Quarterly Investment Report

Ending September 30, 2014

PATTERSON & ASSOCIATES

P&A

INVESTMENT PROFESSIONALS

City of Round Rock, Texas

Quarterly Investment Report
June 30, 2014 – September 30, 2014
Portfolio Summary Management Report

Portfolio as of June 30, 2014		*Portfolio as of September 30, 2014*	
Beginning Book Value	$ 345,359,615	Ending Book Value	$ 321,244,584
Beginning Market Value	$ 345,566,340	Ending Market Value	$ 321,333,833
Beginning Par Value	$ 344,888,940	Ending Par Value	$ 320,936,834
		Total Int. Earned for the Quarter	**$ 207,934**
		Unrealized Gains/Losses	**$ 89,249**
WAM at Beginning Period Date[1]	256 days	WAM at Ending Period Date[1]	237 days
		Change in Market Value[2]	$ (24,232,507)

Average Yield to Maturity for period	**0.256%**
Average Yield 180-day T-Bill for period	**0.050%**
Average Yield 1-year T-Note for period	**0.110%**

Prepared by:

Elaine Wilson

City of Round Rock
Elaine Wilson, Accounting Manager

Lorie Lankford

City of Round Rock
Lorie Lankford, Assistant Finance Director

10/29/14
Date

Linda Patterson

Registered Investment Advisor
Patterson & Associates, Linda T. Patterson, President

Joan Sharp

City of Round Rock
Joan Sharp, Treasury Accountant

[1] WAM is dollar-weighted average maturity based on stated maturity dates.
[2] **Change in Market Value** is required data, but will primarily reflect the increase or decrease in the City's par value of Investments held from quarter to quarter.

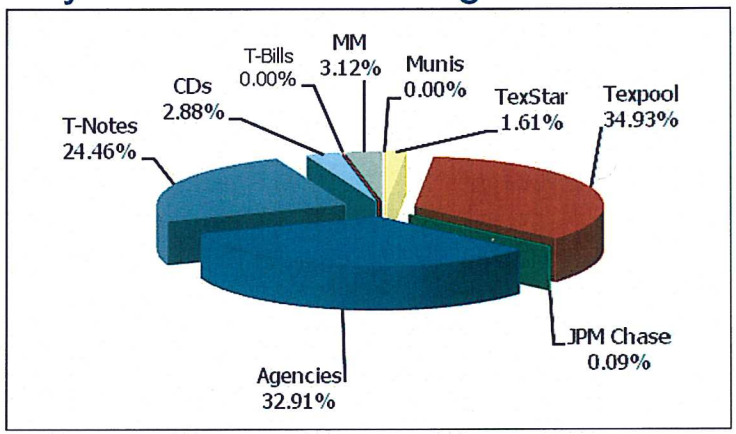
City Portfolio

As of September 30, 2014

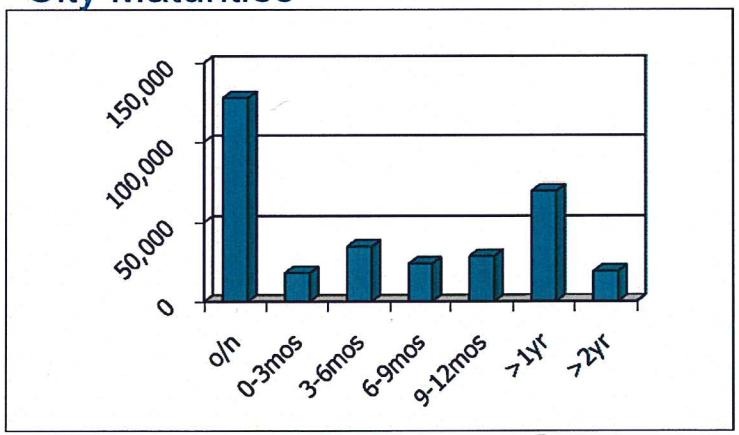
ROUND ROCK TEXAS
FINANCE

- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions.
- The extremely low short-term rates make diversification difficult and they are reasonably expected to continue now at least through 2015. Longer term rates have moved lower and do not provide reward for extension risks.
- Banks remain *uninterested* in new deposits and although state and local bonds continue to add value they have been discovered and are declining in yields.
- Portfolios are cash heavy as we struggle to find value with a flat yield curve which provides little value under six months. Going too long has its risks if rates do rise quickly on news.
- The non-cash portion of your portfolio is yielding 0.38%.

