INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 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.

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.

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). Although the domestic employment and economic conditions reflect moderate growth, longer term uncertainty and international conditions influenced the FOMC to delay "lift-off." The US stock markets retrenched from their peaks, but seem to have stabilized. International military conflicts require ongoing concern. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity.

FYE Results by Investment Category:

	September 30, 2015			September 30, 2014		
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Ave. Yield**	**Book Value**	**Market Value**
Pools/Bank	0.47%	$ 19,633,166	$ 19,633,166	0.30%	$ 29,728,399	$ 29,728,399
Securities/CDs	0.70%	42,464,349	42,464,349	0.52%	38,945,866	38,945,866
Revenue Bond	0.10%	6,000,035	6,000,035	0.03%	1,663,339	1,663,339
Totals		**$ 68,097,550**	**$ 68,097,550**		**$ 70,337,604**	**$ 70,337,604**

	2015	2014	Change
Total Portfolio (1)	0.55%	0.42%	0.13%
Rolling Three Mo. Treas. Yield	0.03%	0.03%	0.00%
Rolling Six Mo. Treas. Yield	0.10%	0.05%	0.04%
Quarterly TexPool Yield	0.06%	0.03%	0.02%

(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, 2015 Book Value	September 30, 2015 Market Value	June 30, 2015 Book Value	June 30, 2015 Market Value
Pools/Bank	0.47%	$ 19,633,166	$ 19,633,166	$ 23,218,554	$ 23,218,554
Securities/CDs	0.70%	42,464,349	42,464,349	42,090,064	42,090,064
Revenue Bond	0.10%	6,000,035	6,000,035	–	–
Totals		**$ 68,097,550**	**$ 68,097,550**	**$ 65,308,617**	**$ 65,308,617**

Current Quarter Average Yield (1)

Total Portfolio	0.58%
Rolling Three Mo. Treas. Yield	0.04%
Rolling Six Mo. Treas. Yield	0.13%
Quarterly Interest Income	$ 89,719
Year-to-date Interest Income	$ 336,880

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	0.55%
Rolling Three Mo. Treas. Yield	0.03%
Rolling Six Mo. Treas. Yield	0.10%
Quarterly TexPool Yield	0.06%
Quarterly Bank Fees Offset	$ 8,982
Year-to-date Bank Fees Offset	$ 34,744

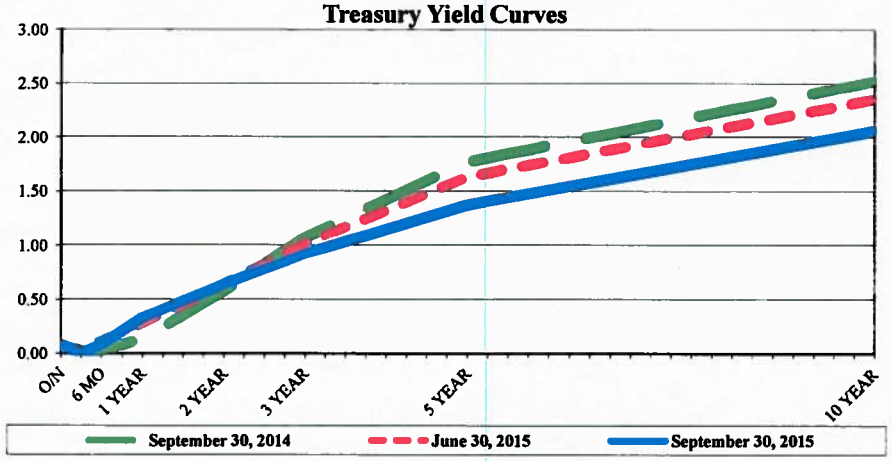
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

