



## INVESTMENT PORTFOLIO SUMMARY

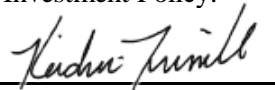
**For the Quarter Ended**

**September 30, 2016**

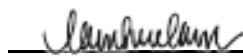
**Prepared by**

**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

  
\_\_\_\_\_  
Treasury Manager

**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.

## Annual Comparison of Portfolio Performance

### FYE Results by Investment Category:

Asset Type	September 30, 2016			September 30, 2015		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Pools/Bank	0.64%	\$ 13,655,475	\$ 13,655,475	0.47%	\$ 19,633,166	\$ 19,633,166
Securities/CDs	0.95%	43,870,663	43,870,663	0.70%	42,464,349	42,464,349
Revenue Bond	0.72%	5,771,991	5,771,991	0.10%	6,000,035	6,000,035
<b>Totals</b>		<b>\$ 63,298,129</b>	<b>\$ 63,298,129</b>		<b>\$ 68,097,550</b>	<b>\$ 68,097,550</b>

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Total Portfolio (1)	0.76%	0.55%	0.21%
Fiscal Year to Date Interest Income	\$448,782	\$336,880	\$111,902
Rolling Three Mo. Treas. Yield	0.25%	0.03%	0.22%
Rolling Six Mo. Treas. Yield	0.37%	0.10%	0.27%
Quarterly TexPool Yield	0.31%	0.06%	0.26%

(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.

## Summary

### Quarter End Results by Investment Category:

Asset Type	Ave. Yield	September 30, 2016		June 30, 2016	
		Book Value	Market Value	Book Value	Market Value
Pools/Bank	0.64%	\$ 13,655,475	\$ 13,655,475	\$ 17,793,942	\$ 17,793,942
Securities/CDs	0.95%	43,870,663	43,870,663	47,957,577	47,957,577
Revenue Bond	0.72%	5,771,991	5,771,991	6,013,539	6,013,539
<b>Totals</b>		<b>\$ 63,298,129</b>	<b>\$ 63,298,129</b>	<b>\$ 71,765,058</b>	<b>\$ 71,765,058</b>

Current Quarter Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.87%	Total Portfolio	0.76%
Rolling Three Mo. Treas. Yield	0.30%	Rolling Three Mo. Treas. Yield	0.25%
Rolling Six Mo. Treas. Yield	0.42%	Rolling Six Mo. Treas. Yield	0.37%
		Quarterly TexPool Yield	0.31%
Quarterly Interest Income	\$ 138,172	Quarterly Bank Fees Offset	\$ 13,187
Year-to-date Interest Income	\$ 448,782	Year-to-date Bank Fees Offset	\$ 44,709

(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.

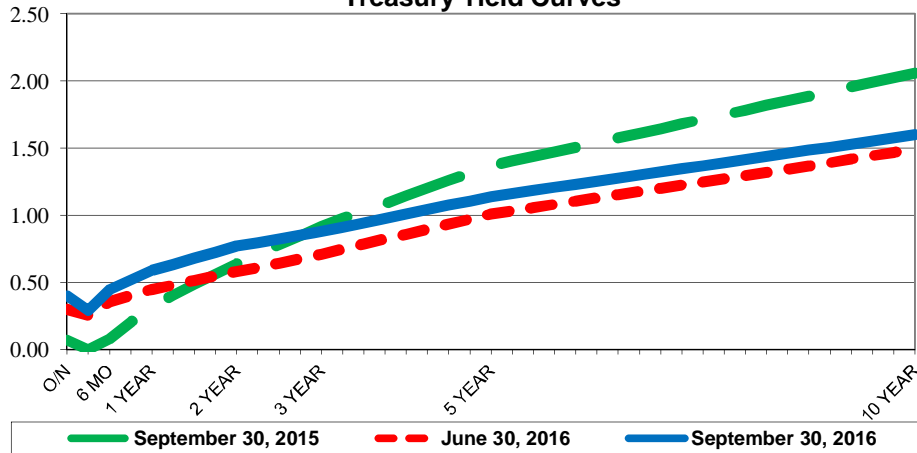
(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

