



## INVESTMENT PORTFOLIO SUMMARY

**For the Quarter Ended**

**December 31, 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.

*Kerstin Trumbull*  
\_\_\_\_\_  
Chief Financial Officer

*[Signature]*  
\_\_\_\_\_  
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 FOMC ended Quantitative Easing (QE3) in October. Third quarter 2014 GDP was a very strong 5.0%. New payroll and unemployment data also very positive. The FOMC remains concerned by lack of wage growth and overall participation. The US stock markets again touched new highs, but have recently retrenched. Shorter interest rates are rising, while International economical and political struggles weigh on longer term 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:**

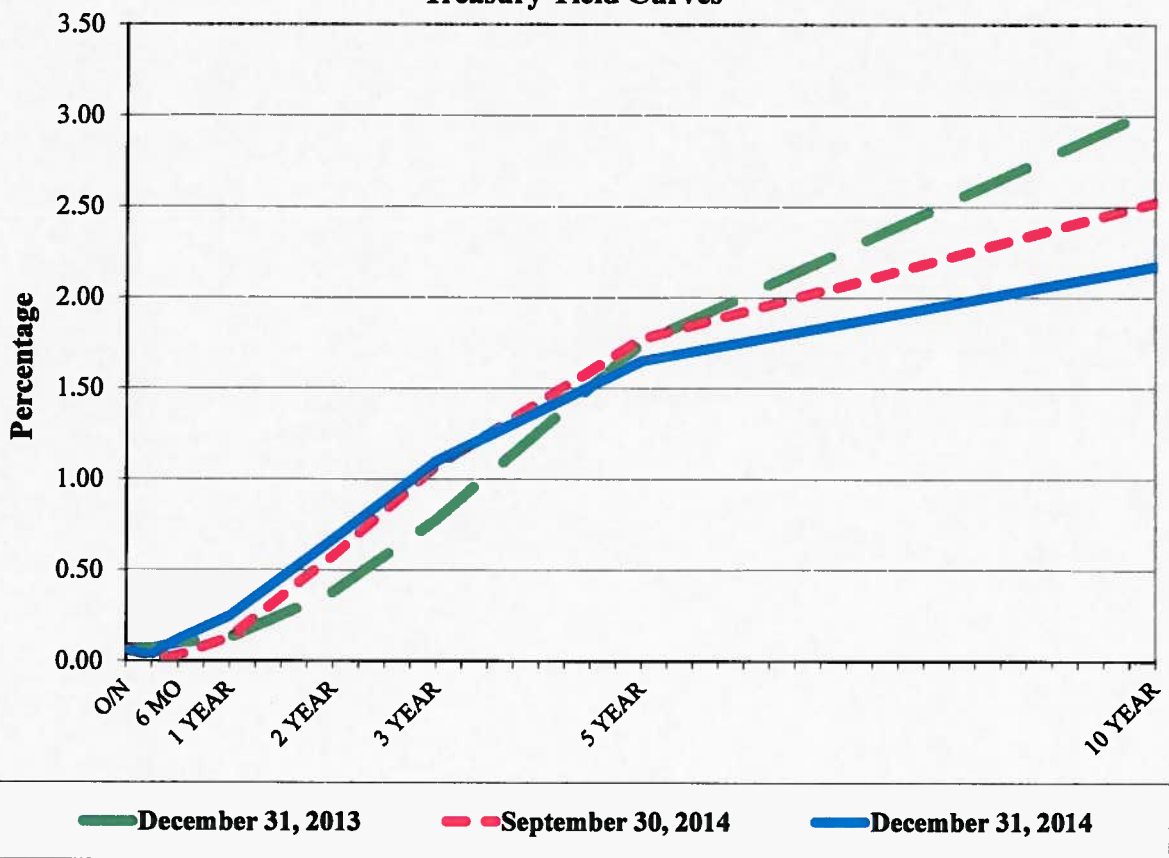
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>December 31, 2014</u>		<u>September 30, 2014</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Pools/Bank	0.51%	\$ 26,909,936	\$ 26,909,936	\$ 29,728,399	\$ 29,728,399
Securities/CDs	0.55%	38,996,550	38,996,550	38,945,866	38,945,866
Revenue Bond	0.05%	1,052,321	1,052,321	1,663,339	1,663,339
<b>Totals</b>		<b>\$ 66,958,807</b>	<b>\$ 66,958,807</b>	<b>\$ 70,337,604</b>	<b>\$ 70,337,604</b>

