ROUND ROCK TEXAS
FINANCE

Quarterly Investment Report

Ending June 30, 2015

PATTERSON & ASSOCIATES
P&A
INVESTMENT PROFESSIONALS

City of Round Rock, Texas

Quarterly Investment Report
March 31, 2015 – June 30, 2015
Portfolio Summary Management Report

Portfolio as of March 31, 2015		*Portfolio as of June 30, 2015*	
Beginning Book Value	$ 365,487,346	Ending Book Value	$ 365,523,506
Beginning Market Value	$ 365,714,778	Ending Market Value	$ 365,740,166
Beginning Par Value	$ 365,166,037	Ending Par Value	$ 365,054,214
		Total Int. Earned for the Quarter	**$ 314,489**
		Unrealized Gains/Losses	**$ 216,660**
WAM at Beginning Period Date[1]	286 days	WAM at Ending Period Date[1]	241 days
		Change in Market Value[2]	$ 25,388

Average Yield to Maturity for period	**0.352%**
Average Yield 180-day T-Bill for period	**0.090%**
Average Yield 1-year T-Note for period	**0.250%**

Prepared by:

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City of Round Rock
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Linda Patterson
Registered Investment Advisor
Patterson & Associates, Linda T. Patterson, President

8/4/15
Date

[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 June 30, 2015

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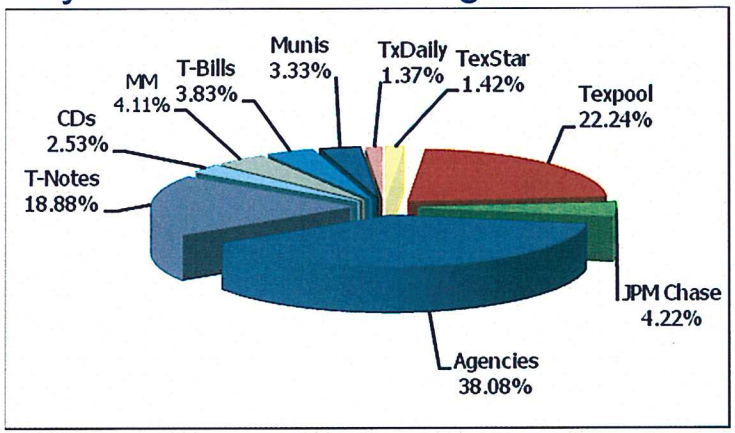
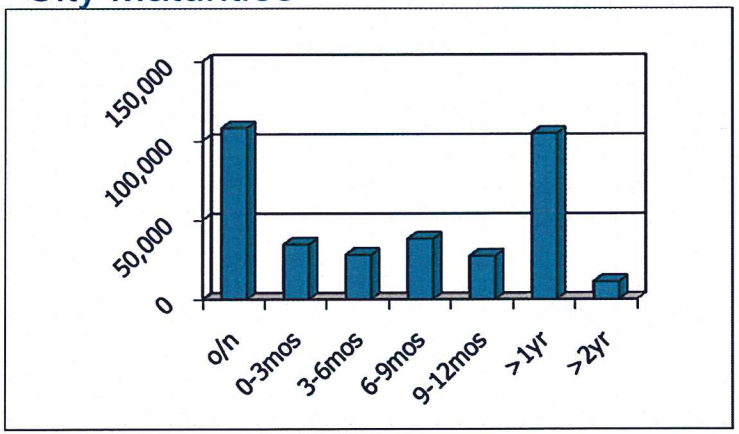
- The portfolio is constantly reviewed for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions.
- The extremely low short-term rates make diversification difficult and they are reasonably expected to continue now at 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.
- The non-cash portion of your portfolio is yielding 0.50%.

