

**PUBLIC FUNDS ADVISORY** 

# **City of Killeen**

**Quarterly Investment Report** 

PRESENTED BY:

SCOTT GRUBER, CMT - DIRECTOR, ADVISORY SERVICES

**SEPTEMBER 30, 2025** 



## **Compliance Certification**



The undersigned have acknowledged that they have reviewed this quarterly investment report for the period ending September 30, 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

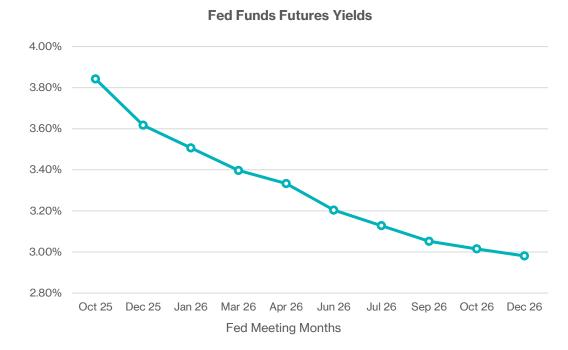
#### **Economic Overview**



#### **OBSERVATIONS AND EXPECTATIONS**

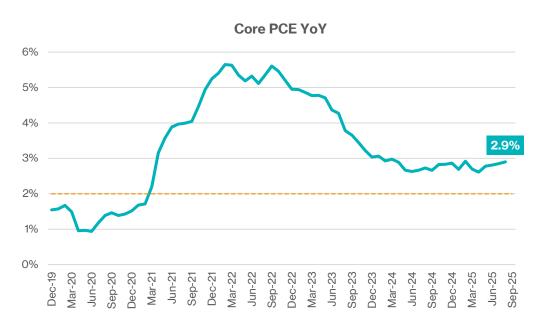
- Fed lowered the Fed Funds rate by .25% at the September 17<sup>th</sup> meeting
- Labor market continued to show signs of slowing as 22,000 jobs were created in September
- U.S. Treasury rates were generally lower for the month of September
- GDP rebounded in Q2 to 3.8% from the tariff-induced decline of -0.5% in Q1
- Atlanta Fed's GDPNow forecast is projecting a 3.9% GDP for Q3
- The futures market and the Fed are expecting two more .25% cuts this year; more cuts in 2026

- The Fed Funds futures market is expecting the Fed Funds rate to end 2025 at about 3.6% and 2026 at approximately 3.0%.
- The Fed is watching both of their mandates (employment and inflation) closely to determine the path of Fed Funds. They say the risk is more tilted to slower job growth.





- The current unemployment rate of 4.3% has moved up from earlier this year but remains low by historical standards.
- Lower immigration during 2025 has clouded the conclusions from lower nonfarm payrolls.
- Economists estimate not as many jobs are needed as compared to the previous few years to keep the unemployment rate low.

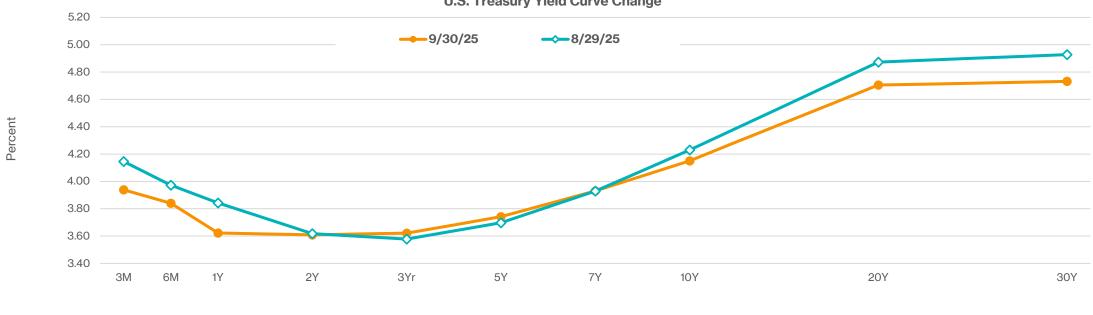




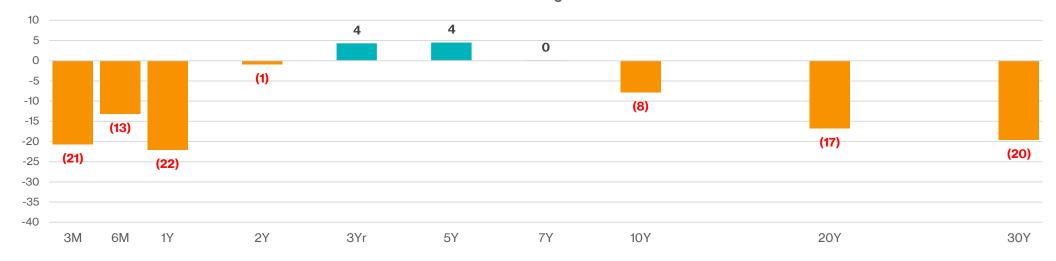
- Core Personal Consumption Expenditure YoY is the Fed's preferred inflation gauge.
- Core excludes food and energy components, which generally make the series less volatile.
- Core PCE YoY is currently at 2.9% and has been above the Fed's 2% target for 54 consecutive months.







