



City of Killeen

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2021

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.

Jonathan Locke, Executive Director of Finance

Judith Tangalin, Controller

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.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	September 30, 2020			September 30, 2021		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.50%	\$ 5,706,063	\$ 5,706,063	0.84%	\$ 3,746,223	\$ 3,746,223
Pools/MMA	0.35%	13,582,710	13,582,710	0.18%	22,189,612	22,189,612
Securities/CDs	1.48%	75,425,815	75,425,815	0.29%	115,368,432	115,368,432
Totals		\$ 94,714,587	\$ 94,714,587		\$ 141,304,268	\$ 141,304,268
Fourth Quarter-End Yield	1.26%			0.29%		

Average Quarter-End Yields (1):

2020 Fiscal Year		2021 Fiscal Year
Killeen	1.81%	0.53%
Rolling Three Month Treasury	0.76%	0.06%
Rolling Six Month Treasury	0.99%	0.08%
TexPool	0.75%	0.04%
Fiscal YTD Interest Earnings	\$ 1,929,806 (Approximate)	\$ 829,379 (Approximate)

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

Summary

Quarter End Results by Investment Category:

Asset Type	June 30, 2021		September 30, 2021		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Demand Accounts	\$ 8,065,924	\$ 8,065,924	\$ 3,746,223	\$ 3,746,223	0.84%
Pools/MMA	29,419,783	29,419,783	22,189,612	22,189,612	0.18%
Securities/CDs	130,531,182	130,531,182	115,368,432	115,368,432	0.29%
Totals	\$ 168,016,888	\$ 168,016,888	\$ 141,304,268	\$ 141,304,268	0.29%

<u>Current Quarter Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.29%	Total Portfolio	0.53%
Rolling Three Month Treasury	0.05%	Rolling Three Month Treasury	0.06%
Rolling Six Month Treasury	0.05%	Rolling Six Month Treasury	0.08%
TexPool	0.03%	TexPool	0.04%
		Interest Earnings (Approximate)	Bank Fees Offset
Quarterly	\$ 111,479	\$ 10,214	
Year-to-date	\$ 829,379	\$ 39,948	

