



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2014

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.

City of Tyler, Texas Annual Comparison of Portfolio Performance

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 FOMC systematically tapered Quantitative Easing (QE3) from \$85 billion per month to \$15 billion. Although the target unemployment rate below 6.5% was achieved, the FOMC is still concerned with broader employment weaknesses. Inflation is still below the 2.0% and 2.5% target, allowing additional flexibility. Overall US economic activity remains low to moderate with average annual GDP 2.0 to 3.0%. The US stock markets maintained their bullish tone, pushing to new highs. International economic underperformance and military conflict casts uncertainty and have resulted in some late stock market and interest rate decreases. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity, although government securities are becoming more attractive.

FYE Results by Investment Category:

<u>Asset Type</u>	<u>September 30, 2014</u>				<u>September 30, 2013</u>		
	<u>Ave. Yield</u>	<u>Book Value</u>	<u>Market Value</u>		<u>Ave. Yield</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.30%	\$ 29,728,399	\$ 29,728,399		0.23%	\$ 36,563,064	\$ 36,563,064
Securities/CDs	0.52%	38,945,866	38,945,866		0.38%	40,648,142	40,648,142
Revenue Bond	0.03%	1,663,339	1,663,339				
Totals		\$ 70,337,604	\$ 70,337,604			\$ 77,211,206	\$ 77,211,206
				2014	2013	Change	
			Total Portfolio (1)	0.42%	0.34%	0.08%	
			Rolling Three Mo. Treas. Yield	0.03%	0.07%	-0.04%	
			Rolling Six Mo. Treas. Yield	0.05%	0.11%	-0.06%	
			Quarterly TexPool Yield	0.03%	0.09%	-0.05%	

(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.

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 FOMC continued tapering the Quantitative Easing (QE3) program to \$15 billion per month. Tapering is anticipated to eliminate the program in October. Second quarter 2014 GDP was a strong 4.6% and first quarter was revised up to (2.1%). Employment data remains key as the FOMC focuses on wage growth, under-employment and overall participation. The US stock markets again touched new highs, but have recently retrenched. International economical and political struggles weigh on US interest rates. Financial institution deposit yields generally provide the best interest earnings opportunity, although spreads to security yields have tightened.

Quarter End Results by Investment Category:

