City of Plano

INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

December 31, 2008

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Plano is in compliance with the Public Funds Investment Act and the City's Investment Policy and strategies.

_____
City Manager

_____
Director of Finance

_____
Investment Officer

Strategy Summary:

As the economy continued to deteriorate during the fourth quarter, the Federal Open Market Committee (FOMC) reduced the Fed Funds target from 2.00% to "a range between 0 and 0.25%". At the heart of the upheaval are the balance sheets of financial institutions that have amassed uprecedented mortgage portfolio losses. In coordinated efforts, Congress, the Federal Reserve and the Treasury Department have implemented aggressive programs to feed liquidity into a frozen credit market. Despite these interventions, the corporate sector continues to falter. Disclosure of a major Ponzi scheme has further shaken investor confidence and many have fled other markets to the safe harbor of U.S. Treasury securities. As a result, the market sectors available to the City under the Public Fund Investment Act have seen their yields fall dramatically.

Quarter End Results by Investment Category:

		December 31, 2008		September 30, 2008	
Asset Type	**Ave. Yield**	**End Book Value**	**End Market Value**	**Begin Book Value**	**Begin Market Value**
Pools/NOW Acct	1.50%	$279,135,665.79	$279,135,665.79	$262,186,498.56	$262,186,498.56
Certificates of Deposit	2.93%	17,000,000.00	17,000,000.00	11,500,000.00	11,500,000.00
FHLB Notes	4.47%	1,999,509.22	2,030,000.00	8,022,870.55	8,057,843.50
FHLMC Notes	3.31%	9,999,712.14	10,033,030.00	17,993,015.25	18,032,646.00
FNMA Notes	6.81%	997,462.55	1,077,500.00	997,178.44	1,039,060.00
Totals		$309,132,349.70	$309,276,195.79	$300,699,562.80	$300,816,048.06

Average Yield (1):

Total Portfolio	1.68%

Fiscal Year-to-Date Average Yield (2):

Total Portfolio	1.68%

This Quarter:	
Rolling Three Mo. Treas. Yield	0.31%
Rolling Six Mo. Treas. Yield	0.74%
TexPool Yield	1.76%

Last 12 Months:	
Rolling Three Mo. Treas. Yield	1.74%
Rolling Six Mo. Treas. Yield	2.16%
TexPool Yield	2.49%