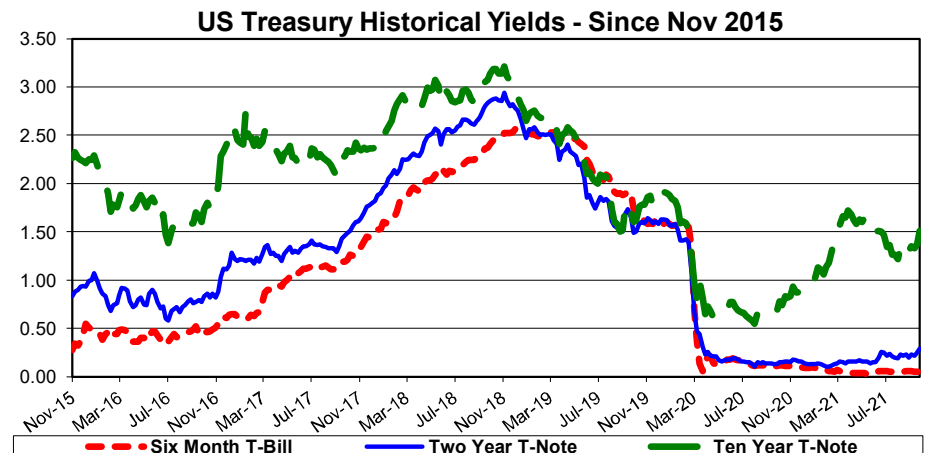
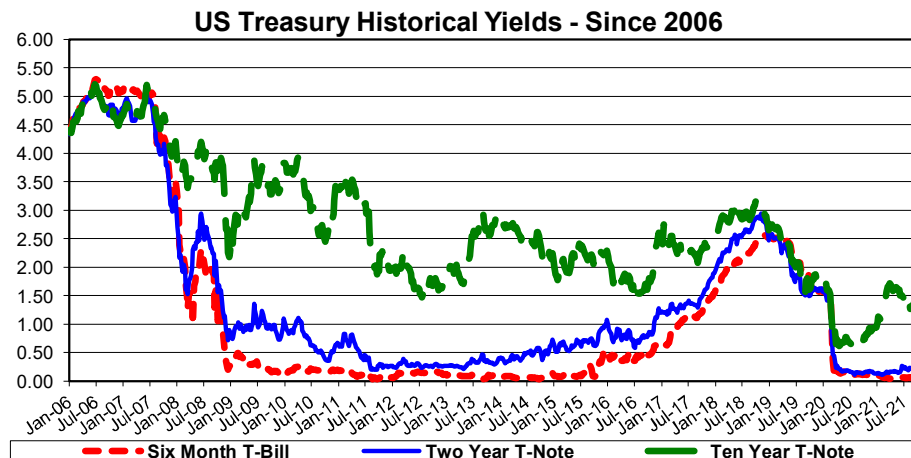
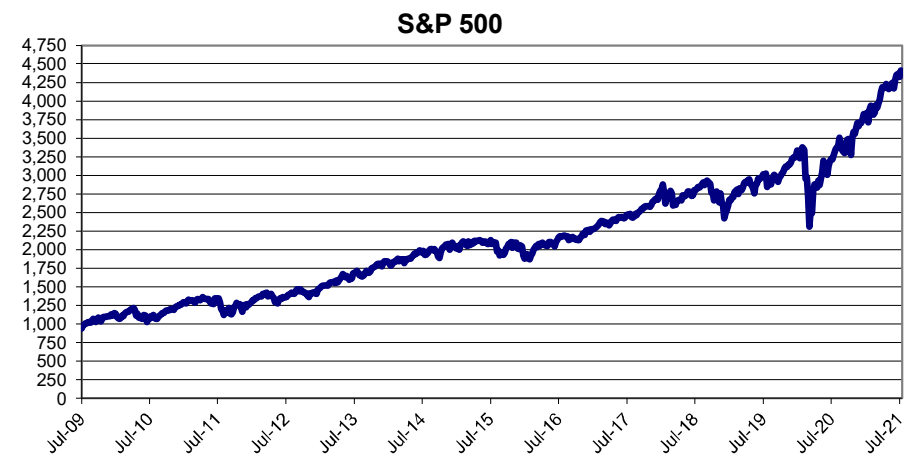
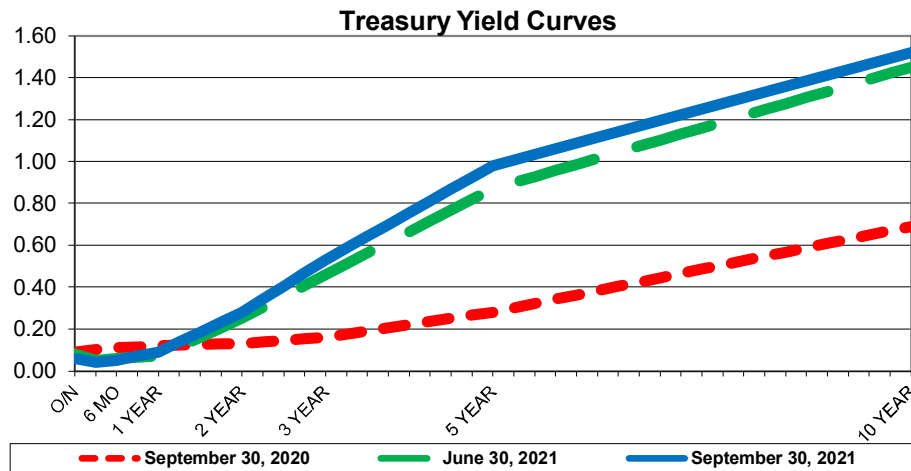
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values; does not reflect a total return analysis, realized or unrealized gains/losses, or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Weighted 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.

Economic Overview

9/30/2021

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading <0.10%), and projects that reduced rates could remain into 2023. Monthly government security purchases may begin tapering as early as Nov 2021. Second Quarter GDP posted +6.7% (Final). Employment recovery/growth has moderated, but job openings remain high. August Non-Farm Payroll only added 194k net new jobs. Crude oil bounced up to +/- \$77 per barrel, with fuel shortages in England and other countries. The Stock Markets reached new highs, but have retrenched slightly. Housing, Industrial Production, Durable Goods, Consumer Spending, and other indicators remain positive but constrained. The Biden administration and Congress continue to negotiate infrastructure, fiscal and debt limit packages. Inflation remained over the FOMC 2+% target and may not be as temporary as initially projected. The Yield Curve rose slightly from two years to ten years.



