



## INVESTMENT PORTFOLIO SUMMARY

**For the Quarter Ended**

**March 31, 2015**

**Prepared by**

**Valley View Consulting, L.L.C.**

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



Chief Financial Officer



Accounting Manager

Accountant

**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.

**Strategy Summary:**

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded +/-10 bps). The European Central Bank (ECB) announced and began a Quantitative Easing plan. The Dollar reacted very strongly - dropping from +/--\$1.40 per Euro to +/--\$1.05 per Euro. This strength could have severe US export implications. New payroll growth plummeted to +126,000, but the unemployment rate remained unchanged. The FOMC met and deleted "patient" from their statement text, then added they would not be "impatient" regarding increasing interest rates. Unfortunately they also reduced their overall growth and interest rate expectations for 2015. The stock markets continue to maintain current levels. Financial institution deposit yields generally provide the best interest earnings opportunity. Continuing to ladder provides strategic advantage.

**Quarter End Results by Investment Category:**

<u>Asset Type</u>	<u>Ave. Yield</u>	<u>March 31, 2015</u>		<u>December 31, 2014</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.47%	\$ 28,888,195	\$ 28,888,195	\$ 26,909,936	\$ 26,909,936
Securities/CDs	0.60%	42,027,890	42,027,890	38,996,550	38,996,550
Revenue Bond	0.00%	-	-	1,052,321	1,052,321
<b>Totals</b>		<b>\$ 70,916,085</b>	<b>\$ 70,916,085</b>	<b>\$ 66,958,807</b>	<b>\$ 66,958,807</b>

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.55%	Total Portfolio	0.53%
Rolling Three Mo. Treas. Yield	0.03%	Rolling Three Mo. Treas. Yield	0.02%
Rolling Six Mo. Treas. Yield	0.08%	Rolling Six Mo. Treas. Yield	0.07%
		Quarterly TexPool Yield	0.04%
Quarterly Interest Income	\$ 83,548	Quarterly Bank Fees Offset	\$ 8,972
Year-to-date Interest Income	\$ 159,237	Year-to-date Bank Fees Offset	\$ 17,484

(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.