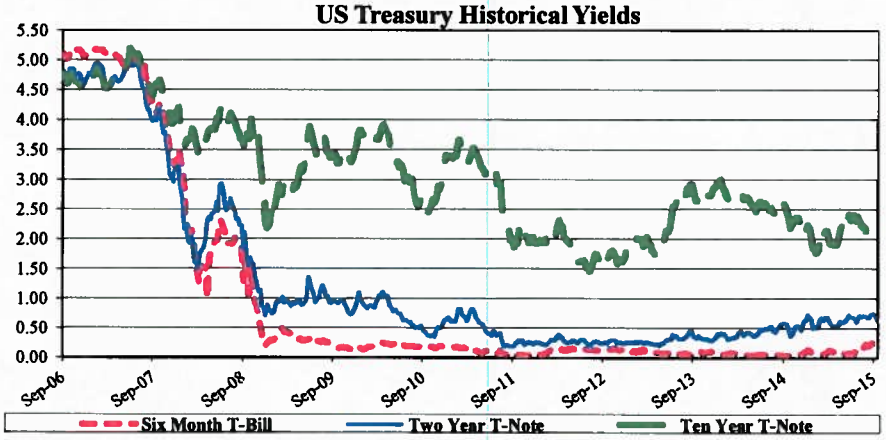
(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

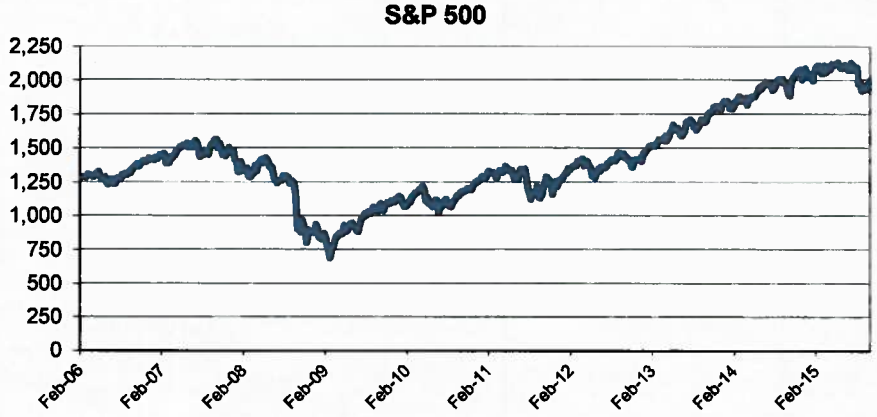
Economic Overview

9/30/2015

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 met 9/16 & 17 and chose to delay "lift-off" citing global economic concerns for the first time. The September new payroll numbers were a disappointing +142k and included downward Aug and July revisions. The overall unemployment rate remained 5.1%. US stock markets experienced volatility, but did stem the decline and advanced slightly. Chinese stock market and economic concerns continue. Continuing to ladder provides strategic advantage. Municipal bonds and financial institution deposits generally provide the best interest earnings opportunity, if available. Short to medium term US Government security yields fell on the non-FOMC action and, then again, on the September payroll weakness.







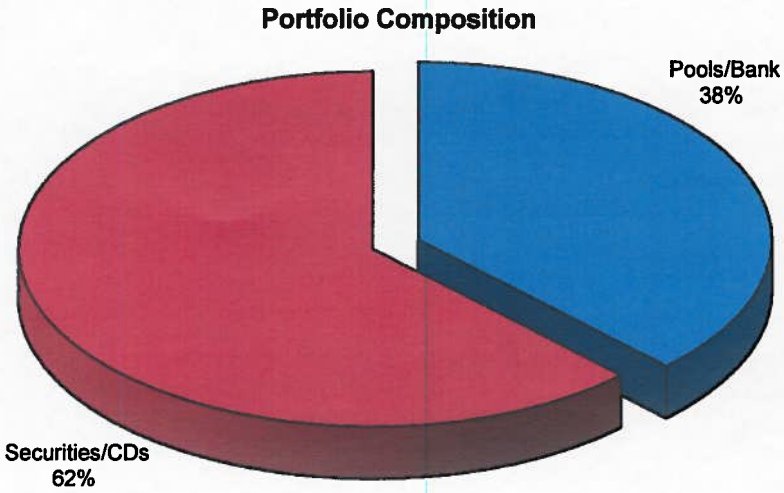
Detail of Investment Holdings
September 30, 2015

