



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 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.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	September 30, 2020			September 20, 2021		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.33%	\$ 1,095,919	\$ 1,095,919	0.29%	\$ 1,107,753	\$ 1,107,753
NOW/MMA/MMF/Pools	0.23%	77,634,084	77,634,084	0.14%	85,979,311	85,979,311
Securities/CDs	2.04%	35,720,859	35,720,859	0.30%	41,505,148	41,505,148
Totals		\$ 114,450,862	\$ 114,450,862		\$ 128,592,212	\$ 128,592,212
Fourth Quarter-End Yield	0.80%			0.19%		

Average Quarter-End Yields (1):

	2020 Fiscal Year	2021 Fiscal Year
Keller	1.47%	0.35%
Rolling Three Month Treasury	0.76%	0.06%
Rolling Six Month Treasury	0.99%	0.08%
TexPool	0.76%	0.04%
Fiscal YTD Interest Earnings	\$ 1,794,971 (Approximate)	\$ 498,725 (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		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.26%	\$ 1,717,854	\$ 1,717,854	0.29%	\$ 1,107,753	\$ 1,107,753
NOW/MMA/MMF/Pools	0.13%	83,054,628	83,054,628	0.14%	85,979,311	85,979,311
Securities/CDs	0.65%	44,920,716	44,920,716	0.30%	41,505,148	41,505,148
Totals	0.39%	\$ 129,693,198	\$ 129,693,198	0.19%	\$ 128,592,212	\$ 128,592,212

Average Yield - Current Quarter (1)

Total Portfolio	0.19%
Rolling Three Month Treasury	0.05%
Rolling Six Month Treasury	0.05%
TexPool	0.03%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	0.35%
Rolling Three Month Treasury	0.06%
Rolling Six Month Treasury	0.08%
TexPool	0.04%

Interest Income (Approximate)

Quarterly Interest Income	\$ 106,399
Fiscal Year-to-date Interest Income	\$ 498,725

