




## INVESTMENT REPORT


For the Period Ended  
March 31, 2015

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.

**Strategy Summary:**

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range between 0.00% and 0.25% (actual Fed Funds traded +/-10 bps). The European Central Bank (ECB) announced and began a Quantitative Easing plan. The Dollar reacted very strongly - dropping from +/--\$1.40 per Euro to +/--\$1.05 per Euro. This strength could have severe US export implications. New payroll growth plummeted to +126,000, but the unemployment rate remained unchanged. The FOMC met and deleted "patient" from their statement text, then added they would not be "impatient" regarding increasing interest rates. Unfortunately they also reduced their overall growth and interest rate expectations for 2015. The stock markets continue to maintain current levels. Financial institution deposit yields generally provide the best interest earnings opportunity. Continuing to ladder provides strategic advantage.

**Quarter End Results by Investment Category:**

<u>Asset Type</u>	<u>Ave. Yield</u>	<u>March 31, 2015</u>		<u>December 31, 2014</u>	
		<u>Book Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Market Value</u>
Bank Accounts/MMA	0.24%	\$ 14,346,418	\$ 14,346,418	\$ 14,169,490	\$ 14,169,490
Local Government Pools	0.05%	6,624,697	6,624,697	9,271,787	9,271,787
CDs/Securities	0.23%	1,008,371	1,008,371	1,007,786	1,007,786
<b>Totals</b>		<b>\$ 21,979,486</b>	<b>\$ 21,979,486</b>	<b>\$ 24,449,063</b>	<b>\$ 24,449,063</b>

<u>Average Yield (1)</u>		<u>Fiscal Year-to-Date Average Yield (2)</u>	
Total Portfolio	0.18%	Total Portfolio	0.17%
Rolling Three Mo. Treas. Yield	0.03%	Rolling Three Mo. Treas. Yield	0.02%
Rolling Six Mo. Treas. Yield	0.08%	Rolling Six Mo. Treas. Yield	0.07%
		Quarterly TexPool Yield	0.04%

Quarterly Interest Income \$ 8,073  
 YTD Interest Income \$ 17,081

(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.

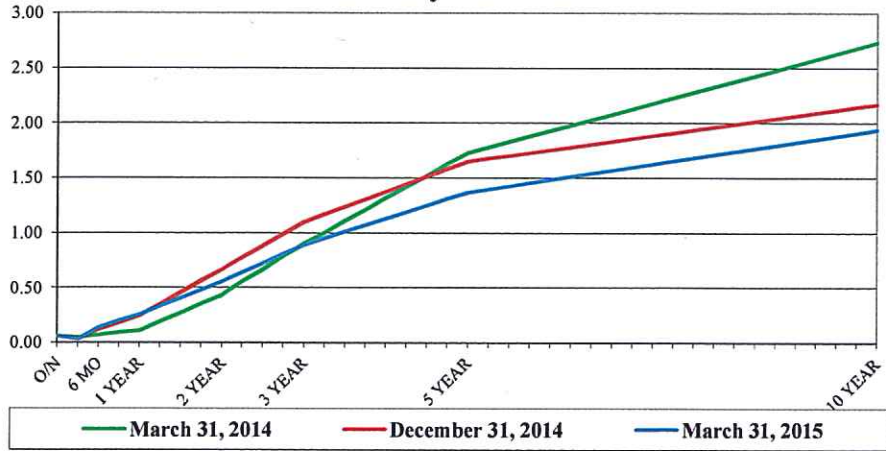
## Detail of Investment Holdings March 31, 2015

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB		0.25%	04/01/2015	03/31/2015	\$ 10,067,970	\$ 10,067,970	1.00	\$ 10,067,970	1	0.25%
Southside Bank MMA		0.23%	04/01/2015	03/31/2015	4,278,449	4,278,449	1.00	4,278,449	1	0.23%
TexPool	AAAm	0.05%	04/01/2015	03/31/2015	6,624,697	6,624,697	1.00	6,624,697	1	0.05%
Southside Bank CD		0.23%	5/2/2015	5/2/2014	1,008,371	1,008,371	1.00	1,008,371	32	0.23%
					<b>\$ 21,979,486</b>	<b>\$ 21,979,486</b>		<b>\$ 21,979,486</b>	<b>2</b>	<b>0.18%</b>
									(1)	(2)

