



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2019

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City of Keller is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Director of Administrative Services/Finance -
Investment Officer

City Manager

Assistant Director of Finance - Investment Officer

Mayor

Council Member

Council Member

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.

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2019			December 31, 2019		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	2.09%	\$ 1,234,537	\$ 1,234,537	1.80%	\$ 1,325,345	\$ 1,325,345
NOW/MMA/Pools	2.20%	42,673,095	42,673,095	1.66%	56,292,346	56,292,346
Securities/CDs	2.71%	58,412,377	58,412,377	2.73%	54,991,730	54,991,730
Totals		\$ 102,320,008	\$ 102,320,008		\$ 112,609,421	\$ 112,609,421

Average Yield - Current Quarter (1)

Total Portfolio	2.19%
Rolling Three Month Treasury	1.60%
Rolling Six Month Treasury	1.78%
TexPool	1.66%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	2.19%
Rolling Three Month Treasury	1.60%
Rolling Six Month Treasury	1.78%
TexPool	1.66%

Interest Income (Approximate)

Quarterly Interest Income	\$ 602,984
Fiscal Year-to-date Interest Income	\$ 602,984

Bank Fee Offset

Current Quarter Bank Fee Offset	\$ 6,159
Year-to-Date Bank Fee Offset	\$ 6,159

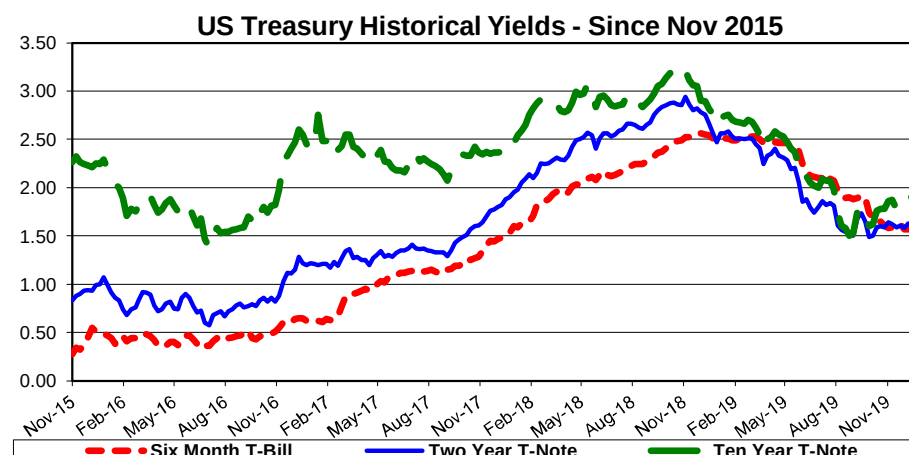
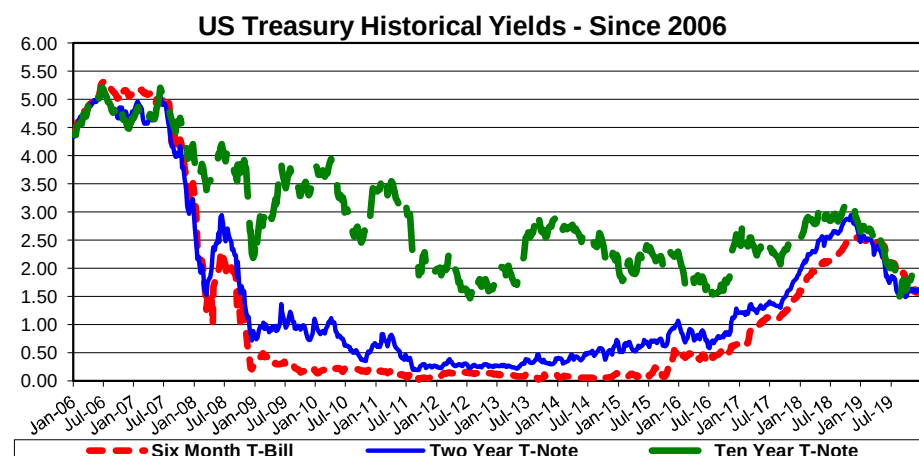
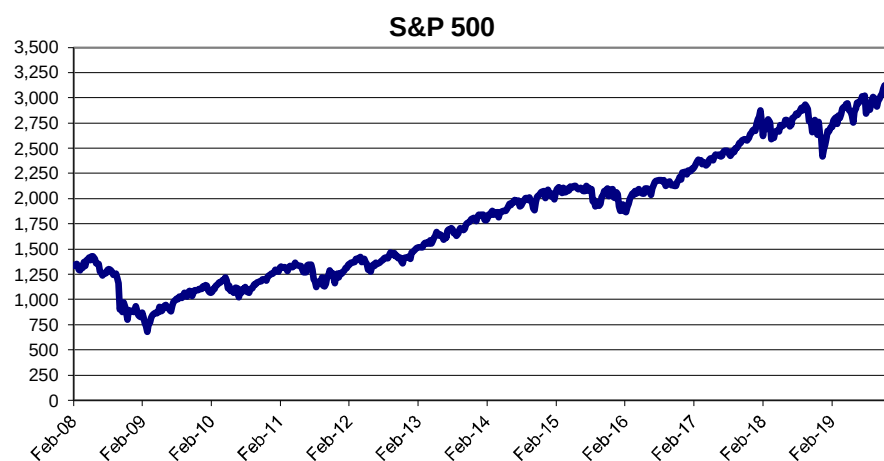
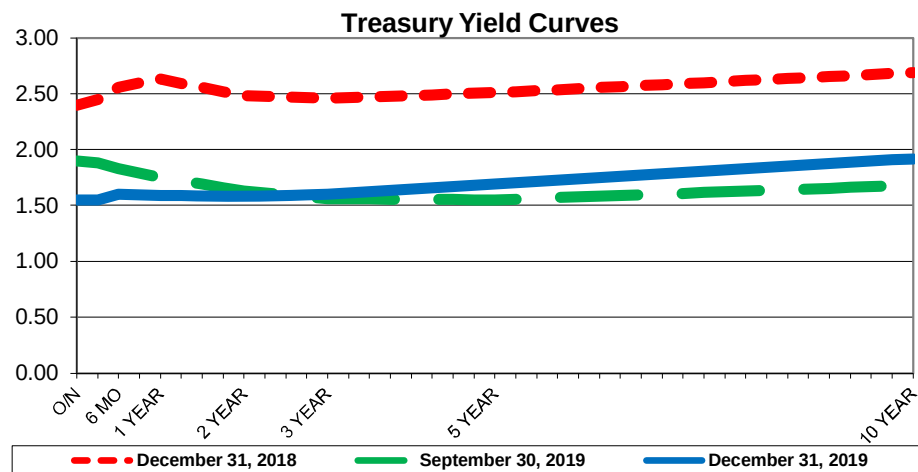
(1) **Average Yield - Current Quarter** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yields** calculated using quarter end report yields.

Economic Overview

12/31/2019

The Federal Open Market Committee (FOMC) held the Fed Funds target range at 1.50% - 1.75% (Effective Fed Funds are trading +/-1.55%). The Futures Market has reduced the probability of additional decreases until late summer/early fall 2020. Middle East turmoil had bumped crude oil over \$60, but it has retreated back below. December Non Farm Payroll rose 145,000 resulting in a three month moving average of 185,000. The Unemployed level remained at 3.5%. The Stock Markets remain at or near historic highs. Consumer spending has improved. Housing shows signs of growth. Overall economic activity remains positive, 3rd Quarter GDP was confirmed at 2.1%. The British are moving forward with Brexit. Several trade agreements are also progressing (China, North America, Japan). The Yield Curve shifted to slightly positive.



