



PUBLIC FUNDS ADVISORY

City of Killeen

Quarterly Investment Report

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MARCH 31, 2024



MEEDER
PUBLIC FUNDS

“FIGEY” Model of Interest Rates

Fed, Inflation, Growth, Employment, Yields

Fed Policy



Inflation



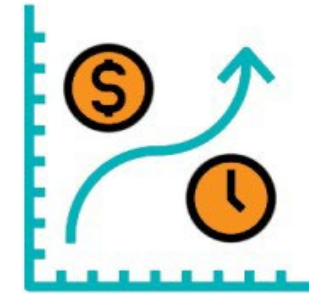
Growth (GDP)



Employment



Yields



- U.S. Treasury yields/rates are primarily a function of Federal Reserve policy, inflation, economic growth, and employment.
- Shorter-term yields are highly correlated with the Fed Funds rate set by the Fed's Federal Open Market Committee (FOMC).
- Intermediate-term and longer-term yields are more correlated to the expected future rates of inflation, economic growth, and the unemployment rate.

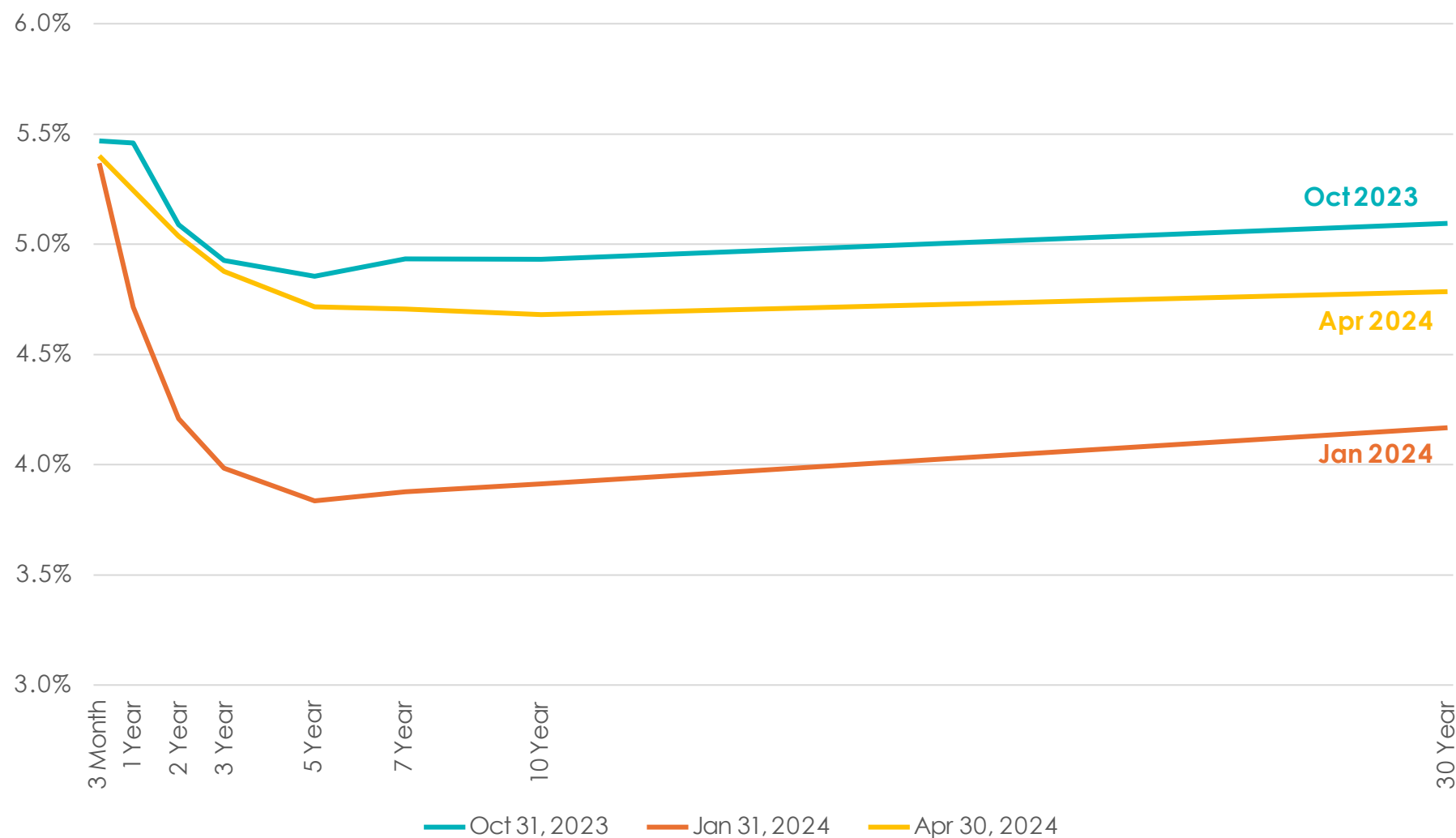
“FIGEY” Model of Interest Rates: Near-Term Outlook

