



PUBLIC FUNDS ADVISORY

# City of Killeen

## Quarterly Investment Report

PRESENTED BY:

SCOTT GRUBER, CMT - DIRECTOR, ADVISORY SERVICES

**MARCH 31, 2026**



**MEEDER**  
PUBLIC FUNDS

# Compliance Certification



The undersigned have acknowledged that they have reviewed this quarterly investment report for the period ending March 31, 2026. 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.

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Executive Director of Finance

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Assistant Director of Executive Finance

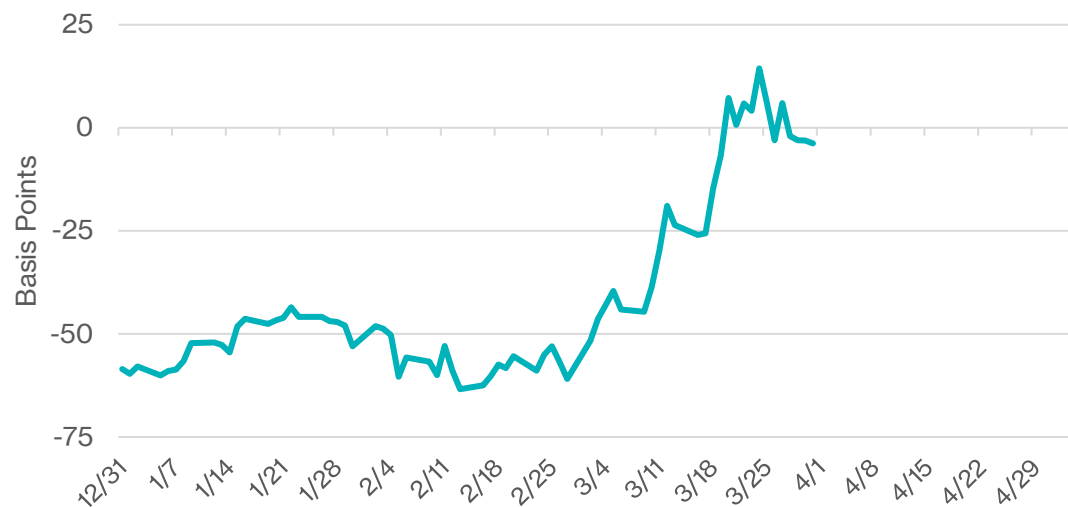
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## OBSERVATIONS AND EXPECTATIONS

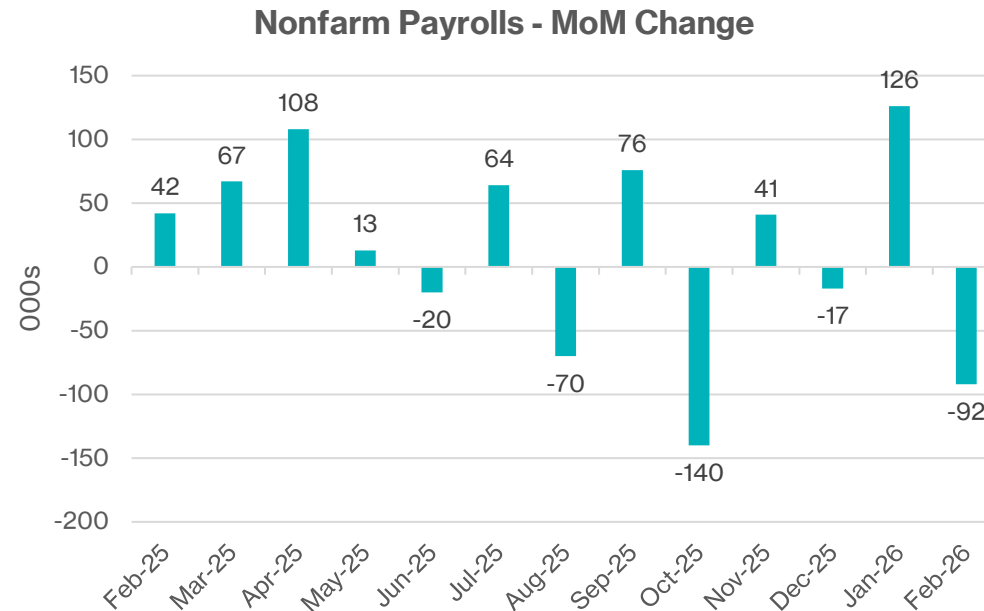
- Interest rates were higher for March, generally due to increases of energy prices
- The Fed Funds futures market has been bouncing around, projecting no 2026 moves
- Economic growth for the fourth quarter of 2026 was revised lower to 0.7% from 1.4%
- Labor market data continue to show there's not much hiring or firing taking place
- The rate of change of inflation has slowed, but cumulative inflation is above average