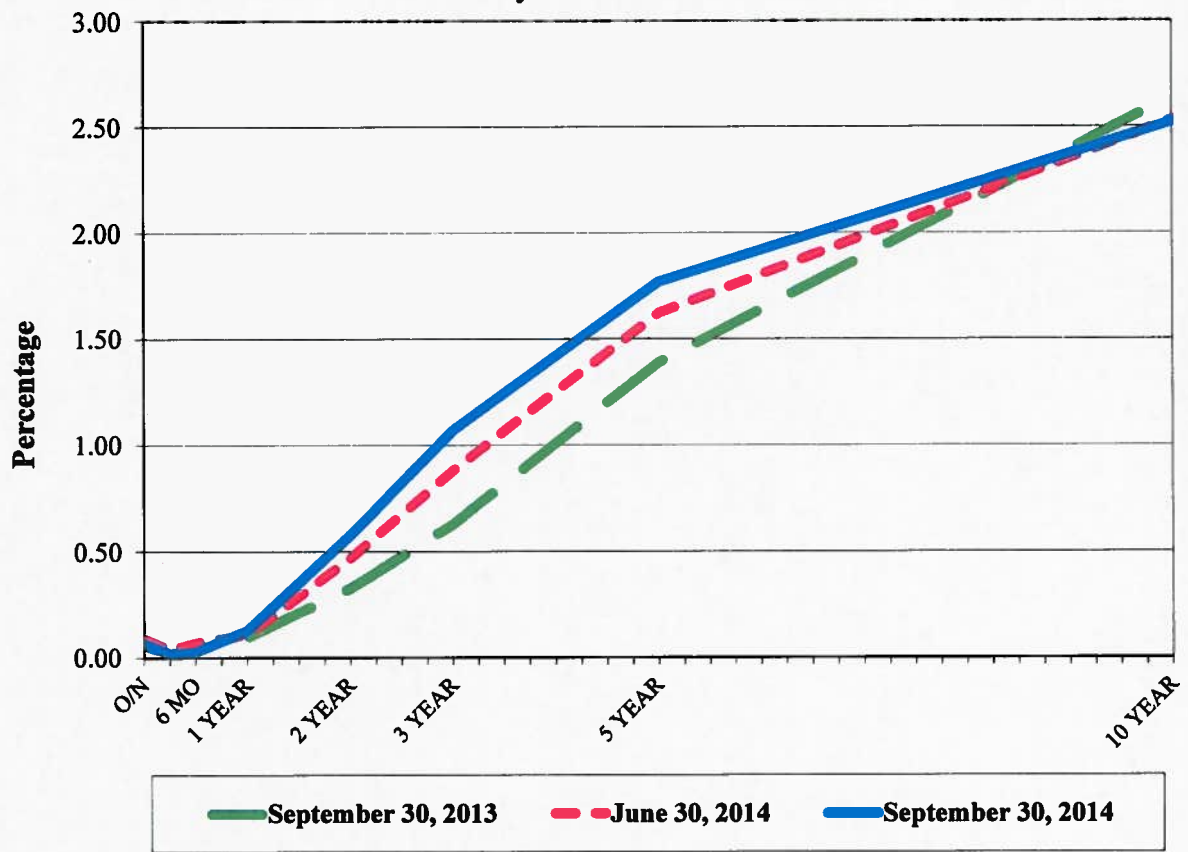
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>September 30, 2014</u>		<u>June 30, 2014</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.30%	\$ 29,728,399	\$ 29,728,399	\$ 36,047,918	\$ 36,047,918
Securities/CDs	0.52%	38,945,866	38,945,866	38,901,402	38,901,402
Revenue Bond	0.03%	1,663,339	1,663,339	2,921,528	2,921,528
Totals		\$ 70,337,604	\$ 70,337,604	\$ 77,870,848	\$ 77,870,848

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.42%	Total Portfolio	0.37%
Rolling Three Mo. Treas. Yield	0.03%	Rolling Three Mo. Treas. Yield	0.04%
Rolling Six Mo. Treas. Yield	0.05%	Rolling Six Mo. Treas. Yield	0.07%
		Quarterly TexPool Yield	0.03%
Quarterly Interest Income	\$ 96,954 Approximate		
Year-to-date Interest Income	\$ 290,200 Approximate		

