



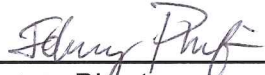
QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2013

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City of Keller is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.



Finance Director



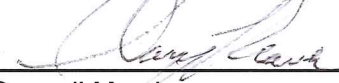
City Manager



Deputy City Manager



Council Member



Council Member

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 continued Quantitative Easing (QE3), but announced the first tapering phase after their December meeting (\$75 billion per month down from \$85 billion). The fixed income market anticipated the change resulting in only modest yield curve adjustments. Domestic employment data remains erratic, with lingering concern over the U-6 and participation rates. Revised third quarter GDP surged to 4.1% - a very positive sign. The US stock markets held strong. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity.

Quarter End Results by Investment Category:

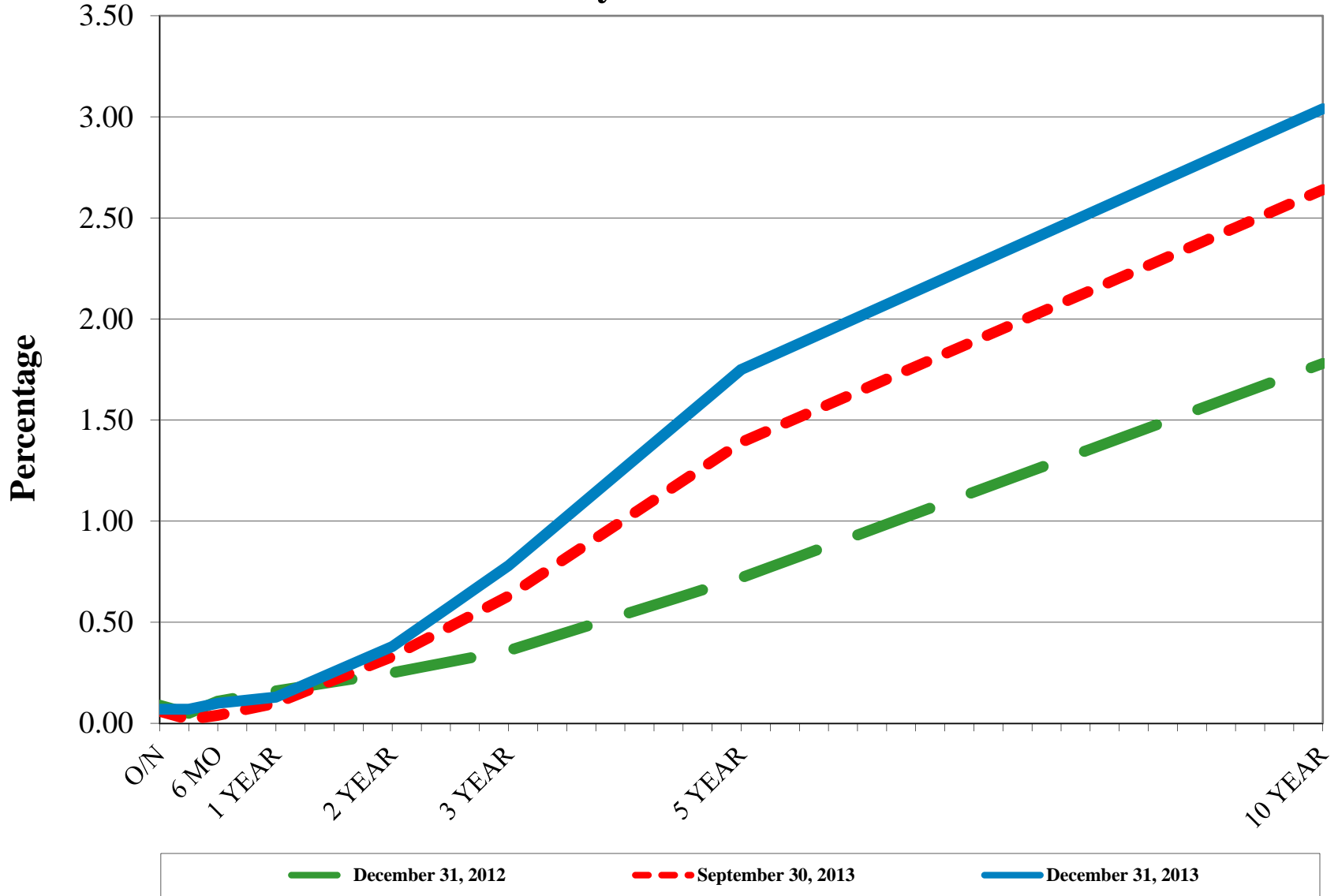
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>December 31, 2013</u>		<u>September 30, 2013</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Demand Accounts	0.00%	\$ 1,321,816	\$ 1,321,816	\$ 966,483	\$ 966,483
NOW/MMA/Pools	0.13%	29,536,747	29,536,747	24,554,194	24,554,194
Certificates of Deposit	0.52%	33,961,488	33,961,488	36,145,078	36,145,078
Securities		-	-	-	-
Totals		\$ 64,820,050	\$ 64,820,050	\$ 61,665,754	\$ 61,665,754