City Allocation Percentages



City Maturities



City of Round Rock
Significant Changes to Portfolio
For Quarter Ending June 30, 2015

ROUND ROCK TEXAS
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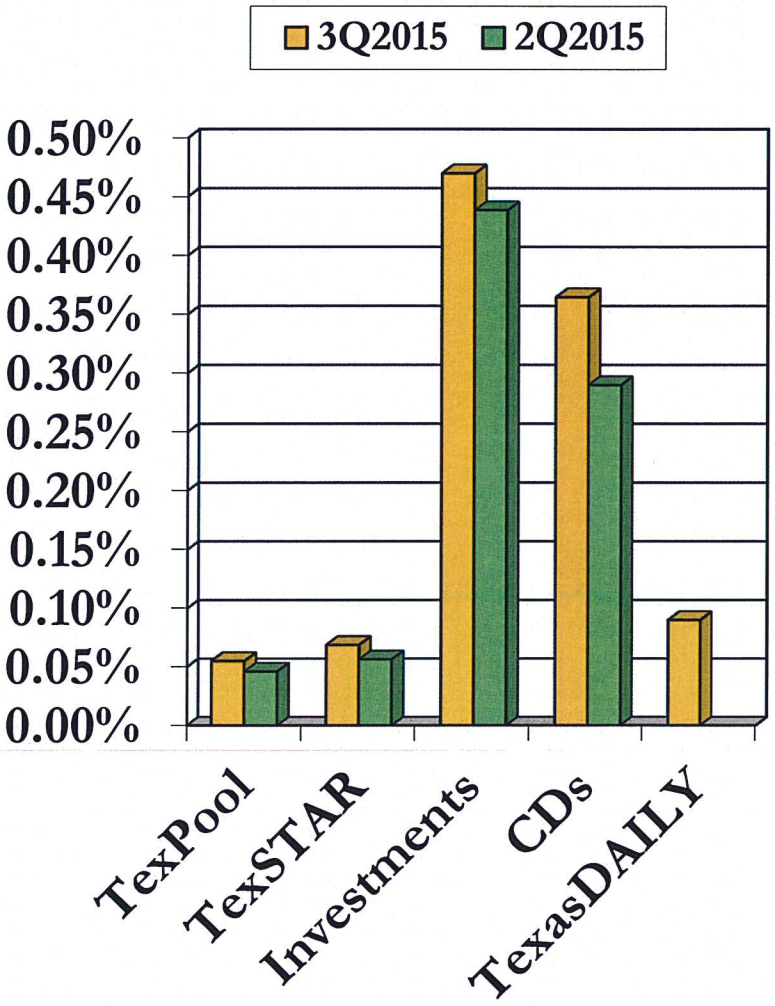
- The City has shifted its daily liquidity strategy to reduce its banking fees. By holding higher cash balances at JPMorgan Chase Bank, the City can reduce its banking fees up to the equivalent of 17 basis points. This strategy effectively increases the investment return on these funds by 10 basis points over the average note available in TexPool.

- The City expanded daily liquidity options by adding TexasTERM products to the City's investment options. The TexasDAILY account opened with a deposit of $5,000,000. The account earns approximately 3 basis points higher than TexPool and TexSTAR.

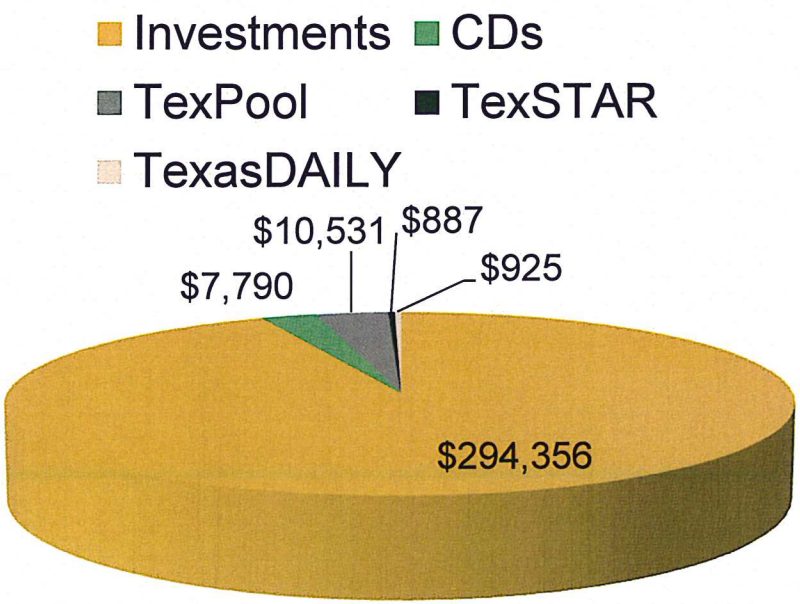
- The City purchased 8 investment securities for $22,800,000 this quarter.

