



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

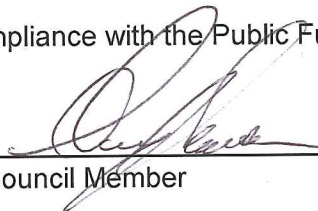
June 30, 2013

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



Council Member



City Manager

Council Member



Deputy City 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.

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), targeting unemployment below 6.5% and inflation less than 2.5%, however they openly discussed the future plan to reduce the amount of easing. The markets reacted quickly with higher Treasury Yield Curve rates and a brief stock market sell-off. Subsequent public comments attempted to calm the fears and reduce the immediate market impact. Domestic and international economic activity remains low to moderate. US employment/unemployment data is a key focal point. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity.

Quarter End Results by Investment Category:

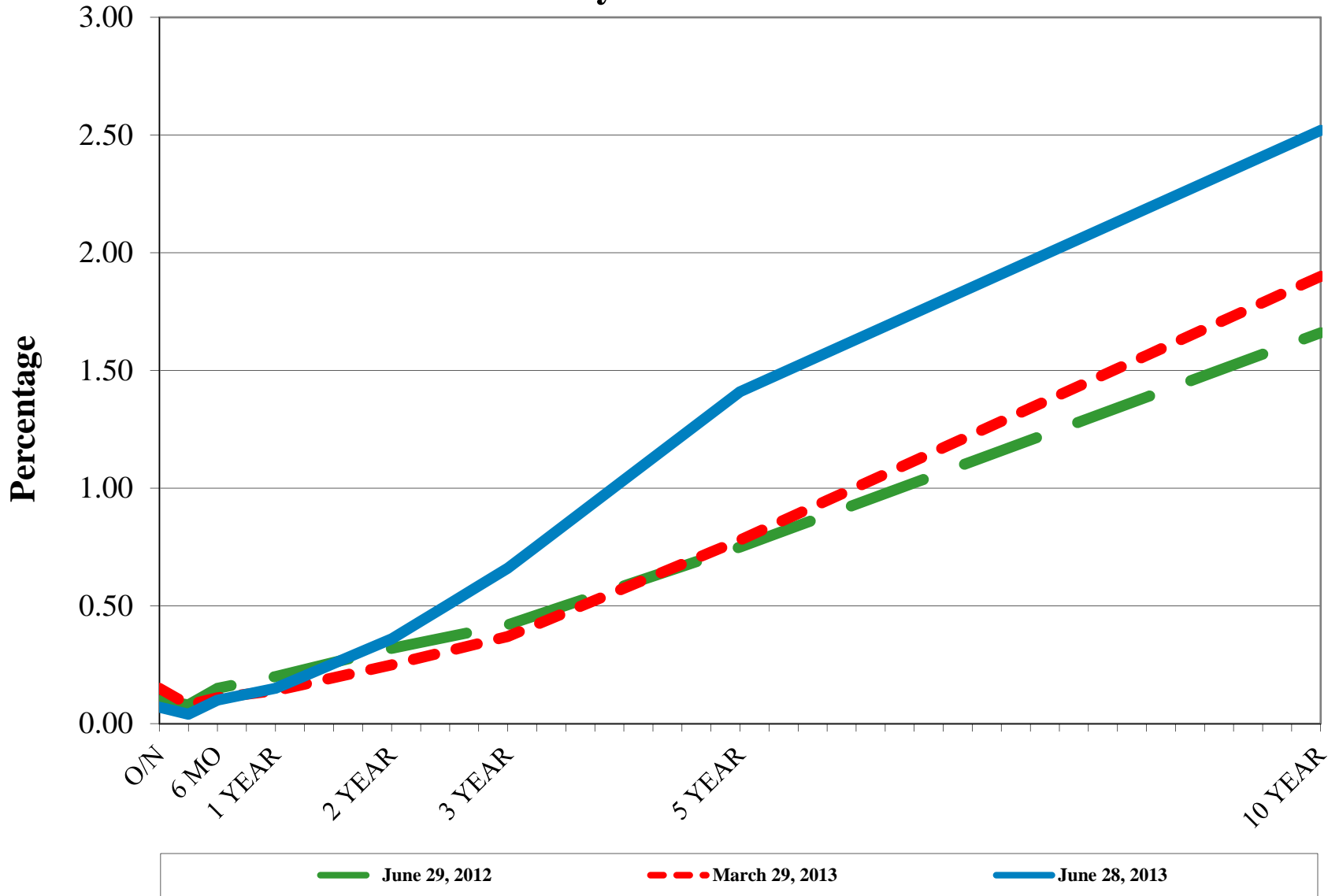
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>June 30, 2013</u>		<u>March 31, 2013</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Demand Accounts	0.00%	\$ 1,147,024	\$ 1,147,024	\$ 1,166,579	\$ 1,166,579
NOW/MMA/Pools	0.15%	28,238,267	28,238,267	28,403,393	28,403,393
Certificates of Deposit	0.55%	35,319,591	35,319,591	36,678,996	36,678,996
Securities		-	-	-	-
Totals		\$ 64,704,881	\$ 64,704,881	\$ 66,248,969	\$ 66,248,969