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.33%	Total Portfolio	0.33%
Rolling Three Mo. Treas. Yield	0.06%	Rolling Three Mo. Treas. Yield	0.06%
Rolling Six Mo. Treas. Yield	0.08%	Rolling Six Mo. Treas. Yield	0.08%
		Quarterly TexPool Yield	0.04%
Quarterly Interest Income	\$ 57,592 Approximate		
Year-to-date Interest Income	\$ 57,592 Approximate		

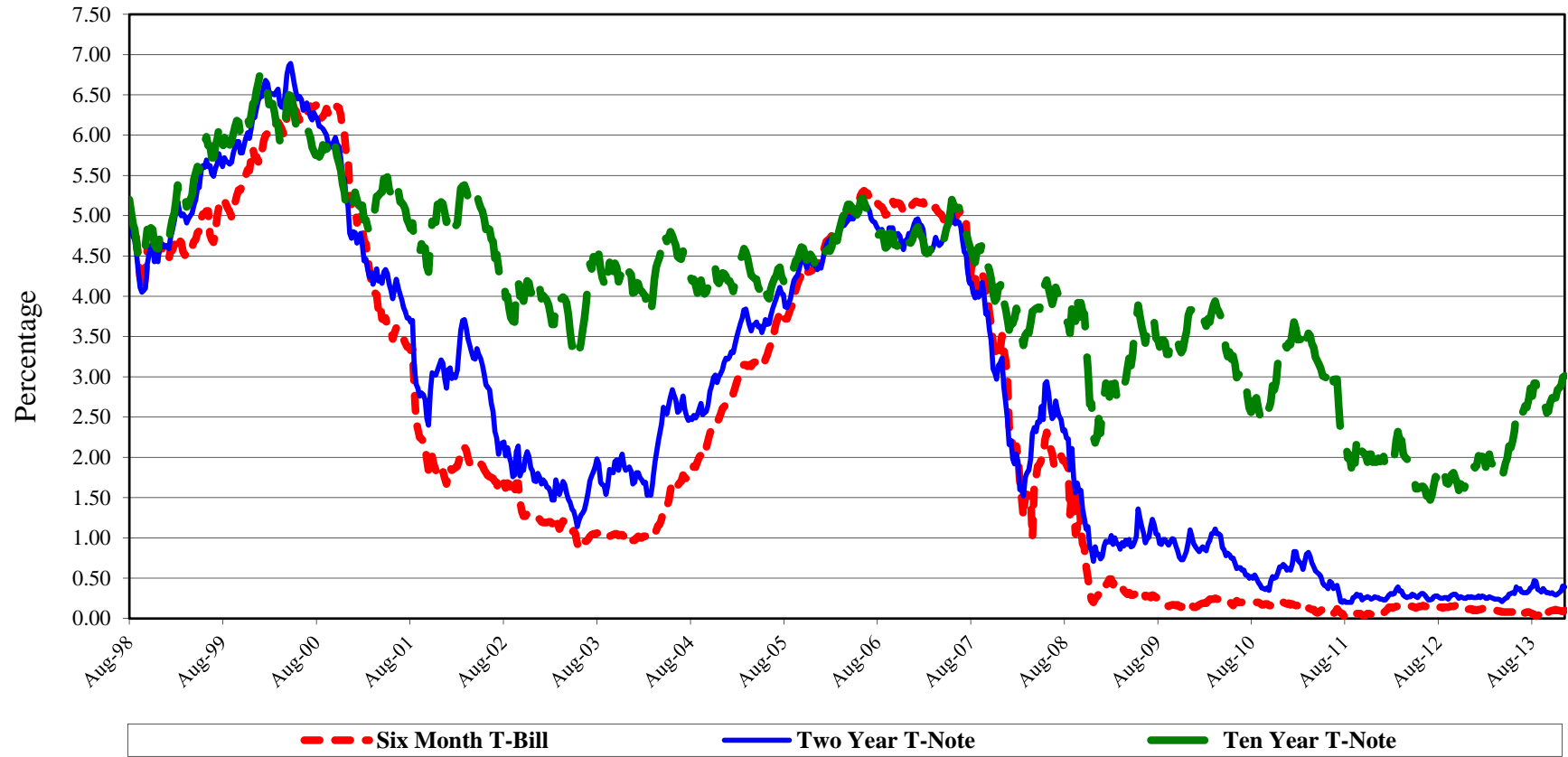
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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, 2013

