



## QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2020

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.

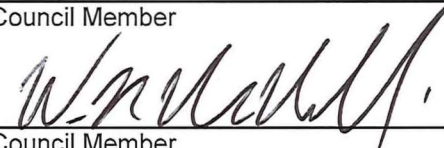
  
\_\_\_\_\_  
Director of Administrative Services/Finance -  
Investment Officer

  
\_\_\_\_\_  
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.

## Annual Comparison of Portfolio Performance

### FYE Results by Investment Category:

Asset Type	September 30, 2019			September 30, 2020		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	2.09%	\$ 1,234,537	\$ 1,234,537	0.33%	\$ 1,093,060	\$ 1,093,060
NOW/MMA/Pools	2.20%	42,673,095	42,673,095	0.23%	77,634,084	77,634,084
Securities/CDs	2.71%	58,412,377	58,412,377	2.04%	35,720,858	35,720,858
<b>Totals</b>		<b>\$ 102,320,008</b>	<b>\$ 102,320,008</b>		<b>\$ 114,448,003</b>	<b>\$ 114,448,003</b>
Fourth Quarter-End Yield	<b>2.49%</b>			<b>0.80%</b>		

### Average Quarter-End Yields (1):

	2019 Fiscal Year	2020 Fiscal Year
Keller	2.53%	1.47%
Rolling Three Month Treasury	2.30%	0.76%
Rolling Six Month Treasury	2.37%	0.99%
TexPool	2.31%	0.76%
<b>Fiscal YTD Interest Earnings</b>	<b>\$ 2,547,895</b>	<b>\$ 1,794,970</b>

(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, 2020			September 30, 2020		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.33%	\$ 1,352,858	\$ 1,352,858	0.33%	\$ 1,093,060	\$ 1,093,060
NOW/MMA/Pools	0.30%	64,746,942	64,746,942	0.23%	77,634,084	77,634,084
Securities/CDs	2.32%	43,407,693	43,407,693	2.04%	35,720,858	35,720,858
<b>Totals</b>	<b>1.10%</b>	<b>\$ 109,507,493</b>	<b>\$ 109,507,493</b>	<b>0.80%</b>	<b>\$ 114,448,003</b>	<b>\$ 114,448,003</b>

#### Average Yield - Current Quarter (1)

Total Portfolio	0.80%
Rolling Three Month Treasury	0.12%
Rolling Six Month Treasury	0.15%
TexPool	0.15%

#### Fiscal Year-to-Date Average Yield (2)

Total Portfolio	1.47%
Rolling Three Month Treasury	0.76%
Rolling Six Month Treasury	0.99%
TexPool	0.76%

#### Interest Income (Approximate)

Quarterly Interest Income	\$ 296,412
Fiscal Year-to-date Interest Income	\$ 1,794,970