## Detail of Investment Holdings March 31, 2015

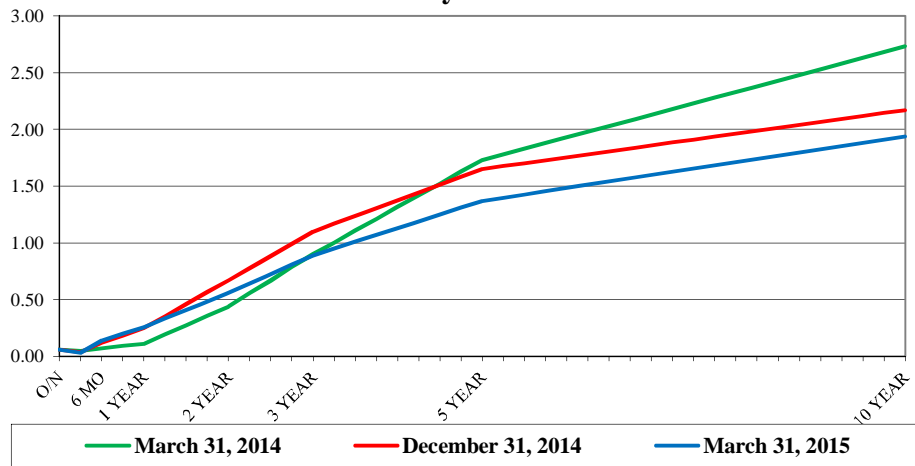
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash - Pooled (3)		0.44%	04/01/15	03/31/15	\$ 7,031,448	\$ 7,031,448	\$ 7,031,448	1.00	\$ 7,031,448	1	0.44%
NOW		0.50%	04/01/15	03/31/15	19,991,941	19,991,941	19,991,941	1.00	19,991,941	1	0.50%
NOW #2		0.25%	04/01/15	03/31/15	1,660,951	1,660,951	1,660,951	1.00	1,660,951	1	0.25%
TexPool	AAAm	0.05%	04/01/15	03/31/15	203,854	203,854	203,854	1.00	203,854	1	0.05%
SSB CD		0.48%	08/04/15	08/01/11	2,660,603	2,660,603	2,660,603	100.00	2,660,603	126	0.48%
SSB CD		0.32%	09/18/15	08/18/14	3,027,702	3,027,702	3,027,702	100.00	3,027,702	171	0.32%
SSB CD		0.35%	10/21/15	09/20/14	3,027,124	3,027,124	3,027,124	100.00	3,027,124	204	0.35%
SSB CD		0.52%	12/28/15	12/26/13	3,039,327	3,039,327	3,039,327	100.00	3,039,327	272	0.52%
SSB CD		0.55%	02/11/16	02/11/14	3,040,152	3,040,152	3,040,152	100.00	3,040,152	317	0.55%
BTH Bank CD		0.90%	03/24/16	03/26/15	2,755,408	2,755,408	2,755,408	100.00	2,755,408	359	0.90%
BTH Bank CD		0.90%	03/24/16	03/26/15	245,000	245,000	245,000	100.00	245,000	359	0.90%
SSB CD		0.58%	05/23/16	05/23/14	3,021,365	3,021,365	3,021,365	100.00	3,021,365	419	0.58%
SSB CD		0.65%	06/27/16	06/25/14	3,035,005	3,035,005	3,035,005	100.00	3,035,005	454	0.65%
SSB CD		0.65%	08/01/16	07/31/14	3,030,063	3,030,063	3,030,063	100.00	3,030,063	489	0.65%
SSB CD		0.65%	08/15/16	08/14/14	3,034,206	3,034,206	3,034,206	100.00	3,034,206	503	0.65%
SSB CD		0.70%	09/19/16	09/19/14	3,048,564	3,048,564	3,048,564	100.00	3,048,564	538	0.70%
SSB CD		0.62%	10/17/16	10/17/14	3,040,934	3,040,934	3,040,934	100.00	3,040,934	566	0.62%
SSB CD		0.75%	11/21/16	11/21/14	3,022,437	3,022,437	3,022,437	100.00	3,022,437	601	0.75%
SSB CD		0.65%	01/20/17	01/20/15	3,000,000	3,000,000	3,000,000	100.00	3,000,000	661	0.65%
					<b>\$ 70,916,085</b>	<b>\$ 70,916,085</b>	<b>\$ 70,916,085</b>		<b>\$ 70,916,085</b>	<b>242</b>	<b>0.55%</b>
										<b>(1)</b>	<b>(2)</b>

(1) **Weighted average life** - For purposes of calculating weighted average life, TexPool, TexSTAR, and bank account investments are assumed to have a one day maturity.

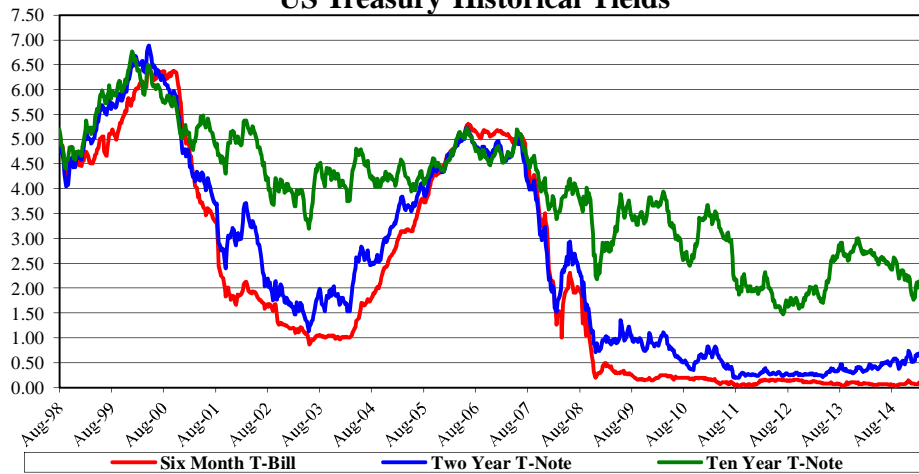
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

(3) **Cash - Pooled** funds are used as compensating balances to offset bank service charges and do not generate hard interest.

