



## INVESTMENT REPORT

For the Period Ended  
December 31, 2022

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     | September 30, 2022   |                      | December 31, 2022    |                      |            |
|----------------|----------------------|----------------------|----------------------|----------------------|------------|
|                | Book Value           | Market Value         | Book Value           | Market Value         | Ave. Yield |
| Bank Account   | \$ 8,777,460         | \$ 8,777,460         | \$ 12,798,300        | \$ 12,798,300        | 4.56%      |
| MMA/LGIPs      | 26,642,843           | 26,642,843           | 26,838,988           | 26,838,988           | 1.89%      |
| CDs/Securities | 10,450,283           | 10,450,283           | 10,484,670           | 10,484,670           | 1.32%      |
| <b>Totals</b>  | <b>\$ 45,870,587</b> | <b>\$ 45,870,587</b> | <b>\$ 50,121,958</b> | <b>\$ 50,121,958</b> | 3.52%      |

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

Total Portfolio 3.52%

Rolling Three Month Treasury 4.19%  
 Rolling Six Month Treasury 3.90%  
 TexPool 3.98%

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

Total Portfolio 3.52%

Rolling Three Month Treasury 4.19%  
 Rolling Six Month Treasury 3.90%  
 TexPool 3.98%

#### Interest Income (Approximate)

Quarterly Interest Income \$ 352,204  
 YTD Interest Income \$ 352,204

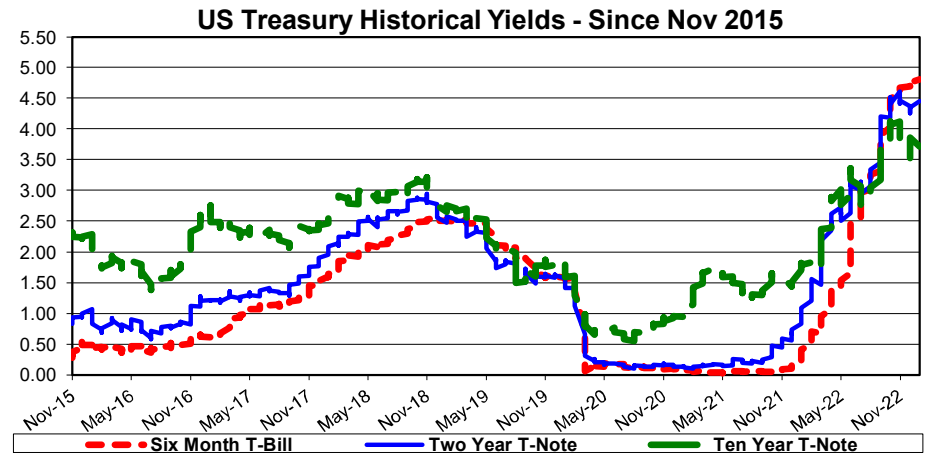
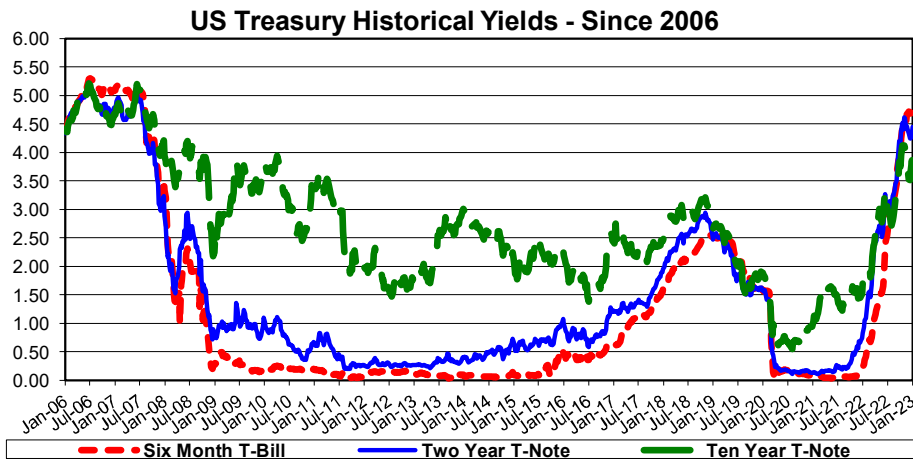
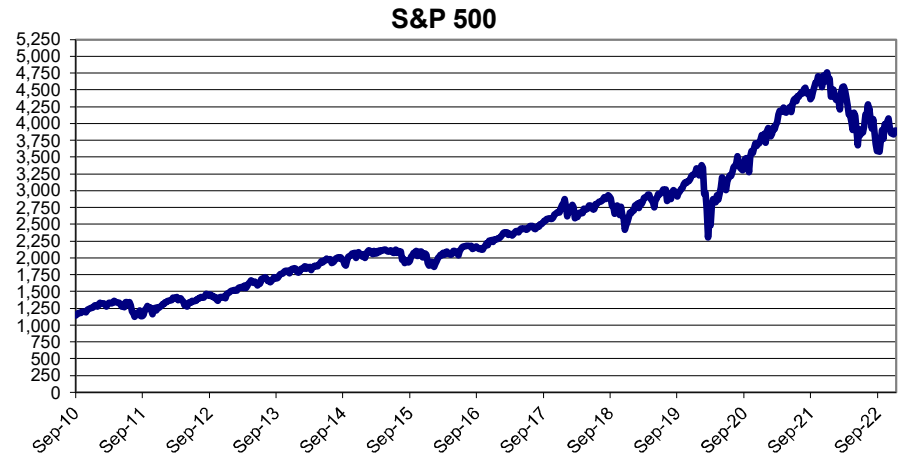
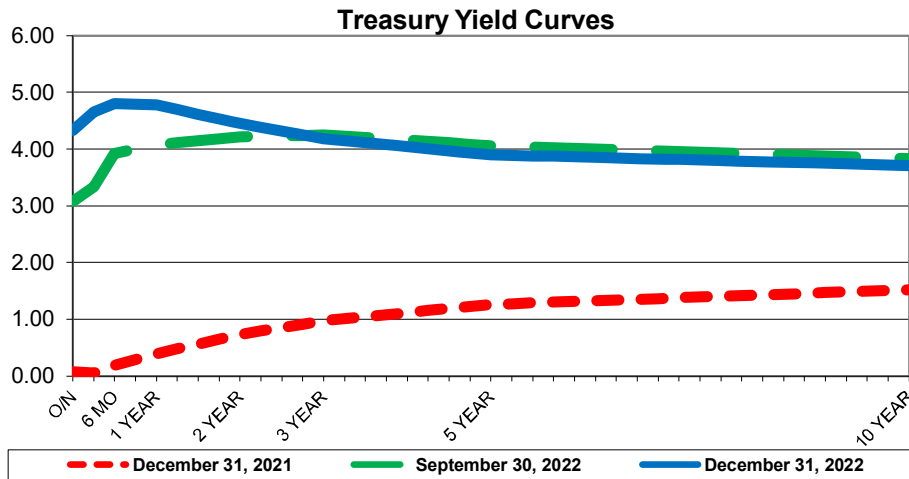
(1) **Average Yield Current Quarter** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