Projected Fed .25% Cuts/Hikes to Dec 2026



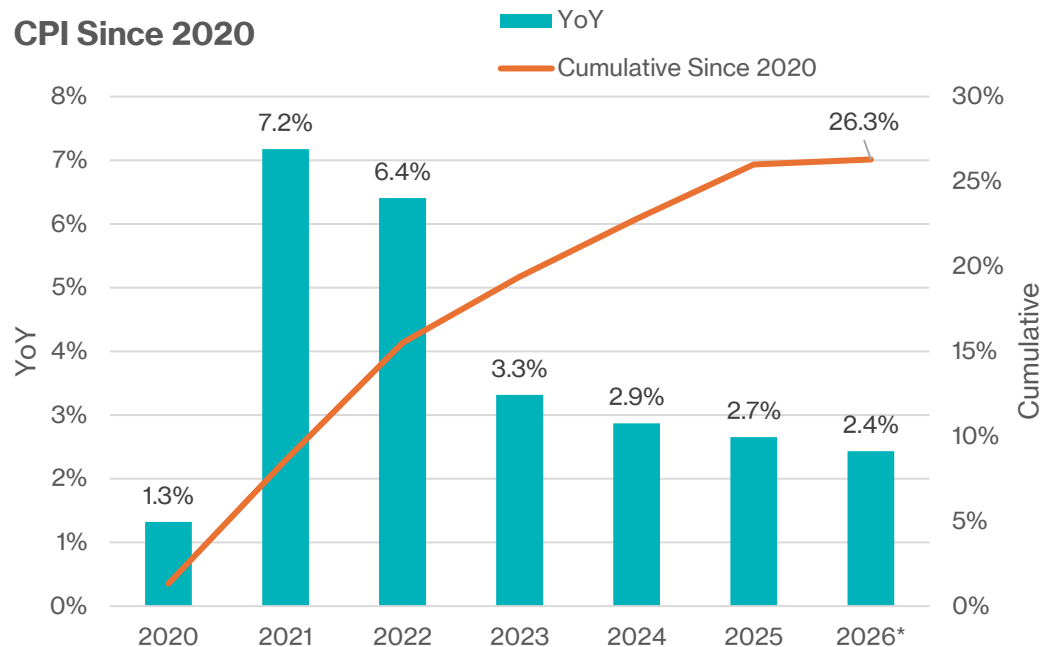
- During most of February, the Fed Funds futures market was pricing in over two .25% Fed cuts this year.
- At the end of March, futures market data are projecting the Fed to be on hold this year.

- Monthly nonfarm payrolls have alternated between negative and positive the past nine months.
- This is the highest string of consecutively contrasting job data on record.
- Many analysts and economists have stated we are experiencing a “no hire, no fire” job market.