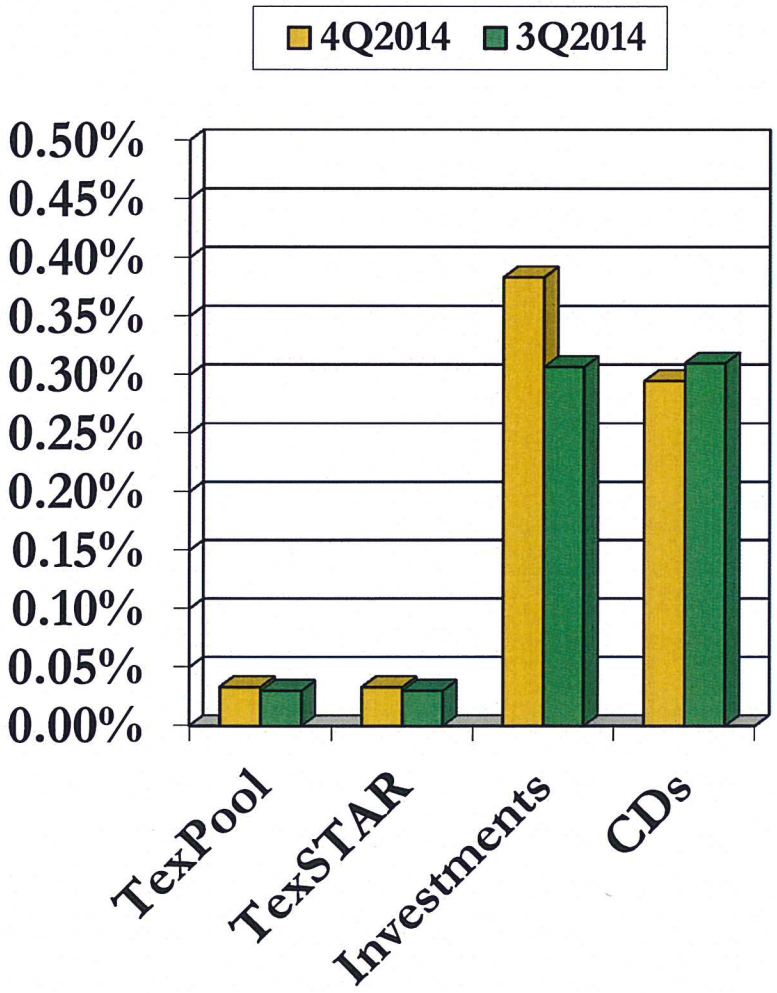
City Allocation Percentages



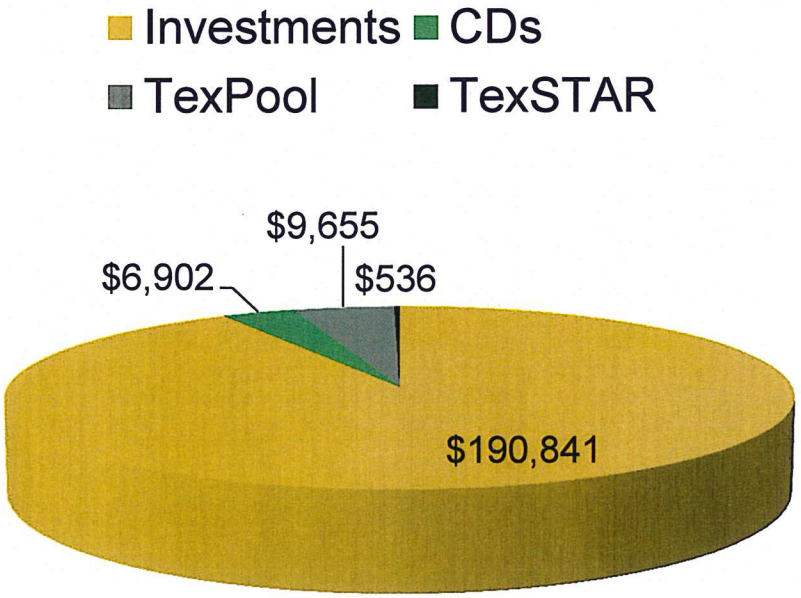
City Maturities



Quarterly Average Yields
(Quarter Over Quarter)