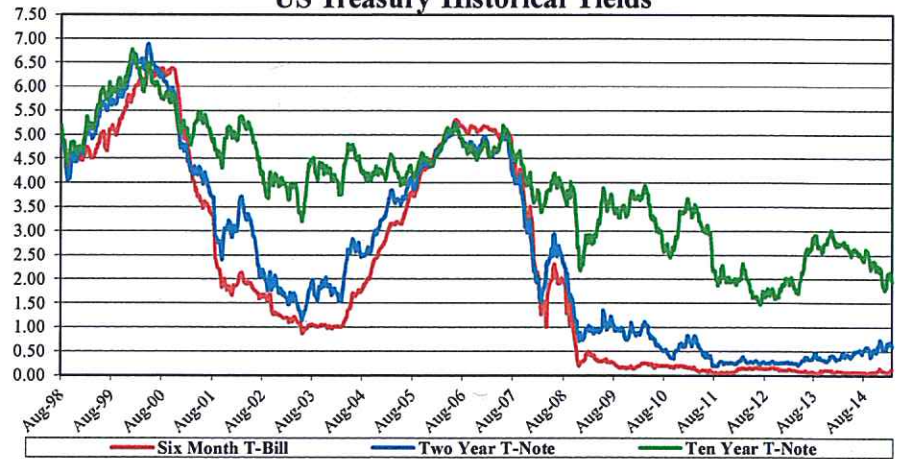
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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.