Investment Holdings
December 31, 2019

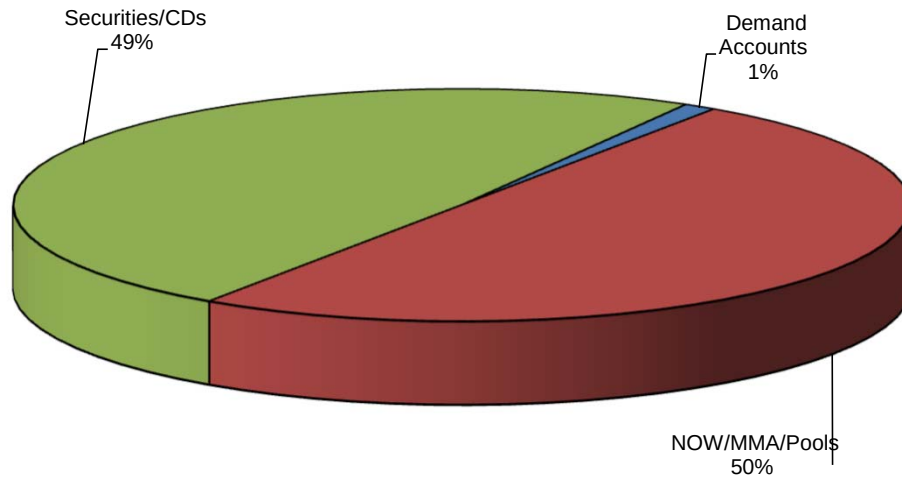
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Frost DDA (3)		1.80%	01/01/20	12/31/19	\$ 1,325,345	\$ 1,325,345	1.00	\$ 1,325,345	1	1.80%
SSB MMA 1332		1.80%	01/01/20	12/31/19	868,568	868,568	1.00	868,568	1	1.80%
SSB MMA 7888		1.80%	01/01/20	12/31/19	594,765	594,765	1.00	594,765	1	1.80%
NexBank MMA		1.82%	01/01/20	12/31/19	239,145	239,145	1.00	239,145	1	1.82%
NexBank ICS Savings		1.82%	01/01/20	12/31/19	18,766,625	18,766,625	1.00	18,766,625	1	1.82%
Goldman Sachs Gov't MMF	AAAm	1.19%	01/01/20	12/31/19	4,182,439	4,182,439	1.00	4,182,439	1	1.19%
TexPool	AAAm	1.62%	01/01/20	12/31/19	31,640,805	31,640,805	1.00	31,640,805	1	1.62%
SUBTOTAL					\$ 57,617,691	\$ 57,617,691		\$ 57,617,691	1	1.67%
									(1)	(2)
LegacyTexas Bank CD		2.20%	01/17/20	01/17/18	3,128,974	3,128,974	100.00	3,128,974	17	2.22%
Texas Bank Fin CDARS		2.91%	01/23/20	07/26/18	2,085,319	2,085,319	100.00	2,085,319	23	2.95%
WallisBank CD		2.90%	03/13/20	12/13/18	3,087,951	3,087,951	100.00	3,087,951	73	2.93%
East West Bank CD		2.83%	03/14/20	09/14/18	1,556,150	1,556,150	100.00	1,556,150	74	2.87%
Texas Security Bank CD		2.50%	03/22/20	03/27/18	3,500,000	3,500,000	100.00	3,500,000	82	2.50%
InterBank CDARS		2.65%	04/02/20	04/04/19	1,880,000	1,880,000	100.00	1,880,000	93	2.68%
InterBank CDARS		2.65%	04/02/20	04/04/19	2,880,000	2,880,000	100.00	2,880,000	93	2.68%
InterBank CD		2.65%	04/05/20	04/05/19	120,000	120,000	100.00	120,000	96	2.68%
InterBank CD		2.65%	04/05/20	04/05/19	120,000	120,000	100.00	120,000	96	2.68%
InterBank CDARS		2.65%	04/09/20	04/11/19	5,000,000	5,000,000	100.00	5,000,000	100	2.69%
LegacyTexas Bank CD		2.88%	06/15/20	09/14/18	2,591,477	2,591,477	100.00	2,591,477	167	2.92%
LegacyTexas Bank CD		2.65%	06/15/20	03/15/19	3,060,431	3,060,431	100.00	3,060,431	167	2.68%
Third Coast Bank CD		2.96%	09/14/20	09/14/18	2,593,891	2,593,891	100.00	2,593,891	258	3.00%
LegacyTexas Bank CD		2.68%	09/15/20	03/15/19	5,101,870	5,101,870	100.00	5,101,870	259	2.71%
Texas Bank Fin CDARS		2.50%	10/22/20	10/24/19	2,009,474	2,009,474	100.00	2,009,474	296	2.53%
LegacyTexas Bank CD		3.05%	12/11/20	12/13/18	3,092,790	3,092,790	100.00	3,092,790	346	3.09%
LegacyTexas Bank CD		3.05%	12/11/20	12/13/18	2,061,860	2,061,860	100.00	2,061,860	346	3.09%
LegacyTexas Bank CD		2.70%	12/15/20	03/15/19	3,061,582	3,061,582	100.00	3,061,582	350	2.73%
Texas Bank Fin CDARS		2.96%	01/28/21	01/31/19	3,000,000	3,000,000	100.00	3,000,000	394	3.00%
LegacyTexas Bank CD		2.38%	06/07/21	06/07/19	5,059,960	5,059,960	100.00	5,059,960	524	2.41%
SUBTOTAL					\$ 54,991,730	\$ 54,991,730		\$ 54,991,730	217	2.73%
									(1)	(2)
TOTAL					\$ 112,609,421	\$ 112,609,421		\$ 112,609,421	106	2.19%
									(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

