



## QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 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.

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Director of Administrative Services/Finance -  
Investment Officer

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Mayor

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City Manager

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Council Member

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Assistant Director of Finance - Investment Officer

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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	March 31, 2020			June 30, 2020		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	1.77%	\$ 814,567	\$ 814,567	0.33%	\$ 1,352,858	\$ 1,352,858
NOW/MMA/Pools	0.99%	55,960,060	55,960,060	0.30%	64,746,942	64,746,942
Securities/CDs	2.61%	53,876,339	53,876,339	2.32%	43,407,693	43,407,693
<b>Totals</b>	<b>1.79%</b>	<b>\$ 110,650,966</b>	<b>\$ 110,650,966</b>	<b>1.10%</b>	<b>\$ 109,507,493</b>	<b>\$ 109,507,493</b>

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

Total Portfolio	1.10%
Rolling Three Month Treasury	0.14%
Rolling Six Month Treasury	0.67%
TexPool	0.22%

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

Total Portfolio	1.69%
Rolling Three Month Treasury	0.97%
Rolling Six Month Treasury	1.28%
TexPool	0.96%

#### Interest Income (Approximate)

Quarterly Interest Income	\$ 339,765
Fiscal Year-to-date Interest Income	\$ 1,498,558

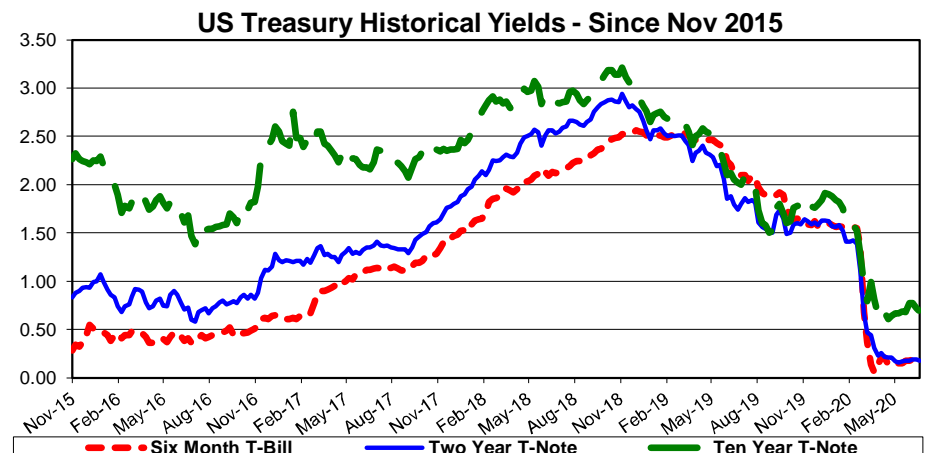
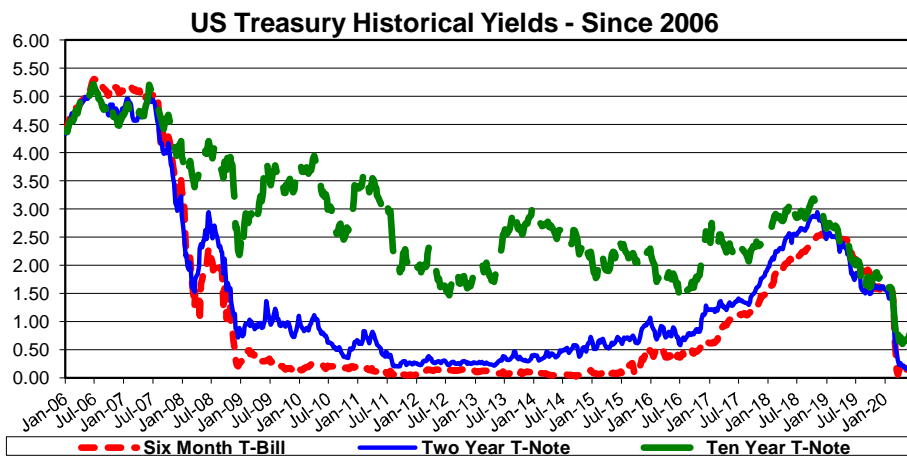
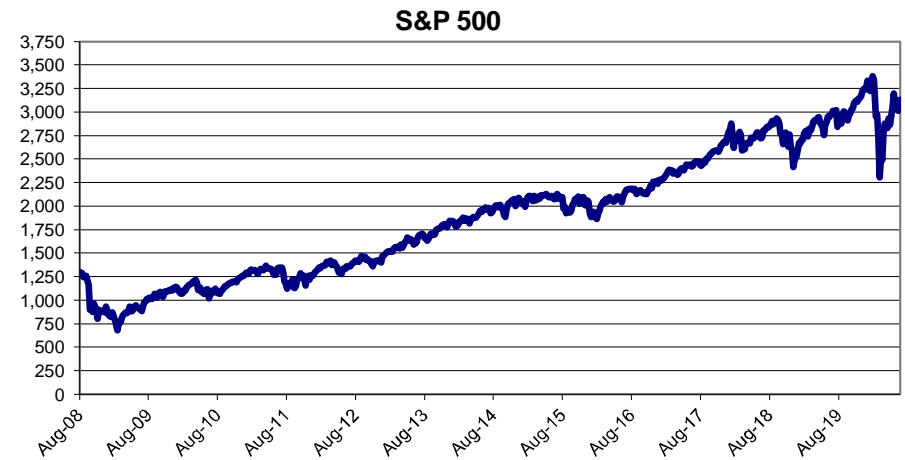
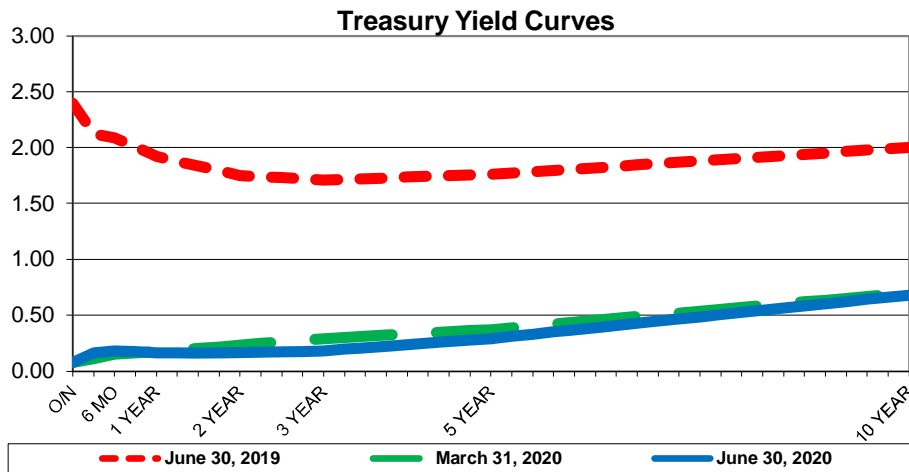
#### Bank Fee Offset

