



## INVESTMENT REPORT


**For the Period Ended  
March 31, 2016**

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

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

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

  
\_\_\_\_\_  
Finance Director

  
\_\_\_\_\_  
Assistant Finance Director

**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.

## Summary

### Quarter End Results by Investment Category:

Asset Type	Ave. Yield	March 31, 2016		December 31, 2015	
		Book Value	Market Value	Book Value	Market Value
Bank Accounts/MMA	0.32%	\$ 13,988,156	\$ 13,988,156	\$ 13,486,973	\$ 13,486,973
Local Government Pools	0.33%	5,054,621	5,054,621	7,999,022	7,999,022
CDs/Securities	0.29%	1,011,889	1,011,889	1,010,412	1,010,412
<b>Totals</b>		<b>\$ 20,054,666</b>	<b>\$ 20,054,666</b>	<b>\$ 22,496,408</b>	<b>\$ 22,496,408</b>

#### Average Yield for Quarter(1):

Total Portfolio 0.32%

Rolling Three Mo. Treas. Yield 0.29%

Rolling Six Mo. Treas. Yield 0.39%

Quarterly Interest Income \$ 19,095

YTD Interest Income \$ 31,369

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

Total Portfolio 0.28%

Rolling Three Mo. Treas. Yield 0.21%

Rolling Six Mo. Treas. Yield 0.32%

Quarterly TexPool Yield 0.26%

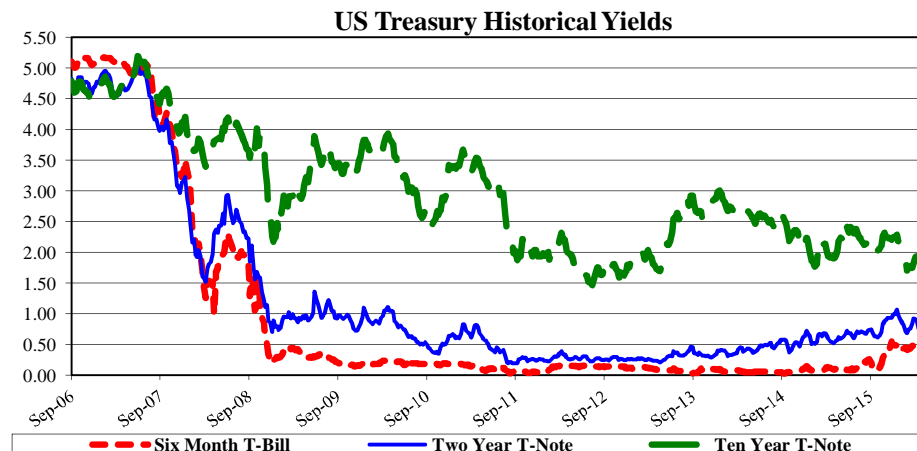
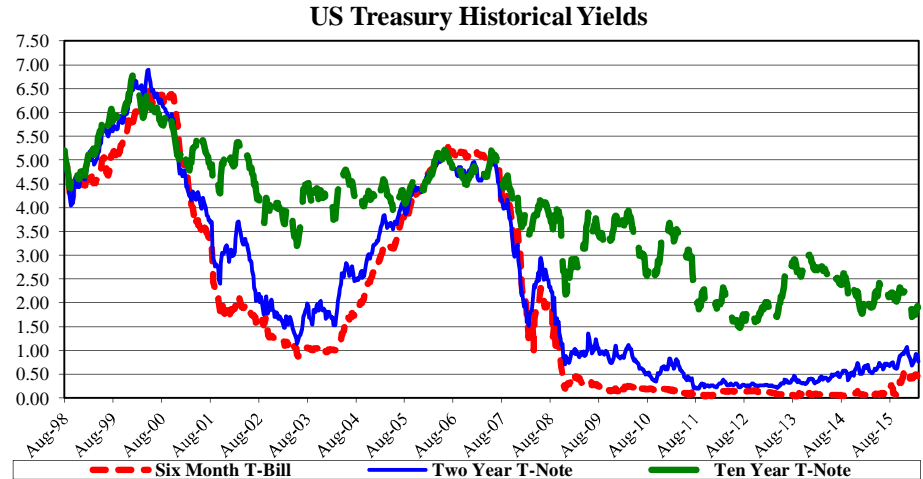
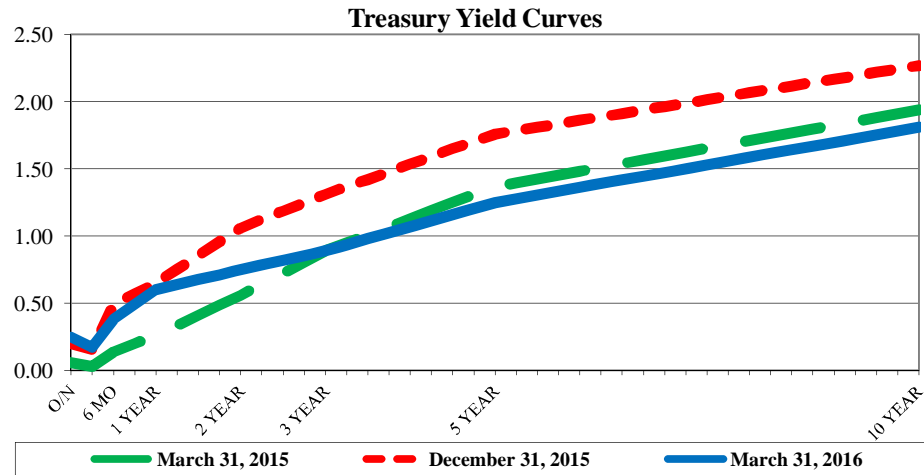
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

