



City of Killeen

INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2011

Prepared by

Valley View Consulting, L.L.C.

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

Director of Finance

Assistant Director of Finance

Strategy Summary:

The Federal Open Market Committee (FOMC) continued the Fed Funds target range between 0.00% and 0.25% (actual) and the \$600 billion Quantitative Easing II government security purchases was completed and the FOMC announced a new initiative to lower long-term yields. Domestic and international economic and structural issues dominate market discussion, with yields volatile. Short-term bank options provide increased advantage over the local government pools. Continuing to project appropriate will provide the best earnings opportunity.

Quarter End Results by Investment Category:

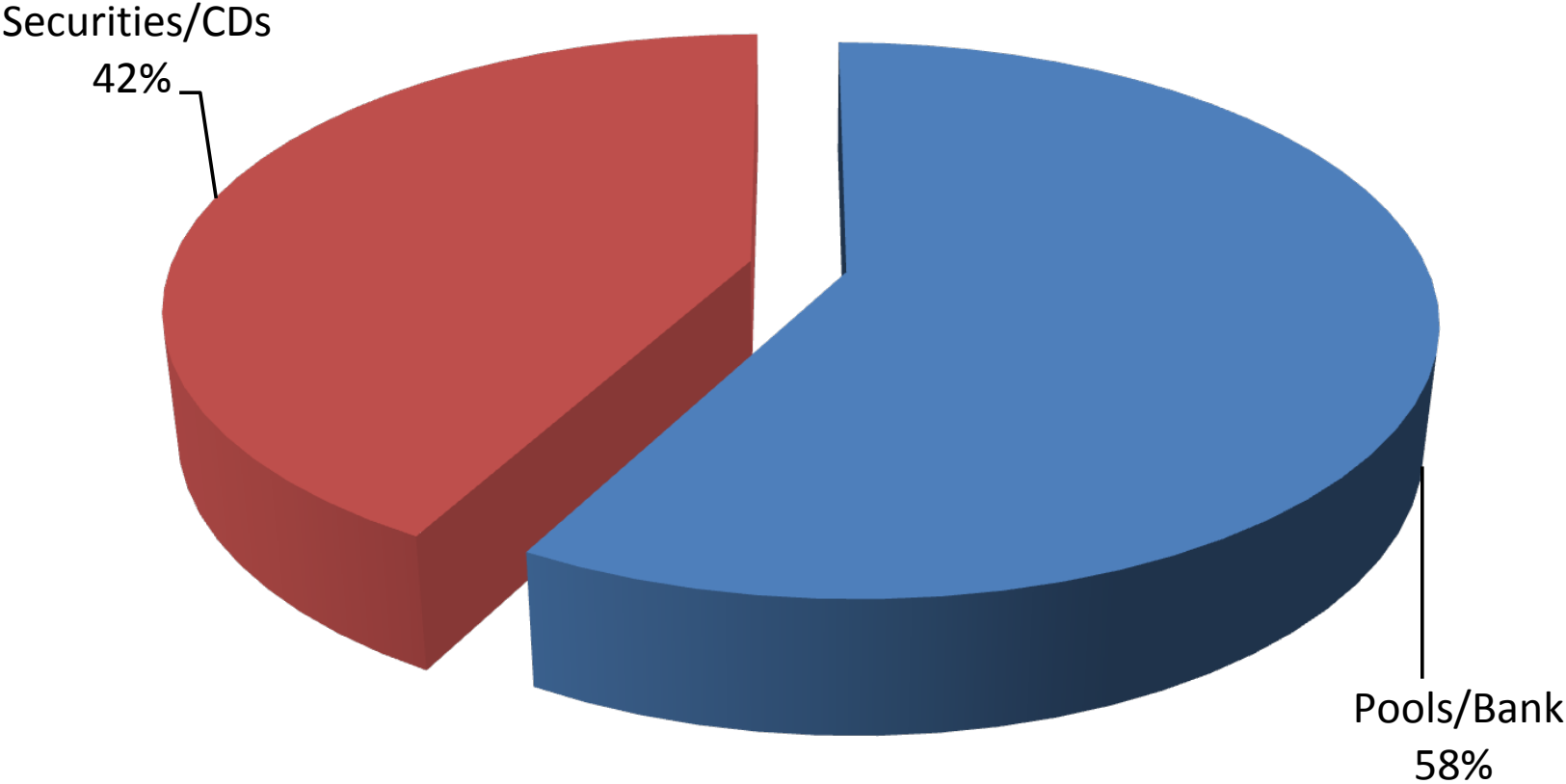
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>September 30, 2011</u>		<u>June 30, 2011</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.09%	\$ 80,464,940	\$ 80,464,940	\$ 112,726,480	\$ 112,726,480
Securities/CDs	0.52%	58,407,400	58,407,400	5,656	5,656
Totals		\$ 138,872,340	\$ 138,872,340	\$ 112,732,136	\$ 112,732,136