Bank Fee Offset

Current Quarter Bank Fee Offset	\$ 1,301
Year-to-Date Bank Fee Offset	\$ 3,793

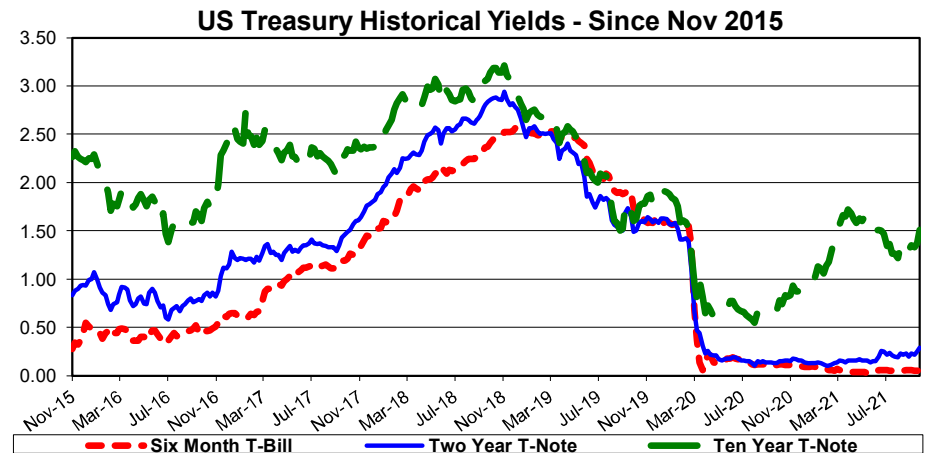
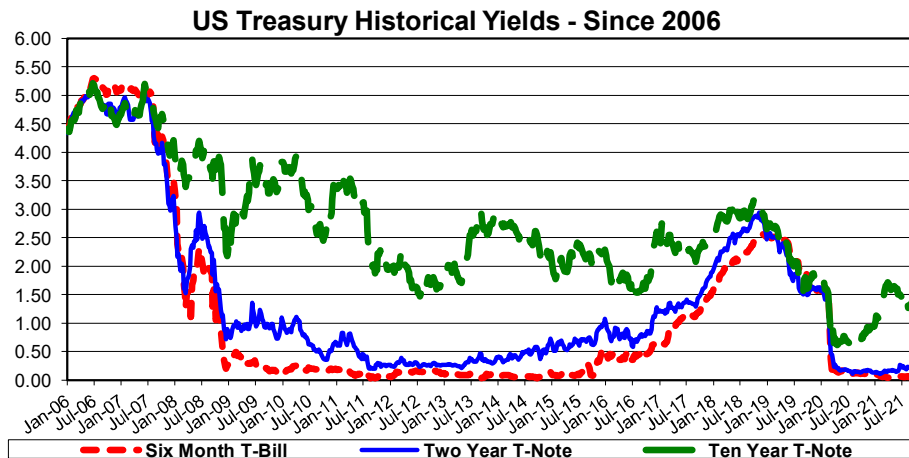
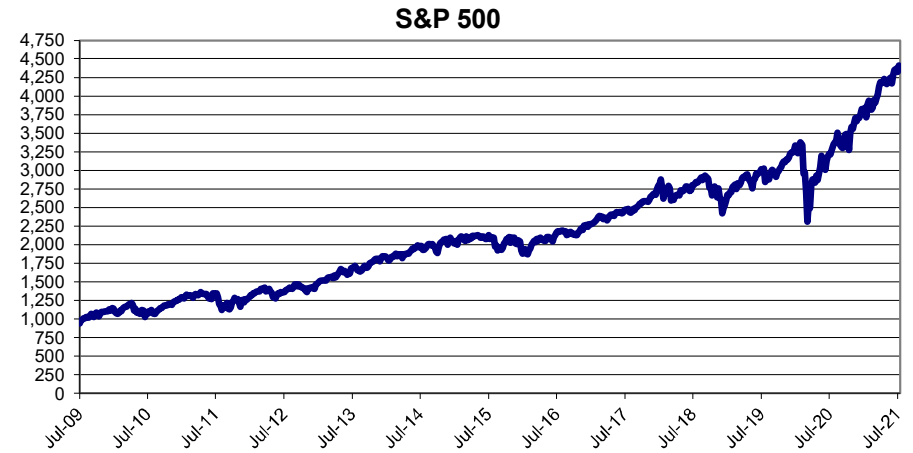
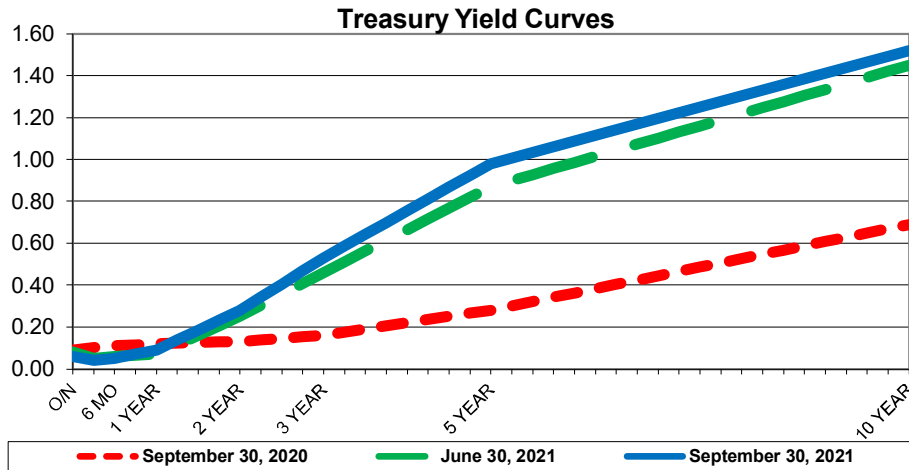
(1) **Average Yield - Current Quarter** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