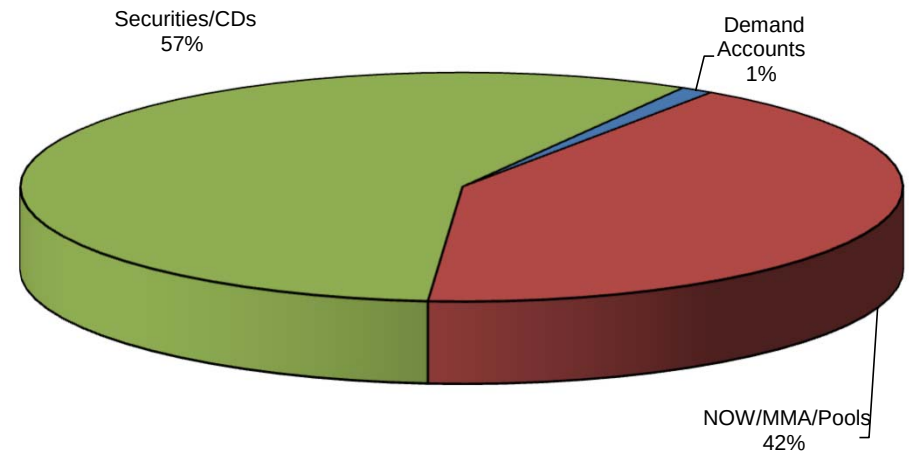
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

(3) **Earnings Credit Rate** - The City's Frost DDA accrues earnings credit to offset service charges and fees. No hard interest is paid.

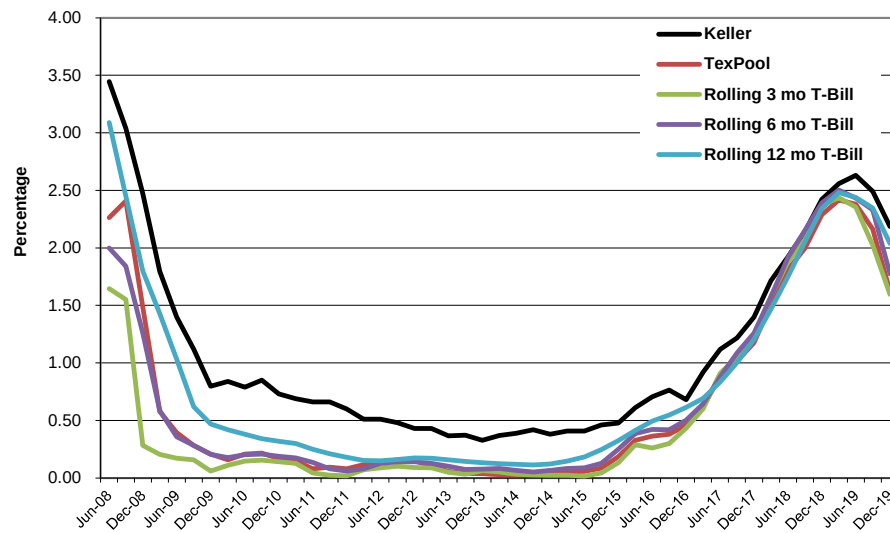
**Portfolio Composition
Current Quarter**