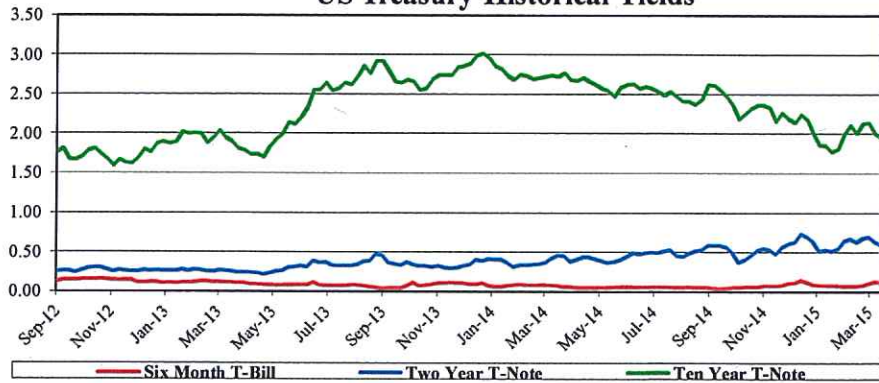
**Treasury Yield Curves**



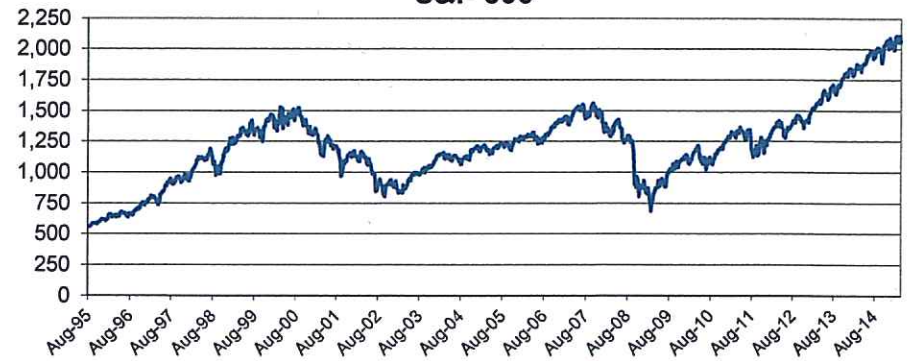
**US Treasury Historical Yields**



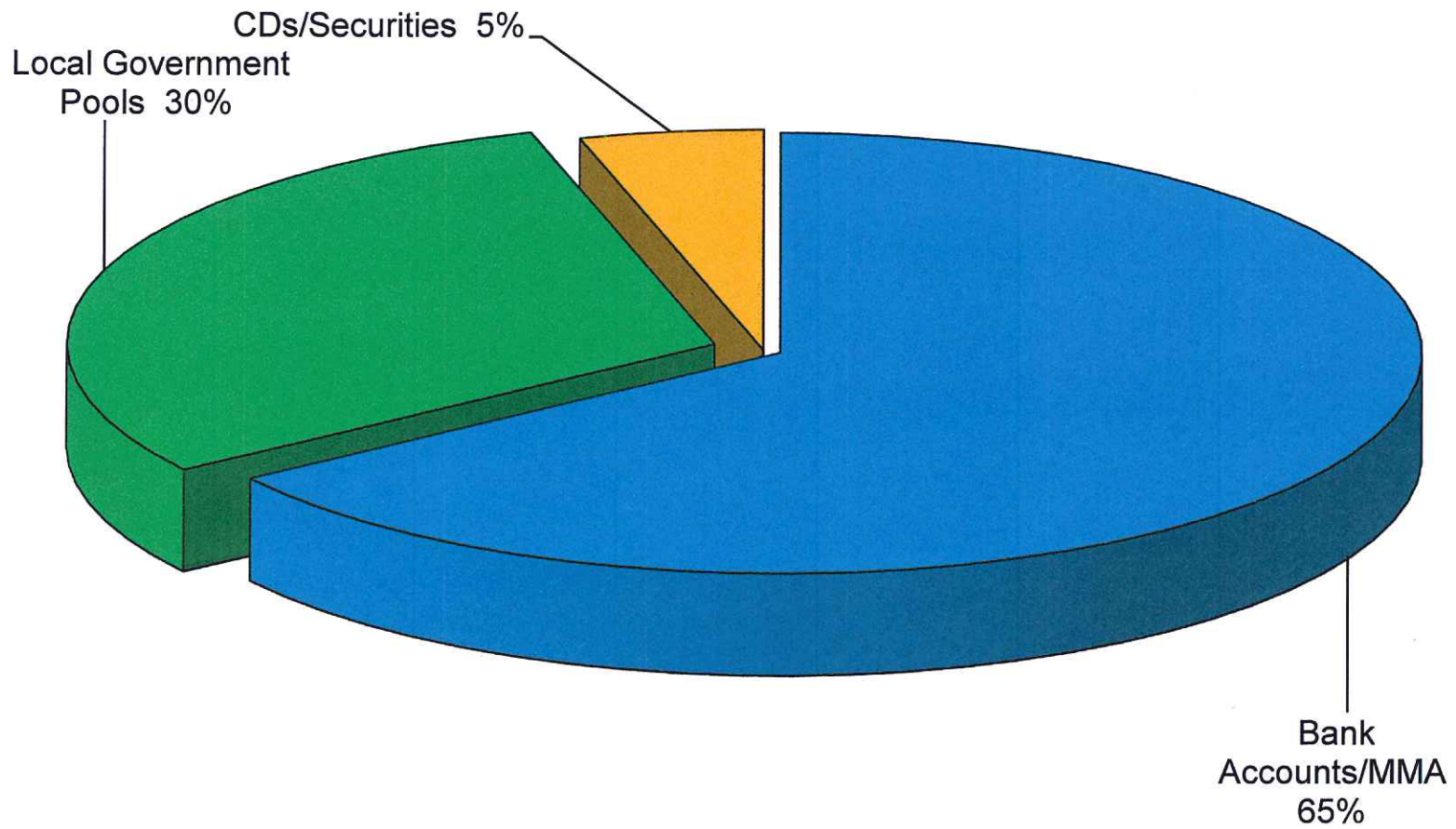
**US Treasury Historical Yields**



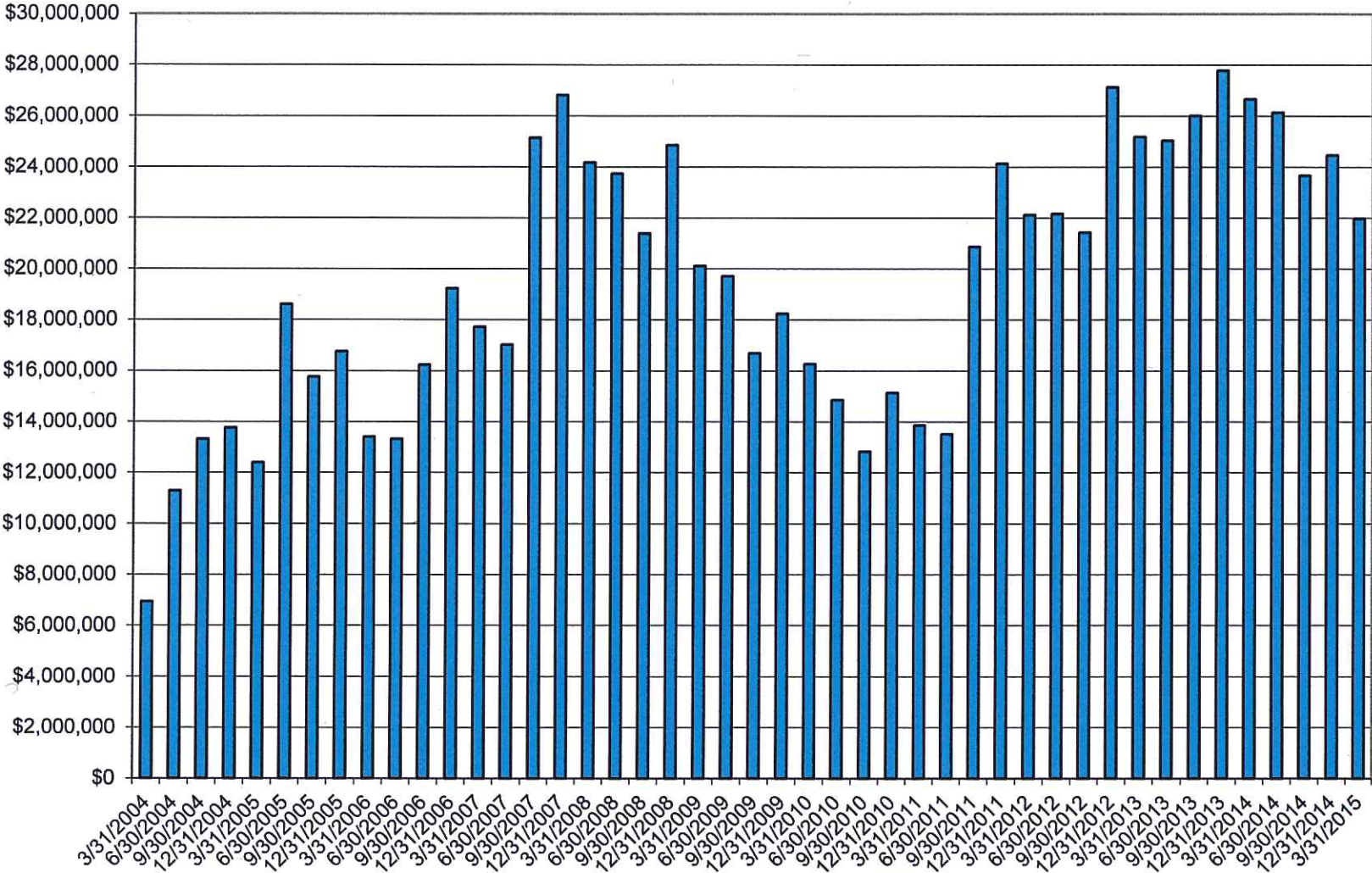
**S&P 500**



## Portfolio Composition



# Total Portfolio



■ Quarter End Book Value

## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	Settlement Date	December 31, 2014			March 31, 2015		
				Original Face\	Purchases	Sales/ Maturities	Original Face\	Book Value	Book Value
				Par Value			at Cost		
FCB	0.25%	04/01/2015	3/31/2015	\$ 9,893,114	\$ 9,893,114	\$ 174,855	\$ -	\$ 10,067,970	\$ 10,067,970
Southside Bank MMA	0.23%	04/01/2015	3/31/2015	4,276,375	4,276,375	2,073		4,278,449	4,278,449
TexPool	0.05%	04/01/2015	3/31/2015	9,271,787	9,271,787		(2,647,090)	6,624,697	6,624,697
Southside Bank CD	0.23%	05/02/2015	5/2/2014	1,007,786	1,007,786	584		1,008,371	1,008,371
<b>TOTAL</b>				<b>\$ 24,449,063</b>	<b>\$ 24,449,063</b>	<b>\$ 177,513</b>	<b>\$ (2,647,090)</b>	<b>\$ 21,979,486</b>	<b>\$ 21,979,486</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	December 31, 2014			March 31, 2015			