Investment Holdings

September 30, 2021

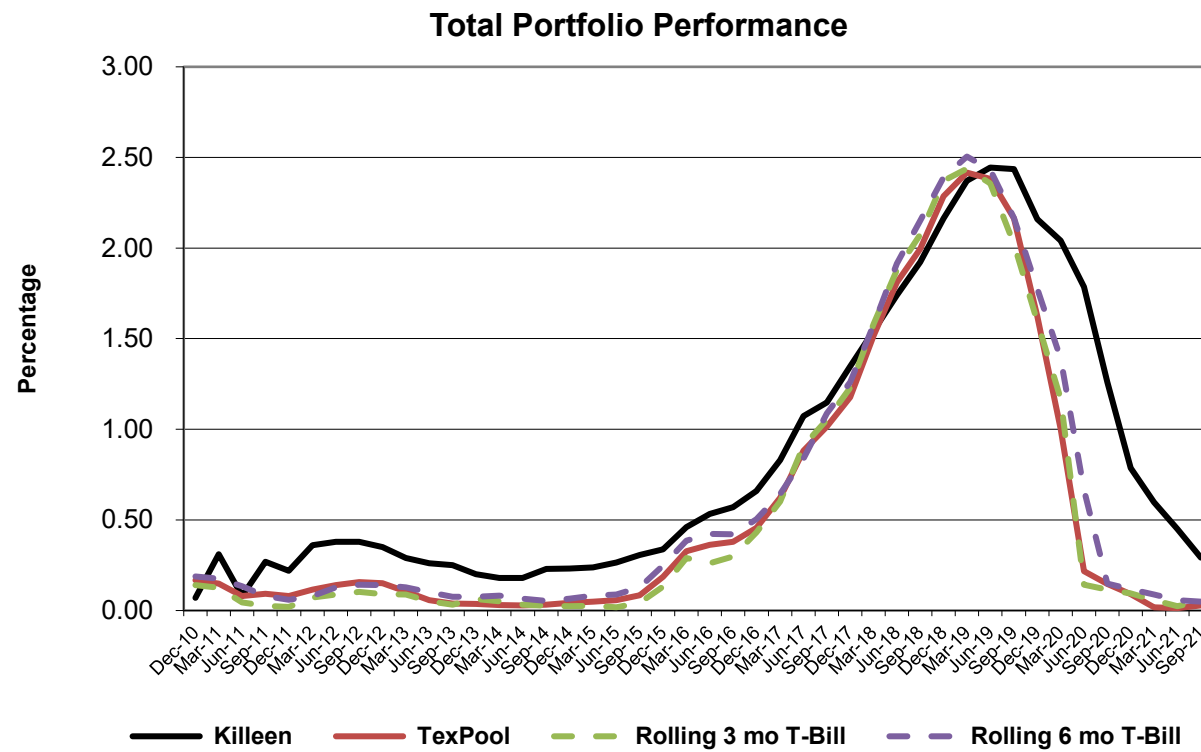
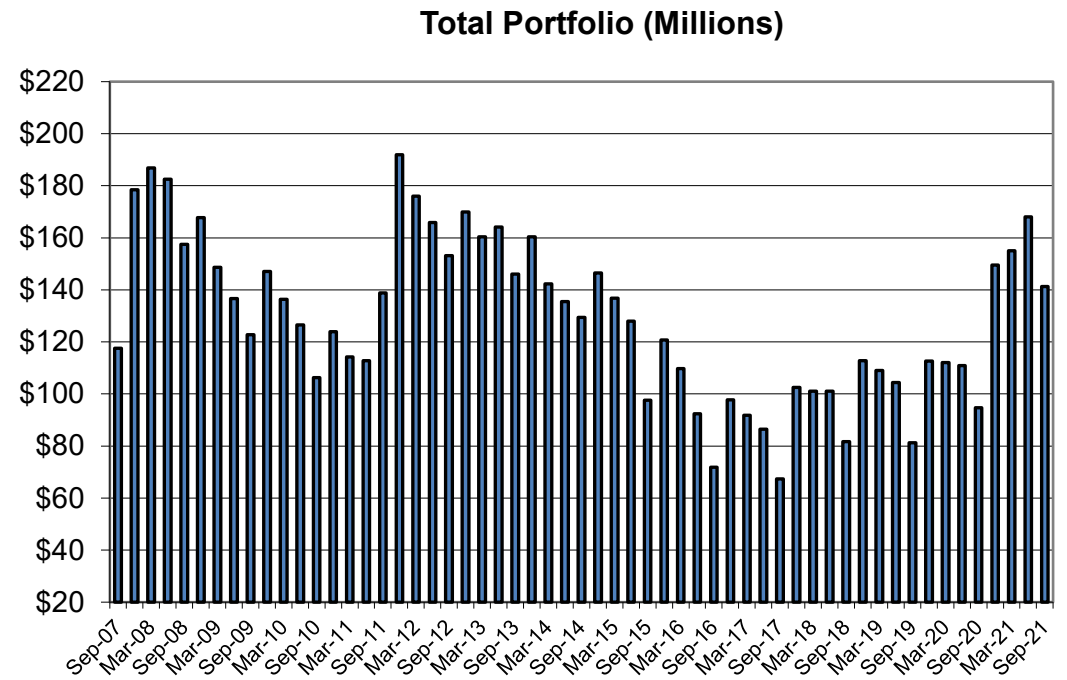
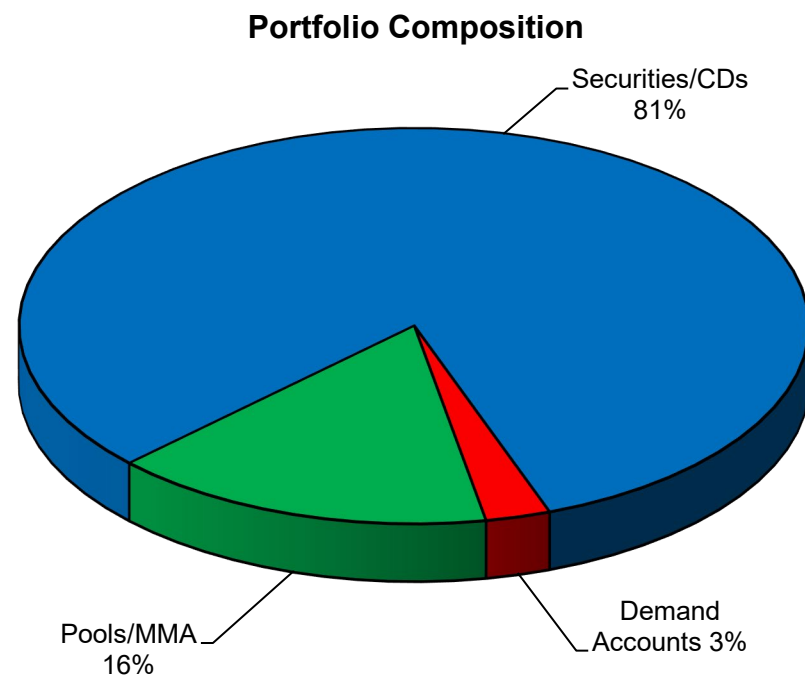
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
BBVA Demand Account (3)		0.84%	10/01/21	09/30/21	\$ 3,734,714	\$ 3,734,714	1.00	\$ 3,734,714	1	0.84%
Cash on Hand		0.00%	10/01/21	09/30/21	10,400	10,400	1.00	10,400	1	0.00%
Hometown Cash on Hand		0.00%	10/01/21	09/30/21	1,109	1,109	1.00	1,109	1	0.00%
BBVA MMA		0.01%	10/01/21	09/30/21	1,446,676	1,446,676	1.00	1,446,676	1	0.01%
Prosperity Bank MMA		0.07%	10/01/21	09/30/21	4,183,140	4,183,140	1.00	4,183,140	1	0.07%
Veritex Community Bank MMA		0.08%	10/01/21	09/30/21	8,126,993	8,126,993	1.00	8,126,993	1	0.08%
NexBank MMA		0.40%	10/01/21	09/30/21	7,594,678	7,594,678	1.00	7,594,678	1	0.40%
TexSTAR	AAAm	0.01%	10/01/21	09/30/21	838,124	838,124	1.00	838,124	1	0.01%
East West Bank CD		0.26%	12/09/21	12/09/20	3,206,754	3,206,754	100.00	3,206,754	70	0.26%
Bank OZK CD		0.60%	01/04/22	05/12/20	3,024,197	3,024,197	100.00	3,024,197	96	0.60%
Central Nat'l Bank CD		1.66%	01/04/22	03/04/20	3,075,458	3,075,458	100.00	3,075,458	96	1.67%