## Economic Overview

3/31/2016

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range of 0.25% - 0.50% (actual Fed Funds are trading +/-37 bps). The March FOMC Meeting Statement (and subsequent releases) indicated concerns about economic growth prospects and reported lower projections than previously set. The futures market anticipates limited probability of additional rate increases prior to December. International concerns dominate the uncertainty. US data reflects continuing, modest US growth. The Yield Curve flattened due to the longer-term, lackluster worldwide expansion outlook. Taxable municipal bonds or CDs offer the best interest earnings opportunity, if available.



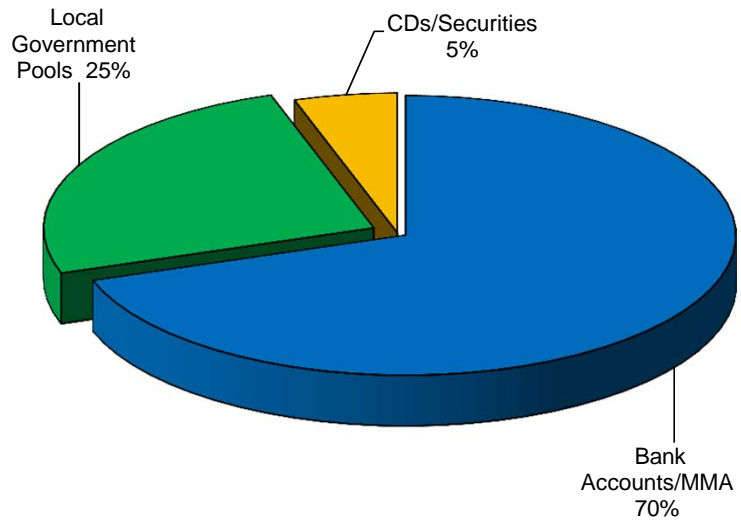
**Detail of Investment Holdings**  
**March 31, 2016**

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		0.25%	04/01/2016	03/31/2016	\$ 9,583,419	\$ 9,583,419	1.00	\$ 9,583,419	1	0.25%
Southside Bank MMA		0.48%	04/01/2016	03/31/2016	4,404,737	4,404,737	1.00	4,404,737	1	0.48%
TexPool	AAAm	0.33%	04/01/2016	03/31/2016	5,054,621	5,054,621	1.00	5,054,621	1	0.33%
Southside Bank CD		0.29%	05/02/2016	05/02/2015	1,011,889	1,011,889	1.00	1,011,889	32	0.29%
					<b>\$ 20,054,666</b>	<b>\$ 20,054,666</b>		<b>\$ 20,054,666</b>	<b>3</b>	<b>0.32%</b>
									(1)	(2)

