



INVESTMENT REPORT


For the Period Ended
December 31, 2015

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

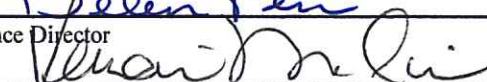
The investment portfolio of the City of San Benito is in compliance with the Public Funds Investment Act and the City of San Benito Investment Policy.



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.

Summary

Quarter End Results by Investment Category:

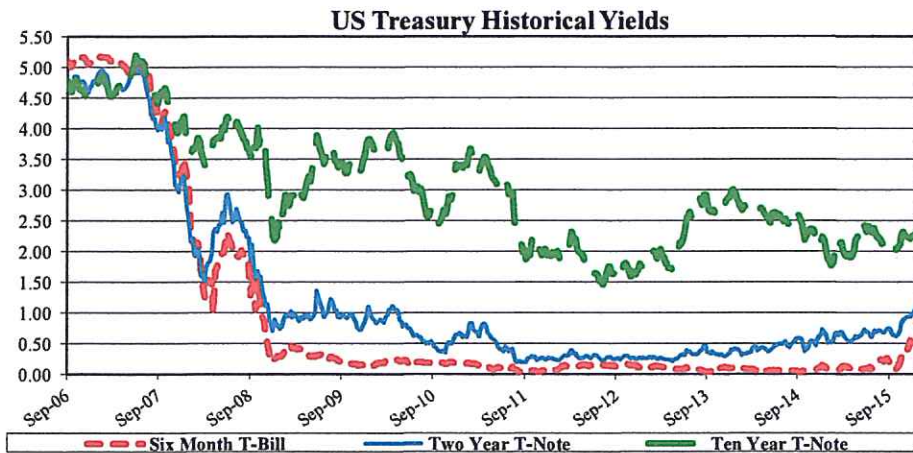
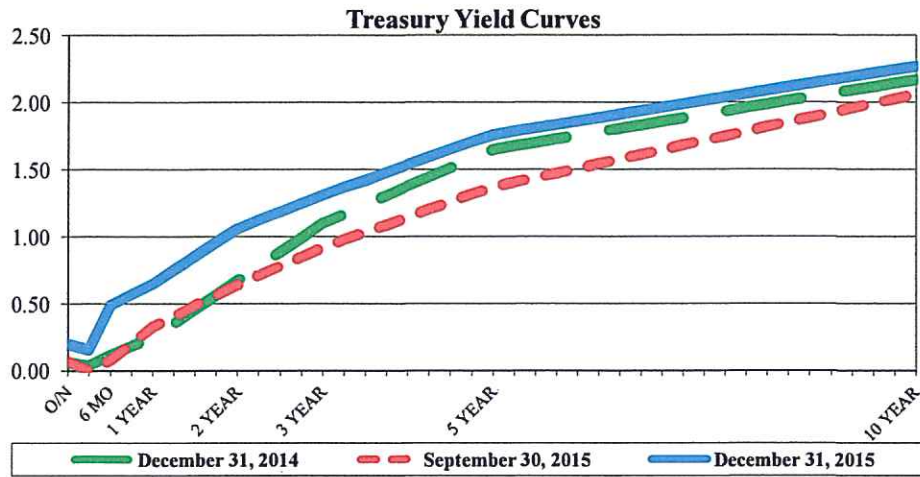
Asset Type	Ave. Yield	December 31, 2015		September 30, 2015	
		Book Value	Market Value	Book Value	Market Value
Bank Accounts/MMA	0.28%	\$ 13,486,973	\$ 13,486,973	\$ 14,325,890	\$ 14,325,890
Local Government Pools	0.19%	7,999,022	7,999,022	4,941,601	4,941,601
CDs/Securities	0.29%	1,010,412	1,010,412	1,009,674	1,009,674
Totals		\$ 22,496,408	\$ 22,496,408	\$ 20,277,165	\$ 20,277,165

Average Yield for Quarter(1):		Fiscal Year-to-Date Average Yield (2):	
Total Portfolio	0.25%	Total Portfolio	0.25%
Rolling Three Mo. Treas. Yield	0.13%	Rolling Three Mo. Treas. Yield	0.13%
Rolling Six Mo. Treas. Yield	0.25%	Rolling Six Mo. Treas. Yield	0.25%
		Quarterly TexPool Yield	0.19%
Quarterly Interest Income	\$ 12,274		
YTD Interest Income	\$ 12,274		

(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) raised the Fed Funds target range to 0.25% - 0.50% (actual Fed Funds traded +/-30 bps). The market reacted with higher short to medium term yields. Ten year and longer yields did not increase beyond the current trading range. The December new payroll numbers jumped +292k, with additional positive Oct/Nov adjustments. The Chinese economy and stock market turmoil grabbed international attention. US stock markets dropped in sympathy, but tried to stabilize. Broader international social and economic concerns continue, with the European Central Bank continuing its easing program. Treasury and Agency security yields are attractive for cash-flow based laddering. Although Bank CDs and municipal bonds may still offer the best interest earnings opportunity, if available.



