



PUBLIC FUNDS ADVISORY

City of Killeen

Quarterly Investment Report

PRESENTED BY:

SCOTT GRUBER, CMT - DIRECTOR, ADVISORY SERVICES

DECEMBER 31, 2025

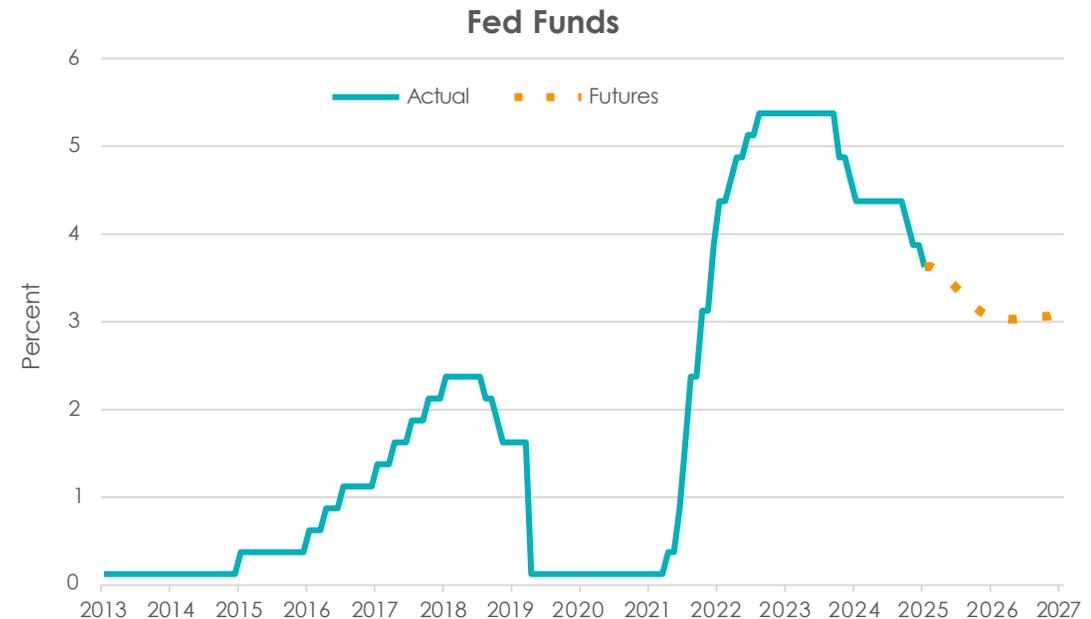


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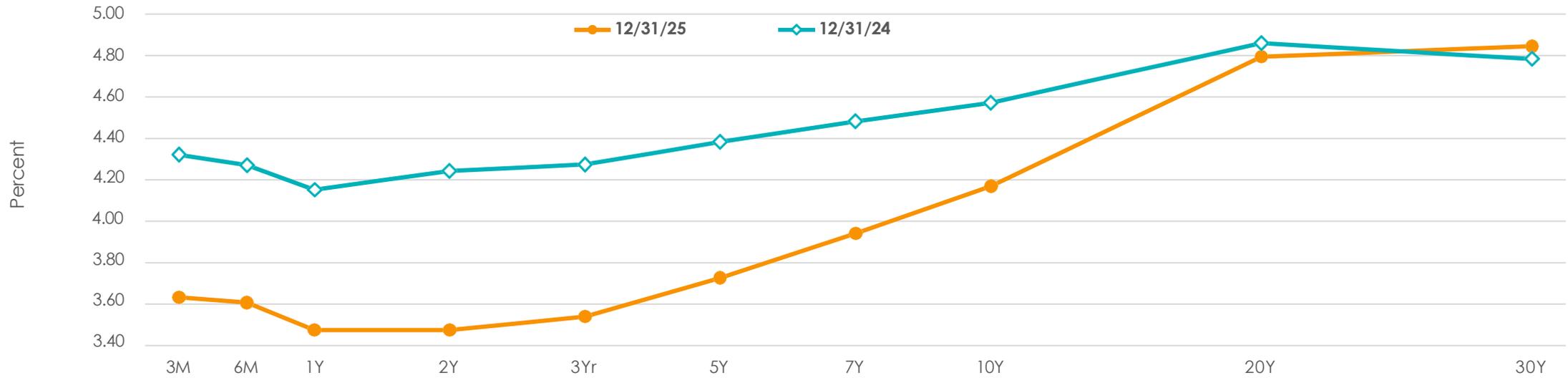
OBSERVATIONS AND EXPECTATIONS