Prosperity Bank CD		0.40%	03/01/22	08/11/20	2,510,015	2,510,015	100.00	2,510,015	152	0.40%
Prosperity Bank CD		0.40%	04/01/22	08/11/20	2,510,015	2,510,015	100.00	2,510,015	183	0.40%
Prosperity Bank CD		0.40%	05/03/22	09/01/20	1,004,006	1,004,006	100.00	1,004,006	215	0.40%
Prosperity Bank CD		0.40%	06/01/22	09/01/20	2,008,012	2,008,012	100.00	2,008,012	244	0.40%
Prosperity Bank CD		0.20%	06/01/22	04/08/21	2,001,677	2,001,677	100.00	2,001,677	244	0.20%
Bank OZK CD		0.25%	06/09/22	12/09/20	1,102,074	1,102,074	100.00	1,102,074	252	0.25%
Allegiance Bank CD		0.20%	06/09/22	12/09/20	6,209,313	6,209,313	100.00	6,209,313	252	0.20%
Prosperity Bank CD		0.40%	07/01/22	09/01/20	5,446,425	5,446,425	100.00	5,446,425	274	0.40%
Prosperity Bank CD		0.20%	07/01/22	04/08/21	4,003,355	4,003,355	100.00	4,003,355	274	0.20%
Veritex Community Bank CD		0.24%	07/01/22	2/5/2021	6,007,143	6,007,143	100.00	6,007,143	274	0.24%
Prosperity Bank CD		0.20%	08/01/22	3/3/2021	3,003,026	3,003,026	100.00	3,003,026	305	0.20%
Bank OZK CD		0.28%	08/01/22	12/02/20	6,012,668	6,012,668	100.00	6,012,668	305	0.28%
Veritex Community Bank CD		0.18%	08/02/22	12/23/20	3,004,056	3,004,056	100.00	3,004,056	306	0.18%