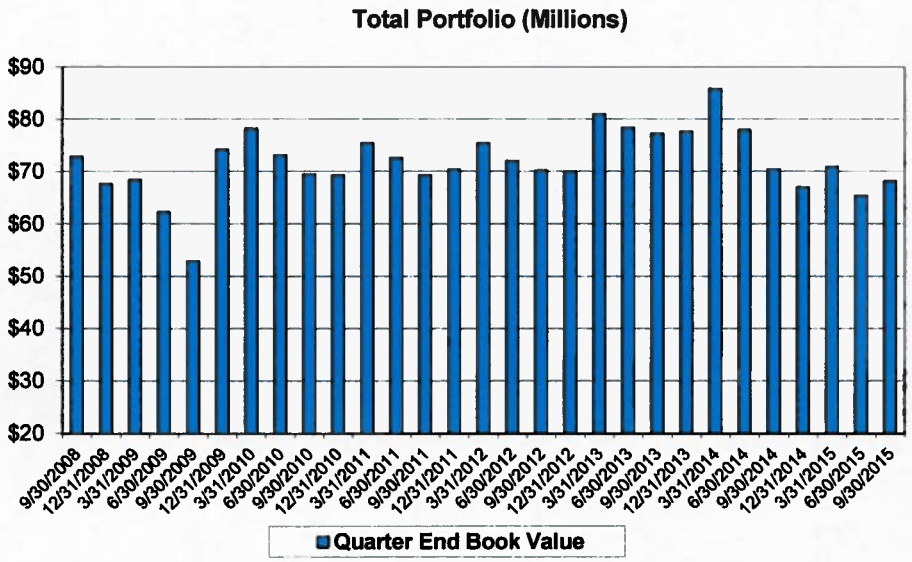
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Purchased Value	Book Value	Market Price	Market Value	Life (days)	Yield
Cash - Pooled (3)		0.45%	10/01/15	09/30/15	$ 8,452,306	$ 8,452,306	$ 8,452,306	1.00	$ 8,452,306	1	0.45%
NOW		0.50%	10/01/15	09/30/15	10,715,036	10,715,036	10,715,036	1.00	10,715,036	1	0.50%
NOW #2		0.23%	10/01/15	09/30/15	261,905	261,905	261,905	1.00	261,905	1	0.23%
TexPool	AAAm	0.09%	10/01/15	09/30/15	203,920	203,920	203,920	1.00	203,920	1	0.09%
TexSTAR - Bond	AAAm	0.10%	10/01/15	09/30/15	6,000,035	6,000,035	6,000,035	1.00	6,000,035	1	0.10%
SSB CD		0.35%	10/21/15	09/20/14	3,032,468	3,032,468	3,032,468	100.00	3,032,468	21	0.35%
SSB CD		0.52%	12/28/15	12/26/13	3,047,299	3,047,299	3,047,299	100.00	3,047,299	89	0.52%
SSB CD		0.55%	02/11/16	02/11/14	3,048,449	3,048,449	3,048,449	100.00	3,048,449	134	0.55%
SSB CD		0.58%	05/23/16	05/23/14	3,030,061	3,030,061	3,030,061	100.00	3,030,061	236	0.58%
SSB CD		0.65%	06/27/16	06/25/14	3,044,958	3,044,958	3,044,958	100.00	3,044,958	271	0.65%
SSB CD		0.65%	08/01/16	07/31/14	3,039,783	3,039,783	3,039,783	100.00	3,039,783	306	0.65%
SSB CD		0.65%	08/15/16	08/14/14	3,043,994	3,043,994	3,043,994	100.00	3,043,994	320	0.65%
SSB CD		0.70%	09/19/16	09/19/14	3,059,331	3,059,331	3,059,331	100.00	3,059,331	355	0.70%
SSB CD		0.62%	10/17/16	10/17/14	3,050,291	3,050,291	3,050,291	100.00	3,050,291	383	0.62%
SSB CD		0.75%	11/21/16	11/21/14	3,033,689	3,033,689	3,033,689	100.00	3,033,689	418	0.75%
SSB CD		0.65%	01/20/17	01/20/15	3,009,678	3,009,678	3,009,678	100.00	3,009,678	478	0.65%
BTH Bank CD		0.90%	03/26/17	03/26/15	246,114	246,114	246,114	100.00	246,114	543	0.90%
BTH Bank CDARS		0.90%	03/26/17	03/26/15	2,767,869	2,767,869	2,767,869	100.00	2,767,869	543	0.90%
BTH Bank CDARS		1.05%	05/04/17	08/05/15	3,004,837	3,004,837	3,004,837	100.00	3,004,837	582	1.05%
BTH Bank CDARS		1.20%	08/03/17	08/05/15	3,005,528	3,005,528	3,005,528	100.00	3,005,528	673	1.20%
					$ 68,097,550	$ 68,097,550	$ 68,097,550		$ 68,097,550	214	0.58%
										(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
Pools/Bank
38%
Securities/CDs
62%


