




QUARTERLY INVESTMENT REPORT

For the Quarter Ended

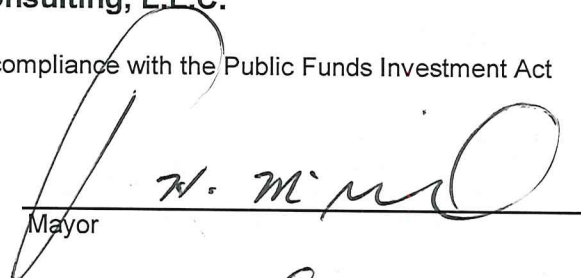
December 31, 2018

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



Mayor




City Manager



Council Member



Assistant Director of Finance - Investment Officer



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, 2018			December 31, 2018		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	2.05%	\$ 1,046,550	\$ 1,046,550	2.54%	\$ 520,295	\$ 520,295
NOW/MMA/Pools	2.06%	44,321,068	44,321,068	2.38%	53,047,479	53,047,479
Securities/CDs	2.21%	51,923,440	51,923,440	2.46%	54,071,070	54,071,070
Totals		\$ 97,291,058	\$ 97,291,058		\$ 107,638,844	\$ 107,638,844

Average Yield - Current Quarter (1)

Total Portfolio	2.42%
Rolling Three Month Treasury	2.37%
Rolling Six Month Treasury	2.39%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	2.42%
Rolling Three Month Treasury	2.37%
Rolling Six Month Treasury	2.39%
TexPool	2.29%

Interest Income (Approximate)

Quarterly Interest Income	\$ 559,559
Fiscal Year-to-date Interest Income	\$ 559,559

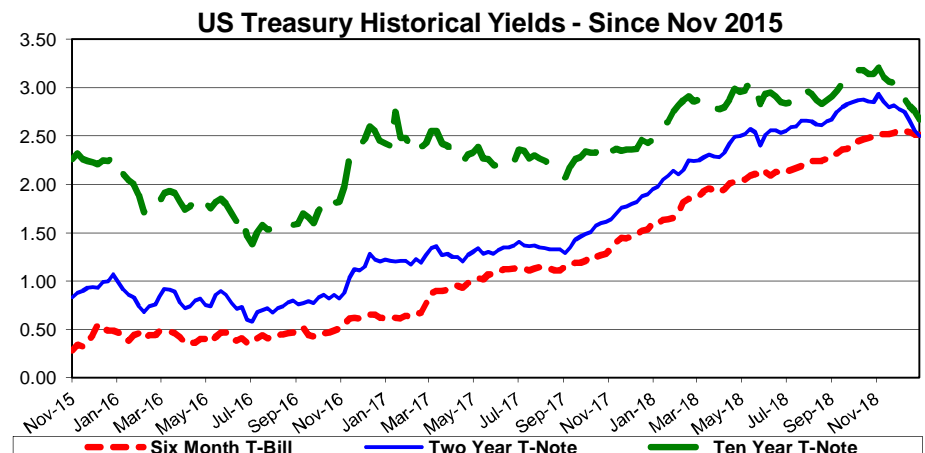
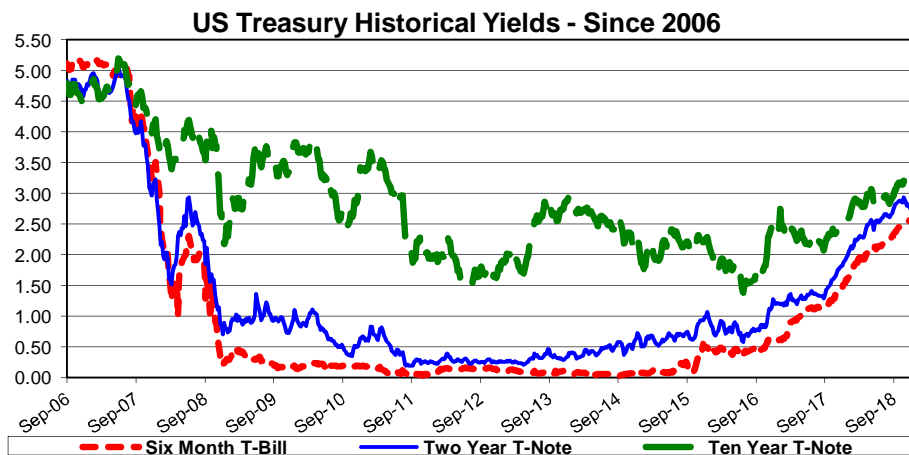
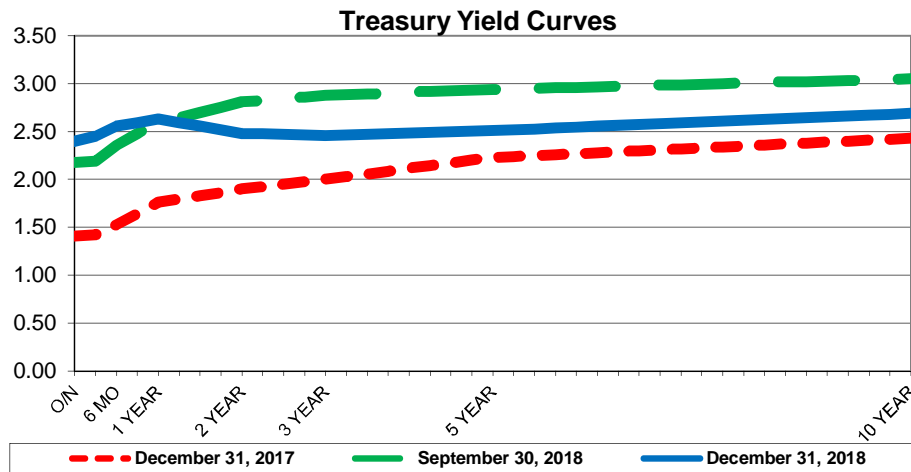
Bank Fee Offset