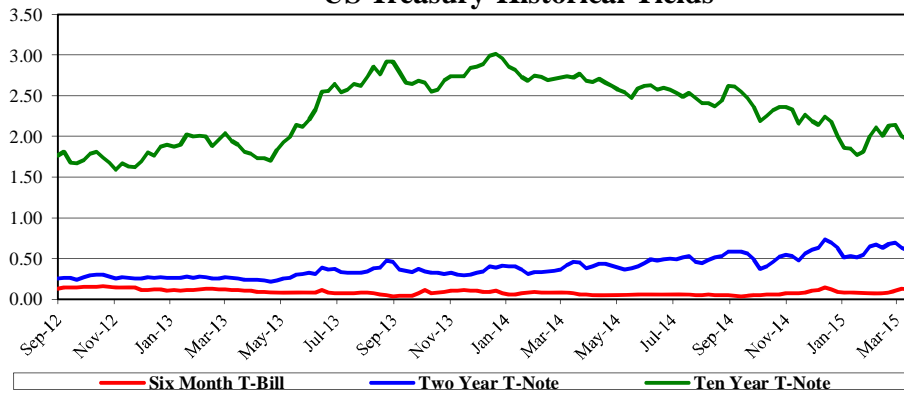
**Treasury Yield Curves**



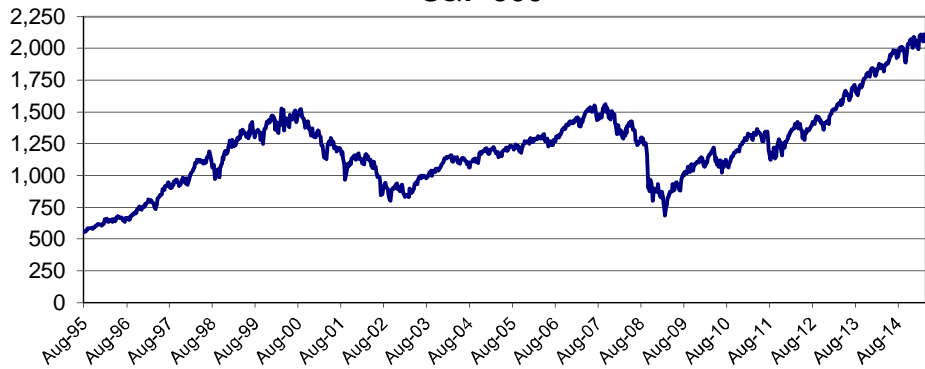
**US Treasury Historical Yields**



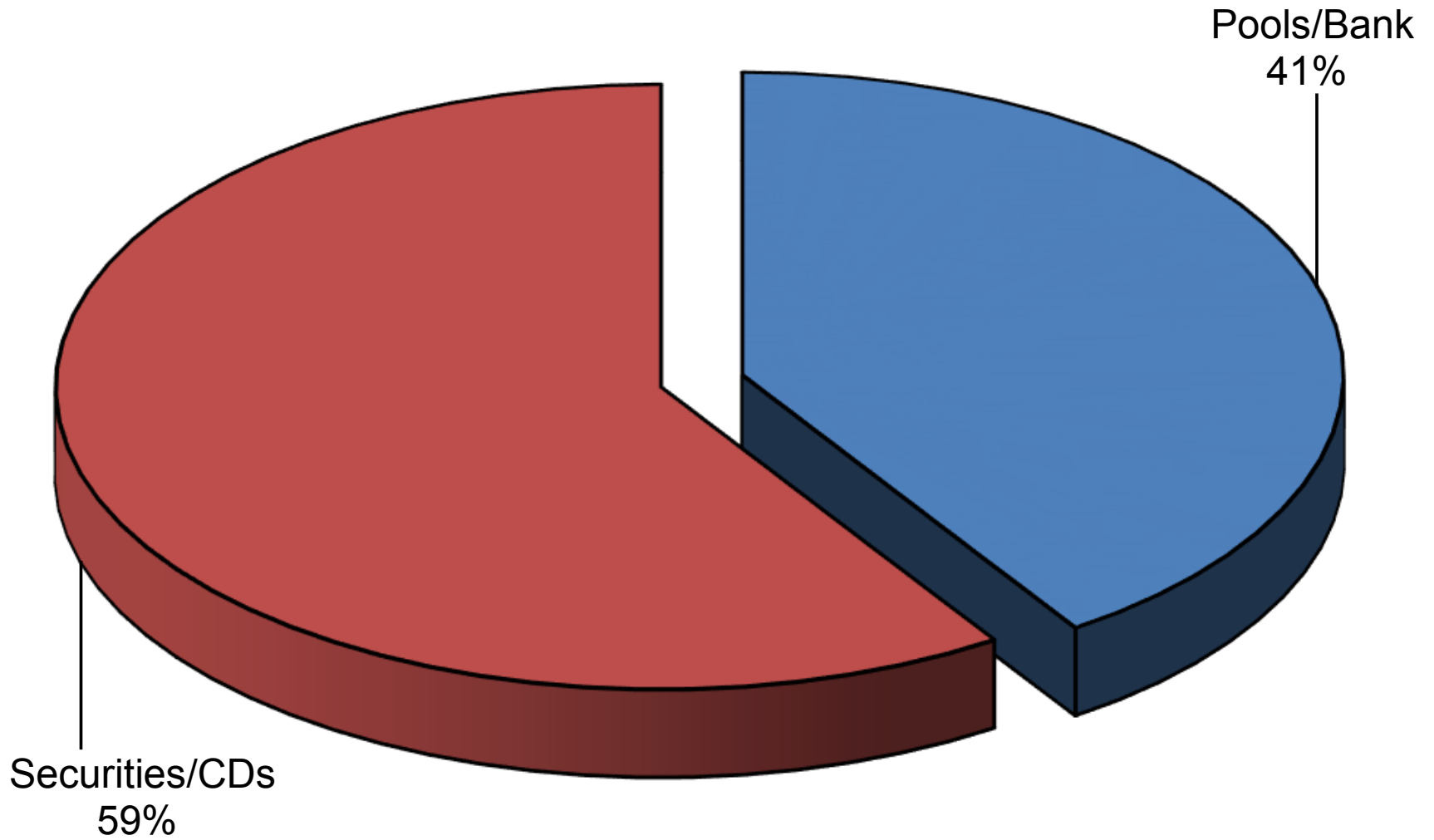
**US Treasury Historical Yields**



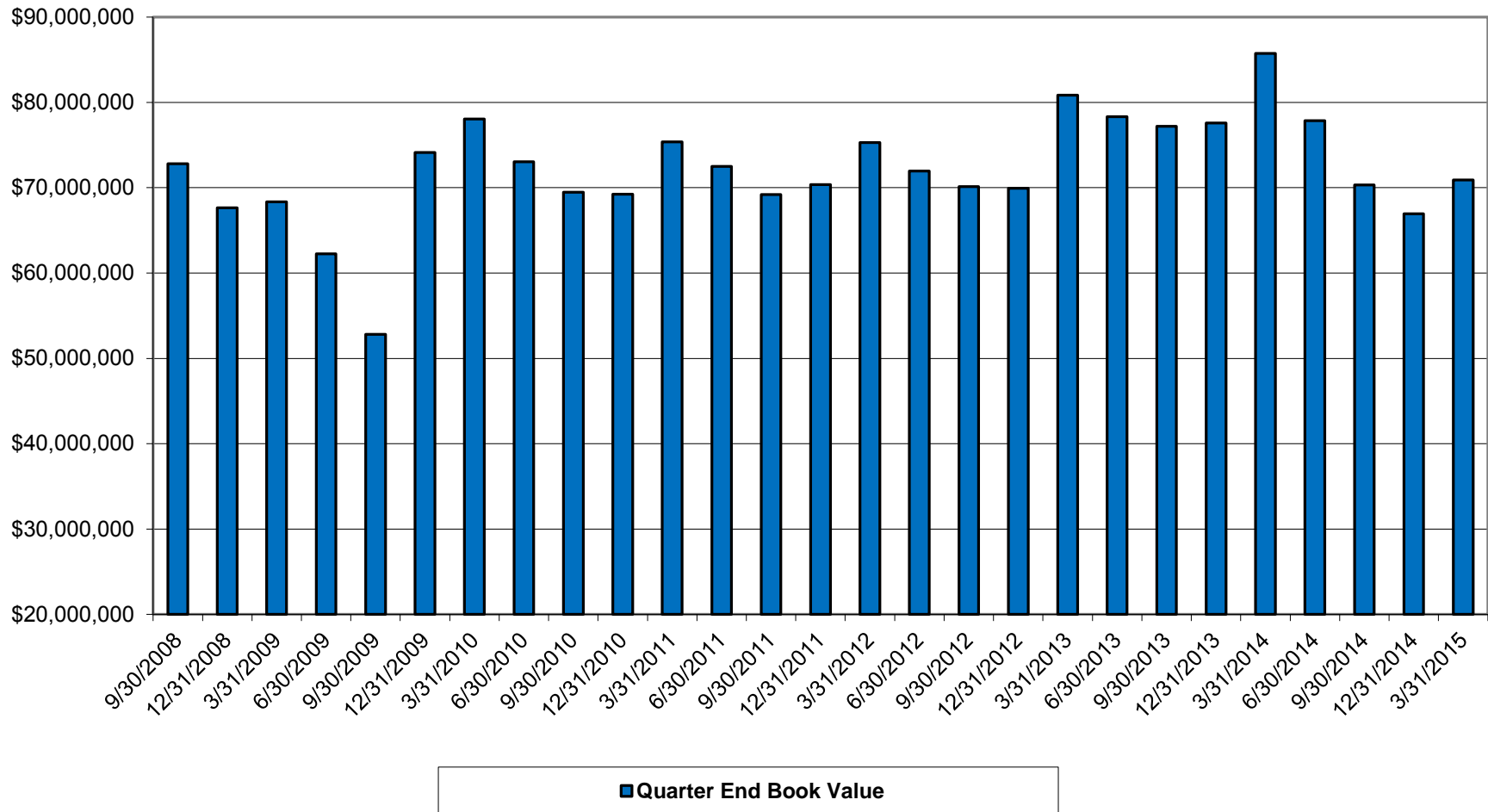
**S&P 500**



# Portfolio Composition



## Total Portfolio



## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2014		Purchases/ Adjustments	Sales/Adjust/ Maturities	March 31, 2015	
			Par Value	Book Value			Par Value	Book Value
Cash - Pooled	0.44%	04/01/15	\$ 8,577,890	\$ 8,577,890	\$ -	\$ (1,546,442)	\$ 7,031,448	\$ 7,031,448
NOW	0.50%	04/01/15	16,969,080	16,969,080	3,022,861		19,991,941	19,991,941
NOW #2	0.25%	04/01/15	1,159,135	1,159,135	501,816		1,660,951	1,660,951
TexPool	0.05%	04/01/15	203,831	203,831	23		203,854	203,854
TexSTAR - Bond	0.06%	04/01/15	1,052,321	1,052,321		(1,052,321)		
SSB CD	0.31%	03/22/15	3,020,321	3,020,321		(3,020,321)		