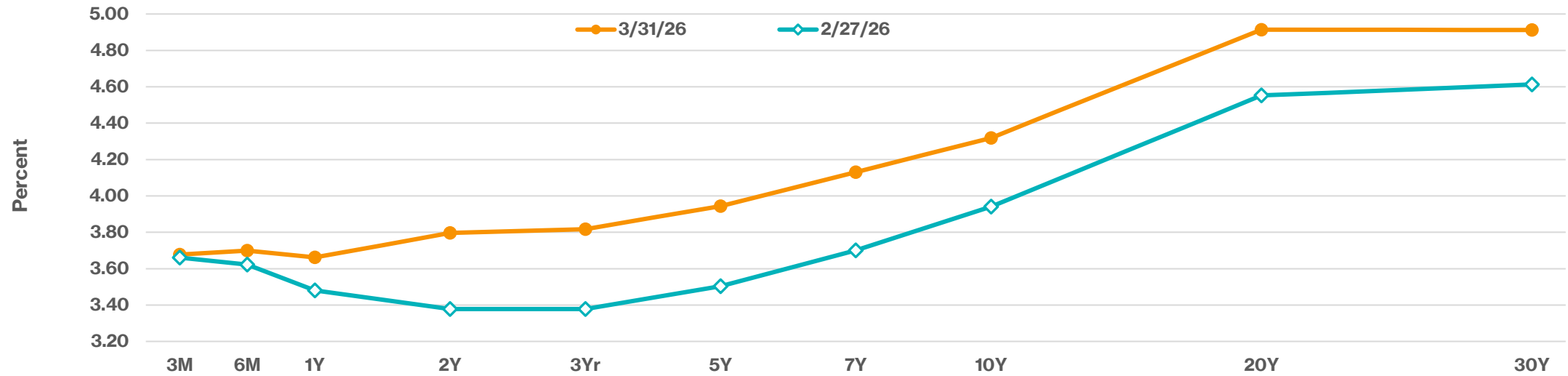
SOURCE: BLOOMBERG

### CPI Since 2020



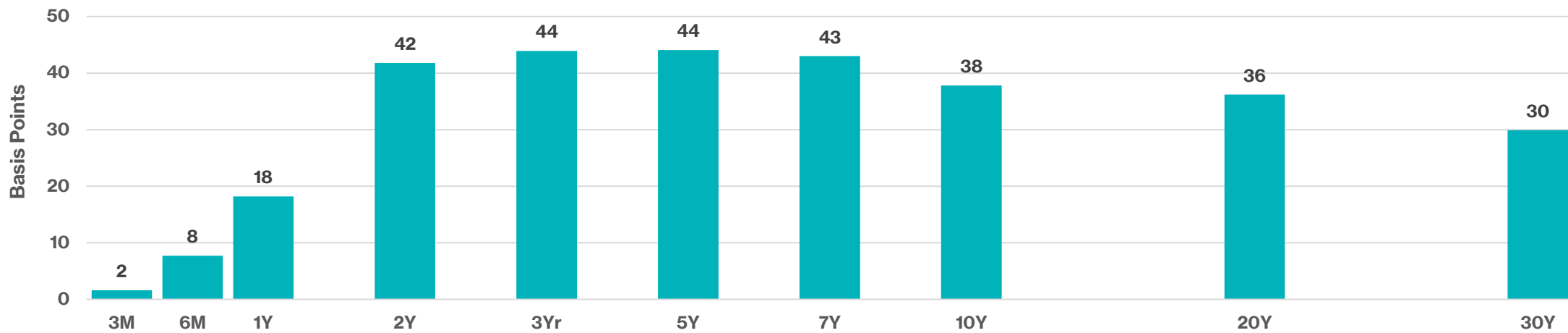
- The Consumer Price Index’s YoY rate of change has slowed materially since the COVID year highs.
- The five-year cumulative change is up over 26%, which is well above a rolling 5-year average.
- U.S. consumers say their greatest financial concern right now is affordability, due to the accumulated inflation since the pandemic.

### U.S. Treasury Yield Curve Change



SOURCES: BLOOMBERG

### Basis Point Change



SOURCES: BLOOMBERG



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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 December 31, 2025 |               | Portfolio as of March 31, 2026   |               |
|-----------------------------------|---------------|----------------------------------|---------------|
| Beginning Book Value              | \$333,268,156 | Ending Book Value                | \$312,489,452 |
| Beginning Market Value            | \$335,003,094 | Ending Market Value              | \$312,971,335 |
| Unrealized Gain/(Loss)            | \$1,734,939   | Unrealized Gain/(Loss)           | \$481,883     |
|                                   |               | Change in Unrealized Gain/(Loss) | (\$1,253,056) |
| Weighted Average Maturity         | 439 days      | Weighted Average Maturity        | 481 days      |
| Weighted Average Yield            | 4.03%         | Weighted Average Yield           | 3.98%         |