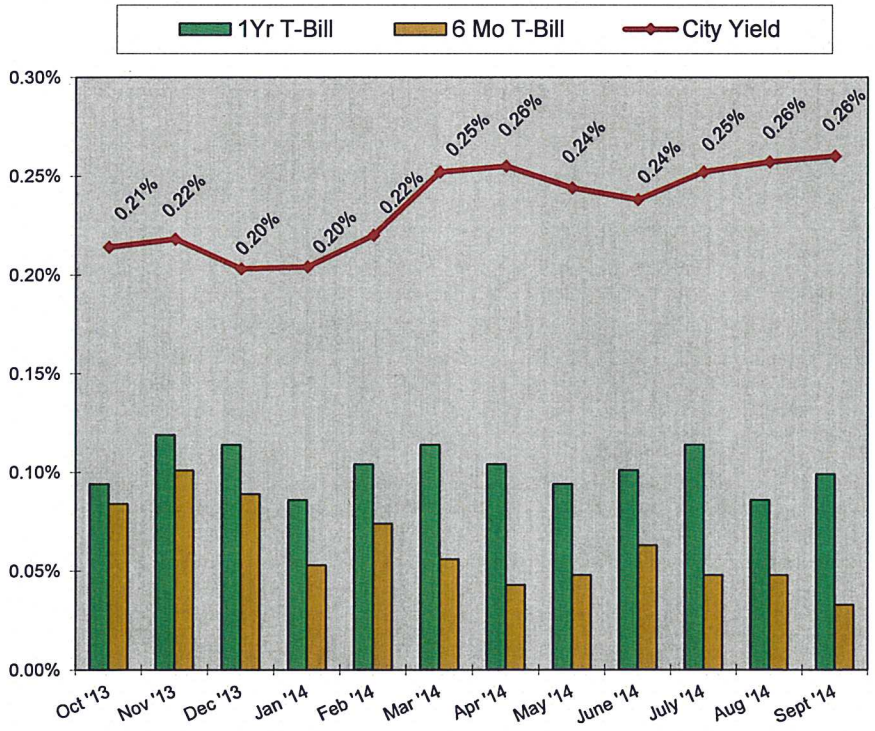


4th Quarter Interest Earned

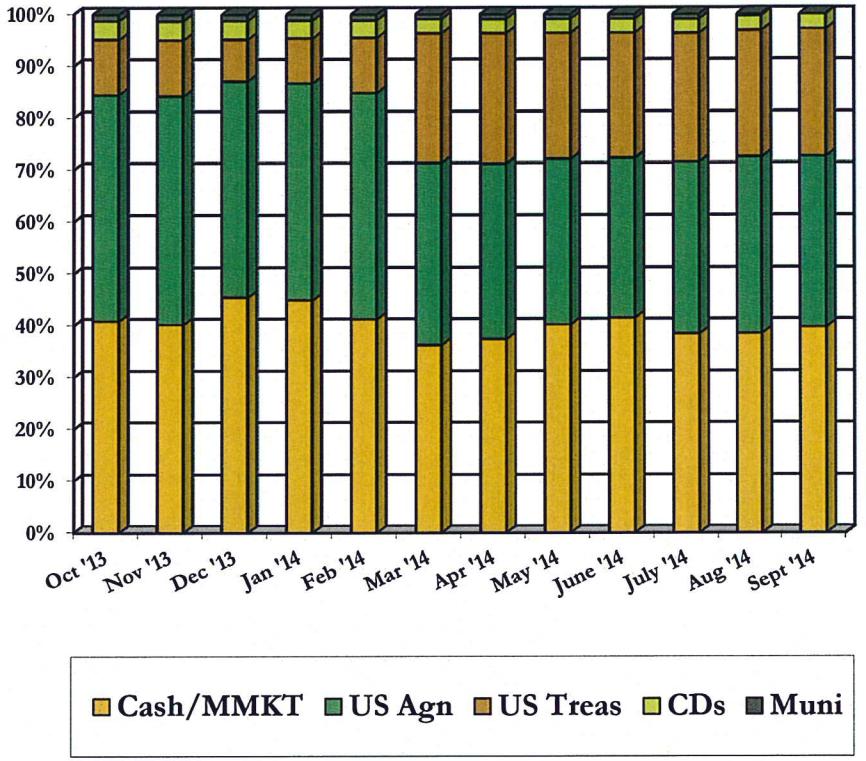


4th Qtr 2014 Total Interest:
$207,933.80

Investment Yield and Benchmark Comparison



Cash and Investments



PATTERSON & ASSOCIATES

INVESTMENT PROFESSIONALS

City of Round Rock, Texas
Summary by Type
September 30, 2014
Grouped by Fund

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746
-

Security Type		Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: General Fund							
Federal Agency Coupon Securities		24	55,000,000.00	55,072,340.48	17.14	0.404	376
JPM Chase Bank		1	278,933.90	278,933.90	0.09	0.000	1
Treasury Coupon Securities		2	5,500,000.00	5,508,741.84	1.71	0.552	640
TexPool		1	99,438,701.52	99,438,701.52	30.95	0.033	1
Certificates of Deposit - Bank		2	2,745,000.00	2,745,000.00	0.85	0.304	157
CD's - Interest Paid Quarterly		1	2,000,772.73	2,000,772.73	0.62	0.300	256
	Subtotal	**31**	**164,963,408.15**	**165,044,490.47**	**51.36**	**0.182**	**153**
Fund: I&S GO Bonds							
TexPool		1	529,702.93	529,702.93	0.16	0.033	1
	Subtotal	**1**	**529,702.93**	**529,702.93**	**0.16**	**0.033**	**1**
Fund: Utility Operating							
Federal Agency Coupon Securities		17	42,000,000.00	42,102,483.86	13.11	0.401	362
Treasury Coupon Securities		7	17,000,000.00	17,080,385.06	5.32	0.363	364
Certificates of Deposit - Bank		1	2,500,000.00	2,500,000.00	0.78	0.300	148
CD's - Interest Paid Quarterly		1	2,000,000.00	2,000,000.00	0.62	0.260	309
	Subtotal	**26**	**63,500,000.00**	**63,682,868.92**	**19.83**	**0.382**	**353**
Fund: I&S Debt Service							
JPM Chase Bank		1	8,525.53	8,525.53	0.00	0.000	1
	Subtotal	**1**	**8,525.53**	**8,525.53**	**0.00**	**0.000**	**1**
