




## INVESTMENT REPORT

For the Period Ended  
December 31, 2017

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	December 31, 2017		September 30, 2017		
	Ave. Yield	Book Value	Market Value	Book Value	Market Value
Bank Accounts/MMA	0.81%	\$ 16,147,031	\$ 16,147,031	\$ 14,299,482	\$ 14,299,482
Local Government Pools	1.18%	4,258,084	4,258,084	4,429,363	4,429,363
CDs/Securities	1.38%	5,085,611	5,085,611	2,008,486	2,008,486
<b>Totals</b>		<b>\$ 25,490,726</b>	<b>\$ 25,490,726</b>	<b>\$ 20,737,331</b>	<b>\$ 20,737,331</b>

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

Total Portfolio 0.98%

Rolling Three Mo. Treas. Yield 1.23%

Rolling Six Mo. Treas. Yield 1.26%

Quarterly Interest Income \$ 53,340

YTD Interest Income \$ 53,340

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

Total Portfolio 0.98%

Rolling Three Mo. Treas. Yield 1.23%

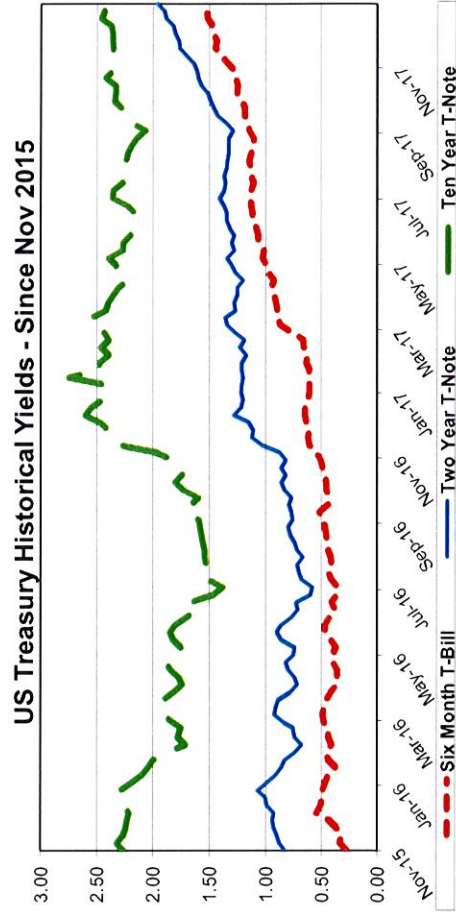
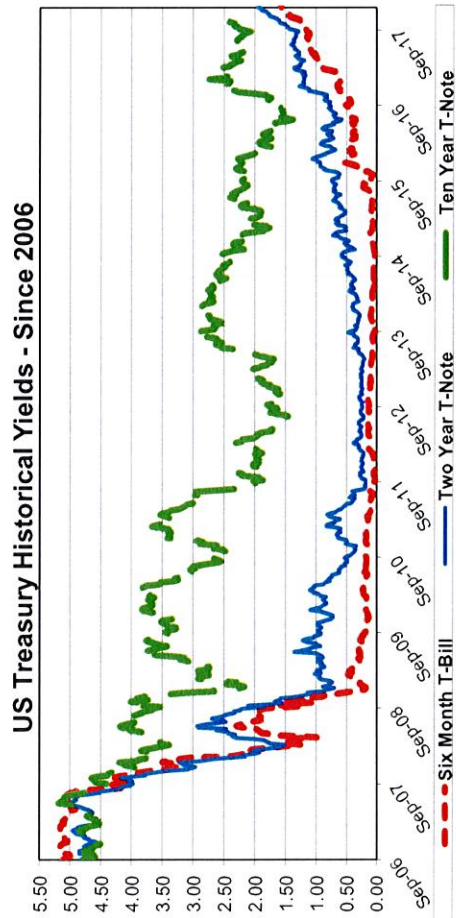
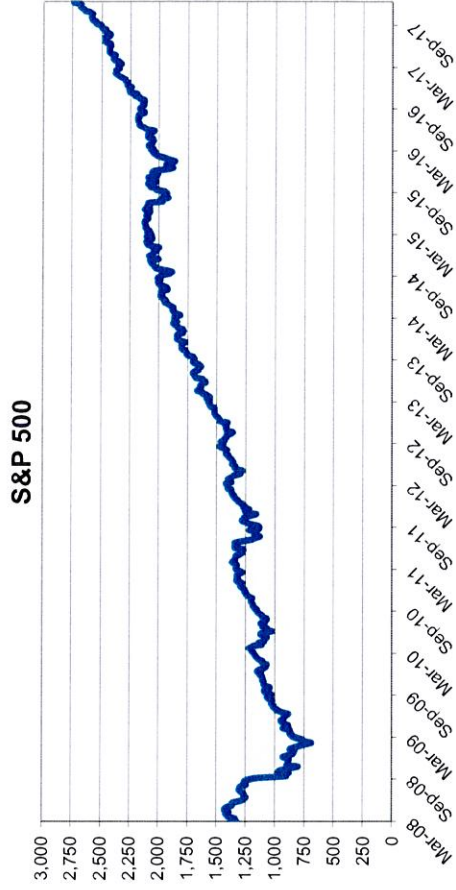
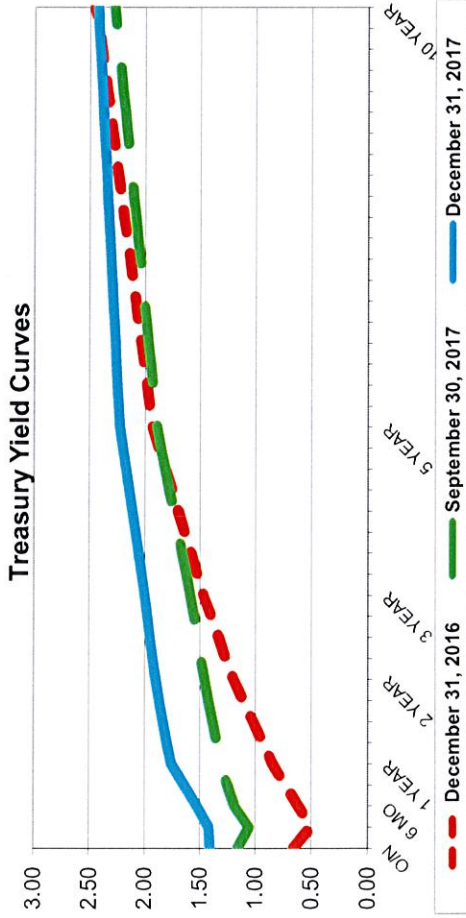
Rolling Six Mo. Treas. Yield 1.26%