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.37%	Total Portfolio	0.41%
Rolling Three Mo. Treas. Yield	0.05%	Rolling Three Mo. Treas. Yield	0.08%
Rolling Six Mo. Treas. Yield	0.10%	Rolling Six Mo. Treas. Yield	0.12%
		Quarterly TexPool Yield	0.10%
Quarterly Interest Income	\$ 61,540	Approximate	
Year-to-date Interest Income	\$ 194,868	Approximate	

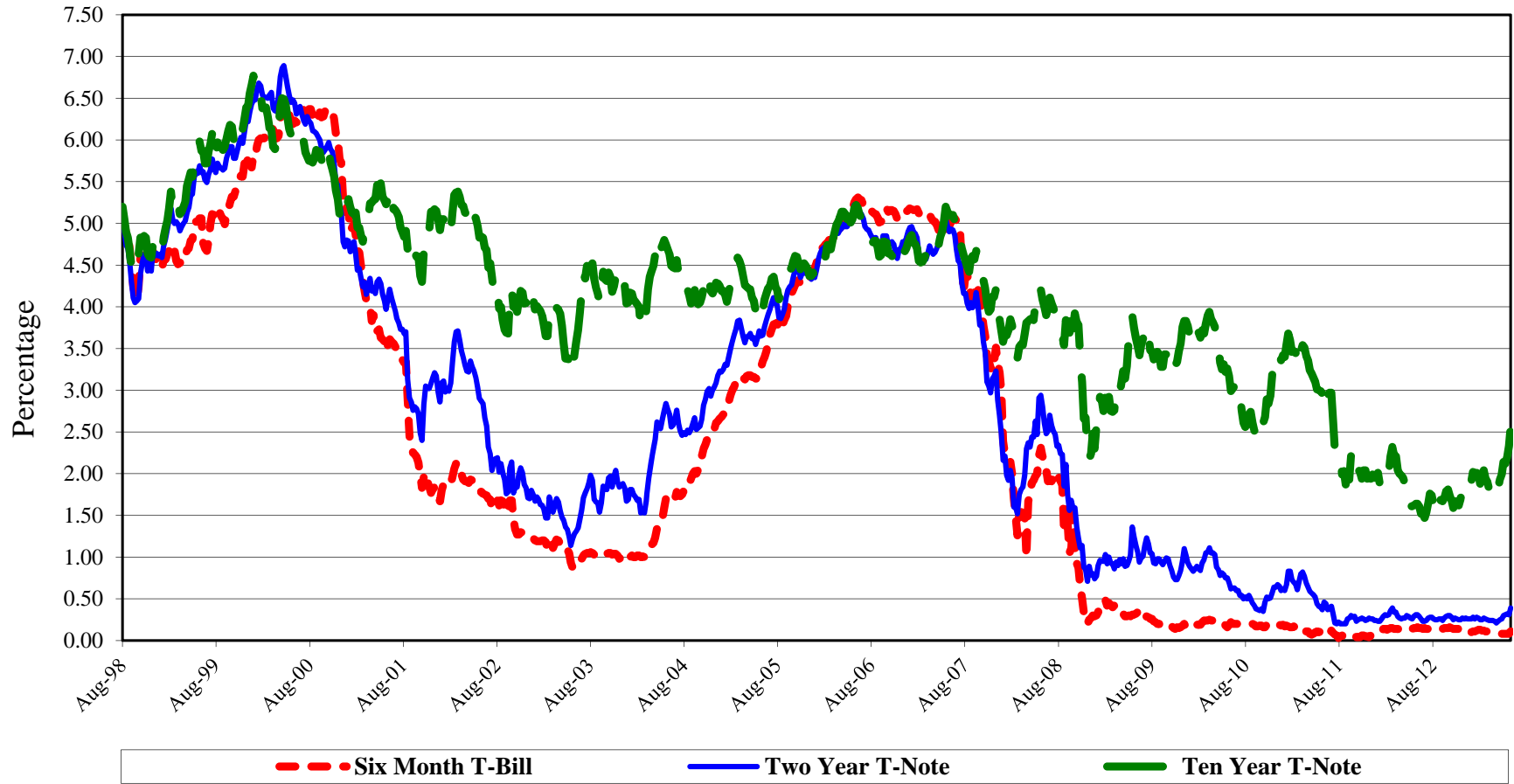
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