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.52%	Total Portfolio	0.52%
Rolling Three Mo. Treas. Yield	0.02%	Rolling Three Mo. Treas. Yield	0.02%
Rolling Six Mo. Treas. Yield	0.07%	Rolling Six Mo. Treas. Yield	0.07%
		Quarterly TexPool Yield	0.04%
Quarterly Interest Income \$	75,689	Quarterly Bank Fees Offset \$	8,512
Year-to-date Interest Income \$	75,689	Year-to-date Bank Fees Offset \$	8,512

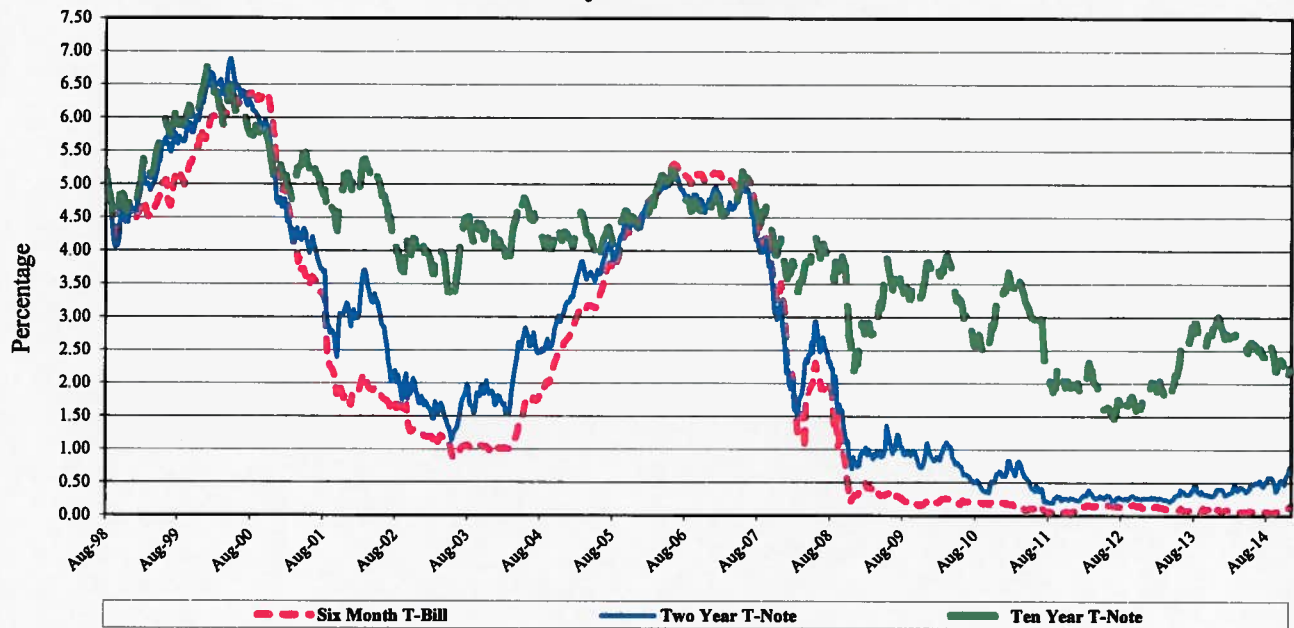
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