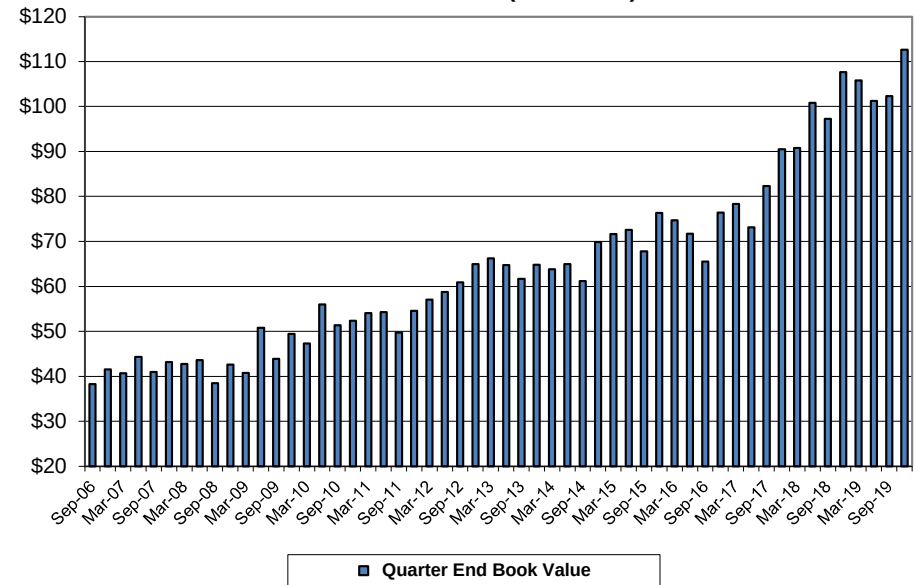
**Portfolio Composition
Previous Quarter**



Historical Yields



Total Portfolio (in Millions)



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2019		Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	December 31, 2019	
			Face Amount/ Par Value	Book Value			Face Amount/ Par Value	Book Value
Frost DDA	1.80%	01/01/20	\$ 1,234,537	\$ 1,234,537	\$ 90,808	\$ –	\$ 1,325,345	\$ 1,325,345
SSB MMA 1332	1.80%	01/01/20	864,408	864,408	4,160		868,568	868,568
SSB MMA 7888	1.80%	01/01/20	591,917	591,917	2,848		594,765	594,765
NexBank MMA	1.82%	01/01/20	237,999	237,999	1,146		239,145	239,145
NexBank ICS Savings	1.82%	01/01/20	16,684,537	16,684,537	2,082,088		18,766,625	18,766,625
Goldman Sachs Gov't MMF	1.19%	01/01/20	4,168,736	4,168,736	13,703		4,182,439	4,182,439
TexPool	1.62%	01/01/20	20,125,498	20,125,498	11,515,306		31,640,805	31,640,805
Texas Bank Fin CDARS	2.86%	10/24/19	2,068,856	2,068,856		(2,068,856)	–	–
Origin Bank CD	1.94%	12/07/19	2,586,154	2,586,154		(2,586,154)	–	–
WallisBank CD	2.87%	12/13/19	1,021,700	1,021,700		(1,021,700)	–	–
LegacyTexas Bank CD	2.20%	01/17/20	3,111,875	3,111,875	17,100		3,128,974	3,128,974
Texas Bank Fin CDARS	2.91%	01/23/20	2,070,080	2,070,080	15,239		2,085,319	2,085,319
WallisBank CD	2.90%	03/13/20	3,065,785	3,065,785	22,166		3,087,951	3,087,951
East West Bank CD	2.83%	03/14/20	1,545,090	1,545,090	11,060		1,556,150	1,556,150
Texas Security Bank CD	2.50%	03/22/20	3,500,000	3,500,000			3,500,000	3,500,000
InterBank CDARS	2.65%	04/02/20	1,880,000	1,880,000			1,880,000	1,880,000
InterBank CDARS	2.65%	04/02/20	2,880,000	2,880,000			2,880,000	2,880,000
InterBank CD	2.65%	04/05/20	120,000	120,000			120,000	120,000
InterBank CD	2.65%	04/05/20	120,000	120,000			120,000	120,000
InterBank CDARS	2.65%	04/09/20	5,000,000	5,000,000			5,000,000	5,000,000
LegacyTexas Bank CD	2.88%	06/15/20	2,572,958	2,572,958	18,519		2,591,477	2,591,477
LegacyTexas Bank CD	2.65%	06/15/20	3,040,300	3,040,300	20,131		3,060,431	3,060,431
Third Coast Bank CD	2.96%	09/14/20	2,574,877	2,574,877	19,015		2,593,891	2,593,891
LegacyTexas Bank CD	2.68%	09/15/20	5,067,932	5,067,932	33,938		5,101,870	5,101,870
Texas Bank Fin CDARS	2.50%	10/22/20	–	–	2,009,474		2,009,474	2,009,474
LegacyTexas Bank CD	3.05%	12/11/20	3,069,391	3,069,391	23,399		3,092,790	3,092,790
LegacyTexas Bank CD	3.05%	12/11/20	2,046,260	2,046,260	15,599		2,061,860	2,061,860
LegacyTexas Bank CD	2.70%	12/15/20	3,041,065	3,041,065	20,517		3,061,582	3,061,582
Texas Bank Fin CDARS	2.96%	01/28/21	3,000,000	3,000,000			3,000,000	3,000,000
LegacyTexas Bank CD	2.38%	06/07/21	5,030,055	5,030,055	29,906		5,059,960	5,059,960
TOTAL			\$ 102,320,008	\$ 102,320,008	\$ 15,966,122	\$ (5,676,709)	\$ 112,609,421	\$ 112,609,421