Fund: S.F. Construction - Wastewater							
Federal Agency Coupon Securities		1	2,000,000.00	2,023,177.43	0.63	0.171	163
	Subtotal	**1**	**2,000,000.00**	**2,023,177.43**	**0.63**	**0.171**	**163**
Fund: 2014 Bond Fund							
Money Market		1	10,007,576.34	10,007,576.34	3.12	0.150	1

City of Round Rock, Texas
Summary by Type
September 30, 2014
Grouped by Fund

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: 2014 Bond Fund						
Treasury Coupon Securities	8	56,000,000.00	55,991,896.48	17.43	0.433	486
TexPool	1	10,156,047.79	10,156,047.79	3.16	0.033	1
Subtotal	**10**	**76,163,624.13**	**76,155,520.61**	**23.71**	**0.342**	**357**
Fund: Reserves Fund						
TexPool	1	837,434.19	837,434.19	0.26	0.033	1
Subtotal	**1**	**837,434.19**	**837,434.19**	**0.26**	**0.033**	**1**
Fund: I&S Revenue Bonds						
TexPool	1	1,257,184.31	1,257,184.31	0.39	0.033	1
Subtotal	**1**	**1,257,184.31**	**1,257,184.31**	**0.39**	**0.033**	**1**
Fund: RRTSDC Revenue Fund						
Federal Agency Coupon Securities	1	2,500,000.00	2,528,971.80	0.79	0.171	163
TexStar	1	5,176,955.16	5,176,955.16	1.61	0.317	1
Subtotal	**2**	**7,676,955.16**	**7,705,926.96**	**2.40**	**0.269**	**54**
Fund: Hotel Occupancy Tax Fund						
Federal Agency Coupon Securities	1	2,000,000.00	1,999,876.08	0.62	0.150	90
Subtotal	**1**	**2,000,000.00**	**1,999,876.08**	**0.62**	**0.150**	**90**
Fund: Self - Funded Health Insurance						
Federal Agency Coupon Securities	1	2,000,000.00	1,999,876.08	0.62	0.150	90
Subtotal	**1**	**2,000,000.00**	**1,999,876.08**	**0.62**	**0.150**	**90**
Total and Average	**76**	**320,936,834.40**	**321,244,583.51**	**100.00**	**0.260**	**237**