12/31/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.50% to 4.25% - 4.50% December 14th (Effective Fed Funds are trading +/-4.33%). A 0.25% increase is projected February 1st. Third Quarter GDP jumped to 3.2% in the final number. December Non-Farm Payroll added 223k new jobs with the Three Month Average declining to 247k. Crude oil continues moderating at +/- \$75 per barrel. The Stock Markets drifted between +/-15% to +/-19% below the 2021 peak. The yield curve is fully negatively sloped (3 months to 10 years, with peak yield at 6 months) and continues to indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-5% and CPI +/-6%). International challenges add to economic uncertainty.



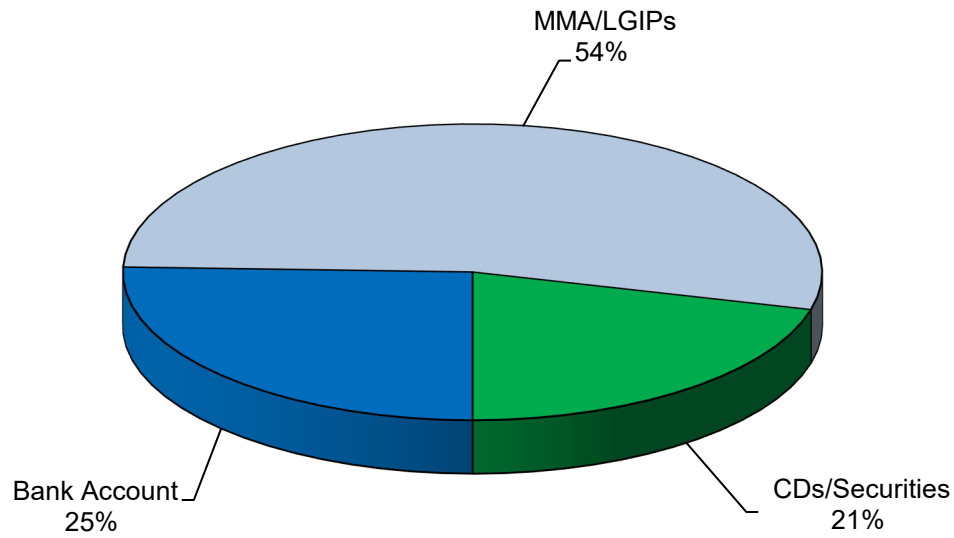
**Investment Holdings**  
**December 31, 2022**

