



## INVESTMENT PORTFOLIO SUMMARY

**For the Quarter Ended**

**December 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.

A handwritten signature in black ink, appearing to read "Richard Trumbull".

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Chief Financial Officer

A handwritten signature in black ink, appearing to read "Justin".

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Accounting Manager

A handwritten signature in black ink, appearing to read "Lambek".

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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.

## Summary

### Quarter End Results by Investment Category:

Asset Type	Ave. Yield	December 31, 2015		September 30, 2015	
		Book Value	Market Value	Book Value	Market Value
Pools/Bank	0.49%	\$ 18,236,450	\$ 18,236,450	\$ 19,633,166	\$ 19,633,166
Securities/CDs	0.79%	41,955,895	41,955,895	42,464,349	42,464,349
Revenue Bond	0.19%	6,002,117	6,002,117	6,000,035	6,000,035
<b>Totals</b>		<b>\$ 66,194,462</b>	<b>\$ 66,194,462</b>	<b>\$ 68,097,550</b>	<b>\$ 68,097,550</b>

#### Current Quarter Average Yield (1)

Total Portfolio	0.65%
Rolling Three Mo. Treas. Yield	0.13%
Rolling Six Mo. Treas. Yield	0.25%

#### Fiscal Year-to-Date Average Yield (2)

Total Portfolio	0.65%
Rolling Three Mo. Treas. Yield	0.13%
Rolling Six Mo. Treas. Yield	0.25%
Quarterly TexPool Yield	0.19%

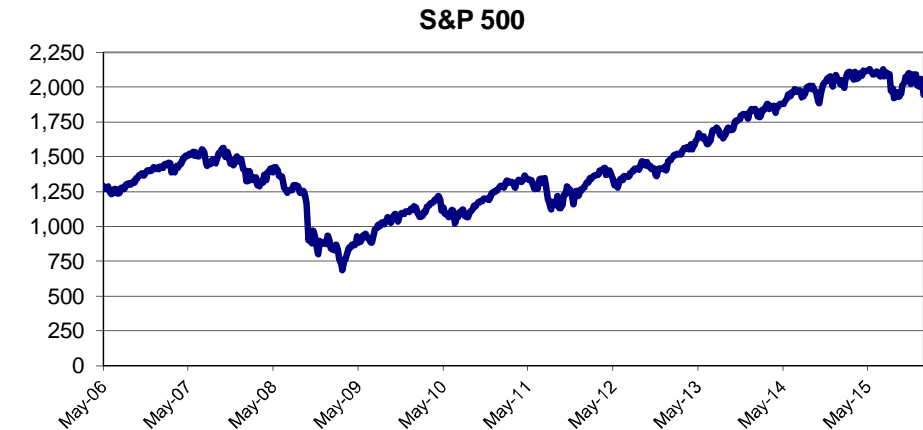
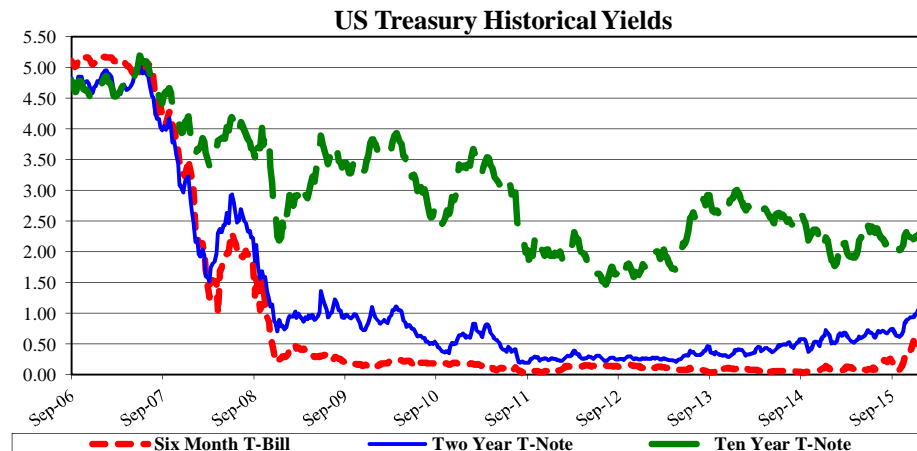
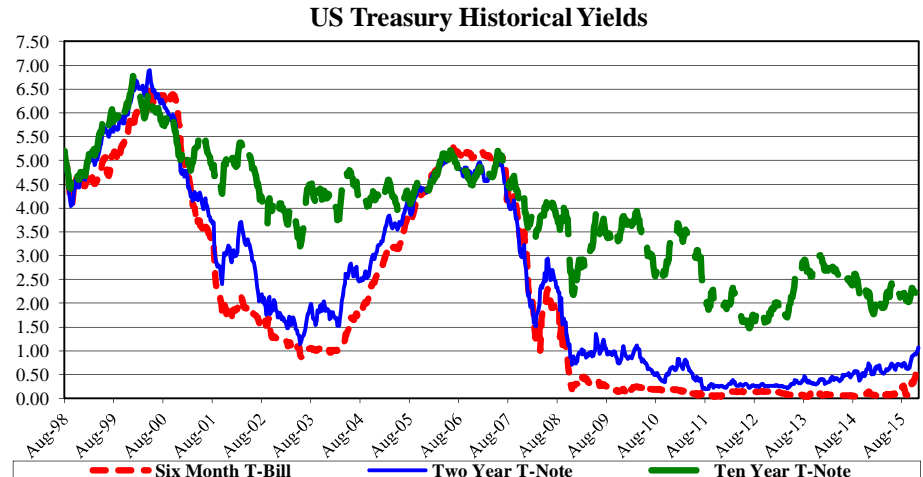
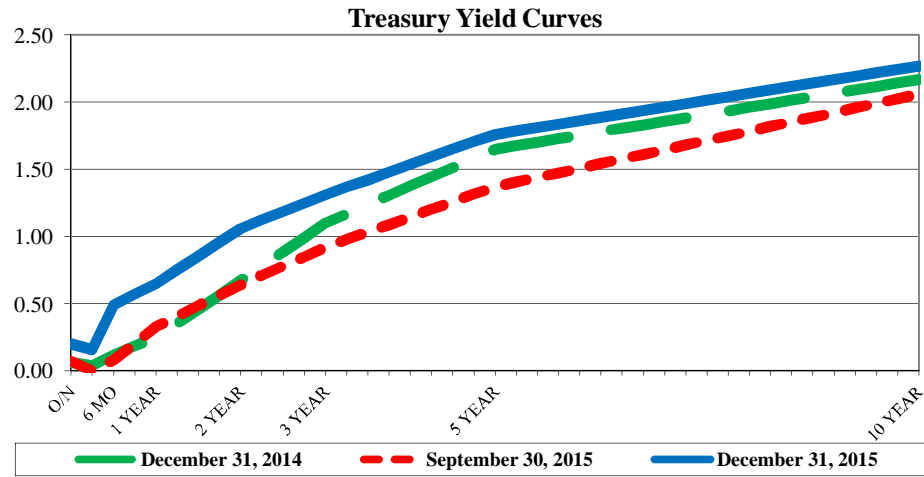
Quarterly Interest Income	\$ 92,005
Year-to-date Interest Income	\$ 92,005

