



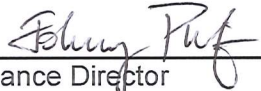
## INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

December 31, 2011


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

\_\_\_\_\_  
Assistant City Manager

  
\_\_\_\_\_  
Council Liaison

\_\_\_\_\_  
Council Liaison

**Strategy Summary:**

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded below 10bps). The European Union crisis has been the main market focus. Continuing deterioration and uncertainty of individual country credit ratings, and the political and financial costs of stabilization, dampened any positive domestic news. The FOMC initiated Operation Twist in an attempt to reduce longer-term interest rates by selling shorter securities and buying longer securities. There is also discussion of a potential QE3. Overnight pool yields provide limited earnings. Projecting cash flows and laddering, where appropriate, still provides the best earnings opportunity.

**Quarter End Results by Investment Category:**

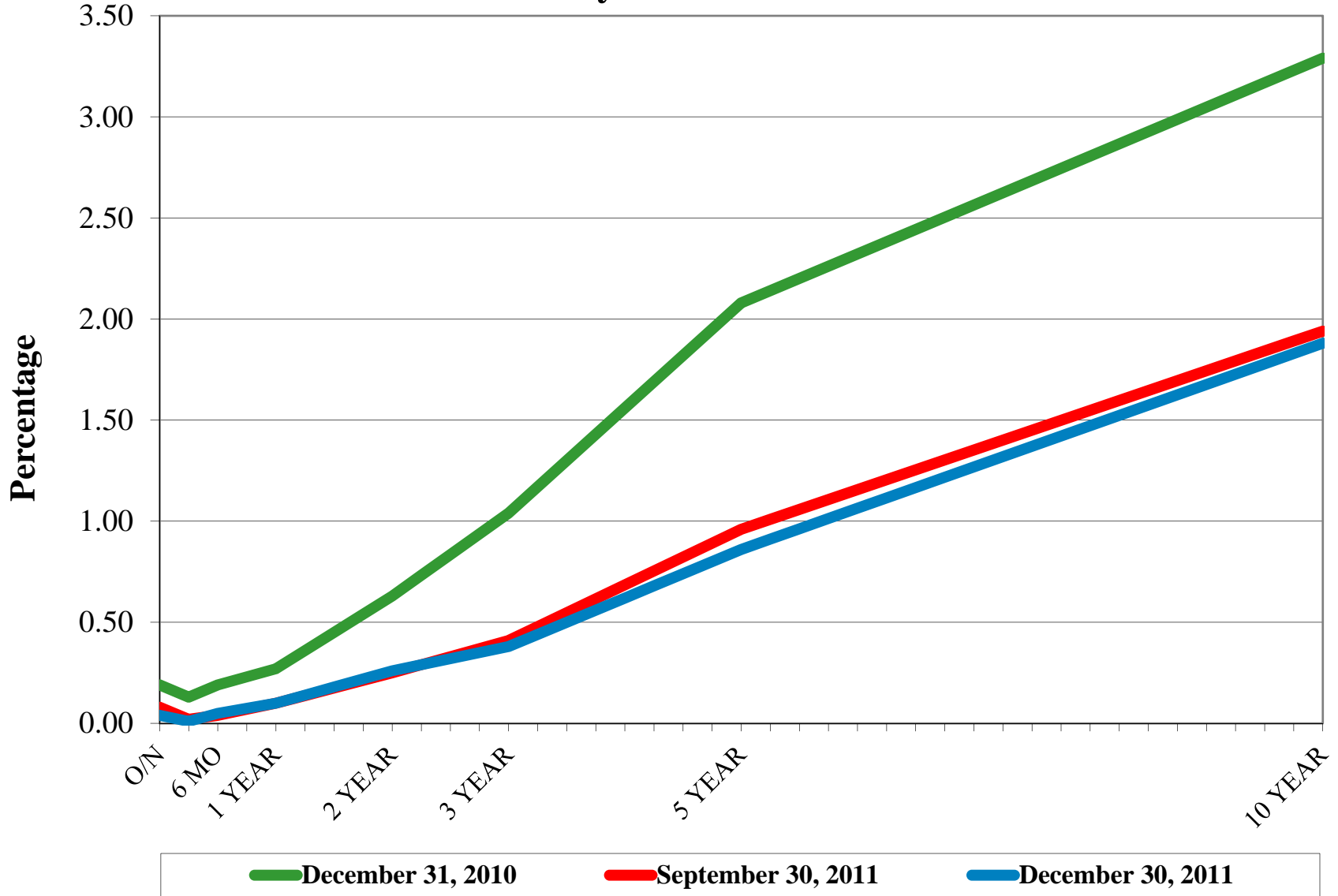
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>December 31, 2011</u>		<u>September 30, 2011</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Demand Accounts	0.00%	\$ 999,699.22	\$ 999,699.22	\$ 858,298.49	\$ 858,298.49
NOW/MMA/Pools	0.21%	26,465,861.35	26,465,861.35	21,594,623.59	21,594,623.59
Certificates of Deposit	1.00%	27,123,256.19	27,123,256.19	27,303,488.14	27,303,488.14
Securities		-	-	-	-
<b>Totals</b>		<b>\$ 54,588,816.76</b>	<b>\$ 54,588,816.76</b>	<b>\$ 49,756,410.22</b>	<b>\$ 49,756,410.22</b>