Quarterly TexPool Yield 1.18%

(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.

The Federal Open Market Committee (FOMC) increased the Fed Funds target range to 1.25% - 1.50% (Effective Fed Funds are trading +/-1.41%) at the Dec FOMC meeting. Two to three additional increases are projected for 2018 (although subject to economic activity). Gradual portfolio reduction continues by limiting reinvestment of maturing holdings. Third Quarter 2017 GDP measured 3.2%. December Non Farm Payroll data recorded a weaker than expected +148k. US economic data continues positive trend. Washington passed an extensive tax cut. Crude oil trading +/- \$60 on Middle Eastern turmoil. The Stock Markets once again achieved new highs. Jerome Powell will replace Fed Chair Janet Yellen.



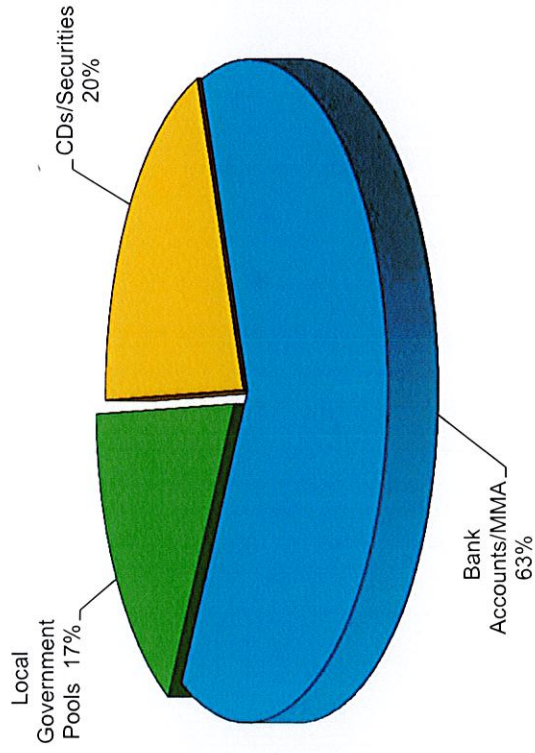
**Investment Holdings  
December 31, 2017**