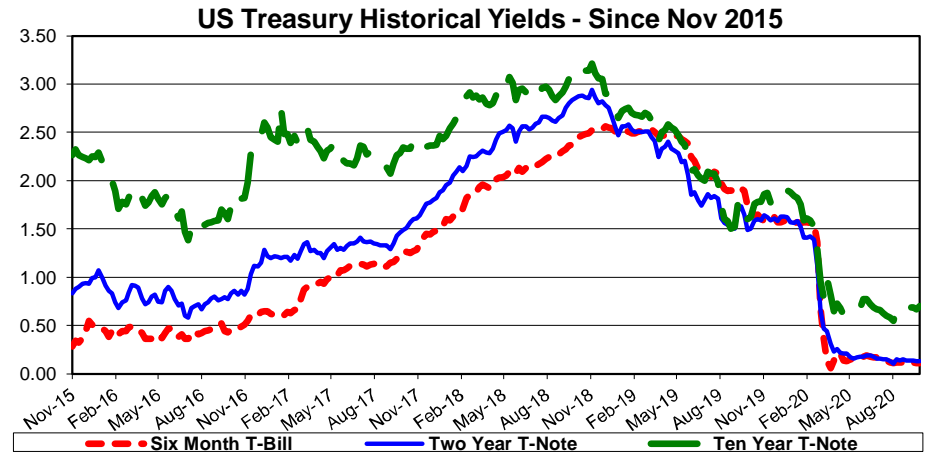
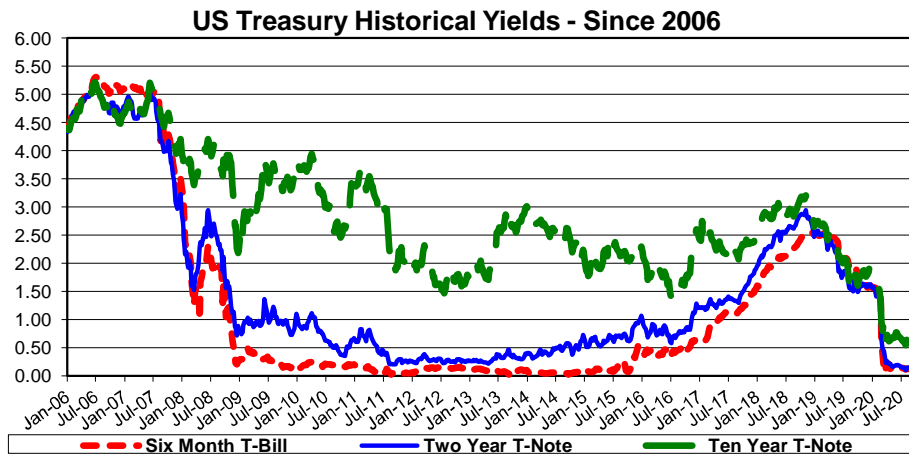
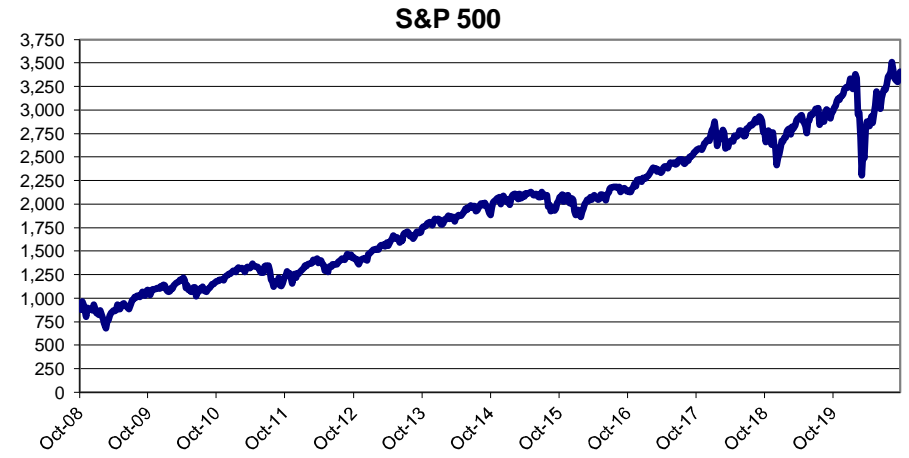
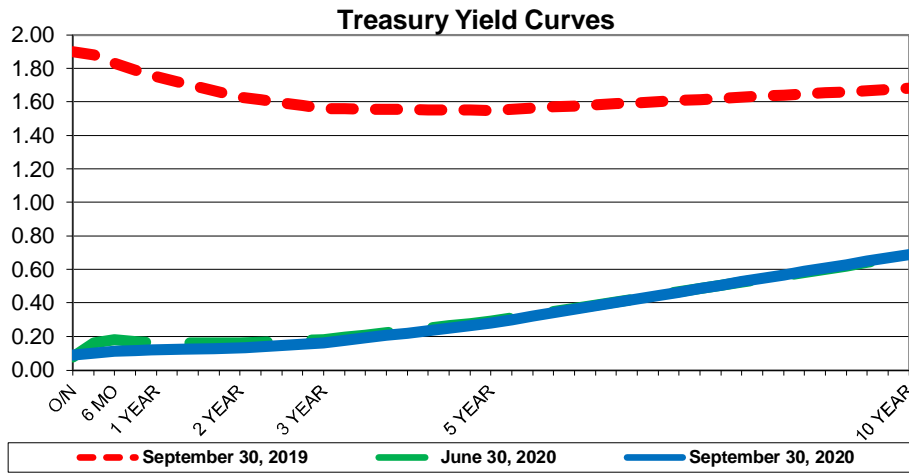
#### Bank Fee Offset

Current Quarter Bank Fee Offset	\$ 1,107
Year-to-Date Bank Fee Offset	\$ 13,785

(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.

