



QUARTERLY INVESTMENT REPORT

For the Quarter Ended

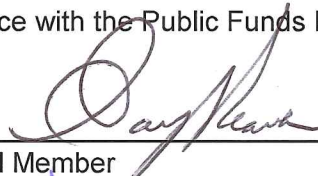
March 31, 2013

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.



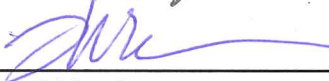
Finance Director




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 are trading +/-15 bps). The FOMC continued monthly easing operations with the objectives of unemployment below 6.5% and inflation less than 2.0%. The Federal budget, deficit and debt ceiling are in various stages of temporary resolution. The European credit crisis gained headlines as Cyprus nearly collapsed. Domestic employment growth is erratic but modestly positive. Overall economic activity remains low to moderate. The US stock markets reached new highs. Financial institution deposits and laddering targeted cash flows still provide the best interest earnings opportunity.

Quarter End Results by Investment Category:

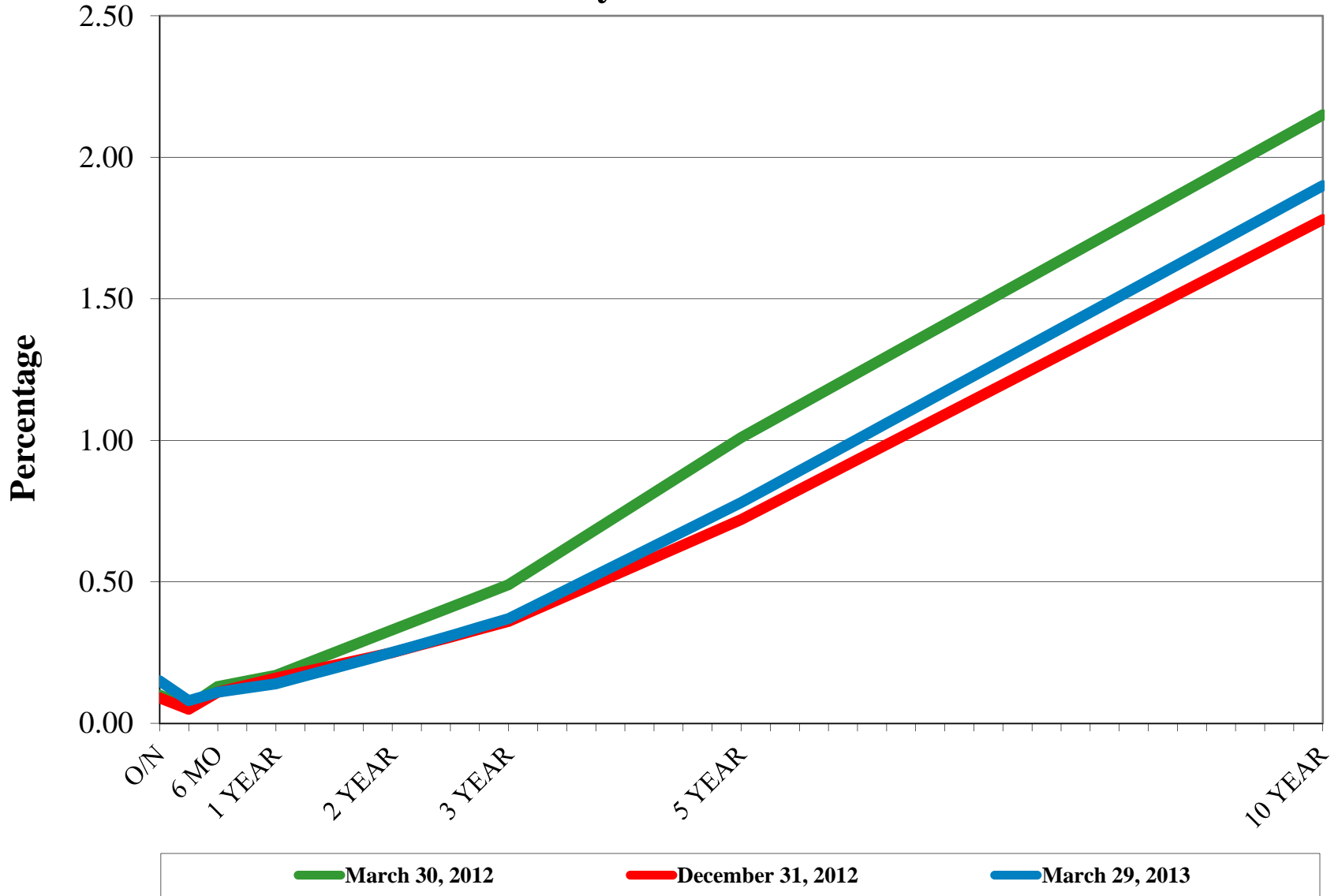
<u>Asset Type</u>	<u>Ave. Yield</u>	<u>March 31, 2013</u>		<u>December 31, 2012</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Demand Accounts	0.00%	\$ 1,166,579.15	\$ 1,166,579.15	\$ 1,413,157.98	\$ 1,413,157.98
NOW/MMA/Pools	0.24%	28,403,393.39	28,403,393.39	31,773,624.67	31,773,624.67
Certificates of Deposit	0.58%	36,678,996.26	36,678,996.26	31,750,912.23	31,750,912.23
Securities		-	-	-	-
Totals		\$ 66,248,968.80	\$ 66,248,968.80	\$ 64,937,694.88	\$ 64,937,694.88

