSTAR	0.63%	04/01/17	3,335	3,335	5	3,339	3,339
Central National Bank CD	0.71%	01/03/17	1,000,000	1,000,000	(1,000,000)	—	—
Central National Bank CD	0.80%	01/03/17	1,006,018	1,006,018	(1,006,018)	—	—
Central National Bank CD	0.85%	02/01/17	1,006,394	1,006,394	(1,006,394)	—	—
Comerica Bank CD	0.80%	03/02/17	2,028,287	2,028,287	(2,028,287)	—	—
Central National Bank CD	1.01%	03/09/17	3,030,537	3,030,537	(3,030,537)	—	—
Central National Bank CD	0.95%	04/26/17	2,050,101	2,050,101	4,909	2,055,010	2,055,010
LegacyTexas Bank CD	0.75%	05/01/17	1,004,406	1,004,406	1,859	1,006,264	1,006,264
LegacyTexas Bank CD	0.86%	05/01/17	1,004,320	1,004,320	2,131	1,006,451	1,006,451
LegacyTexas Bank CD	0.75%	05/01/17	2,005,018	2,005,018	3,710	2,008,729	2,008,729
LegacyTexas Bank CD	0.77%	06/01/17	1,004,523	1,004,523	1,908	1,006,432	1,006,432
LegacyTexas Bank CD	0.90%	06/01/17	1,004,521	1,004,521	2,231	1,006,752	1,006,752
LegacyTexas Bank CD	0.79%	07/03/17	1,004,641	1,004,641	1,958	1,006,599	1,006,599
Central National Bank CD	0.82%	08/01/17	1,000,000	1,000,000		1,000,000	1,000,000
LegacyTexas Bank CD	0.80%	08/01/17	2,005,353	2,005,353	3,958	2,009,312	2,009,312
LegacyTexas Bank CD	0.75%	08/01/17	1,001,254	1,001,254	1,853	1,003,107	1,003,107
LegacyTexas Bank CD	0.85%	09/01/17	2,005,688	2,005,688	4,207	2,009,895	2,009,895
Green Bank CD	0.80%	09/01/17	4,000,000	4,000,000	8,066	4,008,066	4,008,066
Origin Bank CD	1.25%	01/02/18	245,000	245,000		245,000	245,000
Southside Bank CD	0.97%	01/03/18	4,000,000	4,000,000	9,567	4,009,567	4,009,567
Lubbock National Bank CD	1.20%	03/01/18	—	—	2,500,000	2,500,000	2,500,000
Lubbock National Bank CD	1.25%	04/02/18	—	—	2,000,000	2,000,000	2,000,000
Lubbock National Bank CD	1.25%	05/01/18	—	—	1,000,000	1,000,000	1,000,000
LegacyTexas Bank CD	1.20%	06/01/18	3,000,000	3,000,000	8,885	3,008,885	3,008,885
<b>TOTAL</b>			<b>\$ 97,704,490</b>	<b>\$ 97,704,490</b>	<b>\$ (5,936,984)</b>	<b>\$ 91,767,506</b>	<b>\$ 91,767,506</b>