SSB CD	0.48%	08/04/15	2,657,388	2,657,388	3,215		2,660,603	2,660,603
SSB CD	0.32%	09/18/15	3,025,262	3,025,262	2,440		3,027,702	3,027,702
SSB CD	0.35%	10/21/15	3,024,514	3,024,514	2,610		3,027,124	3,027,124
SSB CD	0.52%	12/28/15	3,035,435	3,035,435	3,892		3,039,327	3,039,327
SSB CD	0.55%	02/11/16	3,035,943	3,035,943	4,209		3,040,152	3,040,152
BTH Bank CD	0.90%	03/24/16			2,755,408		2,755,408	2,755,408
BTH Bank CD	0.90%	03/24/16			245,000		245,000	245,000
SSB CD	0.58%	05/23/16	3,016,954	3,016,954	4,411		3,021,365	3,021,365
SSB CD	0.65%	06/27/16	3,030,148	3,030,148	4,857		3,035,005	3,035,005
SSB CD	0.65%	08/01/16	3,025,107	3,025,107	4,956		3,030,063	3,030,063
SSB CD	0.65%	08/15/16	3,029,243	3,029,243	4,963		3,034,206	3,034,206
SSB CD	0.70%	09/19/16	3,043,311	3,043,311	5,253		3,048,564	3,048,564
SSB CD	0.62%	10/17/16	3,036,190	3,036,190	4,745		3,040,934	3,040,934
SSB CD	0.75%	11/21/16	3,016,734	3,016,734	5,703		3,022,437	3,022,437