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2019		Qtr to Qtr Change	December 31, 2019	
			Face Amount/ Par Value	Market Value		Face Amount/ Par Value	Market Value
Frost DDA	1.80%	01/01/20	\$ 1,234,537	\$ 1,234,537	\$ 90,808	\$ 1,325,345	\$ 1,325,345
SSB MMA 1332	1.80%	01/01/20	864,408	864,408	4,160	868,568	868,568
SSB MMA 7888	1.80%	01/01/20	591,917	591,917	2,848	594,765	594,765
NexBank MMA	1.82%	01/01/20	237,999	237,999	1,146	239,145	239,145
NexBank ICS Savings	1.82%	01/01/20	16,684,537	16,684,537	2,082,088	18,766,625	18,766,625
Goldman Sachs Gov't MMF	1.19%	01/01/20	4,168,736	4,168,736	13,703	4,182,439	4,182,439
TexPool	1.62%	01/01/20	20,125,498	20,125,498	11,515,306	31,640,805	31,640,805
Texas Bank Fin CDARS	2.86%	10/24/19	2,068,856	2,068,856	(2,068,856)	—	—
Origin Bank CD	1.94%	12/07/19	2,586,154	2,586,154	(2,586,154)	—	—
WallisBank CD	2.87%	12/13/19	1,021,700	1,021,700	(1,021,700)	—	—
LegacyTexas Bank CD	2.20%	01/17/20	3,111,875	3,111,875	17,100	3,128,974	3,128,974
Texas Bank Fin CDARS	2.91%	01/23/20	2,070,080	2,070,080	15,239	2,085,319	2,085,319
WallisBank CD	2.90%	03/13/20	3,065,785	3,065,785	22,166	3,087,951	3,087,951
East West Bank CD	2.83%	03/14/20	1,545,090	1,545,090	11,060	1,556,150	1,556,150
Texas Security Bank CD	2.50%	03/22/20	3,500,000	3,500,000		3,500,000	3,500,000
InterBank CDARS	2.65%	04/02/20	1,880,000	1,880,000		1,880,000	1,880,000
InterBank CDARS	2.65%	04/02/20	2,880,000	2,880,000		2,880,000	2,880,000
InterBank CD	2.65%	04/05/20	120,000	120,000		120,000	120,000
InterBank CD	2.65%	04/05/20	120,000	120,000		120,000	120,000
InterBank CDARS	2.65%	04/09/20	5,000,000	5,000,000		5,000,000	5,000,000
LegacyTexas Bank CD	2.88%	06/15/20	2,572,958	2,572,958	18,519	2,591,477	2,591,477
LegacyTexas Bank CD	2.65%	06/15/20	3,040,300	3,040,300	20,131	3,060,431	3,060,431
Third Coast Bank CD	2.96%	09/14/20	2,574,877	2,574,877	19,015	2,593,891	2,593,891
LegacyTexas Bank CD	2.68%	09/15/20	5,067,932	5,067,932	33,938	5,101,870	5,101,870
Texas Bank Fin CDARS	2.50%	10/22/20	—	—	2,009,474	2,009,474	2,009,474
LegacyTexas Bank CD	3.05%	12/11/20	3,069,391	3,069,391	23,399	3,092,790	3,092,790
LegacyTexas Bank CD	3.05%	12/11/20	2,046,260	2,046,260	15,599	2,061,860	2,061,860
LegacyTexas Bank CD	2.70%	12/15/20	3,041,065	3,041,065	20,517	3,061,582	3,061,582
Texas Bank Fin CDARS	2.96%	01/28/21	3,000,000	3,000,000		3,000,000	3,000,000
LegacyTexas Bank CD	2.38%	06/07/21	5,030,055	5,030,055	29,906	5,059,960	5,059,960
TOTAL			\$ 102,320,008	\$ 102,320,008	\$ 10,289,412	\$ 112,609,421	\$ 112,609,421