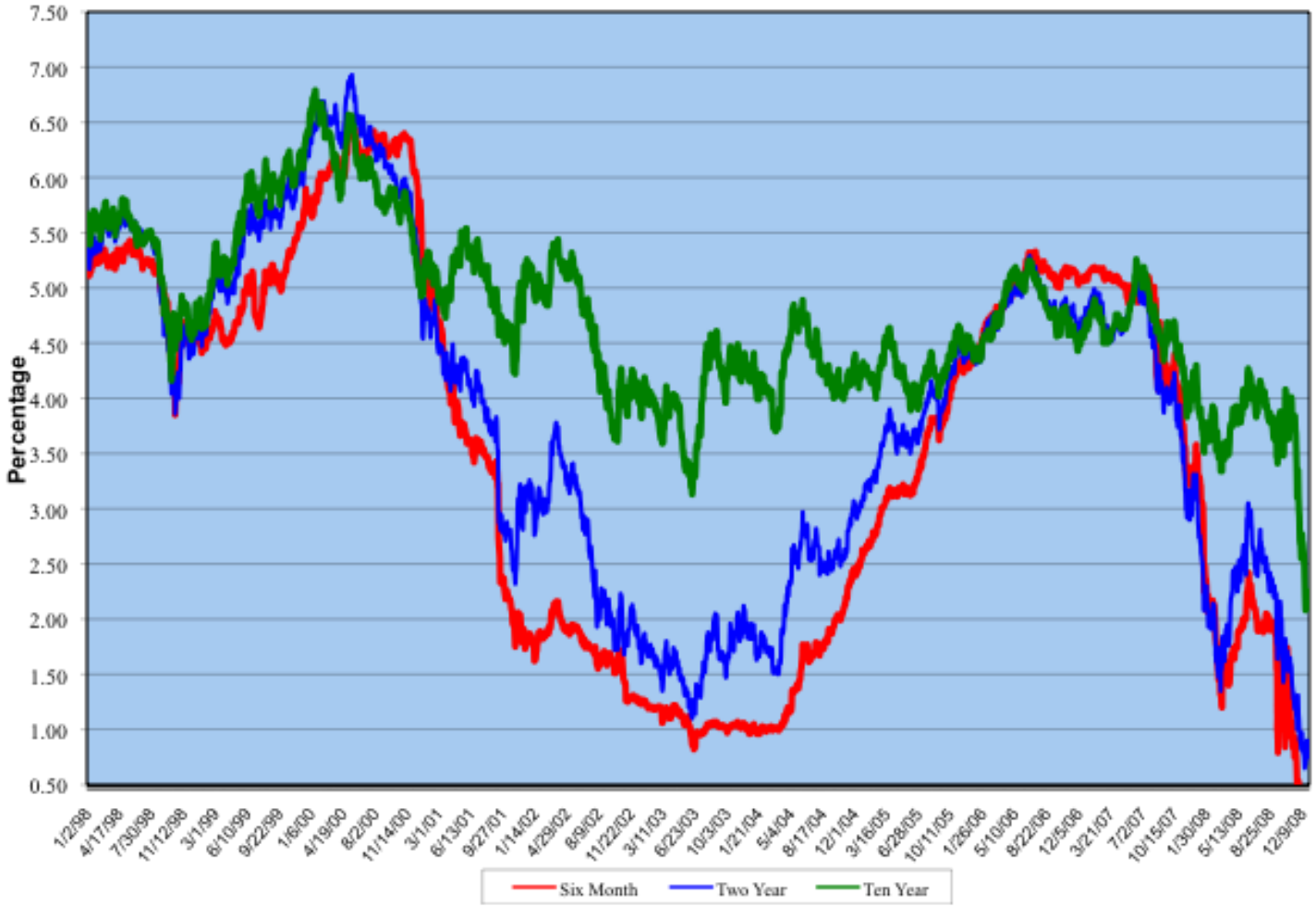
Investment Earnings:

$1,377,178.12 Quarter
$1,377,178.12 Fiscal Year To Date

(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.