Total Portfolio (Millions)
$90
$80
$70
$60
$50
$40
$30
$20
9/30/2008
12/31/2008
3/31/2009
6/30/2009
9/30/2009
12/31/2009
3/31/2010
6/30/2010
9/30/2010
12/31/2010
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12/31/2013
3/31/2014
6/30/2014
9/30/2014
12/31/2014
3/31/2015
6/30/2015
9/30/2015
Quarter End Book Value

Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2015 Par Value	June 30, 2015 Book Value	Purchases/ Adjustments	Sales/Adjust/ Maturities	September 30, 2015 Par Value	September 30, 2015 Book Value
Cash - Pooled	0.45%	10/01/15	$ 2,836,082	$ 2,836,082	$ 5,616,224	$ –	$ 8,452,306	$ 8,452,306
NOW	0.50%	10/01/15	19,916,864	19,916,864		(9,201,828)	10,715,036	10,715,036
NOW #2	0.23%	10/01/15	261,726	261,726	179		261,905	261,905
TexPool	0.09%	10/01/15	203,882	203,882	38		203,920	203,920
TexSTAR - Bond	0.10%	10/01/15	–	–	6,000,035		6,000,035	6,000,035
SSB CD	0.48%	08/04/15	2,663,717	2,663,717		(2,663,717)	–	–
SSB CD	0.32%	09/18/15	3,030,064	3,030,064		(3,030,064)	–	–
SSB CD	0.35%	10/21/15	3,029,795	3,029,795	2,673		3,032,468	3,032,468
SSB CD	0.52%	12/28/15	3,043,310	3,043,310	3,989		3,047,299	3,047,299
SSB CD	0.55%	02/11/16	3,044,229	3,044,229	4,220		3,048,449	3,048,449
SSB CD	0.58%	05/23/16	3,025,638	3,025,638	4,423		3,030,061	3,030,061
SSB CD	0.65%	06/27/16	3,039,977	3,039,977	4,981		3,044,958	3,044,958
SSB CD	0.65%	08/01/16	3,034,865	3,034,865	4,918		3,039,783	3,039,783
SSB CD	0.65%	08/15/16	3,039,015	3,039,015	4,979		3,043,994	3,043,994
SSB CD	0.70%	09/19/16	3,053,943	3,053,943	5,388		3,059,331	3,059,331
SSB CD	0.62%	10/17/16	3,045,583	3,045,583	4,708		3,050,291	3,050,291
SSB CD	0.75%	11/21/16	3,027,965	3,027,965	5,724		3,033,689	3,033,689
SSB CD	0.65%	01/20/17	3,004,808	3,004,808	4,869		3,009,678	3,009,678
BTH Bank CD	0.90%	03/26/17	245,556	245,556	557		246,114	246,114
BTH Bank CDARS	0.90%	03/26/17	2,761,597	2,761,597	6,272		2,767,869	2,767,869
BTH Bank CDARS	1.05%	05/04/17	–	–	3,004,837		3,004,837	3,004,837
BTH Bank CDARS	1.20%	08/03/17	–	–	3,005,528		3,005,528	3,005,528
TOTAL			**$ 65,308,617**	**$ 65,308,617**	**$ 17,684,542**	**$ (14,895,609)**	**$ 68,097,550**	**$ 68,097,550**