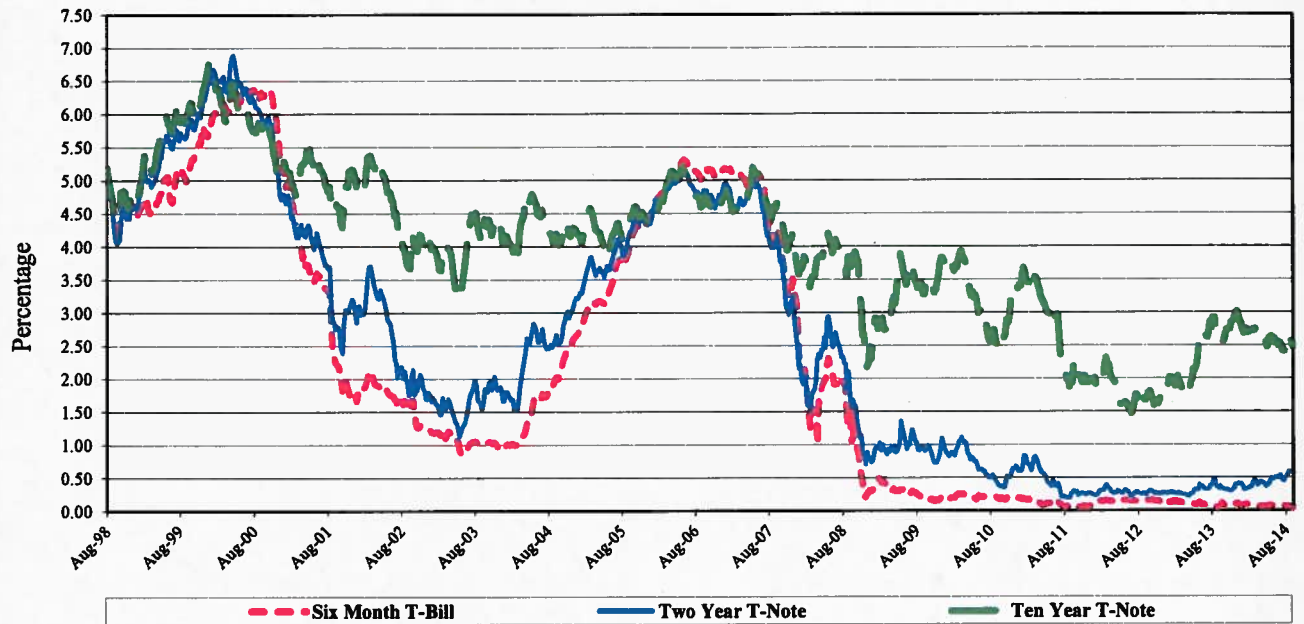
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

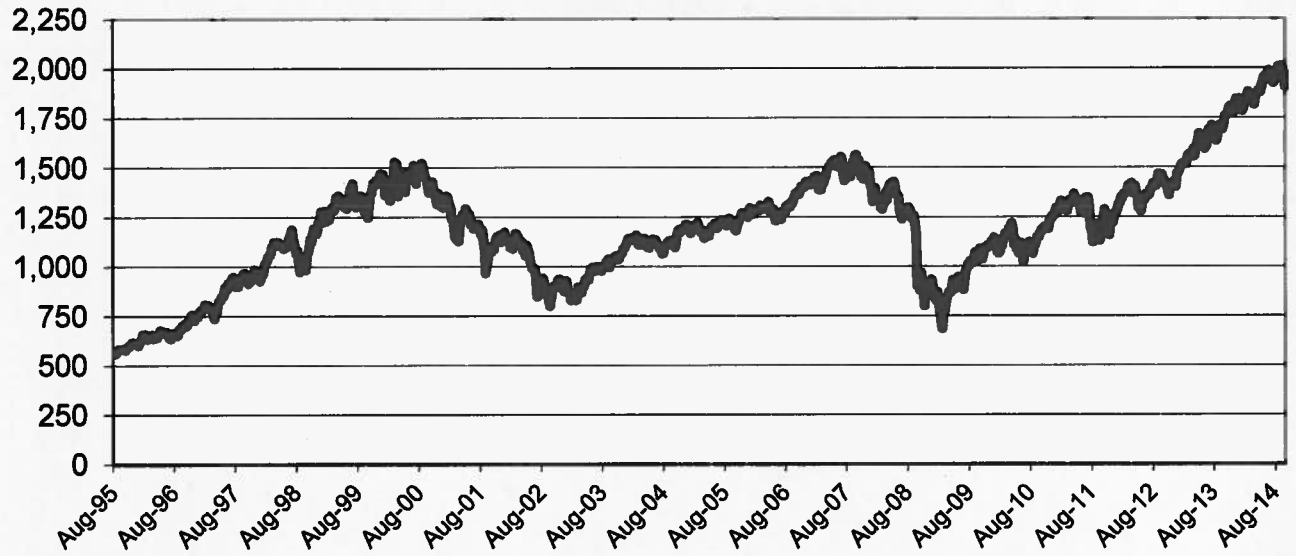
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