US Treasury Historical Yields



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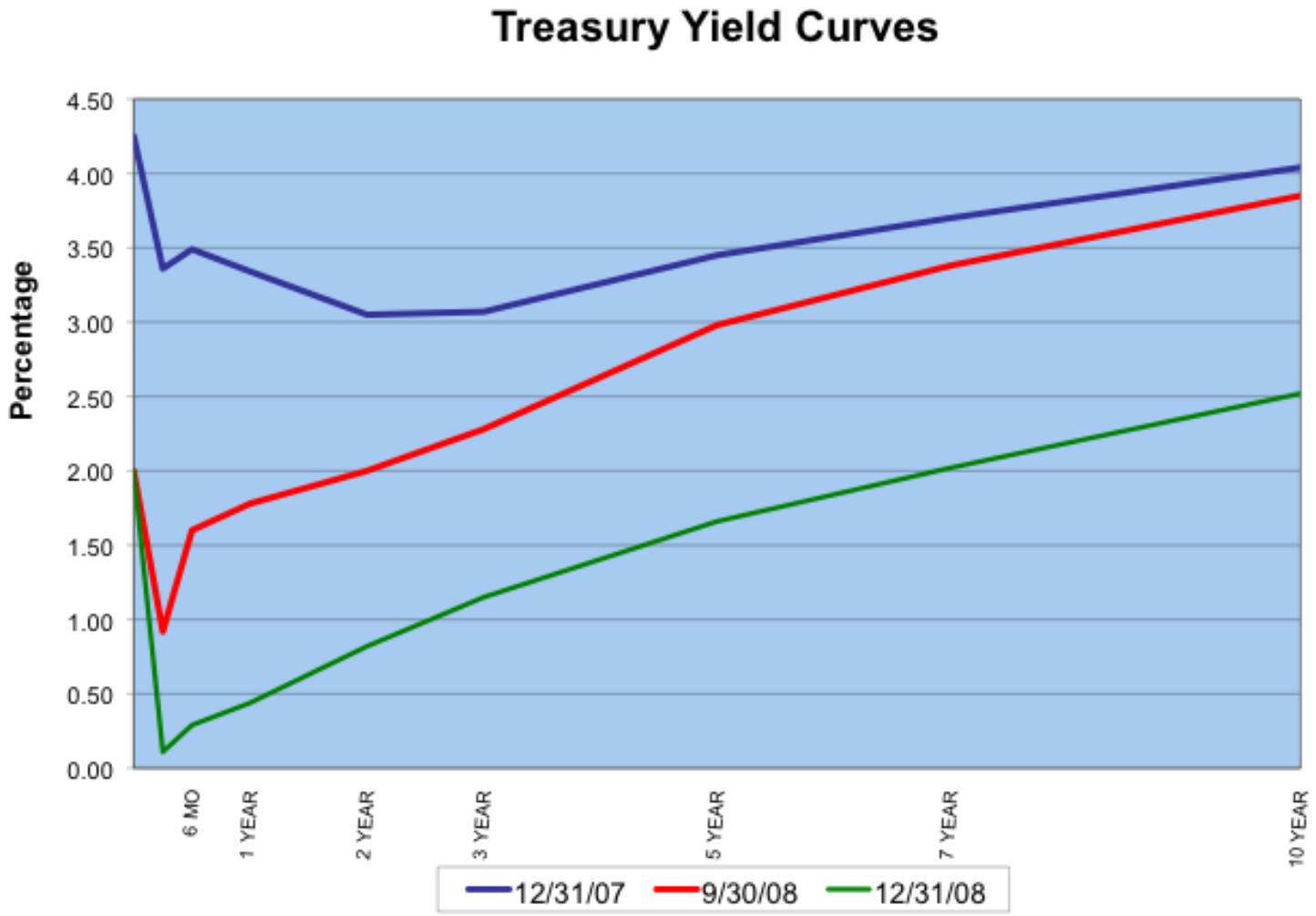

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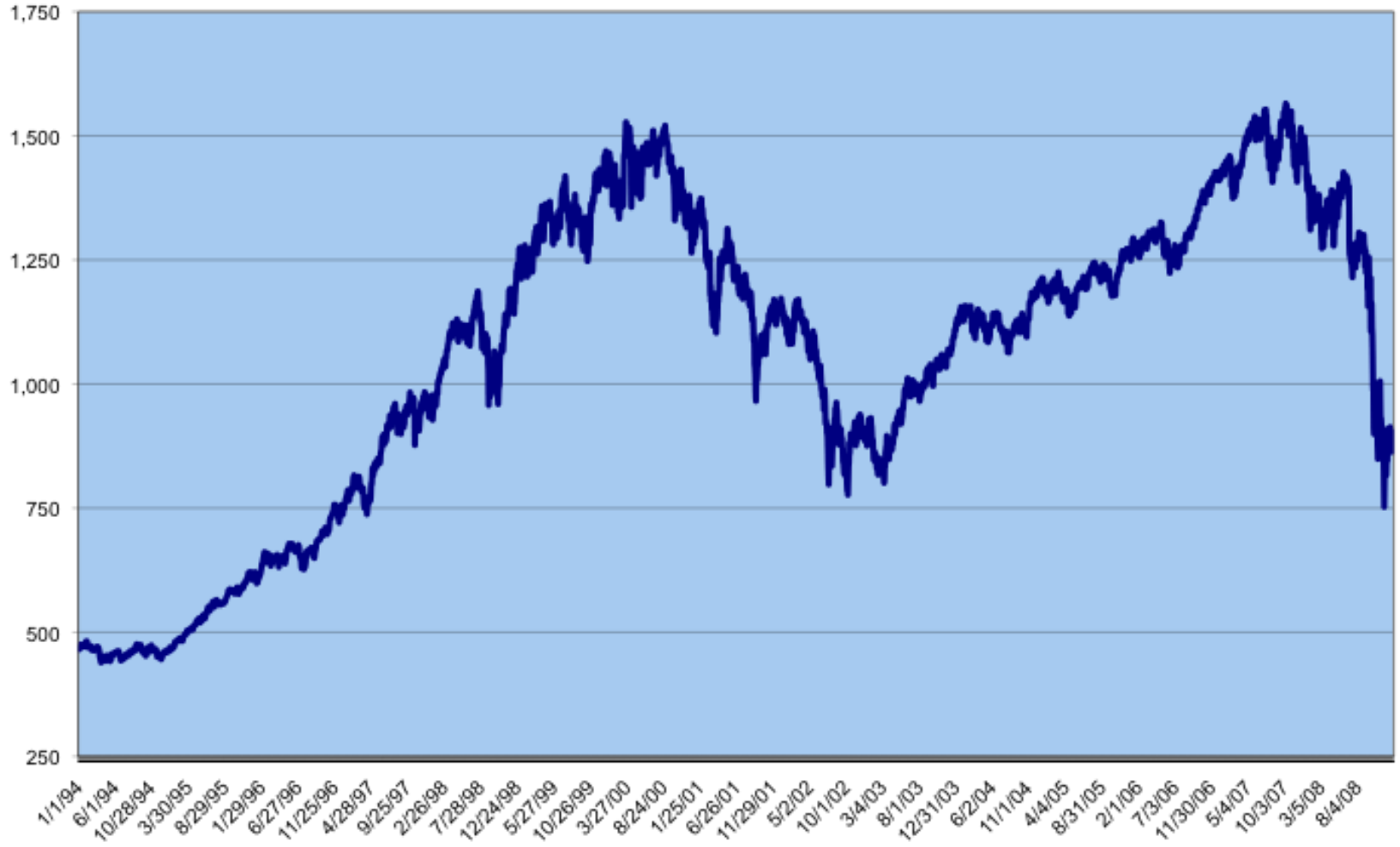