Quarterly Bank Fees Offset	\$ 8,756
Year-to-date Bank Fees Offset	\$ 8,756

(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.

The Federal Open Market Committee (FOMC) raised the Fed Funds target range to 0.25% - 0.50% (actual Fed Funds traded +/-30 bps). The market reacted with higher short to medium term yields. Ten year and longer yields did not increase beyond the current trading range. The December new payroll numbers jumped +292k, with additional positive Oct/Nov adjustments. The Chinese economy and stock market turmoil grabbed international attention. US stock markets dropped in sympathy, but tried to stabilize. Broader international social and economic concerns continue, with the European Central Bank continuing its easing program. Treasury and Agency security yields are attractive for cash-flow based laddering. Although Bank CDs and municipal bonds may still offer the best interest earnings opportunity, if available.



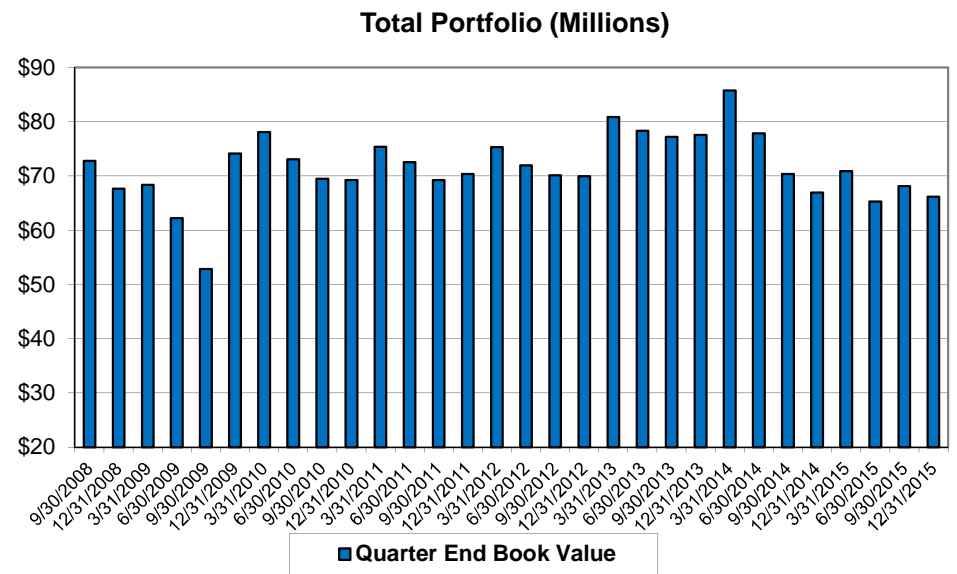
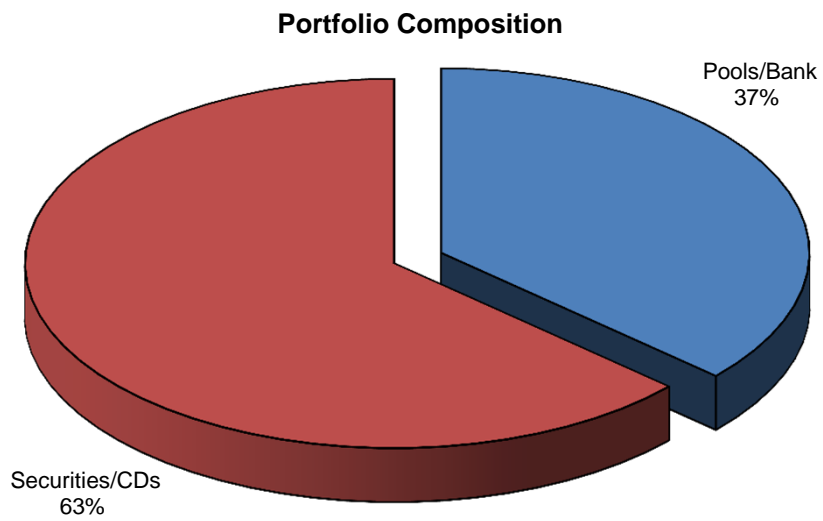
**Detail of Investment Holdings**  
**December 31, 2015**

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash - Pooled (3)		0.49%	01/01/16	12/31/15	\$ 7,041,678	\$ 7,041,678	\$ 7,041,678	1.00	\$ 7,041,678	1	0.49%
NOW		0.50%	01/01/16	12/31/15	10,728,666	10,728,666	10,728,666	1.00	10,728,666	1	0.50%
NOW #2		0.37%	01/01/16	12/31/15	262,119	262,119	262,119	1.00	262,119	1	0.37%
TexPool	AAAm	0.19%	01/01/16	12/31/15	203,988	203,988	203,988	1.00	203,988	1	0.19%
TexSTAR - Bond	AAAm	0.19%	01/01/16	12/31/15	6,002,117	6,002,117	6,002,117	1.00	6,002,117	1	0.19%