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.27%	Total Portfolio	0.25%
Rolling Three Mo. Treas. Yield	0.03%	Rolling Three Mo. Treas. Yield	0.08%
Rolling Six Mo. Treas. Yield	0.08%	Rolling Six Mo. Treas. Yield	0.11%
		Quarterly TexPool Yield	0.12%
Quarterly Interest Income	\$ 50,828		
Year-to-date Interest Income	\$ 296,127		

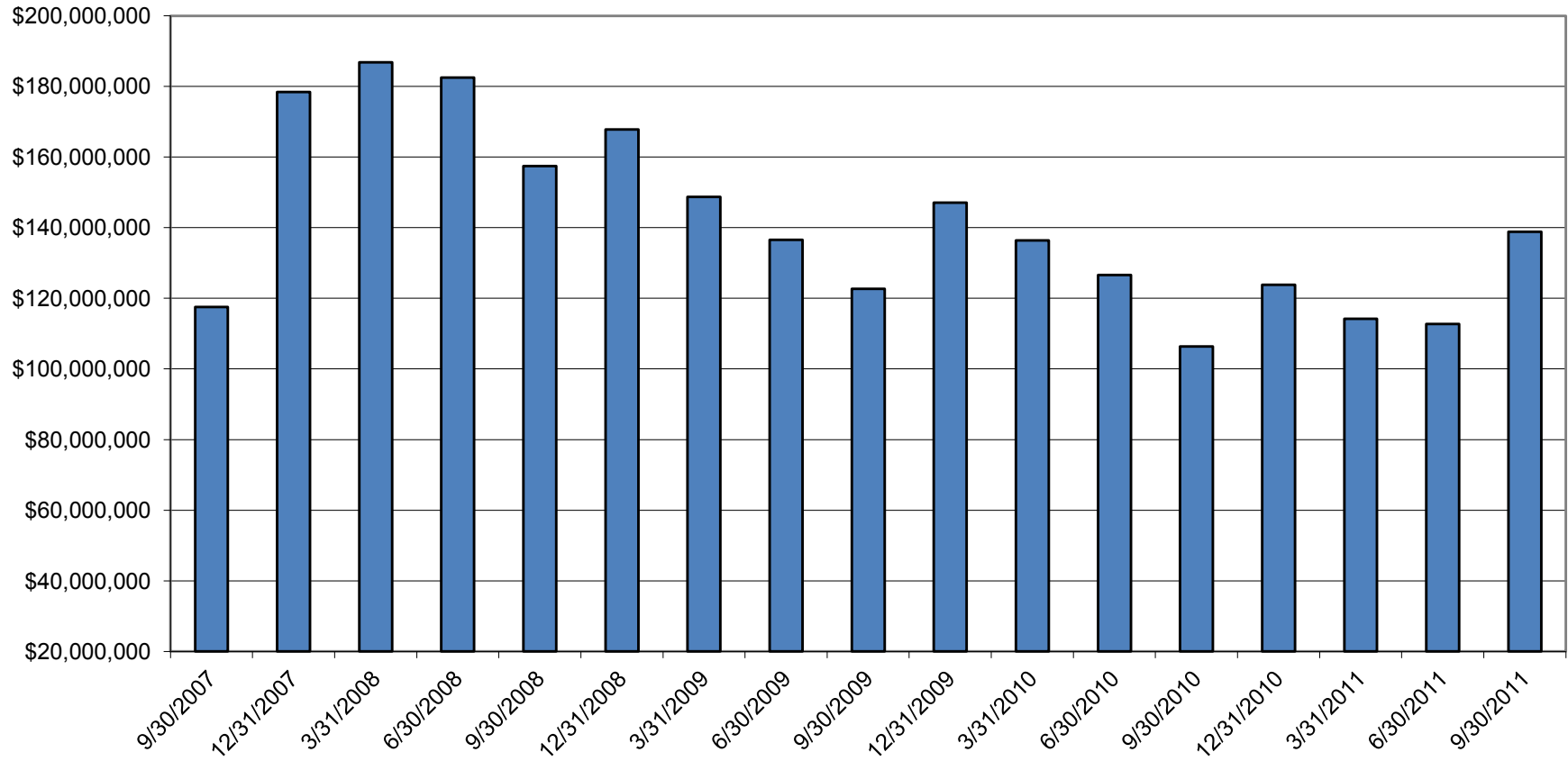
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