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

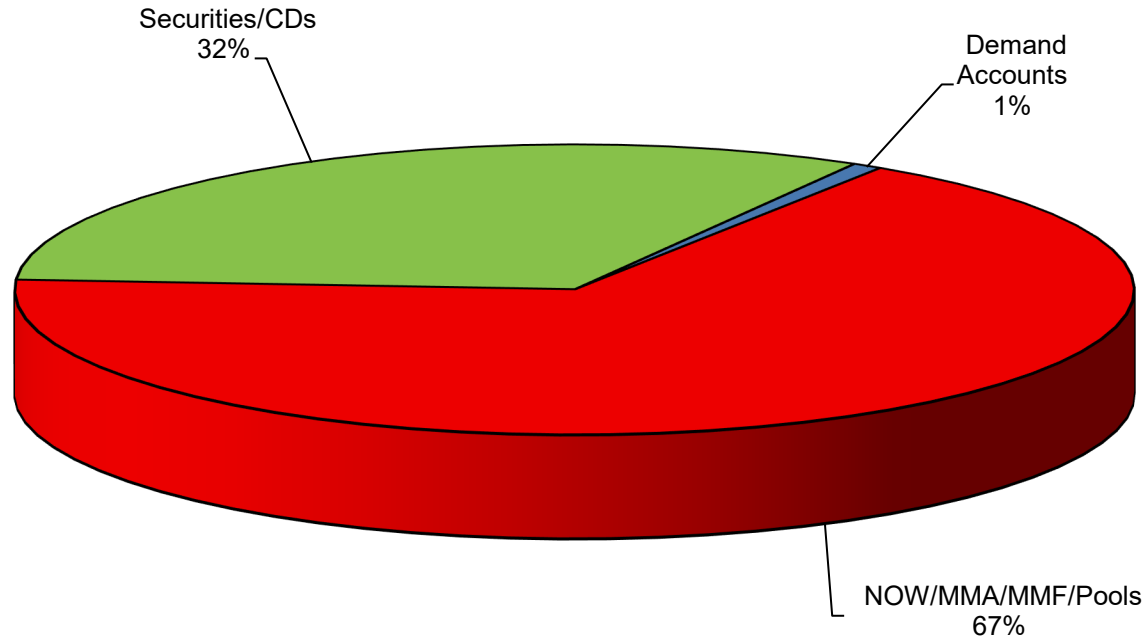
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Frost DDA (3)		0.29%	10/01/21	09/30/21	\$ 1,107,753	\$ 1,107,753	1.00	\$ 1,107,753	1	0.29%
SSB MMA 1332		0.13%	10/01/21	09/30/21	874,945	874,945	1.00	874,945	1	0.13%
SSB MMA 7888		0.13%	10/01/21	09/30/21	20,635,297	20,635,297	1.00	20,635,297	1	0.13%
SSB MMA 5928		0.13%	10/01/21	09/30/21	2,003,252	2,003,252	1.00	2,003,252	1	0.13%
NexBank MMA		0.40%	10/01/21	09/30/21	241,691	241,691	1.00	241,691	1	0.40%
NexBank ICS Savings		0.40%	10/01/21	09/30/21	12,176,605	12,176,605	1.00	12,176,605	1	0.40%
Origin Bank MMA		0.19%	10/01/21	09/30/21	5,000,260	5,000,260	1.00	5,000,260	1	0.19%
Prosperity Bank MMA		0.15%	10/01/21	09/30/21	15,012,655	15,012,655	1.00	15,012,655	1	0.15%
Veritex Bank MMA		0.08%	10/01/21	09/30/21	24,408	24,408	1.00	24,408	1	0.08%
Goldman Sachs Gov't MMF	AAAm	0.03%	10/01/21	09/30/21	1,439,989	1,439,989	1.00	1,439,989	1	0.03%
Dreyfus Gov't MMF	AAAm	0.03%	10/01/21	09/30/21	2,000,685	2,000,685	1.00	2,000,685	1	0.03%
TexPool	AAAm	0.03%	10/01/21	09/30/21	26,569,524	26,569,524	1.00	26,569,524	1	0.03%
SUBTOTAL					\$ 87,087,064	\$ 87,087,064		\$ 87,087,064	1	0.14%
									(1)	(2)
Texas Bank Fin CDARS		0.90%	10/21/21	10/22/20	2,067,955	2,067,955	100.00	2,067,955	21	0.90%
Prosperity Bank CD		0.30%	10/25/21	10/23/20	2,005,511	2,005,511	100.00	2,005,511	25	0.30%
East West Bank CD		0.25%	12/14/21	12/14/20	5,019,889	5,019,889	100.00	5,019,889	75	0.25%
Texas Brand Bank CD		0.25%	05/05/22	05/05/21	2,000,000	2,000,000	100.00	2,000,000	217	0.25%
Prosperity Bank CD		0.30%	06/15/22	12/15/20	5,011,270	5,011,270	100.00	5,011,270	258	0.30%
Prosperity Bank CD		0.20%	06/15/22	06/15/21	5,002,521	5,002,521	100.00	5,002,521	258	0.20%
Prosperity Bank CD		0.15%	06/21/22	09/21/21	2,008,008	2,008,008	100.00	2,008,008	264	0.15%
Prosperity Bank CD		0.15%	06/28/22	09/28/21	2,000,000	2,000,000	100.00	2,000,000	271	0.15%
Origin Bank CD		0.19%	09/19/22	09/17/21	2,500,000	2,500,000	100.00	2,500,000	354	0.19%
Texas Brand Bank CD		0.35%	11/05/22	05/05/21	2,000,000	2,000,000	100.00	2,000,000	401	0.35%
Prosperity Bank CD		0.30%	01/26/23	01/26/21	5,009,995	5,009,995	100.00	5,009,995	483	0.30%
Texas Brand Bank CD		0.40%	05/05/23	05/05/21	1,880,000	1,880,000	100.00	1,880,000	582	0.40%
Frost Bank CD		0.30%	09/20/23	09/20/21	5,000,000	5,000,000	100.00	5,000,000	720	0.30%
SUBTOTAL					\$ 41,505,148	\$ 41,505,148		\$ 41,505,148	322	0.30%
									(1)	(2)
TOTAL					\$ 128,592,212	\$ 128,592,212		\$ 128,592,212	105	0.19%
									(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.