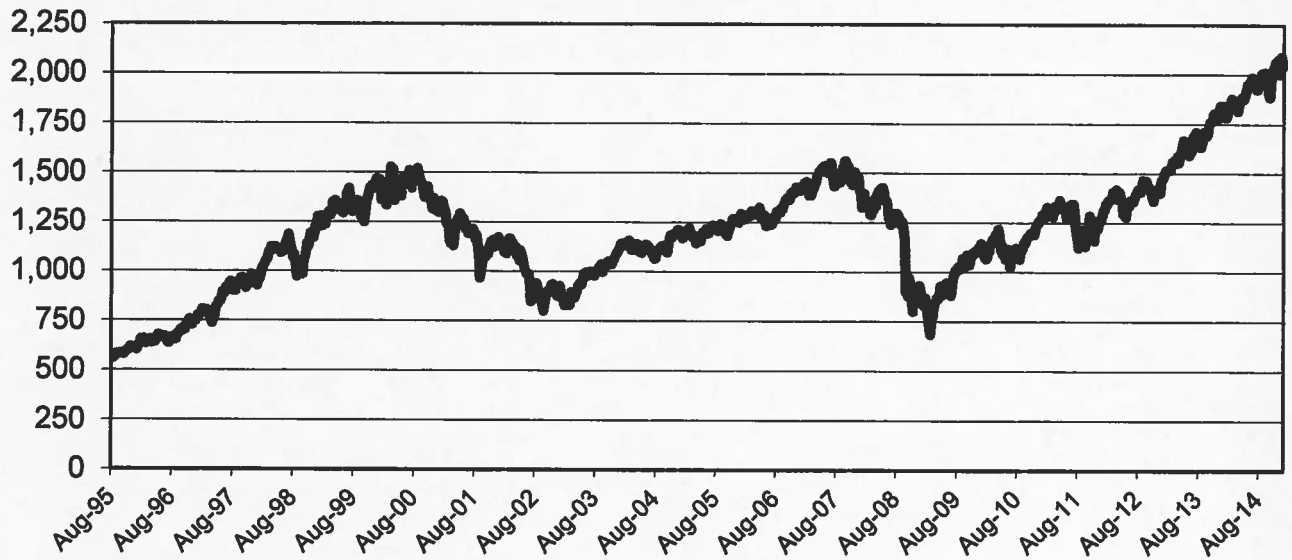
### Treasury Yield Curves



### US Treasury Historical Yields



### S&P 500



**Detail of Investment Holdings  
December 31, 2014**

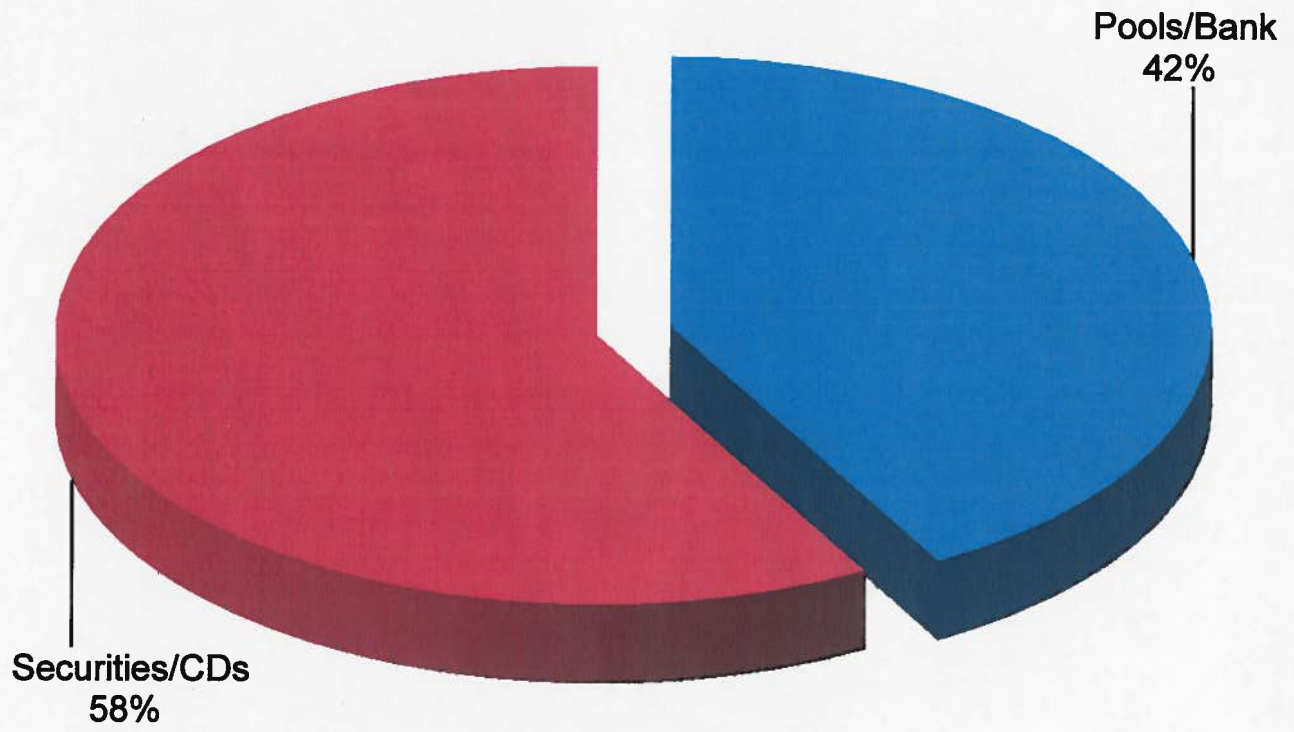
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash - Pooled (3)		0.57%	01/01/15	12/31/14	\$ 8,577,890	\$ 8,577,890	\$ 8,577,890	1.00	\$ 8,577,890	1	0.57%
NOW		0.50%	01/01/15	12/31/14	16,969,080	16,969,080	16,969,080	1.00	16,969,080	1	0.50%
NOW #2		0.24%	01/01/15	12/31/14	1,159,135	1,159,135	1,159,135	1.00	1,159,135	1	0.24%
TexPool	AAAm	0.04%	01/01/15	12/31/14	203,831	203,831	203,831	1.00	203,831	1	0.04%
TexSTAR - Bond	AAAm	0.05%	01/01/15	12/31/14	1,052,321	1,052,321	1,052,321	1.00	1,052,321	1	0.05%
SSB CD		0.31%	03/22/15	01/20/14	3,020,321	3,020,321	3,020,321	100.00	3,020,321	81	0.31%
SSB CD		0.48%	08/04/15	08/01/11	2,657,388	2,657,388	2,657,388	100.00	2,657,388	216	0.48%
SSB CD		0.32%	09/18/15	08/18/14	3,025,262	3,025,262	3,025,262	100.00	3,025,262	261	0.32%