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 projected that reduced rates could remain through 2024. Final estimate of Second Quarter GDP revised to down 31.4% (from down 31.9%). The Yield Curve remained stable. Crude oil slid to below \$40 per barrel. September Non Farm Payroll added 661k workers. Business added over 800k, but governments shed 200+k. The Stock Markets retreated slightly from all-time highs. Housing strengthened due to low mortgage rates. Additional federal economic assistance remained stalled in Congress.



**Investment Holdings  
September 30, 2020**

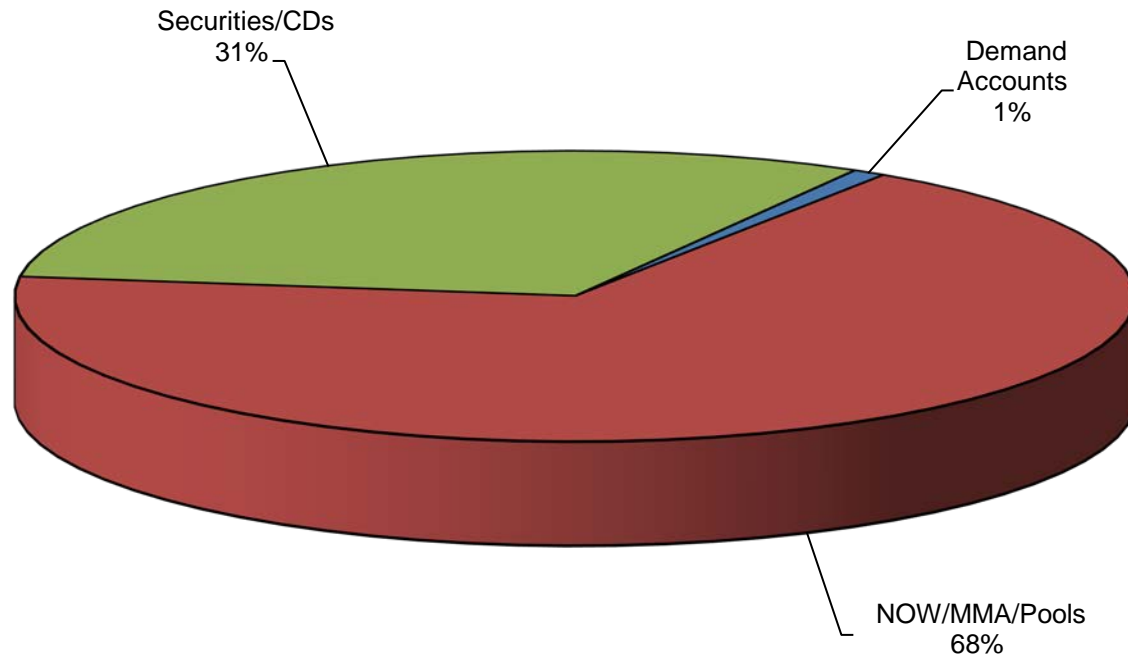
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Frost DDA (3)		0.33%	10/01/20	09/30/20	\$ 1,093,060	\$ 1,093,060	1.00	\$ 1,093,060	1	0.33%
SSB MMA 1332		0.25%	10/01/20	09/30/20	873,627	873,627	1.00	873,627	1	0.25%
SSB MMA 7888		0.25%	10/01/20	09/30/20	20,604,207	20,604,207	1.00	20,604,207	1	0.25%
NexBank MMA		0.45%	10/01/20	09/30/20	240,637	240,637	1.00	240,637	1	0.45%
NexBank ICS Savings		0.45%	10/01/20	09/30/20	12,123,465	12,123,465	1.00	12,123,465	1	0.45%
Veritex Bank MMA		0.20%	10/01/20	09/30/20	10,016,197	10,016,197	1.00	10,016,197	1	0.20%
Goldman Sachs Gov't MMF	AAAm	0.03%	10/01/20	09/30/20	1,660,621	1,660,621	1.00	1,660,621	1	0.03%
TexPool	AAAm	0.15%	10/01/20	09/30/20	32,115,329	32,115,329	1.00	32,115,329	1	0.15%
<b>SUBTOTAL</b>					<b>\$ 78,727,144</b>	<b>\$ 78,727,144</b>		<b>\$ 78,727,144</b>	<b>1</b>	<b>0.23%</b>
									(1)	(2)
Texas Bank Fin CDARS		2.50%	10/22/20	10/24/19	2,047,541	2,047,541	100.00	2,047,541	22	2.53%
Prosperity Bank CD		3.05%	12/11/20	12/13/18	3,164,406	3,164,406	100.00	3,164,406	72	3.09%
Prosperity Bank CD		3.05%	12/11/20	12/13/18	2,109,604	2,109,604	100.00	2,109,604	72	3.09%
East West Bank CD		0.39%	12/14/20	06/12/20	5,005,933	5,005,933	100.00	5,005,933	75	0.39%
Prosperity Bank CD		2.70%	12/15/20	03/15/19	3,124,266	3,124,266	100.00	3,124,266	76	2.73%
Texas Bank Fin CDARS		2.37%	01/21/21	09/17/20	241,997	241,997	100.00	241,997	113	2.40%
Texas Bank Fin CDARS		2.37%	01/21/21	01/23/20	2,033,018	2,033,018	100.00	2,033,018	113	2.40%
Texas Bank Fin CDARS		2.37%	01/21/21	01/23/20	4,840,107	4,840,107	100.00	4,840,107	113	2.40%
Texas Bank Fin CDARS		2.96%	01/28/21	01/31/19	3,000,000	3,000,000	100.00	3,000,000	120	3.00%
Prosperity Bank CD		0.45%	04/27/21	07/27/20	1,000,762	1,000,762	100.00	1,000,762	209	0.45%
Prosperity Bank CD		2.38%	06/07/21	06/07/19	5,151,191	5,151,191	100.00	5,151,191	250	2.41%
Prosperity Bank CD		0.60%	07/27/21	07/27/20	2,002,033	2,002,033	100.00	2,002,033	300	0.60%
Prosperity Bank CD		0.40%	09/15/21	09/15/20	2,000,000	2,000,000	100.00	2,000,000	350	0.40%
<b>SUBTOTAL</b>					<b>\$ 35,720,858</b>	<b>\$ 35,720,858</b>		<b>\$ 35,720,858</b>	<b>140</b>	<b>2.04%</b>
									(1)	(2)
<b>TOTAL</b>					<b>\$ 114,448,003</b>	<b>\$ 114,448,003</b>		<b>\$ 114,448,003</b>	<b>44</b>	<b>0.80%</b>
									(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.