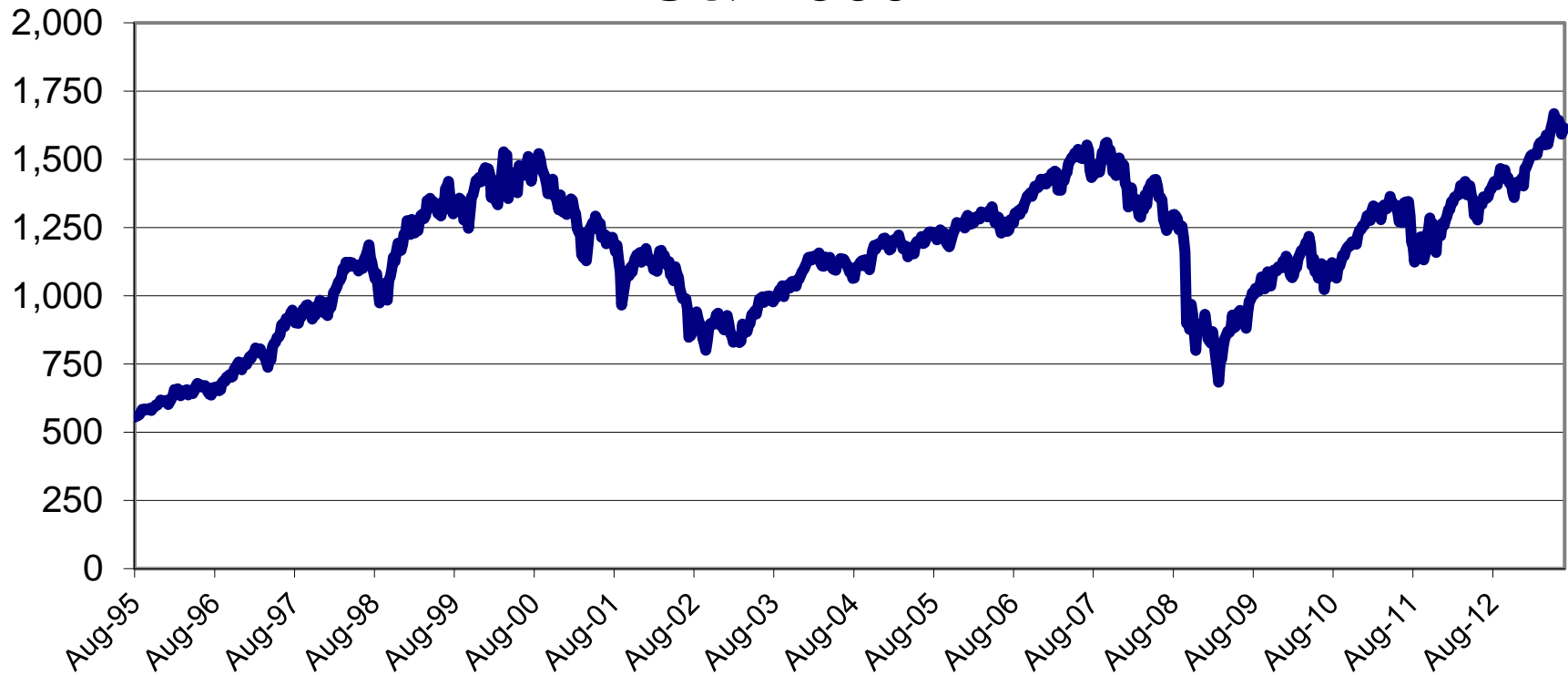
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