Metric

Outlook

Fed Funds Rate	Chair Powell said to expect “patience” regarding rate cuts, we agree.
Inflation	The path to the Fed’s 2% inflation target will take longer than anticipated.
Growth	Gross Domestic Product (GDP) growth will slow from 2023’s rate.
Employment	Employment will remain moderately robust, with job growth slowing.
Yields	Short-term rates will track Fed Funds, longer-term rates rangebound.

Yields: US Treasury Yield Curves



- U.S. intermediate-term and long-term treasury rates peaked last October.
- Rates dropped from last fall into the first part of 2024 partly due to the Fed pivoting to three expected .25% rate cuts in 2024 from rate hikes in 2023.
- Over the past few months intermediate-term and long-term treasury rates have bounced higher on sticky inflation and higher commodity prices.
- We expect at least one rate cut later in the year and that would most likely put downward pressure on treasury yields.

Portfolio Summary – Investment Pool

As of 3/31/2024

Your Portfolio

Cash/LGIPs	\$77,913,620
Securities Book Value	\$199,820,926
Total Portfolio Book Value	\$277,734,546

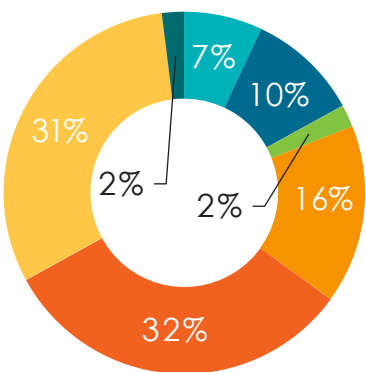
Your Securities

Weighted Average Maturity	1.44 years
Weighted Average Yield	4.44%

Interest Earnings:

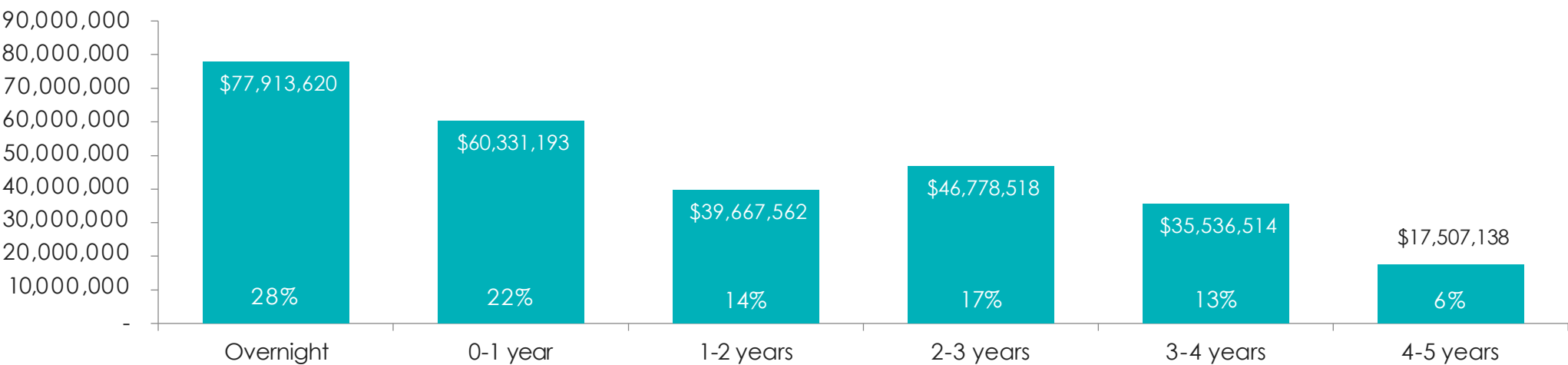
Quarterly Interest Earned	\$3,101,527
Year-to-date Interest Earned	\$5,762,149

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.