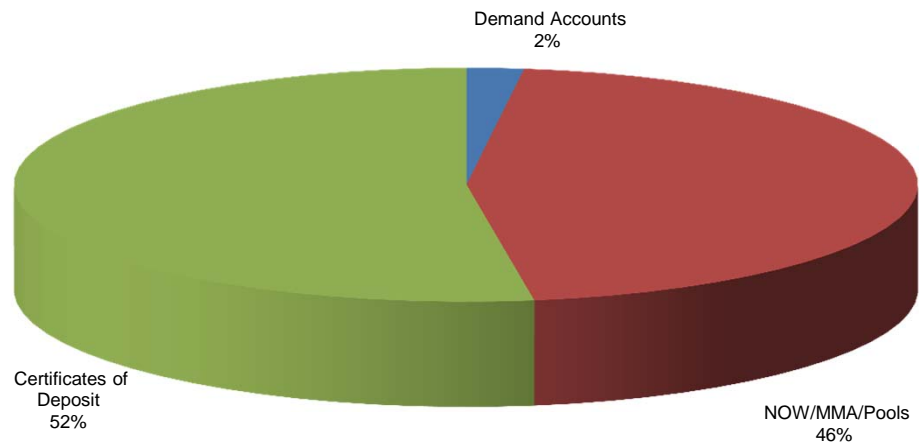
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Frost DDA (3)		0.00%	01/01/14	12/31/13	\$ 1,321,816	\$ 1,321,816	1.00	\$ 1,321,816	1	0.00%
TexPool	AAAm	0.04%	01/01/14	12/31/13	9,140,416	9,140,416	1.00	9,140,416	1	0.04%
LOGIC	AAAm	0.10%	01/01/14	12/31/13	1,634,941	1,634,941	1.00	1,634,941	1	0.10%
Comerica MMA 0330		0.15%	01/01/14	12/31/13	8,232,316	8,232,316	1.00	8,232,316	1	0.15%
SSB MMA 1332		0.19%	01/01/14	12/31/13	2,727,052	2,727,052	1.00	2,727,052	1	0.19%
SSB MMA 7888		0.19%	01/01/14	12/31/13	7,802,022	7,802,022	1.00	7,802,022	1	0.19%
Southside CD		0.30%	01/10/14	02/01/13	503,009	503,009	100.00	503,009	10	0.30%
Comerica CD		0.66%	03/07/14	03/07/12	3,034,910	3,034,910	100.00	3,034,910	66	0.66%
Comerica CD		0.65%	03/10/14	03/09/12	1,517,189	1,517,189	100.00	1,517,189	69	0.65%
Comerica CD		0.65%	03/12/14	03/12/12	1,517,189	1,517,189	100.00	1,517,189	71	0.65%
Southside CD		0.21%	03/18/14	07/10/13	502,678	502,678	100.00	502,678	77	0.21%
Comerica CD		0.70%	04/10/14	04/10/12	3,541,106	3,541,106	100.00	3,541,106	100	0.70%
Southside CD		0.51%	04/16/14	10/16/12	1,005,110	1,005,110	100.00	1,005,110	106	0.51%
Texas Security CD		0.35%	05/22/14	03/22/13	3,007,918	3,007,918	100.00	3,007,918	142	0.35%
Southside CD		0.17%	05/26/14	09/26/13	400,170	400,170	100.00	400,170	146	0.17%
Southside CD		0.64%	07/09/14	07/09/12	2,520,157	2,520,157	100.00	2,520,157	190	0.64%
Southside CD		0.45%	07/14/14	01/14/13	2,017,867	2,017,867	100.00	2,017,867	195	0.45%
Southside CD		0.19%	07/25/14	09/26/13	400,189	400,189	100.00	400,189	206	0.19%
Southside CD		0.20%	08/26/14	09/26/13	300,150	300,150	100.00	300,150	238	0.20%
Comerica CD		0.36%	09/24/14	03/22/13	2,005,431	2,005,431	100.00	2,005,431	267	0.36%
Comerica CD		0.58%	10/22/14	10/22/12	2,048,422	2,048,422	100.00	2,048,422	295	0.58%
Southside CD		0.21%	10/24/14	09/26/13	400,209	400,209	100.00	400,209	297	0.21%
Southside CD		0.20%	11/13/14	11/13/13	503,191	503,191	100.00	503,191	317	0.20%
Southside CD		0.35%	12/12/14	09/12/13	503,354	503,354	100.00	503,354	346	0.35%
Comerica CD		0.55%	03/23/15	03/22/13	2,510,379	2,510,379	100.00	2,510,379	447	0.55%
Comerica CD		0.54%	04/22/15	04/22/13	2,007,231	2,007,231	100.00	2,007,231	477	0.54%
Comerica CD		0.20%	05/01/15	11/01/13	141,422	141,422	100.00	141,422	486	0.20%
Comerica CD		0.55%	07/22/15	07/22/13	1,013,754	1,013,754	100.00	1,013,754	568	0.55%
Comerica CD		0.55%	09/14/15	09/13/13	2,560,455	2,560,455	100.00	2,560,455	622	0.55%
					\$ 64,820,050	\$ 64,820,050		\$ 64,820,050	129	0.33%