#### **Basis Point Change**



Basis Points



# **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 June 3	0, 2025	Portfolio as of September 30, 2025		
Beginning Book Value	\$285,761,373	Ending Book Value	\$285,188,478	
Beginning Market Value	\$287,119,929	Ending Market Value	\$286,789,958	
Unrealized Gain/(Loss)	\$1,358,556	Unrealized Gain/(Loss)	\$1,601,479	
		Change in Unrealized Gain/(Loss)	\$242,924	
Weighted Average Maturity	500 days	Weighted Average Maturity	545 days	
	•		•	
Weighted Average Yield	4.27%	Weighted Average Yield	4.20%	

Portfolio Market Value by Fund	6/30/2025	9/30/2025	Change
Pooled Investments	\$286,714,447.16	\$286,292,061.65	(\$422,385.51)
Internal Services Fund	\$189,897.89	\$189,553.28	(\$344.61)
Enterprise Funds	\$242.38	\$261.47	\$19.09
General Fund	<u>\$215,341.49</u>	<u>\$308,081.11</u>	<u>\$92,739.62</u>
Total	\$287,119,928.92	\$286,789,957.51	(\$329,971.41)

## **Portfolio Summary – Investment Pool**



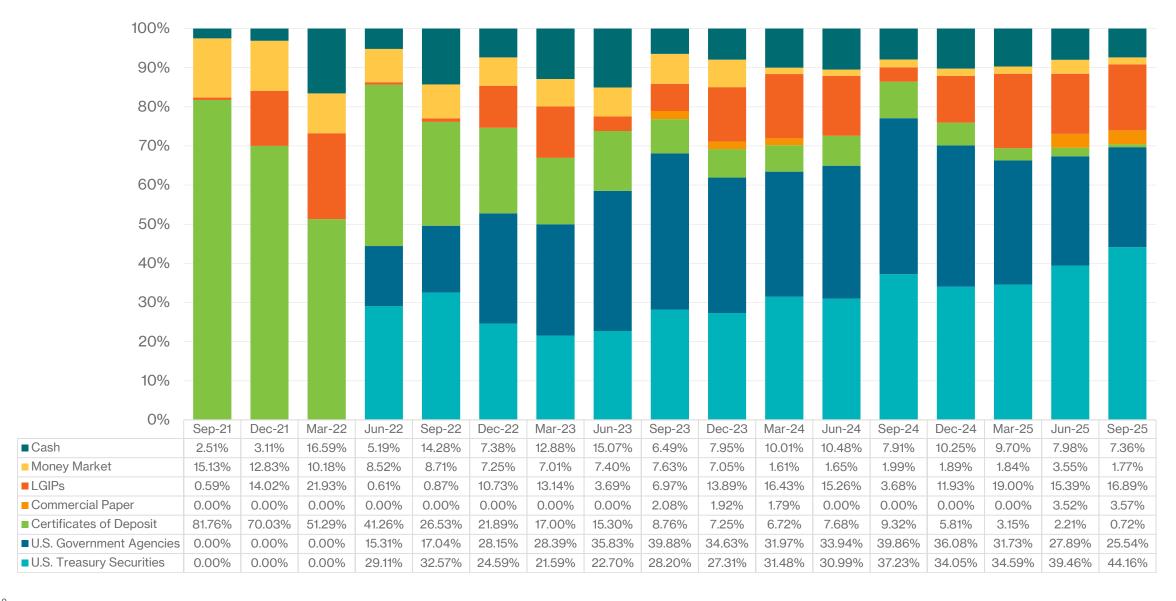
### As of 9/30/2025

Your Portfolio Cash/LGIPs Securities Book Value Total Portfolio Book Value		\$74 O79 251	Your Asset Allocation			
		\$74,072,351 \$210,618,231 \$284,690,582	4% 7%		■ Certificates of Deposit	
					■ Cash & Equivalents	
Your Securities	Moturity	150 years		17%	■ Money market	
	ghted Average Maturity 1.50 years 4.20% 44% 1% \( \frac{1}{2} \)		% <sup></sup> 2%	Local Government Investment Po		
Interest Earnings:				■ US Government Agencies		
Quarterly Interest E Year-to-date Intere	Earned	\$3,179,662 \$11,303,238		25%	US Treasuries	
		φ11,303,236		■ Commercial Paper		
Your Maturity Dis	stribution					
80,000,000						
70,000,000 -	\$74,072,351					
60,000,000 -		\$62,795,976				
50,000,000			\$57,540,352			
40,000,000 -				\$44,508,128		
30,000,000						
20,000,000 -					\$23,804,775	\$21,969,001
10,000,000	26%	22%	20%	16%	8%	8%
- +	Overnight	0-1 year	1-2 years	2-3 years	3-4 years	4-5 years

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**





#### **Disclosures**



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**Meeder Public Funds** 

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