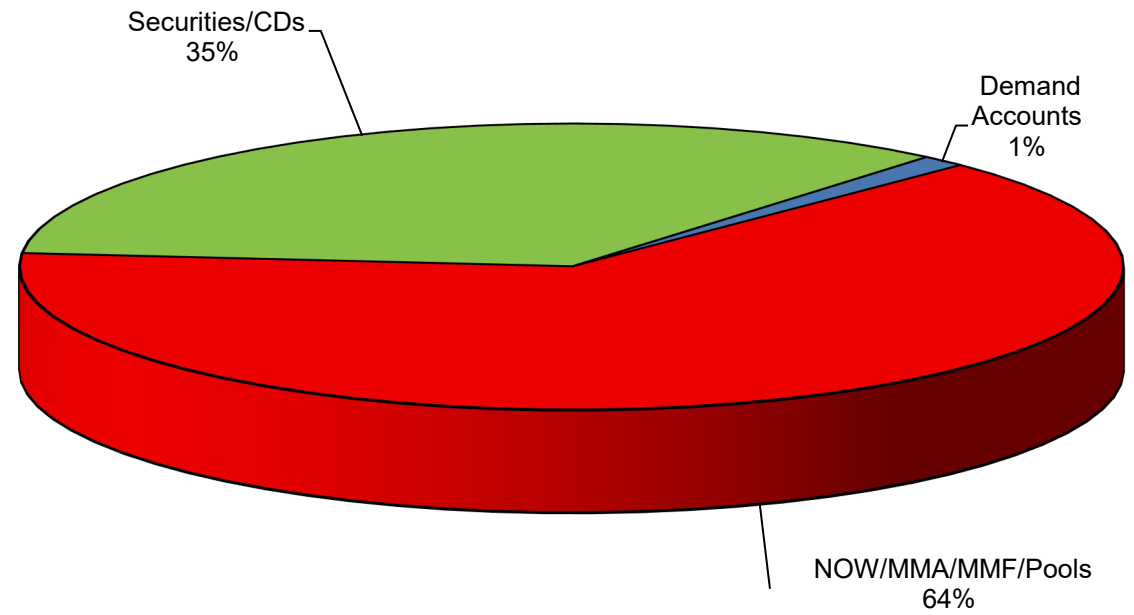
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

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

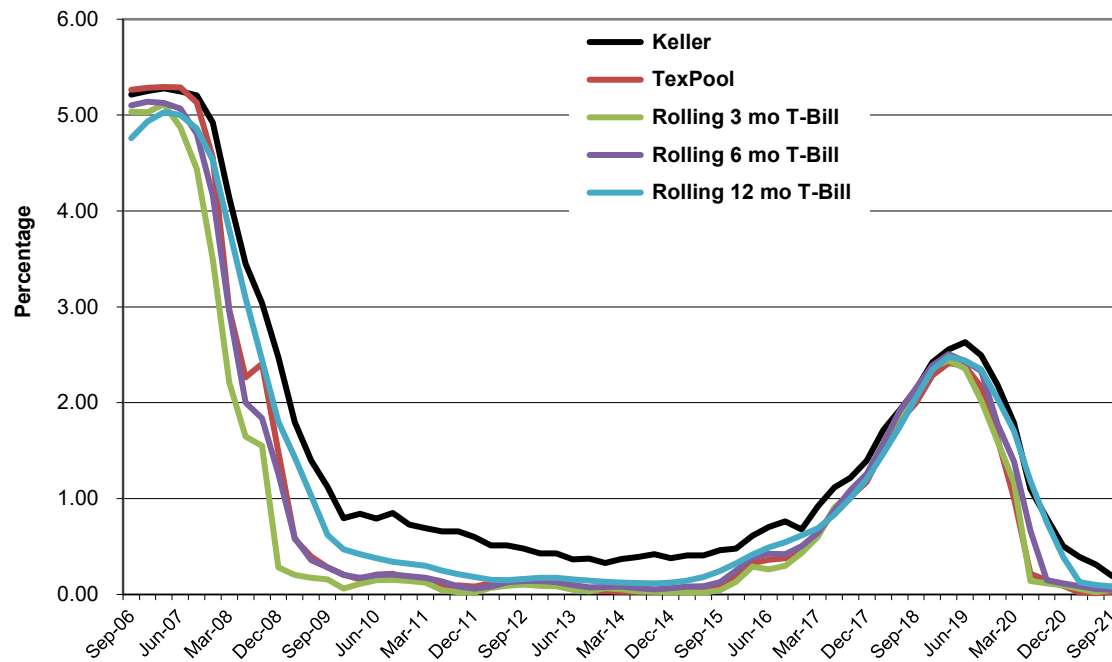
**Portfolio Composition
Current Quarter**