**Detail of Investment Holdings
September 30, 2014**

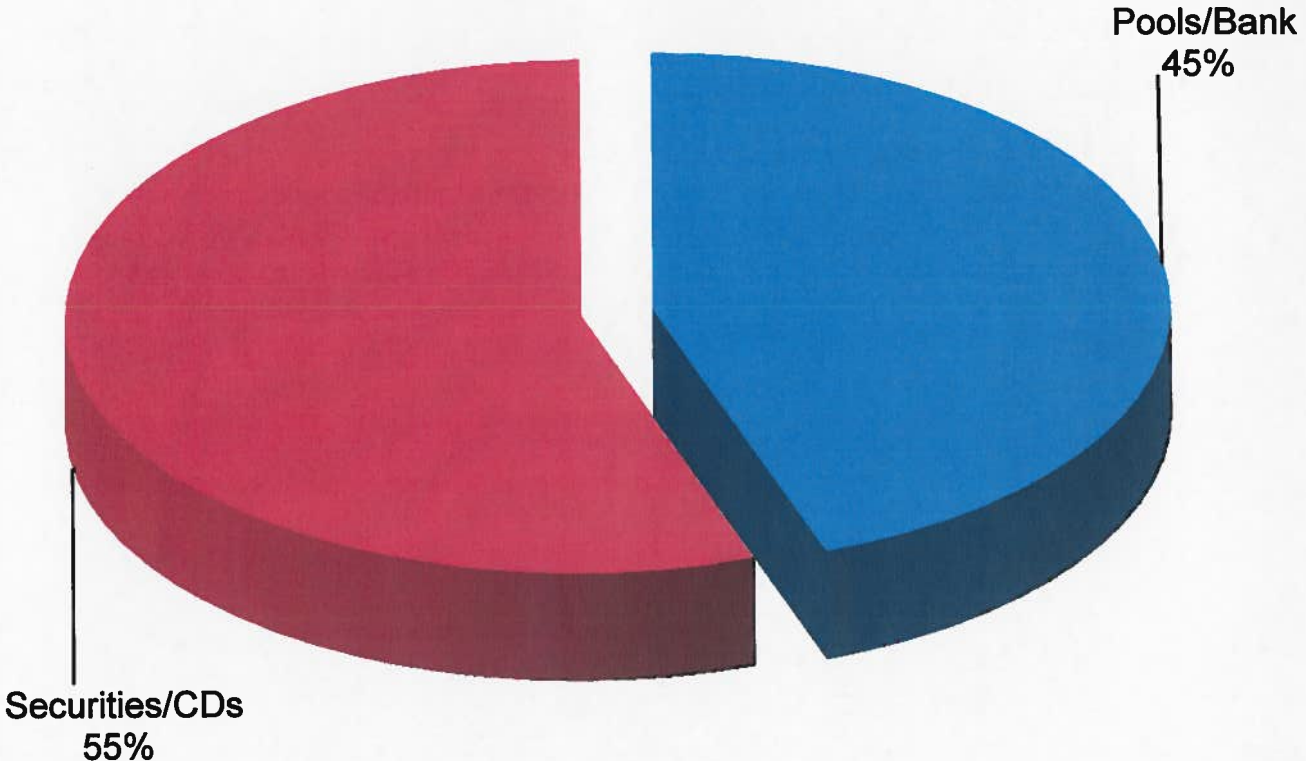
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash - Pooled (3)		0.00%	10/01/14	09/30/14	\$ 9,721,180	\$ 9,721,180	\$ 9,721,180	1.00	\$ 9,721,180	1	0.00%
NOW		0.50%	10/01/14	09/30/14	16,645,207	16,645,207	16,645,207	1.00	16,645,207	1	0.50%
NOW #2		0.23%	10/01/14	09/30/14	3,158,198	3,158,198	3,158,198	1.00	3,158,198	1	0.23%
TexPool	AAAm	0.03%	10/01/14	09/30/14	203,815	203,815	203,815	1.00	203,815	1	0.03%
TexSTAR - Bond	AAAm	0.03%	10/01/14	09/30/14	1,663,339	1,663,339	1,663,339	1.00	1,663,339	1	0.03%
SSB CD		0.60%	10/17/14	10/17/13	3,031,605	3,031,605	3,031,605	100.00	3,031,605	17	0.60%
SSB CD		0.37%	11/21/14	05/21/13	3,013,924	3,013,924	3,013,924	100.00	3,013,924	52	0.37%
SSB CD		0.31%	03/22/15	01/20/14	3,017,963	3,017,963	3,017,963	100.00	3,017,963	173	0.31%
SSB CD		0.48%	08/04/15	08/01/11	2,654,177	2,654,177	2,654,177	100.00	2,654,177	308	0.48%
SSB CD		0.32%	09/18/15	08/18/14	3,022,824	3,022,824	3,022,824	100.00	3,022,824	353	0.32%
SSB CD		0.35%	10/21/15	09/20/14	3,021,877	3,021,877	3,021,877	100.00	3,021,877	386	0.35%
SSB CD		0.52%	12/28/15	12/26/13	3,031,505	3,031,505	3,031,505	100.00	3,031,505	454	0.52%
SSB CD		0.55%	02/11/16	02/11/14	3,031,740	3,031,740	3,031,740	100.00	3,031,740	499	0.55%
SSB CD		0.58%	05/23/16	05/23/14	3,012,550	3,012,550	3,012,550	100.00	3,012,550	601	0.58%
SSB CD		0.65%	06/27/16	06/25/14	3,025,246	3,025,246	3,025,246	100.00	3,025,246	636	0.65%
SSB CD		0.65%	08/01/16	07/31/14	3,020,158	3,020,158	3,020,158	100.00	3,020,158	671	0.65%
SSB CD		0.65%	08/15/16	08/14/14	3,024,288	3,024,288	3,024,288	100.00	3,024,288	685	0.65%
SSB CD		0.70%	09/19/16	09/19/14	3,038,009	3,038,009	3,038,009	100.00	3,038,009	720	0.70%
					\$ 70,337,604	\$ 70,337,604	\$ 70,337,604		\$ 70,337,604	238	0.42%
										(1)	(2)