Portfolio Composition



Total Portfolio



Detail of Holdings September 30, 2011

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Call Date	Par Value	Book Value	Market Price	Market Value	Life (mo)	Yield
DDA/MMA		0.017%	10/1/2011	9/30/2011		\$ 4,027,073	\$ 4,027,073	1.000	\$ 4,027,073	0.03	0.017%
TexasTerm	AAAm	0.070%	10/1/2011	9/30/2011		7,724,122	7,724,122	1.000	7,724,122	0.03	0.070%
TexPool	AAAm	0.093%	10/1/2011	9/30/2011		65,078,658	65,078,658	1.000	65,078,658	0.03	0.093%
TexStar	AAAm	0.091%	10/1/2011	9/30/2011		3,635,087	3,635,087	1.000	3,635,087	0.03	0.091%
Extraco Bank CD	CD102011	0.400%	10/20/2011	10/20/2010		5,656	5,656	100.000	5,656	0.66	0.400%
BBVA CD	CD030112	0.250%	3/1/2012	8/18/2011		3,700,355	3,700,355	100.000	3,700,355	5.02	0.250%
Comerica Bank CD	CD040212	0.270%	4/2/2012	8/31/2011		5,000,000	5,000,000	100.000	5,000,000	6.07	0.270%
Comerica Bank CD	CD050112	0.320%	5/1/2012	8/31/2011		5,000,000	5,000,000	100.000	5,000,000	7.02	0.320%
Comerica Bank CD	CD060112	0.330%	6/1/2012	8/31/2011		3,500,000	3,500,000	100.000	3,500,000	8.03	0.330%
Comerica Bank CD	CD070212	0.410%	7/2/2012	8/31/2011		5,000,000	5,000,000	100.000	5,000,000	9.05	0.410%
Comerica Bank CD	CD080112	0.460%	8/1/2012	8/31/2011		5,000,000	5,000,000	100.000	5,000,000	10.03	0.460%
Comerica Bank CD	CD090412	0.475%	9/4/2012	8/31/2011		3,000,156	3,000,156	100.000	3,000,156	11.15	0.475%
Comerica Bank CD	CD090412A	0.510%	9/4/2012	8/31/2011		5,000,279	5,000,279	100.000	5,000,279	11.15	0.510%
Comerica Bank CD	CD120312	0.650%	12/3/2012	8/31/2011		5,000,267	5,000,267	100.000	5,000,267	14.10	0.650%
Comerica Bank CD	CD120312A	0.610%	12/3/2012	8/31/2011		3,200,160	3,200,160	100.000	3,200,160	14.10	0.610%
Comerica Bank CD	CD010213	0.720%	1/2/2013	8/31/2011		5,000,197	5,000,197	100.000	5,000,197	15.08	0.720%
Comerica Bank CD	CD030113	0.810%	3/1/2013	8/31/2011		5,000,111	5,000,111	100.000	5,000,111	16.98	0.810%
Comerica Bank CD	CD030113A	0.770%	3/1/2013	8/31/2011		3,000,063	3,000,063	100.000	3,000,063	16.98	0.770%
Comerica Bank CD	CD060313	0.940%	6/3/2013	8/31/2011		2,000,155	2,000,155	100.000	2,000,155	20.07	0.940%
						\$ 138,872,340	\$ 138,872,340		\$ 138,872,340	4.80	0.269%
										(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a 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 cash equivalent investments.

Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2011				September 30, 2011	
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	Par Value	Book Value
DDA/MMA	0.017%	10/1/2011	\$ 6,366,040	\$ 6,366,040	\$ -	\$ (2,338,967)	\$ 4,027,073	\$ 4,027,073
TexasTerm	0.070%	10/1/2011	26,220,554	26,220,554	-	(18,496,432)	7,724,122	7,724,122
TexPool	0.093%	10/1/2011	76,505,590	76,505,590	-	(11,426,932)	65,078,658	65,078,658
TexStar	0.091%	10/1/2011	3,634,296	3,634,296	791	-	3,635,087	3,635,087
Extraco Bank CD	0.400%	10/20/2011	5,656	5,656	-	-	5,656	5,656
BBVA CD	0.250%	3/1/2012	-	-	3,700,355	-	3,700,355	3,700,355
Comerica Bank CD	0.270%	4/2/2012	-	-	5,000,000	-	5,000,000	5,000,000
Comerica Bank CD	0.320%	5/1/2012	-	-	5,000,000	-	5,000,000	5,000,000
Comerica Bank CD	0.330%	6/1/2012	-	-	3,500,000	-	3,500,000	3,500,000
Comerica Bank CD	0.410%	7/2/2012	-	-	5,000,000	-	5,000,000	5,000,000
Comerica Bank CD	0.460%	8/1/2012	-	-	5,000,000	-	5,000,000	5,000,000
Comerica Bank CD	0.475%	9/4/2012	-	-	3,000,156	-	3,000,156	3,000,156
Comerica Bank CD	0.510%	9/4/2012	-	-	5,000,279	-	5,000,279	5,000,279
Comerica Bank CD	0.650%	12/3/2012	-	-	5,000,267	-	5,000,267	5,000,267
Comerica Bank CD	0.610%	12/3/2012	-	-	3,200,160	-	3,200,160	3,200,160
Comerica Bank CD	0.720%	1/2/2013	-	-	5,000,197	-	5,000,197	5,000,197
Comerica Bank CD	0.810%	3/1/2013	-	-	5,000,111	-	5,000,111	5,000,111
Comerica Bank CD	0.770%	3/1/2013	-	-	3,000,063	-	3,000,063	3,000,063
Comerica Bank CD	0.940%	6/3/2013	-	-	2,000,155	-	2,000,155	2,000,155
TOTAL			\$ 112,732,136	\$ 112,732,136	\$ 58,402,535	\$ (32,262,332)	\$ 138,872,340	\$ 138,872,340