Current Quarter Bank Fee Offset	\$ 1,326
Year-to-Date Bank Fee Offset	\$ 12,678

(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 +/-0.08%). Worldwide and domestic economic activity popped-up as isolation protocols eased. However, continued positive COVID test growth may impact additional activity. The Yield Curve remains stabilized at current levels. The FOMC has signaled reduced rates for an extended period. Crude oil increased to \$40+ per barrel. Unemployment claims continued to rise, but June Non Farm Payroll surged to 4.8 million. The Stock Market wobbled but stabilized. Full recovery timeline still very uncertain.



**Investment Holdings**  
**June 30, 2020**

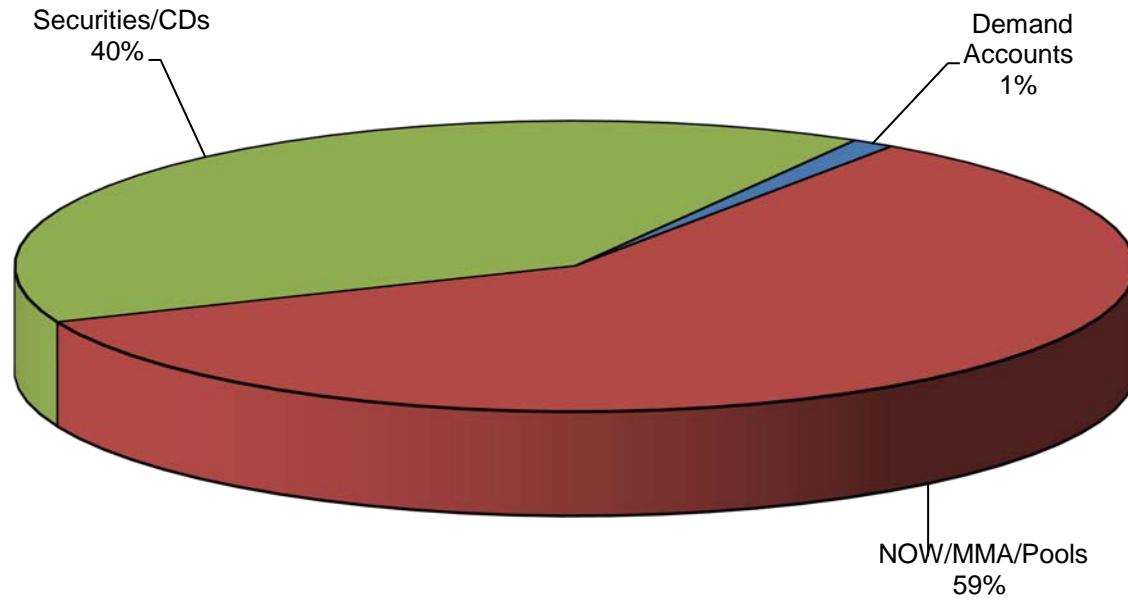
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/ Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Frost DDA (3)		0.33%	07/01/20	06/30/20	\$ 1,352,858	\$ 1,352,858	1.00	\$ 1,352,858	1	0.33%
SSB MMA 1332		0.32%	07/01/20	06/30/20	873,008	873,008	1.00	873,008	1	0.32%
SSB MMA 7888		0.32%	07/01/20	06/30/20	597,806	597,806	1.00	597,806	1	0.32%
NexBank MMA		0.50%	07/01/20	06/30/20	240,344	240,344	1.00	240,344	1	0.50%
NexBank ICS Savings		0.50%	07/01/20	06/30/20	15,490,920	15,490,920	1.00	15,490,920	1	0.50%
Veritex Bank MMA		0.30%	07/01/20	06/30/20	10,010,028	10,010,028	1.00	10,010,028	1	0.30%
Goldman Sachs Gov't MMF	AAAm	0.16%	07/01/20	06/30/20	1,660,091	1,660,091	1.00	1,660,091	1	0.16%
TexPool	AAAm	0.22%	07/01/20	06/30/20	35,874,745	35,874,745	1.00	35,874,745	1	0.22%
<b>SUBTOTAL</b>					<b>\$ 66,099,800</b>	<b>\$ 66,099,800</b>		<b>\$ 66,099,800</b>	<b>1</b>	<b>0.30%</b>
									(1)	(2)
East West Bank CD		1.72%	07/21/20	01/21/20	5,038,315	5,038,315	100.00	5,038,315	21	1.73%
Third Coast Bank CD		2.96%	09/14/20	09/14/18	2,632,459	2,632,459	100.00	2,632,459	76	3.00%
Prosperity Bank CD		2.68%	09/15/20	03/15/19	5,170,635	5,170,635	100.00	5,170,635	77	2.71%
Texas Bank Fin CDARS		2.50%	10/22/20	10/24/19	2,034,680	2,034,680	100.00	2,034,680	114	2.53%
Prosperity Bank CD		3.05%	12/11/20	12/13/18	3,140,269	3,140,269	100.00	3,140,269	164	3.09%
Prosperity Bank CD		3.05%	12/11/20	12/13/18	2,093,513	2,093,513	100.00	2,093,513	164	3.09%
East West Bank CD		0.39%	12/14/20	06/12/20	5,001,015	5,001,015	100.00	5,001,015	167	0.39%
Prosperity Bank CD		2.70%	12/15/20	03/15/19	3,103,157	3,103,157	100.00	3,103,157	168	2.73%
Texas Bank Fin CDARS		2.37%	01/21/21	01/23/20	2,020,901	2,020,901	100.00	2,020,901	205	2.40%
Texas Bank Fin CDARS		2.37%	01/21/21	01/23/20	5,052,253	5,052,253	100.00	5,052,253	205	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	212	3.00%
Prosperity Bank CD		2.38%	06/07/21	06/07/19	5,120,496	5,120,496	100.00	5,120,496	342	2.41%
<b>SUBTOTAL</b>					<b>\$ 43,407,693</b>	<b>\$ 43,407,693</b>		<b>\$ 43,407,693</b>	<b>161</b>	<b>2.32%</b>
									(1)	(2)
<b>TOTAL</b>					<b>\$ 109,507,493</b>	<b>\$ 109,507,493</b>		<b>\$ 109,507,493</b>	<b>64</b>	<b>1.10%</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.

