



## INVESTMENT PORTFOLIO SUMMARY

**For the Quarter Ended**

**December 31, 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.

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

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Chief Financial Officer

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

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Accounting Manager

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

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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.

## Summary

### Quarter End Results by Investment Category:

#### City Funds

Asset Type	Ave. Yield	December 31, 2016		September 30, 2016	
		Book Value	Market Value	Book Value	Market Value
Pools/Bank	0.62%	\$ 14,327,255	\$ 14,327,255	\$ 13,655,475	\$ 13,655,475
Securities/CDs	1.02%	45,847,347	45,847,347	43,870,663	43,870,663
<b>Totals</b>		<b>\$ 60,174,602</b>	<b>\$ 60,174,602</b>	<b>\$ 57,526,138</b>	<b>\$ 57,526,138</b>

#### Current Quarter Average Yield (1)

Total Portfolio 0.93%

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

Total Portfolio 0.93%

Quarterly Interest Income \$ 131,425  
 Year-to-date Interest Income \$ 131,425

Quarterly Bank Fees Offset \$ 13,043  
 Year-to-date Bank Fees Offset \$ 13,043

#### Revenue Bond

Asset Type	Ave. Yield	December 31, 2016		September 30, 2016	
		Book Value	Market Value	Book Value	Market Value
Pools/Bank	0.58%	\$ 2,716,140	\$ 2,716,140	\$ 1,655,246	\$ 1,655,246
Securities/CDs	0.87%	3,321,630	3,321,630	4,116,746	4,116,746
<b>Totals</b>		<b>\$ 6,037,770</b>	<b>\$ 6,037,770</b>	<b>\$ 5,771,991</b>	<b>\$ 5,771,991</b>

#### Current Quarter Average Yield (1)

Total Portfolio 0.74%

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

Total Portfolio 0.74%

Quarterly Interest Income \$ 8,492  
 Year-to-date Interest Income \$ 8,492

#### Total Portfolio

#### Current Quarter Average Yield (1)

Total Portfolio 0.91%

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

Total Portfolio 0.91%

Rolling Three Mo. Treas. Yield 0.43%  
 Rolling Six Mo. Treas. Yield 0.50%

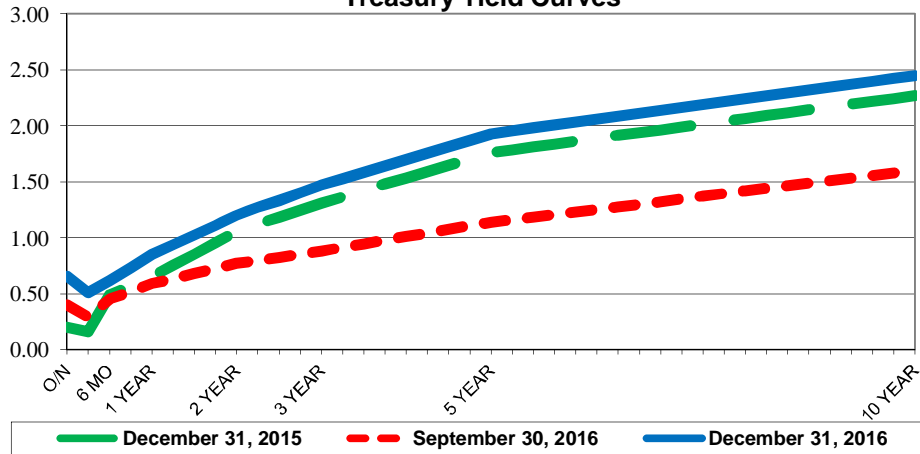
Rolling Three Mo. Treas. Yield 0.43%  
 Rolling Six Mo. Treas. Yield 0.50%  
 Quarterly TexPool Yield 0.46%

(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.