Detail of Investment Holdings

June 30, 2013

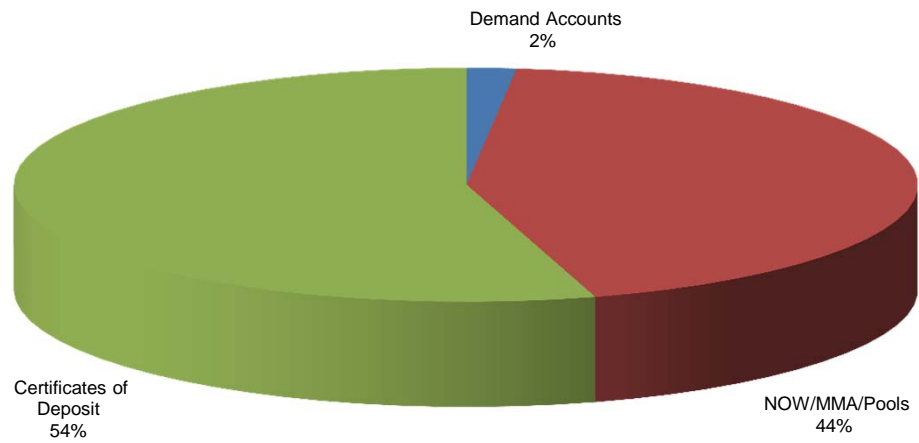
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Frost DDA (3)		0.00%	07/01/13	06/30/13	\$ 1,147,024	\$ 1,147,024	1.00	\$ 1,147,024	1	0.00%
TexPool	AAAm	0.06%	07/01/13	06/30/13	9,314,018	9,314,018	1.00	9,314,018	1	0.06%
LOGIC	AAAm	0.13%	07/01/13	06/30/13	2,209,134	2,209,134	1.00	2,209,134	1	0.13%
Comerica MMA 0330		0.20%	07/01/13	06/30/13	6,196,420	6,196,420	1.00	6,196,420	1	0.20%
SSB MMA 1332		0.21%	07/01/13	06/30/13	2,724,364	2,724,364	1.00	2,724,364	1	0.21%
SSB MMA 7888		0.21%	07/01/13	06/30/13	7,794,330	7,794,330	1.00	7,794,330	1	0.21%
Comerica CD		0.55%	07/01/13	02/24/12	319,328	319,328	100.00	319,328	1	0.55%
Southside CD		0.35%	07/10/13	11/01/12	502,075	502,075	100.00	502,075	10	0.35%
Comerica CD		0.65%	07/22/13	10/24/11	1,010,893	1,010,893	100.00	1,010,893	22	0.65%
Comerica CD		0.55%	08/01/13	02/24/12	201,469	201,469	100.00	201,469	32	0.55%
Comerica CD		0.59%	09/03/13	02/24/12	201,576	201,576	100.00	201,576	65	0.59%
Southside CD		0.35%	09/12/13	12/03/12	502,428	502,428	100.00	502,428	74	0.35%
Comerica CD		0.47%	09/13/13	09/13/12	2,553,920	2,553,920	100.00	2,553,920	75	0.47%
Comerica CD		0.59%	10/01/13	02/24/12	201,576	201,576	100.00	201,576	93	0.59%
Comerica CD		0.59%	11/01/13	02/24/12	141,103	141,103	100.00	141,103	124	0.59%
Southside CD		0.34%	11/11/13	01/02/13	502,138	502,138	100.00	502,138	134	0.34%
Comerica CD		0.75%	12/30/13	12/30/11	2,022,579	2,022,579	100.00	2,022,579	183	0.75%
Southside CD		0.30%	01/10/14	02/01/13	502,249	502,249	100.00	502,249	194	0.30%
Comerica CD		0.66%	03/07/14	03/07/12	3,024,887	3,024,887	100.00	3,024,887	250	0.66%
Comerica CD		0.65%	03/10/14	03/09/12	1,512,254	1,512,254	100.00	1,512,254	253	0.65%
Comerica CD		0.65%	03/12/14	03/12/12	1,512,254	1,512,254	100.00	1,512,254	255	0.65%
Comerica CD		0.70%	04/10/14	04/10/12	3,528,703	3,528,703	100.00	3,528,703	284	0.70%
Southside CD		0.51%	04/16/14	10/16/12	1,002,545	1,002,545	100.00	1,002,545	290	0.51%
Texas Security CD		0.35%	05/22/14	03/22/13	3,002,647	3,002,647	100.00	3,002,647	326	0.35%
Southside CD		0.64%	07/09/14	07/09/12	2,512,084	2,512,084	100.00	2,512,084	374	0.64%
Southside CD		0.45%	07/14/14	01/14/13	2,013,322	2,013,322	100.00	2,013,322	379	0.45%
Comerica CD		0.36%	09/24/14	03/22/13	2,001,815	2,001,815	100.00	2,001,815	451	0.36%
Comerica CD		0.58%	10/22/14	10/22/12	2,042,475	2,042,475	100.00	2,042,475	479	0.58%
Comerica CD		0.55%	03/23/15	03/22/13	2,503,467	2,503,467	100.00	2,503,467	631	0.55%
Comerica CD		0.54%	04/22/15	04/22/13	2,001,805	2,001,805	100.00	2,001,805	661	0.54%
					\$ 64,704,881	\$ 64,704,881		\$ 64,704,881	172	0.37%
									(1)	(2)

(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.