Current Quarter Bank Fee Offset	\$ 7,384
Year-to-Date Bank Fee Offset	\$ 7,384

(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

The Federal Open Market Committee (FOMC) increased the Fed Funds target range to 2.25% - 2.50% (Effective Fed Funds are trading +/-2.40%). The official outlook calls for two additional increases during 2019. However, the market is currently projecting zero 2019 increases. Gradual FRB portfolio reduction continues by limiting reinvestment of maturing holdings. Third Quarter GDP grew 3.4% (final). Employment/ Unemployment remain solid with December adding 312k new jobs and a 254k three month average. Crude oil decreased below +/- \$50. The Stock Markets drifted slightly higher than recent lows. Housing continues to weaken. The mid-maturity yield curve flattened.



**Investment Holdings
December 31, 2018**

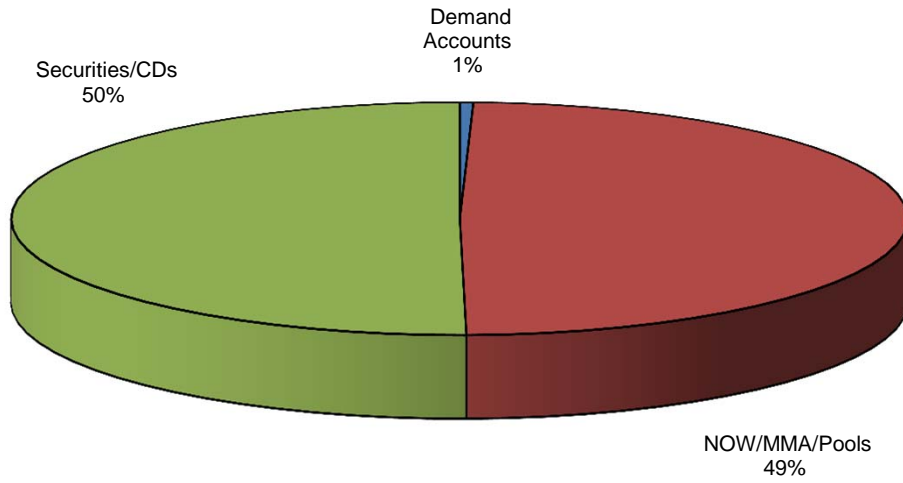
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Frost DDA (3)		2.55%	01/01/19	12/31/18	\$ 517,330	\$ 517,330	1.00	\$ 517,330	1	2.55%
Simmons Bank DDA		1.81%	01/01/19	12/31/18	2,964	2,964	1.00	2,964	1	1.81%
SSB MMA 1332		2.44%	01/01/19	12/31/18	2,834,537	2,834,537	1.00	2,834,537	1	2.44%
SSB MMA 7888		2.44%	01/01/19	12/31/18	580,973	580,973	1.00	580,973	1	2.44%
NexBank MMA		2.56%	01/01/19	12/31/18	233,024	233,024	1.00	233,024	1	2.56%
NexBank ICS Savings		2.53%	01/01/19	12/31/18	19,304,447	19,304,447	1.00	19,304,447	1	2.53%
Goldman Sachs Gov't MMF	AAAm	2.17%	01/01/19	12/31/18	1,565,155	1,565,155	1.00	1,565,155	1	2.17%
TexPool	AAAm	2.29%	01/01/19	12/31/18	28,529,343	28,529,343	1.00	28,529,343	1	2.29%
SUBTOTAL					\$ 53,567,773	\$ 53,567,773		\$ 53,567,773	1	2.38%
									(1)	(2)
East West Bank CD		2.30%	02/10/19	05/10/18	1,522,473	1,522,473	100.00	1,522,473	41	2.33%
WallisBank CD		1.55%	03/13/19	03/13/17	2,054,993	2,054,993	100.00	2,054,993	72	1.56%
LegacyTexas Bank CD		1.55%	03/29/19	09/29/17	2,039,081	2,039,081	100.00	2,039,081	88	1.56%
InterBank CDARS		2.38%	04/04/19	04/05/18	1,880,000	1,880,000	100.00	1,880,000	94	2.38%