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Detail of Security Holdings By Sector
December 31, 2008

Security Description	Ratings	Coupon/ YTM	Maturity Date	Settlement Date	Call Date	Par Value	Purchased Value	Adjusted Book Value	Market Price	Market Value	Life (mo)	Yield
Legacy NOW Acct		1.61%	1/1/09	12/31/08		37,393,745.57	37,393,745.57	37,393,745.57	1.000	37,393,745.57	0.03	1.61%
TexPool	AAAm	1.49%	1/1/09	12/31/08		241,741,920.22	241,741,920.22	241,741,920.22	1.000	241,741,920.22	0.03	1.49%
Certificate of Deposit		2.69%	7/9/09	12/9/08		7,000,000.00	7,000,000.00	7,000,000.00	1.000	7,000,000.00	6.23	2.69%
Certificate of Deposit		3.09%	12/11/09	12/11/08		10,000,000.00	10,000,000.00	10,000,000.00	1.000	10,000,000.00	11.31	3.09%
FHLB Note	AAA	5.40%	8/20/12	8/20/07	8/20/09	1,000,000.00	1,000,000.00	1,000,000.00	1.027	1,027,190.00	43.54	6.37%
FHLB Note	AAA	5.00%	10/29/12	10/30/07		1,000,000.00	999,375.00	999,509.22	1.003	1,002,810.00	45.84	2.56%
FHLMC Note	AAA	5.00%	7/22/13	7/22/08		2,000,000.00	1,999,687.50	1,999,712.14	1.002	2,004,160.00	54.56	3.05%
FHLMC Note	AAA	4.38%	7/28/11	8/28/08		3,000,000.00	3,000,000.00	3,000,000.00	1.003	3,007,620.00	30.79	4.00%
FHLMC Note	AAA	4.05%	11/21/11	5/21/08		5,000,000.00	5,000,000.00	5,000,000.00	1.004	5,021,250.00	34.59	3.00%
FNMA Note	AAA	5.05%	2/7/11	2/7/06	11/17/03	1,000,000.00	994,375.00	997,462.55	1.078	1,077,500.00	25.18	6.81%
						$309,135,665.79	**$309,129,103.29**	**$309,132,349.70**		**$309,276,195.79**	**2.12**	**1.68%**
											(1)	(2)

(1) Weighted average life - For purposes of calculating weighted average life bank, pool, and money market investments are assumed to mature the next business day.