## Economic Overview

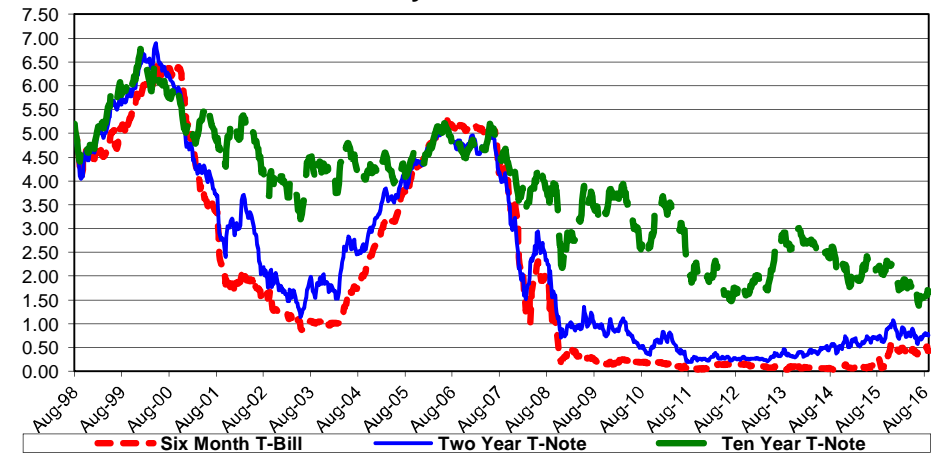
9/30/2016

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range of 0.25% - 0.50% (actual Fed Funds traded +/- 40 bps). The September FOMC meeting recorded dissenting votes for maintaining rates. More hawkish members wanted to raise the range by 0.25%. The current probability of a December FOMC meeting vote to raise the Fed Funds target is +/- 60%. Second Quarter US GDP revised to 1.4% (from 1.1%, no more revision is expected). Other economic data reflected modest, yet inconsistent, growth. The US Stock markets have maintained higher levels. Treasury yields drifted slightly higher on tightening rumors. Taxable municipal bonds or CDs offer the best interest earnings opportunity, if available.

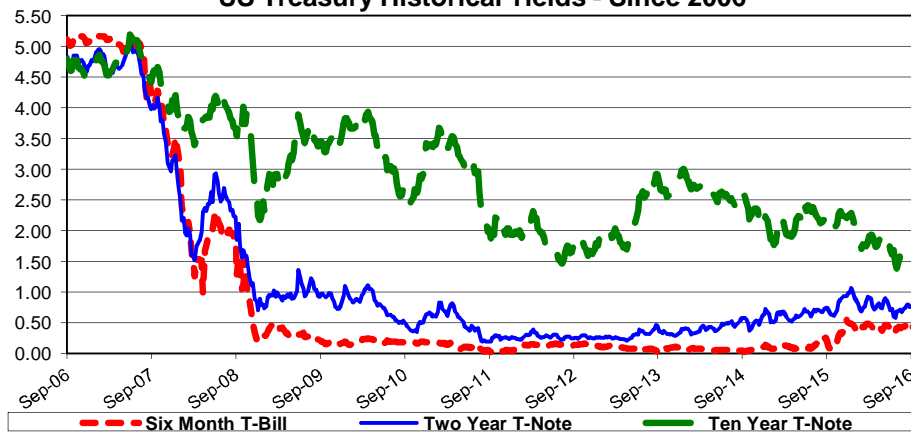
### Treasury Yield Curves



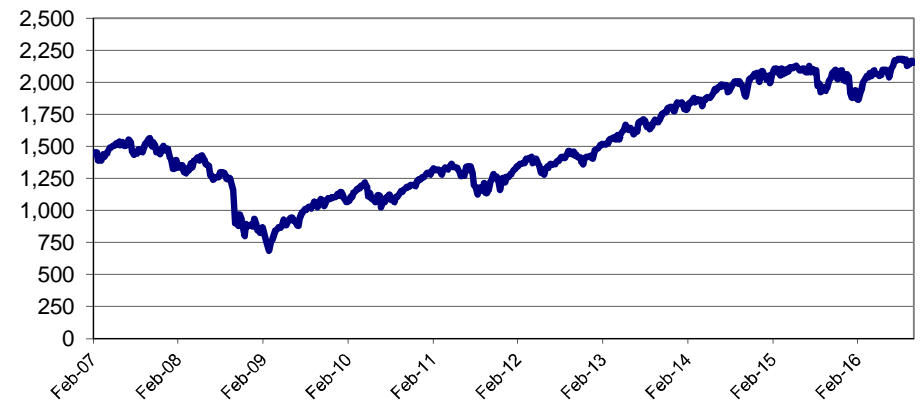
### US Treasury Historical Yields - Since 1998