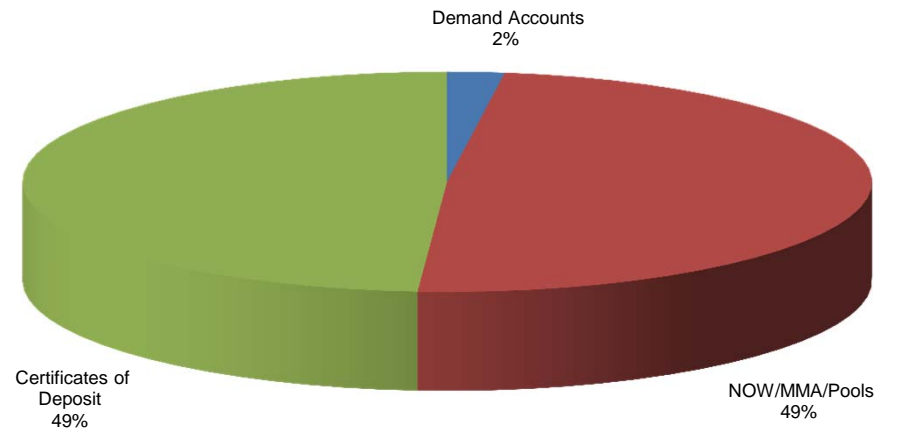
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

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

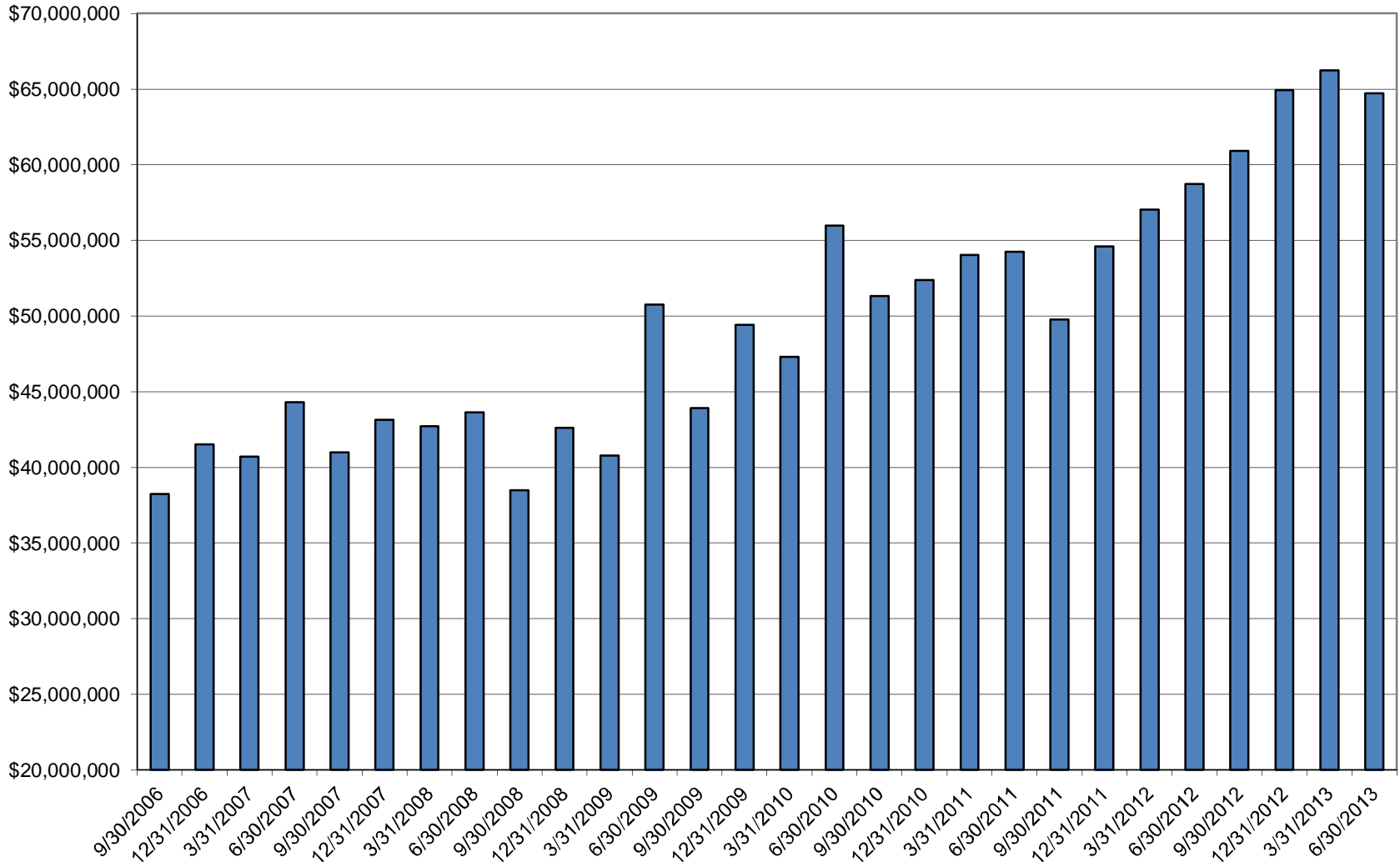
**Portfolio Composition
Current Quarter**