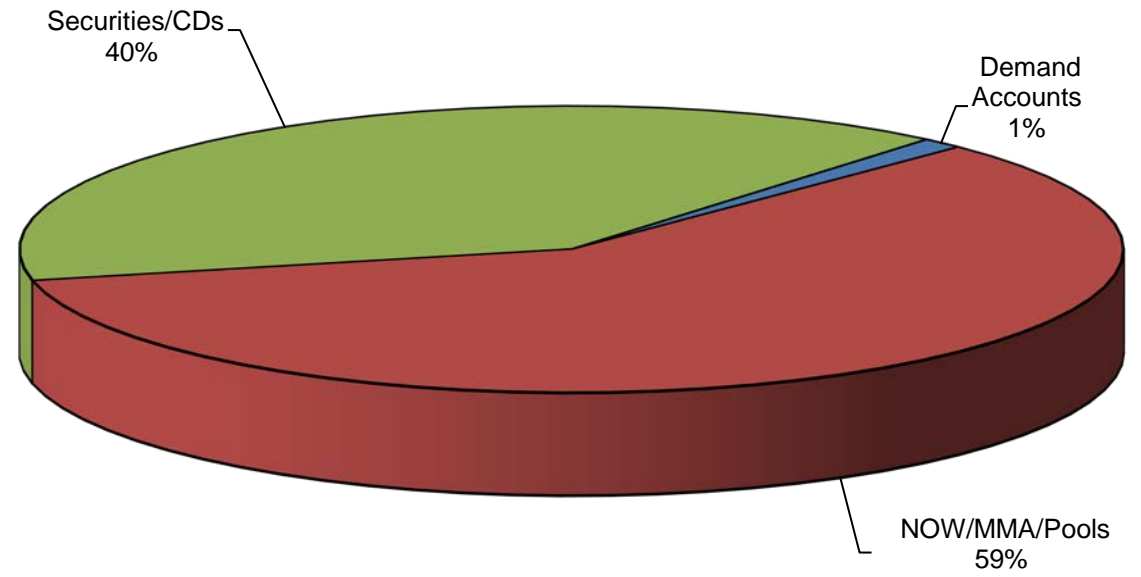
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

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

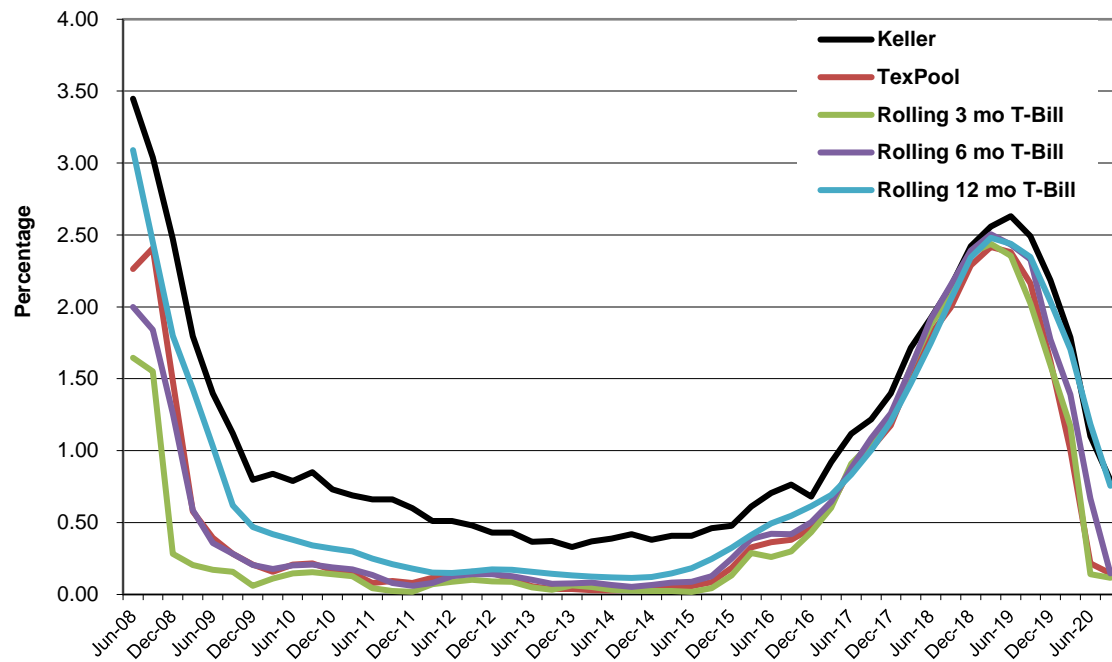
**Portfolio Composition  
Current Quarter**