| <b>Description</b>      | <b>Coupon/<br/>Rating</b> | <b>Maturity<br/>Date</b> | <b>Settlement<br/>Date</b> | <b>Par Value</b> | <b>Book<br/>Value</b> | <b>Market<br/>Price</b> | <b>Market<br/>Value</b> | <b>Life<br/>(days)</b> | <b>Yield</b> |              |
|-------------------------|---------------------------|--------------------------|----------------------------|------------------|-----------------------|-------------------------|-------------------------|------------------------|--------------|--------------|
| Texas Regional Bank DDA | 4.56%                     | 01/01/23                 | 12/31/22                   | \$ 12,798,300    | \$ 12,798,300         | 1.00                    | \$ 12,798,300           | 1                      | 4.56%        |              |
| Texas Regional Bank MMA | 4.56%                     | 01/01/23                 | 12/31/22                   | 11,688,169       | 11,688,169            | 1.00                    | 11,688,169              | 1                      | 4.56%        |              |
| Southside Bank MMA      | 4.05%                     | 01/01/23                 | 12/31/22                   | 2,784,845        | 2,784,845             | 1.00                    | 2,784,845               | 1                      | 4.05%        |              |
| Prosperity Bank MMA     | 2.03%                     | 01/01/23                 | 12/31/22                   | 6,040,833        | 6,040,833             | 1.00                    | 6,040,833               | 1                      | 2.03%        |              |
| Veritex Bank MMA        | 4.42%                     | 01/01/23                 | 12/31/22                   | 4,626,740        | 4,626,740             | 1.00                    | 4,626,740               | 1                      | 4.42%        |              |
| TexPool                 | AAAm 3.98%                | 01/01/23                 | 12/31/22                   | 1,698,401        | 1,698,401             | 1.00                    | 1,698,401               | 1                      | 3.98%        |              |
| East West Bank CD       | 1.09%                     | 02/17/23                 | 02/17/22                   | 3,937,330        | 3,937,330             | 100.00                  | 3,937,330               | 48                     | 1.09%        |              |
| Veritex Bank CD         | 1.45%                     | 06/06/23                 | 06/08/22                   | 1,510,925        | 1,510,925             | 100.00                  | 1,510,925               | 157                    | 1.46%        |              |
| Veritex Bank CD         | 1.46%                     | 06/06/23                 | 06/09/22                   | 5,036,415        | 5,036,415             | 100.00                  | 5,036,415               | 157                    | 1.46%        |              |
|                         |                           |                          |                            |                  | <b>\$ 50,121,958</b>  | <b>\$ 50,121,958</b>    |                         |                        | <b>25</b>    | <b>3.52%</b> |
|                         |                           |                          |                            |                  |                       |                         |                         |                        | (1)          | (2)          |