**Portfolio Composition
Previous Quarter**



Total Portfolio



■ Quarter End Book Value

Book Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2013		Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	June 30, 2013	
			Par Value	Book Value			Par Value	Book Value
Frost DDA	0.00%	07/01/13	\$ 1,166,579	\$ 1,166,579	\$ -	\$ (19,555)	\$ 1,147,024	\$ 1,147,024
TexPool	0.06%	07/01/13	9,165,506	9,165,506	148,513		9,314,018	9,314,018
LOGIC	0.13%	07/01/13	2,531,847	2,531,847		(322,713)	2,209,134	2,209,134
Comerica MMA 0330	0.20%	07/01/13	6,193,332	6,193,332	3,089		6,196,420	6,196,420
SSB MMA 1332	0.21%	07/01/13	2,722,814	2,722,814	1,550		2,724,364	2,724,364
SSB MMA 7888	0.21%	07/01/13	7,789,895	7,789,895	4,435		7,794,330	7,794,330
Comerica CD	0.52%	04/01/13	402,253	402,253		(402,253)		
Texas Security CD	1.14%	04/20/13	2,000,000	2,000,000		(2,000,000)		
Comerica CD	0.52%	05/01/13	402,253	402,253		(402,253)		
Southside CD	0.30%	05/09/13	200,551	200,551		(200,551)		
Comerica CD	0.55%	06/03/13	402,384	402,384		(402,384)		
Comerica CD	0.55%	07/01/13	318,889	318,889	439		319,328	319,328
Southside CD	0.35%	07/10/13	501,646	501,646	428		502,075	502,075
Comerica CD	0.65%	07/22/13	1,009,238	1,009,238	1,654		1,010,893	1,010,893
Comerica CD	0.55%	08/01/13	201,192	201,192	277		201,469	201,469
Comerica CD	0.59%	09/03/13	201,279	201,279	297		201,576	201,576
Southside CD	0.35%	09/12/13	501,985	501,985	443		502,428	502,428
Comerica CD	0.47%	09/13/13	2,550,897	2,550,897	3,023		2,553,920	2,553,920
Comerica CD	0.59%	10/01/13	201,279	201,279	297		201,576	201,576
Comerica CD	0.59%	11/01/13	140,895	140,895	208		141,103	141,103
Southside CD	0.34%	11/11/13	501,717	501,717	421		502,138	502,138
Comerica CD	0.75%	12/30/13	2,018,760	2,018,760	3,819		2,022,579	2,022,579
Southside CD	0.30%	01/10/14	501,882	501,882	367		502,249	502,249
Comerica CD	0.66%	03/07/14	3,019,860	3,019,860	5,027		3,024,887	3,024,887
Comerica CD	0.65%	03/10/14	1,509,779	1,509,779	2,475		1,512,254	1,512,254
Comerica CD	0.65%	03/12/14	1,509,779	1,509,779	2,475		1,512,254	1,512,254
Comerica CD	0.70%	04/10/14	3,522,485	3,522,485	6,219		3,528,703	3,528,703
Southside CD	0.51%	04/16/14	1,001,285	1,001,285	1,259		1,002,545	1,002,545
Texas Security CD	0.35%	05/22/14	3,000,000	3,000,000	2,647		3,002,647	3,002,647
Southside CD	0.64%	07/09/14	2,508,123	2,508,123	3,961		2,512,084	2,512,084
Southside CD	0.45%	07/14/14	2,011,091	2,011,091	2,231		2,013,322	2,013,322
Comerica CD	0.36%	09/24/14	2,000,000	2,000,000	1,815		2,001,815	2,001,815
Comerica CD	0.58%	10/22/14	2,039,492	2,039,492	2,983		2,042,475	2,042,475
Comerica CD	0.55%	03/23/15	2,500,000	2,500,000	3,467		2,503,467	2,503,467
Comerica CD	0.54%	04/22/15			2,001,805		2,001,805	2,001,805
TOTAL			\$ 66,248,969	\$ 66,248,969	\$ 2,205,623	\$ (3,749,710)	\$ 64,704,881	\$ 64,704,881