InterBank CDARS		2.35%	04/04/19	04/05/18	2,880,000	2,880,000	100.00	2,880,000	94	2.38%
InterBank CD		2.35%	04/05/19	04/05/18	120,000	120,000	100.00	120,000	95	2.35%
InterBank CD		2.35%	04/05/19	04/05/18	120,000	120,000	100.00	120,000	95	2.35%
WallisBank CD		2.00%	04/18/19	01/19/18	2,030,067	2,030,067	100.00	2,030,067	108	2.00%
LegacyTexas Bank CD		1.80%	05/31/19	12/01/17	1,018,149	1,018,149	100.00	1,018,149	151	1.81%
LegacyTexas Bank CD		1.80%	06/06/19	12/06/17	5,090,746	5,090,746	100.00	5,090,746	157	1.81%
Texas Bank Fin CDARS		2.81%	07/25/19	07/26/18	2,024,631	2,024,631	100.00	2,024,631	206	2.85%
East West Bank CD		2.38%	09/26/19	03/26/18	3,564,719	3,564,719	100.00	3,564,719	269	2.41%
East West Bank CD		2.80%	09/27/19	12/27/18	1,016,636	1,016,636	100.00	1,016,636	270	2.84%
Texas Bank Fin CDARS		2.86%	10/24/19	07/26/18	2,025,072	2,025,072	100.00	2,025,072	297	2.90%
Origin Bank CD		1.94%	12/07/19	12/07/17	2,548,854	2,548,854	100.00	2,548,854	341	1.95%
WallisBank CD		2.87%	12/13/19	12/13/18	1,000,000	1,000,000	100.00	1,000,000	347	2.90%
LegacyTexas Bank CD		2.20%	01/17/20	01/17/18	3,060,950	3,060,950	100.00	3,060,950	382	2.22%
Texas Bank Fin CDARS		2.91%	01/23/20	07/26/18	2,025,513	2,025,513	100.00	2,025,513	388	2.95%
WallisBank CD		2.90%	03/13/20	12/13/18	3,000,000	3,000,000	100.00	3,000,000	438	2.93%
East West Bank CD		2.83%	03/14/20	09/14/18	1,512,730	1,512,730	100.00	1,512,730	439	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	447	2.50%
LegacyTexas Bank CD		2.88%	06/15/20	09/14/18	2,517,994	2,517,994	100.00	2,517,994	532	2.92%
Third Coast Bank CD		2.96%	09/14/20	09/14/18	2,518,462	2,518,462	100.00	2,518,462	623	3.00%
LegacyTexas Bank CD		3.05%	12/11/20	12/13/18	3,000,000	3,000,000	100.00	3,000,000	711	3.09%
LegacyTexas Bank CD		3.05%	12/11/20	12/13/18	2,000,000	2,000,000	100.00	2,000,000	711	3.09%
SUBTOTAL					\$ 54,071,070	\$ 54,071,070		\$ 54,071,070	323	2.46%
									(1)	(2)
TOTAL					\$ 107,638,844	\$ 107,638,844		\$ 107,638,844	163	2.42%
									(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.