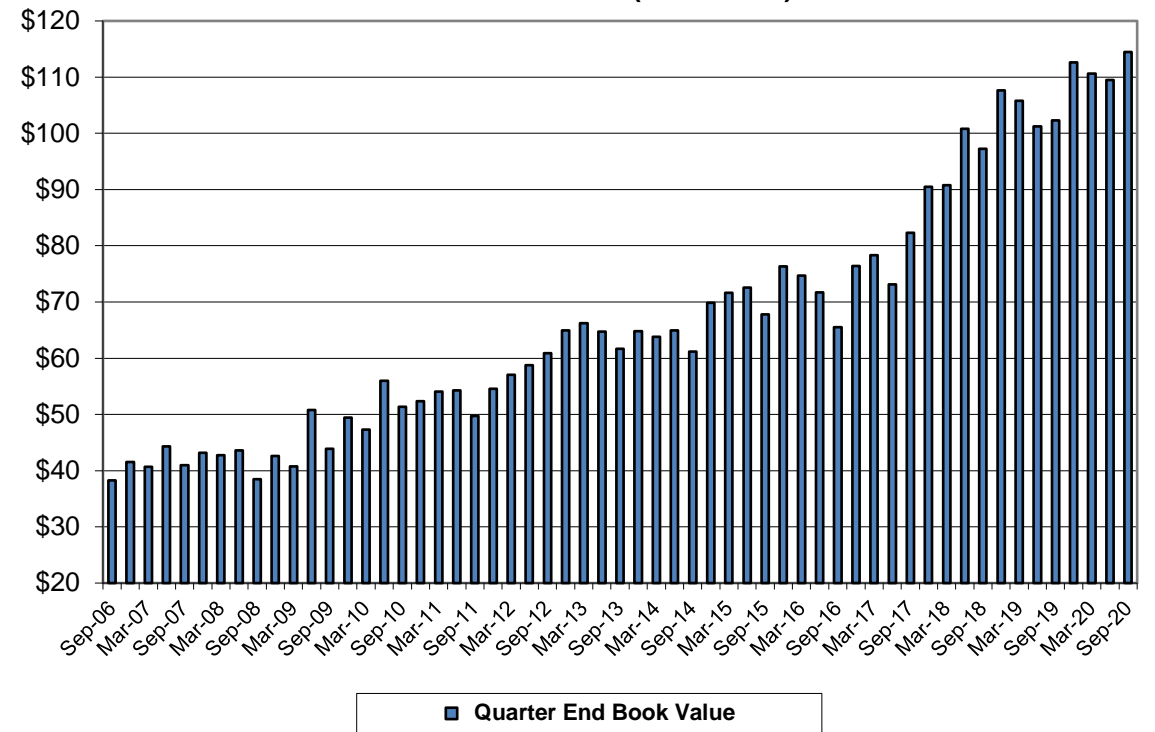
**Portfolio Composition  
Previous Quarter**