Allocation

December 31, 2019

Book and Market Value	Investment Total	Consolidated (Pooled)	CCPD	Non-Profit Trust	2016 SWIRFT Bonds	2017 CO's	2019 CO's	Unreimbursed Medical
Frost DDA	\$ 1,325,345	\$ 1,296,234	\$ —	\$ 500	\$ —	\$ —	\$ —	\$ 28,611
SSB MMA 1332	868,568	—	868,568	—	—	—	—	—
SSB MMA 7888	594,765	594,765	—	—	—	—	—	—
NexBank MMA	239,145	125,111	—	—	—	114,034	—	—
NexBank ICS Savings	18,766,625	11,541,236	—	—	—	7,225,389	—	—
Goldman Sachs Gov't MMF	4,182,439	—	—	—	4,182,439	—	—	—
TexPool	31,640,805	26,632,679	1,842,784	388,666	—	2,720,311	56,365	—
01/17/20—LegacyTexas Bank CD	3,128,974	3,128,974	—	—	—	—	—	—
01/23/20—Texas Bank Fin CDARS	2,085,319	2,085,319	—	—	—	—	—	—
03/13/20—WallisBank CD	3,087,951	3,087,951	—	—	—	—	—	—
03/14/20—East West Bank CD	1,556,150	1,556,150	—	—	—	—	—	—
03/22/20—Texas Security Bank CD	3,500,000	3,500,000	—	—	—	—	—	—
04/02/20—InterBank CDARS	1,880,000	—	1,880,000	—	—	—	—	—
04/02/20—InterBank CDARS	2,880,000	2,880,000	—	—	—	—	—	—
04/05/20—InterBank CD	120,000	—	120,000	—	—	—	—	—
04/05/20—InterBank CD	120,000	120,000	—	—	—	—	—	—
04/09/20—InterBank CDARS	5,000,000	2,000,000	3,000,000	—	—	—	—	—
06/15/20—LegacyTexas Bank CD	2,591,477	2,591,477	—	—	—	—	—	—
06/15/20—LegacyTexas Bank CD	3,060,431	3,060,431	—	—	—	—	—	—
09/14/20—Third Coast Bank CD	2,593,891	2,593,891	—	—	—	—	—	—
09/15/20—LegacyTexas Bank CD	5,101,870	5,101,870	—	—	—	—	—	—
10/22/20—Texas Bank Fin CDARS	2,009,474	2,009,474	—	—	—	—	—	—
12/11/20—LegacyTexas Bank CD	3,092,790	—	3,092,790	—	—	—	—	—
12/11/20—LegacyTexas Bank CD	2,061,860	2,061,860	—	—	—	—	—	—
12/15/20—LegacyTexas Bank CD	3,061,582	3,061,582	—	—	—	—	—	—
01/28/21—Texas Bank Fin CDARS	3,000,000	3,000,000	—	—	—	—	—	—
06/07/21—LegacyTexas Bank CD	5,059,960	5,059,960	—	—	—	—	—	—
Totals	\$ 112,609,421	\$ 87,088,966	\$ 10,804,142	\$ 389,166	\$ 4,182,439	\$ 10,059,733	\$ 56,365	\$ 28,611