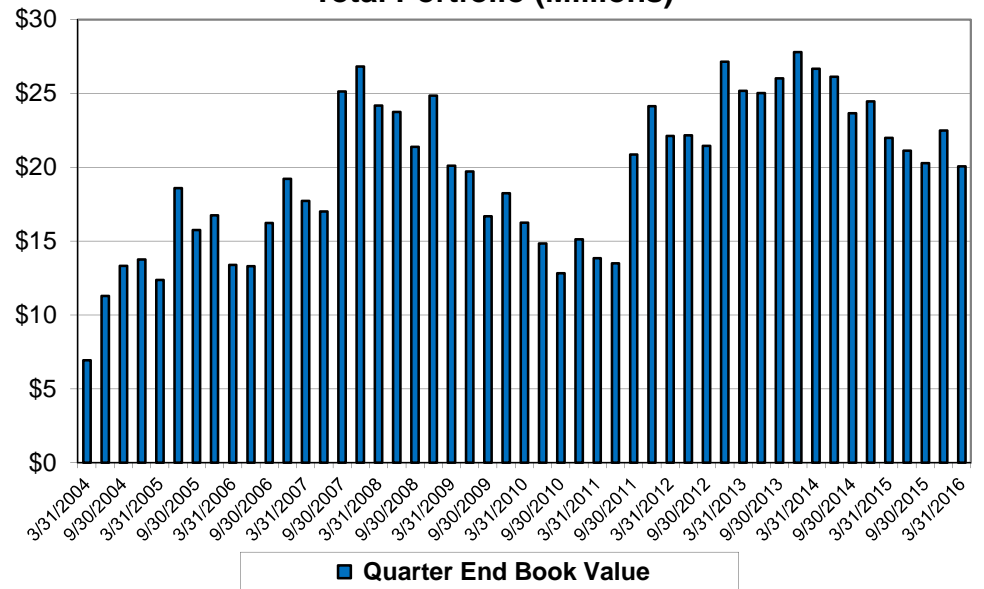
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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, pool, and money market balances.

### Portfolio Composition



### Total Portfolio (Millions)



## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	Settlement Date	December 31, 2015			March 31, 2016		
				Original Face\ Par Value	Book Value	Purchases at Cost	Sales/ Maturities	Original Face\ Par Value	Book Value
FCB Account	0.25%	04/01/2016	3/31/2016	\$ 9,088,141	\$ 9,088,141	\$ 495,278	\$ -	\$ 9,583,419	\$ 9,583,419
Southside Bank MMA	0.48%	04/01/2016	3/31/2016	4,398,833	4,398,833	5,905		4,404,737	4,404,737
TexPool	0.33%	04/01/2016	3/31/2016	7,999,022	7,999,022		(2,944,401)	5,054,621	5,054,621
Southside Bank CD	0.29%	05/02/2016	05/02/2015	1,010,412	1,010,412	1,477		1,011,889	1,011,889
<b>TOTAL</b>				<b>\$ 22,496,408</b>	<b>\$ 22,496,408</b>	<b>\$ 502,660</b>	<b>\$ (2,944,401)</b>	<b>\$ 20,054,666</b>	<b>\$ 20,054,666</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2015			March 31, 2016			
			Original Face\ Par Value	Market Price	Market Value	Qtr-to-Qtr Change	Original Face\ Par Value	Market Price	Market Value
FCB Account	0.25%	04/01/2016	\$ 9,088,141	1.00	\$ 9,088,141	\$ 495,278	\$ 9,583,419	1.00	\$ 9,583,419
Southside Bank MMA	0.48%	04/01/2016	4,398,833	1.00	4,398,833	5,905	4,404,737	1.00	4,404,737
TexPool	0.33%	04/01/2016	7,999,022	1.00	7,999,022	(2,944,401)	5,054,621	1.00	5,054,621
Southside Bank CD	0.29%	05/02/2016	1,010,412	100	1,010,412	1,477	1,011,889	100	1,011,889
<b>TOTAL</b>			<b>\$ 22,496,408</b>		<b>\$ 22,496,408</b>	<b>\$ (2,441,742)</b>	<b>\$ 20,054,666</b>		<b>\$ 20,054,666</b>