**Historical Yields**



**Total Portfolio (in Millions)**



## Book and Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/20	Increases	Decreases	Book Value 09/30/20	Market Value 06/30/20	Change in Market Value	Market Value 09/30/20
Frost DDA	0.33%	10/01/20	\$ 1,352,858	\$ -	\$ (259,797)	\$ 1,093,060	\$ 1,352,858	\$ (259,797)	\$ 1,093,060
SSB MMA 1332	0.25%	10/01/20	873,008	619	-	873,627	873,008	619	873,627
SSB MMA 7888	0.25%	10/01/20	597,806	20,006,402	-	20,604,207	597,806	20,006,402	20,604,207
NexBank MMA	0.45%	10/01/20	240,344	292	-	240,637	240,344	292	240,637
NexBank ICS Savings	0.45%	10/01/20	15,490,920	-	(3,367,455)	12,123,465	15,490,920	(3,367,455)	12,123,465
Veritex Bank MMA	0.20%	10/01/20	10,010,028	6,169	-	10,016,197	10,010,028	6,169	10,016,197
Goldman Sachs Gov't MMF	0.03%	10/01/20	1,660,091	531	-	1,660,621	1,660,091	531	1,660,621
TexPool	0.15%	10/01/20	35,874,745	-	(3,759,417)	32,115,329	35,874,745	(3,759,417)	32,115,329
East West Bank CD	1.72%	07/21/20	5,038,315	-	(5,038,315)	-	5,038,315	(5,038,315)	-
Third Coast Bank CD	2.96%	09/14/20	2,632,459	-	(2,632,459)	-	2,632,459	(2,632,459)	-
Prosperity Bank CD	2.68%	09/15/20	5,170,635	-	(5,170,635)	-	5,170,635	(5,170,635)	-
Texas Bank Fin CDARS	2.53%	10/22/20	2,034,680	12,861	-	2,047,541	2,034,680	12,861	2,047,541
Prosperity Bank CD	3.09%	12/11/20	3,140,269	24,137	-	3,164,406	3,140,269	24,137	3,164,406
Prosperity Bank CD	3.09%	12/11/20	2,093,513	16,091	-	2,109,604	2,093,513	16,091	2,109,604
East West Bank CD	0.39%	12/14/20	5,001,015	4,918	-	5,005,933	5,001,015	4,918	5,005,933
Prosperity Bank CD	2.73%	12/15/20	3,103,157	21,108	-	3,124,266	3,103,157	21,108	3,124,266
Texas Bank Fin CDARS	2.40%	01/21/21	-	241,997	-	241,997	-	241,997	241,997
Texas Bank Fin CDARS	2.40%	01/21/21	2,020,901	12,117	-	2,033,018	2,020,901	12,117	2,033,018
Texas Bank Fin CDARS	2.40%	01/21/21	5,052,253	-	(212,145)	4,840,107	5,052,253	(212,145)	4,840,107
Texas Bank Fin CDARS	3.00%	01/28/21	3,000,000	-	-	3,000,000	3,000,000	-	3,000,000
Prosperity Bank CD	0.45%	04/27/21	-	1,000,762	-	1,000,762	-	1,000,762	1,000,762
Prosperity Bank CD	2.41%	06/07/21	5,120,496	30,695	-	5,151,191	5,120,496	30,695	5,151,191