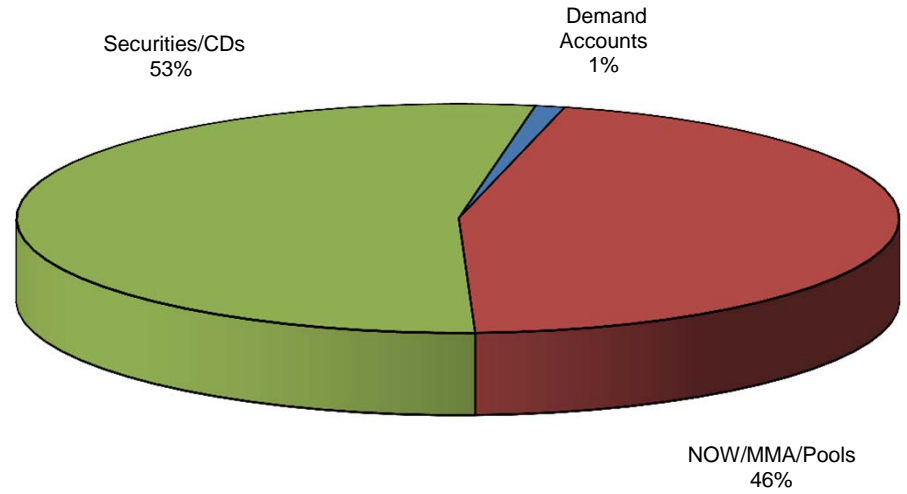
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

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

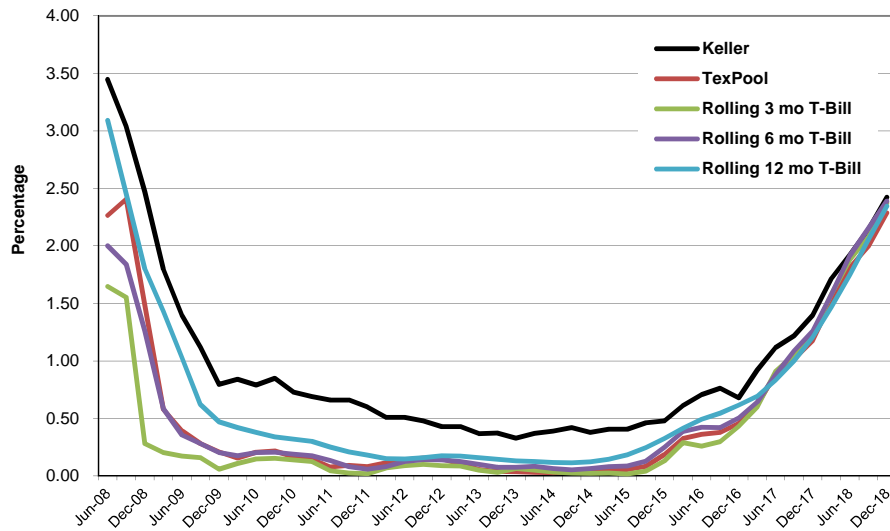
**Portfolio Composition
Current Quarter**