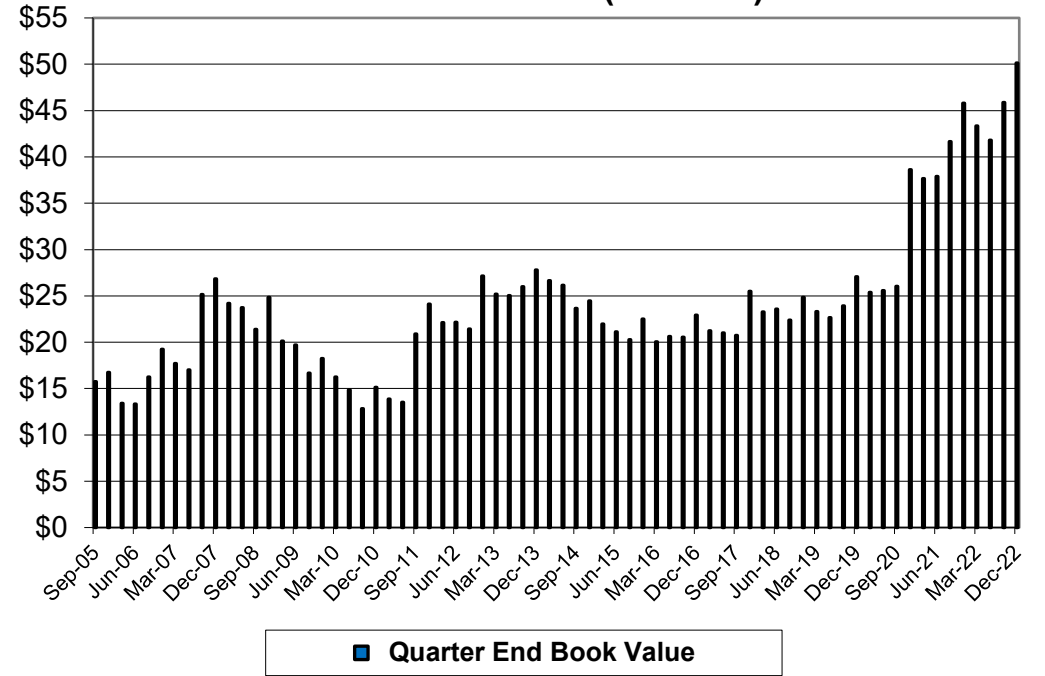
**(1) Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