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.60%	Total Portfolio	0.60%
Rolling Three Mo. Treas. Yield	0.02%	Rolling Three Mo. Treas. Yield	0.02%
Rolling Six Mo. Treas. Yield	0.06%	Rolling Six Mo. Treas. Yield	0.06%
		Quarterly TexPool Yield	0.08%
Quarterly Interest Income	\$ 52,289	Approximate	
Year-to-date Interest Income	\$ 52,289	Approximate	

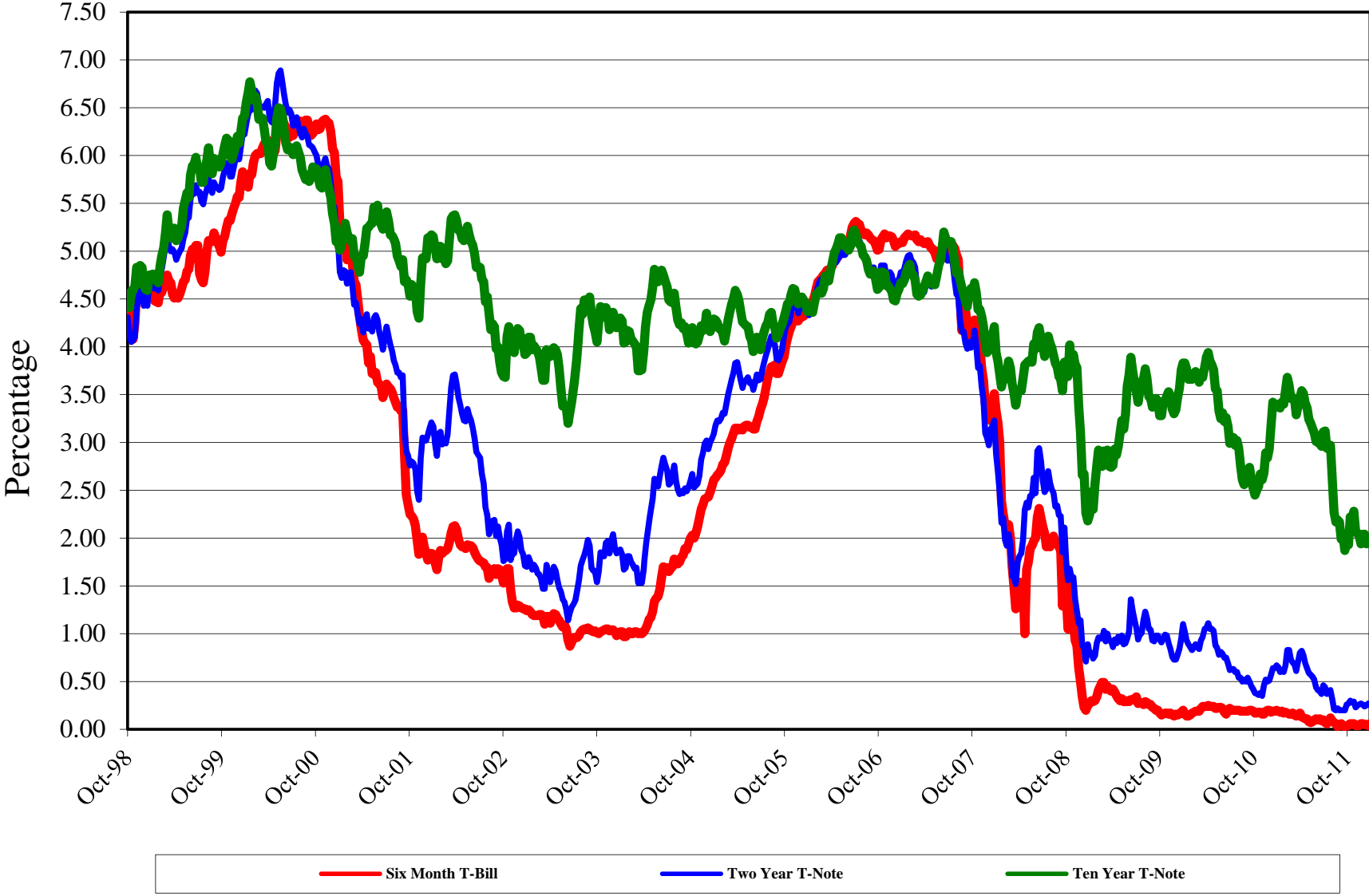
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