### US Treasury Historical Yields - Since 2006



### S&P 500



**Investment Holdings**  
**September 30, 2016**

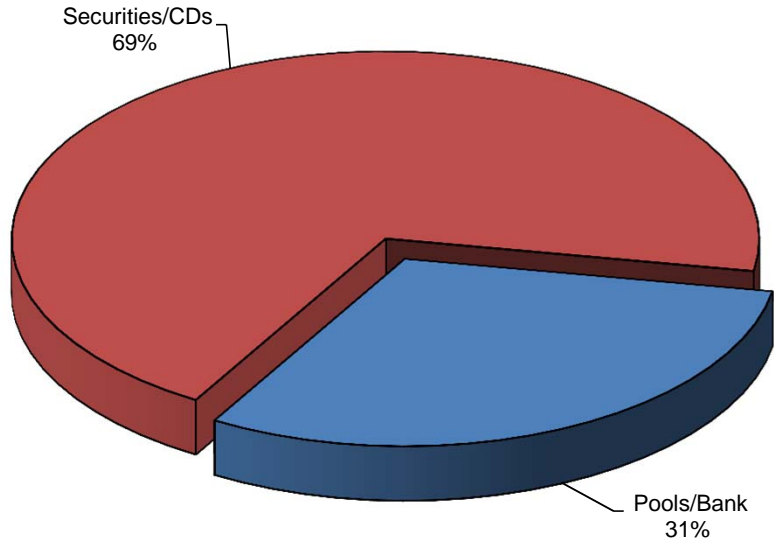
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield	
Cash - Pooled (3)		0.64%	10/01/16	09/30/16	\$ 10,853,000	\$ 10,853,000	\$ 10,853,000	1.00	\$ 10,853,000	1	0.64%	
NOW		0.58%	10/01/16	09/30/16	2,332,874	2,332,874	2,332,874	1.00	2,332,874	1	0.58%	
NOW #2		0.58%	10/01/16	09/30/16	265,092	265,092	265,092	1.00	265,092	1	0.58%	
NOW #3 - Bond		0.58%	10/01/16	09/30/16	449,731	449,731	449,731	1.00	449,731	1	0.58%	
TexPool	AAAm	0.38%	10/01/16	09/30/16	204,509	204,509	204,509	1.00	204,509	1	0.38%	
TexSTAR - Bond	AAAm	0.41%	10/01/16	09/30/16	1,205,514	1,205,514	1,205,514	1.00	1,205,514	1	0.41%	
Southside Bank CD		0.60%	10/06/16	01/06/15	802,395	802,395	802,395	100.00	802,395	6	0.60%	
Southside Bank CD		0.62%	10/17/16	10/17/13	3,069,299	3,069,299	3,069,299	100.00	3,069,299	17	0.62%	
Southside Bank CD		0.75%	11/21/16	11/20/12	3,056,568	3,056,568	3,056,568	100.00	3,056,568	52	0.75%	
Southside Bank CD		0.75%	01/06/17	01/06/15	1,003,743	1,003,743	1,003,743	100.00	1,003,743	98	0.75%	
Southside Bank CD		0.65%	01/20/17	01/20/15	3,029,342	3,029,342	3,029,342	100.00	3,029,342	112	0.65%	
Texas Bank CD		1.00%	02/17/17	05/13/16	2,005,041	2,005,041	2,005,041	100.00	2,005,041	140	1.00%	
BTH Bank CD		0.90%	03/26/17	03/26/15	248,344	248,344	248,344	100.00	248,344	177	0.90%	
BTH Bank CDARS		0.90%	03/26/17	03/26/15	2,792,961	2,792,961	2,792,961	100.00	2,792,961	177	0.90%	
Southside Bank CD		0.85%	04/06/17	01/06/17	1,004,243	1,004,243	1,004,243	100.00	1,004,243	188	0.85%	
LegacyTexas Bank CD		0.85%	04/12/17	07/12/16	2,002,889	2,002,889	2,002,889	100.00	2,002,889	194	0.85%	
BTH Bank CDARS		1.05%	05/04/17	08/05/15	3,036,640	3,036,640	3,036,640	100.00	3,036,640	216	1.05%	
Southside Bank CD		0.95%	07/06/17	01/06/16	904,268	904,268	904,268	100.00	904,268	279	0.95%	
BTH Bank CDARS		1.20%	08/03/17	08/05/15	3,041,912	3,041,912	3,041,912	100.00	3,041,912	307	1.20%	
Southside Bank CD		1.05%	10/06/17	01/06/16	402,097	402,097	402,097	100.00	402,097	371	1.05%	
Wallis State Bank CDARS		1.04%	11/16/17	11/16/15	2,522,783	2,522,783	2,522,783	100.00	2,522,783	412	1.04%	
Southside Bank CD		1.12%	01/02/18	12/30/15	3,025,386	3,025,386	3,025,386	100.00	3,025,386	459	1.12%	
Citizens 1st CD		1.00%	03/01/18	03/01/16	3,012,626	3,012,626	3,012,626	100.00	3,012,626	517	1.00%	
Citizens 1st CD		1.01%	05/11/18	05/11/18	4,010,304	4,010,304	4,010,304	100.00	4,010,304	588	1.01%	
Southside Bank CD		1.06%	05/26/18	05/26/18	3,008,015	3,008,015	3,008,015	100.00	3,008,015	603	1.06%	
BTH Bank CD		1.13%	06/27/18	09/19/18	3,008,553	3,008,553	3,008,553	100.00	3,008,553	635	1.13%	
BTH Bank CD		1.13%	09/19/18	01/00/00	3,000,000	3,000,000	3,000,000	100.00	3,000,000	719	1.13%	
<b>\$ 63,298,129</b>									<b>\$ 63,298,129</b>	<b>\$ 63,298,129</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.