(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, pool, and money market investments.

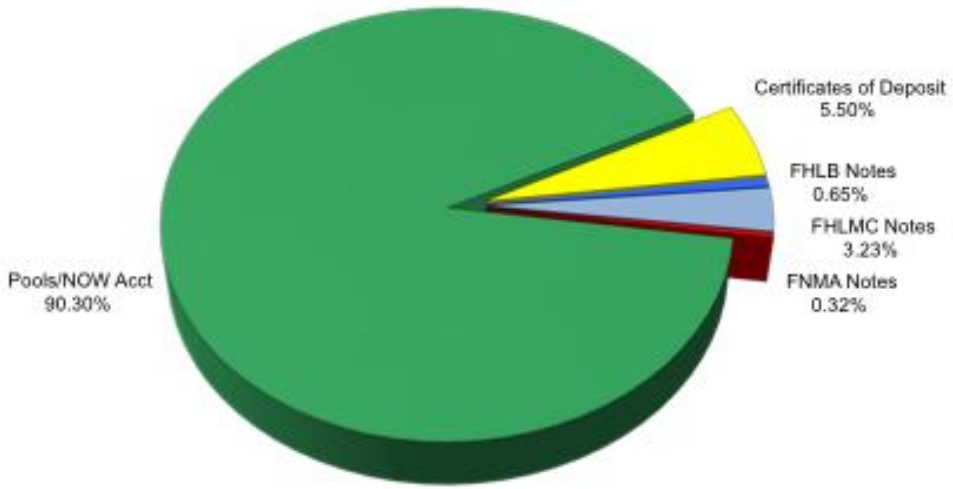
Detail of Security Holdings By Maturity
December 31, 2008