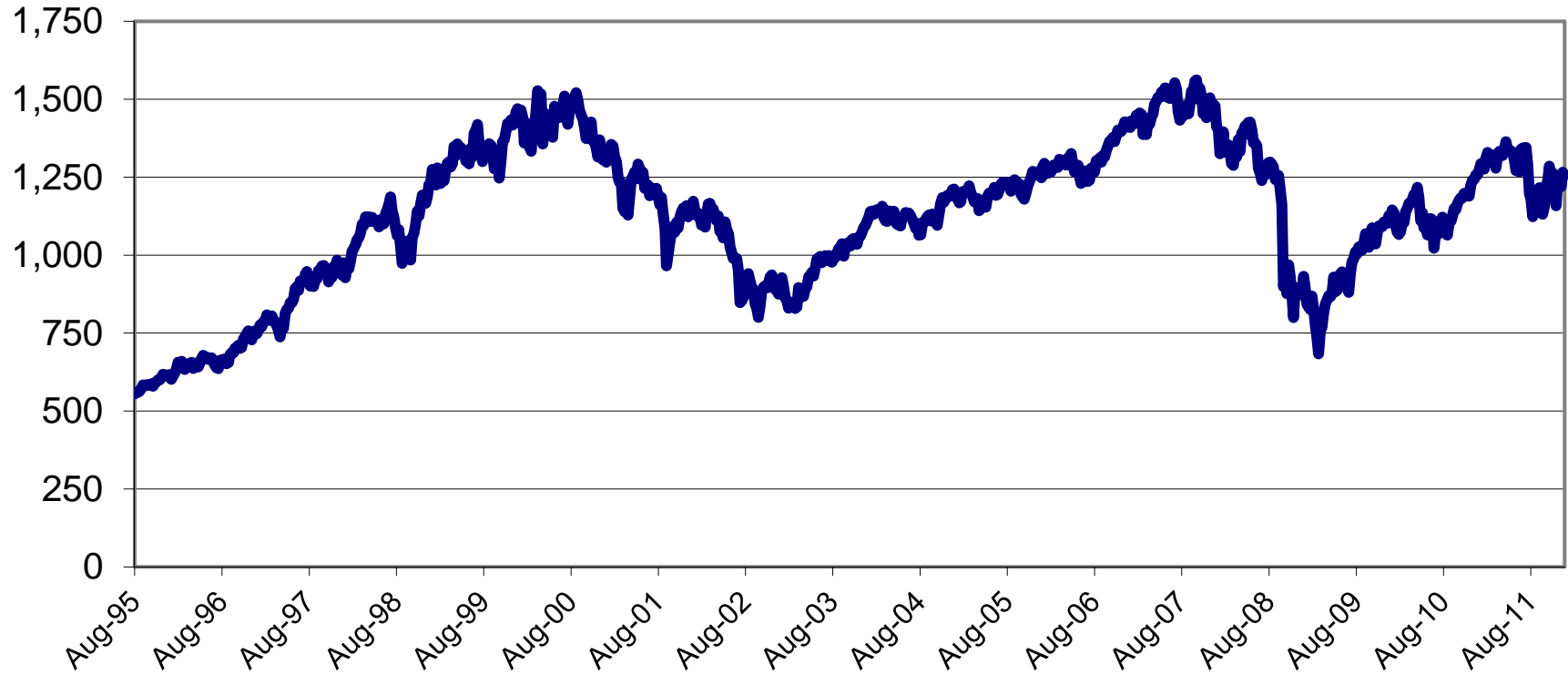
# Treasury Yield Curves



# US Treasury Historical Yields



# S&P 500



## Detail of Investment Holdings

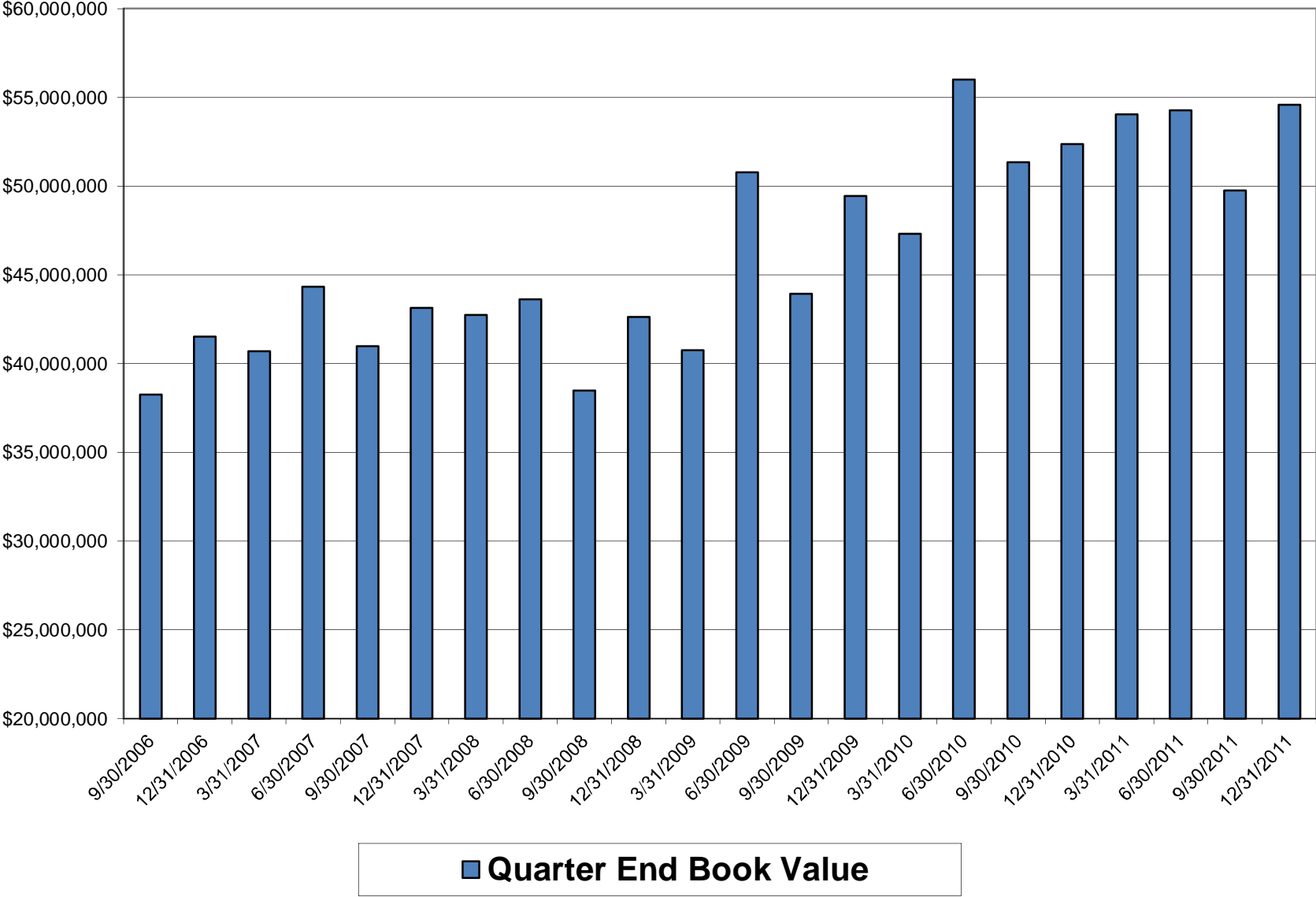
### December 31, 2011

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (mo)	Yield
Frost DDA		0.00%	1/1/2012	12/31/2011	\$ 999,699.22	\$ 999,699.22	1.00	\$ 999,699.22	0.03	0.00%
TexPool	AAAm	0.09%	1/1/2012	12/31/2011	10,240,687.60	10,240,687.60	1.00	10,240,687.60	0.03	0.09%
LOGIC	AAAm	0.14%	1/1/2012	12/31/2011	1,145,316.53	1,145,316.53	1.00	1,145,316.53	0.03	0.14%
Comerica MMA 0330		0.25%	1/1/2012	12/31/2011	3,035,642.28	3,035,642.28	1.00	3,035,642.28	0.03	0.25%
TSB MMA		0.50%	1/1/2012	12/31/2011	206,903.11	206,903.11	1.00	206,903.11	0.03	0.50%
VPB MMA		0.50%	1/1/2012	12/31/2011	119,148.90	119,148.90	1.00	119,148.90	0.03	0.50%
SSB MMA 1332		0.30%	1/1/2012	12/31/2011	2,712,094.11	2,712,094.11	1.00	2,712,094.11	0.03	0.30%
SSB MMA 7888		0.30%	1/1/2012	12/31/2011	9,006,068.82	9,006,068.82	1.00	9,006,068.82	0.03	0.30%
American National CD		1.700%	3/3/2012	3/3/2010	2,833,027.24	2,833,027.24	100.00	2,833,027.24	2.07	1.70%
Southside CD		0.900%	3/7/2012	9/7/2010	1,516,941.78	1,516,941.78	100.00	1,516,941.78	2.20	0.90%
Comerica CD		1.710%	3/13/2012	3/11/2010	2,000,000.00	2,000,000.00	100.00	2,000,000.00	2.39	1.71%