- 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

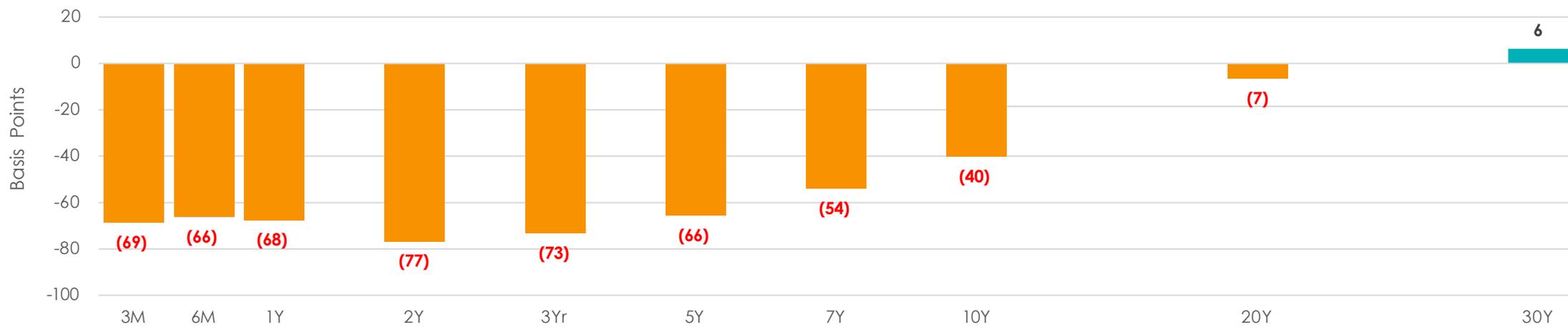
- The Fed Funds futures market is expecting two .25% rate cuts during 2026.
- The Federal Reserve's median Dot Plot shows only one cut for 2026.



U.S. Treasury Yield Curve Change



Basis Point Change



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 |

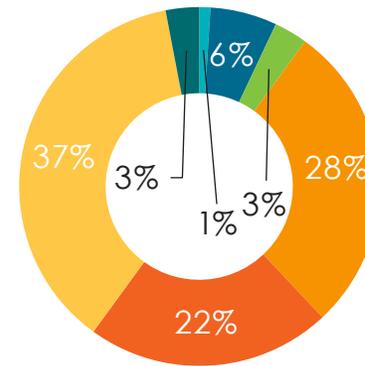
Your Securities

| | |
|---------------------------|------------|
| Weighted Average Maturity | 1.21 years |
| Weighted Average Yield | 4.04% |

Interest Earnings:

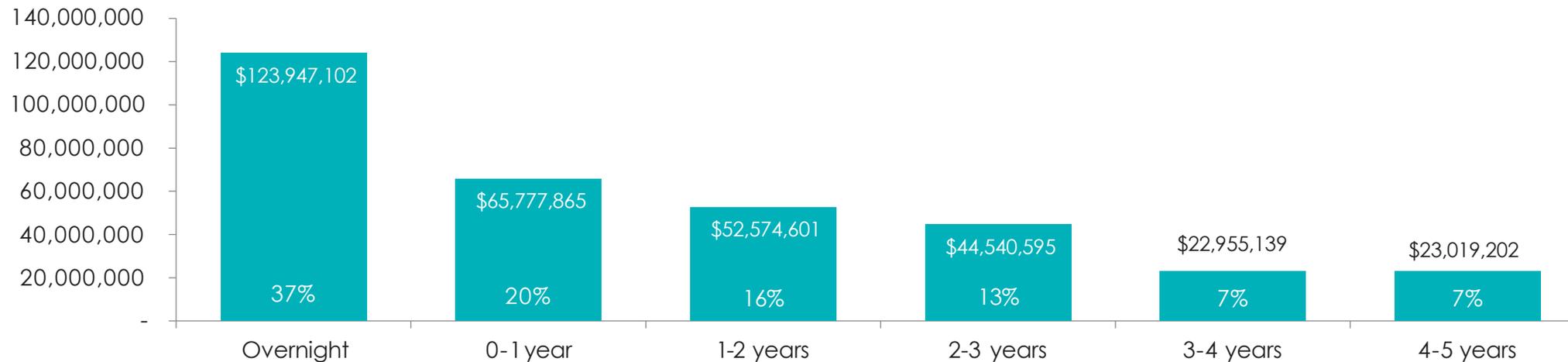
| | |
|------------------------------|-------------|
| Quarterly Interest Earned | \$3,098,789 |
| Year-to-date Interest Earned | \$3,098,789 |

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.



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