SSB CD		0.35%	10/21/15	09/20/14	3,024,514	3,024,514	3,024,514	100.00	3,024,514	294	0.35%
SSB CD		0.52%	12/28/15	12/26/13	3,035,435	3,035,435	3,035,435	100.00	3,035,435	362	0.52%
SSB CD		0.55%	02/11/16	02/11/14	3,035,943	3,035,943	3,035,943	100.00	3,035,943	407	0.55%
SSB CD		0.58%	05/23/16	05/23/14	3,016,954	3,016,954	3,016,954	100.00	3,016,954	509	0.58%
SSB CD		0.65%	06/27/16	06/25/14	3,030,148	3,030,148	3,030,148	100.00	3,030,148	544	0.65%
SSB CD		0.65%	08/01/16	07/31/14	3,025,107	3,025,107	3,025,107	100.00	3,025,107	579	0.65%
SSB CD		0.65%	08/15/16	08/14/14	3,029,243	3,029,243	3,029,243	100.00	3,029,243	593	0.65%
SSB CD		0.70%	09/19/16	09/19/14	3,043,311	3,043,311	3,043,311	100.00	3,043,311	628	0.70%
SSB CD		0.62%	10/17/16	10/17/14	3,036,190	3,036,190	3,036,190	100.00	3,036,190	656	0.62%
SSB CD		0.75%	11/21/16	11/21/14	3,016,734	3,016,734	3,016,734	100.00	3,016,734	691	0.75%
					<b>\$ 66,958,807</b>	<b>\$ 66,958,807</b>	<b>\$ 66,958,807</b>		<b>\$ 66,958,807</b>	<b>263</b>	<b>0.52%</b>
										(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.