Southside CD		0.800%	4/7/2012	10/7/2010	1,209,628.85	1,209,628.85	100.00	1,209,628.85	3.21	0.80%
Comerica CD		0.700%	4/10/2012	1/10/2011	2,500,000.00	2,500,000.00	100.00	2,500,000.00	3.31	0.70%
Southside CD		1.700%	7/7/2012	7/7/2010	1,021,466.92	1,021,466.92	100.00	1,021,466.92	6.20	1.70%
Comerica CD		0.920%	7/10/2012	1/10/2011	1,500,000.00	1,500,000.00	100.00	1,500,000.00	6.30	0.92%
Comerica CD		0.590%	9/13/2012	6/13/2011	2,526,221.38	2,526,221.38	100.00	2,526,221.38	8.43	0.59%
Texas Security CD		0.895%	10/20/2012	4/20/2011	1,004,492.29	1,004,492.29	100.00	1,004,492.29	9.64	0.90%
Comerica CD		0.980%	10/22/2012	1/21/2011	2,000,000.00	2,000,000.00	100.00	2,000,000.00	9.70	0.98%
Southside CD		0.440%	1/14/2013	10/13/2011	2,000,000.00	2,000,000.00	100.00	2,000,000.00	12.46	0.44%
Comerica CD		0.960%	2/20/2013	5/20/2011	2,000,000.00	2,000,000.00	100.00	2,000,000.00	13.67	0.96%
Texas Security CD		1.143%	4/20/2013	4/20/2011	2,011,477.73	2,011,477.73	100.00	2,011,477.73	15.61	1.14%
Comerica CD		0.650%	7/22/2013	10/24/2011	1,000,000.00	1,000,000.00	100.00	1,000,000.00	18.66	0.65%
Comerica CD		0.750%	12/30/2013	12/30/2011	2,000,000.00	2,000,000.00	100.00	2,000,000.00	23.93	0.75%
					<b>\$ 54,588,816.76</b>	<b>\$ 54,588,816.76</b>		<b>\$ 54,588,816.76</b>	<b>4.46</b>	<b>0.60%</b>
									<b>(1)</b>	<b>(2)</b>