Southside Bank CD		0.55%	02/11/16	02/11/14	3,052,675	3,052,675	3,052,675	100.00	3,052,675	42	0.55%
Southside Bank CD		0.58%	05/23/16	05/23/14	3,034,491	3,034,491	3,034,491	100.00	3,034,491	144	0.58%
Southside Bank CD		0.65%	06/27/16	06/25/14	3,049,892	3,049,892	3,049,892	100.00	3,049,892	179	0.65%
Southside Bank CD		0.65%	08/01/16	07/31/14	3,044,764	3,044,764	3,044,764	100.00	3,044,764	214	0.65%
Southside Bank CD		0.65%	08/15/16	08/14/14	3,048,981	3,048,981	3,048,981	100.00	3,048,981	228	0.65%
Southside Bank CD		0.70%	09/19/16	09/19/14	3,064,670	3,064,670	3,064,670	100.00	3,064,670	263	0.70%
Southside Bank CD		0.62%	10/17/16	10/17/14	3,055,058	3,055,058	3,055,058	100.00	3,055,058	291	0.62%
Southside Bank CD		0.75%	11/21/16	11/21/14	3,039,424	3,039,424	3,039,424	100.00	3,039,424	326	0.75%
Southside Bank CD		0.65%	01/20/17	01/20/15	3,014,609	3,014,609	3,014,609	100.00	3,014,609	386	0.65%
BTH Bank CD		0.90%	03/26/17	03/26/15	246,666	246,666	246,666	100.00	246,666	451	0.90%
BTH Bank CDARS		0.90%	03/26/17	03/26/15	2,774,155	2,774,155	2,774,155	100.00	2,774,155	451	0.90%
BTH Bank CDARS		1.05%	05/04/17	08/05/15	3,012,800	3,012,800	3,012,800	100.00	3,012,800	490	1.05%
BTH Bank CDARS		1.20%	08/03/17	08/05/15	3,014,633	3,014,633	3,014,633	100.00	3,014,633	581	1.20%
Wallis State Bank CDARS		1.05%	11/16/17	11/16/15	2,503,078	2,503,078	2,503,078	100.00	2,503,078	686	1.05%
Southside Bank CD		1.12%	01/02/18	12/30/15	3,000,000	3,000,000	3,000,000	100.00	3,000,000	733	1.12%
					<b>\$ 66,194,462</b>	<b>\$ 66,194,462</b>	<b>\$ 66,194,462</b>		<b>\$ 66,194,462</b>	<b>224</b>	<b>0.65%</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.



## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2015			December 31, 2015		
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	Par Value	Book Value
Cash - Pooled	0.49%	01/01/16	\$ 8,452,306	\$ 8,452,306	\$ -	\$ (1,410,628)	\$ 7,041,678	\$ 7,041,678
NOW	0.50%	01/01/16	10,715,036	10,715,036	13,630		10,728,666	10,728,666
NOW #2	0.37%	01/01/16	261,905	261,905	214		262,119	262,119
TexPool	0.19%	01/01/16	203,920	203,920	68		203,988	203,988
TexSTAR - Bond	0.19%	01/01/16	6,000,035	6,000,035	2,082		6,002,117	6,002,117
Southside Bank CD	0.35%	10/21/15	3,032,468	3,032,468		(3,032,468)	-	-
Southside Bank CD	0.52%	12/28/15	3,047,299	3,047,299		(3,047,299)	-	-
Southside Bank CD	0.55%	02/11/16	3,048,449	3,048,449	4,226		3,052,675	3,052,675
Southside Bank CD	0.58%	05/23/16	3,030,061	3,030,061	4,430		3,034,491	3,034,491
Southside Bank CD	0.65%	06/27/16	3,044,958	3,044,958	4,935		3,049,892	3,049,892
Southside Bank CD	0.65%	08/01/16	3,039,783	3,039,783	4,980		3,044,764	3,044,764
Southside Bank CD	0.65%	08/15/16	3,043,994	3,043,994	4,987		3,048,981	3,048,981
Southside Bank CD	0.70%	09/19/16	3,059,331	3,059,331	5,339		3,064,670	3,064,670
Southside Bank CD	0.62%	10/17/16	3,050,291	3,050,291	4,767		3,055,058	3,055,058
Southside Bank CD	0.75%	11/21/16	3,033,689	3,033,689	5,735		3,039,424	3,039,424
Southside Bank CD	0.65%	01/20/17	3,009,678	3,009,678	4,931		3,014,609	3,014,609
BTH Bank CD	0.90%	03/26/17	246,114	246,114	553		246,666	246,666
BTH Bank CDARS	0.90%	03/26/17	2,767,869	2,767,869	6,286		2,774,155	2,774,155
BTH Bank CDARS	1.05%	05/04/17	3,004,837	3,004,837	7,963		3,012,800	3,012,800
BTH Bank CDARS	1.20%	08/03/17	3,005,528	3,005,528	9,104		3,014,633	3,014,633
Wallis State Bank CDARS	1.05%	11/16/17	-	-	2,503,078		2,503,078	2,503,078
Southside Bank CD	1.12%	01/02/18	-	-	3,000,000		3,000,000	3,000,000
<b>TOTAL</b>			<b>\$ 68,097,550</b>	<b>\$ 68,097,550</b>	<b>\$ 5,587,307</b>	<b>\$ (7,490,395)</b>	<b>\$ 66,194,462</b>	<b>\$ 66,194,462</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2015		Qtr to Qtr Change	December 31, 2015	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.49%	01/01/16	\$ 8,452,306	\$ 8,452,306	\$ (1,410,628)	\$ 7,041,678	\$ 7,041,678
NOW	0.50%	01/01/16	10,715,036	10,715,036	13,630	10,728,666	10,728,666
NOW #2	0.37%	01/01/16	261,905	261,905	214	262,119	262,119
TexPool	0.19%	01/01/16	203,920	203,920	68	203,988	203,988
TexSTAR - Bond	0.19%	01/01/16	6,000,035	6,000,035	2,082	6,002,117	6,002,117
Southside Bank CD	0.35%	10/21/15	3,032,468	3,032,468	(3,032,468)	—	—
Southside Bank CD	0.52%	12/28/15	3,047,299	3,047,299	(3,047,299)	—	—
Southside Bank CD	0.55%	02/11/16	3,048,449	3,048,449	4,226	3,052,675	3,052,675
Southside Bank CD	0.58%	05/23/16	3,030,061	3,030,061	4,430	3,034,491	3,034,491
Southside Bank CD	0.65%	06/27/16	3,044,958	3,044,958	4,935	3,049,892	3,049,892
Southside Bank CD	0.65%	08/01/16	3,039,783	3,039,783	4,980	3,044,764	3,044,764
Southside Bank CD	0.65%	08/15/16	3,043,994	3,043,994	4,987	3,048,981	3,048,981
Southside Bank CD	0.70%	09/19/16	3,059,331	3,059,331	5,339	3,064,670	3,064,670
Southside Bank CD	0.62%	10/17/16	3,050,291	3,050,291	4,767	3,055,058	3,055,058
Southside Bank CD	0.75%	11/21/16	3,033,689	3,033,689	5,735	3,039,424	3,039,424
Southside Bank CD	0.65%	01/20/17	3,009,678	3,009,678	4,931	3,014,609	3,014,609
BTH Bank CD	0.90%	03/26/17	246,114	246,114	553	246,666	246,666
BTH Bank CDARS	0.90%	03/26/17	2,767,869	2,767,869	6,286	2,774,155	2,774,155
BTH Bank CDARS	1.05%	05/04/17	3,004,837	3,004,837	7,963	3,012,800	3,012,800
BTH Bank CDARS	1.20%	08/03/17	3,005,528	3,005,528	9,104	3,014,633	3,014,633
Wallis State Bank CDARS	1.05%	11/16/17	—	—	2,503,078	2,503,078	2,503,078
Southside Bank CD	1.12%	01/02/18	—	—	3,000,000	3,000,000	3,000,000
<b>TOTAL</b>			<b>\$ 68,097,550</b>	<b>\$ 68,097,550</b>	<b>\$ (1,903,088)</b>	<b>\$ 66,194,462</b>	<b>\$ 66,194,462</b>