City of Round Rock
Portfolio Valuation Comparison Report
July 1st, 2014 - September 30, 2014

Investment Type			Par Value	Book Value	Market Value
Local Government Pools/Bank	Beginning Value	07/01/14	143,613,167.18	143,613,167.18	143,613,167.18
	Net Change		-15,922,105.51	-15,922,105.51	-15,922,105.51
	Ending Value	09/30/14	127,691,061.67	127,691,061.67	127,691,061.67
Investments	Beginning Value	07/01/14	192,030,000.00	192,500,674.99	192,707,399.83
	Net Change		-8,030,000.00	-8,192,925.88	-8,310,401.33
	Ending Value	09/30/14	184,000,000.00	184,307,749.11	184,396,998.50
Bank Certificates of Deposit	Beginning Value	07/01/14	9,245,772.73	9,245,772.73	9,245,772.73
	Net Change		0.00	0.00	0.00
	Ending Value	09/30/14	9,245,772.73	9,245,772.73	9,245,772.73
Total	Beginning Value	07/01/14	344,888,939.91	345,359,614.90	345,566,339.74
	Net Change		-23,952,105.51	-24,115,031.39	-24,232,506.84
	Ending Value	09/30/14	320,936,834.40	321,244,583.51	321,333,832.90

City of Round Rock, Texas
Portfolio By Asset Type
9/30/2014

CUSIP	Investment #	Fund	Issuer	Maturity Date	Book Value	Par Value	Market Value	Current Rate
31315PXE4	657	100	Federal Agriculture Mortgage Corp.	11/03/2014	2,000,000.00	2,000,000.00	2,000,312.00	0.30
31315PXE4	657A	200	Federal Agriculture Mortgage Corp.	11/03/2014	2,000,000.00	2,000,000.00	2,000,312.00	0.30
31315PGT0	692	200	Federal Agriculture Mortgage Corp.	09/15/2015	2,540,218.00	2,500,000.00	2,545,795.00	2.13
31315PUT4	728	200	Federal Agriculture Mortgage Corp.	04/04/2016	1,997,875.22	2,000,000.00	1,988,298.00	0.43
3133EA4S4	679	100	Federal Farm Credit Bank	10/16/2014	2,500,054.53	2,500,000.00	2,500,187.50	0.25
3133ECLP7	680	100	Federal Farm Credit Bank	08/17/2015	998,943.85	1,000,000.00	1,000,789.00	0.30
3133ED7L0	696	100	Federal Farm Credit Bank	11/13/2015	2,499,621.85	2,500,000.00	2,497,285.00	0.33
3133EDCU4	701	100	Federal Farm Credit Bank	12/30/2015	2,498,859.84	2,500,000.00	2,499,467.50	0.36
3133ED6D9	704	100	Federal Farm Credit Bank	05/04/2016	2,502,712.10	2,500,000.00	2,492,912.50	0.50
3133EDNS7	733	100	Federal Farm Credit Bank	06/20/2016	2,496,665.70	2,500,000.00	2,495,265.00	0.45
3133EA4S4	679A	200	Federal Farm Credit Bank	10/16/2014	2,500,054.53	2,500,000.00	2,500,187.50	0.25
3133EDCU4	701A	200	Federal Farm Credit Bank	12/30/2015	2,498,859.84	2,500,000.00	2,499,467.50	0.36
3133EDNS7	733A	200	Federal Farm Credit Bank	06/20/2016	2,496,665.70	2,500,000.00	2,495,265.00	0.45
313371PC4	628	100	Federal Home Loan Bank	12/12/2014	2,501,377.65	2,500,000.00	2,503,782.50	0.88
313381YP4	661	100	Federal Home Loan Bank	02/20/2015	2,499,593.95	2,500,000.00	2,501,212.50	0.25
3133XWNB1	665	100	Federal Home Loan Bank	06/12/2015	3,053,418.18	3,000,000.00	3,057,108.00	2.88