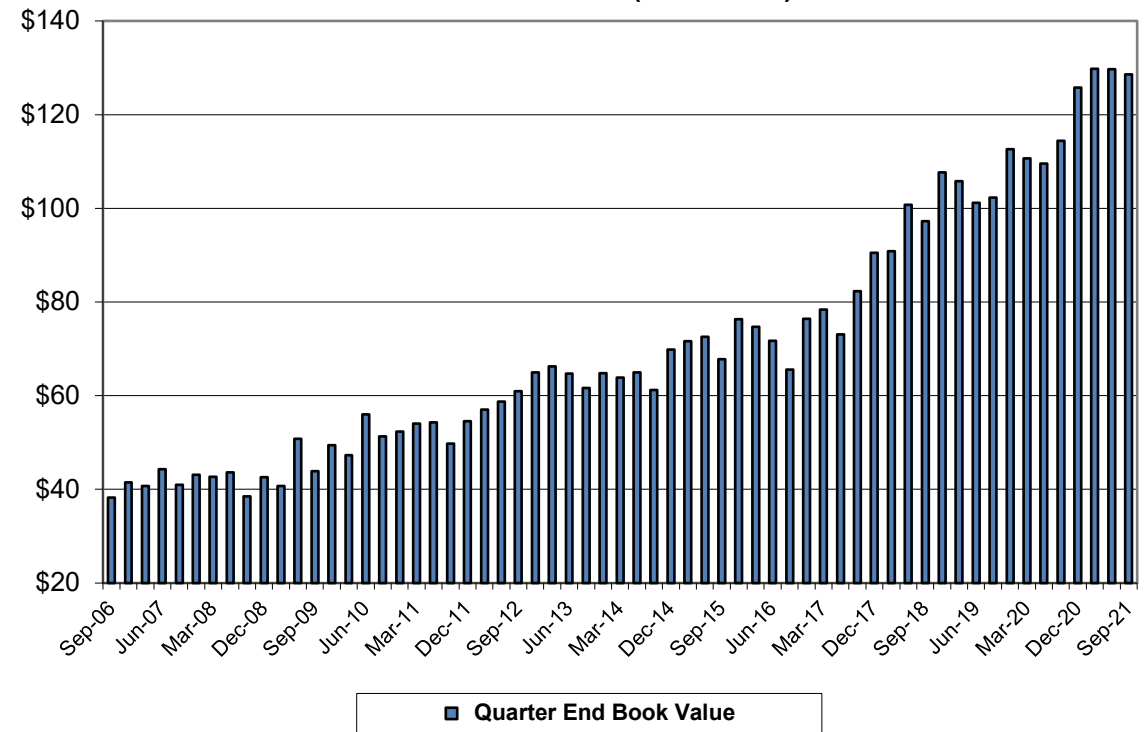
**Portfolio Composition
Previous Quarter**



Historical Yields



Total Portfolio (in Millions)