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2013		Qtr to Qtr Change	June 30, 2013	
			Par Value	Market Value		Par Value	Market Value
Frost DDA	0.00%	07/01/13	\$ 1,166,579	\$ 1,166,579	\$ (19,555)	\$ 1,147,024	\$ 1,147,024
TexPool	0.06%	07/01/13	9,165,506	9,165,506	148,513	9,314,018	9,314,018
LOGIC	0.13%	07/01/13	2,531,847	2,531,847	(322,713)	2,209,134	2,209,134
Comerica MMA 0330	0.20%	07/01/13	6,193,332	6,193,332	3,089	6,196,420	6,196,420
SSB MMA 1332	0.21%	07/01/13	2,722,814	2,722,814	1,550	2,724,364	2,724,364
SSB MMA 7888	0.21%	07/01/13	7,789,895	7,789,895	4,435	7,794,330	7,794,330
Comerica CD	0.52%	04/01/13	402,253	402,253	(402,253)		
Texas Security CD	1.14%	04/20/13	2,000,000	2,000,000	(2,000,000)		
Comerica CD	0.52%	05/01/13	402,253	402,253	(402,253)		
Southside CD	0.30%	05/09/13	200,551	200,551	(200,551)		
Comerica CD	0.55%	06/03/13	402,384	402,384	(402,384)		
Comerica CD	0.55%	07/01/13	318,889	318,889	439	319,328	319,328
Southside CD	0.35%	07/10/13	501,646	501,646	428	502,075	502,075
Comerica CD	0.65%	07/22/13	1,009,238	1,009,238	1,654	1,010,893	1,010,893
Comerica CD	0.55%	08/01/13	201,192	201,192	277	201,469	201,469
Comerica CD	0.59%	09/03/13	201,279	201,279	297	201,576	201,576
Southside CD	0.35%	09/12/13	501,985	501,985	443	502,428	502,428
Comerica CD	0.47%	09/13/13	2,550,897	2,550,897	3,023	2,553,920	2,553,920
Comerica CD	0.59%	10/01/13	201,279	201,279	297	201,576	201,576
Comerica CD	0.59%	11/01/13	140,895	140,895	208	141,103	141,103
Southside CD	0.34%	11/11/13	501,717	501,717	421	502,138	502,138
Comerica CD	0.75%	12/30/13	2,018,760	2,018,760	3,819	2,022,579	2,022,579
Southside CD	0.30%	01/10/14	501,882	501,882	367	502,249	502,249
Comerica CD	0.66%	03/07/14	3,019,860	3,019,860	5,027	3,024,887	3,024,887
Comerica CD	0.65%	03/10/14	1,509,779	1,509,779	2,475	1,512,254	1,512,254
Comerica CD	0.65%	03/12/14	1,509,779	1,509,779	2,475	1,512,254	1,512,254
Comerica CD	0.70%	04/10/14	3,522,485	3,522,485	6,219	3,528,703	3,528,703
Southside CD	0.51%	04/16/14	1,001,285	1,001,285	1,259	1,002,545	1,002,545
Texas Security CD	0.35%	05/22/14	3,000,000	3,000,000	2,647	3,002,647	3,002,647
Southside CD	0.64%	07/09/14	2,508,123	2,508,123	3,961	2,512,084	2,512,084
Southside CD	0.45%	07/14/14	2,011,091	2,011,091	2,231	2,013,322	2,013,322
Comerica CD	0.36%	09/24/14	2,000,000	2,000,000	1,815	2,001,815	2,001,815
Comerica CD	0.58%	10/22/14	2,039,492	2,039,492	2,983	2,042,475	2,042,475
Comerica CD	0.55%	03/23/15	2,500,000	2,500,000	3,467	2,503,467	2,503,467
Comerica CD	0.54%	04/22/15			2,001,805	2,001,805	2,001,805
TOTAL			\$ 66,248,969	\$ 66,248,969	\$ (1,544,087)	\$ 64,704,881	\$ 64,704,881