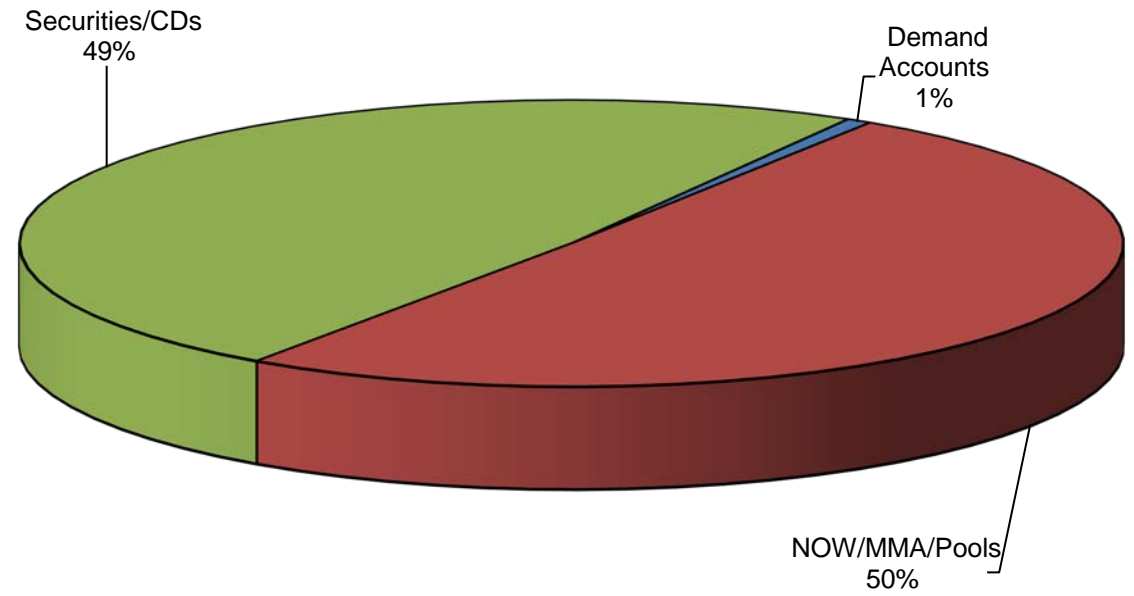
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

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

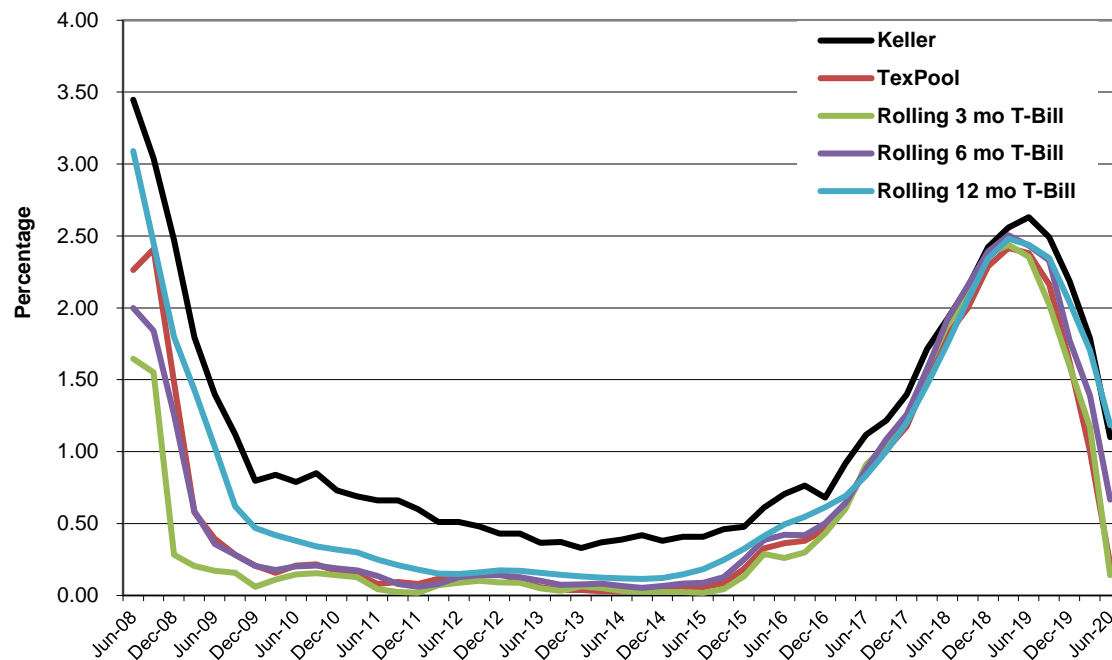
**Portfolio Composition  
Current Quarter**