Average Yield (1)		Fiscal Year-to-Date Average Yield (2)	
Total Portfolio	0.43%	Total Portfolio	0.43%
Rolling Three Mo. Treas. Yield	0.09%	Rolling Three Mo. Treas. Yield	0.09%
Rolling Six Mo. Treas. Yield	0.13%	Rolling Six Mo. Treas. Yield	0.13%
		Quarterly TexPool Yield	0.13%
Quarterly Interest Income	\$ 63,268	Approximate	
Year-to-date Interest Income	\$ 133,329	Approximate	

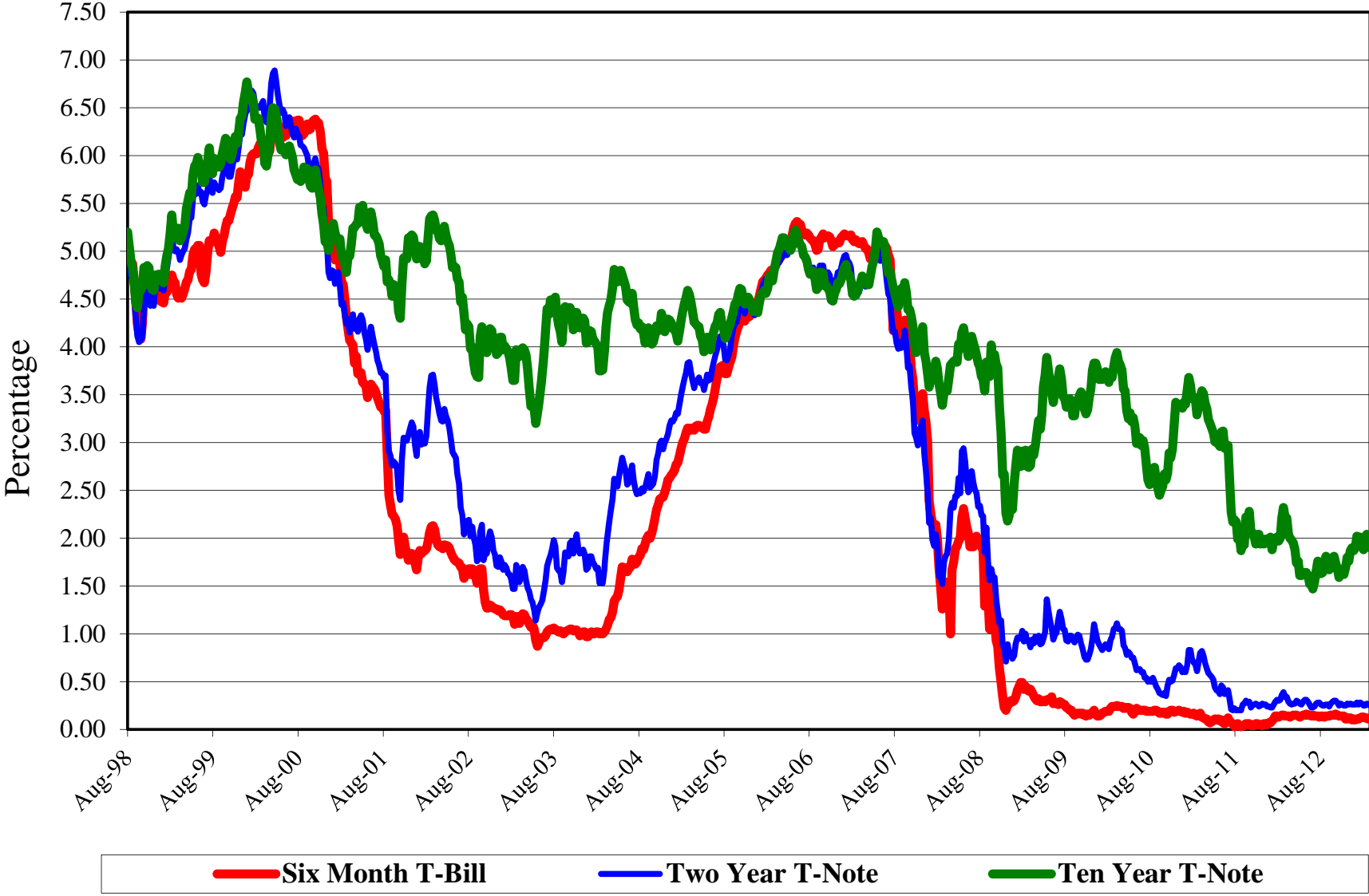
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