- The City had 9 investment securities mature during the quarter totaling $23,745,000.

Quarterly Average Yields
(Quarter Over Quarter)

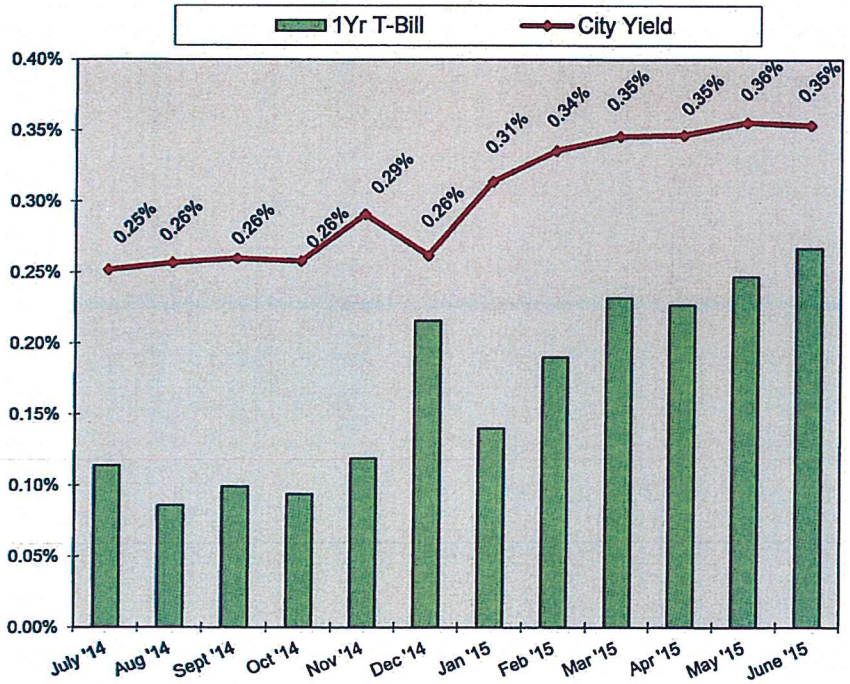


3rd Quarter Interest Earned

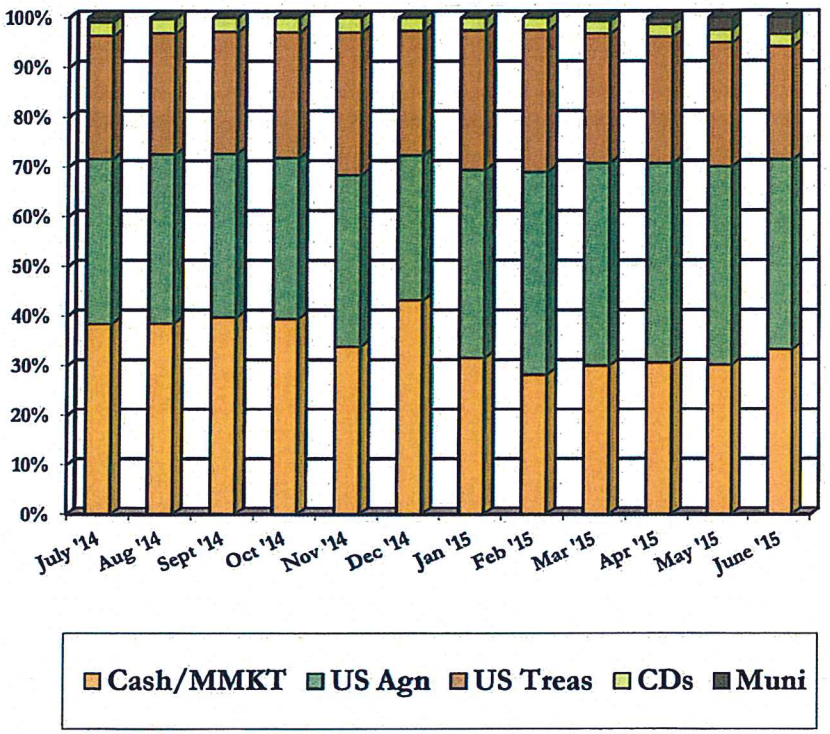


3rd Qtr 2015 Total Interest:
$314,489

Investment Yield and Benchmark Comparison



Cash and Investments



PATTERSON & ASSOCIATES

INVESTMENT PROFESSIONALS

City of Round Rock, Texas
Summary by Type
June 30, 2015
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: I&S GO Bonds						
TexPool	1	11,419,933.53	11,419,933.53	3.12	0.058	1
Subtotal	**1**	**11,419,933.53**	**11,419,933.53**	**3.12**	**0.058**	**1**
Fund: I&S Debt Service						
JPM Chase Bank	1	6,905.53	6,905.53	0.00	0.000	1
Subtotal	**1**	**6,905.53**	**6,905.53**	**0.00**	**0.000**	**1**
Fund: Bond Fund						
Money Market	1	10,018,645.11	10,018,645.11	2.74	0.150	1
Treasury Coupon Securities	6	42,000,000.00	41,988,632.84	11.49	0.520	304
TexPool	1	24,556,196.73	24,556,196.73	6.72	0.057	1
Subtotal	**8**	**76,574,841.84**	**76,563,474.68**	**20.95**	**0.323**	**167**
Fund: CO Bond Fund						
Money Market	1	5,002,990.79	5,002,990.79	1.37	0.150	1
Treasury Discounts -Amortizing	7	14,000,000.00	13,993,743.61	3.83	0.134	106
Subtotal	**8**	**19,002,990.79**	**18,996,734.40**	**5.20**	**0.138**	**78**
Fund: Reserves Fund						
TexPool	1	806,709.54	806,709.54	0.22	0.058	1
Subtotal	**1**	**806,709.54**	**806,709.54**	**0.22**	**0.058**	**1**
Fund: I&S Revenue Bonds						
TexPool	1	5,517,503.59	5,517,503.59	1.51	0.058	1
Subtotal	**1**	**5,517,503.59**	**5,517,503.59**	**1.51**	**0.058**	**1**
Fund: Drainage Utility Revenue Bond						
Treasury Coupon Securities	3	4,500,000.00	4,503,430.31	1.23	0.283	274
Subtotal	**3**	**4,500,000.00**	**4,503,430.31**	**1.23**	**0.283**	**274**

City of Round Rock, Texas
Summary by Type
June 30, 2015
Grouped by Fund

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Pooled Investments						