**(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.

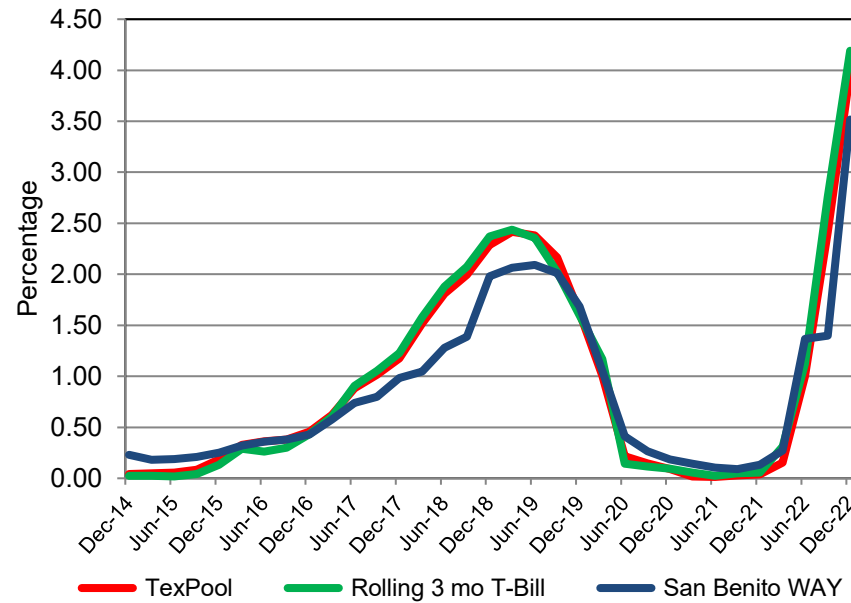
### Portfolio Composition



### Total Portfolio (Millions)



### Total Portfolio Performance



## Book & Market Value Comparison

| Issuer/Description      | Yield        | Maturity Date | Book Value 09/30/22  | Increases           | Decreases   | Book Value 12/31/22  | Market Value 09/30/22 | Change in Market Value | Market Value 12/31/22 |
|-------------------------|--------------|---------------|----------------------|---------------------|-------------|----------------------|-----------------------|------------------------|-----------------------|
| Texas Regional Bank DDA | 4.56%        | 01/01/23      | \$ 8,777,460         | \$ 4,020,840        | \$ -        | \$12,798,300         | \$ 8,777,460          | \$ 4,020,840           | \$12,798,300          |
| Texas Regional Bank MMA | 4.56%        | 01/01/23      | 11,596,812           | 91,357              | -           | 11,688,169           | 11,596,812            | 91,357                 | 11,688,169            |
| Southside Bank MMA      | 4.05%        | 01/01/23      | 2,760,420            | 24,424              | -           | 2,784,845            | 2,760,420             | 24,424                 | 2,784,845             |
| Prosperity Bank MMA     | 2.03%        | 01/01/23      | 6,013,608            | 27,225              | -           | 6,040,833            | 6,013,608             | 27,225                 | 6,040,833             |
| Veritex Bank MMA        | 4.42%        | 01/01/23      | 4,588,527            | 38,213              | -           | 4,626,740            | 4,588,527             | 38,213                 | 4,626,740             |
| TexPool                 | 3.98%        | 01/01/23      | 1,683,476            | 14,925              | -           | 1,698,401            | 1,683,476             | 14,925                 | 1,698,401             |
| East West Bank CD       | 1.09%        | 02/17/23      | 3,926,527            | 10,802              | -           | 3,937,330            | 3,926,527             | 10,802                 | 3,937,330             |
| Veritex Bank CD         | 1.45%        | 06/06/23      | 1,505,482            | 5,442               | -           | 1,510,925            | 1,505,482             | 5,442                  | 1,510,925             |
| Veritex Bank CD         | 1.45%        | 06/06/23      | 5,018,274            | 18,141              | -           | 5,036,415            | 5,018,274             | 18,141                 | 5,036,415             |
| <b>TOTAL / AVERAGE</b>  | <b>3.52%</b> |               | <b>\$ 45,870,587</b> | <b>\$ 4,251,371</b> | <b>\$ -</b> | <b>\$ 50,121,958</b> | <b>\$ 45,870,587</b>  | <b>\$ 4,251,371</b>    | <b>\$ 50,121,958</b>  |