**Allocation**

**March 31, 2017**

<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>Capital Projects</b>	<b>Employee Benefit Trust</b>
BBVA Demand Account	04/01/17	\$ 10,952,415	\$ 8,981,517	\$ -	\$ 486,814	\$ 298,668	\$ 690,762	\$ 494,654
Cash on Hand	04/01/17	11,180		5,080	2,000	4,100		
Union State Bank	04/01/17	11,120					11,120	
FILA (IDP)	04/01/17	6,096,992	6,096,992					
Southside Bank MMA	04/01/17	4,623,632	4,623,632					
LegacyTexas MMA	04/01/17	2,661,786	2,661,786					
Green Bank MMA	04/01/17	9,055,487	9,055,487					
NexBank MMA	04/01/17	20,054,668	20,054,668					
TexasDAILY	04/01/17	2,804	2,804					
TexPool	04/01/17	6,404,015	6,404,015					
TexSTAR	04/01/17	3,339	3,339					
Central National Bank CD	04/26/17	2,055,010					2,055,010	
LegacyTexas Bank CD	05/01/17	1,006,264	1,006,264					
LegacyTexas Bank CD	05/01/17	1,006,451	1,006,451					
LegacyTexas Bank CD	05/01/17	2,008,729	2,008,729					
LegacyTexas Bank CD	06/01/17	1,006,432	1,006,432					
LegacyTexas Bank CD	06/01/17	1,006,752	1,006,752					
LegacyTexas Bank CD	07/03/17	1,006,599	1,006,599					
Central National Bank CD	08/01/17	1,000,000	1,000,000					
LegacyTexas Bank CD	08/01/17	2,009,312	2,009,312					
LegacyTexas Bank CD	08/01/17	1,003,107	1,003,107					
LegacyTexas Bank CD	09/01/17	2,009,895	2,009,895					
Green Bank CD	09/01/17	4,008,066	4,008,066					
Origin Bank CD	01/02/18	245,000	245,000					
Southside Bank CD	01/03/18	4,009,567	4,009,567					
Lubbock National Bank CD	03/01/18	2,500,000	2,500,000					
Lubbock National Bank CD	04/02/18	2,000,000	2,000,000					
Lubbock National Bank CD	05/01/18	1,000,000	1,000,000					
LegacyTexas Bank CD	06/01/18	3,008,885	3,008,885					
<b>Totals</b>		<b>\$ 91,767,506</b>	<b>\$ 87,719,298</b>	<b>\$ 5,080</b>	<b>\$ 488,814</b>	<b>\$ 302,768</b>	<b>\$ 2,756,892</b>	<b>\$ 494,654</b>



**Allocation**

**December 31, 2016**

<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>Capital Projects</b>	<b>Employee Benefit Trust</b>
BBVA Demand Account	01/01/17	\$ 10,050,293	\$ 8,757,662	\$ -	\$ 442,995	\$ 211,547	\$ 558,682	\$ 79,406
Cash on Hand	01/01/17	11,180		5,080	2,000	4,100		
Union State Bank	01/01/17	11,116					11,116	
FILA (IDP)	01/01/17	6,087,092	6,087,092					
Southside Bank MMA	01/01/17	4,615,506	4,615,506					
LegacyTexas MMA	01/01/17	2,658,164	2,658,164					
Green Bank MMA	01/01/17	9,037,524	9,037,524					
NexBank MMA	01/01/17	10,006,679	10,006,679					
TexasDAILY	01/01/17	2,799	2,799					
TexPool	01/01/17	20,814,741	20,814,741					
TexSTAR	01/01/17	3,335	3,335					
Central National Bank CD	01/03/17	1,000,000	1,000,000					
Central National Bank CD	01/03/17	1,006,018		1,006,018				
Central National Bank CD	02/01/17	1,006,394		1,006,394				
Comerica Bank CD	03/02/17	2,028,287		2,028,287				
Central National Bank CD	03/09/17	3,030,537					3,030,537	
Central National Bank CD	04/26/17	2,050,101					2,050,101	
LegacyTexas Bank CD	05/01/17	1,004,406	1,004,406					
LegacyTexas Bank CD	05/01/17	1,004,320	1,004,320					
LegacyTexas Bank CD	05/01/17	2,005,018	2,005,018					
LegacyTexas Bank CD	06/01/17	1,004,523	1,004,523					
LegacyTexas Bank CD	06/01/17	1,004,521	1,004,521					
LegacyTexas Bank CD	07/03/17	1,004,641	1,004,641					
Central National Bank CD	08/01/17	1,000,000	1,000,000					
LegacyTexas Bank CD	08/01/17	2,005,353	2,005,353					
LegacyTexas Bank CD	08/01/17	1,001,254	1,001,254					
LegacyTexas Bank CD	09/01/17	2,005,688	2,005,688					
Green Bank CD	09/01/17	4,000,000	4,000,000					
Origin Bank CD	01/02/18	245,000	245,000					
Southside Bank CD	01/03/18	4,000,000	4,000,000					
LegacyTexas Bank CD	06/01/18	3,000,000	3,000,000					
<b>Totals</b>		<b>\$ 97,704,490</b>	<b>\$ 87,268,228</b>	<b>\$ 4,045,779</b>	<b>\$ 444,995</b>	<b>\$ 215,647</b>	<b>\$ 5,650,435</b>	<b>\$ 79,406</b>