(1) **Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

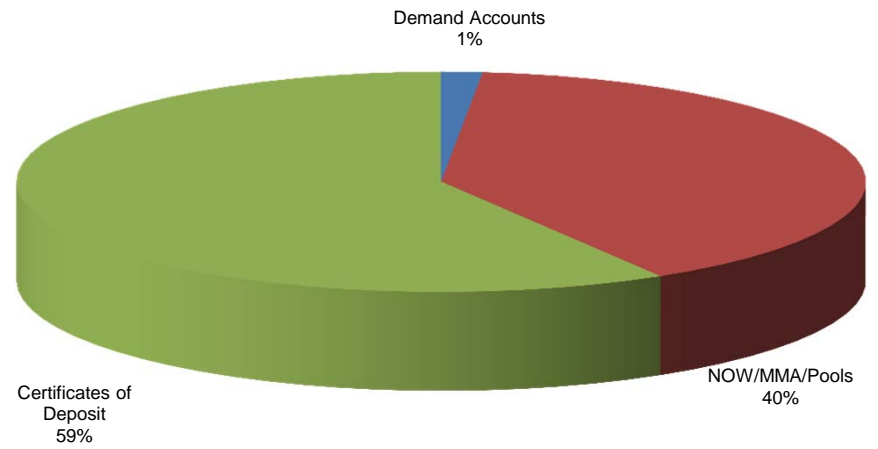
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

(3) **Earnings Credit Rate** - The City's DDA accrues earnings credit to offset service charges and fees. The current rate is 0.58%.