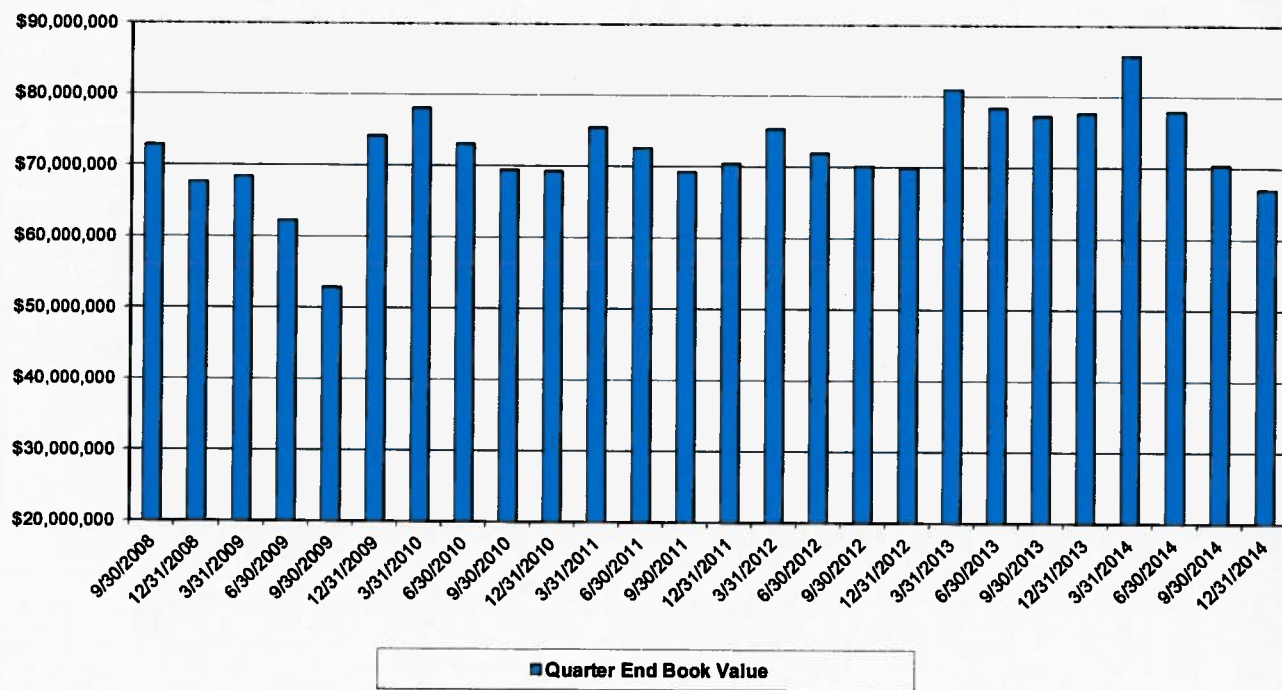
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