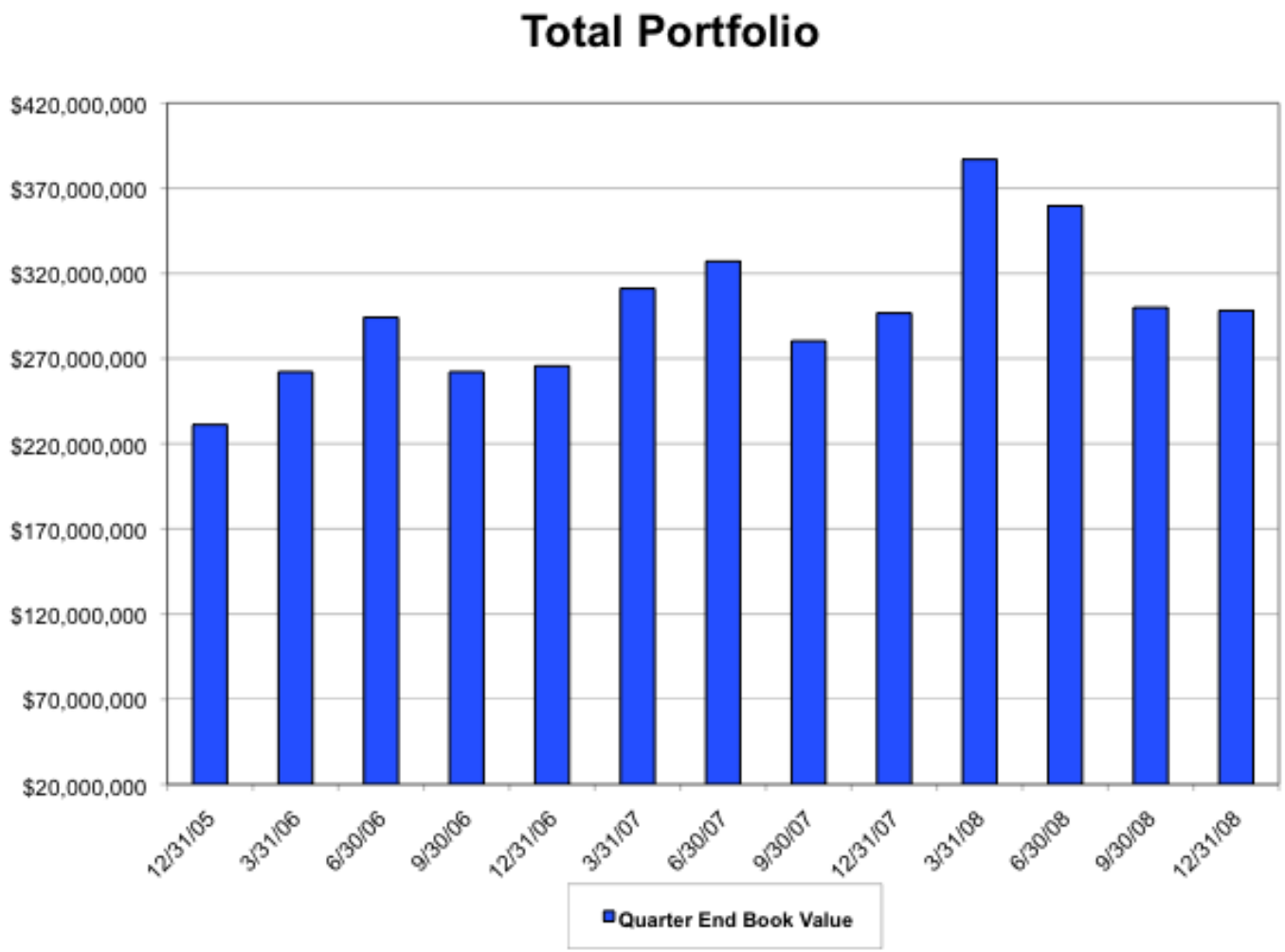
Security Description	Ratings	Coupon/ YTM	Maturity Date	Settlement Date	Call Date	Par Value	Purchased Value	Adjusted Book Value	Market Price	Market Value	Life (mo)	Yield
Legacy NOW Acct		1.61%	1/1/09	12/31/08		37,393,745.57	37,393,745.57	37,393,745.57	1.00000	37,393,745.57	0.03	1.61%
TexPool	AAAm	1.49%	1/1/09	12/31/08		241,741,920.22	241,741,920.22	241,741,920.22	1.00000	241,741,920.22	0.03	1.49%
Certificate of Deposit		2.69%	7/9/09	12/9/08		7,000,000.00	7,000,000.00	7,000,000.00	1.00000	7,000,000.00	6.23	2.69%
Certificate of Deposit		3.09%	12/11/09	12/11/08		10,000,000.00	10,000,000.00	10,000,000.00	1.00000	10,000,000.00	11.31	3.09%
FNMA Note	AAA	5.05%	2/7/11	2/7/06	11/17/03	1,000,000.00	994,375.00	997,462.55	1.07750	1,077,500.00	25.18	6.81%
FHLMC Note	AAA	4.38%	7/28/11	8/28/08		3,000,000.00	3,000,000.00	3,000,000.00	1.00254	3,007,620.00	30.79	4.00%
FHLMC Note	AAA	4.05%	11/21/11	5/21/08		5,000,000.00	5,000,000.00	5,000,000.00	1.00425	5,021,250.00	34.59	3.00%
FHLB Note	AAA	5.40%	8/20/12	8/20/07	8/20/09	1,000,000.00	1,000,000.00	1,000,000.00	1.02719	1,027,190.00	43.54	6.37%
FHLB Note	AAA	5.00%	10/29/12	10/30/07		1,000,000.00	999,375.00	999,509.22	1.00281	1,002,810.00	45.84	2.56%
FHLMC Note	AAA	5.00%	7/22/13	7/22/08		2,000,000.00	1,999,687.50	1,999,712.14	1.00208	2,004,160.00	54.56	3.05%
						$309,135,665.79	**$309,129,103.29**	**$309,132,349.70**		**$309,276,195.79**	**2.12**	**1.68%**
											(1)	(2)

(1) Weighted average life - For purposes of calculating weighted average life bank, pool, and money market investments are assumed to mature the next business day.