Prosperity Bank CD	0.60%	07/27/21	-	2,002,033	-	2,002,033	-	2,002,033	2,002,033
Prosperity Bank CD	0.40%	09/15/21	-	2,000,000	-	2,000,000	-	2,000,000	2,000,000
<b>TOTAL/ AVERAGE</b>	<b>0.80%</b>		<b>\$ 109,507,493</b>	<b>\$ 25,380,733</b>	<b>\$ (20,440,223)</b>	<b>\$ 114,448,003</b>	<b>\$ 109,507,493</b>	<b>\$ 4,940,510</b>	<b>\$ 114,448,003</b>

**Allocation**  
**September 30, 2020**

<b>Book and Market Value</b>	<b>Investment Total</b>	<b>Consolidated (Pooled)</b>	<b>CCPD</b>	<b>Non-Profit Trust</b>	<b>2016 SWIRFT Bonds</b>	<b>2017 CO's</b>	<b>2019 CO's</b>	<b>2020 GO Refunding Bonds</b>	<b>Unreimbursed Medical</b>
Frost DDA	\$ 1,093,060	\$ 876,341	\$ -	\$ 180,380	\$ -	\$ -	\$ -	\$ -	\$ 36,340
SSB MMA 1332	873,627	-	873,627	-	-	-	-	-	-
SSB MMA 7888	20,604,207	20,604,207	-	-	-	-	-	-	-
NexBank MMA	240,637	125,892	-	-	-	114,745	-	-	-
NexBank ICS Savings	12,123,465	11,614,238	-	-	-	509,228	-	-	-
Veritex Bank MMA	10,016,197	10,016,197	-	-	-	-	-	-	-
Goldman Sachs Gov't MMF	1,660,621	-	-	-	1,660,621	-	-	-	-
TexPool	32,115,329	16,329,629	6,089,878	193,871	-	1,477,968	23,804	8,000,179	-
10/22/20-Texas Bank Fin CDARS	2,047,541	2,047,541	-	-	-	-	-	-	-
12/11/20-Prosperity Bank CD	3,164,406	3,164,406	-	-	-	-	-	-	-
12/11/20-Prosperity Bank CD	2,109,604	2,109,604	-	-	-	-	-	-	-
12/14/20-East West Bank CD	5,005,933	5,005,933	-	-	-	-	-	-	-
12/15/20-Prosperity Bank CD	3,124,266	3,124,266	-	-	-	-	-	-	-
01/21/21-Texas Bank Fin CDARS	241,997	241,997	-	-	-	-	-	-	-
01/21/21-Texas Bank Fin CDARS	2,033,018	2,033,018	-	-	-	-	-	-	-
01/21/21-Texas Bank Fin CDARS	4,840,107	4,840,107	-	-	-	-	-	-	-
01/28/21-Texas Bank Fin CDARS	3,000,000	3,000,000	-	-	-	-	-	-	-
04/27/21-Prosperity Bank CD	1,000,762	1,000,762	-	-	-	-	-	-	-
06/07/21-Prosperity Bank CD	5,151,191	5,151,191	-	-	-	-	-	-	-
07/27/21-Prosperity Bank CD	2,002,033	2,002,033	-	-	-	-	-	-	-
09/15/21-Prosperity Bank CD	2,000,000	2,000,000	-	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 114,448,003</b>	<b>\$ 95,287,361</b>	<b>\$ 6,963,506</b>	<b>\$ 374,251</b>	<b>\$ 1,660,621</b>	<b>\$ 2,101,940</b>	<b>\$ 23,804</b>	<b>\$ 8,000,179</b>	<b>\$ 36,340</b>