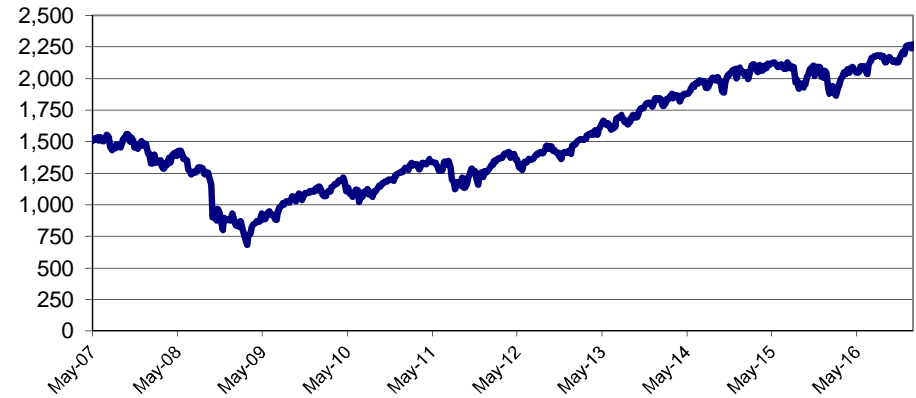
(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

The Federal Open Market Committee (FOMC) raised the Fed Funds target range to 0.50% - 0.75% (actual Fed Funds currently trading +/-65 bps). The FOMC also projected the possibility of three additional increases during 2017. Third Quarter US GDP revised up to 3.5%. Other economic data recorded mixed results. December Non Farm Payroll Employment provided 156,000 new jobs. The US Stock markets recorded record highs. Treasury yields peaked and settled slightly lower. When available, CD and Taxable Municipal yields generally exceed government securities. The banks' reactions to recent market movements will determine if MMAs and CDs continue to be attractive.