Veritex Community Bank CD		0.18%	09/01/22	12/23/20	5,006,759	5,006,759	100.00	5,006,759	336	0.18%
Veritex Community Bank CD		0.19%	09/30/22	12/23/20	5,007,135	5,007,135	100.00	5,007,135	365	0.19%
Bank OZK CD		0.28%	12/09/22	12/09/20	8,918,791	8,918,791	100.00	8,918,791	435	0.28%
Prosperity Bank CD		0.20%	01/04/23	04/08/21	6,005,032	6,005,032	100.00	6,005,032	461	0.20%
Prosperity Bank CD		0.20%	03/01/23	06/02/21	2,001,008	2,001,008	100.00	2,001,008	517	0.20%
Prosperity Bank CD		0.20%	04/03/23	06/02/21	2,001,008	2,001,008	100.00	2,001,008	550	0.20%
Veritex Community Bank CD		0.20%	05/01/23	06/02/21	1,000,504	1,000,504	100.00	1,000,504	578	0.20%
Veritex Community Bank CD		0.24%	06/01/23	08/02/21	5,000,000	5,000,000	100.00	5,000,000	609	0.24%
Veritex Community Bank CD		0.20%	06/01/23	09/03/21	2,000,000	2,000,000	100.00	2,000,000	609	0.20%
Veritex Community Bank CD		0.25%	07/03/23	08/02/21	9,300,000	9,300,000	100.00	9,300,000	641	0.25%
Veritex Community Bank CD		0.21%	07/03/23	09/03/21	5,000,000	5,000,000	100.00	5,000,000	641	0.21%
Veritex Community Bank CD		0.21%	08/01/23	09/03/21	5,000,000	5,000,000	100.00	5,000,000	670	0.21%