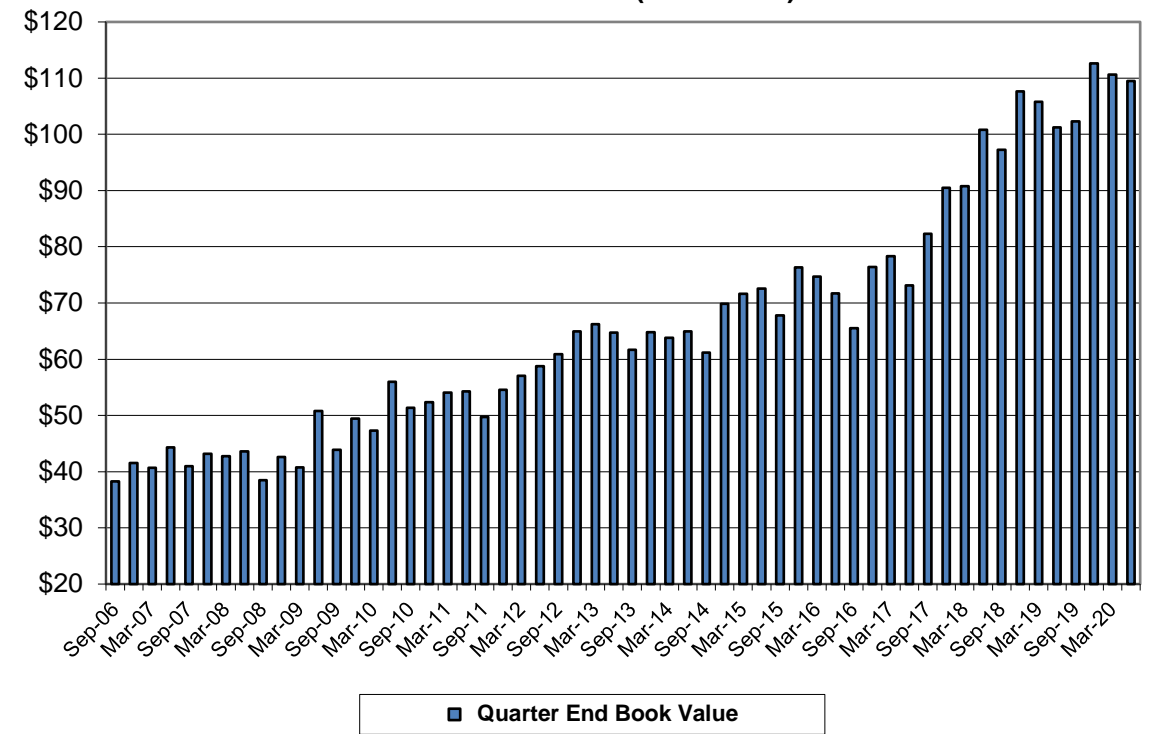
**Portfolio Composition  
Previous Quarter**