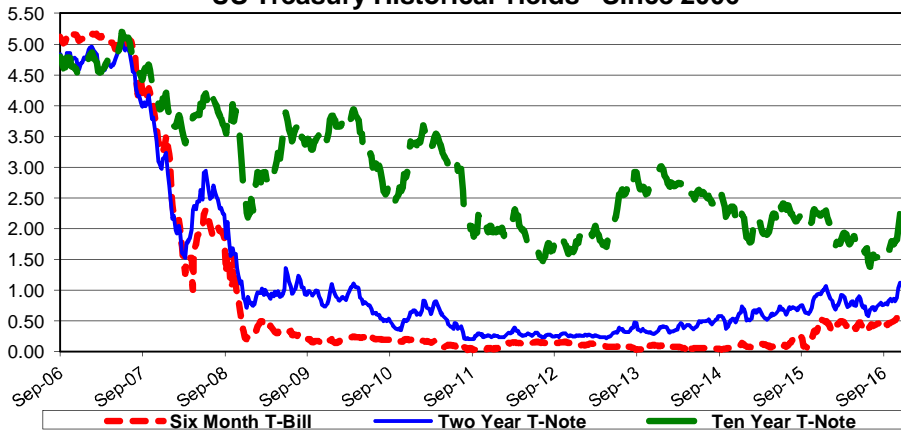
Treasury Yield Curves



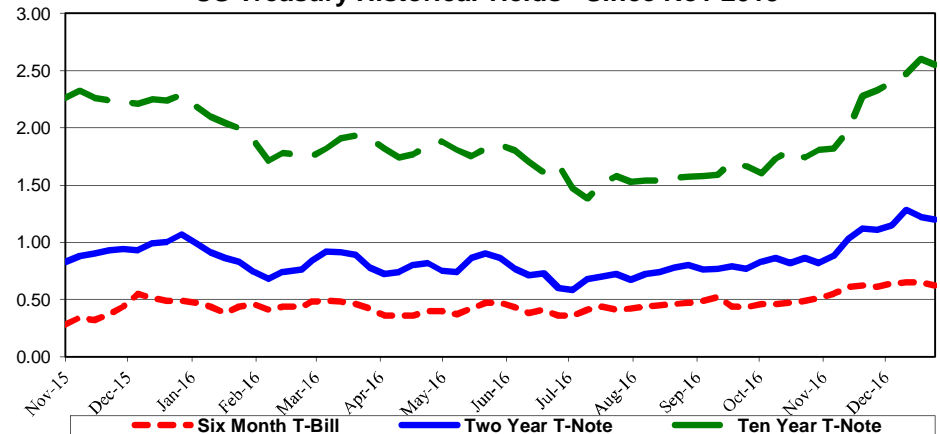
S&P 500



US Treasury Historical Yields - Since 2006



US Treasury Historical Yields - Since Nov 2015



## Investment Holdings

December 31, 2016

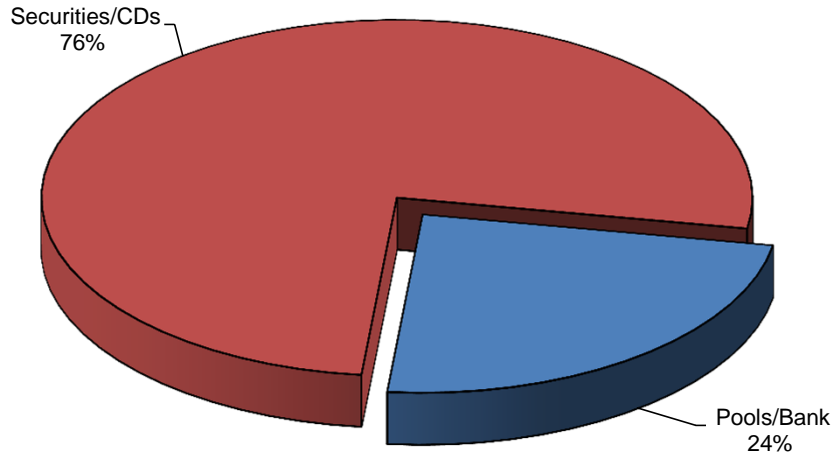
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
<b>City Funds</b>											
Cash - Pooled (3)		0.60%	01/01/17	12/31/16	\$ 9,134,847	\$ 9,134,847	\$ 9,134,847	1.00	\$ 9,134,847	1	0.60%
NOW		0.65%	01/01/17	12/31/16	4,987,686	4,987,686	4,987,686	1.00	4,987,686	1	0.65%
TexPool	AAAm	0.46%	01/01/17	12/31/16	204,722	204,722	204,722	1.00	204,722	1	0.46%
Southside Bank CD		0.65%	01/20/17	01/20/15	3,034,305	3,034,305	3,034,305	100.00	3,034,305	20	0.65%
Texas Bank CD		1.00%	02/17/17	05/13/16	2,010,095	2,010,095	2,010,095	100.00	2,010,095	48	1.00%
BTH Bank CDARS		0.90%	03/23/17	03/26/15	2,799,305	2,799,305	2,799,305	100.00	2,799,305	82	0.90%
BTH Bank CD		0.90%	03/26/17	03/26/15	248,902	248,902	248,902	100.00	248,902	85	0.90%
LegacyTexas Bank CD		0.85%	04/12/17	07/12/16	2,007,136	2,007,136	2,007,136	100.00	2,007,136	102	0.85%
BTH Bank CDARS		1.05%	05/04/17	08/05/15	3,044,687	3,044,687	3,044,687	100.00	3,044,687	124	1.05%
BTH Bank CDARS		1.20%	08/03/17	08/05/15	3,051,126	3,051,126	3,051,126	100.00	3,051,126	215	1.20%
Herring Bank		0.95%	10/27/17	10/27/16	2,003,422	2,003,422	2,003,422	100.00	2,003,422	300	0.95%
Wallis State Bank CDARS		1.04%	11/16/17	11/16/15	2,529,433	2,529,433	2,529,433	100.00	2,529,433	320	1.04%
Southside Bank CD		1.12%	01/02/18	12/30/15	3,033,834	3,033,834	3,033,834	100.00	3,033,834	367	1.12%
Citizens 1st CD		1.00%	03/01/18	03/01/16	3,020,242	3,020,242	3,020,242	100.00	3,020,242	425	1.00%