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2011		Qtr to Qtr Change	September 30, 2011	
			Par Value	Market Value		Par Value	Market Value
DDA/MMA	0.017%	10/1/2011	\$ 6,366,040	\$ 6,366,040	\$ (2,338,967)	\$ 4,027,073	\$ 4,027,073
TexasTerm	0.070%	10/1/2011	26,220,554	26,220,554	(18,496,432)	7,724,122	7,724,122
TexPool	0.093%	10/1/2011	76,505,590	76,505,590	(11,426,932)	65,078,658	65,078,658
TexStar	0.091%	10/1/2011	3,634,296	3,634,296	791	3,635,087	3,635,087
Extraco Bank CD	0.400%	10/20/2011	5,656	5,656	-	5,656	5,656
BBVA CD	0.250%	3/1/2012	-	-	3,700,355	3,700,355	3,700,355
Comerica Bank CD	0.270%	4/2/2012	-	-	5,000,000	5,000,000	5,000,000
Comerica Bank CD	0.320%	5/1/2012	-	-	5,000,000	5,000,000	5,000,000
Comerica Bank CD	0.330%	6/1/2012	-	-	3,500,000	3,500,000	3,500,000
Comerica Bank CD	0.410%	7/2/2012	-	-	5,000,000	5,000,000	5,000,000
Comerica Bank CD	0.460%	8/1/2012	-	-	5,000,000	5,000,000	5,000,000
Comerica Bank CD	0.475%	9/4/2012	-	-	3,000,156	3,000,156	3,000,156
Comerica Bank CD	0.510%	9/4/2012	-	-	5,000,279	5,000,279	5,000,279
Comerica Bank CD	0.650%	12/3/2012	-	-	5,000,267	5,000,267	5,000,267
Comerica Bank CD	0.610%	12/3/2012	-	-	3,200,160	3,200,160	3,200,160
Comerica Bank CD	0.720%	1/2/2013	-	-	5,000,197	5,000,197	5,000,197
Comerica Bank CD	0.810%	3/1/2013	-	-	5,000,111	5,000,111	5,000,111
Comerica Bank CD	0.770%	3/1/2013	-	-	3,000,063	3,000,063	3,000,063
Comerica Bank CD	0.940%	6/3/2013	-	-	2,000,155	2,000,155	2,000,155
TOTAL			\$ 112,732,136	\$ 112,732,136	\$ 26,140,204	\$ 138,872,340	\$ 138,872,340

Allocation

September 30, 2011

Book Value	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Capital Projects	KEDC
DDA/MMA	\$ 4,027,073	\$ 3,632,350	\$ 353,809	\$ -	\$ 40,914	\$ -	\$ -
TexasTerm	7,724,122	52,250	-	2,401	52,136	7,617,334	-
TexPool	65,078,658	2,942,756	1,080,019	5,373,924	16,470,453	34,952,629	4,258,877
TexStar	3,635,087	2,423,392	-	-	1,211,696	-	-
Extraco Bank CD CD102011	5,656	5,656	-	-	-	-	-
BBVA CD CD030112	3,700,355	-	-	-	3,700,355	-	-
Comerica Bank CD CD040212	5,000,000	-	-	-	-	5,000,000	-
Comerica Bank CD CD050112	5,000,000	-	-	-	-	5,000,000	-
Comerica Bank CD CD060112	3,500,000	-	-	1,000,000	2,500,000	-	-
Comerica Bank CD CD070212	5,000,000	-	-	-	-	5,000,000	-
Comerica Bank CD CD080112	5,000,000	-	-	-	-	5,000,000	-
Comerica Bank CD CD090412	3,000,156	-	-	-	3,000,156	-	-
Comerica Bank CD CD090412A	5,000,279	1,500,084	-	-	1,500,084	2,000,112	-
Comerica Bank CD CD120312	5,000,267	-	-	-	5,000,267	-	-
Comerica Bank CD CD120312A	3,200,160	3,200,160	-	-	-	-	-
Comerica Bank CD CD010213	5,000,197	-	-	-	-	5,000,197	-
Comerica Bank CD CD030113	5,000,111	5,000,111	-	-	-	-	-
Comerica Bank CD CD030113A	3,000,063	3,000,063	-	-	-	-	-
Comerica Bank CD CD060313	2,000,155	-	-	-	2,000,155	-	-
Totals	\$ 138,872,340	\$ 21,756,822	\$ 1,433,828	\$ 6,376,326	\$ 35,476,215	\$ 69,570,272	\$ 4,258,877