Municipal Obligations	8	11,910,000.00	12,169,396.59	3.33	0.693	588
Federal Agency Coupon Securities	41	139,000,000.00	139,205,554.08	38.08	0.529	392
JPM Chase Bank	1	15,404,075.52	15,404,075.52	4.21	0.000	1
Treasury Coupon Securities	7	22,500,000.00	22,518,534.05	6.16	0.489	392
TexasDAILY	1	5,000,925.15	5,000,925.15	1.37	0.090	1
TexPool	1	38,986,210.40	38,986,210.40	10.67	0.058	1
TexStar	1	5,179,118.52	5,179,118.52	1.42	0.072	1
Certificates of Deposit - Bank	3	5,245,000.00	5,245,000.00	1.43	0.401	252
CD's - Interest Paid Quarterly	2	4,000,000.00	4,000,000.00	1.09	0.355	176
Subtotal	**65**	**247,225,329.59**	**247,708,814.31**	**67.76**	**0.402**	**293**
Total and Average	**88**	**365,054,214.41**	**365,523,505.89**	**100.00**	**0.354**	**241**

City of Round Rock
Portfolio Valuation Comparison Report
April 1, 2015 - June 30, 2015

Investment Type			Par Value	Book Value	Market Value
Local Government Pools	Beginning Value	03/31/15	92,165,285.10	92,165,285.10	92,165,285.10
	Net Change		-698,687.64	-698,687.64	-698,687.64
	Ending Value	06/30/15	91,466,597.46	91,466,597.46	91,466,597.46
Bank Deposits/Money Markets	Beginning Value	03/31/15	17,899,979.48	17,899,979.48	17,899,979.48
	Net Change		12,532,637.47	12,532,637.47	12,532,637.47
	Ending Value	06/30/15	30,432,616.95	30,432,616.95	30,432,616.95
Investments	Beginning Value	03/31/15	245,855,000.00	246,176,308.75	246,403,740.62
	Net Change		-11,945,000.00	-11,797,017.27	-11,807,789.37
	Ending Value	06/30/15	233,910,000.00	234,379,291.48	234,595,951.25
Bank Certificates of Deposit	Beginning Value	03/31/15	9,245,772.73	9,245,772.73	9,245,772.73
	Net Change		-772.73	-772.73	-772.73
	Ending Value	06/30/15	9,245,000.00	9,245,000.00	9,245,000.00
Total	Beginning Value	03/31/15	365,166,037.31	365,487,346.06	365,714,777.93
	Net Change		-111,822.90	36,159.83	25,387.73
	Ending Value	06/30/15	365,054,214.41	365,523,505.89	365,740,165.66