| Portfolio Market Value by Fund | 12/31/2025              | 3/31/2026               | Change                   |
|--------------------------------|-------------------------|-------------------------|--------------------------|
| Pooled Investments             | \$334,549,442.42        | \$312,782,672.29        | (\$21,766,770.13)        |
| Internal Services Fund         | \$188,208.53            | \$0.00                  | (\$188,208.53)           |
| Enterprise Funds               | \$289.27                | \$313.03                | \$23.76                  |
| General Fund                   | \$265,153.94            | \$188,349.66            | (\$76,804.28)            |
| <b>Total</b>                   | <b>\$335,003,094.16</b> | <b>\$312,971,334.98</b> | <b>(\$22,031,759.18)</b> |

# Portfolio Summary – Investment Pool

As of 3/31/2026

## Your Portfolio

|                            |               |
|----------------------------|---------------|
| Cash/LGIPs                 | \$99,438,119  |
| Securities Book Value      | \$212,862,671 |
| Total Portfolio Book Value | \$312,300,790 |

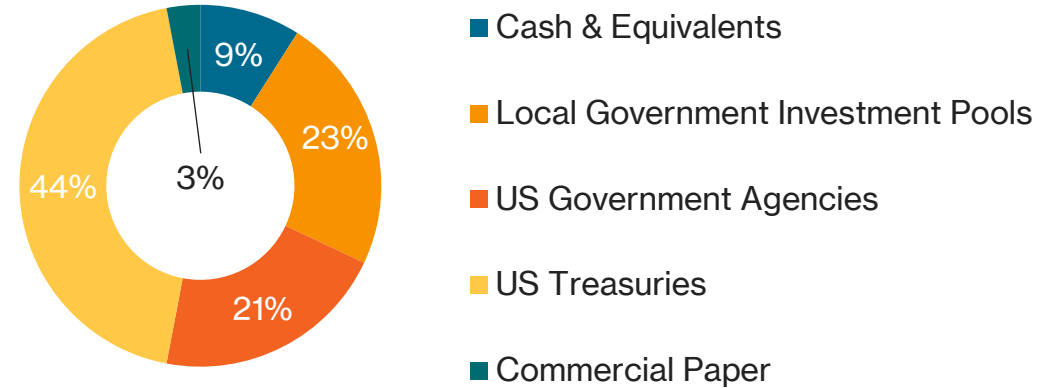
## Your Securities

|                           |            |
|---------------------------|------------|
| Weighted Average Maturity | 1.32 years |
| Weighted Average Yield    | 3.98%      |

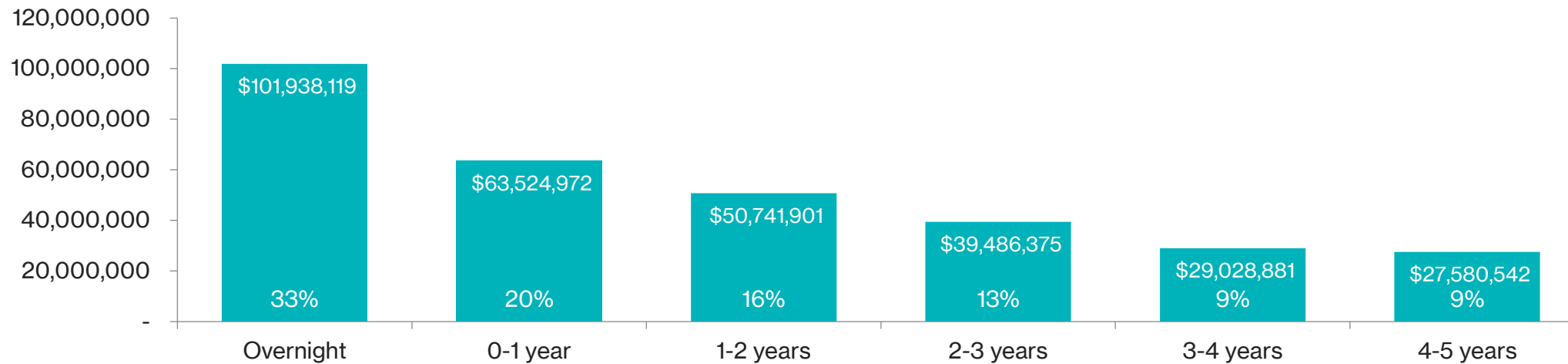
## Interest Earnings:

|                              |             |
|------------------------------|-------------|
| Quarterly Interest Earned    | \$3,211,216 |
| Year-to-date Interest Earned | \$6,310,009 |