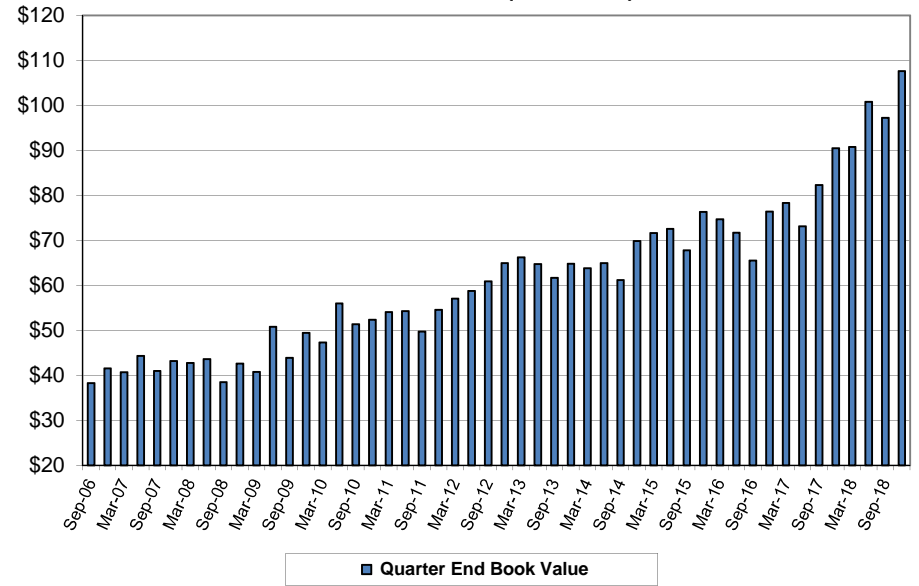
**Portfolio Composition
Previous Quarter**



Historical Yields



Total Portfolio (in Millions)



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2018				December 31, 2018	
			Face Amount/ Par Value		Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	Face Amount/ Par Value	
			Par Value	Book Value			Par Value	Book Value
Frost DDA	2.55%	01/01/19	\$ 812,667	\$ 812,667	\$ -	\$ (295,337)	\$ 517,330	\$ 517,330
Simmons Bank DDA	1.81%	01/01/19	233,882	233,882		(230,918)	2,964	2,964
Simmons Bank ICS	0.00%	01/01/19	6,962,676	6,962,676		(6,962,676)	-	-
SSB MMA 1332	2.44%	01/01/19	2,817,829	2,817,829	16,708		2,834,537	2,834,537
SSB MMA 7888	2.44%	01/01/19	577,548	577,548	3,425		580,973	580,973
NexBank MMA	2.56%	01/01/19	229,154	229,154	3,871		233,024	233,024
NexBank ICS Savings	2.53%	01/01/19	19,185,035	19,185,035	119,412		19,304,447	19,304,447
Goldman Sachs Gov't MMF	2.17%	01/01/19	1,558,674	1,558,674	6,481		1,565,155	1,565,155
TexPool	2.29%	01/01/19	12,990,152	12,990,152	15,539,191		28,529,343	28,529,343
Third Coast Bank CD	1.41%	10/01/18	2,500,000	2,500,000		(2,500,000)	-	-
Southside Bank CD	1.70%	12/10/18	2,532,040	2,532,040		(2,532,040)	-	-
LegacyTexas Bank CD	1.60%	12/20/18	2,040,442	2,040,442		(2,040,442)	-	-
East West Bank CD	2.19%	12/27/18	1,000,000	1,000,000		(1,000,000)	-	-
East West Bank CD	2.30%	02/10/19	1,513,672	1,513,672	8,800		1,522,473	1,522,473
WallisBank CD	1.55%	03/13/19	2,047,083	2,047,083	7,911		2,054,993	2,054,993
LegacyTexas Bank CD	1.55%	03/29/19	2,031,221	2,031,221	7,860		2,039,081	2,039,081
InterBank CDARS	2.38%	04/04/19	1,880,000	1,880,000			1,880,000	1,880,000
InterBank CDARS	2.35%	04/04/19	2,880,000	2,880,000			2,880,000	2,880,000
InterBank CD	2.35%	04/05/19	120,000	120,000			120,000	120,000
InterBank CD	2.35%	04/05/19	120,000	120,000			120,000	120,000
WallisBank CD	2.00%	04/18/19	2,019,885	2,019,885	10,182		2,030,067	2,030,067
LegacyTexas Bank CD	1.80%	05/31/19	1,013,594	1,013,594	4,555		1,018,149	1,018,149
LegacyTexas Bank CD	1.80%	06/06/19	5,067,969	5,067,969	22,777		5,090,746	5,090,746
Texas Bank Fin CDARS	2.81%	07/25/19	2,010,342	2,010,342	14,289		2,024,631	2,024,631
East West Bank CD	2.38%	09/26/19	3,543,167	3,543,167	21,551		3,564,719	3,564,719
East West Bank CD	2.80%	09/27/19	-	-	1,016,636		1,016,636	1,016,636
Texas Bank Fin CDARS	2.86%	10/24/19	2,010,527	2,010,527	14,545		2,025,072	2,025,072
Origin Bank CD	1.94%	12/07/19	2,536,585	2,536,585	12,269		2,548,854	2,548,854
WallisBank CD	2.87%	12/13/19	-	-	1,000,000		1,000,000	1,000,000
LegacyTexas Bank CD	2.20%	01/17/20	3,044,222	3,044,222	16,728		3,060,950	3,060,950
Texas Bank Fin CDARS	2.91%	01/23/20	2,010,711	2,010,711	14,802		2,025,513	2,025,513
WallisBank CD	2.90%	03/13/20	-	-	3,000,000		3,000,000	3,000,000
East West Bank CD	2.83%	03/14/20	1,501,978	1,501,978	10,752		1,512,730	1,512,730
Texas Security Bank CD	2.50%	03/22/20	3,500,000	3,500,000			3,500,000	3,500,000
LegacyTexas Bank CD	2.88%	06/15/20	2,500,000	2,500,000	17,994		2,517,994	2,517,994
Third Coast Bank CD	2.96%	09/14/20	2,500,000	2,500,000	18,462		2,518,462	2,518,462
LegacyTexas Bank CD	3.05%	12/11/20	-	-	3,000,000		3,000,000	3,000,000
LegacyTexas Bank CD	3.05%	12/11/20	-	-	2,000,000		2,000,000	2,000,000
TOTAL			\$ 97,291,058	\$ 97,291,058	\$ 25,909,200	\$ (15,561,414)	\$ 107,638,844	\$ 107,638,844