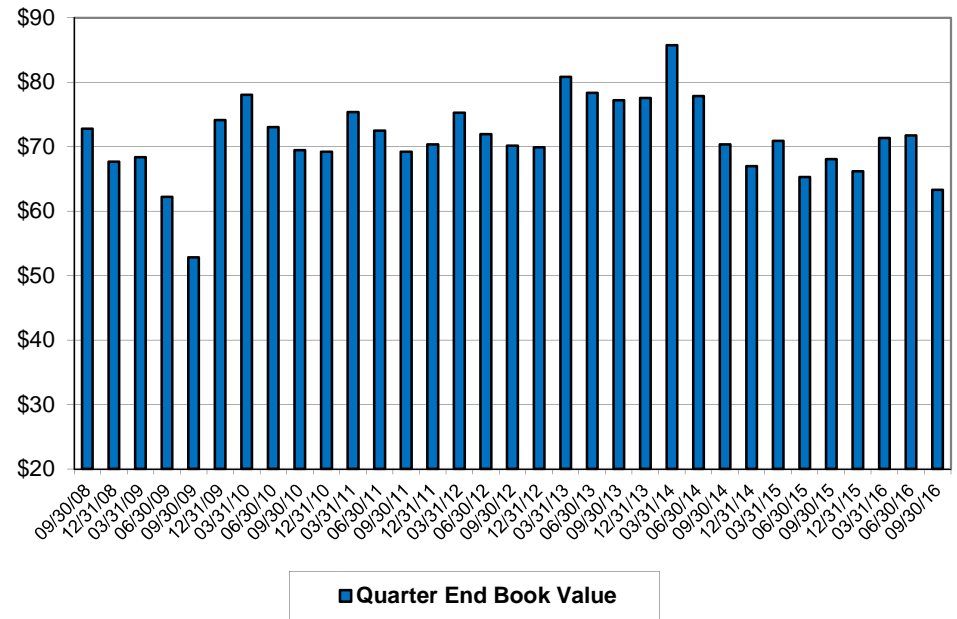
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