Book & 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
Frost DDA	0.29%	10/01/21	\$ 1,717,854	\$ -	\$ (610,101)	\$ 1,107,753	\$ 1,717,854	\$ (610,101)	\$ 1,107,753
SSB MMA 1332	0.13%	10/01/21	874,677	269	-	874,945	874,677	269	874,945
SSB MMA 7888	0.13%	10/01/21	20,628,958	6,340	-	20,635,297	20,628,958	6,340	20,635,297
SSB MMA 5928	0.13%	10/01/21	4,002,121	-	(1,998,870)	2,003,252	4,002,121	(1,998,870)	2,003,252
NexBank MMA	0.40%	10/01/21	241,447	244	-	241,691	241,447	244	241,691
NexBank ICS Savings	0.40%	10/01/21	12,164,336	12,270	-	12,176,605	12,164,336	12,270	12,176,605
Origin Bank MMA	0.19%	10/01/21	-	5,000,260	-	5,000,260	-	5,000,260	5,000,260
Prosperity Bank MMA	0.15%	10/01/21	10,008,685	5,003,970	-	15,012,655	10,008,685	5,003,970	15,012,655
Veritex Bank MMA	0.08%	10/01/21	5,023,494	-	(4,999,086)	24,408	5,023,494	(4,999,086)	24,408
Goldman Sachs Gov't MMF	0.03%	10/01/21	1,439,895	95	-	1,439,989	1,439,895	95	1,439,989
Dreyfus Gov't MMF	0.03%	10/01/21	4,000,392	-	(1,999,707)	2,000,685	4,000,392	(1,999,707)	2,000,685
TexPool	0.03%	10/01/21	24,670,624	1,898,900	-	26,569,524	24,670,624	1,898,900	26,569,524
Texas Bank Fin CDARS	2.40%	07/22/21	4,875,459	-	(4,875,459)	-	4,875,459	(4,875,459)	-
Texas Bank Fin CDARS	2.40%	07/22/21	2,047,867	-	(2,047,867)	-	2,047,867	(2,047,867)	-
East West Bank CD	0.20%	07/26/21	2,001,710	-	(2,001,710)	-	2,001,710	(2,001,710)	-
Origin Bank CD	0.20%	07/26/21	2,000,986	-	(2,000,986)	-	2,000,986	(2,000,986)	-
Prosperity Bank CD	0.60%	07/27/21	2,011,027	-	(2,011,027)	-	2,011,027	(2,011,027)	-
Prosperity Bank CD	0.40%	09/15/21	2,005,985	-	(2,005,985)	-	2,005,985	(2,005,985)	-
Texas Bank Fin CDARS	0.90%	10/21/21	2,063,269	4,686	-	2,067,955	2,063,269	4,686	2,067,955
Prosperity Bank CD	0.30%	10/25/21	2,003,995	1,516	-	2,005,511	2,003,995	1,516	2,005,511
East West Bank CD	0.25%	12/14/21	5,016,726	3,162	-	5,019,889	5,016,726	3,162	5,019,889
Texas Brand Bank CD	0.25%	05/05/22	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
Prosperity Bank CD	0.30%	06/15/22	5,007,482	3,787	-	5,011,270	5,007,482	3,787	5,011,270
Prosperity Bank CD	0.20%	06/15/22	5,000,000	2,521	-	5,002,521	5,000,000	2,521	5,002,521
Prosperity Bank CD	0.15%	06/21/22	-	2,008,008	-	2,008,008	-	2,008,008	2,008,008
Prosperity Bank CD	0.15%	06/28/22	-	2,000,000	-	2,000,000	-	2,000,000	2,000,000
Origin Bank CD	0.19%	09/19/22	-	2,500,000	-	2,500,000	-	2,500,000	2,500,000
Texas Brand Bank CD	0.35%	11/05/22	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
Prosperity Bank CD	0.30%	01/26/23	5,006,209	3,786	-	5,009,995	5,006,209	3,786	5,009,995
Texas Brand Bank CD	0.40%	05/05/23	1,880,000	-	-	1,880,000	1,880,000	-	1,880,000
Frost Bank CD	0.30%	09/20/23	-	5,000,000	-	5,000,000	-	5,000,000	5,000,000
TOTAL/ AVERAGE	0.19%		\$ 129,693,198	\$ 23,449,813	\$(24,550,799)	\$ 128,592,212	\$ 129,693,198	\$ (1,100,986)	\$ 128,592,212