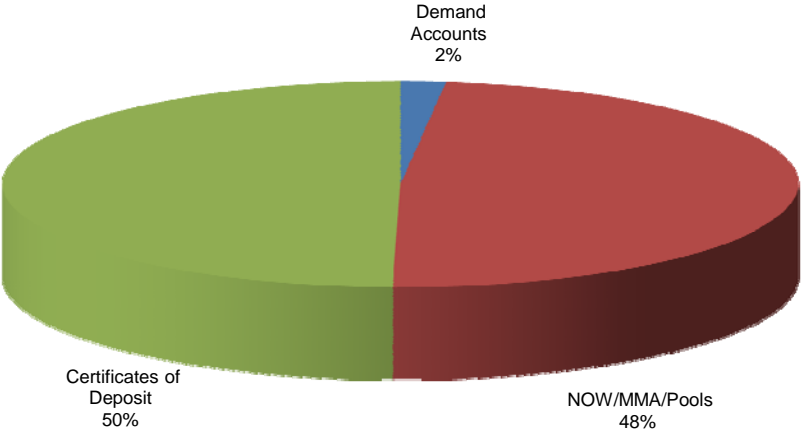
**(1) Weighted average life** - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

**(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.

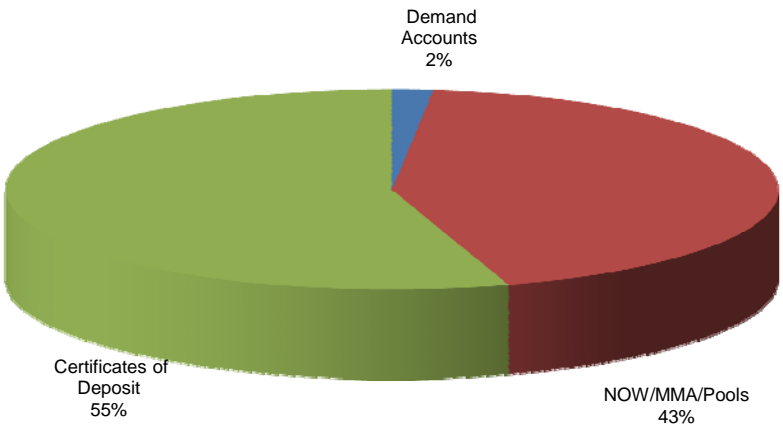
# Total Portfolio



**Portfolio Composition  
Current Quarter**



**Portfolio Composition  
Previous Quarter**





## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2011			December 31, 2011		
			Par Value	Book Value	Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	Par Value	Book Value
Frost DDA	0.00%	1/1/2012	\$ 858,298.49	\$ 858,298.49	\$ 141,400.73	\$ -	\$ 999,699.22	\$ 999,699.22
TexPool	0.09%	1/1/2012	5,623,384.51	5,623,384.51	4,617,303.09		10,240,687.60	10,240,687.60
LOGIC	0.14%	1/1/2012	1,144,794.40	1,144,794.40	522.13		1,145,316.53	1,145,316.53
Comerica MMA 0330	0.25%	1/1/2012	2,001,153.64	2,001,153.64	1,034,488.64		3,035,642.28	3,035,642.28
TSB MMA	0.50%	1/1/2012	206,694.03	206,694.03	209.08		206,903.11	206,903.11
VPB MMA	0.50%	1/1/2012	119,028.20	119,028.20	120.70		119,148.90	119,148.90
SSB MMA 1332	0.30%	1/1/2012	2,710,091.24	2,710,091.24	2,002.87		2,712,094.11	2,712,094.11
SSB MMA 7888	0.30%	1/1/2012	9,789,477.57	9,789,477.57		(783,408.75)	9,006,068.82	9,006,068.82
First Financial CD	0.400%	10/12/2011	2,001,994.52	2,001,994.52		(2,001,994.52)	-	-
Comerica CD	1.080%	10/24/2011	2,000,000.00	2,000,000.00		(2,000,000.00)	-	-
Southside CD	0.700%	12/30/2011	1,208,422.07	1,208,422.07		(1,208,422.07)	-	-
American National CD	1.700%	3/3/2012	2,821,070.54	2,821,070.54	11,956.70		2,833,027.24	2,833,027.24
Southside CD	0.900%	3/7/2012	1,513,545.63	1,513,545.63	3,396.15		1,516,941.78	1,516,941.78
Comerica CD	1.710%	3/13/2012	2,000,000.00	2,000,000.00			2,000,000.00	2,000,000.00
Southside CD	0.800%	4/7/2012	1,207,194.61	1,207,194.61	2,434.24		1,209,628.85	1,209,628.85
Comerica CD	0.700%	4/10/2012	2,500,000.00	2,500,000.00			2,500,000.00	2,500,000.00
Southside CD	1.700%	7/7/2012	1,017,108.68	1,017,108.68	4,358.24		1,021,466.92	1,021,466.92
Comerica CD	0.920%	7/10/2012	1,500,000.00	1,500,000.00			1,500,000.00	1,500,000.00
Comerica CD	0.590%	9/13/2012	2,526,221.38	2,526,221.38			2,526,221.38	2,526,221.38
Texas Security CD	0.895%	10/20/2012	1,002,231.37	1,002,231.37	2,260.92		1,004,492.29	1,004,492.29
Comerica CD	0.980%	10/22/2012	2,000,000.00	2,000,000.00			2,000,000.00	2,000,000.00
Southside CD	0.440%	1/14/2013			2,000,000.00		2,000,000.00	2,000,000.00
Comerica CD	0.960%	2/20/2013	2,000,000.00	2,000,000.00			2,000,000.00	2,000,000.00
Texas Security CD	1.143%	4/20/2013	2,005,699.34	2,005,699.34	5,778.39		2,011,477.73	2,011,477.73
Comerica CD	0.650%	7/22/2013			1,000,000.00		1,000,000.00	1,000,000.00