SSB CD	0.65%	01/20/17			3,000,000		3,000,000	3,000,000
<b>TOTAL</b>			<b>\$ 66,958,807</b>	<b>\$ 66,958,807</b>	<b>\$ 9,576,361</b>	<b>\$ (5,619,083)</b>	<b>\$ 70,916,085</b>	<b>\$ 70,916,085</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2014		Qtr to Qtr Change	March 31, 2015	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.44%	04/01/15	\$ 8,577,890	\$ 8,577,890	\$ (1,546,442)	\$ 7,031,448	\$ 7,031,448
NOW	0.50%	04/01/15	16,969,080	16,969,080	3,022,861	19,991,941	19,991,941
NOW #2	0.25%	04/01/15	1,159,135	1,159,135	501,816	1,660,951	1,660,951
TexPool	0.05%	04/01/15	203,831	203,831	23	203,854	203,854
TexSTAR - Bond	0.06%	04/01/15	1,052,321	1,052,321	(1,052,321)		
SSB CD	0.31%	03/22/15	3,020,321	3,020,321	(3,020,321)		
SSB CD	0.48%	08/04/15	2,657,388	2,657,388	3,215	2,660,603	2,660,603
SSB CD	0.32%	09/18/15	3,025,262	3,025,262	2,440	3,027,702	3,027,702
SSB CD	0.35%	10/21/15	3,024,514	3,024,514	2,610	3,027,124	3,027,124