			Original Face\	Market	Qtr-to-Qtr	Original Face\	Market	Market Value	
			Par Value	Price		Market Value	Par Value		Price
FCB	0.25%	04/01/2015	\$ 9,893,114	1.00	\$ 9,893,114	\$ 174,855	\$ 10,067,970	1.00	\$ 10,067,970
Southside Bank MMA	0.23%	04/01/2015	4,276,375	1.00	4,276,375	2,073	4,278,449	1.00	4,278,449
TexPool	0.05%	04/01/2015	9,271,787	1.00	9,271,787	(2,647,090)	6,624,697	1.00	6,624,697
Southside Bank CD	0.23%	05/02/2015	1,007,786	100	1,007,786	584	1,008,371	100	1,008,371
<b>TOTAL</b>			<b>\$ 24,449,063</b>		<b>\$ 24,449,063</b>	<b>\$ (2,469,577)</b>	<b>\$ 21,979,486</b>		<b>\$ 21,979,486</b>

## Book Value Comparison

Description	Coupon/ Discount	Maturity Date	Settlement Date	September 30, 2014			December 31, 2014		
				Original Face\	Purchases	Sales/ Maturities	Original Face\	Book Value	Book Value
				Par Value			at Cost		
FCB	0.25%	04/01/2015	3/31/2015	\$ 9,704,903	\$ 9,704,903	\$ 188,212	\$ -	\$ 9,893,114	\$ 9,893,114