Comerica CD	0.750%	12/30/2013			2,000,000.00		2,000,000.00	2,000,000.00
<b>TOTAL</b>			<b>\$ 49,756,410.22</b>	<b>\$ 49,756,410.22</b>	<b>\$ 10,826,231.88</b>	<b>\$ (5,993,825.34)</b>	<b>\$ 54,588,816.76</b>	<b>\$ 54,588,816.76</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2011		Qtr to Qtr Change	December 31, 2011	
			Par Value	Market Value		Par Value	Market Value
Frost DDA	0.00%	1/1/2012	\$ 858,298.49	\$ 858,298.49	\$ 141,400.73	\$ 999,699.22	\$ 999,699.22
TexPool	0.09%	1/1/2012	5,623,384.51	5,623,384.51	4,617,303.09	10,240,687.60	10,240,687.60
LOGIC	0.14%	1/1/2012	1,144,794.40	1,144,794.40	522.13	1,145,316.53	1,145,316.53
Comerica MMA 0330	0.25%	1/1/2012	2,001,153.64	2,001,153.64	1,034,488.64	3,035,642.28	3,035,642.28
TSB MMA	0.50%	1/1/2012	206,694.03	206,694.03	209.08	206,903.11	206,903.11
VPB MMA	0.50%	1/1/2012	119,028.20	119,028.20	120.70	119,148.90	119,148.90
SSB MMA 1332	0.30%	1/1/2012	2,710,091.24	2,710,091.24	2,002.87	2,712,094.11	2,712,094.11
SSB MMA 7888	0.30%	1/1/2012	9,789,477.57	9,789,477.57	(783,408.75)	9,006,068.82	9,006,068.82
#REF!	0.40%	10/12/2011	2,001,994.52	2,001,994.52	(2,001,994.52)	-	-
Comerica CD	1.08%	10/24/2011	2,000,000.00	2,000,000.00	(2,000,000.00)	-	-
Southside CD	0.70%	12/30/2011	1,208,422.07	1,208,422.07	(1,208,422.07)	-	-
American National CD	1.70%	3/3/2012	2,821,070.54	2,821,070.54	11,956.70	2,833,027.24	2,833,027.24
Southside CD	0.90%	3/7/2012	1,513,545.63	1,513,545.63	3,396.15	1,516,941.78	1,516,941.78
Comerica CD	1.71%	3/13/2012	2,000,000.00	2,000,000.00		2,000,000.00	2,000,000.00
Southside CD	0.80%	4/7/2012	1,207,194.61	1,207,194.61	2,434.24	1,209,628.85	1,209,628.85
Comerica CD	0.70%	4/10/2012	2,500,000.00	2,500,000.00		2,500,000.00	2,500,000.00
Southside CD	1.70%	7/7/2012	1,017,108.68	1,017,108.68	4,358.24	1,021,466.92	1,021,466.92
Comerica CD	0.92%	7/10/2012	1,500,000.00	1,500,000.00		1,500,000.00	1,500,000.00
Comerica CD	0.59%	9/13/2012	2,526,221.38	2,526,221.38		2,526,221.38	2,526,221.38
Texas Security CD	0.90%	10/20/2012	1,002,231.37	1,002,231.37	2,260.92	1,004,492.29	1,004,492.29
Comerica CD	0.98%	10/22/2012	2,000,000.00	2,000,000.00		2,000,000.00	2,000,000.00
Southside CD	0.44%	1/14/2013			2,000,000.00	2,000,000.00	2,000,000.00
Comerica CD	0.96%	2/20/2013	2,000,000.00	2,000,000.00		2,000,000.00	2,000,000.00
Texas Security CD	1.14%	4/20/2013	2,005,699.34	2,005,699.34	5,778.39	2,011,477.73	2,011,477.73
Comerica CD	0.65%	7/22/2013			1,000,000.00	1,000,000.00	1,000,000.00
Comerica CD	0.75%	12/30/2013			2,000,000.00	2,000,000.00	2,000,000.00
<b>TOTAL</b>			<b>\$ 49,756,410.22</b>	<b>\$ 49,756,410.22</b>	<b>\$ 4,832,406.54</b>	<b>\$ 54,588,816.76</b>	<b>\$ 54,588,816.76</b>