**Cash and Investments by Fund**

		<b>12/31/2015</b>	<b>9/30/2015</b>
General Fund	101	5,766,254	7,008,186
General Capital Projects Fund	102	1,089,442	818,242
Development Services Fund	202	1,446,494	1,588,821
Cemeteries Operating Fund	204	(14,715)	23,720
Forfeitures Fund	205	540,524	609,888
Court Technology Fund	207	217,752	363,418
TIF/TIRZ # 2	209	2,695	2,691
Hotel-Motel Tax Fund	211	3,401,101	3,359,461
Donations Fund	216	337,795	348,718
TIF/TIRZ # 3	218	128,094	128,185
Tyler Tourism & Convention Facilities Fund	219	1,145,546	1,215,478
Half Cent Sales Tax Fund	231	12,507,387	12,446,290
Passenger Facility Fund	234	116,448	116,448
Oil & Natural Gas Fund	235	2,691,177	2,676,679
PEG Fee Fund	236	383,550	333,452
Fair Plaza Fund	240	125,015	130,125
Housing Assistance Fund	276	441,024	545,163
State/Federal Grants Fund	285	(52,916)	(108,642)
Transit System Fund	286	(670,349)	(216,162)
CDBG Grant Fund	294	(87,469)	4,662
HOME Grant Fund	295	7,713	20,000
Utilities Fund	502	3,424,926	3,743,188
Utilities Construction Fund	503	7,062,759	6,398,301
Utilities Debt Service Fund	504	1,440,974	52,890
Utilities Debt Reserve Fund	505	1,493,413	1,492,850
Revenue Bond Series 2008	514	2	2
Revenue Bond Series 2009	516	(2)	(2)
Revenue Bond Series 2015	517	6,002,117	6,000,035
Airport Fund	524	827,671	916,505
Airport Grant Fund	525	(1,269,154)	(1,015,014)
Solid Waste Fund	560	1,073,924	1,698,617
Solid Waste Capital Projects Fund	562	351,119	693,299
Productivity Improvement Fund	639	1,352,222	414,132
Fleet Replacement Fund	640	7,013,957	6,426,918
Prop, Liab, W/C Insurance Fund	650	1,058,884	1,131,796
Employee Benefits Fund	661	384,511	889,466
Prop & Facility Management Fund	663	683,431	498,190
Technology Fund	671	360,274	527,794
Payroll Fund	710	761,130	736,930
Cemetery Trust Fund	713	2,833,912	2,819,095
Landfill Trust Fund	720	2,476,766	2,463,942
Retiree Benefits Fund	761	(371,277)	288,476
Section 125 Trust Fund	772	199,800	196,366
<b>Total</b>		<b>66,683,919</b>	<b>67,788,598</b>