**Allocation**

**June 30, 2020**

<b>Book and Market Value</b>	<b>Investment Total</b>	<b>Consolidated (Pooled)</b>	<b>CCPD</b>	<b>Non-Profit Trust</b>	<b>2016 SWIRFT Bonds</b>	<b>2017 CO's</b>	<b>2019 CO's</b>	<b>Unreimbursed Medical</b>
Frost DDA	\$ 1,352,858	\$ 1,314,817	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 37,540
SSB MMA 1332	873,008	-	873,008	-	-	-	-	-
SSB MMA 7888	597,806	597,806	-	-	-	-	-	-
NexBank MMA	240,344	125,739	-	-	-	114,606	-	-
NexBank ICS Savings	15,490,920	11,600,088	-	-	-	3,890,832	-	-
Veritex Bank MMA	10,010,028	10,010,028	-	-	-	-	-	-
Goldman Sachs Gov't MMF	1,660,091	-	-	-	1,660,091	-	-	-
TexPool	35,874,745	28,351,850	5,624,932	396,952	-	1,477,306	23,705	-
07/21/20–East West Bank CD	5,038,315	5,038,315	-	-	-	-	-	-
09/14/20–Third Coast Bank CD	2,632,459	2,632,459	-	-	-	-	-	-
09/15/20–Prosperity Bank CD	5,170,635	5,170,635	-	-	-	-	-	-
10/22/20–Texas Bank Fin CDARS	2,034,680	2,034,680	-	-	-	-	-	-
12/11/20–Prosperity Bank CD	3,140,269	3,140,269	-	-	-	-	-	-
12/11/20–Prosperity Bank CD	2,093,513	2,093,513	-	-	-	-	-	-
12/14/20–East West Bank CD	5,001,015	5,001,015	-	-	-	-	-	-
12/15/20–Prosperity Bank CD	3,103,157	3,103,157	-	-	-	-	-	-
01/21/21–Texas Bank Fin CDARS	2,020,901	2,020,901	-	-	-	-	-	-
01/21/21–Texas Bank Fin CDARS	5,052,253	5,052,253	-	-	-	-	-	-
01/28/21–Texas Bank Fin CDARS	3,000,000	3,000,000	-	-	-	-	-	-
06/07/21–Prosperity Bank CD	5,120,496	5,120,496	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 109,507,493</b>	<b>\$ 95,408,021</b>	<b>\$ 6,497,941</b>	<b>\$ 397,452</b>	<b>\$ 1,660,091</b>	<b>\$ 5,482,743</b>	<b>\$ 23,705</b>	<b>\$ 37,540</b>