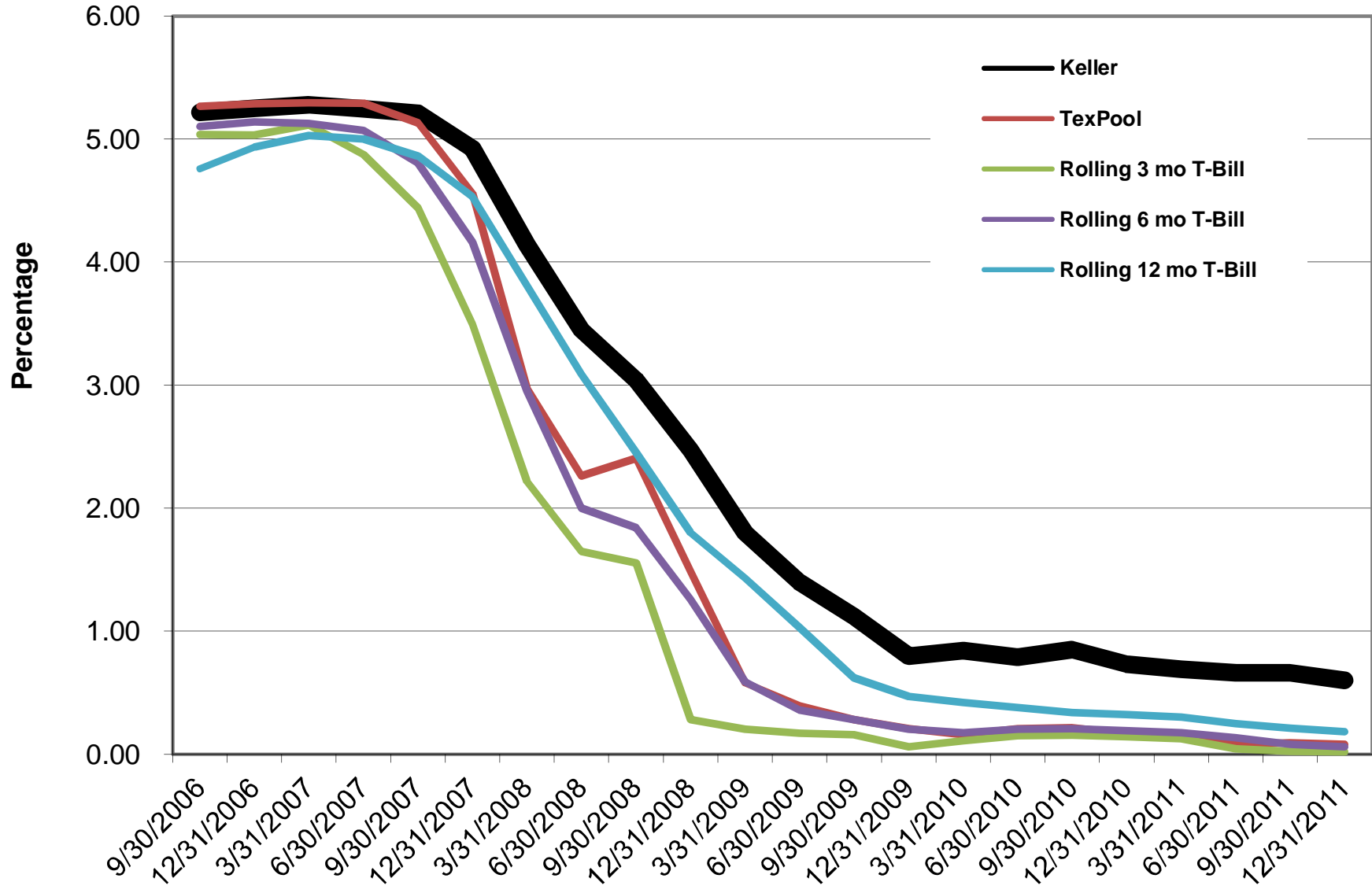
**Allocation**  
**December 31, 2011**

<b>Book &amp; Market Value</b>	<b>Investment Total</b>	<b>Consolidated</b>	<b>CCPD</b>	<b>Non-Profit Trust</b>	<b>2009 CO</b>	<b>2010 CO's GO</b>	<b>2010 CO's W&amp;S</b>	<b>Unreimbursed Medical</b>
Frost DDA	\$ 999,699.22	\$ 964,849.93	\$ -	\$ 2,286.60	\$ -	\$ -	\$ -	\$ 32,562.69
TexPool	10,240,687.60	6,842,041.56	908,485.08	8,057.33	334,770.18	1,103,409.85	1,043,923.60	
LOGIC	1,145,316.53	1,145,316.53						
Comerica MMA 0330	3,035,642.28	3,035,642.28						
TSB MMA	206,903.11	206,903.11						
VPB MMA	119,148.90	119,148.90						
SSB MMA 1332	2,712,094.11		2,712,094.11					
SSB MMA 7888	9,006,068.82	9,006,068.82						
03/03/2012	2,833,027.24	2,833,027.24						
03/07/2012	1,516,941.78	1,516,941.78						
03/13/2012	2,000,000.00	2,000,000.00						
04/07/2012	1,209,628.85	1,209,628.85						
04/10/2012	2,500,000.00	2,500,000.00						
07/07/2012	1,021,466.92	1,021,466.92						
07/10/2012	1,500,000.00	1,500,000.00						
09/13/2012	2,526,221.38	2,526,221.38						
10/20/2012	1,004,492.29	1,004,492.29						
10/22/2012	2,000,000.00	2,000,000.00						
01/14/2013	2,000,000.00	2,000,000.00						
02/20/2013	2,000,000.00	2,000,000.00						
04/20/2013	2,011,477.73	2,011,477.73						
07/22/2013	1,000,000.00	1,000,000.00						
12/30/2013	2,000,000.00	2,000,000.00						
<b>Totals</b>	<b>\$ 54,588,816.76</b>	<b>\$ 48,443,227.32</b>	<b>\$ 3,620,579.19</b>	<b>\$ 10,343.93</b>	<b>\$ 334,770.18</b>	<b>\$ 1,103,409.85</b>	<b>\$ 1,043,923.60</b>	<b>\$ 32,562.69</b>