Allocation
September 30, 2021

Book & Market Value	Investment Total	Consolidated (Pooled)	CCPD	Non-Profit Trust	2016 SWIRFT Bonds	2017 CO's	2019 CO's
Frost DDA	\$ 1,107,753	\$ 889,821	\$ -	\$ 179,152	\$ -	\$ -	\$ -
SSB MMA 1332	874,945	-	874,945	-	-	-	-
SSB MMA 7888	20,635,297	20,635,297	-	-	-	-	-
SSB MMA 5928	2,003,252	-	-	-	-	-	-
NexBank MMA	241,691	126,443	-	-	-	115,247	-
NexBank ICS Savings	12,176,605	11,665,146	-	-	-	511,460	-
Origin Bank MMA	5,000,260	5,000,260	-	-	-	-	-
Prosperity Bank MMA	15,012,655	15,012,655	-	-	-	-	-
Veritex Bank MMA	24,408	24,408	-	-	-	-	-
Goldman Sachs Gov't MMF	1,439,989	-	-	-	1,439,989	-	-
Dreyfus Gov't MMF	2,000,685	-	-	-	-	-	-
TexPool	26,569,524	21,622,743	3,431,241	205,954	-	1,278,699	23,816
10/21/21-Texas Bank Fin CDARS	2,067,955	2,067,955	-	-	-	-	-
10/25/21-Prosperity Bank CD	2,005,511	2,005,511	-	-	-	-	-
12/14/21-East West Bank CD	5,019,889	5,019,889	-	-	-	-	-
05/05/22-Texas Brand Bank CD	2,000,000	2,000,000	-	-	-	-	-
06/15/22-Prosperity Bank CD	5,011,270	5,011,270	-	-	-	-	-
06/15/22-Prosperity Bank CD	5,002,521	5,002,521	-	-	-	-	-
06/21/22-Prosperity Bank CD	2,008,008	2,008,008	-	-	-	-	-
06/28/22-Prosperity Bank CD	2,000,000	-	-	-	-	-	-
09/19/22-Origin Bank CD	2,500,000	-	2,500,000	-	-	-	-
11/05/22-Texas Brand Bank CD	2,000,000	2,000,000	-	-	-	-	-
01/26/23-Prosperity Bank CD	5,009,995	5,009,995	-	-	-	-	-
05/05/23-Texas Brand Bank CD	1,880,000	1,880,000	-	-	-	-	-
09/20/23-Frost Bank CD	5,000,000	5,000,000	-	-	-	-	-
Totals	\$ 128,592,212	\$ 111,981,921	\$ 6,806,187	\$ 385,106	\$ 1,439,989	\$ 1,905,406	\$ 23,816

Allocation

September 30, 2021

(continued)

Book & Market Value	2020 GO Refunding Bonds	TWDB 2020C	Unreimbursed Medical
Frost DDA	\$ -	\$ -	\$ 38,779
SSB MMA 1332	-	-	-
SSB MMA 7888	-	-	-
SSB MMA 5928	2,003,252	-	-
NexBank MMA	-	-	-
NexBank ICS Savings	-	-	-
Origin Bank MMA	-	-	-
Prosperity Bank MMA	-	-	-
Veritex Bank MMA	-	-	-
Goldman Sachs Gov't MMF	-	-	-
Dreyfus Gov't MMF	-	2,000,685	-
TexPool	7,071	-	-
10/21/21-Texas Bank Fin CDARS	-	-	-
10/25/21-Prosperity Bank CD	-	-	-
12/14/21-East West Bank CD	-	-	-
05/05/22-Texas Brand Bank CD	-	-	-
06/15/22-Prosperity Bank CD	-	-	-
06/15/22-Prosperity Bank CD	-	-	-
06/21/22-Prosperity Bank CD	-	-	-
06/28/22-Prosperity Bank CD	-	2,000,000	-
09/19/22-Origin Bank CD	-	-	-
11/05/22-Texas Brand Bank CD	-	-	-
01/26/23-Prosperity Bank CD	-	-	-
05/05/23-Texas Brand Bank CD	-	-	-
09/20/23-Frost Bank CD	-	-	-
Totals	\$ 2,010,322	\$ 4,000,685	\$ 38,779