(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.

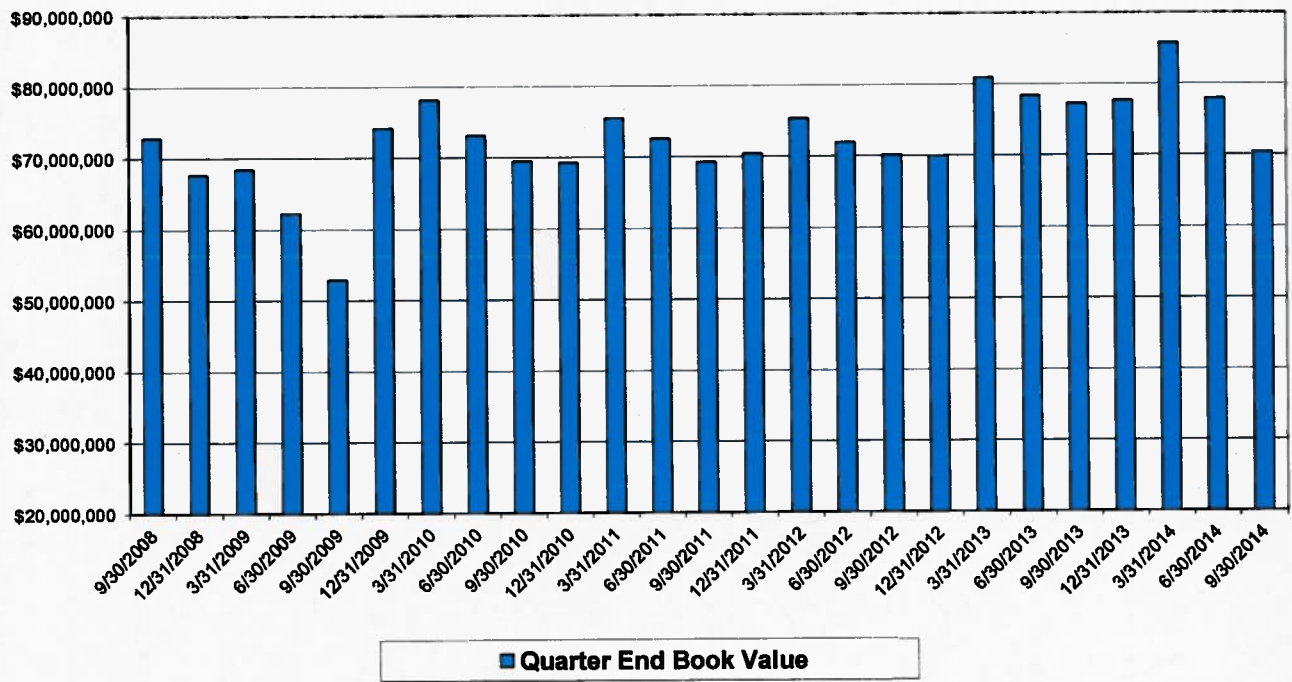
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