Citizens 1st CD		1.01%	05/11/18	05/11/18	4,020,412	4,020,412	4,020,412	100.00	4,020,412	496	1.01%
Southside Bank CD		1.06%	05/26/18	05/26/18	3,016,052	3,016,052	3,016,052	100.00	3,016,052	511	1.06%
BTH Bank CD		1.13%	06/27/18	06/27/18	3,017,037	3,017,037	3,017,037	100.00	3,017,037	543	1.13%
BTH Bank CD		1.13%	09/19/18	09/19/18	3,008,483	3,008,483	3,008,483	100.00	3,008,483	627	1.13%
CD-Southside		1.02%	10/17/18	10/17/18	3,000,000	3,000,000	3,000,000	100.00	3,000,000	655	1.02%
BTH Bank CD		1.15%	11/23/18	11/23/18	3,002,875	3,002,875	3,002,875	100.00	3,002,875	692	1.15%
<b>City Funds - Sub Total</b>					<b>\$ 60,174,602</b>	<b>\$ 60,174,602</b>	<b>\$ 60,174,602</b>		<b>\$ 60,174,602</b>	<b>275</b>	<b>0.93%</b>
										<b>(1)</b>	<b>(2)</b>
<b>Revenue Bond</b>											
NOW #2		0.65%	01/01/17	12/31/16	1,509,292	1,509,292	1,509,292	1.00	1,509,292	1	0.65%
TexSTAR - Bond	AAAm	0.48%	01/01/17	12/31/16	\$ 1,206,848	\$ 1,206,848	\$ 1,206,848	1.00	\$ 1,206,848	1	0.48%
Southside Bank CD		0.75%	01/06/17	01/06/15	1,005,641	1,005,641	1,005,641	100.00	1,005,641	6	0.75%
Southside Bank CD		0.85%	04/06/17	01/06/17	1,006,394	1,006,394	1,006,394	100.00	1,006,394	96	0.85%
Southside Bank CD		0.95%	07/06/17	01/06/16	906,434	906,434	906,434	100.00	906,434	187	0.95%
Southside Bank CD		1.05%	10/06/17	01/06/16	403,161	403,161	403,161	100.00	403,161	279	1.05%
<b>Revenue Bond - Sub Total</b>					<b>\$ 6,037,770</b>	<b>\$ 6,037,770</b>	<b>\$ 6,037,770</b>		<b>\$ 6,037,770</b>	<b>64</b>	<b>0.74%</b>
										<b>(1)</b>	<b>(2)</b>
<b>Total Portfolio</b>					<b>\$ 66,212,373</b>	<b>\$ 66,212,373</b>	<b>\$ 66,212,373</b>		<b>\$ 66,212,373</b>	<b>256</b>	<b>0.91%</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.