City of Round Rock, Texas
Investments by Asset Type
June 30, 2015

CUSIP	Investment #	Fund	Issuer	Purchase Date	Maturity Date	Book Value	Par Value	Market Value	Current Rate
033896JX0	767	000	Anderson ISD IN	03/10/2015	01/05/2017	501868.70	500000.00	501185.00	1.100
041796MD2	778	000	Arlington TX	06/17/2015	08/15/2017	3104495.17	3000000.00	3103200.00	2.500
163597HP5	766	000	Chemeketa OR CCD	03/10/2015	06/15/2016	307307.92	300000.00	307554.00	3.000
185486LN5	768	000	Cleburne ISD TX	03/10/2015	02/15/2016	1031082.99	1020000.00	1029220.80	2.000
222057GH8	774	000	Cotulla ISD TX	05/21/2015	02/15/2016	1111470.67	1100000.00	1111968.00	2.000
560211MS0	765	000	Mahtomedi ISD MN	03/03/2015	02/01/2017	529951.48	535000.00	528670.95	
581664DK2	771	000	McKinney ISD TX	04/07/2015	02/15/2017	2340511.37	2290000.00	2336166.40	2.000
899616GP5	775	000	Tulsa County ISD OK	05/28/2015	05/01/2017	3242708.29	3165000.00	3221463.60	2.000
31315PGT0	692	000	FAMCA Note	09/24/2013	09/15/2015	2508651.55	2500000.00	2510160.00	2.125
31315PUT4	728	000	FAMCA Note	06/20/2014	04/04/2016	1998931.74	2000000.00	2000458.00	0.425
3133ECLP7	680	000	FFCB Note	07/19/2013	08/17/2015	999846.26	1000000.00	1000240.00	0.300
3133ED7L0	696	000	FFCB Note	11/21/2013	11/13/2015	2499875.83	2500000.00	2501682.50	0.330
3133EDCU4	701	000	FFCB Note	01/21/2014	12/30/2015	2499545.46	2500000.00	2501985.00	0.360
3133EDCU4	701A	000	FFCB Note	01/21/2014	12/30/2015	2499545.46	2500000.00	2501985.00	0.360
3133ED6D9	704	000	FFCB Note	02/27/2014	05/04/2016	2501434.15	2500000.00	2502340.00	0.500
3133EDNS7	733	000	FFCB Note	07/31/2014	06/20/2016	2498120.08	2500000.00	2500677.50	0.450
3133EDNS7	733A	000	FFCB Note	07/31/2014	06/20/2016	2498120.08	2500000.00	2500677.50	0.450
3133EEFM7	750	000	FFCB Note	01/29/2015	10/14/2016	5004404.15	5000000.00	5013860.00	0.580
3133EEWN6	770	000	FFCB Note	04/06/2015	04/06/2017	5998095.00	6000000.00	6001452.00	0.700
313383XQ9	691	000	FHLB Note	09/24/2013	08/28/2015	2500275.14	2500000.00	2501327.50	0.440
3130A13C0	702	000	FHLB Note	02/25/2014	02/25/2016	3000000.00	3000000.00	3002646.00	0.350
3130A2PT7	732	000	FHLB Note	07/31/2014	08/24/2015	4999972.32	5000000.00	5000780.00	0.200
313370TW8	738	000	FHLB Note	11/21/2014	09/09/2016	5085864.20	5000000.00	5090365.00	2.000