Allocation
June 30, 2013

Book & Market Value	Investment Total	Consolidated	CCPD	Non-Profit Trust	2012 TWDB CO's	Unreimbursed Medical
Frost DDA	\$ 1,147,024	\$ 1,117,266	\$ -	\$ 1,488	\$ -	\$ 28,270
TexPool	9,314,018	6,358,102	2,627,282	328,635		
LOGIC	2,209,134	1,148,846			1,060,288	
Comerica MMA 0330	6,196,420	6,196,420				
SSB MMA 1332	2,724,364		2,724,364			
SSB MMA 7888	7,794,330	7,794,330				
07/01/13	319,328				319,328	
07/10/13	502,075				502,075	
07/22/13	1,010,893	1,010,893				
08/01/13	201,469				201,469	
09/03/13	201,576				201,576	
09/12/13	502,428				502,428	
09/13/13	2,553,920	2,553,920				
10/01/13	201,576				201,576	
11/01/13	141,103				141,103	
11/11/13	502,138				502,138	
12/30/13	2,022,579	2,022,579				
01/10/14	502,249				502,249	
03/07/14	3,024,887	3,024,887				
03/10/14	1,512,254	1,512,254				
03/12/14	1,512,254	1,512,254				
04/10/14	3,528,703	3,528,703				
04/16/14	1,002,545	1,002,545				
05/22/14	3,002,647		3,002,647			
07/09/14	2,512,084	2,512,084				
07/14/14	2,013,322	2,013,322				
09/24/14	2,001,815	2,001,815				
10/22/14	2,042,475	2,042,475				
03/23/15	2,503,467	2,503,467				
04/22/15	2,001,805	2,001,805				
Totals	\$ 64,704,881	\$ 51,857,967	\$ 8,354,292	\$ 330,123	\$ 4,134,229	\$ 28,270

Allocation
March 31, 2013

Book & Market Value	Investment Total	Consolidated	CCPD	Non-Profit Trust	2012 TWDB CO's	Unreimbursed Medical
Frost DDA	\$ 1,166,579	\$ 1,160,782	\$ -	\$ 1,457	\$ -	\$ 4,341
TexPool	9,165,506	5,778,012	3,371,829	15,664		
LOGIC	2,531,847	1,148,461			1,383,387	
Comerica MMA 0330	6,193,332	6,193,332				
SSB MMA 1332	2,722,814		2,722,814			
SSB MMA 7888	7,789,895	7,789,895				
04/01/2013	402,253				402,253	
04/20/2013	2,000,000	2,000,000				
05/01/2013	402,253				402,253	
05/09/2013	200,551				200,551	
06/03/2013	402,384				402,384	
07/01/2013	318,889				318,889	
07/10/2013	501,646				501,646	
07/22/2013	1,009,238	1,009,238				
08/01/2013	201,192				201,192	
09/03/2013	201,279				201,279	
09/12/2013	501,985				501,985	
09/13/2013	2,550,897	2,550,897				
10/01/2013	201,279				201,279	
11/01/2013	140,895				140,895	
11/11/2013	501,717				501,717	
12/30/2013	2,018,760	2,018,760				
01/10/2014	501,882				501,882	
03/07/2014	3,019,860	3,019,860				
03/10/2014	1,509,779	1,509,779				
03/12/2014	1,509,779	1,509,779				
04/10/2014	3,522,485	3,522,485				
04/16/2014	1,001,285	1,001,285				
05/22/2014	3,000,000		3,000,000			
07/09/2014	2,508,123	2,508,123				
07/14/2014	2,011,091	2,011,091				
09/24/2014	2,000,000	2,000,000				
10/22/2014	2,039,492	2,039,492				
03/23/2015	2,500,000	2,500,000				
Totals	\$ 66,248,969	\$ 51,271,271	\$ 9,094,643	\$ 17,121	\$ 5,861,594	\$ 4,341

City of Keller Historical Yields