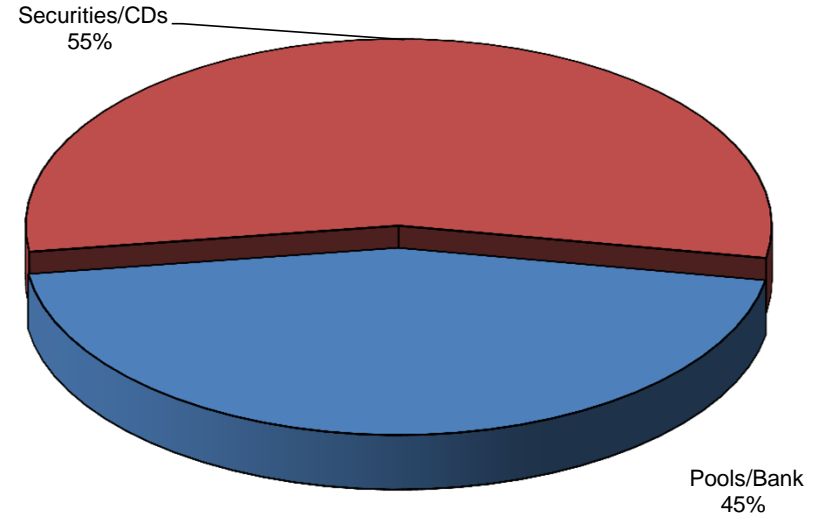
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and bank account investments.