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
Veritex Community Bank CD		0.25%	09/01/23	09/03/21	5,000,000	5,000,000	100.00	5,000,000	701	0.25%
					<u>\$141,304,268</u>	<u>\$ 141,304,268</u>		<u>\$141,304,268</u>	<u>324</u>	<u>0.29%</u>
										(1) (2)

(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.



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/21	Increases	Decreases	Book Value 09/30/21	Market Value 06/30/21	Change in Market Value	Market Value 09/30/21
BBVA Demand Account	0.84%	10/01/21	\$ 8,054,415	\$ —	\$ (4,319,700)	\$ 3,734,714	\$ 8,054,415	\$ (4,319,700)	\$ 3,734,714
Cash on Hand	0.00%	10/01/21	10,400	—	—	10,400	10,400	—	10,400
Hometown Cash on Hand	0.00%	10/01/21	1,109	—	—	1,109	1,109	—	1,109
BBVA MMA	0.01%	10/01/21	16,204,498	—	(14,757,821)	1,446,676	16,204,498	(14,757,821)	1,446,676
Prosperity Bank MMA	0.07%	10/01/21	4,182,390	751	—	4,183,140	4,182,390	751	4,183,140
Veritex Community Bank MMA	0.08%	10/01/21	126,232	8,000,762	—	8,126,993	126,232	8,000,762	8,126,993
NexBank MMA	0.40%	10/01/21	7,587,026	7,652	—	7,594,678	7,587,026	7,652	7,594,678
TexSTAR	0.01%	10/01/21	1,319,638	—	(481,514)	838,124	1,319,638	(481,514)	838,124
Bank OZK CD	0.50%	07/01/21	5,025,108	—	(5,025,108)	—	5,025,108	(5,025,108)	—
Veritex Community Bank CD	1.68%	07/02/21	10,253,363	—	(10,253,363)	—	10,253,363	(10,253,363)	—
Prosperity Bank CD	0.60%	08/02/21	5,022,554	—	(5,022,554)	—	5,022,554	(5,022,554)	—
Bank OZK CD	0.50%	08/02/21	1,005,022	—	(1,005,022)	—	1,005,022	(1,005,022)	—
East West Bank CD	1.72%	08/02/21	6,151,995	—	(6,151,995)	—	6,151,995	(6,151,995)	—
East West Bank CD	1.71%	09/02/21	2,050,630	—	(2,050,630)	—	2,050,630	(2,050,630)	—
East West Bank CD	0.24%	09/02/21	17,021,251	—	(17,021,251)	—	17,021,251	(17,021,251)	—
East West Bank CD	0.26%	12/09/21	3,204,653	2,101	—	3,206,754	3,204,653	2,101	3,206,754
Bank OZK CD	0.60%	01/04/22	3,019,620	4,577	—	3,024,197	3,019,620	4,577	3,024,197
Central Nat'l Bank CD	1.67%	01/04/22	3,062,682	12,776	—	3,075,458	3,062,682	12,776	3,075,458
Prosperity Bank CD	0.40%	03/01/22	2,507,487	2,528	—	2,510,015	2,507,487	2,528	2,510,015
Prosperity Bank CD	0.40%	04/01/22	2,507,487	2,528	—	2,510,015	2,507,487	2,528	2,510,015
Prosperity Bank CD	0.40%	05/03/22	1,002,995	1,011	—	1,004,006	1,002,995	1,011	1,004,006
Prosperity Bank CD	0.40%	06/01/22	2,005,990	2,022	—	2,008,012	2,005,990	2,022	2,008,012
Prosperity Bank CD	0.20%	06/01/22	2,000,669	1,009	—	2,001,677	2,000,669	1,009	2,001,677
Bank OZK CD	0.25%	06/09/22	1,101,377	697	—	1,102,074	1,101,377	697	1,102,074
Allegiance Bank CD	0.20%	06/09/22	6,206,185	3,129	—	6,209,313	6,206,185	3,129	6,209,313
Prosperity Bank CD	0.40%	07/01/22	5,440,939	5,486	—	5,446,425	5,440,939	5,486	5,446,425
Prosperity Bank CD	0.20%	07/01/22	4,001,337	2,017	—	4,003,355	4,001,337	2,017	4,003,355
Veritex Community Bank CD	0.24%	07/01/22	6,003,511	3,632	—	6,007,143	6,003,511	3,632	6,007,143
Prosperity Bank CD	0.20%	08/01/22	3,001,513	1,513	—	3,003,026	3,001,513	1,513	3,003,026
Bank OZK CD	0.28%	08/01/22	6,008,412	4,257	—	6,012,668	6,008,412	4,257	6,012,668
Veritex Community Bank CD	0.18%	08/02/22	3,002,693	1,362	—	3,004,056	3,002,693	1,362	3,004,056
Veritex Community Bank CD	0.18%	09/01/22	5,004,489	2,271	—	5,006,759	5,004,489	2,271	5,006,759
Veritex Community Bank CD	0.19%	09/30/22	5,004,738	2,397	—	5,007,135	5,004,738	2,397	5,007,135
Bank OZK CD	0.28%	12/09/22	8,912,478	6,314	—	8,918,791	8,912,478	6,314	8,918,791
Prosperity Bank CD	0.20%	01/04/23	6,002,006	3,026	—	6,005,032	6,002,006	3,026	6,005,032
Prosperity Bank CD	0.20%	03/01/23	2,000,000	1,008	—	2,001,008	2,000,000	1,008	2,001,008
Prosperity Bank CD	0.20%	04/03/23	2,000,000	1,008	—	2,001,008	2,000,000	1,008	2,001,008
Veritex Community Bank CD	0.20%	05/01/23	1,000,000	504	—	1,000,504	1,000,000	504	1,000,504
Veritex Community Bank CD	0.24%	06/01/23	—	5,000,000	—	5,000,000	—	5,000,000	5,000,000