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		0.25%	01/01/2018	12/31/2017	\$ 7,751,288	\$ 7,751,288	1.00	\$ 7,751,288	1	0.25%
Southside Bank MMA		1.33%	01/01/2018	12/31/2017	3,108,347	3,108,347	1.00	3,108,347	1	1.33%
Green Bank MMA		1.32%	01/01/2018	12/31/2017	5,287,396	5,287,396	1.00	5,287,396	1	1.32%
TexPool	AAA	1.18%	01/01/2018	12/31/2017	4,258,084	4,258,084	1.00	4,258,084	1	1.18%
First Community Bank CD		1.11%	01/30/2018	02/27/2017	1,008,325	1,008,325	100.00	1,008,325	30	1.11%
Southside Bank CD		1.18%	04/02/2018	05/02/2017	1,005,957	1,005,957	100.00	1,005,957	92	1.18%
Southside Bank CD		1.35%	04/16/2018	12/15/2017	1,870,618	1,870,618	100.00	1,870,618	106	1.35%
East West Bank CD		1.82%	12/21/2018	12/20/2017	1,200,710	1,200,710	100.00	1,200,710	355	1.82%
					<b>\$ 25,490,726</b>	<b>\$ 25,490,726</b>		<b>\$ 25,490,726</b>	<b>30</b>	<b>0.98%</b>
									<b>(1)</b>	<b>(2)</b>

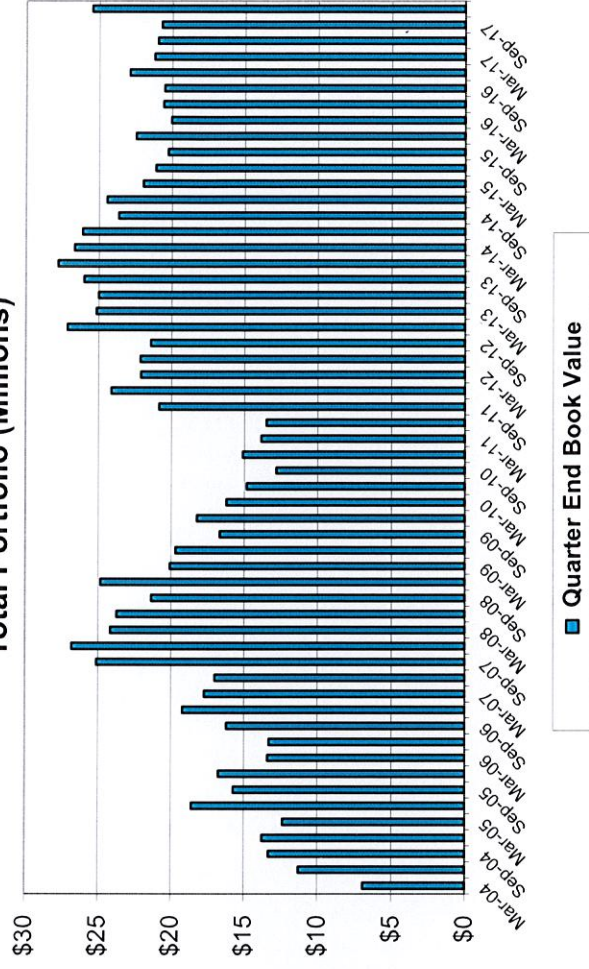
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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	September 30, 2017		Purchases at Cost	Sales/ Maturities	December 31, 2017	
				Original Face/ Par Value	Book Value			Original Face/ Par Value	Book Value
FCB Account	0.25%	01/01/2018	12/31/2017	\$ 7,700,351	\$ 7,700,351	\$ 50,937	\$ -	\$ 7,751,288	\$ 7,751,288
Southside Bank MMA	1.33%	01/01/2018	12/31/2017	3,325,507	3,325,507		(217,160)	3,108,347	3,108,347
Green Bank MMA	1.32%	01/01/2018	12/31/2017	3,273,624	3,273,624	2,013,772		5,287,396	5,287,396
TexPool	1.18%	01/01/2018	12/31/2017	4,429,363	4,429,363		(171,279)	4,258,084	4,258,084
First Community Bank CD	1.11%	01/30/2018	02/27/2017	1,005,512	1,005,512	2,813		1,008,325	1,008,325
Southside Bank CD	1.18%	04/02/2018	05/02/2017	1,002,974	1,002,974	2,983		1,005,957	1,005,957
Southside Bank CD	1.35%	04/16/2018	12/15/2017	-	-	1,870,618		1,870,618	1,870,618
East West Bank CD	1.82%	12/21/2018	12/20/2017	-	-	1,200,710		1,200,710	1,200,710
<b>TOTAL</b>				<b>\$ 20,737,331</b>	<b>\$ 20,737,331</b>	<b>\$ 5,141,834</b>	<b>\$ (388,439)</b>	<b>\$ 25,490,726</b>	<b>\$ 25,490,726</b>