Allocation

September 30, 2019

Book and Market Value	Investment Total	Consolidated (Pooled)	CCPD	Non-Profit Trust	2016 SWIRFT Bonds	2017 CO's	2019 CO's	Unreimbursed Medical
Frost DDA	\$ 1,234,537	\$ 1,020,744	\$ —	\$ 172,879	\$ —	\$ —	\$ —	\$ 40,914
SSB MMA 1332	864,408	—	864,408	—	—	—	—	—
SSB MMA 7888	591,917	591,917	—	—	—	—	—	—
NexBank MMA	237,999	124,512	—	—	—	113,487	—	—
NexBank ICS Savings	16,684,537	9,493,846	—	—	—	7,190,691	—	—
Goldman Sachs Gov't MMF	4,168,736	—	—	—	4,168,736	—	—	—
TexPool	20,125,498	8,499,243	1,413,884	236,133	—	2,708,430	7,267,808	—
10/24/19–Texas Bank Fin CDARS	2,068,856	2,068,856	—	—	—	—	—	—
12/07/19–Origin Bank CD	2,586,154	2,586,154	—	—	—	—	—	—
12/13/19–WallisBank CD	1,021,700	1,021,700	—	—	—	—	—	—
01/17/20–LegacyTexas Bank CD	3,111,875	3,111,875	—	—	—	—	—	—
01/23/20–Texas Bank Fin CDARS	2,070,080	2,070,080	—	—	—	—	—	—
03/13/20–WallisBank CD	3,065,785	3,065,785	—	—	—	—	—	—
03/14/20–East West Bank CD	1,545,090	1,545,090	—	—	—	—	—	—
03/22/20–Texas Security Bank CD	3,500,000	3,500,000	—	—	—	—	—	—
04/02/20–InterBank CDARS	1,880,000	—	1,880,000	—	—	—	—	—
04/02/20–InterBank CDARS	2,880,000	2,880,000	—	—	—	—	—	—
04/05/20–InterBank CD	120,000	—	120,000	—	—	—	—	—
04/05/20–InterBank CD	120,000	120,000	—	—	—	—	—	—
04/09/20–InterBank CDARS	5,000,000	2,000,000	3,000,000	—	—	—	—	—
06/15/20–LegacyTexas Bank CD	2,572,958	2,572,958	—	—	—	—	—	—
06/15/20–LegacyTexas Bank CD	3,040,300	3,040,300	—	—	—	—	—	—
09/14/20–Third Coast Bank CD	2,574,877	2,574,877	—	—	—	—	—	—
09/15/20–LegacyTexas Bank CD	5,067,932	5,067,932	—	—	—	—	—	—
12/11/20–LegacyTexas Bank CD	3,069,391	—	3,069,391	—	—	—	—	—
12/11/20–LegacyTexas Bank CD	2,046,260	2,046,260	—	—	—	—	—	—
12/15/20–LegacyTexas Bank CD	3,041,065	3,041,065	—	—	—	—	—	—
01/28/21–Texas Bank Fin CDARS	3,000,000	3,000,000	—	—	—	—	—	—
06/07/21–LegacyTexas Bank CD	5,030,055	5,030,055	—	—	—	—	—	—
Totals	\$ 102,320,008	\$ 70,073,247	\$ 10,347,683	\$ 409,011	\$ 4,168,736	\$ 10,012,608	\$ 7,267,808	\$ 40,914