**Fund Allocation  
Book & Market Value  
December 31, 2022**

|                               | <b>Fund Total</b>    | <b>Southside<br/>Bank MMA</b> | <b>Veritex Bank<br/>MMA</b> | <b>Prosperity<br/>Bank MMA</b> | <b>Texas<br/>Regional<br/>Bank DDA</b> | <b>Texas<br/>Regional<br/>Bank MMA</b> | <b>TexPool</b>      | <b>East West<br/>Bank CDs</b> | <b>Veritex Bank<br/>CDs</b> |
|-------------------------------|----------------------|-------------------------------|-----------------------------|--------------------------------|--|--|---------------------|-------------------------------|-----------------------------|
| Consolidated/General          | \$ 18,071,992        | \$ —                          | \$ 3,037,228                | \$ 5,034,027                   | \$ 5,965,882                           | \$ —                                   | \$ —                | \$ 2,523,929                  | \$ 1,510,925                |
| Escrow                        | 270,313              | —                             | —                           | —                              | —                                      | —                                      | 270,313             | —                             | —                           |
| Utilites Cons./W & S          | 4,094,118            | —                             | —                           | 1,006,805                      | 3,087,312                              | —                                      | —                   | —                             | —                           |
| Payroll                       | 799,982              | —                             | —                           | —                              | 293,780                                | 506,202                                | —                   | —                             | —                           |
| Water (Greenbank)             | 589,166              | —                             | 589,166                     | —                              | —                                      | —                                      | —                   | —                             | —                           |
| Water Treatment Plant         | 1,446,468            | 940,285                       | —                           | —                              | —                                      | 506,183                                | —                   | —                             | —                           |
| W&S O & M Reserve             | 476,563              | 417,568                       | —                           | —                              | —                                      | —                                      | 58,995              | —                             | —                           |
| W&S R & R Reserve             | 270,308              | 240,558                       | —                           | —                              | —                                      | —                                      | 29,749              | —                             | —                           |
| W & S Debt Service Reserve    | 453,955              | 390,042                       | —                           | —                              | —                                      | —                                      | 63,913              | —                             | —                           |
| W & S Reserve Capital Imp     | 216,595              | —                             | —                           | —                              | —                                      | —                                      | 216,595             | —                             | —                           |
| CO 2007 EDC Projects          | 935,711              | —                             | —                           | —                              | —                                      | —                                      | 935,711             | —                             | —                           |
| CO Series 2011                | 796,392              | 796,392                       | —                           | —                              | —                                      | —                                      | —                   | —                             | —                           |
| CO Series 2012                | 123,124              | —                             | —                           | —                              | —                                      | —                                      | 123,124             | —                             | —                           |
| CO Series 2019                | 1,012,411            | —                             | —                           | —                              | —                                      | 1,012,411                              | —                   | —                             | —                           |
| CO Series 2020                | 5,036,415            | —                             | —                           | —                              | —                                      | —                                      | —                   | —                             | 5,036,415                   |
| Cons. Cash Grant CO           | 1,361,463            | —                             | —                           | —                              | 1,361,463                              | —                                      | —                   | —                             | —                           |
| Veterans Memorial             | 45,487               | —                             | —                           | —                              | 45,487                                 | —                                      | —                   | —                             | —                           |
| Resaca Trails                 | 1,451                | —                             | —                           | —                              | 1,451                                  | —                                      | —                   | —                             | —                           |
| Hotel/Motel Tax               | 665,507              | —                             | —                           | —                              | 159,307                                | 506,201                                | —                   | —                             | —                           |
| Community Dev. Block Grant    | 251                  | —                             | —                           | —                              | 251                                    | —                                      | —                   | —                             | —                           |
| DSRIP UTHSCSA                 | 38,655               | —                             | —                           | —                              | 38,655                                 | —                                      | —                   | —                             | —                           |
| Police                        | 2,370                | —                             | —                           | —                              | 2,370                                  | —                                      | —                   | —                             | —                           |
| Forfeiture Seizure Federal    | 229,497              | —                             | —                           | —                              | 229,497                                | —                                      | —                   | —                             | —                           |
| Special Investigations Ckg    | 106,054              | —                             | —                           | —                              | 106,054                                | —                                      | —                   | —                             | —                           |
| Special investigation Svgs    | 76,492               | —                             | —                           | —                              | 76,492                                 | —                                      | —                   | —                             | —                           |
| Fire Relief & Retirement Plan | 62,253               | —                             | —                           | —                              | 62,253                                 | —                                      | —                   | —                             | —                           |
| Border Security               | 16,410               | —                             | —                           | —                              | 16,410                                 | —                                      | —                   | —                             | —                           |
| Emergency Management Funds    | 20,426               | —                             | —                           | —                              | 20,426                                 | —                                      | —                   | —                             | —                           |
| Coronavirus Funds             | 714,819              | —                             | —                           | —                              | 714,819                                | —                                      | —                   | —                             | —                           |
| TIRZ                          | 2,029,791            | —                             | —                           | —                              | 616,391                                | —                                      | —                   | 1,413,400                     | —                           |
| ARPA Grant                    | 9,157,173            | —                             | —                           | —                              | —                                      | 9,157,173                              | —                   | —                             | —                           |
| Refuse Collection             | 1,000,346            | —                             | 1,000,346                   | —                              | —                                      | —                                      | —                   | —                             | —                           |
| <b>TOTAL</b>                  | <b>\$ 50,121,958</b> | <b>\$ 2,784,845</b>           | <b>\$ 4,626,740</b>         | <b>\$ 6,040,833</b>            | <b>\$ 12,798,300</b>                   | <b>\$ 11,688,169</b>                   | <b>\$ 1,698,401</b> | <b>\$ 3,937,330</b>           | <b>\$ 6,547,340</b>         |