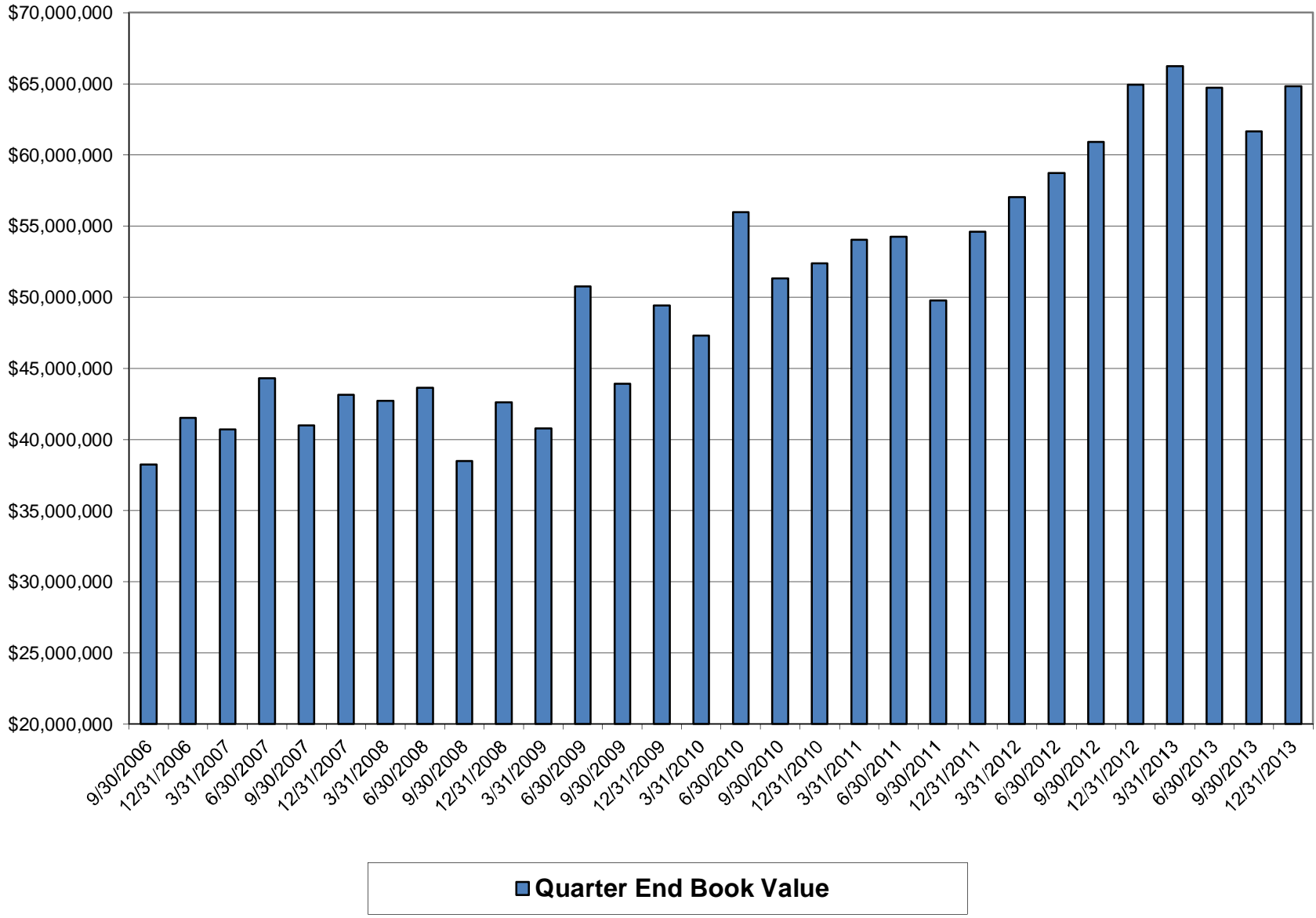
**Portfolio Composition
Current Quarter**