**Fund Allocation  
Book & Market Value  
March 31, 2016**

	<b>Fund Total</b>	<b>FCB Account</b>	<b>TexPool</b>	<b>Southside Bank MMA</b>	<b>Southside Bank CD (0.29%) 5/2/16</b>
Consolidated/General	\$ 6,202,804	\$ 3,871,547	\$ 1,319,368	\$ -	\$ 1,011,889
Escrow	281,356	-	281,356	-	-
Utilites Cons./W & S	3,948,710	3,299,718	648,992	-	-
Payroll	32,747	32,747	-	-	-
W&S O & M Reserve	459,858	-	54,864	404,994	-
W&S R & R Reserve	431,556	-	27,666	403,891	-
W & S Debt Service Reserve	1,270,994	-	59,437	1,211,557	-
W & S Reserve Capital Imp	201,427	-	201,427	-	-
CO 2007 EDC Projects	1,689,232	-	1,689,232	-	-
CO Series 2011	2,019,409	-	-	2,019,409	-
CO Series 2012	772,280	-	772,280	-	-
Cons. Cash Grant CO	1,136	1,136	-	-	-
Police	3,664	3,664	-	-	-
Forfeiture Seizure Federal	59,245	59,245	-	-	-
Special Investigations Ckg	75,393	75,393	-	-	-
Special investigation Svgs	13,015	13,015	-	-	-
Veterans Memorial	31,263	31,263	-	-	-
Resaca Trails	1,540	1,540	-	-	-
Hotel/Motel Tax	305,090	305,090	-	-	-
Community Dev. Block Grant	415	415	-	-	-
DSRIP UTHSCSA	27,550	27,550	-	-	-
Fire Relief & Retirement Plan	135,075	135,075	-	-	-
Border Security	15,562	15,562	-	-	-
Emergency Management Funds	162,078	162,078	-	-	-
Revolving Loan	92,757	92,757	-	-	-
Local Match	19,185	19,185	-	-	-
TIRZ	425,224	425,224	-	-	-
<b>Sub-totals</b>	<b>18,678,566</b>	<b>8,572,205</b>	<b>5,054,621</b>	<b>4,039,851</b>	<b>1,011,889</b>
EDC	1,375,024	1,010,138	-	364,886	-
EDC-SB Cultural Heritage Program	1,076	1,076	-	-	-
<b>Sub-totals</b>	<b>1,376,100</b>	<b>1,011,214</b>	<b>-</b>	<b>364,886</b>	<b>-</b>
<b>Totals</b>	<b>\$ 20,054,666</b>	<b>\$ 9,583,419</b>	<b>\$ 5,054,621</b>	<b>\$ 4,404,737</b>	<b>\$ 1,011,889</b>

**Fund Allocation  
Book & Market Value  
December 31, 2015**

	<b>Fund Total</b>	<b>FCB Account</b>	<b>TexPool</b>	<b>Southside Bank MMA</b>	<b>Southside Bank CD (0.29%) 5/2/16</b>
Consolidated/General	\$ 6,155,893	\$ 1,127,647	\$ 4,017,834	\$ -	\$ 1,010,412
Escrow	281,147	-	281,147	-	-
Utilites Cons./W & S	5,650,723	5,209,200	441,523	-	-
Payroll	178,552	178,552	-	-	-
W&S O & M Reserve	459,258	-	55,823	403,435	-
W&S R & R Reserve	431,080	-	27,645	403,435	-
W & S Debt Service Reserve	1,269,699	-	59,393	1,210,306	-
W & S Reserve Capital Imp	201,277	-	201,277	-	-
CO 2007 EDC Projects	1,687,975	-	1,687,975	-	-
CO Series 2011	2,017,177	-	-	2,017,177	-
CO Series 2012	1,226,406	-	1,226,406	-	-
Cons. Cash Grant CO	1,136	1,136	-	-	-
Police	643	643	-	-	-
Forfeiture Seizure Federal	8,868	8,868	-	-	-
Special Investigations Ckg	59,012	59,012	-	-	-
Special investigation Svgs	13,015	13,015	-	-	-
Veterans Memorial	30,868	30,868	-	-	-
Resaca Trails	421	421	-	-	-
Hotel/Motel Tax	295,472	295,472	-	-	-
Community Dev. Block Grant	415	415	-	-	-
DSRIP UTHSCSA	63,824	63,824	-	-	-
Fire Relief & Retirement Plan	176,812	176,812	-	-	-
Border Security	15,552	15,552	-	-	-
Emergency Management Funds	164,512	164,512	-	-	-
Revolving Loan	82,462	82,462	-	-	-
Local Match	49,168	49,168	-	-	-
TIRZ	424,959	424,959	-	-	-
<b>Sub-totals</b>	<b>20,946,324</b>	<b>7,902,537</b>	<b>7,999,022</b>	<b>4,034,353</b>	<b>1,010,412</b>
EDC	1,549,008	1,184,529	-	364,480	-
EDC-SB Cultural Heritage Program	1,075	1,075	-	-	-
<b>Sub-totals</b>	<b>1,550,084</b>	<b>1,185,604</b>	<b>-</b>	<b>364,480</b>	<b>-</b>
<b>Totals</b>	<b>\$ 22,496,408</b>	<b>\$ 9,088,141</b>	<b>\$ 7,999,022</b>	<b>\$ 4,398,833</b>	<b>\$ 1,010,412</b>