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/21	Increases	Decreases	Book Value 09/30/21	Market Value 06/30/21	Change in Market Value	Market Value 09/30/21
Veritex Community Bank CD	0.20%	06/01/23	—	2,000,000	—	2,000,000	—	2,000,000	2,000,000
Veritex Community Bank CD	0.25%	07/03/23	—	9,300,000	—	9,300,000	—	9,300,000	9,300,000
Veritex Community Bank CD	0.21%	07/03/23	—	5,000,000	—	5,000,000	—	5,000,000	5,000,000
Veritex Community Bank CD	0.21%	08/01/23	—	5,000,000	—	5,000,000	—	5,000,000	5,000,000
Veritex Community Bank CD	0.25%	09/01/23	—	5,000,000	—	5,000,000	—	5,000,000	5,000,000
TOTAL/AVERAGE	0.29%		\$ 168,016,888	\$ 39,376,338	\$ (66,088,958)	\$ 141,304,268	\$ 168,016,888	\$ (26,712,621)	\$ 141,304,268

Allocation

September 30, 2021

Book & Market Value	Maturity Date	Total	Pooled Investments	General Fund	Special Revenue	Enterprise Funds	Employee Benefit Trust
BBVA Demand Account	10/01/21	\$ 3,734,714	\$ 3,541,969	\$ —	\$ 72,205	\$ 35	\$ 120,506
Cash on Hand	10/01/21	10,400	—	4,400	2,000	4,000	—
Hometown Cash on Hand	10/01/21	1,109	—	1,109	—	—	—
BBVA MMA	10/01/21	1,446,676	1,446,676	—	—	—	—
Prosperity Bank MMA	10/01/21	4,183,140	4,183,140	—	—	—	—
Veritex Community Bank MMA	10/01/21	8,126,993	8,126,993	—	—	—	—
NexBank MMA	10/01/21	7,594,678	7,594,678	—	—	—	—
TexSTAR	10/01/21	838,124	838,124	—	—	—	—
East West Bank CD	12/09/21	3,206,754	3,206,754	—	—	—	—
Bank OZK CD	01/04/22	3,024,197	3,024,197	—	—	—	—
Central Nat'l Bank CD	01/04/22	3,075,458	3,075,458	—	—	—	—
Prosperity Bank CD	03/01/22	2,510,015	2,510,015	—	—	—	—
Prosperity Bank CD	04/01/22	2,510,015	2,510,015	—	—	—	—
Prosperity Bank CD	05/03/22	1,004,006	1,004,006	—	—	—	—
Prosperity Bank CD	06/01/22	2,008,012	2,008,012	—	—	—	—
Prosperity Bank CD	06/01/22	2,001,677	2,001,677	—	—	—	—
Bank OZK CD	06/09/22	1,102,074	1,102,074	—	—	—	—
Allegiance Bank CD	06/09/22	6,209,313	6,209,313	—	—	—	—
Prosperity Bank CD	07/01/22	5,446,425	5,446,425	—	—	—	—
Prosperity Bank CD	07/01/22	4,003,355	4,003,355	—	—	—	—
Veritex Community Bank CD	07/01/22	6,007,143	6,007,143	—	—	—	—
Prosperity Bank CD	08/01/22	3,003,026	3,003,026	—	—	—	—
Bank OZK CD	08/01/22	6,012,668	6,012,668	—	—	—	—
Veritex Community Bank CD	08/02/22	3,004,056	3,004,056	—	—	—	—
Veritex Community Bank CD	09/01/22	5,006,759	5,006,759	—	—	—	—
Veritex Community Bank CD	09/30/22	5,007,135	5,007,135	—	—	—	—
Bank OZK CD	12/09/22	8,918,791	8,918,791	—	—	—	—
Prosperity Bank CD	01/04/23	6,005,032	6,005,032	—	—	—	—
Prosperity Bank CD	03/01/23	2,001,008	2,001,008	—	—	—	—
Prosperity Bank CD	04/03/23	2,001,008	2,001,008	—	—	—	—
Veritex Community Bank CD	05/01/23	1,000,504	1,000,504	—	—	—	—
Veritex Community Bank CD	06/01/23	5,000,000	5,000,000	—	—	—	—
Veritex Community Bank CD	06/01/23	2,000,000	2,000,000	—	—	—	—
Veritex Community Bank CD	07/03/23	9,300,000	9,300,000	—	—	—	—
Veritex Community Bank CD	07/03/23	5,000,000	5,000,000	—	—	—	—
Veritex Community Bank CD	08/01/23	5,000,000	5,000,000	—	—	—	—
Veritex Community Bank CD	09/01/23	5,000,000	5,000,000	—	—	—	—
Totals		\$ 141,304,268	\$ 141,100,013	\$ 5,509	\$ 74,205	\$ 4,035	\$ 120,506