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

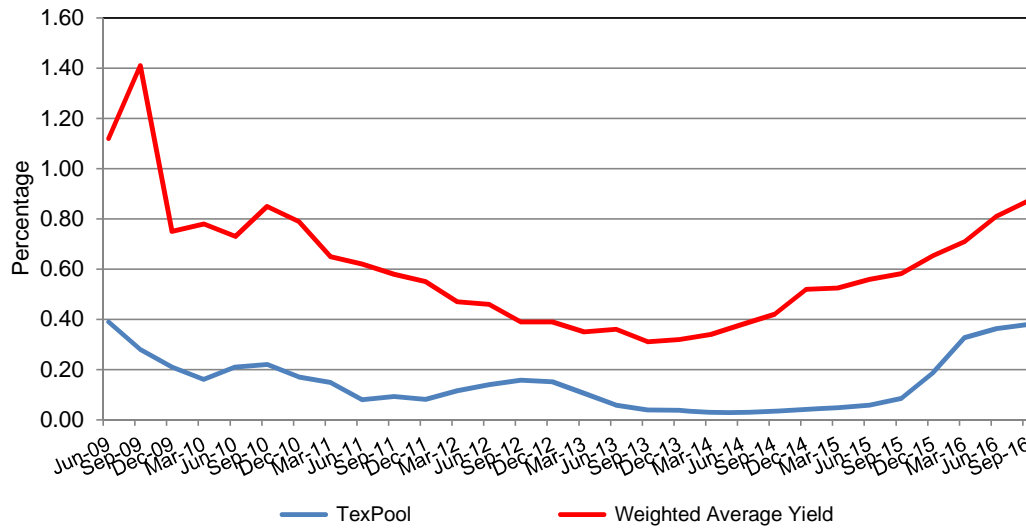
**Portfolio Composition**



**Total Portfolio (Millions)**



**Total Portfolio Performance**



## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2016		Purchases/ Adjustments	Sales/Adjust/ Maturities	September 30, 2016	
			Par Value	Book Value			Par Value	Book Value
Cash - Pooled	0.64%	10/01/16	\$ 7,458,160	\$ 7,458,160	\$ 3,394,840	\$ -	\$ 10,853,000	\$ 10,853,000
NOW	0.58%	10/01/16	9,866,776	9,866,776		(7,533,902)	2,332,874	2,332,874
NOW #2	0.58%	10/01/16	264,690	264,690	402		265,092	265,092
NOW #3 - Bond	0.58%	10/01/16			449,731		449,731	449,731
TexPool	0.38%	10/01/16	204,316	204,316	193		204,509	204,509
TexSTAR - Bond	0.41%	10/01/16	1,204,302	1,204,302	1,212		1,205,514	1,205,514
Southside Bank CD	0.50%	07/06/16	700,873	700,873		(700,873)	-	-
Southside Bank CD	0.65%	08/01/16	3,054,694	3,054,694		(3,054,694)	-	-
Southside Bank CD	0.65%	08/15/16	3,058,871	3,058,871		(3,058,871)	-	-
Southside Bank CD	0.70%	09/19/16	3,075,435	3,075,435		(3,075,435)	-	-
Southside Bank CD	0.60%	10/06/16	801,197	801,197	1,199		802,395	802,395
Southside Bank CD	0.62%	10/17/16	3,064,562	3,064,562	4,737		3,069,299	3,069,299
Southside Bank CD	0.75%	11/21/16	3,050,801	3,050,801	5,767		3,056,568	3,056,568
Southside Bank CD	0.75%	01/06/17	1,001,870	1,001,870	1,873		1,003,743	1,003,743
Southside Bank CD	0.65%	01/20/17	3,024,441	3,024,441	4,901		3,029,342	3,029,342
Texas Bank CD	1.00%	02/17/17	2,000,000	2,000,000	5,041		2,005,041	2,005,041
BTH Bank CD	0.90%	03/26/17	247,781	247,781	563		248,344	248,344
BTH Bank CDARS	0.90%	03/26/17	2,786,633	2,786,633	6,329		2,792,961	2,792,961
Southside Bank CD	0.85%	04/06/17	1,002,119	1,002,119	2,124		1,004,243	1,004,243
LegacyTexas Bank CD	0.85%	04/12/17	-	-	2,002,889		2,002,889	2,002,889
BTH Bank CDARS	1.05%	05/04/17	3,028,615	3,028,615	8,026		3,036,640	3,036,640
Southside Bank CD	0.95%	07/06/17	902,132	902,132	2,137		904,268	904,268
BTH Bank CDARS	1.20%	08/03/17	3,032,725	3,032,725	9,187		3,041,912	3,041,912
Southside Bank CD	1.05%	10/06/17	401,047	401,047	1,050		402,097	402,097
Wallis State Bank CDARS	1.04%	11/16/17	2,516,149	2,516,149	6,633		2,522,783	2,522,783
Southside Bank CD	1.12%	01/02/18	3,016,870	3,016,870	8,517		3,025,386	3,025,386
Citizens 1st CD	1.00%	03/01/18	3,000,000	3,000,000	12,626		3,012,626	3,012,626
Citizens 1st CD	1.01%	05/11/18	4,000,000	4,000,000	10,304		4,010,304	4,010,304
Southside Bank CD	1.06%	05/26/18	3,000,000	3,000,000	8,015		3,008,015	3,008,015
BTH Bank CD	1.13%	06/27/18	3,000,000	3,000,000	8,553		3,008,553	3,008,553
BTH Bank CD	1.13%	09/19/18	-	-	3,000,000		3,000,000	3,000,000