(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, pool, and money market investments.

Portfolio Composition
12/31/08




Total Portfolio
$420,000,000
$370,000,000
$320,000,000
$270,000,000
$220,000,000
$170,000,000
$120,000,000
$70,000,000
$20,000,000
12/31/05
3/31/06
6/30/06
9/30/06
12/31/06
3/31/07
6/30/07
9/30/07
12/31/07
3/31/08
6/30/08
9/30/08
12/31/08
Quarter End Book Value

Adjusted Book Value Comparison

Security Description	Coupon/ Yield	Maturity Date	September 30, 2008 Par Value	September 30, 2008 Adjusted Book Value	Purchase/ Adjustment	Maturity/Call/ Adjustment	December 31, 2008 Par Value	December 31, 2008 Adjusted Book Value
Legacy NOW Acct	2.39%	10/3/08	29,232,671.49	29,232,671.49		8,161,074.08	37,393,745.57	37,393,745.57
TexPool	2.31%	10/3/08	232,953,827.07	232,953,827.07	8,788,093.15		241,741,920.22	241,741,920.22
Certificate of Deposit	2.69%	7/9/09	-	-	7,000,000.00		7,000,000.00	7,000,000.00
Certificate of Deposit	2.48%	10/31/08	-	-	5,000,000.00	(5,000,000.00)	-	-
Certificate of Deposit	4.47%	11/26/08	3,500,000.00	3,500,000.00		(3,500,000.00)	-	-
Certificate of Deposit	3.47%	11/20/08	4,500,000.00	4,500,000.00		(4,500,000.00)	-	-
Certificate of Deposit	4.47%	11/26/08	3,500,000.00	3,500,000.00		(3,500,000.00)	-	-
Certificate of Deposit	2.46%	12/24/08	-	-	5,000,000.00	(5,000,000.00)	-	-
Certificate of Deposit	3.09%	12/11/09	-	-	10,000,000.00	-	10,000,000.00	10,000,000.00
FHLB Note	4.38%	10/3/08	1,000,000.00	999,956.51		(999,956.51)	-	-
FHLB Note	5.40%	8/20/12	1,000,000.00	1,000,000.00	-	-	1,000,000.00	1,000,000.00
FHLB Note	5.10%	10/15/12	2,025,000.00	2,023,953.62		(2,023,953.62)	-	-
FHLB Note	5.00%	10/29/12	2,000,000.00	1,998,960.42		(999,451.20)	1,000,000.00	999,509.22
FHLB Note	5.00%	11/28/12	2,000,000.00	2,000,000.00		(2,000,000.00)	-	-
FHLMC Note	4.90%	11/3/08	1,000,000.00	999,913.09		(999,913.09)	-	-
FHLMC Note	5.00%	7/22/13	2,000,000.00	1,999,698.19	13.95		2,000,000.00	1,999,712.14
FHLMC Note	4.30%	6/30/11	3,000,000.00	3,000,000.00		(3,000,000.00)	-	-
FHLMC Note	4.38%	7/28/11	3,000,000.00	3,000,000.00	-	-	3,000,000.00	3,000,000.00
FHLMC Note	4.50%	8/25/11	2,000,000.00	1,998,184.05		(1,998,184.05)	-	-
FHLMC Note	4.00%	6/3/11	2,000,000.00	1,995,219.92		(1,995,219.92)	-	-
FHLMC Note	4.05%	11/21/11	5,000,000.00	5,000,000.00	-	-	5,000,000.00	5,000,000.00
FNMA Note	5.05%	2/7/11	1,000,000.00	997,178.44	284.11		1,000,000.00	997,462.55
TOTAL			**$300,711,498.56**	**$300,699,562.80**	**$35,788,391.21**	**($27,355,604.31)**	**$309,135,665.79**	**$309,132,349.70**