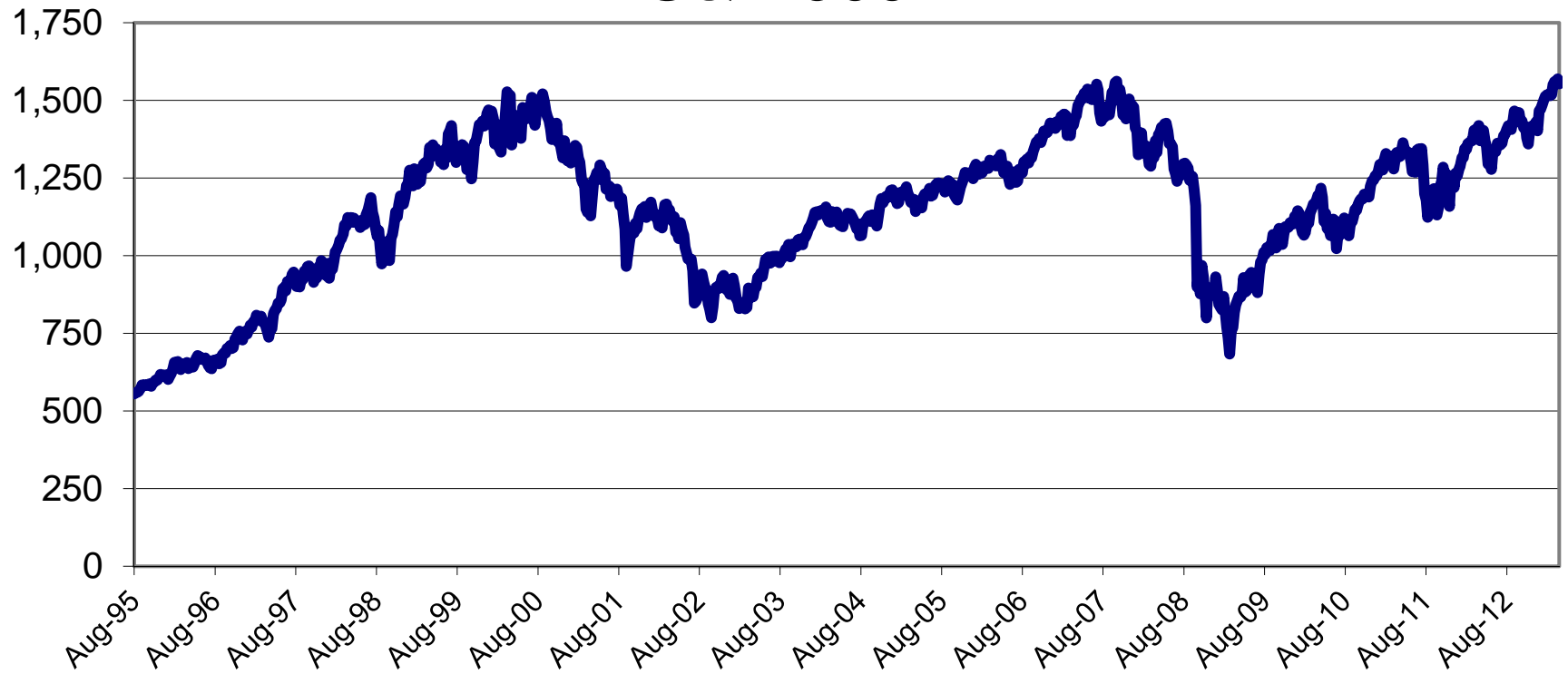
Treasury Yield Curves



US Treasury Historical Yields



S&P 500



Detail of Investment Holdings

March 31, 2013

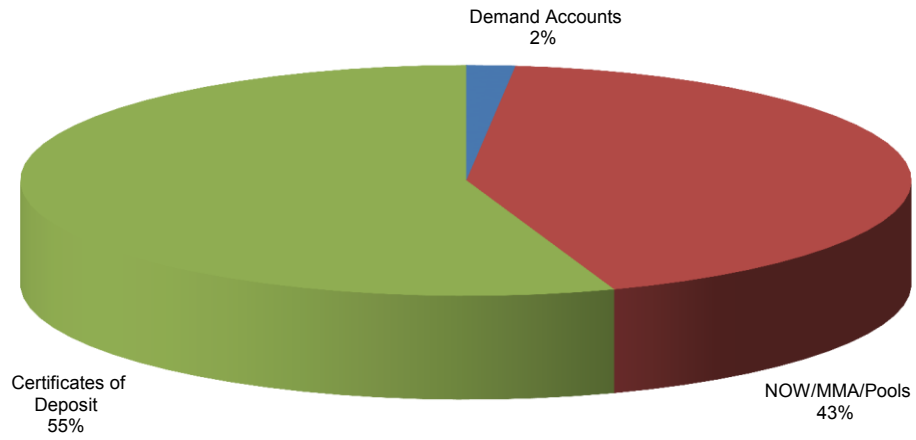
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Frost DDA (3)		0.00%	04/01/13	03/31/13	\$ 1,166,579.15	\$ 1,166,579.15	1.00	\$ 1,166,579.15	1	0.00%
TexPool	AAAm	0.15%	04/01/13	03/31/13	9,165,505.61	9,165,505.61	1.00	9,165,505.61	1	0.15%
LOGIC	AAAm	0.18%	04/01/13	03/31/13	2,531,847.13	2,531,847.13	1.00	2,531,847.13	1	0.18%
Comerica MMA 0330		0.20%	04/01/13	03/31/13	6,193,331.51	6,193,331.51	1.00	6,193,331.51	1	0.20%
SSB MMA 1332		0.36%	04/01/13	03/31/13	2,722,813.73	2,722,813.73	1.00	2,722,813.73	1	0.36%
SSB MMA 7888		0.36%	04/01/13	03/31/13	7,789,895.41	7,789,895.41	1.00	7,789,895.41	1	0.36%
Comerica CD		0.52%	04/01/13	02/24/12	402,253.48	402,253.48	100.00	402,253.48	1	0.52%
Texas Security CD		1.14%	04/20/13	04/20/11	2,000,000.00	2,000,000.00	100.00	2,000,000.00	20	1.14%
Comerica CD		0.52%	05/01/13	02/24/12	402,253.48	402,253.48	100.00	402,253.48	31	0.52%
Southside CD		0.30%	05/09/13	10/01/12	200,551.24	200,551.24	100.00	200,551.24	39	0.30%
Comerica CD		0.55%	06/03/13	02/24/12	402,383.85	402,383.85	100.00	402,383.85	64	0.55%
Comerica CD		0.55%	07/01/13	02/24/12	318,889.20	318,889.20	100.00	318,889.20	92	0.55%
Southside CD		0.35%	07/10/13	11/01/12	501,646.44	501,646.44	100.00	501,646.44	101	0.35%
Comerica CD		0.65%	07/22/13	10/24/11	1,009,238.27	1,009,238.27	100.00	1,009,238.27	113	0.65%
Comerica CD		0.55%	08/01/13	02/24/12	201,191.92	201,191.92	100.00	201,191.92	123	0.55%
Comerica CD		0.59%	09/03/13	02/24/12	201,278.86	201,278.86	100.00	201,278.86	156	0.59%
Southside CD		0.35%	09/12/13	12/03/12	501,985.19	501,985.19	100.00	501,985.19	165	0.35%