**Fund Allocation  
Book & Market Value  
September 30, 2022**

|                               | <b>Fund Total</b>    | <b>Southside<br/>Bank MMA</b> | <b>Veritex Bank<br/>MMA</b> | <b>Prosperity<br/>Bank MMA</b> | <b>Texas<br/>Regional<br/>Bank DDA</b> | <b>Texas<br/>Regional<br/>Bank MMA</b> | <b>TexPool</b>      | <b>East West<br/>Bank CDs</b> | <b>Veritex Bank<br/>CDs</b> |
|-------------------------------|----------------------|-------------------------------|-----------------------------|--------------------------------|--|--|---------------------|-------------------------------|-----------------------------|
| Consolidated/General          | \$ 14,102,750        | \$ -                          | \$ 3,010,041                | \$ 5,011,340                   | \$ 2,058,883                           | \$ -                                   | \$ -                | \$ 2,517,005                  | \$ 1,505,482                |
| Escrow                        | 267,937              | -                             | -                           | -                              | -                                      | -                                      | 267,937             | -                             | -                           |
| Utlities Cons./W & S          | 3,541,760            | -                             | -                           | 1,002,268                      | 2,539,492                              | -                                      | -                   | -                             | -                           |
| Payroll                       | 998,347              | -                             | -                           | -                              | 496,103                                | 502,243                                | -                   | -                             | -                           |
| Water (Greenbank)             | 1,578,486            | -                             | 1,578,486                   | -                              | -                                      | -                                      | -                   | -                             | -                           |
| Water Treatment Plant         | 1,434,282            | 932,038                       | -                           | -                              | -                                      | 502,244                                | -                   | -                             | -                           |
| W&S O & M Reserve             | 472,659              | 414,182                       | -                           | -                              | -                                      | -                                      | 58,477              | -                             | -                           |
| W&S R & R Reserve             | 268,095              | 238,607                       | -                           | -                              | -                                      | -                                      | 29,488              | -                             | -                           |
| W & S Debt Service Reserve    | 450,229              | 386,878                       | -                           | -                              | -                                      | -                                      | 63,351              | -                             | -                           |
| W & S Reserve Capital Imp     | 214,692              | -                             | -                           | -                              | -                                      | -                                      | 214,692             | -                             | -                           |
| CO 2007 EDC Projects          | 927,488              | -                             | -                           | -                              | -                                      | -                                      | 927,488             | -                             | -                           |
| CO Series 2011                | 788,716              | 788,716                       | -                           | -                              | -                                      | -                                      | -                   | -                             | -                           |
| CO Series 2012                | 122,042              | -                             | -                           | -                              | -                                      | -                                      | 122,042             | -                             | -                           |
| CO Series 2019                | 1,004,497            | -                             | -                           | -                              | -                                      | 1,004,497                              | -                   | -                             | -                           |
| CO Series 2020                | 5,018,274            | -                             | -                           | -                              | -                                      | -                                      | -                   | -                             | 5,018,274                   |
| Cons. Cash Grant CO           | 1,567,499            | -                             | -                           | -                              | 1,567,499                              | -                                      | -                   | -                             | -                           |
| Veterans Memorial             | 44,837               | -                             | -                           | -                              | 44,837                                 | -                                      | -                   | -                             | -                           |
| Resaca Trails                 | 1,436                | -                             | -                           | -                              | 1,436                                  | -                                      | -                   | -                             | -                           |
| Hotel/Motel Tax               | 646,012              | -                             | -                           | -                              | 143,768                                | 502,243                                | -                   | -                             | -                           |
| Community Dev. Block Grant    | 26,164               | -                             | -                           | -                              | 26,164                                 | -                                      | -                   | -                             | -                           |
| DSRIP UTHSCSA                 | 38,265               | -                             | -                           | -                              | 38,265                                 | -                                      | -                   | -                             | -                           |
| Police                        | 2,725                | -                             | -                           | -                              | 2,725                                  | -                                      | -                   | -                             | -                           |
| Forfeiture Seizure Federal    | 29,926               | -                             | -                           | -                              | 29,926                                 | -                                      | -                   | -                             | -                           |
| Special Investigations Ckg    | 107,157              | -                             | -                           | -                              | 107,157                                | -                                      | -                   | -                             | -                           |
| Special investigation Svgs    | 76,492               | -                             | -                           | -                              | 76,492                                 | -                                      | -                   | -                             | -                           |
| Fire Relief & Retirement Plan | 63,240               | -                             | -                           | -                              | 63,240                                 | -                                      | -                   | -                             | -                           |
| Border Security               | 16,241               | -                             | -                           | -                              | 16,241                                 | -                                      | -                   | -                             | -                           |
| Emergency Management Funds    | 22,693               | -                             | -                           | -                              | 22,693                                 | -                                      | -                   | -                             | -                           |
| Coronavirus Funds             | 932,354              | -                             | -                           | -                              | 932,354                                | -                                      | -                   | -                             | -                           |
| TIRZ                          | 2,019,707            | -                             | -                           | -                              | 610,184                                | -                                      | -                   | 1,409,523                     | -                           |
| ARPA Grant                    | 9,085,585            | -                             | -                           | -                              | -                                      | 9,085,585                              | -                   | -                             | -                           |
| <b>TOTAL</b>                  | <b>\$ 45,870,587</b> | <b>\$ 2,760,420</b>           | <b>\$ 4,588,527</b>         | <b>\$ 6,013,608</b>            | <b>\$ 8,777,460</b>                    | <b>\$ 11,596,812</b>                   | <b>\$ 1,683,476</b> | <b>\$ 3,926,527</b>           | <b>\$ 6,523,756</b>         |