(3) Cash - Pooled funds are used as compensating balances to offset bank service charges.

Portfolio Composition



Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2014		Purchases/ Adjustments	Sales/Adjust/ Maturities	September 30, 2014	
			Par Value	Book Value			Par Value	Book Value
Cash - Pooled	0.00%	10/01/14	\$ 4,768,903	\$ 4,768,903	\$ 4,952,277	\$ -	\$ 9,721,180	\$ 9,721,180
NOW	0.50%	10/01/14	19,920,137	19,920,137		(3,274,930)	16,645,207	16,645,207
NOW #2	0.23%	10/01/14	6,155,271	6,155,271		(2,997,073)	3,158,198	3,158,198
TexPool	0.03%	10/01/14	5,203,607	5,203,607		(4,999,793)	203,815	203,815
TexSTAR - Bond	0.03%	10/01/14	2,921,528	2,921,528		(1,258,189)	1,663,339	1,663,339
SSB CD	0.25%	07/31/14	3,018,257	3,018,257		(3,018,257)		
SSB CD	0.26%	08/08/14	3,022,097	3,022,097		(3,022,097)		
SSB CD	0.49%	08/14/14	3,020,199	3,020,199		(3,020,199)		
SSB CD	0.63%	09/19/14	3,033,192	3,033,192		(3,033,192)		
SSB CD	0.25%	09/20/14	3,019,333	3,019,333		(3,019,333)		
SSB CD	0.60%	10/17/14	3,027,077	3,027,077	4,528		3,031,605	3,031,605
SSB CD	0.37%	11/21/14	3,011,115	3,011,115	2,808		3,013,924	3,013,924
SSB CD	0.31%	03/22/15	3,015,632	3,015,632	2,331		3,017,963	3,017,963
SSB CD	0.48%	08/04/15	2,650,970	2,650,970	3,207		2,654,177	2,654,177
SSB CD	0.32%	09/18/15			3,022,824		3,022,824	3,022,824
SSB CD	0.35%	10/21/15			3,021,877		3,021,877	3,021,877
SSB CD	0.52%	12/28/15	3,027,537	3,027,537	3,968		3,031,505	3,031,505
SSB CD	0.55%	02/11/16	3,027,543	3,027,543	4,197		3,031,740	3,031,740
SSB CD	0.58%	05/23/16	3,008,153	3,008,153	4,398		3,012,550	3,012,550
SSB CD	0.65%	06/27/16	3,020,297	3,020,297	4,948		3,025,246	3,025,246
SSB CD	0.65%	08/01/16			3,020,158		3,020,158	3,020,158
SSB CD	0.65%	08/15/16			3,024,288		3,024,288	3,024,288
SSB CD	0.70%	09/19/16			3,038,009		3,038,009	3,038,009
TOTAL			\$ 77,870,848	\$ 77,870,848	\$ 20,109,819	\$ (27,643,063)	\$ 70,337,604	\$ 70,337,604