3130A3HG2	740	000	FHLB Note	12/04/2014	11/18/2016	5003081.54	5000000.00	5006035.00	0.625
313371PV2	752	000	FHLB Note	01/29/2015	12/09/2016	5073447.76	5000000.00	5076450.00	1.625
3130A2QQ2	757	000	FHLB Note	02/17/2015	01/25/2016	5001044.14	5000000.00	5003875.00	0.340
3130A46U1	758	000	FHLB Note	02/17/2015	02/13/2017	4999593.58	5000000.00	5012295.00	0.720
3130A4BZ4	760	000	FHLB Note	02/18/2015	02/18/2016	5000189.17	5000000.00	5003210.00	0.330
3130A4QQ8	769	000	FHLB Note	03/30/2015	03/24/2017	6004345.29	6000000.00	6008670.00	0.750
3134G4S90	697	000	FHLMC Call Note	12/30/2013	12/30/2016	2000000.00	2000000.00	2004784.00	0.800
3134G4S90	697A	000	FHLMC Call Note	12/30/2013	12/30/2016	2000000.00	2000000.00	2004784.00	0.800
3134G4TD0	699	000	FHLMC Call Note	01/27/2014	01/27/2017	2500000.00	2500000.00	2506982.50	0.875
3134G56P5	731	000	FHLMC Call Note	07/31/2014	06/24/2016	2000000.00	2000000.00	2000544.00	0.500
3134G3ZA1	681	000	FHLMC Note	07/19/2013	08/28/2015	1000181.14	1000000.00	1000451.00	0.500
3137EADQ9	720	000	FHLMC Note	03/27/2014	05/13/2016	2499490.86	2500000.00	2503402.50	0.500
3134G5RS6	751	000	FHLMC Note	01/29/2015	11/28/2016	5003038.92	5000000.00	5005675.00	0.600
3137EADU0	753	000	FHLMC Note	01/29/2015	01/27/2017	4492195.82	4500000.00	4494717.00	0.500
3134G5XZ3	755	000	FHLMC Sep Note	01/30/2015	01/30/2018	3000000.00	3000000.00	3000288.00	0.500
3135G0LN1	663	000	FNMA Note	02/06/2013	07/02/2015	2500009.99	2500000.00	2500027.50	0.500
3135G0LN1	663A	000	FNMA Note	02/06/2013	07/02/2015	2500009.99	2500000.00	2500027.50	0.500
3135G0QB2	693	000	FNMA Note	11/01/2013	10/22/2015	2000871.77	2000000.00	2001848.00	0.500
31398A4M1	694	000	FNMA Note	11/21/2013	10/26/2015	2008428.92	2000000.00	2009458.00	1.625
3135G0VA8	705	000	FNMA Note	02/27/2014	03/30/2016	2502136.94	2500000.00	2503467.50	0.500
3133EDEC2	706	000	FNMA Note	02/27/2014	04/28/2016	2503070.77	2500000.00	2503795.00	0.550
3135G0VA8	721	000	FNMA Note	03/27/2014	03/30/2016	2500372.06	2500000.00	2503467.50	0.500
3135G0YE7	739	000	FNMA Note	11/21/2014	08/26/2016	5008136.61	5000000.00	5012055.00	0.625
3135G0YE7	748	000	FNMA Note	01/29/2015	08/26/2016	5011893.74	5000000.00	5012055.00	0.625