313381H24	667	100	Federal Home Loan Bank	01/16/2015	2,499,810.88	2,500,000.00	2,501,005.00	0.25
3130A13C0	702	100	Federal Home Loan Bank	02/25/2016	3,000,000.00	3,000,000.00	2,991,951.00	0.35
3130A1DR6	711	100	Federal Home Loan Bank	03/20/2015	2,499,612.71	2,500,000.00	2,499,797.50	0.13
313371PC4	628A	200	Federal Home Loan Bank	12/12/2014	2,501,377.65	2,500,000.00	2,503,782.50	0.88
313381YP4	661A	200	Federal Home Loan Bank	02/20/2015	2,499,593.95	2,500,000.00	2,501,212.50	0.25
3133XWNB1	665A	200	Federal Home Loan Bank	06/12/2015	2,035,612.12	2,000,000.00	2,038,072.00	2.88
313383XQ9	691	200	Federal Home Loan Bank	08/28/2015	2,501,578.46	2,500,000.00	2,506,197.50	0.44
3130A2PT7	732	200	Federal Home Loan Bank	08/24/2015	4,999,831.33	5,000,000.00	5,001,140.00	0.20
3133XWX95	707A	260	Federal Home Loan Bank	03/13/2015	2,023,177.43	2,000,000.00	2,023,640.00	2.75
3133XWX95	707	604	Federal Home Loan Bank	03/13/2015	2,528,971.80	2,500,000.00	2,529,550.00	2.75
3130A0HU7	700A	710	Federal Home Loan Bank	12/30/2014	1,999,876.08	2,000,000.00	2,000,012.00	0.13
3130A0HU7	700	820	Federal Home Loan Bank	12/30/2014	1,999,876.08	2,000,000.00	2,000,012.00	0.13
3134G34B3	658	100	Federal Home Loan Mortgage	01/28/2016	2,000,095.87	2,000,000.00	2,000,792.00	0.50
3134G4S90	697	100	Federal Home Loan Mortgage	12/30/2016	2,000,000.00	2,000,000.00	1,998,536.00	0.80
3134G4TD0	699	100	Federal Home Loan Mortgage	01/27/2017	2,500,000.00	2,500,000.00	2,501,942.50	0.88
3134G56P5	731	100	Federal Home Loan Mortgage	06/24/2016	2,000,322.78	2,000,000.00	1,993,348.00	0.50
3134G34B3	658A	200	Federal Home Loan Mortgage	01/28/2016	2,000,095.87	2,000,000.00	2,000,792.00	0.50
3134G4S90	697A	200	Federal Home Loan Mortgage	12/30/2016	2,000,000.00	2,000,000.00	1,998,536.00	0.80
3137EADD8	668	100	Federal Home Loan Mortgage	04/17/2015	2,502,425.75	2,500,000.00	2,505,422.50	0.50
3134G3ZA1	681	100	Federal Home Loan Mortgage	08/28/2015	1,001,039.18	1,000,000.00	1,002,958.00	0.50
3137EADQ9	720	200	Federal Home Loan Mortgage	05/13/2016	2,499,050.26	2,500,000.00	2,501,382.50	0.50
3135G0LN1	663	100	Federal National Mortgage	07/02/2015	2,502,706.87	2,500,000.00	2,505,817.50	0.50
3135G0KM4	669	100	Federal National Mortgage	05/27/2015	2,001,942.31	2,000,000.00	2,004,588.00	0.50
3135G0QB2	693	100	Federal National Mortgage	10/22/2015	2,002,992.28	2,000,000.00	2,006,020.00	0.50
3135G0VA8	705	100	Federal National Mortgage	03/30/2016	2,504,281.81	2,500,000.00	2,501,912.50	0.50
3133EDEC2	706	100	Federal National Mortgage	04/28/2016	2,505,862.39	2,500,000.00	2,494,867.50	0.55
3135G0LN1	663A	200	Federal National Mortgage	07/02/2015	2,502,706.87	2,500,000.00	2,505,817.50	0.50
31398A4M1	694	200	Federal National Mortgage	10/26/2015	2,028,218.56	2,000,000.00	2,030,100.00	1.63