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2014		Qtr to Qtr Change	September 30, 2014	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.00%	10/01/14	\$ 4,768,903	\$ 4,768,903	\$ 4,952,277	\$ 9,721,180	\$ 9,721,180
NOW	0.50%	10/01/14	19,920,137	19,920,137	(3,274,930)	16,645,207	16,645,207
NOW #2	0.23%	10/01/14	6,155,271	6,155,271	(2,997,073)	3,158,198	3,158,198
TexPool	0.03%	10/01/14	5,203,607	5,203,607	(4,999,793)	203,815	203,815
TexSTAR - Bond	0.03%	10/01/14	2,921,528	2,921,528	(1,258,189)	1,663,339	1,663,339
SSB CD	0.25%	07/31/14	3,018,257	3,018,257	(3,018,257)		
SSB CD	0.26%	08/08/14	3,022,097	3,022,097	(3,022,097)		
SSB CD	0.49%	08/14/14	3,020,199	3,020,199	(3,020,199)		
SSB CD	0.63%	09/19/14	3,033,192	3,033,192	(3,033,192)		
SSB CD	0.25%	09/20/14	3,019,333	3,019,333	(3,019,333)		
SSB CD	0.60%	10/17/14	3,027,077	3,027,077	4,528	3,031,605	3,031,605
SSB CD	0.37%	11/21/14	3,011,115	3,011,115	2,808	3,013,924	3,013,924
SSB CD	0.31%	03/22/15	3,015,632	3,015,632	2,331	3,017,963	3,017,963
SSB CD	0.48%	08/04/15	2,650,970	2,650,970	3,207	2,654,177	2,654,177
SSB CD	0.32%	09/18/15			3,022,824	3,022,824	3,022,824
SSB CD	0.35%	10/21/15			3,021,877	3,021,877	3,021,877
SSB CD	0.52%	12/28/15	3,027,537	3,027,537	3,968	3,031,505	3,031,505
SSB CD	0.55%	02/11/16	3,027,543	3,027,543	4,197	3,031,740	3,031,740
SSB CD	0.58%	05/23/16	3,008,153	3,008,153	4,398	3,012,550	3,012,550
SSB CD	0.65%	06/27/16	3,020,297	3,020,297	4,948	3,025,246	3,025,246
SSB CD	0.65%	08/01/16			3,020,158	3,020,158	3,020,158
SSB CD	0.65%	08/15/16			3,024,288	3,024,288	3,024,288
SSB CD	0.70%	09/19/16			3,038,009	3,038,009	3,038,009
TOTAL			\$ 77,870,848	\$ 77,870,848	\$ (7,533,243)	\$ 70,337,604	\$ 70,337,604

Allocation

September 30, 2014

Book & Market Value	Security Total	Pooled Funds	Revenue Bond
Cash	\$ 9,721,180	\$ 9,721,180	\$ -
NOW	16,645,207	16,645,207	
NOW #2	3,158,198	3,158,198	
TexPool	203,815	203,815	
TexSTAR	1,663,339		1,663,339
10/17/14	3,031,605	3,031,605	
11/21/14	3,013,924	3,013,924	
03/22/15	3,017,963	3,017,963	
08/04/15	2,654,177	2,654,177	
09/18/15	3,022,824	3,022,824	
10/21/15	3,021,877	3,021,877	
12/28/15	3,031,505	3,031,505	
02/11/16	3,031,740	3,031,740	
05/23/16	3,012,550	3,012,550	
06/27/16	3,025,246	3,025,246	
08/01/16	3,020,158	3,020,158	
08/15/16	3,024,288	3,024,288	
09/19/16	3,038,009	3,038,009	
Totals	\$ 70,337,604	\$ 68,674,265	\$ 1,663,339