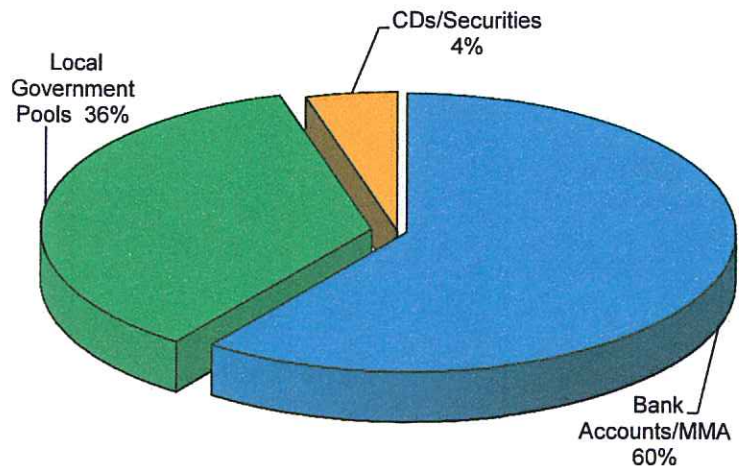
**Detail of Investment Holdings
December 31, 2015**

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		0.25%	01/01/2016	12/31/2015	\$ 9,088,141	\$ 9,088,141	1.00	\$ 9,088,141	1	0.25%
Southside Bank MMA		0.34%	01/01/2016	12/31/2015	4,398,833	4,398,833	1.00	4,398,833	1	0.34%
TexPool	AAAm	0.19%	01/01/2016	12/31/2015	7,999,022	7,999,022	1.00	7,999,022	1	0.19%
Southside Bank CD		0.29%	05/02/2016	05/02/2015	1,010,412	1,010,412	1.00	1,010,412	123	0.29%
					\$ 22,496,408	\$ 22,496,408		\$ 22,496,408	6	0.25%
									(1)	(2)

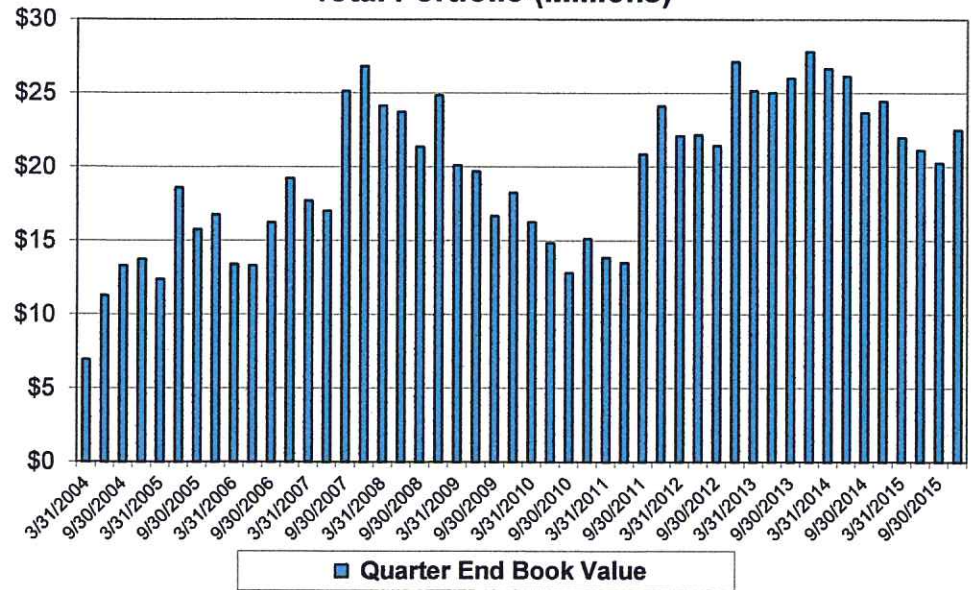
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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	September 30, 2015			December 31, 2015		
				Original Face\	Purchases	Sales/	Original Face\		
				Par Value	at Cost	Maturities	Par Value	Book Value	Book Value
FCB Account	0.25%	01/01/2016	12/31/2015	\$ 9,930,096	\$ 9,930,096	\$ -	\$ (841,955)	\$ 9,088,141	\$ 9,088,141
Southside Bank MMA	0.34%	01/01/2016	12/31/2015	4,395,794	4,395,794	3,039		4,398,833	4,398,833
TexPool	0.19%	01/01/2016	12/31/2015	4,941,601	4,941,601	3,057,421		7,999,022	7,999,022
Southside Bank CD	0.29%	05/02/2016	05/02/2015	1,009,674	1,009,674	738		1,010,412	1,010,412
TOTAL				\$ 20,277,165	\$ 20,277,165	\$ 3,061,198	\$ (841,955)	\$ 22,496,408	\$ 22,496,408