**Historical Yields**



**Total Portfolio (in Millions)**



## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2020		Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	June 30, 2020	
			Face Amount/ Par Value	Book Value			Face Amount/ Par Value	Book Value
Frost DDA	0.33%	07/01/20	\$ 814,567	\$ 814,567	\$ 538,291	\$ –	\$ 1,352,858	\$ 1,352,858
SSB MMA 1332	0.32%	07/01/20	872,048	872,048	960		873,008	873,008
SSB MMA 7888	0.32%	07/01/20	597,148	597,148	657		597,806	597,806
NexBank MMA	0.50%	07/01/20	240,046	240,046	299		240,344	240,344
NexBank ICS Savings	0.50%	07/01/20	15,471,623	15,471,623	19,297		15,490,920	15,490,920
Veritex Bank MMA	0.30%	07/01/20	–	–	10,010,028		10,010,028	10,010,028
Goldman Sachs Gov't MMF	0.16%	07/01/20	1,658,583	1,658,583	1,508		1,660,091	1,660,091
TexPool	0.22%	07/01/20	37,120,612	37,120,612		(1,245,866)	35,874,745	35,874,745
InterBank CDARS	2.65%	04/02/20	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)	–	–
InterBank CD	2.65%	04/05/20	120,000	120,000		(120,000)	–	–
InterBank CD	2.65%	04/05/20	120,000	120,000		(120,000)	–	–
InterBank CDARS	2.65%	04/09/20	5,000,000	5,000,000		(5,000,000)	–	–
LegacyTexas Bank CD	2.88%	06/15/20	2,610,129	2,610,129		(2,610,129)	–	–
LegacyTexas Bank CD	2.65%	06/15/20	3,080,696	3,080,696		(3,080,696)	–	–
East West Bank CD	1.72%	07/21/20	5,016,756	5,016,756	21,559		5,038,315	5,038,315
Third Coast Bank CD	2.96%	09/14/20	2,613,004	2,613,004	19,455		2,632,459	2,632,459
Prosperity Bank CD	2.68%	09/15/20	5,136,034	5,136,034	34,601		5,170,635	5,170,635
Texas Bank Fin CDARS	2.50%	10/22/20	2,022,038	2,022,038	12,642		2,034,680	2,034,680
Prosperity Bank CD	3.05%	12/11/20	3,116,367	3,116,367	23,902		3,140,269	3,140,269
Prosperity Bank CD	3.05%	12/11/20	2,077,578	2,077,578	15,935		2,093,513	2,093,513
East West Bank CD	0.39%	12/14/20	–	–	5,001,015		5,001,015	5,001,015
Prosperity Bank CD	2.70%	12/15/20	3,082,237	3,082,237	20,920		3,103,157	3,103,157
Texas Bank Fin CDARS	2.37%	01/21/21	2,008,987	2,008,987	11,914		2,020,901	2,020,901
Texas Bank Fin CDARS	2.37%	01/21/21	5,022,467	5,022,467	29,785		5,052,253	5,052,253
Texas Bank Fin CDARS	2.96%	01/28/21	3,000,000	3,000,000			3,000,000	3,000,000
Prosperity Bank CD	2.38%	06/07/21	5,090,044	5,090,044	30,452		5,120,496	5,120,496
<b>TOTAL</b>			<b>\$ 110,650,966</b>	<b>\$ 110,650,966</b>	<b>\$ 15,793,218</b>	<b>\$ (16,936,691)</b>	<b>\$ 109,507,493</b>	<b>\$ 109,507,493</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2020		Qtr to Qtr Change	June 30, 2020	
			Face Amount/ Par Value	Market Value		Face Amount/ Par Value	Market Value
Frost DDA	0.33%	07/01/20	\$ 814,567	\$ 814,567	\$ 538,291	\$ 1,352,858	\$ 1,352,858
SSB MMA 1332	0.32%	07/01/20	872,048	872,048	960	873,008	873,008
SSB MMA 7888	0.32%	07/01/20	597,148	597,148	657	597,806	597,806
NexBank MMA	0.50%	07/01/20	240,046	240,046	299	240,344	240,344
NexBank ICS Savings	0.50%	07/01/20	15,471,623	15,471,623	19,297	15,490,920	15,490,920
Veritex Bank MMA	0.30%	07/01/20	–	–	10,010,028	10,010,028	10,010,028
Goldman Sachs Gov't MMF	0.16%	07/01/20	1,658,583	1,658,583	1,508	1,660,091	1,660,091
TexPool	0.22%	07/01/20	37,120,612	37,120,612	(1,245,866)	35,874,745	35,874,745
InterBank CDARS	2.65%	04/02/20	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)	–	–
InterBank CD	2.65%	04/05/20	120,000	120,000	(120,000)	–	–
InterBank CD	2.65%	04/05/20	120,000	120,000	(120,000)	–	–
InterBank CDARS	2.65%	04/09/20	5,000,000	5,000,000	(5,000,000)	–	–
LegacyTexas Bank CD	2.88%	06/15/20	2,610,129	2,610,129	(2,610,129)	–	–
LegacyTexas Bank CD	2.65%	06/15/20	3,080,696	3,080,696	(3,080,696)	–	–
East West Bank CD	1.72%	07/21/20	5,016,756	5,016,756	21,559	5,038,315	5,038,315
Third Coast Bank CD	2.96%	09/14/20	2,613,004	2,613,004	19,455	2,632,459	2,632,459
Prosperity Bank CD	2.68%	09/15/20	5,136,034	5,136,034	34,601	5,170,635	5,170,635
Texas Bank Fin CDARS	2.50%	10/22/20	2,022,038	2,022,038	12,642	2,034,680	2,034,680
Prosperity Bank CD	3.05%	12/11/20	3,116,367	3,116,367	23,902	3,140,269	3,140,269
Prosperity Bank CD	3.05%	12/11/20	2,077,578	2,077,578	15,935	2,093,513	2,093,513
East West Bank CD	0.39%	12/14/20	–	–	5,001,015	5,001,015	5,001,015
Prosperity Bank CD	2.70%	12/15/20	3,082,237	3,082,237	20,920	3,103,157	3,103,157
Texas Bank Fin CDARS	2.37%	01/21/21	2,008,987	2,008,987	11,914	2,020,901	2,020,901
Texas Bank Fin CDARS	2.37%	01/21/21	5,022,467	5,022,467	29,785	5,052,253	5,052,253
Texas Bank Fin CDARS	2.96%	01/28/21	3,000,000	3,000,000		3,000,000	3,000,000
Prosperity Bank CD	2.38%	06/07/21	5,090,044	5,090,044	30,452	5,120,496	5,120,496
<b>TOTAL</b>			<b>\$ 110,650,966</b>	<b>\$ 110,650,966</b>	<b>\$ (1,143,473)</b>	<b>\$ 109,507,493</b>	<b>\$ 109,507,493</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>