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

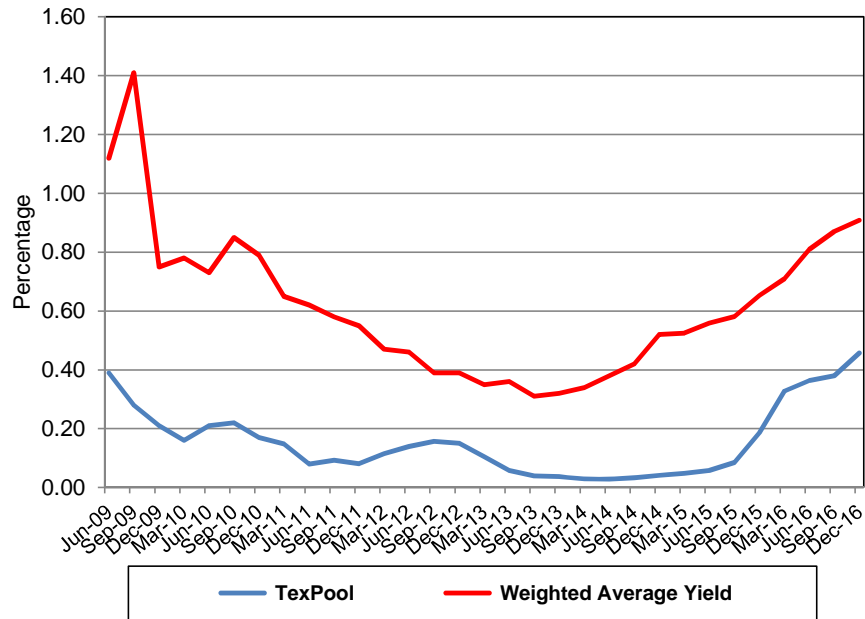
**Portfolio Composition - City Funds**



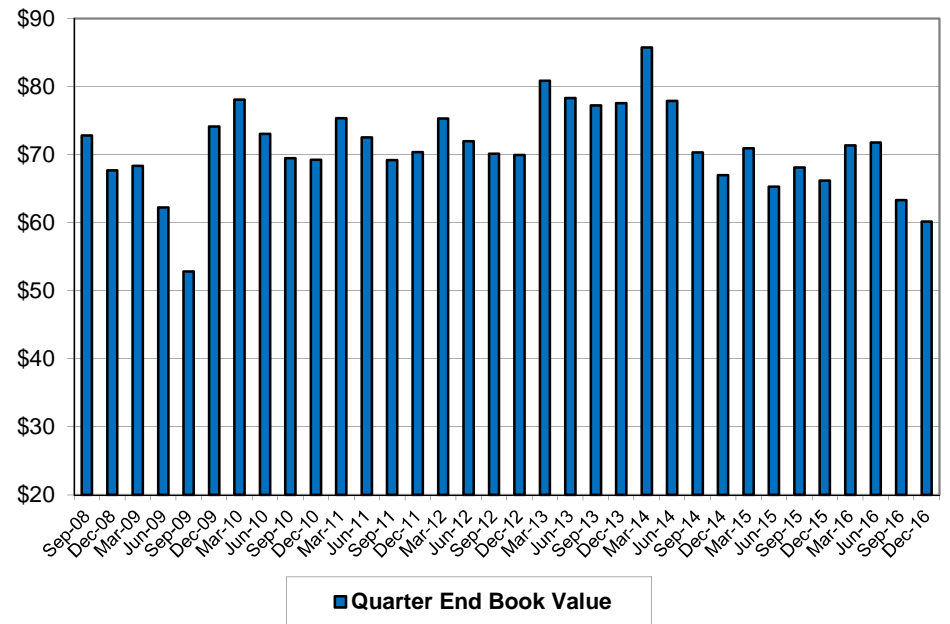
**Portfolio Composition - Revenue Bond**