## Your Asset Allocation

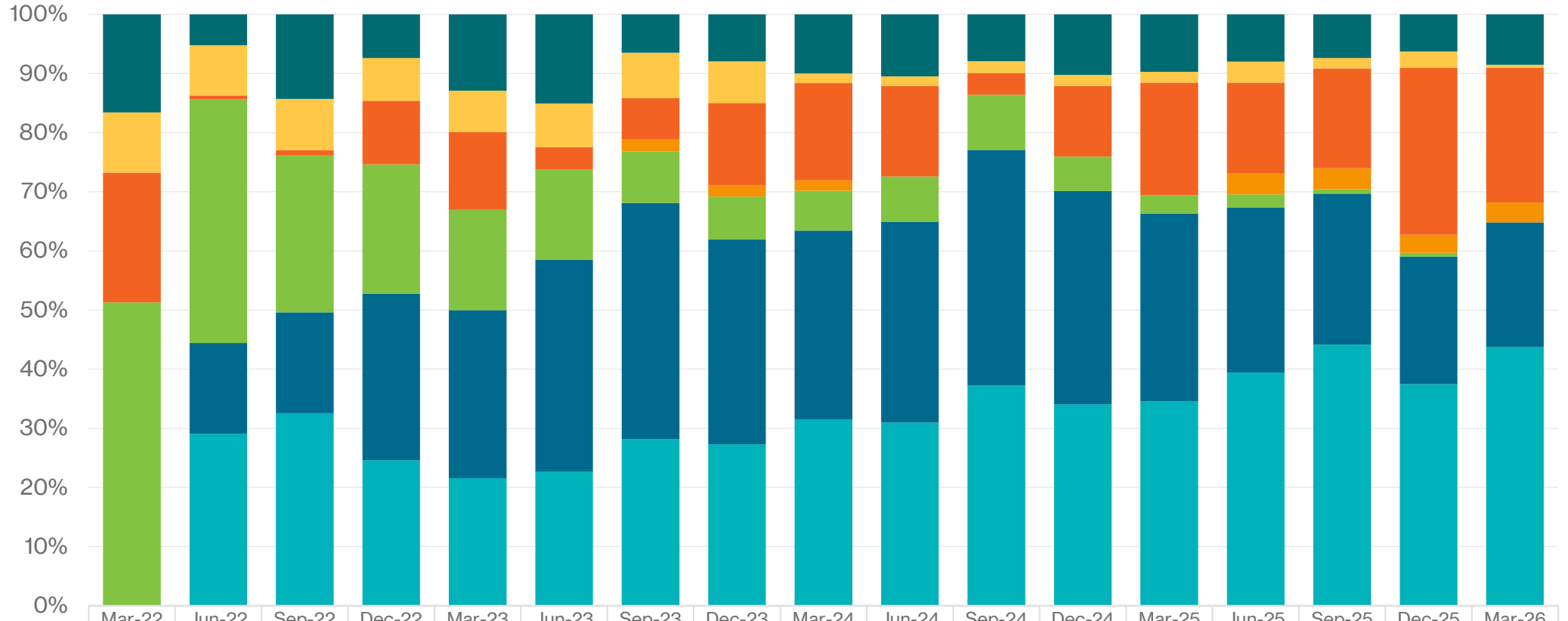


## Your Maturity Distribution



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



|                            | 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 | Mar-26 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| ■ Cash                     | 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%  | 8.53%  |
| ■ Money Market             | 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%  | 0.49%  |
| ■ LGIPs                    | 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% | 22.83% |
| ■ Commercial Paper         | 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%  | 3.32%  |
| ■ Certificates of Deposit  | 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%  | 0.00%  |
| ■ U.S. Government Agencies | 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% | 21.12% |
| ■ U.S. Treasury Securities | 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% | 43.72% |

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