**Portfolio Composition
Previous Quarter**



Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2013			December 31, 2013		
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	Par Value	Book Value
Frost DDA	0.00%	01/01/14	\$ 966,483	\$ 966,483	\$ -	\$ 355,333	\$ 1,321,816	\$ 1,321,816
TexPool	0.04%	01/01/14	6,398,181	6,398,181	2,742,235		9,140,416	9,140,416
LOGIC	0.10%	01/01/14	1,432,606	1,432,606	202,335		1,634,941	1,634,941
Comerica MMA 0330	0.15%	01/01/14	6,199,493	6,199,493	2,032,822		8,232,316	8,232,316
SSB MMA 1332	0.19%	01/01/14	2,725,716	2,725,716	1,337		2,727,052	2,727,052
SSB MMA 7888	0.19%	01/01/14	7,798,198	7,798,198	3,824		7,802,022	7,802,022
Comerica CD	0.59%	10/01/13	201,873	201,873		(201,873)		
Comerica CD	0.59%	11/01/13	141,311	141,311		(141,311)		
Southside CD	0.34%	11/11/13	502,563	502,563		(502,563)		
Comerica CD	0.75%	12/30/13	2,026,405	2,026,405		(2,026,405)		
Southside CD	0.30%	01/10/14	502,629	502,629	380		503,009	503,009
Comerica CD	0.66%	03/07/14	3,029,921	3,029,921	4,988		3,034,910	3,034,910
Comerica CD	0.65%	03/10/14	1,514,733	1,514,733	2,456		1,517,189	1,517,189
Comerica CD	0.65%	03/12/14	1,514,733	1,514,733	2,456		1,517,189	1,517,189
Southside CD	0.21%	03/18/14	502,412	502,412	266		502,678	502,678
Comerica CD	0.70%	04/10/14	3,534,933	3,534,933	6,173		3,541,106	3,541,106
Southside CD	0.51%	04/16/14	1,003,819	1,003,819	1,290		1,005,110	1,005,110
Texas Security CD	0.35%	05/22/14	3,005,295	3,005,295	2,622		3,007,918	3,007,918
Southside CD	0.17%	05/26/13	400,000	400,000	170		400,170	400,170
Southside CD	0.64%	07/09/14	2,516,095	2,516,095	4,062		2,520,157	2,520,157
Southside CD	0.45%	07/14/14	2,015,581	2,015,581	2,286		2,017,867	2,017,867
Southside CD	0.19%	07/25/14	400,000	400,000	189		400,189	400,189
Southside CD	0.20%	08/26/14	300,000	300,000	150		300,150	300,150
Comerica CD	0.36%	09/24/14	2,003,632	2,003,632	1,799		2,005,431	2,005,431
Comerica CD	0.58%	10/22/14	2,045,463	2,045,463	2,959		2,048,422	2,048,422
Southside CD	0.21%	10/24/14	400,000	400,000	209		400,209	400,209
Southside CD	0.20%	11/13/14			503,191		503,191	503,191
Southside CD	0.35%	12/12/14	502,915	502,915	439		503,354	503,354
Comerica CD	0.55%	03/23/15	2,506,940	2,506,940	3,439		2,510,379	2,510,379
Comerica CD	0.54%	04/22/15	2,004,531	2,004,531	2,700		2,007,231	2,007,231
Comerica CD	0.20%	05/01/15			141,422		141,422	141,422
Comerica CD	0.55%	07/22/15	1,012,346	1,012,346	1,408		1,013,754	1,013,754
Comerica CD	0.55%	09/14/15	2,556,947	2,556,947	3,508		2,560,455	2,560,455
TOTAL			\$ 61,665,754	\$ 61,665,754	\$ 5,671,116	\$ (2,516,820)	\$ 64,820,050	\$ 64,820,050