**Total Portfolio Performance**



**Total Portfolio (Millions)**



## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2016			December 31, 2016		
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	Par Value	Book Value
Cash - Pooled	0.60%	01/01/17	\$10,853,000	\$10,853,000	\$ -	\$ (1,718,153)	\$ 9,134,847	\$ 9,134,847
NOW	0.65%	01/01/17	2,332,874	2,332,874	2,654,812		4,987,686	4,987,686
NOW #2	0.65%	01/01/17	265,092	265,092	1,244,201		1,509,292	1,509,292
NOW #3 - Bond	0.00%	01/01/17	449,731	449,731		(449,731)	-	-
TexPool	0.46%	01/01/17	204,509	204,509	213		204,722	204,722
TexSTAR - Bond	0.48%	01/01/17	1,205,514	1,205,514	1,334		1,206,848	1,206,848
Southside Bank CD	0.60%	10/06/16	802,395	802,395		(802,395)	-	-
Southside Bank CD	0.62%	10/17/16	3,069,299	3,069,299		(3,069,299)	-	-
Southside Bank CD	0.75%	11/21/16	3,056,568	3,056,568		(3,056,568)	-	-
Southside Bank CD	0.75%	01/06/17	1,003,743	1,003,743	1,897		1,005,641	1,005,641
Southside Bank CD	0.65%	01/20/17	3,029,342	3,029,342	4,963		3,034,305	3,034,305
Texas Bank CD	1.00%	02/17/17	2,005,041	2,005,041	5,054		2,010,095	2,010,095
BTH Bank CDARS	0.90%	03/23/17	2,792,961	2,792,961	6,343		2,799,305	2,799,305
BTH Bank CD	0.90%	03/26/17	248,344	248,344	558		248,902	248,902
Southside Bank CD	0.85%	04/06/17	1,004,243	1,004,243	2,152		1,006,394	1,006,394
LegacyTexas Bank CD	0.85%	04/12/17	2,002,889	2,002,889	4,247		2,007,136	2,007,136
BTH Bank CDARS	1.05%	05/04/17	3,036,640	3,036,640	8,047		3,044,687	3,044,687
Southside Bank CD	0.95%	07/06/17	904,268	904,268	2,165		906,434	906,434
BTH Bank CDARS	1.20%	08/03/17	3,041,912	3,041,912	9,215		3,051,126	3,051,126
Southside Bank CD	1.05%	10/06/17	402,097	402,097	1,064		403,161	403,161
Herring Bank	0.95%	10/27/17	-	-	2,003,422		2,003,422	2,003,422
Wallis State Bank CDARS	1.04%	11/16/17	2,522,783	2,522,783	6,651		2,529,433	2,529,433
Southside Bank CD	1.12%	01/02/18	3,025,386	3,025,386	8,448		3,033,834	3,033,834
Citizens 1st CD	1.00%	03/01/18	3,012,626	3,012,626	7,616		3,020,242	3,020,242
Citizens 1st CD	1.01%	05/11/18	4,010,304	4,010,304	10,108		4,020,412	4,020,412
Southside Bank CD	1.06%	05/26/18	3,008,015	3,008,015	8,037		3,016,052	3,016,052
BTH Bank CD	1.13%	06/27/18	3,008,553	3,008,553	8,484		3,017,037	3,017,037
BTH Bank CD	1.13%	09/19/18	3,000,000	3,000,000	8,483		3,008,483	3,008,483
CD-Southside	1.02%	10/17/18	-	-	3,000,000		3,000,000	3,000,000
BTH Bank CD	1.15%	11/23/18	-	-	3,002,875		3,002,875	3,002,875
<b>TOTAL</b>			<b>\$ 63,298,129</b>	<b>\$ 63,298,129</b>	<b>\$ 12,010,389</b>	<b>\$ (9,096,146)</b>	<b>\$ 66,212,373</b>	<b>\$ 66,212,373</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2016		Qtr to Qtr Change	December 31, 2016	
			Par Value	Market Value		Par Value	Market Value
Cash - Pooled	0.60%	01/01/17	\$ 10,853,000	\$ 10,853,000	\$ (1,718,153)	\$ 9,134,847	\$ 9,134,847
NOW	0.65%	01/01/17	2,332,874	2,332,874	2,654,812	4,987,686	4,987,686
NOW #2	0.65%	01/01/17	265,092	265,092	1,244,201	1,509,292	1,509,292
NOW #3 - Bond	0.00%	01/01/17	449,731	449,731	(449,731)	—	—
TexPool	0.46%	01/01/17	204,509	204,509	213	204,722	204,722
TexSTAR - Bond	0.48%	01/01/17	1,205,514	1,205,514	1,334	1,206,848	1,206,848
Southside Bank CD	0.60%	10/06/16	802,395	802,395	(802,395)	—	—
Southside Bank CD	0.62%	10/17/16	3,069,299	3,069,299	(3,069,299)	—	—
Southside Bank CD	0.75%	11/21/16	3,056,568	3,056,568	(3,056,568)	—	—
Southside Bank CD	0.75%	01/06/17	1,003,743	1,003,743	1,897	1,005,641	1,005,641
Southside Bank CD	0.65%	01/20/17	3,029,342	3,029,342	4,963	3,034,305	3,034,305
Texas Bank CD	1.00%	02/17/17	2,005,041	2,005,041	5,054	2,010,095	2,010,095
BTH Bank CDARS	0.90%	03/23/17	2,792,961	2,792,961	6,343	2,799,305	2,799,305
BTH Bank CD	0.90%	03/26/17	248,344	248,344	558	248,902	248,902
Southside Bank CD	0.85%	04/06/17	1,004,243	1,004,243	2,152	1,006,394	1,006,394
LegacyTexas Bank CD	0.85%	04/12/17	2,002,889	2,002,889	4,247	2,007,136	2,007,136
BTH Bank CDARS	1.05%	05/04/17	3,036,640	3,036,640	8,047	3,044,687	3,044,687
Southside Bank CD	0.95%	07/06/17	904,268	904,268	2,165	906,434	906,434
BTH Bank CDARS	1.20%	08/03/17	3,041,912	3,041,912	9,215	3,051,126	3,051,126
Southside Bank CD	1.05%	10/06/17	402,097	402,097	1,064	403,161	403,161
Herring Bank	0.95%	10/27/17	—	—	2,003,422	2,003,422	2,003,422
Wallis State Bank CDARS	1.04%	11/16/17	2,522,783	2,522,783	6,651	2,529,433	2,529,433
Southside Bank CD	1.12%	01/02/18	3,025,386	3,025,386	8,448	3,033,834	3,033,834
Citizens 1st CD	1.00%	03/01/18	3,012,626	3,012,626	7,616	3,020,242	3,020,242
Citizens 1st CD	1.01%	05/11/18	4,010,304	4,010,304	10,108	4,020,412	4,020,412
Southside Bank CD	1.06%	05/26/18	3,008,015	3,008,015	8,037	3,016,052	3,016,052
BTH Bank CD	1.13%	06/27/18	3,008,553	3,008,553	8,484	3,017,037	3,017,037
BTH Bank CD	1.13%	09/19/18	3,000,000	3,000,000	8,483	3,008,483	3,008,483
CD-Southside	1.02%	10/17/18	—	—	3,000,000	3,000,000	3,000,000
BTH Bank CD	1.15%	11/23/18	—	—	3,002,875	3,002,875	3,002,875
<b>TOTAL</b>			<b>\$ 63,298,129</b>	<b>\$ 63,298,129</b>	<b>\$ 2,914,243</b>	<b>\$ 66,212,373</b>	<b>\$ 66,212,373</b>