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2015 Par Value	June 30, 2015 Market Value	Qtr to Qtr Change	September 30, 2015 Par Value	September 30, 2015 Market Value
Cash - Pooled	0.45%	10/01/15	$ 2,836,082	$ 2,836,082	$ 5,616,224	$ 8,452,306	$ 8,452,306
NOW	0.50%	10/01/15	19,916,864	19,916,864	(9,201,828)	10,715,036	10,715,036
NOW #2	0.23%	10/01/15	261,726	261,726	179	261,905	261,905
TexPool	0.09%	10/01/15	203,882	203,882	38	203,920	203,920
TexSTAR - Bond	0.10%	10/01/15	–	–	6,000,035	6,000,035	6,000,035
SSB CD	0.48%	08/04/15	2,663,717	2,663,717	(2,663,717)	–	–
SSB CD	0.32%	09/18/15	3,030,064	3,030,064	(3,030,064)	–	–
SSB CD	0.35%	10/21/15	3,029,795	3,029,795	2,673	3,032,468	3,032,468
SSB CD	0.52%	12/28/15	3,043,310	3,043,310	3,989	3,047,299	3,047,299
SSB CD	0.55%	02/11/16	3,044,229	3,044,229	4,220	3,048,449	3,048,449
SSB CD	0.58%	05/23/16	3,025,638	3,025,638	4,423	3,030,061	3,030,061
SSB CD	0.65%	06/27/16	3,039,977	3,039,977	4,981	3,044,958	3,044,958
SSB CD	0.65%	08/01/16	3,034,865	3,034,865	4,918	3,039,783	3,039,783
SSB CD	0.65%	08/15/16	3,039,015	3,039,015	4,979	3,043,994	3,043,994
SSB CD	0.70%	09/19/16	3,053,943	3,053,943	5,388	3,059,331	3,059,331
SSB CD	0.62%	10/17/16	3,045,583	3,045,583	4,708	3,050,291	3,050,291
SSB CD	0.75%	11/21/16	3,027,965	3,027,965	5,724	3,033,689	3,033,689
SSB CD	0.65%	01/20/17	3,004,808	3,004,808	4,869	3,009,678	3,009,678
BTH Bank CD	0.90%	03/26/17	245,556	245,556	557	246,114	246,114
BTH Bank CDARS	0.90%	03/26/17	2,761,597	2,761,597	6,272	2,767,869	2,767,869
BTH Bank CDARS	1.05%	05/04/17	–	–	3,004,837	3,004,837	3,004,837
BTH Bank CDARS	1.20%	08/03/17	–	–	3,005,528	3,005,528	3,005,528
TOTAL			**$ 65,308,617**	**$ 65,308,617**	**$ 2,788,932**	**$ 68,097,550**	**$ 68,097,550**