Southside Bank MMA	0.19%	04/01/2015	3/31/2015	4,274,417	4,274,417	1,958		4,276,375	4,276,375
TexPool	0.04%	04/01/2015	3/31/2015	8,673,868	8,673,868	597,918		9,271,787	9,271,787
Southside Bank CD	0.23%	05/02/2015	5/2/2014	1,007,203	1,007,203	584		1,007,786	1,007,786
<b>TOTAL</b>				<b>\$ 23,660,391</b>	<b>\$ 23,660,391</b>	<b>\$ 788,672</b>	<b>\$ -</b>	<b>\$ 24,449,063</b>	<b>\$ 24,449,063</b>

## Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2014				December 31, 2014			
			Original Face\	Market	Qtr-to-Qtr	Original Face\	Market	Market Value		
			Par Value	Price		Market Value	Par Value		Price	
FCB	0.25%	04/01/2015	\$ 9,704,903	1.00	\$ 9,704,903	\$ 188,212	\$ 9,893,114	1.00	\$ 9,893,114	
Southside Bank MMA	0.19%	04/01/2015	4,274,417	1.00	4,274,417	1,958	4,276,375	1.00	4,276,375	
TexPool	0.04%	04/01/2015	8,673,868	1.00	8,673,868	597,918	9,271,787	1.00	9,271,787	
Southside Bank CD	0.23%	05/02/2015	1,007,203	100	1,007,203	584	1,007,786	100	1,007,786	
<b>TOTAL</b>			<b>\$ 23,660,391</b>		<b>\$ 23,660,391</b>	<b>\$ 788,672</b>	<b>\$ 24,449,063</b>		<b>\$ 24,449,063</b>	