3135G0VA8	721	200	Federal National Mortgage	03/30/2016	2,500,745.50	2,500,000.00	2,501,912.50	0.50
912828TP5	689	100	T Note	09/15/2015	2,497,636.48	2,500,000.00	2,503,222.50	0.25
912828SJ0	734	100	T Note	02/28/2017	3,011,105.36	3,000,000.00	3,003,048.00	0.88
912828MZ0	686	200	T Note	04/30/2015	2,531,703.33	2,500,000.00	2,535,450.00	2.50
912828MH0	687	200	T Note	01/31/2015	2,516,725.51	2,500,000.00	2,518,165.00	2.25
912828UT5	688	200	T Note	03/31/2015	2,499,640.50	2,500,000.00	2,502,442.50	0.25
912828VD9	690	200	T Note	05/31/2015	2,499,730.57	2,500,000.00	2,503,125.00	0.25
912828PJ3	695	200	T Note	11/30/2015	2,024,801.25	2,000,000.00	2,027,110.00	1.38
912828UM0	698	200	T Note	02/15/2016	2,498,529.43	2,500,000.00	2,503,125.00	0.38
912828SJ0	734A	200	T Note	02/28/2017	2,509,254.47	2,500,000.00	2,502,540.00	0.88
912828UC2	712	460	T Note	12/15/2015	6,990,085.18	7,000,000.00	7,002,464.00	0.25
912828A59	713	460	T Note	12/15/2016	6,975,241.98	7,000,000.00	6,985,237.00	0.63
912828TP5	714	460	T Note	09/15/2015	6,998,056.06	7,000,000.00	7,009,023.00	0.25
912828VW7	715	460	T Note	09/15/2016	7,027,405.63	7,000,000.00	7,038,010.00	0.88
912828SZ4	716	460	T Note	06/15/2015	7,008,784.18	7,000,000.00	7,015,036.00	0.38
912828US7	717	460	T Note	03/15/2016	6,992,760.34	7,000,000.00	7,003,283.00	0.38
912828VG2	718	460	T Note	06/15/2016	6,992,466.02	7,000,000.00	7,006,566.00	0.50
912828SK7	719	460	T Note	03/15/2015	7,007,097.09	7,000,000.00	7,010,388.00	0.38
524488B	730	100	Union State Bank	06/04/2015	245,000.00	245,000.00	245,000.00	0.35
1016374039	709	100	Union State Bank CDARS	02/26/2015	2,500,000.00	2,500,000.00	2,500,000.00	0.30
1016638621	727	100	Union State Bank CDARS	06/14/2015	2,000,772.73	2,000,772.73	2,000,772.73	0.30
1016374039	709A	200	Union State Bank CDARS	02/26/2015	2,500,000.00	2,500,000.00	2,500,000.00	0.30
1016918675	735	200	Union State Bank CDARS	08/06/2015	2,000,000.00	2,000,000.00	2,000,000.00	0.26
				Sub-Totals:	193,553,521.84	193,245,772.73	193,642,771.23	
TXPL0003	TXPL100	100	TexPool		99,438,701.52	99,438,701.52	99,438,701.52	0.03
1386	602	100	JPM Chase Bank		278,933.90	278,933.90	278,933.90	
TXPL0005	TXPL170		TexPool		529,702.93	529,702.93	529,702.93	0.03
6976	601	210	JPM Chase Bank		8,525.53	8,525.53	8,525.53	
TXPL00011	722	460	TexPool		10,156,047.79	10,156,047.79	10,156,047.79	0.03
8664004275	723	460	East West Bank MM 3 Check		10,007,576.34	10,007,576.34	10,007,576.34	0.15
TXPL0007	TXPL591	591	TexPool		837,434.19	837,434.19	837,434.19	0.03
TXPL0009	TXPL602	602	TexPool		1,257,184.31	1,257,184.31	1,257,184.31	0.03
TXSTAR1	TXSTAR604	604	TexStar		5,176,955.16	5,176,955.16	5,176,955.16	0.32
				Sub-Totals:	127,691,061.67	127,691,061.67	127,691,061.67	
				Totals:	321,244,583.51	320,936,834.40	321,333,832.90	