Allocation
June 30, 2021

Book & Market Value	Investment Total	Consolidated (Pooled)	CCPD	Non-Profit Trust	2016 SWIRFT Bonds	2017 CO's	2019 CO's
Frost DDA	\$ 1,717,854	\$ 1,679,498	\$ —	\$ 500	\$ —	\$ —	\$ —
SSB MMA 1332	874,677	—	874,677	—	—	—	—
SSB MMA 7888	20,628,958	20,628,958	—	—	—	—	—
SSB MMA 5928	4,002,121	—	—	—	—	—	—
NexBank MMA	241,447	126,316	—	—	—	115,131	—
NexBank ICS Savings	12,164,336	11,653,391	—	—	—	510,944	—
Prosperity Bank MMA	10,008,685	10,008,685	—	—	—	—	—
Veritex Bank MMA	5,023,494	5,023,494	—	—	—	—	—
Goldman Sachs Gov't MMF	1,439,895	—	—	—	1,439,895	—	—
Dreyfus Gov't MMF	4,000,392	—	—	—	—	—	—
TexPool	24,670,624	17,375,119	5,438,790	351,320	—	1,478,616	23,814
07/22/21–Texas Bank Fin CDARS	4,875,459	4,875,459	—	—	—	—	—
07/22/21–Texas Bank Fin CDARS	2,047,867	2,047,867	—	—	—	—	—
07/26/21–East West Bank CD	2,001,710	—	—	—	—	—	—
07/26/21–Origin Bank CD	2,000,986	—	—	—	—	—	—
07/27/21–Prosperity Bank CD	2,011,027	2,011,027	—	—	—	—	—
09/15/21–Prosperity Bank CD	2,005,985	2,005,985	—	—	—	—	—
10/21/21–Texas Bank Fin CDARS	2,063,269	2,063,269	—	—	—	—	—
10/25/21–Prosperity Bank CD	2,003,995	2,003,995	—	—	—	—	—
12/14/21–East West Bank CD	5,016,726	5,016,726	—	—	—	—	—
05/05/22–Texas Brand Bank CD	2,000,000	2,000,000	—	—	—	—	—
06/15/22–Prosperity Bank CD	5,007,482	5,007,482	—	—	—	—	—
06/15/22–Prosperity Bank CD	5,000,000	5,000,000	—	—	—	—	—
11/05/22–Texas Brand Bank CD	2,000,000	2,000,000	—	—	—	—	—
01/26/23–Prosperity Bank CD	5,006,209	5,006,209	—	—	—	—	—
05/05/23–Texas Brand Bank CD	1,880,000	1,880,000	—	—	—	—	—
Totals	\$ 129,693,198	\$ 107,413,480	\$ 6,313,467	\$ 351,820	\$ 1,439,895	\$ 2,104,691	\$ 23,814

Allocation

June 30, 2021

(continued)

Book & Market Value	2020 GO Refunding Bonds	TWDB 2020C	Unreimbursed Medical
Frost DDA	\$ —	\$ —	\$ 37,856
SSB MMA 1332	—	—	—
SSB MMA 7888	—	—	—
SSB MMA 5928	4,002,121	—	—
NexBank MMA	—	—	—
NexBank ICS Savings	—	—	—
Prosperity Bank MMA	—	—	—
Veritex Bank MMA	—	—	—
Goldman Sachs Gov't MMF	—	—	—
Dreyfus Gov't MMF	—	4,000,392	—
TexPool	2,964	—	—
07/22/21–Texas Bank Fin CDARS	—	—	—
07/22/21–Texas Bank Fin CDARS	—	—	—
07/26/21–East West Bank CD	2,001,710	—	—
07/26/21–Origin Bank CD	2,000,986	—	—
07/27/21–Prosperity Bank CD	—	—	—
09/15/21–Prosperity Bank CD	—	—	—
10/21/21–Texas Bank Fin CDARS	—	—	—
10/25/21–Prosperity Bank CD	—	—	—
12/14/21–East West Bank CD	—	—	—
05/05/22–Texas Brand Bank CD	—	—	—
06/15/22–Prosperity Bank CD	—	—	—
06/15/22–Prosperity Bank CD	—	—	—
11/05/22–Texas Brand Bank CD	—	—	—
01/26/23–Prosperity Bank CD	—	—	—
05/05/23–Texas Brand Bank CD	—	—	—
Totals	\$ 8,007,782	\$ 4,000,392	\$ 37,856

**Investment Policy Compliance
September 30, 2021**

Authorized Investments	Maximum %	Actual Market Value	% of Portfolio	Status
Financial Institution Deposits	80%	\$ 42,612,901	33%	Pass
Repurchase Agreements	40%	–	0%	N/A
Money Market Bank Accounts	80%	55,969,113	44%	Pass
U.S. Treasury Notes/Bonds/Bills	100%	–	0%	N/A
U.S. Agencies	80%	–	0%	N/A
Money Market Mutual Funds	40%	3,440,674	3%	Pass
Local Gov't Investment Pools	80%	26,569,524	21%	Pass
State or Municipal Obligations	40%	–	0%	N/A
Total		\$ 128,592,212	100%	