<b>TOTAL</b>			<b>\$ 71,765,058</b>	<b>\$ 71,765,058</b>	<b>\$ 8,956,846</b>	<b>\$ (17,423,775)</b>	<b>\$ 63,298,129</b>	<b>\$ 63,298,129</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2016		Qtr to Qtr Change	September 30, 2016	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.64%	10/01/16	\$ 7,458,160	\$ 7,458,160	\$ 3,394,840	\$ 10,853,000	\$ 10,853,000
NOW	0.58%	10/01/16	9,866,776	9,866,776	(7,533,902)	2,332,874	2,332,874
NOW #2	0.58%	10/01/16	264,690	264,690	402	265,092	265,092
NOW #3 - Bond	0.58%	10/01/16			449,731	449,731	449,731
TexPool	0.38%	10/01/16	204,316	204,316	193	204,509	204,509
TexSTAR - Bond	0.41%	10/01/16	1,204,302	1,204,302	1,212	1,205,514	1,205,514
Southside Bank CD	0.50%	07/06/16	700,873	700,873	(700,873)	—	—
Southside Bank CD	0.65%	08/01/16	3,054,694	3,054,694	(3,054,694)	—	—
Southside Bank CD	0.65%	08/15/16	3,058,871	3,058,871	(3,058,871)	—	—
Southside Bank CD	0.70%	09/19/16	3,075,435	3,075,435	(3,075,435)	—	—
Southside Bank CD	0.60%	10/06/16	801,197	801,197	1,199	802,395	802,395
Southside Bank CD	0.62%	10/17/16	3,064,562	3,064,562	4,737	3,069,299	3,069,299
Southside Bank CD	0.75%	11/21/16	3,050,801	3,050,801	5,767	3,056,568	3,056,568
Southside Bank CD	0.75%	01/06/17	1,001,870	1,001,870	1,873	1,003,743	1,003,743
Southside Bank CD	0.65%	01/20/17	3,024,441	3,024,441	4,901	3,029,342	3,029,342
Texas Bank CD	1.00%	02/17/17	2,000,000	2,000,000	5,041	2,005,041	2,005,041
BTH Bank CD	0.90%	03/26/17	247,781	247,781	563	248,344	248,344
BTH Bank CDARS	0.90%	03/26/17	2,786,633	2,786,633	6,329	2,792,961	2,792,961
Southside Bank CD	0.85%	04/06/17	1,002,119	1,002,119	2,124	1,004,243	1,004,243
LegacyTexas Bank CD	0.85%	04/12/17	—	—	2,002,889	2,002,889	2,002,889
BTH Bank CDARS	1.05%	05/04/17	3,028,615	3,028,615	8,026	3,036,640	3,036,640
Southside Bank CD	0.95%	07/06/17	902,132	902,132	2,137	904,268	904,268
BTH Bank CDARS	1.20%	08/03/17	3,032,725	3,032,725	9,187	3,041,912	3,041,912
Southside Bank CD	1.05%	10/06/17	401,047	401,047	1,050	402,097	402,097
Wallis State Bank CDARS	1.04%	11/16/17	2,516,149	2,516,149	6,633	2,522,783	2,522,783
Southside Bank CD	1.12%	01/02/18	3,016,870	3,016,870	8,517	3,025,386	3,025,386
Citizens 1st CD	1.00%	03/01/18	3,000,000	3,000,000	12,626	3,012,626	3,012,626
Citizens 1st CD	1.01%	05/11/18	4,000,000	4,000,000	10,304	4,010,304	4,010,304
Southside Bank CD	1.06%	05/26/18	3,000,000	3,000,000	8,015	3,008,015	3,008,015
BTH Bank CD	1.13%	06/27/18	3,000,000	3,000,000	8,553	3,008,553	3,008,553
BTH Bank CD	1.13%	09/19/18	—	—	3,000,000	3,000,000	3,000,000
<b>TOTAL</b>			<b>\$ 71,765,058</b>	<b>\$ 71,765,058</b>	<b>\$ (8,466,929)</b>	<b>\$ 63,298,129</b>	<b>\$ 63,298,129</b>