Comerica CD		0.47%	09/13/13	09/13/12	2,550,896.97	2,550,896.97	100.00	2,550,896.97	166	0.47%
Comerica CD		0.59%	10/01/13	02/24/12	201,278.86	201,278.86	100.00	201,278.86	184	0.59%
Comerica CD		0.59%	11/01/13	02/24/12	140,895.21	140,895.21	100.00	140,895.21	215	0.59%
Southside CD		0.34%	11/11/13	01/02/13	501,717.21	501,717.21	100.00	501,717.21	225	0.34%
Comerica CD		0.75%	12/30/13	12/30/11	2,018,759.93	2,018,759.93	100.00	2,018,759.93	274	0.75%
Southside CD		0.30%	01/10/14	02/01/13	501,882.09	501,882.09	100.00	501,882.09	285	0.30%
Comerica CD		0.66%	03/07/14	03/07/12	3,019,860.00	3,019,860.00	100.00	3,019,860.00	341	0.66%
Comerica CD		0.65%	03/10/14	03/09/12	1,509,779.09	1,509,779.09	100.00	1,509,779.09	344	0.65%
Comerica CD		0.65%	03/12/14	03/12/12	1,509,779.09	1,509,779.09	100.00	1,509,779.09	346	0.65%
Comerica CD		0.70%	04/10/14	04/10/12	3,522,484.56	3,522,484.56	100.00	3,522,484.56	375	0.70%
Southside CD		0.51%	04/16/14	10/16/12	1,001,285.48	1,001,285.48	100.00	1,001,285.48	381	0.51%
Texas Security CD		0.35%	05/22/14	03/22/13	3,000,000.00	3,000,000.00	100.00	3,000,000.00	417	0.35%
Southside CD		0.64%	07/09/14	07/09/12	2,508,122.57	2,508,122.57	100.00	2,508,122.57	465	0.64%
Southside CD		0.45%	07/14/14	01/14/13	2,011,090.82	2,011,090.82	100.00	2,011,090.82	470	0.45%
Comerica CD		0.36%	09/24/14	03/22/13	2,000,000.00	2,000,000.00	100.00	2,000,000.00	542	0.36%
Comerica CD		0.58%	10/22/14	10/22/12	2,039,492.45	2,039,492.45	100.00	2,039,492.45	570	0.58%
Comerica CD		0.55%	03/23/15	03/22/13	2,500,000.00	2,500,000.00	100.00	2,500,000.00	722	0.55%
					\$ 66,248,968.80	\$ 66,248,968.80		\$ 66,248,968.80	195	0.43%
									(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.