Allocation

June 30, 2021

Book & Market Value	Maturity Date	Total	Pooled Investments	General Fund	Special Revenue	Enterprise Funds	Employee Benefit Trust
BBVA Demand Account	07/01/21	\$ 8,054,415	\$ 7,821,600	\$ —	\$ 105,076	\$ 35	\$ 127,704
Cash on Hand	07/01/21	10,400	—	4,400	2,000	4,000	—
Hometown Cash on Hand	07/01/21	1,109	—	1,109	—	—	—
BBVA MMA	07/01/21	16,204,498	16,204,498	—	—	—	—
Prosperity Bank MMA	07/01/21	4,182,390	4,182,390	—	—	—	—
Veritex Community Bank MMA	07/01/21	126,232	126,232	—	—	—	—
NexBank MMA	07/01/21	7,587,026	7,587,026	—	—	—	—
TexSTAR	07/01/21	1,319,638	1,319,638	—	—	—	—
Bank OZK CD	07/01/21	5,025,108	5,025,108	—	—	—	—
Veritex Community Bank CD	07/02/21	10,253,363	10,253,363	—	—	—	—
Prosperity Bank CD	08/02/21	5,022,554	5,022,554	—	—	—	—
Bank OZK CD	08/02/21	1,005,022	1,005,022	—	—	—	—
East West Bank CD	08/02/21	6,151,995	6,151,995	—	—	—	—
East West Bank CD	09/02/21	2,050,630	2,050,630	—	—	—	—
East West Bank CD	09/02/21	17,021,251	17,021,251	—	—	—	—
East West Bank CD	12/09/21	3,204,653	3,204,653	—	—	—	—
Bank OZK CD	01/04/22	3,019,620	3,019,620	—	—	—	—
Central Nat'l Bank CD	01/04/22	3,062,682	3,062,682	—	—	—	—
Prosperity Bank CD	03/01/22	2,507,487	2,507,487	—	—	—	—
Prosperity Bank CD	04/01/22	2,507,487	2,507,487	—	—	—	—
Prosperity Bank CD	05/03/22	1,002,995	1,002,995	—	—	—	—
Prosperity Bank CD	06/01/22	2,005,990	2,005,990	—	—	—	—
Prosperity Bank CD	06/01/22	2,000,669	2,000,669	—	—	—	—
Bank OZK CD	06/09/22	1,101,377	1,101,377	—	—	—	—
Allegiance Bank CD	06/09/22	6,206,185	6,206,185	—	—	—	—
Prosperity Bank CD	07/01/22	5,440,939	5,440,939	—	—	—	—
Prosperity Bank CD	07/01/22	4,001,337	4,001,337	—	—	—	—
Veritex Community Bank CD	07/01/22	6,003,511	6,003,511	—	—	—	—
Prosperity Bank CD	08/01/22	3,001,513	3,001,513	—	—	—	—
Bank OZK CD	08/01/22	6,008,412	6,008,412	—	—	—	—
Veritex Community Bank CD	08/02/22	3,002,693	3,002,693	—	—	—	—
Veritex Community Bank CD	09/01/22	5,004,489	5,004,489	—	—	—	—
Veritex Community Bank CD	09/30/22	5,004,738	5,004,738	—	—	—	—
Bank OZK CD	12/09/22	8,912,478	8,912,478	—	—	—	—
Prosperity Bank CD	01/04/23	6,002,006	6,002,006	—	—	—	—
Prosperity Bank CD	03/01/23	2,000,000	2,000,000	—	—	—	—
Prosperity Bank CD	04/03/23	2,000,000	2,000,000	—	—	—	—
Veritex Community Bank CD	05/01/23	1,000,000	1,000,000	—	—	—	—
Totals		\$ 168,016,888	\$ 167,772,565	\$ 5,509	\$ 107,076	\$ 4,035	\$ 127,704