**Allocation
Book & Market
Value**

June 30, 2014

	Security Total	Pooled Funds	Revenue Bond
Cash	\$ 4,768,903	\$ 4,768,903	\$ -
NOW	19,920,137	19,920,137	
NOW #2	6,155,271	6,155,271	
TexPool	5,203,607	5,203,607	
TexSTAR	2,921,528		2,921,528
07/31/14	3,018,257	3,018,257	
08/08/14	3,022,097	3,022,097	
08/14/14	3,020,199	3,020,199	
09/19/14	3,033,192	3,033,192	
09/20/14	3,019,333	3,019,333	
10/17/14	3,027,077	3,027,077	
11/21/14	3,011,115	3,011,115	
03/22/15	3,015,632	3,015,632	
08/04/15	2,650,970	2,650,970	
12/28/15	3,027,537	3,027,537	
02/11/16	3,027,543	3,027,543	
05/23/16	3,008,153	3,008,153	
06/27/16	3,020,297	3,020,297	
Totals	\$ 77,870,848	\$ 74,949,319	\$ 2,921,528

Equity in Pooled Cash and Investments

		9/30/2014	6/30/2014
General Fund	101	6,332,270	8,954,271
General Capital Projects Fund	102	1,851,066	500,293
Development Services Fund	202	1,746,624	1,690,709
Cemeteries Operating Fund	204	46,202	105,668
Forfeitures Fund	205	274,053	279,050
Court Technology Fund	207	469,519	460,006
TIF/TIRZ # 2	209	2,679	2,677
Hotel-Motel Tax Fund	211	2,874,822	2,401,388
Donations Fund	216	972,454	1,008,593
TIF/TIRZ # 3	218	78,280	78,151
Tyler Tourism & Convention Facilities Fund	219	660,081	561,202
Half Cent Sales Tax Fund	231	13,311,183	17,088,817
Passenger Facility Fund	234	108,062	223,256
Oil & Natural Gas Fund	235	1,057,305	1,030,425
PEG Fee Fund	236	346,796	299,959
Fair Plaza Fund	240	188,798	174,694
Retained HUD Admin Fee Fund	274	55,937	55,892
Housing Assistance Fund	276	605,288	455,549
State/Federal Grants Fund	285	(52,779)	(89,763)
Transit System Fund	286	(142,916)	(616,763)
CDBG Grant Fund	294	(39,273)	(134,471)
HOME Grant Fund	295	(58,578)	14,973
Utilities Fund	502	4,209,818	844,804
Utilities Construction Fund	503	10,901,755	12,107,716
Utilities Debt Service Fund	504	1,276,556	3,846,671
Utilities Debt Reserve Fund	505	1,493,589	1,493,737
Revenue Bond Series 2008	514	34	34
Revenue Bond Series 2009	516	1,663,273	2,921,429
Airport Fund	524	943,112	752,061
Airport Grant Fund	525	(7,135)	(519,846)
Solid Waste Fund	560	1,595,311	540,493
Solid Waste Capital Projects Fund	562	1,269,384	1,368,549
Productivity Improvement Fund	639	410,295	1,196,316
Fleet Replacement Fund	640	6,840,757	7,680,926
Prop, Liab, W/C Insurance Fund	650	973,808	928,585
Employee Benefits Fund	661	723,550	814,252
Prop & Facility Management Fund	663	515,435	676,469
Technology Fund	671	389,678	1,000,347
Payroll Fund	710	25,829	800,739
Cemetery Trust Fund	713	2,746,154	2,726,679
Landfill Trust Fund	720	2,419,775	2,408,834
Retiree Benefits Fund	761	252,529	1,020,594
Section 125 Trust Fund	772	177,552	163,432
Total		69,508,907	77,317,376

Total Portfolio Performance