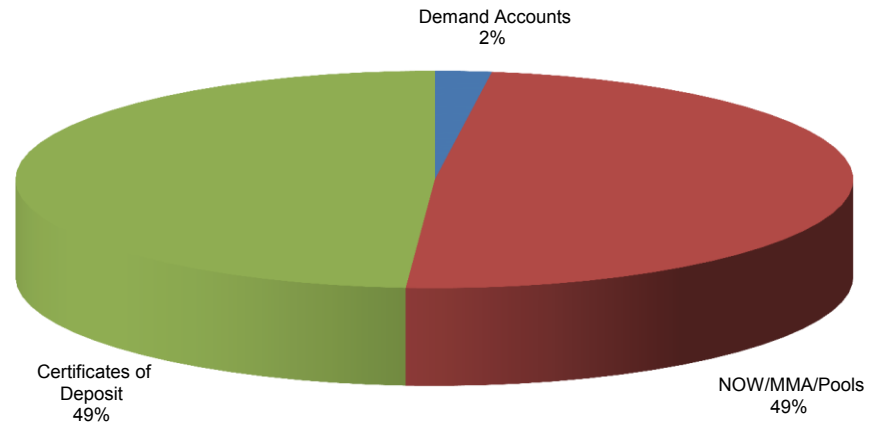
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts, pools, and money market funds.

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

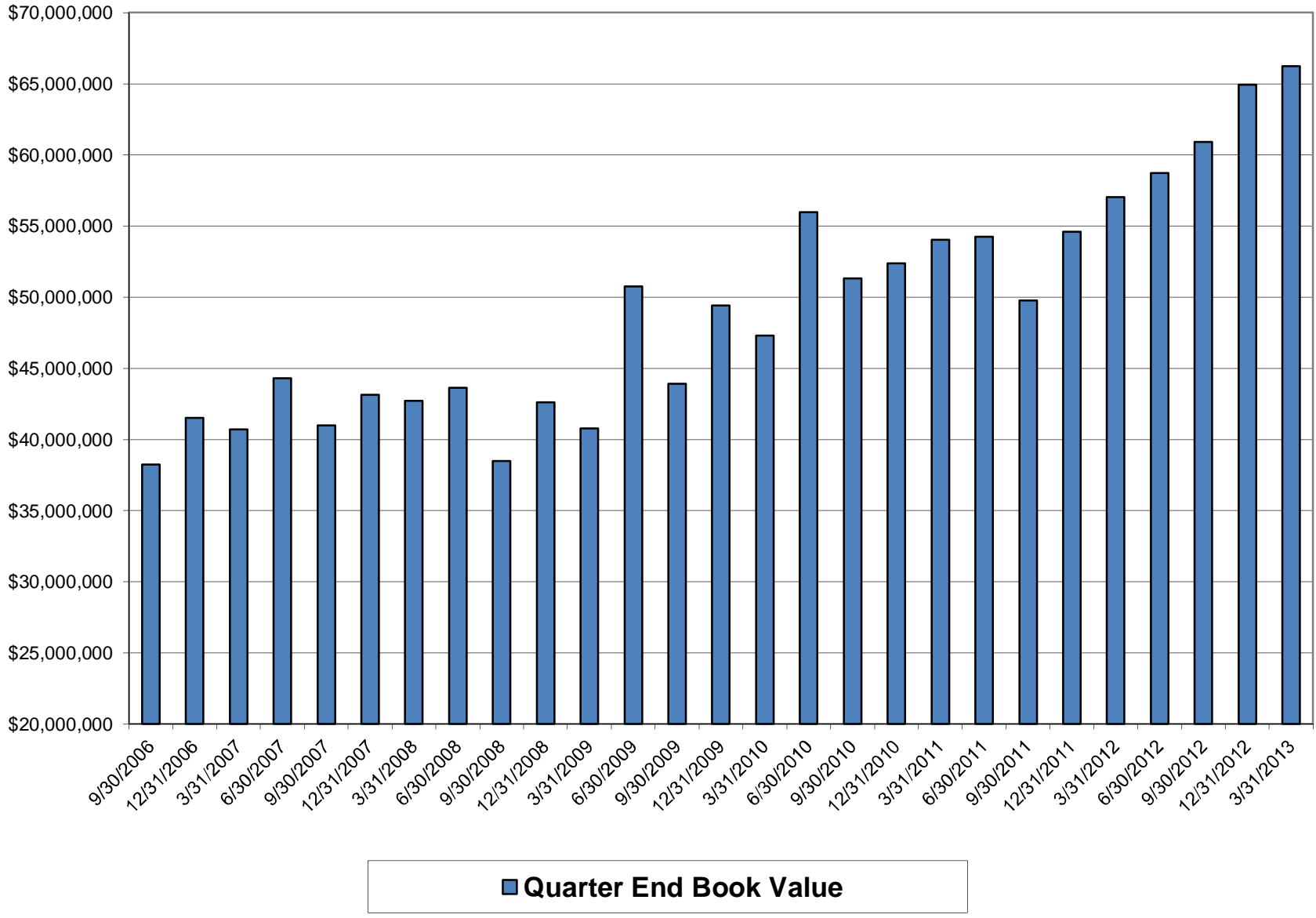
**Portfolio Composition
Current Quarter**