**Allocation**

**December 31, 2016**

<b>Book &amp; Market Value</b>	<b>Security Total</b>	<b>Pooled Funds</b>	<b>Revenue Bond</b>
Cash	\$ 9,134,847	\$ 9,134,847	\$ -
NOW	4,987,686	4,987,686	
NOW #2	1,509,292		1,509,292
TexPool	204,722	204,722	
TexSTAR - Bond	1,206,848		1,206,848
01/06/17–Southside Bank CD	1,005,641		1,005,641
01/20/17–Southside Bank CD	3,034,305	3,034,305	
02/17/17–Texas Bank CD	2,010,095	2,010,095	
03/23/17–BTH Bank CDARS	2,799,305	2,799,305	
03/26/17–BTH Bank CD	248,902	248,902	
04/06/17–Southside Bank CD	1,006,394		1,006,394
04/12/17–LegacyTexas Bank CD	2,007,136	2,007,136	
05/04/17–BTH Bank CDARS	3,044,687	3,044,687	
07/06/17–Southside Bank CD	906,434		906,434
08/03/17–BTH Bank CDARS	3,051,126	3,051,126	
10/06/17–Southside Bank CD	403,161		403,161
10/27/17–Herring Bank	2,003,422	2,003,422	
11/16/17–Wallis State Bank CDARS	2,529,433	2,529,433	
01/02/18–Southside Bank CD	3,033,834	3,033,834	
03/01/18–Citizens 1st CD	3,020,242	3,020,242	
05/11/18–Citizens 1st CD	4,020,412	4,020,412	
05/26/18–Southside Bank CD	3,016,052	3,016,052	
06/27/18–BTH Bank CD	3,017,037	3,017,037	
09/19/18–BTH Bank CD	3,008,483	3,008,483	
10/17/18–CD-Southside	3,000,000	3,000,000	
11/23/18–BTH Bank CD	3,002,875	3,002,875	
<b>Totals</b>	<b>\$ 66,212,373</b>	<b>\$ 60,174,602</b>	<b>\$ 6,037,770</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	
03/23/17-BTH Bank CDARS	2,792,961	2,792,961	
03/26/17-BTH Bank CD	248,344	248,344	
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>

**Cash and Investments by Fund**

		12/31/2016	9/30/2016
General Fund	101	\$ 8,684,008	\$ 4,645,616
General Capital Projects Fund	102	267,888	621,822
Development Services Fund	202	1,527,856	1,522,722
Cemeteries Operating Fund	204	(25,619)	(51,108)
Forfeitures Fund	205	341,389	358,386
Court Technology Fund	207	222,926	259,114
TIF/TIRZ # 2	209	2,714	2,708
Hotel-Motel Tax Fund	211	3,852,787	3,779,268
Donations Fund	216	530,134	497,953
TIF/TIRZ # 3	218	171,120	160,930
Tyler Tourism & Convention Facilities Fund	219	1,550,634	1,730,619
Half Cent Sales Tax Fund	231	10,109,484	9,930,167
Passenger Facility Fund	234	(9,724)	116,448
Oil & Natural Gas Fund	235	2,760,722	2,745,834
PEG Fee Fund	236	584,233	519,231
Fair Plaza Fund	240	100,720	92,097
Housing Assistance Fund	276	1,263,335	632,557
State/Federal Grants Fund	285	(179,996)	(81,536)
Transit System Fund	286	(257,737)	(139,012)
CDBG Grant Fund	294	(183,381)	(83,523)
HOME Grant Fund	295	(207,248)	(210,850)
Utilities Fund	502	7,478,097	5,722,917
Utilities Construction Fund	503	4,050,709	6,478,115
Utilities Debt Service Fund	504	1,566,176	215,915
Utilities Debt Reserve Fund	505	1,494,161	1,493,413
Revenue Bond Series 2015	517	5,758,004	5,771,991
Airport Fund	524	759,071	807,612
Airport Grant Fund	525	(2,017,653)	(906,891)
Solid Waste Fund	560	913,501	1,748,640
Solid Waste Capital Projects Fund	562	171,267	254,065
Productivity Improvement Fund	639	65,343	192,382
Fleet Replacement Fund	640	7,145,321	4,089,553
Prop, Liab, W/C Insurance Fund	650	735,198	1,018,691
Employee Benefits Fund	661	(90,835)	553,692
Prop & Facility Management Fund	663	967,264	594,121
Technology Fund	671	365,571	386,730
Payroll Fund	710	12,440	1,059,495
Cemetery Trust Fund	713	2,932,719	2,927,581
Landfill Trust Fund	720	2,533,569	2,518,890
Retiree Benefits Fund	761	(589,572)	(245,150)
Section 125 Trust Fund	772	193,777	186,289
<b>Total</b>		<b>\$ 65,550,373</b>	<b>\$ 61,917,494</b>