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2013		Qtr to Qtr Change	December 31, 2013	
			Par Value	Market Value		Par Value	Market Value
Frost DDA	0.00%	01/01/14	\$ 966,483	\$ 966,483	\$ 355,333	\$ 1,321,816	\$ 1,321,816
TexPool	0.04%	01/01/14	6,398,181	6,398,181	2,742,235	9,140,416	9,140,416
LOGIC	0.10%	01/01/14	1,432,606	1,432,606	202,335	1,634,941	1,634,941
Comerica MMA 0330	0.15%	01/01/14	6,199,493	6,199,493	2,032,822	8,232,316	8,232,316
SSB MMA 1332	0.19%	01/01/14	2,725,716	2,725,716	1,337	2,727,052	2,727,052
SSB MMA 7888	0.19%	01/01/14	7,798,198	7,798,198	3,824	7,802,022	7,802,022
Comerica CD	0.59%	10/01/13	201,873	201,873	(201,873)		
Comerica CD	0.59%	11/01/13	141,311	141,311	(141,311)		
Southside CD	0.34%	11/11/13	502,563	502,563	(502,563)		
Comerica CD	0.75%	12/30/13	2,026,405	2,026,405	(2,026,405)		
Southside CD	0.30%	01/10/14	502,629	502,629	380	503,009	503,009
Comerica CD	0.66%	03/07/14	3,029,921	3,029,921	4,988	3,034,910	3,034,910
Comerica CD	0.65%	03/10/14	1,514,733	1,514,733	2,456	1,517,189	1,517,189
Comerica CD	0.65%	03/12/14	1,514,733	1,514,733	2,456	1,517,189	1,517,189
Southside CD	0.21%	03/18/14	502,412	502,412	266	502,678	502,678
Comerica CD	0.70%	04/10/14	3,534,933	3,534,933	6,173	3,541,106	3,541,106
Southside CD	0.51%	04/16/14	1,003,819	1,003,819	1,290	1,005,110	1,005,110
Texas Security CD	0.35%	05/22/14	3,005,295	3,005,295	2,622	3,007,918	3,007,918
Southside CD	0.17%	05/26/13	400,000	400,000	170	400,170	400,170
Southside CD	0.64%	07/09/14	2,516,095	2,516,095	4,062	2,520,157	2,520,157
Southside CD	0.45%	07/14/14	2,015,581	2,015,581	2,286	2,017,867	2,017,867
Southside CD	0.19%	07/25/14	400,000	400,000	189	400,189	400,189
Southside CD	0.20%	08/26/14	300,000	300,000	150	300,150	300,150
Comerica CD	0.36%	09/24/14	2,003,632	2,003,632	1,799	2,005,431	2,005,431
Comerica CD	0.58%	10/22/14	2,045,463	2,045,463	2,959	2,048,422	2,048,422
Southside CD	0.21%	10/24/14	400,000	400,000	209	400,209	400,209
Southside CD	0.20%	11/13/14			503,191	503,191	503,191
Southside CD	0.35%	12/12/14	502,915	502,915	439	503,354	503,354
Comerica CD	0.55%	03/23/15	2,506,940	2,506,940	3,439	2,510,379	2,510,379
Comerica CD	0.54%	04/22/15	2,004,531	2,004,531	2,700	2,007,231	2,007,231
Comerica CD	0.20%	05/01/15			141,422	141,422	141,422
Comerica CD	0.55%	07/22/15	1,012,346	1,012,346	1,408	1,013,754	1,013,754
Comerica CD	0.55%	09/14/15	2,556,947	2,556,947	3,508	2,560,455	2,560,455
TOTAL			\$ 61,665,754	\$ 61,665,754	\$ 3,154,296	\$ 64,820,050	\$ 64,820,050