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

	<b>Fund Total</b>	<b>FCB Account</b>	<b>Texpool</b>	<b>Southside Bank MMA</b>	<b>Southside Bank CD 0.23 5/2/15</b>
Consolidated/General	\$ 5,933,267	\$ 3,264,887	\$ 1,660,009	\$ -	\$ 1,008,371
Reserve Street Imp	-	-	-	-	-
Escrow	280,963	-	280,963	-	-
Utilites Cons./W & S	4,863,899	4,515,140	348,759	-	-
Payroll	50,917	50,917	-	-	-
W&S O & M Reserve	458,512	-	55,786	402,726	-
W&S R & R Reserve	430,353	-	27,627	402,726	-
W & S Debt Service Reserve	1,267,532	-	59,354	1,208,178	-
W & S Reserve Capital Imp	201,146	-	201,146	-	-
NADB Loan 2004	5	5	-	-	-
CO 2007 EDC Projects	1,686,874	-	1,686,874	-	-
CO Series 2011	2,601,685	-	588,055	2,013,630	-
CO Series 2012	1,603,390	-	1,603,390	-	-
Cons. Cash Grant CO	1,134	1,134	-	-	-
Police	1,042	1,042	-	-	-
Forfeiture Seizure Federal	91,115	91,115	-	-	-
Special Investigations Ckg	75,039	75,039	-	-	-
Special investigation Svgs	13,015	13,015	-	-	-
Veterans Memorial	28,899	28,899	-	-	-
Resaca Trails	420	420	-	-	-
Hotel/Motel Tax	265,251	265,251	-	-	-
Community Dev. Block Grant	187,027	187,027	-	-	-
DSRIP UTHSCSA	19,936	19,936	-	-	-
Fire Relief & Retirement Plan	121,218	121,218	-	-	-
Border Security	15,523	15,523	-	-	-
Emergency Management Funds	161,559	161,559	-	-	-
Revolving Loan	60,624	60,624	-	-	-
Local Match	74	74	-	-	-
TIRZ	250,765	250,765	-	-	-
<b>Sub-totals</b>	<b>20,671,186</b>	<b>9,123,591</b>	<b>6,511,964</b>	<b>4,027,260</b>	<b>1,008,371</b>
EDC	1,307,227	943,306	112,733	251,189	-
EDC-SB Cultural Heritage Program	1,073	1,073	-	-	-
<b>Totals</b>	<b>\$ 21,979,486</b>	<b>\$ 10,067,970</b>	<b>\$ 6,624,697</b>	<b>\$ 4,278,449</b>	<b>\$ 1,008,371</b>

**Fund Allocation**  
**Book & Market Value**  
**December 31, 2014**

	Fund Total	FCB Account	Texpool	Southside Bank MMA	Southside Bank CD 0.23 5/2/15
Consolidated/General	\$ 5,308,351	\$ 1,878,284	\$ 2,422,280	\$ -	\$ 1,007,786
Reserve Street Imp	-	-	-	-	-
Escrow	280,931	-	280,931	-	-
Utilites Cons./W & S	6,417,053	5,305,873	1,111,180	-	-
Payroll	256,136	256,136	-	-	-
W&S O & M Reserve	458,310	-	55,780	402,531	-
W&S R & R Reserve	430,155	-	27,624	402,531	-
W & S Debt Service Reserve	1,266,940	-	59,347	1,207,592	-
W & S Reserve Capital Imp	201,123	-	201,123	-	-
NADB Loan 2004	5	5	-	-	-
CO 2007 EDC Projects	1,686,682	-	1,686,682	-	-
CO Series 2011	3,352,871	-	1,340,217	2,012,654	-
CO Series 2012	1,973,902	-	1,973,902	-	-
Cons. Cash Grant CO	1,133	1,133	-	-	-
Police	578	578	-	-	-
Forfeiture Seizure Federal	78,202	78,202	-	-	-
Special Investigations Ckg	74,993	74,993	-	-	-
Special investigation Svgs	13,015	13,015	-	-	-
Veterans Memorial	25,882	25,882	-	-	-
Resaca Trails	420	420	-	-	-
Hotel/Motel Tax	245,187	245,187	-	-	-
Community Dev. Block Grant	40,982	40,982	-	-	-
DSRIP UTHSCSA	29,794	29,794	-	-	-
Fire Relief & Retirement Plan	97,576	97,576	-	-	-
Border Security	15,514	15,514	-	-	-
Emergency Management Funds	143,089	143,089	-	-	-
Revolving Loan	42,320	42,320	-	-	-
Local Match	74	74	-	-	-
TIRZ	250,611	250,611	-	-	-
<b>Sub-totals</b>	<b>22,691,828</b>	<b>8,499,666</b>	<b>9,159,067</b>	<b>4,025,308</b>	<b>1,007,786</b>
EDC	1,307,227	943,306	112,733	251,189	-
EDC-SB Cultural Heritage Program	1,073	1,073	-	-	-
<b>Totals</b>	<b>\$ 24,000,128</b>	<b>\$ 9,444,045</b>	<b>\$ 9,271,800</b>	<b>\$ 4,276,497</b>	<b>\$ 1,007,786</b>