SSB CD	0.52%	12/28/15	3,035,435	3,035,435	3,892	3,039,327	3,039,327
SSB CD	0.55%	02/11/16	3,035,943	3,035,943	4,209	3,040,152	3,040,152
BTH Bank CD	0.90%	03/24/16			2,755,408	2,755,408	2,755,408
BTH Bank CD	0.90%	03/24/16			245,000	245,000	245,000
SSB CD	0.58%	05/23/16	3,016,954	3,016,954	4,411	3,021,365	3,021,365
SSB CD	0.65%	06/27/16	3,030,148	3,030,148	4,857	3,035,005	3,035,005
SSB CD	0.65%	08/01/16	3,025,107	3,025,107	4,956	3,030,063	3,030,063
SSB CD	0.65%	08/15/16	3,029,243	3,029,243	4,963	3,034,206	3,034,206
SSB CD	0.70%	09/19/16	3,043,311	3,043,311	5,253	3,048,564	3,048,564
SSB CD	0.62%	10/17/16	3,036,190	3,036,190	4,745	3,040,934	3,040,934
SSB CD	0.75%	11/21/16	3,016,734	3,016,734	5,703	3,022,437	3,022,437
SSB CD	0.65%	01/20/17			3,000,000	3,000,000	3,000,000
<b>TOTAL</b>			<b>\$ 66,958,807</b>	<b>\$ 66,958,807</b>	<b>\$ 3,957,278</b>	<b>\$ 70,916,085</b>	<b>\$ 70,916,085</b>