Cash and Investments by Fund

		9/30/2015	6/30/2015
General Fund	101	$ 7,008,186	$ 8,504,794
General Capital Projects Fund	102	818,242	1,036,858
Development Services Fund	202	1,588,821	1,525,134
Cemeteries Operating Fund	204	23,720	45,137
Forfeitures Fund	205	609,888	524,789
Court Technology Fund	207	363,418	452,044
TIF/TIRZ # 2	209	2,691	2,687
Hotel-Motel Tax Fund	211	3,359,461	2,999,881
Donations Fund	216	348,718	341,830
TIF/TIRZ # 3	218	128,185	127,493
Tyler Tourism & Convention Facilities Fund	219	1,215,478	1,030,969
Half Cent Sales Tax Fund	231	12,446,290	15,169,830
Passenger Facility Fund	234	116,448	114,323
Oil & Natural Gas Fund	235	2,676,679	1,116,570
PEG Fee Fund	236	333,452	280,749
Fair Plaza Fund	240	130,125	176,269
Retained HUD Admin Fee Fund	274	-	23,339
Housing Assistance Fund	276	545,163	437,041
State/Federal Grants Fund	285	(108,642)	(84,874)
Transit System Fund	286	(216,162)	(722,376)
CDBG Grant Fund	294	4,662	(118,788)
HOME Grant Fund	295	20,000	19,630
Utilities Fund	502	3,743,188	989,630
Utilities Construction Fund	503	6,398,301	7,279,657
Utilities Debt Service Fund	504	52,890	3,240,798
Utilities Debt Reserve Fund	505	1,492,850	1,492,850
Revenue Bond Series 2008	514	2	2
Revenue Bond Series 2009	516	(2)	(2)
Revenue Bond Series 2015		6,000,035	
Airport Fund	524	916,505	995,547
Airport Grant Fund	525	(1,015,014)	(1,457,146)
Solid Waste Fund	560	1,698,617	1,323,812
Solid Waste Capital Projects Fund	562	693,299	711,331
Productivity Improvement Fund	639	414,132	1,225,795
Fleet Replacement Fund	640	6,426,918	5,494,510
Prop, Liab, W/C Insurance Fund	650	1,131,796	1,093,315
Employee Benefits Fund	661	889,466	587,951
Prop & Facility Management Fund	663	498,190	611,757
Technology Fund	671	527,794	1,550,275
Payroll Fund	710	736,930	722,955
Cemetery Trust Fund	713	2,819,095	2,818,323
Landfill Trust Fund	720	2,463,942	2,451,685
Retiree Benefits Fund	761	288,476	540,437
Section 125 Trust Fund	772	196,366	185,750
Total		**$ 67,788,598**	**$ 64,862,560**