Market Value Comparison

Security Description	Coupon/ Discount	Maturity Date	September 30, 2008 Par Value	September 30, 2008 Market Value	Qtr to Qtr Change	December 31, 2008 Par Value	December 31, 2008 Market Value
Legacy NOW Acct	2.39%	10/3/08	29,232,671.49	29,232,671.49	8,161,074.08	37,393,745.57	37,393,745.57
TexPool	2.31%	10/3/08	232,953,827.07	232,953,827.07	8,788,093.15	241,741,920.22	241,741,920.22
Certificate of Deposit	2.69%	7/9/09	-	-	7,000,000.00	7,000,000.00	7,000,000.00
Certificate of Deposit	2.48%	10/31/08	-	-	-	-	-
Certificate of Deposit	4.47%	11/26/08	3,500,000.00	3,500,000.00	(3,500,000.00)	-	-
Certificate of Deposit	3.47%	11/20/08	4,500,000.00	4,500,000.00	(4,500,000.00)		-
Certificate of Deposit	4.47%	11/26/08	3,500,000.00	3,500,000.00	(3,500,000.00)		-
Certificate of Deposit	2.46%	12/24/08	-	-	-	-	-
Certificate of Deposit	3.09%	12/11/09	-	-	10,000,000.00	10,000,000.00	10,000,000.00
FHLB Note	4.38%	10/3/08	1,000,000.00	1,000,000.00	(1,000,000.00)	-	-
FHLB Note	5.40%	8/20/12	1,000,000.00	1,021,560.00	5,630.00	1,000,000.00	1,027,190.00
FHLB Note	5.10%	10/15/12	2,025,000.00	2,026,903.50	(2,026,903.50)	-	-
FHLB Note	5.00%	10/29/12	2,000,000.00	2,003,760.00	(1,000,950.00)	1,000,000.00	1,002,810.00
FHLB Note	5.00%	11/28/12	2,000,000.00	2,005,620.00	(2,005,620.00)	-	-
FHLMC Note	4.90%	11/3/08	1,000,000.00	1,001,430.00	(1,001,430.00)	-	-
FHLMC Note	5.00%	7/22/13	2,000,000.00	2,013,812.00	(9,652.00)	2,000,000.00	2,004,160.00
FHLMC Note	4.30%	6/30/11	3,000,000.00	3,000,420.00	(3,000,420.00)	-	-
FHLMC Note	4.38%	7/28/11	3,000,000.00	3,002,952.00	4,668.00	3,000,000.00	3,007,620.00
FHLMC Note	4.50%	8/25/11	2,000,000.00	2,004,312.00	(2,004,312.00)	-	-
FHLMC Note	4.00%	6/3/11	2,000,000.00	2,001,920.00	(2,001,920.00)	-	-
FHLMC Note	4.05%	11/21/11	5,000,000.00	5,007,800.00	13,450.00	5,000,000.00	5,021,250.00
FNMA Note	5.05%	2/7/11	1,000,000.00	1,039,060.00	38,440.00	1,000,000.00	1,077,500.00
TOTAL			**$300,711,498.56**	**$300,816,048.06**	**8,460,147.73**	**$309,135,665.79**	**$309,276,195.79**

Allocation

December 31, 2008

Book Value	% Equity in Treasury Pool	Book Value Fund Allocation *
General Fund	15.34%	47,418,120.50
Debt Service Funds	6.17%	19,083,854.19
Capital Projects Funds	39.60%	122,407,627.48
Enterprise Funds	12.93%	39,958,301.98
Special Revenue Funds	7.75%	23,970,435.53
Internal Service Funds	12.57%	38,857,462.42
Fiduciary Funds	5.64%	17,436,547.59
	-	
Totals	100.00%	309,132,349.70

Market Value	% Equity in Treasury Pool	Market Value Fund Allocation *
General Fund	15.34%	47,440,185.20
Debt Service Funds	6.17%	19,092,734.32
Capital Projects Funds	39.60%	122,464,586.45
Enterprise Funds	12.93%	39,976,895.46
Special Revenue Funds	7.75%	23,981,589.50
Internal Service Funds	12.57%	38,875,543.66
Fiduciary Funds	5.64%	17,444,661.20
Totals	100.00%	309,276,195.79

* Based on equity at the end of the period

Disclaimer

These reports were compiled using information provided by the City of Plano. 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.