CUSIP	Investment #	Fund	Issuer	Purchase Date	Maturity Date	Book Value	Par Value	Market Value	Current Rate
3130A2T97	749	000	FNMA Note	01/29/2015	09/28/2016	5001231.30	5000000.00	5001185.00	0.500
3135G0MZ3	759	000	FNMA Note	02/17/2015	08/28/2017	5000102.35	5000000.00	5011855.00	0.875
912796EN5	741	461	T Bill	01/13/2015	07/23/2015	1999914.44	2000000.00	1999994.00	
912796ET2	742	461	T Bill	01/13/2015	08/20/2015	1999736.11	2000000.00	1999986.00	
912796EX3	743	461	T Bill	01/13/2015	09/17/2015	1999523.33	2000000.00	2000000.00	
912796FB0	744	461	T Bill	01/13/2015	10/15/2015	1999263.89	2000000.00	1999882.00	
912796FG9	745	461	T Bill	01/13/2015	11/12/2015	1998883.33	2000000.00	1999758.00	
912796FN4	746	461	T Bill	01/13/2015	12/10/2015	1998560.00	2000000.00	1999618.00	
912796FP9	747	461	T Bill	01/13/2015	01/07/2016	1997862.51	2000000.00	1999234.00	
912828UC2	712	460	T Note	03/24/2014	12/15/2015	6996236.88	7000000.00	7004375.00	0.250
912828A59	713	460	T Note	03/24/2014	12/15/2016	6983627.76	7000000.00	7014217.00	0.625
912828TP5	714	460	T Note	03/24/2014	09/15/2015	6999576.68	7000000.00	7002184.00	0.250
912828VW7	715	460	T Note	03/24/2014	09/15/2016	7016941.66	7000000.00	7040467.00	0.875
912828US7	717	460	T Note	03/24/2014	03/15/2016	6996482.43	7000000.00	7008204.00	0.375
912828VG2	718	460	T Note	03/24/2014	06/15/2016	6995767.43	7000000.00	7013125.00	0.500
912828A67	761	863	T Note	02/18/2015	12/31/2015	1500339.33	1500000.00	1500820.50	0.250
912828C40	762	863	T Note	02/18/2015	03/31/2016	1501143.95	1500000.00	1501524.00	0.375
912828WQ9	763	863	T Note	02/18/2015	06/30/2016	1501947.03	1500000.00	1502461.50	0.500
912828TP5	689	000	T Note	09/24/2013	09/15/2015	2499485.31	2500000.00	2500780.00	0.250
912828PJ3	695	000	T Note	11/21/2013	11/30/2015	2008870.09	2000000.00	2010782.00	1.375
912828UM0	698	000	T Note	01/21/2014	02/15/2016	2499329.16	2500000.00	2503125.00	0.375
912828SJ0	734	000	T Note	08/29/2014	02/28/2017	3007664.09	3000000.00	3016173.00	0.875
912828SJ0	734A	000	T Note	08/29/2014	02/28/2017	2506386.74	2500000.00	2513477.50	0.875
912828F88	736	000	T Note	11/21/2014	10/31/2016	4990871.48	5000000.00	4996875.00	0.375
912828WX4	737	000	T Note	11/21/2014	07/31/2016	5005927.18	5000000.00	5007420.00	0.500
1017592447A	764	000	Union State Bank CDARS	02/26/2015	02/25/2016	2500000.00	2500000.00	2500000.00	0.400
1017592447B	764A	000	Union State Bank CDARS	02/26/2015	02/25/2016	2500000.00	2500000.00	2500000.00	0.400
524488C	777	000	Union State Bank CDARS	06/04/2015	12/04/2016	245000.00	245000.00	245000.00	0.421
1016918675	735	000	Union State Bank CDARS	08/07/2014	08/06/2015	2000000.00	2000000.00	2000000.00	0.260
1017849324	776	000	Union State Bank CDARS	05/14/2015	05/12/2016	2000000.00	2000000.00	2000000.00	0.450
					Sub-total:	243,624,291.48	243,155,000.00	243,840,951.25	
TXPL0005	TXPL170	170	TexPool	04/01/2013		11419933.53	11419933.53	11419933.53	0.058
6976	601	210	JPM Chase Bank	04/01/2013		6905.53	6905.53	6905.53	
TXPL00011	722	460	TexPool	03/06/2014		24556196.73	24556196.73	24556196.73	0.058
8664004275	723	460	East West Bank MM 3 Check	03/31/2014		10018645.11	10018645.11	10018645.11	0.150
8664004275A	773	461	East West Bank MM 3 Check	02/13/2015		5002990.79	5002990.79	5002990.79	0.150
TXPL0007	TXPL591	591	TexPool	04/01/2013		806709.54	806709.54	806709.54	0.058
TXPL0009	TXPL602	602	TexPool	04/01/2013		5517503.59	5517503.59	5517503.59	0.058
TXPL0003	TXPL100	000	TexPool	04/01/2013		38986210.40	38986210.40	38986210.40	0.058
TXSTAR1	TXSTAR604	000	TexStar	04/01/2013		5179118.52	5179118.52	5179118.52	0.072
1246-00	772	000	TexasDAILY	04/16/2015		5000925.15	5000925.15	5000925.15	0.090
1386	602	000	JPM Chase Bank	04/01/2013		15404075.52	15404075.52	15404075.52	
					Sub-total:	121,899,214.41	121,899,214.41	121,899,214.41	
					Totals:	365,523,505.89	365,054,214.41	365,740,165.66	