**Allocation**

**September 30, 2016**

<b>Book &amp; Market Value</b>	<b>Security Total</b>	<b>Pooled Funds</b>	<b>Revenue Bond</b>
Cash	\$ 10,853,000	\$ 10,853,000	\$ -
NOW	2,332,874	2,332,874	
NOW #2	265,092	265,092	
NOW #3 - Bond	449,731	-	449,731
TexPool	204,509	204,509	
TexSTAR - Bond	1,205,514		1,205,514
10/06/16–Southside Bank CD	802,395		802,395
10/17/16–Southside Bank CD	3,069,299	3,069,299	
11/21/16–Southside Bank CD	3,056,568	3,056,568	
01/06/17–Southside Bank CD	1,003,743		1,003,743
01/20/17–Southside Bank CD	3,029,342	3,029,342	
02/17/17–Texas Bank CD	2,005,041	2,005,041	
03/26/17–BTH Bank CD	248,344	248,344	
03/26/17–BTH Bank CDARS	2,792,961	2,792,961	
04/06/17–Southside Bank CD	1,004,243		1,004,243
04/12/17–LegacyTexas Bank CD	2,002,889	2,002,889	
05/04/17–BTH Bank CDARS	3,036,640	3,036,640	
07/06/17–Southside Bank CD	904,268		904,268
08/03/17–BTH Bank CDARS	3,041,912	3,041,912	
10/06/17–Southside Bank CD	402,097		402,097
11/16/17–Wallis State Bank CDARS	2,522,783	2,522,783	
01/02/18–Southside Bank CD	3,025,386	3,025,386	
03/01/18–Citizens 1st CD	3,012,626	3,012,626	
05/11/18–Citizens 1st CD	4,010,304	4,010,304	
05/26/18–Southside Bank CD	3,008,015	3,008,015	
06/27/18–BTH Bank CD	3,008,553	3,008,553	
09/19/18–BTH Bank CD	3,000,000	3,000,000	
<b>Totals</b>	<b>\$ 63,298,129</b>	<b>\$ 57,526,138</b>	<b>\$ 5,771,991</b>