### Market Value Comparison

Description	Coupon/ Discount	Maturity Date	Original Face/ Par Value	September 30, 2017		Qtr-to-Qtr Change	Original Face/ Par Value	December 31, 2017	
				Market Price	Market Value			Market Price	Market Value
FCB Account	0.25%	01/01/2018	\$ 7,700,351	1.00	\$ 7,700,351	\$ 50,937	\$ 7,751,288	1.00	\$ 7,751,288
Southside Bank MMA	1.33%	01/01/2018	3,325,507	1.00	3,325,507	(217,160)	3,108,347	1.00	3,108,347
Green Bank MMA	1.32%	01/01/2018	3,273,624	1.00	3,273,624	2,013,772	5,287,396	1.00	5,287,396
TexPool	1.18%	01/01/2018	4,429,363	1.00	4,429,363	(171,279)	4,258,084	1.00	4,258,084
First Community Bank CD	1.11%	01/30/2018	1,005,512	100.00	1,005,512	2,813	1,008,325	100.00	1,008,325
Southside Bank CD	1.18%	04/02/2018	1,002,974	100.00	1,002,974	2,983	1,005,957	100.00	1,005,957
Southside Bank CD	1.35%	04/16/2018	-	-	-	1,870,618	1,870,618	100.00	1,870,618
East West Bank CD	1.82%	12/21/2018	-	-	-	1,200,710	1,200,710	100.00	1,200,710
<b>TOTAL</b>			<b>\$ 20,737,331</b>		<b>\$ 20,737,331</b>	<b>\$ 4,753,395</b>	<b>\$ 25,490,726</b>		<b>\$ 25,490,726</b>

**Fund Allocation  
Book & Market Value  
December 31, 2017**

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	Community Bank CD	Southside Bank CDs	East West Bank CDs
Consolidated/General	\$ 9,184,160	\$ 2,328,982	\$ 2,069,027	\$ -	\$ 3,276,032	\$ 504,163	\$ 1,005,957	\$ -
Escrow	254,283	-	254,283	-	-	-	-	-
Utilities Cons./W & S Payroll	3,563,574	3,059,411	-	-	-	504,163	-	-
Water (Greenbank)	332,955	332,955	-	-	-	-	-	-
Water Treatment Plant	1,504,939	-	-	-	1,504,939	-	-	-
W&S O & M Reserve	1,870,618	-	-	-	-	-	1,870,618	-
W&S R & R Reserve	253,402	-	27,985	225,417	-	-	-	-
W & S Debt Service Reserve	446,262	-	55,497	390,765	-	-	-	-
W & S Reserve Capital Imp	924,235	-	60,123	864,113	-	-	-	-
Water and Sewer	203,751	-	203,751	-	-	-	-	-
CO 2007 EDC Projects	555,304	-	555,304	-	-	-	-	-
CO Series 2011	916,292	-	916,292	-	-	-	-	-
CO Series 2012	1,408,952	-	-	1,408,952	-	-	-	-
Cons. Cash Grant CO	115,822	-	115,822	-	-	-	-	-
Veterans Memorial	1,145	1,145	-	-	-	-	-	-
Resaca Trails	35,763	35,763	-	-	-	-	-	-
Hotel/Motel Tax	467,622	67,386	-	-	-	-	-	400,237
Community Dev. Block Grant	441,874	41,638	-	-	-	-	-	400,237
DSRIP UTHSCSA	415	415	-	-	-	-	-	-
Police	80,636	80,636	-	-	-	-	-	-
Forfeiture Seizure Federal	2,543	2,543	-	-	-	-	-	-
Special Investigations Ckg	125,151	125,151	-	-	-	-	-	-
Special investigation Svgs	289,154	289,154	-	-	-	-	-	-
Fire Relief & Retirement Plan	15,546	15,546	-	-	-	-	-	-
Border Security	119,591	119,591	-	-	-	-	-	-
Emergency Management Funds	15,685	15,685	-	-	-	-	-	-
Revolving Loan	187,537	187,537	-	-	-	-	-	-
Revolving Loan #2	202,856	202,856	-	-	-	-	-	-
Local Match	343	343	-	-	-	-	-	-
TIRZ	195	195	-	-	-	-	-	-
	428,367	428,367	-	-	-	-	-	-
<b>Sub-totals</b>	<b>23,948,973</b>	<b>7,335,298</b>	<b>4,258,084</b>	<b>2,889,247</b>	<b>4,780,970</b>	<b>1,008,325</b>	<b>2,876,575</b>	<b>800,474</b>
EDC	1,540,669	414,906	-	219,100	506,426	-	-	400,237
EDC-SB Cultural Heritage Program	1,084	1,084	-	-	-	-	-	-
<b>Sub-totals</b>	<b>1,541,753</b>	<b>415,990</b>	<b>-</b>	<b>219,100</b>	<b>506,426</b>	<b>-</b>	<b>-</b>	<b>400,237</b>
<b>Totals</b>	<b>\$ 25,490,726</b>	<b>\$ 7,751,288</b>	<b>\$ 4,258,084</b>	<b>\$ 3,108,347</b>	<b>\$ 5,287,396</b>	<b>\$ 1,008,325</b>	<b>\$ 2,876,575</b>	<b>\$ 1,200,710</b>