Allocation
December 31, 2013

Book & Market Value	Investment Total	Consolidated	CCPD	Non-Profit Trust	2012 TWDB CO's	Unreimbursed Medical
Frost DDA	\$ 1,321,816	\$ 1,126,011	\$ -	\$ 178,438	\$ -	\$ 17,367
TexPool	9,140,416	8,430,647	494,201	215,569		
LOGIC	1,634,941	1,149,476			485,465	
Comerica MMA 0330	8,232,316	8,232,316				
SSB MMA 1332	2,727,052		2,727,052			
SSB MMA 7888	7,802,022	7,802,022				
01/10/14	503,009				503,009	
03/07/14	3,034,910	3,034,910				
03/10/14	1,517,189	1,517,189				
03/12/14	1,517,189	1,517,189				
03/18/14	502,678				502,678	
04/10/14	3,541,106	3,541,106				
04/16/14	1,005,110	1,005,110				
05/22/14	3,007,918		3,007,918			
05/26/14	400,170				400,170	
07/09/14	2,520,157	2,520,157				
07/14/14	2,017,867	2,017,867				
07/25/14	400,189				400,189	
08/26/14	300,150				300,150	
09/24/14	2,005,431	2,005,431				
10/22/14	2,048,422	2,048,422				
10/24/14	400,209				400,209	
11/13/14	503,191				503,191	
12/12/14	503,354				503,354	
03/23/15	2,510,379	2,510,379				
04/22/15	2,007,231	2,007,231				
05/01/15	141,422				141,422	
07/22/15	1,013,754	1,013,754				
09/14/15	2,560,455	2,560,455				
Totals	\$ 64,820,050	\$ 54,039,669	\$ 6,229,171	\$ 394,007	\$ 4,139,836	\$ 17,367

Allocation
September 30, 2013

Book & Market Value	Investment Total	Consolidated	CCPD	Non-Profit Trust	2012 TWDB CO's	Unreimbursed Medical
Frost DDA	\$ 966,483	\$ 927,313	\$ -	\$ 1,229	\$ -	\$ 37,940
TexPool	6,398,181	4,305,916	2,087,577	4,687		
LOGIC	1,432,606	1,149,163			283,443	
Comerica MMA 0330	6,199,493	6,199,493				
SSB MMA 1332	2,725,716		2,725,716			
SSB MMA 7888	7,798,198	7,798,198				
10/01/13	201,873				201,873	
11/01/13	141,311				141,311	
11/11/13	502,563				502,563	
12/30/13	2,026,405	2,026,405				
01/10/14	502,629				502,629	
03/07/14	3,029,921	3,029,921				
03/10/14	1,514,733	1,514,733				
03/12/14	1,514,733	1,514,733				
03/18/14	502,412				502,412	
04/10/14	3,534,933	3,534,933				
04/16/14	1,003,819	1,003,819				
05/22/14	3,005,295		3,005,295			
05/26/14	400,000				400,000	
07/09/14	2,516,095	2,516,095				
07/14/14	2,015,581	2,015,581				
07/25/14	400,000				400,000	
08/26/14	300,000				300,000	
09/24/14	2,003,632	2,003,632				
10/22/14	2,045,463	2,045,463				
10/24/14	400,000				400,000	
12/12/14	502,915				502,915	
03/23/15	2,506,940	2,506,940				
04/22/15	2,004,531	2,004,531				
07/22/15	1,012,346	1,012,346				
09/14/15	2,556,947	2,556,947				
Totals	\$ 61,665,754	\$ 49,666,163	\$ 7,818,588	\$ 5,917	\$ 4,137,146	\$ 37,940

City of Keller Historical Yields