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

## Portfolio Composition



### Total Portfolio





### Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2014		Purchases/ Adjustments	Sales/Adjust/ Maturities	December 31, 2014	
			Par Value	Book Value			Par Value	Book Value
Cash - Pooled	0.57%	01/01/15	\$ 9,721,180	\$ 9,721,180	\$	\$ (1,143,290)	\$ 8,577,890	\$ 8,577,890
NOW	0.50%	01/01/15	16,645,207	16,645,207	323,873		16,969,080	16,969,080
NOW #2	0.24%	01/01/15	3,158,198	3,158,198		(1,999,063)	1,159,135	1,159,135
TexPool	0.04%	01/01/15	203,815	203,815	17		203,831	203,831
TexSTAR - Bond	0.05%	01/01/15	1,663,339	1,663,339		(611,018)	1,052,321	1,052,321
SSB CD	0.60%	10/17/14	3,031,605	3,031,605		(3,031,605)		
SSB CD	0.37%	11/21/14	3,013,924	3,013,924		(3,013,924)		
SSB CD	0.31%	03/22/15	3,017,963	3,017,963	2,358		3,020,321	3,020,321
SSB CD	0.48%	08/04/15	2,654,177	2,654,177	3,211		2,657,388	2,657,388
SSB CD	0.32%	09/18/15	3,022,824	3,022,824	2,438		3,025,262	3,025,262
SSB CD	0.35%	10/21/15	3,021,877	3,021,877	2,637		3,024,514	3,024,514
SSB CD	0.52%	12/28/15	3,031,505	3,031,505	3,930		3,035,435	3,035,435
SSB CD	0.55%	02/11/16	3,031,740	3,031,740	4,203		3,035,943	3,035,943
SSB CD	0.58%	05/23/16	3,012,550	3,012,550	4,404		3,016,954	3,016,954
SSB CD	0.65%	06/27/16	3,025,246	3,025,246	4,903		3,030,148	3,030,148
SSB CD	0.65%	08/01/16	3,020,158	3,020,158	4,948		3,025,107	3,025,107
SSB CD	0.65%	08/15/16	3,024,288	3,024,288	4,955		3,029,243	3,029,243
SSB CD	0.70%	09/19/16	3,038,009	3,038,009	5,302		3,043,311	3,043,311
SSB CD	0.62%	10/17/16			3,036,190		3,036,190	3,036,190
SSB CD	0.75%	11/21/16			3,016,734		3,016,734	3,016,734
<b>TOTAL</b>			<b>\$ 70,337,604</b>	<b>\$ 70,337,604</b>	<b>\$ 6,420,103</b>	<b>\$ (9,798,900)</b>	<b>\$ 66,958,807</b>	<b>\$ 66,958,807</b>

### Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2014		Qtr to Qtr Change	December 31, 2014	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.57%	01/01/15	\$ 9,721,180	\$ 9,721,180	\$ (1,143,290)	\$ 8,577,890	\$ 8,577,890
NOW	0.50%	01/01/15	16,645,207	16,645,207	323,873	16,969,080	16,969,080
NOW #2	0.24%	01/01/15	3,158,198	3,158,198	(1,999,063)	1,159,135	1,159,135
TexPool	0.04%	01/01/15	203,815	203,815	17	203,831	203,831
TexSTAR - Bond	0.05%	01/01/15	1,663,339	1,663,339	(611,018)	1,052,321	1,052,321
SSB CD	0.60%	10/17/14	3,031,605	3,031,605	(3,031,605)		
SSB CD	0.37%	11/21/14	3,013,924	3,013,924	(3,013,924)		
SSB CD	0.31%	03/22/15	3,017,963	3,017,963	2,358	3,020,321	3,020,321
SSB CD	0.48%	08/04/15	2,654,177	2,654,177	3,211	2,657,388	2,657,388
SSB CD	0.32%	09/18/15	3,022,824	3,022,824	2,438	3,025,262	3,025,262
SSB CD	0.35%	10/21/15	3,021,877	3,021,877	2,637	3,024,514	3,024,514
SSB CD	0.52%	12/28/15	3,031,505	3,031,505	3,930	3,035,435	3,035,435
SSB CD	0.55%	02/11/16	3,031,740	3,031,740	4,203	3,035,943	3,035,943
SSB CD	0.58%	05/23/16	3,012,550	3,012,550	4,404	3,016,954	3,016,954
SSB CD	0.65%	06/27/16	3,025,246	3,025,246	4,903	3,030,148	3,030,148
SSB CD	0.65%	08/01/16	3,020,158	3,020,158	4,948	3,025,107	3,025,107
SSB CD	0.65%	08/15/16	3,024,288	3,024,288	4,955	3,029,243	3,029,243
SSB CD	0.70%	09/19/16	3,038,009	3,038,009	5,302	3,043,311	3,043,311
SSB CD	0.62%	10/17/16			3,036,190	3,036,190	3,036,190
SSB CD	0.75%	11/21/16			3,016,734	3,016,734	3,016,734
<b>TOTAL</b>			<b>\$ 70,337,604</b>	<b>\$ 70,337,604</b>	<b>\$ (3,378,797)</b>	<b>\$ 66,958,807</b>	<b>\$ 66,958,807</b>