**Allocation**

**June 30, 2016**

<b>Book &amp; Market Value</b>	<b>Security Total</b>	<b>Pooled Funds</b>	<b>Revenue Bond</b>
Cash	\$ 7,458,160	\$ 7,458,160	\$ -
NOW	9,866,776	9,866,776	
NOW #2	264,690	264,690	
TexPool	204,316	204,316	
TexSTAR - Bond	1,204,302		1,204,302
07/06/16–Southside Bank CD	700,873		700,873
08/01/16–Southside Bank CD	3,054,694	3,054,694	
08/15/16–Southside Bank CD	3,058,871	3,058,871	
09/19/16–Southside Bank CD	3,075,435	3,075,435	
10/06/16–Southside Bank CD	801,197		801,197
10/17/16–Southside Bank CD	3,064,562	3,064,562	
11/21/16–Southside Bank CD	3,050,801	3,050,801	
01/06/17–Southside Bank CD	1,001,870		1,001,870
01/20/17–Southside Bank CD	3,024,441	3,024,441	
02/17/17–Texas Bank CD	2,000,000	2,000,000	
03/26/17–BTH Bank CD	247,781	247,781	
03/26/17–BTH Bank CDARS	2,786,633	2,786,633	
04/06/17–Southside Bank CD	1,002,119		1,002,119
05/04/17–BTH Bank CDARS	3,028,615	3,028,615	
07/06/17–Southside Bank CD	902,132		902,132
08/03/17–BTH Bank CDARS	3,032,725	3,032,725	
10/06/17–Southside Bank CD	401,047		401,047
11/16/17–Wallis State Bank CDARS	2,516,149	2,516,149	
01/02/18–Southside Bank CD	3,016,870	3,016,870	
03/01/18–Citizens 1st CD	3,000,000	3,000,000	
05/11/18–Citizens 1st CD	4,000,000	4,000,000	
05/26/18–Southside Bank CD	3,000,000	3,000,000	
06/27/18–BTH Bank CD	3,000,000	3,000,000	
<b>Totals</b>	<b>\$ 71,765,058</b>	<b>\$ 65,751,519</b>	<b>\$ 6,013,539</b>

**Cash and Investments by Fund**

		<b>9/30/2016</b>	<b>6/30/2016</b>
General Fund	101	\$ 4,645,616	\$ 8,236,286
General Capital Projects Fund	102	621,822	579,848
Development Services Fund	202	1,522,722	1,602,359
Cemeteries Operating Fund	204	(51,108)	8,725
Forfeitures Fund	205	358,386	329,974
Court Technology Fund	207	259,114	264,441
TIF/TIRZ # 2	209	2,708	2,703
Hotel-Motel Tax Fund	211	3,779,268	3,567,807
Donations Fund	216	497,953	514,742
TIF/TIRZ # 3	218	160,930	162,261
Tyler Tourism & Convention Facilities Fund	219	1,730,619	1,548,736
Half Cent Sales Tax Fund	231	9,930,167	12,096,813
Passenger Facility Fund	234	116,448	116,448
Oil & Natural Gas Fund	235	2,745,834	2,722,041
PEG Fee Fund	236	519,231	459,289
Fair Plaza Fund	240	92,097	97,001
Housing Assistance Fund	276	632,557	508,174
State/Federal Grants Fund	285	(81,536)	(73,451)
Transit System Fund	286	(139,012)	(572,530)
CDBG Grant Fund	294	(83,523)	(79,831)
HOME Grant Fund	295	(210,850)	(50,544)
Utilities Fund	502	5,722,917	3,100,261
Utilities Construction Fund	503	6,478,115	7,128,797
Utilities Debt Service Fund	504	215,915	3,062,538
Utilities Debt Reserve Fund	505	1,493,413	1,493,413
Revenue Bond Series 2008	514	-	2
Revenue Bond Series 2015	517	5,771,991	6,013,539
Airport Fund	524	807,612	870,828
Airport Grant Fund	525	(906,891)	(606,123)
Solid Waste Fund	560	1,748,640	1,195,963
Solid Waste Capital Projects Fund	562	254,065	309,321
Productivity Improvement Fund	639	192,382	912,304
Fleet Replacement Fund	640	4,089,553	5,836,594
Prop, Liab, W/C Insurance Fund	650	1,018,691	926,562
Employee Benefits Fund	661	553,692	(499,020)
Prop & Facility Management Fund	663	594,121	632,220
Technology Fund	671	386,730	312,522
Payroll Fund	710	1,059,495	14,823
Cemetery Trust Fund	713	2,927,581	2,872,206
Landfill Trust Fund	720	2,518,890	2,505,339
Retiree Benefits Fund	761	(245,150)	(751,209)
Section 125 Trust Fund	772	186,289	173,770
<b>Total</b>		<b>\$ 61,917,494</b>	<b>\$ 67,545,945</b>