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2018		Qtr to Qtr Change	December 31, 2018	
			Face Amount/			Face Amount/	
			Par Value	Market Value		Par Value	Market Value
Frost DDA	2.55%	01/01/19	\$ 812,667	\$ 812,667	\$ (295,337)	\$ 517,330	\$ 517,330
Simmons Bank DDA	1.81%	01/01/19	233,882	233,882	(230,918)	2,964	2,964
Simmons Bank ICS	0.00%	01/01/19	6,962,676	6,962,676	(6,962,676)	–	–
SSB MMA 1332	2.44%	01/01/19	2,817,829	2,817,829	16,708	2,834,537	2,834,537
SSB MMA 7888	2.44%	01/01/19	577,548	577,548	3,425	580,973	580,973
NexBank MMA	2.56%	01/01/19	229,154	229,154	3,871	233,024	233,024
NexBank ICS Savings	2.53%	01/01/19	19,185,035	19,185,035	119,412	19,304,447	19,304,447
Goldman Sachs Gov't MMF	2.17%	01/01/19	1,558,674	1,558,674	6,481	1,565,155	1,565,155
TexPool	2.29%	01/01/19	12,990,152	12,990,152	15,539,191	28,529,343	28,529,343
Third Coast Bank CD	1.41%	10/01/18	2,500,000	2,500,000	(2,500,000)	–	–
Southside Bank CD	1.70%	12/10/18	2,532,040	2,532,040	(2,532,040)	–	–
LegacyTexas Bank CD	1.60%	12/20/18	2,040,442	2,040,442	(2,040,442)	–	–
East West Bank CD	2.19%	12/27/18	1,000,000	1,000,000	(1,000,000)	–	–
East West Bank CD	2.30%	02/10/19	1,513,672	1,513,672	8,800	1,522,473	1,522,473
WallisBank CD	1.55%	03/13/19	2,047,083	2,047,083	7,911	2,054,993	2,054,993
LegacyTexas Bank CD	1.55%	03/29/19	2,031,221	2,031,221	7,860	2,039,081	2,039,081
InterBank CDARS	2.38%	04/04/19	1,880,000	1,880,000		1,880,000	1,880,000
InterBank CDARS	2.35%	04/04/19	2,880,000	2,880,000		2,880,000	2,880,000
InterBank CD	2.35%	04/05/19	120,000	120,000		120,000	120,000
InterBank CD	2.35%	04/05/19	120,000	120,000		120,000	120,000
WallisBank CD	2.00%	04/18/19	2,019,885	2,019,885	10,182	2,030,067	2,030,067
LegacyTexas Bank CD	1.80%	05/31/19	1,013,594	1,013,594	4,555	1,018,149	1,018,149
LegacyTexas Bank CD	1.80%	06/06/19	5,067,969	5,067,969	22,777	5,090,746	5,090,746
Texas Bank Fin CDARS	2.81%	07/25/19	2,010,342	2,010,342	14,289	2,024,631	2,024,631
East West Bank CD	2.38%	09/26/19	3,543,167	3,543,167	21,551	3,564,719	3,564,719
East West Bank CD	2.80%	09/27/19	–	–	1,016,636	1,016,636	1,016,636
Texas Bank Fin CDARS	2.86%	10/24/19	2,010,527	2,010,527	14,545	2,025,072	2,025,072
Origin Bank CD	1.94%	12/07/19	2,536,585	2,536,585	12,269	2,548,854	2,548,854
WallisBank CD	2.87%	12/13/19	–	–	1,000,000	1,000,000	1,000,000
LegacyTexas Bank CD	2.20%	01/17/20	3,044,222	3,044,222	16,728	3,060,950	3,060,950
Texas Bank Fin CDARS	2.91%	01/23/20	2,010,711	2,010,711	14,802	2,025,513	2,025,513
WallisBank CD	2.90%	03/13/20	–	–	3,000,000	3,000,000	3,000,000
East West Bank CD	2.83%	03/14/20	1,501,978	1,501,978	10,752	1,512,730	1,512,730
Texas Security Bank CD	2.50%	03/22/20	3,500,000	3,500,000		3,500,000	3,500,000
LegacyTexas Bank CD	2.88%	06/15/20	2,500,000	2,500,000	17,994	2,517,994	2,517,994
Third Coast Bank CD	2.96%	09/14/20	2,500,000	2,500,000	18,462	2,518,462	2,518,462
LegacyTexas Bank CD	3.05%	12/11/20	–	–	3,000,000	3,000,000	3,000,000
LegacyTexas Bank CD	3.05%	12/11/20	–	–	2,000,000	2,000,000	2,000,000
TOTAL			\$ 97,291,058	\$ 97,291,058	\$ 10,347,786	\$ 107,638,844	\$ 107,638,844