**Equity in Pooled Cash and Investments**

		12/31/2014	9/30/2014
General Fund	101	6,370,967.12	6,332,269.78
General Capital Projects Fund	102	1,410,525.62	1,851,065.65
Development Services Fund	202	1,701,130.27	1,746,623.67
Cemeteries Operating Fund	204	22,438.36	48,202.36
Forfeitures Fund	205	262,719.99	274,053.15
Court Technology Fund	207	413,486.15	469,519.06
TIF/TIRZ # 2	209	2,681.59	2,678.79
Hotel-Motel Tax Fund	211	2,694,408.51	2,874,822.44
Donations Fund	216	445,750.57	972,454.37
TIF/TIRZ # 3	218	78,362.23	78,279.93
Tyler Tourism & Convention Facilities Fund	219	627,215.77	660,081.11
Half Cent Sales Tax Fund	231	13,181,539.30	13,311,183.15
Passenger Facility Fund	234	107,205.36	108,061.54
Oil & Natural Gas Fund	235	1,079,189.50	1,057,304.51
PEG Fee Fund	236	361,685.63	346,795.61
Fair Plaza Fund	240	193,347.58	188,797.55
Retained HUD Admin Fee Fund	274	46,944.33	55,936.65
Housing Assistance Fund	276	260,944.72	605,287.61
State/Federal Grants Fund	285	(30,020.34)	(52,779.24)
Transit System Fund	286	(1,120,201.30)	(142,915.79)
CDBG Grant Fund	294	(118,270.60)	(39,272.93)
HOME Grant Fund	295	(128,742.55)	(58,578.29)
Utilities Fund	502	2,217,753.76	4,209,817.76
Utilities Construction Fund	503	9,122,117.78	10,901,754.64
Utilities Debt Service Fund	504	2,391,638.11	1,276,555.51
Utilities Debt Reserve Fund	505	1,494,074.79	1,493,588.75
Revenue Bond Series 2008	514	33.59	33.59
Revenue Bond Series 2009	516	1,052,276.87	1,663,272.72
Airport Fund	524	935,371.93	943,112.15
Airport Grant Fund	525	(733,737.46)	(7,134.75)
Solid Waste Fund	560	1,104,021.36	1,595,311.11
Solid Waste Capital Projects Fund	562	1,139,459.78	1,269,363.54
Productivity Improvement Fund	639	2,094,103.44	410,294.82
Fleet Replacement Fund	640	7,202,116.65	6,840,756.77
Prop, Liab, W/C Insurance Fund	650	328,724.22	973,808.08
Employee Benefits Fund	661	756,052.39	723,549.52
Prop & Facility Management Fund	663	626,202.06	515,435.02
Technology Fund	671	3,065,817.82	389,677.97
Payroll Fund	710	760,242.05	25,829.40
Cemetery Trust Fund	713	2,788,670.36	2,746,153.77
Landfill Trust Fund	720	2,431,325.18	2,419,775.12
Retiree Benefits Fund	761	1,888,898.64	252,529.08
Section 125 Trust Fund	772	187,188.70	177,551.74
<b>Total</b>		<b>68,713,439.81</b>	<b>69,508,906.99</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>

**Allocation****September 30, 2014**

<b>Book &amp; Market Value</b>	<b>Security Total</b>	<b>Pooled Funds</b>	<b>Revenue Bond</b>
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	
<b>Totals</b>	<b>\$ 70,337,604</b>	<b>\$ 68,674,265</b>	<b>\$ 1,663,339</b>

### Total Portfolio Performance