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2015			December 31, 2015			
			Original Face\	Market	Qtr-to-Qtr	Original Face\	Market		
			Par Value	Price	Market Value	Change	Par Value	Price	Market Value
FCB Account	0.25%	01/01/2016	\$ 9,930,096	1.00	\$ 9,930,096	\$ (841,955)	\$ 9,088,141	1.00	\$ 9,088,141
Southside Bank MMA	0.34%	01/01/2016	4,395,794	1.00	4,395,794	3,039	4,398,833	1.00	4,398,833
TexPool	0.19%	01/01/2016	4,941,601	1.00	4,941,601	3,057,421	7,999,022	1.00	7,999,022
Southside Bank CD	0.29%	05/02/2016	1,009,674	100	1,009,674	738	1,010,412	100	1,010,412
TOTAL			\$ 20,277,165		\$ 20,277,165	\$ 2,219,243	\$ 22,496,408		\$ 22,496,408

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

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Southside Bank CD (0.29%) 5/2/16
Consolidated/General	\$ 6,155,893	\$ 1,127,647	\$ 4,017,834	\$ -	\$ 1,010,412
Reserve Street Imp	-	-	-	-	-
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	-	-
NADB Loan 2004	-	-	-	-	-
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	-	-	-
Sub-totals	20,946,324	7,902,537	7,999,022	4,034,353	1,010,412
EDC	1,549,008	1,184,529	-	364,480	-
EDC-SB Cultural Heritage Program	1,075	1,075	-	-	-
Sub-totals	1,550,084	1,185,604	-	364,480	-
Totals	\$ 22,496,408	\$ 9,088,141	\$ 7,999,022	\$ 4,398,833	\$ 1,010,412

**Fund Allocation
Book & Market Value
September 30, 2015**

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Southside Bank CD (0.29%) 5/2/16
Consolidated/General	\$ 4,551,622	\$ 2,307,723	\$ 1,234,225	\$ -	\$ 1,009,674
Reserve Street Imp	-	-	-	-	-
Escrow	281,054	-	281,054	-	-
Utilites Cons./W & S	5,199,415	5,030,532	168,882	-	-
Payroll	96,082	96,082	-	-	-
W&S O & M Reserve	458,960	-	55,804	403,156	-
W&S R & R Reserve	430,792	-	27,636	403,156	-
W & S Debt Service Reserve	1,268,842	-	59,373	1,209,469	-
W & S Reserve Capital Imp	201,211	-	201,211	-	-
NADB Loan 2004	-	-	-	-	-
CO 2007 EDC Projects	1,687,417	-	1,687,417	-	-
CO Series 2011	2,015,782	-	-	2,015,782	-
CO Series 2012	1,226,000	-	1,226,000	-	-
Cons. Cash Grant CO	1,135	1,135	-	-	-
Police	643	643	-	-	-
Forfeiture Seizure Federal	110,897	110,897	-	-	-
Special Investigations Ckg	93,249	93,249	-	-	-
Special investigation Svgs	13,015	13,015	-	-	-
Veterans Memorial	28,614	28,614	-	-	-
Resaca Trails	421	421	-	-	-
Hotel/Motel Tax	282,482	282,482	-	-	-
Community Dev. Block Grant	1,033	1,033	-	-	-
DSRIP UTHSCSA	19,981	19,981	-	-	-
Fire Relief & Retirement Plan	148,788	148,788	-	-	-
Border Security	15,543	15,543	-	-	-
Emergency Management Funds	164,687	164,687	-	-	-
Revolving Loan	82,338	82,338	-	-	-
Local Match	49,135	49,135	-	-	-
TIRZ	424,674	424,674	-	-	-
Sub-totals	18,853,808	8,870,971	4,941,601	4,031,563	1,009,674
EDC	1,422,282	1,058,051	-	364,231	-
EDC-SB Cultural Heritage Program	1,074	1,074	-	-	-
Sub-totals	1,423,356	1,059,125	-	364,231	-
Totals	\$ 20,277,165	\$ 9,930,096	\$ 4,941,601	\$ 4,395,794	\$ 1,009,674