Market Value	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Capital Projects	KEDC
DDA/MMA	\$ 4,027,073	\$ 3,632,350	\$ 353,809	\$ -	\$ 40,914	\$ -	\$ -
TexasTerm	7,724,122	52,250	-	2,401	52,136	7,617,334	-
TexPool	65,078,658	2,942,756	1,080,019	5,373,924	16,470,453	34,952,629	4,258,877
TexStar	3,635,087	2,423,392	-	-	1,211,696	-	-
Extraco Bank CD CD102011	5,656	5,656	-	-	-	-	-
BBVA CD CD030112	3,700,355	-	-	-	3,700,355	-	-
Comerica Bank CD CD040212	5,000,000	-	-	-	-	5,000,000	-
Comerica Bank CD CD050112	5,000,000	-	-	-	-	5,000,000	-
Comerica Bank CD CD060112	3,500,000	-	-	1,000,000	2,500,000	-	-
Comerica Bank CD CD070212	5,000,000	-	-	-	-	5,000,000	-
Comerica Bank CD CD080112	5,000,000	-	-	-	-	5,000,000	-
Comerica Bank CD CD090412	3,000,156	-	-	-	3,000,156	-	-
Comerica Bank CD CD090412A	5,000,279	1,500,084	-	-	1,500,084	2,000,112	-
Comerica Bank CD CD120312	5,000,267	-	-	-	5,000,267	-	-
Comerica Bank CD CD120312A	3,200,160	3,200,160	-	-	-	-	-
Comerica Bank CD CD010213	5,000,197	-	-	-	-	5,000,197	-
Comerica Bank CD CD030113	5,000,111	5,000,111	-	-	-	-	-
Comerica Bank CD CD030113A	3,000,063	3,000,063	-	-	-	-	-
Comerica Bank CD CD060313	2,000,155	-	-	-	2,000,155	-	-
Totals	\$ 138,872,340	\$ 21,756,822	\$ 1,433,828	\$ 6,376,326	\$ 35,476,215	\$ 69,570,272	\$ 4,258,877

Allocation

June 30, 2011

Book Value	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	Capital Projects	KEDC
DDA/MMA	\$ 6,366,040	\$ 2,649,895	\$ 2,046,217	\$ 596,540	\$ 2,079,376	\$ (1,005,988)	\$ -
TexasTerm	26,220,554	6,051,530	-	2,330	6,051,488	14,115,206	-
TexPool	76,505,590	14,966,007	1,873,738	15,772,424	27,642,740	11,659,288	4,591,393
TexStar	3,634,296	2,422,864	-	-	1,211,432	-	-
Extraco Bank CD	5,656	5,656	-	-	-	-	-
Totals	\$ 112,732,136	\$ 26,095,952	\$ 3,919,955	\$ 16,371,294	\$ 36,985,036	\$ 24,768,506	\$ 4,591,393

Market Value	Total	General Operating	Special Revenue	Interest & Sinking	Enterprise Funds	General Capital Projects	KEDC
DDA/MMA	\$ 6,366,040	\$ 2,649,895	\$ 2,046,217	\$ 596,540	\$ 2,079,376	\$ (1,005,988)	\$ -
TexasTerm	26,220,554	6,051,530	-	2,330	6,051,488	14,115,206	-
TexPool	76,505,590	14,966,007	1,873,738	15,772,424	27,642,740	11,659,288	4,591,393
TexStar	3,634,296	2,422,864	-	-	1,211,432	-	-
Extraco Bank CD	5,656	5,656	-	-	-	-	-
Totals	\$ 112,732,136	\$ 26,095,952	\$ 3,919,955	\$ 16,371,294	\$ 36,985,036	\$ 24,768,506	\$ 4,591,393

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.