Allocation

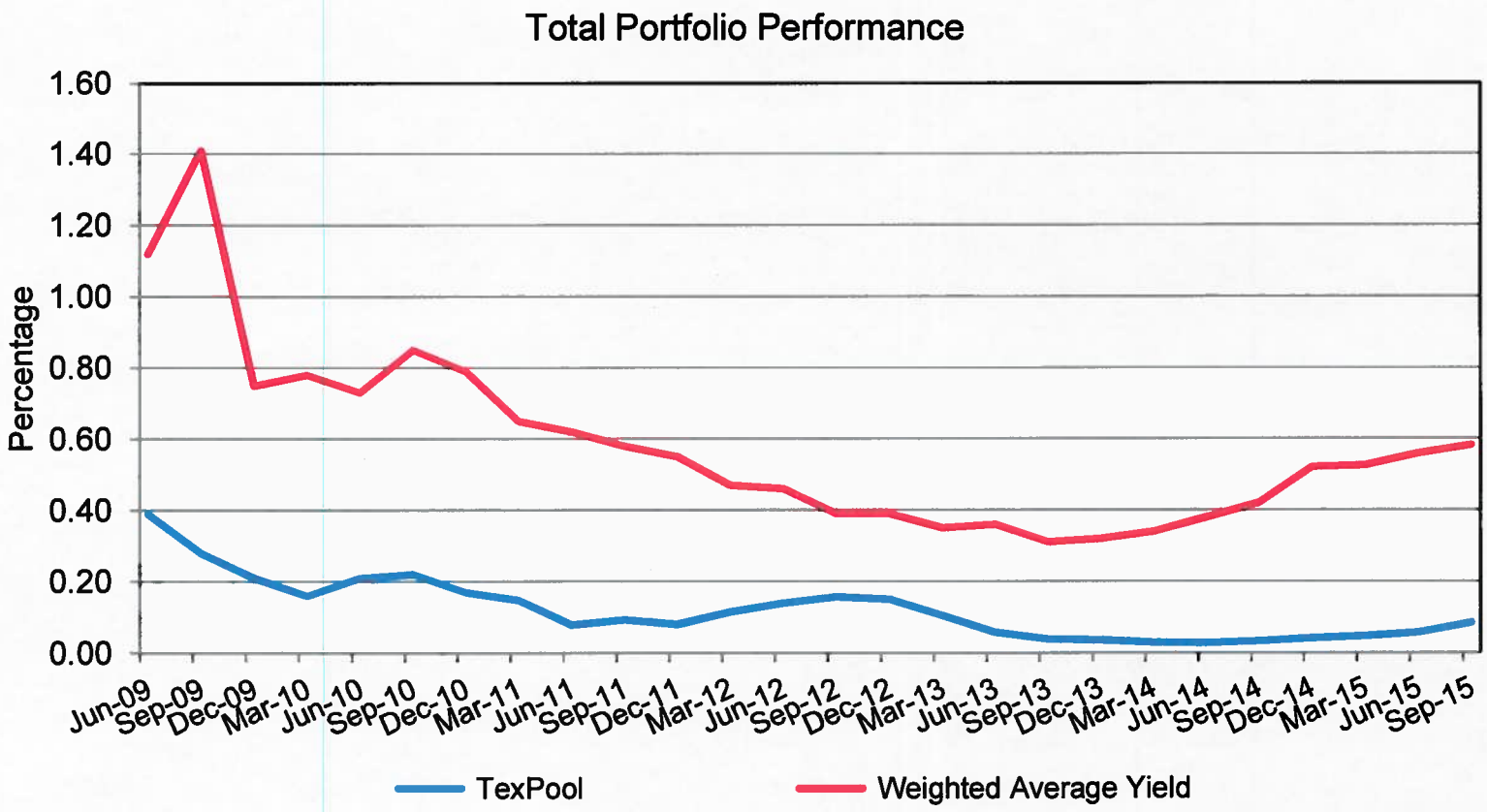
September 30, 2015

Book & Market Value	Security Total	Pooled Funds	Revenue Bond
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	3,032,468	3,032,468	
12/28/15	3,047,299	3,047,299	
02/11/16	3,048,449	3,048,449	
05/23/16	3,030,061	3,030,061	
06/27/16	3,044,958	3,044,958	
08/01/16	3,039,783	3,039,783	
08/15/16	3,043,994	3,043,994	
09/19/16	3,059,331	3,059,331	
10/17/16	3,050,291	3,050,291	
11/21/16	3,033,689	3,033,689	
01/20/17	3,009,678	3,009,678	
03/26/17	246,114	246,114	
03/26/17	2,767,869	2,767,869	
05/04/17	3,004,837	3,004,837	
08/03/17	3,005,528	3,005,528	
Totals	**$ 68,097,550**	**$ 62,097,515**	**$ 6,000,035**

Allocation

June 30, 2015

Book & Market Value	Security Total	Pooled Funds	Revenue Bond
Cash	$ 2,836,082	$ 2,836,082	$ –
NOW	19,916,864	19,916,864	
NOW #2	261,726	261,726	
TexPool	203,882	203,882	
TexSTAR	–	–	–
08/04/15	2,663,717	2,663,717	
09/18/15	3,030,064	3,030,064	
10/21/15	3,029,795	3,029,795	
12/28/15	3,043,310	3,043,310	
02/11/16	3,044,229	3,044,229	
05/23/16	3,025,638	3,025,638	
06/27/16	3,039,977	3,039,977	
08/01/16	3,034,865	3,034,865	
08/15/16	3,039,015	3,039,015	
09/19/16	3,053,943	3,053,943	
10/17/16	3,045,583	3,045,583	
11/21/16	3,027,965	3,027,965	
01/20/17	3,004,808	3,004,808	
03/26/17	245,556	245,556	
03/26/17	2,761,597	2,761,597	
Totals	**$ 65,308,617**	**$ 65,308,617**	**$ –**


Total Portfolio Performance
Percentage
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
Jun-09
Sep-09
Dec-09
Mar-10
Jun-10
Sep-10
Dec-10
Mar-11
Jun-11
Sep-11
Dec-11
Mar-12
Jun-12
Sep-12
Dec-12
Mar-13
Jun-13
Sep-13
Dec-13
Mar-14
Jun-14
Sep-14
Dec-14
Mar-15
Jun-15
Sep-15
TexPool
Weighted Average Yield