**Allocation**  
**September 30, 2011**

<b>Book &amp; Market Value</b>	<b>Investment Total</b>	<b>Consolidated</b>	<b>CCPD</b>	<b>Non-Profit Trust</b>	<b>2009 CO</b>	<b>2010 CO's GO</b>	<b>2010 CO's W&amp;S</b>	<b>Unreimbursed Medical</b>
Frost DDA	\$ 858,298.49	\$ 823,886.67	\$ -	\$ 2,082.04	\$ -	\$ -	\$ -	\$ 32,329.78
TexPool	5,623,384.51	1,328,115.69	650,794.14	262,975.16	334,693.60	1,603,137.27	1,443,668.65	
LOGIC	1,144,794.40	1,144,794.40						
Comerica MMA 0330	2,001,153.64	2,001,153.64						
TSB MMA	206,694.03	206,694.03						
VPB MMA	119,028.20	119,028.20						
SSB MMA 1332	2,710,091.24		2,710,091.24					
SSB MMA 7888	9,789,477.57	9,789,477.57						
10/12/2011	2,001,994.52	2,001,994.52						
10/24/2011	2,000,000.00	2,000,000.00						
12/30/2011	1,208,422.07	1,208,422.07						
03/03/2012	2,821,070.54	2,821,070.54						
03/07/2012	1,513,545.63	1,513,545.63						
03/13/2012	2,000,000.00	2,000,000.00						
04/07/2012	1,207,194.61	1,207,194.61						
04/10/2012	2,500,000.00	2,500,000.00						
07/07/2012	1,017,108.68	1,017,108.68						
07/10/2012	1,500,000.00	1,500,000.00						
09/13/2012	2,526,221.38	2,526,221.38						
10/20/2012	1,002,231.37	1,002,231.37						
10/22/2012	2,000,000.00	2,000,000.00						
02/20/2013	2,000,000.00	2,000,000.00						
04/20/2013	2,005,699.34	2,005,699.34						
<b>Totals</b>	<b>\$ 49,756,410.22</b>	<b>\$ 42,716,638.34</b>	<b>\$ 3,360,885.38</b>	<b>\$ 265,057.20</b>	<b>\$ 334,693.60</b>	<b>\$ 1,603,137.27</b>	<b>\$ 1,443,668.65</b>	<b>\$ 32,329.78</b>

# City of Keller Historical Yields



***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.