**Allocation**

**December 31, 2015**

<b>Book &amp; Market Value</b>	<b>Security Total</b>	<b>Pooled Funds</b>	<b>Revenue Bond</b>
Cash	\$ 7,041,678	\$ 7,041,678	\$ -
NOW	10,728,666	10,728,666	
NOW #2	262,119	262,119	
TexPool	203,988	203,988	
TexSTAR - Bond	6,002,117	-	6,002,117
02/11/16-Southside Bank CD	3,052,675	3,052,675	
05/23/16-Southside Bank CD	3,034,491	3,034,491	
06/27/16-Southside Bank CD	3,049,892	3,049,892	
08/01/16-Southside Bank CD	3,044,764	3,044,764	
08/15/16-Southside Bank CD	3,048,981	3,048,981	
09/19/16-Southside Bank CD	3,064,670	3,064,670	
10/17/16-Southside Bank CD	3,055,058	3,055,058	
11/21/16-Southside Bank CD	3,039,424	3,039,424	
01/20/17-Southside Bank CD	3,014,609	3,014,609	
03/26/17-BTH Bank CD	246,666	246,666	
03/26/17-BTH Bank CDARS	2,774,155	2,774,155	
05/04/17-BTH Bank CDARS	3,012,800	3,012,800	
08/03/17-BTH Bank CDARS	3,014,633	3,014,633	
11/16/17-Wallis State Bank CDARS	2,503,078	2,503,078	
01/02/18-Southside Bank CD	3,000,000	3,000,000	
<b>Totals</b>	<b>\$ 66,194,462</b>	<b>\$ 60,192,346</b>	<b>\$ 6,002,117</b>

**Allocation**

**September 30, 2015**

<b>Book &amp; Market Value</b>	<b>Security Total</b>	<b>Pooled Funds</b>	<b>Revenue Bond</b>
Cash	\$ 8,452,306	\$ 8,452,306	\$ -
NOW	10,715,036	10,715,036	
NOW #2	261,905	261,905	
TexPool	203,920	203,920	
TexSTAR - Bond	6,000,035	-	6,000,035
10/21/15-Southside Bank CD	3,032,468	3,032,468	
12/28/15-Southside Bank CD	3,047,299	3,047,299	
02/11/16-Southside Bank CD	3,048,449	3,048,449	
05/23/16-Southside Bank CD	3,030,061	3,030,061	
06/27/16-Southside Bank CD	3,044,958	3,044,958	
08/01/16-Southside Bank CD	3,039,783	3,039,783	
08/15/16-Southside Bank CD	3,043,994	3,043,994	
09/19/16-Southside Bank CD	3,059,331	3,059,331	
10/17/16-Southside Bank CD	3,050,291	3,050,291	
11/21/16-Southside Bank CD	3,033,689	3,033,689	
01/20/17-Southside Bank CD	3,009,678	3,009,678	
03/26/17-BTH Bank CD	246,114	246,114	
03/26/17-BTH Bank CDARS	2,767,869	2,767,869	
05/04/17-BTH Bank CDARS	3,004,837	3,004,837	
08/03/17-BTH Bank CDARS	3,005,528	3,005,528	
<b>Totals</b>	<b>\$ 68,097,550</b>	<b>\$ 62,097,515</b>	<b>\$ 6,000,035</b>

### Total Portfolio Performance