**Portfolio Composition
Previous Quarter**



Total Portfolio



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2012		Purchases/ Adjustments	Sales/Adjust/ Call/Maturity	March 31, 2013	
			Par Value	Book Value			Par Value	Book Value
Frost DDA	0.00%	04/01/13	\$ 1,413,157.98	\$ 1,413,157.98	\$ -	\$ (246,578.83)	\$ 1,166,579.15	\$ 1,166,579.15
TexPool	0.15%	04/01/13	15,160,769.02	15,160,769.02		(5,995,263.41)	9,165,505.61	9,165,505.61
LOGIC	0.18%	04/01/13	1,949,985.39	1,949,985.39	581,861.74		2,531,847.13	2,531,847.13
Comerica MMA 0330	0.20%	04/01/13	4,156,844.97	4,156,844.97	2,036,486.54		6,193,331.51	6,193,331.51
SSB MMA 1332	0.36%	04/01/13	2,721,082.60	2,721,082.60	1,731.13		2,722,813.73	2,722,813.73
SSB MMA 7888	0.36%	04/01/13	7,784,942.69	7,784,942.69	4,952.72		7,789,895.41	7,789,895.41
Southside CD	0.40%	01/02/13	501,508.36	501,508.36		(501,508.36)		
Southside CD	0.44%	01/14/13	2,008,838.72	2,008,838.72		(2,008,838.72)		
Southside CD	0.40%	02/01/13	501,508.36	501,508.36		(501,508.36)		
Comerica CD	0.96%	02/20/13	2,030,706.11	2,030,706.11		(2,030,706.11)		
Comerica CD	0.52%	03/01/13	580,501.31	580,501.31		(580,501.31)		
Comerica CD	0.52%	04/01/13	401,731.01	401,731.01	522.47		402,253.48	402,253.48
Texas Security CD	1.14%	04/20/13	2,000,000.00	2,000,000.00	-		2,000,000.00	2,000,000.00
Comerica CD	0.52%	05/01/13	401,731.01	401,731.01	522.47		402,253.48	402,253.48
Southside CD	0.30%	05/09/13	200,398.06	200,398.06	153.18		200,551.24	200,551.24
Comerica CD	0.55%	06/03/13	401,831.08	401,831.08	552.77		402,383.85	402,383.85
Comerica CD	0.55%	07/01/13	318,451.13	318,451.13	438.07		318,889.20	318,889.20
Southside CD	0.35%	07/10/13	501,204.38	501,204.38	442.06		501,646.44	501,646.44
Comerica CD	0.65%	07/22/13	1,007,622.45	1,007,622.45	1,615.82		1,009,238.27	1,009,238.27
Comerica CD	0.55%	08/01/13	200,915.53	200,915.53	276.39		201,191.92	201,191.92
Comerica CD	0.59%	09/03/13	200,982.27	200,982.27	296.59		201,278.86	201,278.86
Southside CD	0.35%	09/12/13	501,552.34	501,552.34	432.85		501,985.19	501,985.19
Comerica CD	0.47%	09/13/13	2,547,943.01	2,547,943.01	2,953.96		2,550,896.97	2,550,896.97
Comerica CD	0.59%	10/01/13	200,982.27	200,982.27	296.59		201,278.86	201,278.86
Comerica CD	0.59%	11/01/13	140,687.59	140,687.59	207.62		140,895.21	140,895.21
Southside CD	0.34%	11/11/13			501,717.21		501,717.21	501,717.21
Comerica CD	0.75%	12/30/13	2,015,072.59	2,015,072.59	3,687.34		2,018,759.93	2,018,759.93
Southside CD	0.30%	01/10/14			501,882.09		501,882.09	501,882.09
Comerica CD	0.66%	03/07/14	3,014,950.82	3,014,950.82	4,909.18		3,019,860.00	3,019,860.00
Comerica CD	0.65%	03/10/14	1,507,361.88	1,507,361.88	2,417.21		1,509,779.09	1,509,779.09
Comerica CD	0.65%	03/12/14	1,507,361.88	1,507,361.88	2,417.21		1,509,779.09	1,509,779.09
Comerica CD	0.70%	04/10/14	3,516,411.65	3,516,411.65	6,072.91		3,522,484.56	3,522,484.56
Southside CD	0.51%	04/16/14	1,000,000.00	1,000,000.00	1,285.48		1,001,285.48	1,001,285.48
Texas Security CD	0.35%	05/22/14			3,000,000.00		3,000,000.00	3,000,000.00
Southside CD	0.64%	07/09/14	2,504,079.94	2,504,079.94	4,042.63		2,508,122.57	2,508,122.57
Southside CD	0.45%	07/14/14			2,011,090.82		2,011,090.82	2,011,090.82
Comerica CD	0.36%	09/24/14			2,000,000.00		2,000,000.00	2,000,000.00
Comerica CD	0.58%	10/22/14	2,036,578.48	2,036,578.48	2,913.97		2,039,492.45	2,039,492.45
Comerica CD	0.55%	03/23/15			2,500,000.00		2,500,000.00	2,500,000.00
TOTAL			\$ 64,937,694.88	\$ 64,937,694.88	\$ 13,176,179.02	\$ (11,864,905.10)	\$ 66,248,968.80	\$ 66,248,968.80