**Allocation**  
**March 31, 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	\$ 814,567	\$ 781,878	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 32,189
SSB MMA 1332	872,048	-	872,048	-	-	-	-	-
SSB MMA 7888	597,148	597,148	-	-	-	-	-	-
NexBank MMA	240,046	125,583	-	-	-	114,463	-	-
NexBank ICS Savings	15,471,623	11,585,637	-	-	-	3,885,985	-	-
Goldman Sachs Gov't MMF	1,658,583	-	-	-	1,658,583	-	-	-
TexPool	37,120,612	31,997,710	3,220,349	402,713	-	1,476,154	23,686	-
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	5,000,000	-	-	-	-	-	-
06/15/20-Prosperity Bank CD	2,610,129	2,610,129	-	-	-	-	-	-
06/15/20-Prosperity Bank CD	3,080,696	3,080,696	-	-	-	-	-	-
07/21/20-East West Bank CD	5,016,756	5,016,756	-	-	-	-	-	-
09/14/20-Third Coast Bank CD	2,613,004	2,613,004	-	-	-	-	-	-
09/15/20-Prosperity Bank CD	5,136,034	5,136,034	-	-	-	-	-	-
10/22/20-Texas Bank Fin CDARS	2,022,038	2,022,038	-	-	-	-	-	-
12/11/20-Prosperity Bank CD	3,116,367	3,116,367	-	-	-	-	-	-
12/11/20-Prosperity Bank CD	2,077,578	2,077,578	-	-	-	-	-	-
12/15/20-Prosperity Bank CD	3,082,237	3,082,237	-	-	-	-	-	-
01/21/21-Texas Bank Fin CDARS	2,008,987	2,008,987	-	-	-	-	-	-
01/21/21-Texas Bank Fin CDARS	5,022,467	5,022,467	-	-	-	-	-	-
01/28/21-Texas Bank Fin CDARS	3,000,000	3,000,000	-	-	-	-	-	-
06/07/21-Prosperity Bank CD	5,090,044	5,090,044	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 110,650,966</b>	<b>\$ 96,964,295</b>	<b>\$ 6,092,397</b>	<b>\$ 403,213</b>	<b>\$ 1,658,583</b>	<b>\$ 5,476,602</b>	<b>\$ 23,686</b>	<b>\$ 32,189</b>