Allocation

December 31, 2018

Book and Market Value	Investment Total	Consolidated (Pooled)	CCPD	Non-Profit Trust	2015 CO's	2016 SWIRFT Bonds	2017 CO's	Unreimbursed Medical
Frost DDA	\$ 517,330	\$ 487,408	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 29,422
Southwest Bank DDA	2,964	2,964						
Southwest Bank ICS	-							
SSB MMA 1332	2,834,537		2,834,537					
SSB MMA 7888	580,973	580,973						
NexBank MMA	233,024	121,705					111,320	
NexBank ICS Savings	19,304,447	12,251,624					7,052,823	
Goldman Sachs Gov't MMF	1,565,155					1,565,155		
TexPool	28,529,343	21,176,145	4,211,640	416,377	2,107,027		618,154	
02/10/19-East West Bank CD	1,522,473					1,522,473		
03/13/19-WallisBank CD	2,054,993	2,054,993						
03/29/19-LegacyTexas Bank CD	2,039,081						2,039,081	
04/04/19-InterBank CDARS	1,880,000		1,880,000					
04/04/19-InterBank CDARS	2,880,000	2,880,000						
04/05/19-InterBank CD	120,000		120,000					
04/05/19-InterBank CD	120,000	120,000						
04/18/19-WallisBank CD	2,030,067	2,030,067						
05/31/19-LegacyTexas Bank CD	1,018,149	1,018,149						
06/06/19-LegacyTexas Bank CD	5,090,746	5,090,746						
07/25/19-Texas Bank Fin CDARS	2,024,631	2,024,631						
09/26/19-East West Bank CD	3,564,719	3,564,719						
09/27/19-East West Bank CD	1,016,636					1,016,636		
10/24/19-Texas Bank Fin CDARS	2,025,072	2,025,072						
12/07/19-Origin Bank CD	2,548,854	2,548,854						
12/13/19-WallisBank CD	1,000,000	1,000,000						
01/17/20-LegacyTexas Bank CD	3,060,950	3,060,950						
01/23/20-Texas Bank Fin CDARS	2,025,513	2,025,513						
03/13/20-WallisBank CD	3,000,000	3,000,000						
03/14/20-East West Bank CD	1,512,730	1,512,730						
03/22/20-Texas Security Bank CD	3,500,000	3,500,000						
06/15/20-LegacyTexas Bank CD	2,517,994	2,517,994						
09/14/20-Third Coast Bank CD	2,518,462	2,518,462						
12/11/20-LegacyTexas Bank CD	3,000,000		3,000,000					
12/11/20-LegacyTexas Bank CD	2,000,000	2,000,000						
Totals	\$ 107,638,844	\$ 79,113,698	\$ 12,046,177	\$ 416,877	\$ 2,107,027	\$ 4,104,265	\$ 9,821,378	\$ 29,422