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2012		Qtr to Qtr Change	March 31, 2013	
			Par Value	Market Value		Par Value	Market Value
Frost DDA	0.00%	04/01/13	\$ 1,413,157.98	\$ 1,413,157.98	\$ (246,578.83)	\$ 1,166,579.15	\$ 1,166,579.15
TexPool	0.15%	04/01/13	15,160,769.02	15,160,769.02	(5,995,263.41)	9,165,505.61	9,165,505.61
LOGIC	0.18%	04/01/13	1,949,985.39	1,949,985.39	581,861.74	2,531,847.13	2,531,847.13
Comerica MMA 0330	0.20%	04/01/13	4,156,844.97	4,156,844.97	2,036,486.54	6,193,331.51	6,193,331.51
SSB MMA 1332	0.36%	04/01/13	2,721,082.60	2,721,082.60	1,731.13	2,722,813.73	2,722,813.73
SSB MMA 7888	0.36%	04/01/13	7,784,942.69	7,784,942.69	4,952.72	7,789,895.41	7,789,895.41
Southside CD	0.40%	01/02/13	501,508.36	501,508.36	(501,508.36)		
Southside CD	0.44%	01/14/13	2,008,838.72	2,008,838.72	(2,008,838.72)		
Southside CD	0.40%	02/01/13	501,508.36	501,508.36	(501,508.36)		
Comerica CD	0.96%	02/20/13	2,030,706.11	2,030,706.11	(2,030,706.11)		
Comerica CD	0.52%	03/01/13	580,501.31	580,501.31	(580,501.31)		
Comerica CD	0.52%	04/01/13	401,731.01	401,731.01	522.47	402,253.48	402,253.48
Texas Security CD	1.14%	04/20/13	2,000,000.00	2,000,000.00	-	2,000,000.00	2,000,000.00
Comerica CD	0.52%	05/01/13	401,731.01	401,731.01	522.47	402,253.48	402,253.48
Southside CD	0.30%	05/09/13	200,398.06	200,398.06	153.18	200,551.24	200,551.24
Comerica CD	0.55%	06/03/13	401,831.08	401,831.08	552.77	402,383.85	402,383.85
Comerica CD	0.55%	07/01/13	318,451.13	318,451.13	438.07	318,889.20	318,889.20
Southside CD	0.35%	07/10/13	501,204.38	501,204.38	442.06	501,646.44	501,646.44
Comerica CD	0.65%	07/22/13	1,007,622.45	1,007,622.45	1,615.82	1,009,238.27	1,009,238.27
Comerica CD	0.55%	08/01/13	200,915.53	200,915.53	276.39	201,191.92	201,191.92
Comerica CD	0.59%	09/03/13	200,982.27	200,982.27	296.59	201,278.86	201,278.86
Southside CD	0.35%	09/12/13	501,552.34	501,552.34	432.85	501,985.19	501,985.19
Comerica CD	0.47%	09/13/13	2,547,943.01	2,547,943.01	2,953.96	2,550,896.97	2,550,896.97
Comerica CD	0.59%	10/01/13	200,982.27	200,982.27	296.59	201,278.86	201,278.86
Comerica CD	0.59%	11/01/13	140,687.59	140,687.59	207.62	140,895.21	140,895.21
Southside CD	0.34%	11/11/13			501,717.21	501,717.21	501,717.21
Comerica CD	0.75%	12/30/13	2,015,072.59	2,015,072.59	3,687.34	2,018,759.93	2,018,759.93
Southside CD	0.30%	01/10/14			501,882.09	501,882.09	501,882.09
Comerica CD	0.66%	03/07/14	3,014,950.82	3,014,950.82	4,909.18	3,019,860.00	3,019,860.00
Comerica CD	0.65%	03/10/14	1,507,361.88	1,507,361.88	2,417.21	1,509,779.09	1,509,779.09
Comerica CD	0.65%	03/12/14	1,507,361.88	1,507,361.88	2,417.21	1,509,779.09	1,509,779.09
Comerica CD	0.70%	04/10/14	3,516,411.65	3,516,411.65	6,072.91	3,522,484.56	3,522,484.56
Southside CD	0.51%	04/16/14	1,000,000.00	1,000,000.00	1,285.48	1,001,285.48	1,001,285.48
Texas Security CD	0.35%	05/22/14			3,000,000.00	3,000,000.00	3,000,000.00
Southside CD	0.64%	07/09/14	2,504,079.94	2,504,079.94	4,042.63	2,508,122.57	2,508,122.57
Southside CD	0.45%	07/14/14			2,011,090.82	2,011,090.82	2,011,090.82
Comerica CD	0.36%	09/24/14			2,000,000.00	2,000,000.00	2,000,000.00
Comerica CD	0.58%	10/22/14	2,036,578.48	2,036,578.48	2,913.97	2,039,492.45	2,039,492.45
Comerica CD	0.55%	03/23/15			2,500,000.00	2,500,000.00	2,500,000.00
TOTAL			\$ 64,937,694.88	\$ 64,937,694.88	\$ 1,311,273.92	\$ 66,248,968.80	\$ 66,248,968.80