**Equity in Pooled Cash and Investments**

		<b>3/31/2015</b>	<b>12/31/2014</b>
General Fund	101	11,424,676.35	6,370,967.12
General Capital Projects Fund	102	1,106,512.23	1,410,525.62
Development Services Fund	202	1,580,088.73	1,701,130.27
Cemeteries Operating Fund	204	28,813.12	22,438.36
Forfeitures Fund	205	239,110.65	262,719.99
Court Technology Fund	207	437,976.30	413,466.15
TIF/TIRZ # 2	209	2,684.32	2,681.59
Hotel-Motel Tax Fund	211	2,742,652.23	2,694,408.51
Donations Fund	216	335,699.59	445,750.57
TIF/TIRZ # 3	218	126,659.38	78,362.23
Tyler Tourism & Convention Facilities Fund	219	859,931.29	627,215.77
Half Cent Sales Tax Fund	231	14,756,220.24	13,181,539.30
Passenger Facility Fund	234	114,322.57	107,205.36
Oil & Natural Gas Fund	235	1,100,310.71	1,079,189.50
PEG Fee Fund	236	242,415.09	361,685.63
Fair Plaza Fund	240	174,720.10	193,347.58
Retained HUD Admin Fee Fund	274	40,960.33	46,944.33
Housing Assistance Fund	276	296,217.80	260,944.72
State/Federal Grants Fund	285	(56,488.57)	(30,020.34)
Transit System Fund	286	(581,160.64)	(1,120,201.30)
CDBG Grant Fund	294	10,054.97	(118,270.60)
HOME Grant Fund	295	(70,253.17)	(128,742.55)
Utilities Fund	502	1,335,050.07	2,217,753.76
Utilities Construction Fund	503	8,187,274.26	9,122,117.78
Utilities Debt Service Fund	504	2,125,971.78	2,391,638.11
Utilities Debt Reserve Fund	505	1,492,850.29	1,494,074.79
Revenue Bond Series 2008	514	2.07	33.59
Revenue Bond Series 2009	516	(2.05)	1,052,276.87
Airport Fund	524	876,713.15	935,371.93
Airport Grant Fund	525	(1,347,184.10)	(733,737.46)
Solid Waste Fund	560	1,087,151.77	1,104,021.36
Solid Waste Capital Projects Fund	562	924,631.41	1,139,459.76
Productivity Improvement Fund	639	1,329,875.91	2,094,103.44
Fleet Replacement Fund	640	6,487,963.59	7,202,116.65
Prop, Liab, W/C Insurance Fund	650	1,025,657.65	326,724.22
Employee Benefits Fund	661	1,048,710.47	756,052.39
Prop & Facility Management Fund	663	710,746.81	626,202.06
Technology Fund	671	2,404,338.37	3,065,617.82
Payroll Fund	710	416.80	760,242.05
Cemetery Trust Fund	713	2,812,435.41	2,788,670.36
Landfill Trust Fund	720	2,445,831.59	2,431,325.18
Retiree Benefits Fund	761	1,492,823.32	1,888,898.64
Section 125 Trust Fund	772	186,617.48	187,188.70
<b>Total</b>		<b>69,539,999.67</b>	<b>68,713,439.81</b>

# Allocation

March 31, 2015

Book & Market Value	Security Total	Pooled Funds	Revenue Bond
Cash	\$ 7,031,448	\$ 7,031,448	\$ -
NOW	19,991,941	19,991,941	
NOW #2	1,660,951	1,660,951	
TexPool	203,854	203,854	
08/04/15	2,660,603	2,660,603	
09/18/15	3,027,702	3,027,702	
10/21/15	3,027,124	3,027,124	
12/28/15	3,039,327	3,039,327	
02/11/16	3,040,152	3,040,152	
03/24/16	2,755,408	2,755,408	
03/24/16	245,000	245,000	
05/23/16	3,021,365	3,021,365	
06/27/16	3,035,005	3,035,005	
08/01/16	3,030,063	3,030,063	
08/15/16	3,034,206	3,034,206	
09/19/16	3,048,564	3,048,564	
10/17/16	3,040,934	3,040,934	
11/21/16	3,022,437	3,022,437	
01/20/17	3,000,000	3,000,000	
<b>Totals</b>	<b>\$ 70,916,085</b>	<b>\$ 70,916,085</b>	<b>\$ -</b>

# Allocation

December 31, 2014

<b>Book &amp; Market Value</b>	<b>Security Total</b>	<b>Pooled Funds</b>	<b>Revenue Bond</b>
Cash	\$ 8,577,890	\$ 8,577,890	\$ -
NOW	16,969,080	16,969,080	
NOW #2	1,159,135	1,159,135	
TexPool	203,831	203,831	
TexSTAR	1,052,321	-	1,052,321
03/22/15	3,020,321	3,020,321	
08/04/15	2,657,388	2,657,388	
09/18/15	3,025,262	3,025,262	
10/21/15	3,024,514	3,024,514	
12/28/15	3,035,435	3,035,435	
02/11/16	3,035,943	3,035,943	
05/23/16	3,016,954	3,016,954	
06/27/16	3,030,148	3,030,148	
08/01/16	3,025,107	3,025,107	
08/15/16	3,029,243	3,029,243	
09/19/16	3,043,311	3,043,311	
10/17/16	3,036,190	3,036,190	
11/21/16	3,016,734	3,016,734	
<b>Totals</b>	<b>\$ 66,958,807</b>	<b>\$ 65,906,486</b>	<b>\$ 1,052,321</b>

## Total Portfolio Performance