Allocation

September 30, 2018

Book and Market Value	Investment Total	Consolidated (Pooled)	CCPD	Non-Profit Trust	2015 CO's	2016 SWIRFT Bonds	2017 CO's	Unreimbursed Medical
Frost DDA	\$ 812,667	\$ 621,547	\$ -	\$ 155,917	\$ -	\$ -	\$ -	\$ 35,203
Southwest Bank DDA	233,882	233,882						
Southwest Bank ICS	6,962,676	6,962,676						
SSB MMA 1332	2,817,829		2,817,829					
SSB MMA 7888	577,548	577,548						
NexBank MMA	229,154	118,524					110,630	
NexBank ICS Savings	19,185,035	12,175,838					7,009,196	
Goldman Sachs Gov't MMF	1,558,674					1,558,674		
TexPool	12,990,152	6,214,555	3,812,697	252,852	2,095,326		614,721	
10/01/18-Third Coast Bank CD	2,500,000	2,500,000						
12/10/18-Southside Bank CD	2,532,040	2,532,040						
12/20/18-LegacyTexas Bank CD	2,040,442	2,040,442						
12/27/18-East West Bank CD	1,000,000					1,000,000		
02/10/19-East West Bank CD	1,513,672					1,513,672		
03/13/19-WallisBank CD	2,047,083	2,047,083						
03/29/19-LegacyTexas Bank CD	2,031,221						2,031,221	
04/04/19-InterBank CDARS	1,880,000		1,880,000					
04/04/19-InterBank CDARS	2,880,000	2,880,000						
04/05/19-InterBank CD	120,000		120,000					
04/05/19-InterBank CD	120,000	120,000						
04/18/19-WallisBank CD	2,019,885	2,019,885						
05/31/19-LegacyTexas Bank CD	1,013,594	1,013,594						
06/06/19-LegacyTexas Bank CD	5,067,969	5,067,969						
07/25/19-Texas Bank Fin CDARS	2,010,342	2,010,342						
09/26/19-East West Bank CD	3,543,167	3,543,167						
10/24/19-Texas Bank Fin CDARS	2,010,527	2,010,527						
12/07/19-Origin Bank CD	2,536,585	2,536,585						
01/17/20-LegacyTexas Bank CD	3,044,222	3,044,222						
01/23/20-Texas Bank Fin CDARS	2,010,711	2,010,711						
03/14/20-East West Bank CD	1,501,978	1,501,978						
03/22/20-Texas Security Bank CD	3,500,000	3,500,000						
06/15/20-LegacyTexas Bank CD	2,500,000	2,500,000						
09/14/20-Third Coast Bank CD	2,500,000	2,500,000						
Totals	\$ 97,291,058	\$ 72,283,117	\$ 8,630,526	\$ 408,769	\$ 2,095,326	\$ 4,072,347	\$ 9,765,769	\$ 35,203