Allocation
March 31, 2013

Book & Market Value	Investment Total	Consolidated	CCPD	Non-Profit Trust	2012 TWDB CO's	Unreimbursed Medical
Frost DDA	\$ 1,166,579.15	\$ 1,160,781.58	\$ -	\$ 1,456.76	\$ -	\$ 4,340.81
TexPool	9,165,505.61	5,778,012.27	3,371,829.23	15,664.11		
LOGIC	2,531,847.13	1,148,460.62			1,383,386.51	
Comerica MMA 0330	6,193,331.51	6,193,331.51				
SSB MMA 1332	2,722,813.73		2,722,813.73			
SSB MMA 7888	7,789,895.41	7,789,895.41				
04/01/2013	402,253.48				402,253.48	
04/20/2013	2,000,000.00	2,000,000.00				
05/01/2013	402,253.48				402,253.48	
05/09/2013	200,551.24				200,551.24	
06/03/2013	402,383.85				402,383.85	
07/01/2013	318,889.20				318,889.20	
07/10/2013	501,646.44				501,646.44	
07/22/2013	1,009,238.27	1,009,238.27				
08/01/2013	201,191.92				201,191.92	
09/03/2013	201,278.86				201,278.86	
09/12/2013	501,985.19				501,985.19	
09/13/2013	2,550,896.97	2,550,896.97				
10/01/2013	201,278.86				201,278.86	
11/01/2013	140,895.21				140,895.21	
11/11/2013	501,717.21				501,717.21	
12/30/2013	2,018,759.93	2,018,759.93				
01/10/2014	501,882.09				501,882.09	
03/07/2014	3,019,860.00	3,019,860.00				
03/10/2014	1,509,779.09	1,509,779.09				
03/12/2014	1,509,779.09	1,509,779.09				
04/10/2014	3,522,484.56	3,522,484.56				
04/16/2014	1,001,285.48	1,001,285.48				
05/22/2014	3,000,000.00		3,000,000.00			
07/09/2014	2,508,122.57	2,508,122.57				
07/14/2014	2,011,090.82	2,011,090.82				
09/24/2014	2,000,000.00	2,000,000.00				
10/22/2014	2,039,492.45	2,039,492.45				
03/23/2015	2,500,000.00	2,500,000.00				
Totals	\$ 66,248,968.80	\$ 51,271,270.62	\$ 9,094,642.96	\$ 17,120.87	\$ 5,861,593.54	\$ 4,340.81

Allocation
December 31, 2012

Book & Market Value	Investment Total	Consolidated	CCPD	Non-Profit Trust	2010 CO's GO	2010 CO's W&S	2012 TWDB CO's	Unreimbursed Medical
Frost DDA	\$ 1,413,157.98	\$ 1,257,585.06	\$ -	\$150,225.35	\$ -	\$ -	\$ -	\$ 5,347.57
TexPool	15,160,769.02	7,113,044.10	7,111,220.78	202,595.23	629,598.96	104,309.95		
LOGIC	1,949,985.39	1,148,023.06					801,962.33	
Comerica MMA 0330	4,156,844.97	4,156,844.97						
SSB MMA 1332	2,721,082.60		2,721,082.60					
SSB MMA 7888	7,784,942.69	7,784,942.69						
01/02/2013	501,508.36						501,508.36	
01/14/2013	2,008,838.72	2,008,838.72						
02/01/2013	501,508.36						501,508.36	
02/20/2013	2,030,706.11	2,030,706.11						
03/01/2013	580,501.31						580,501.31	
04/01/2013	401,731.01						401,731.01	
04/20/2013	2,000,000.00	2,000,000.00						
05/01/2013	401,731.01						401,731.01	
05/09/2013	200,398.06						200,398.06	
06/03/2013	401,831.08						401,831.08	
07/01/2013	318,451.13						318,451.13	
07/10/2013	501,204.38						501,204.38	
07/22/2013	1,007,622.45	1,007,622.45						
08/01/2013	200,915.53						200,915.53	
09/03/2013	200,982.27						200,982.27	
09/12/2013	501,552.34						501,552.34	
09/13/2013	2,547,943.01	2,547,943.01						
10/01/2013	200,982.27						200,982.27	
11/01/2013	140,687.59						140,687.59	
12/30/2013	2,015,072.59	2,015,072.59						
03/07/2014	3,014,950.82	3,014,950.82						
03/10/2014	1,507,361.88	1,507,361.88						
03/12/2014	1,507,361.88	1,507,361.88						
04/10/2014	3,516,411.65	3,516,411.65						
04/16/2014	1,000,000.00	1,000,000.00						
07/09/2014	2,504,079.94	2,504,079.94						
10/22/2014	2,036,578.48	2,036,578.48						
Totals	\$ 64,937,694.88	\$ 48,157,367.41	\$ 9,832,303.38	\$ 352,820.58	\$ 629,598.96	\$ 104,309.95	\$ 5,855,947.03	\$ 5,347.57

City of Keller Historical Yields