**Fund Allocation  
Book & Market Value  
September 30, 2017**

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	First Community Bank CD	Southside Bank CD
Consolidated/General	\$ 7,033,574	\$ 1,197,279	\$ 2,063,370	\$ -	\$ 2,267,194	\$ 502,756	\$ 1,002,974
Escrow	253,588	-	253,588	-	-	-	-
Utilities Cons./W & S	3,886,434	3,383,678	-	-	-	502,756	-
Payroll	160,190	160,190	-	-	-	-	-
Water (Greenbank)	501,563	-	-	-	501,563	-	-
W&S O & M Reserve	445,091	-	55,345	389,746	-	-	-
W&S R & R Reserve	252,477	-	27,908	224,569	-	-	-
W & S Debt Service Reserve	921,452	-	59,958	861,494	-	-	-
W & S Reserve Capital Imp	203,194	-	203,194	-	-	-	-
Water and Sewer	553,786	-	553,786	-	-	-	-
CO 2007 EDC Projects	1,096,708	-	1,096,708	-	-	-	-
CO Series 2011	1,631,271	-	-	1,631,271	-	-	-
CO Series 2012	115,506	-	115,506	-	-	-	-
Cons. Cash Grant CO	1,143	1,143	-	-	-	-	-
Police	2,738	2,738	-	-	-	-	-
Forfeiture Seizure Federal	133,983	133,983	-	-	-	-	-
Special Investigations Ckg	289,154	289,154	-	-	-	-	-
Special investigation Svgs	15,546	15,546	-	-	-	-	-
Veterans Memorial	35,853	35,853	-	-	-	-	-
Resaca Trails	492,572	492,572	-	-	-	-	-
Hotel/Motel Tax	421,883	421,883	-	-	-	-	-
Community Dev. Block Grant	415	415	-	-	-	-	-
DSRIP UTHSCSA	20,308	20,308	-	-	-	-	-
Fire Relief & Retirement Plan	88,706	88,706	-	-	-	-	-
Border Security	15,658	15,658	-	-	-	-	-
Emergency Management Funds	187,537	187,537	-	-	-	-	-
Revolving Loan	182,657	182,657	-	-	-	-	-
Revolving Loan #2	342	342	-	-	-	-	-
Local Match	195	195	-	-	-	-	-
TIRZ	427,665	427,665	-	-	-	-	-
<b>Sub-totals</b>	<b>19,371,189</b>	<b>7,057,503</b>	<b>4,429,363</b>	<b>3,107,079</b>	<b>2,768,757</b>	<b>1,005,512</b>	<b>\$ 1,002,974</b>
EDC	1,318,266	594,972	-	218,428	504,867	-	-
EDC-SB Cultural Heritage Program	1,082	1,082	-	-	-	-	-
EDC NADB CAIP Grant	46,794	46,794	-	-	-	-	-
<b>Sub-totals</b>	<b>1,366,142</b>	<b>642,847</b>	<b>-</b>	<b>218,428</b>	<b>504,867</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>\$ 20,737,331</b>	<b>\$ 7,700,351</b>	<b>\$ 4,429,363</b>	<b>\$ 3,325,507</b>	<b>\$ 3,273,624</b>	<b>\$ 1,005,512</b>	<b>\$ 1,002,974</b>