



INVESTMENT REPORT

**For the Period Ended
December 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	December 31, 2016		September 30, 2016	
		Book Value	Market Value	Book Value	Market Value
Bank Accounts/MMA	0.40%	\$ 16,084,029	\$ 16,084,029	\$ 14,158,893	\$ 14,158,893
Local Government Pools	0.46%	5,817,925	5,817,925	5,355,531	5,355,531
CDs/Securities	0.70%	1,013,617	1,013,617	1,013,617	1,013,617
Totals		\$ 22,915,571	\$ 22,915,571	\$ 20,528,040	\$ 20,528,040

Average Yield for Quarter(1):

Total Portfolio 0.43%

Rolling Three Mo. Treas. Yield 0.43%
 Rolling Six Mo. Treas. Yield 0.50%

Quarterly Interest Income \$ 20,909
 YTD Interest Income \$ 20,909

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

Total Portfolio 0.43%

Rolling Three Mo. Treas. Yield 0.43%
 Rolling Six Mo. Treas. Yield 0.50%
 Quarterly TexPool Yield 0.46%

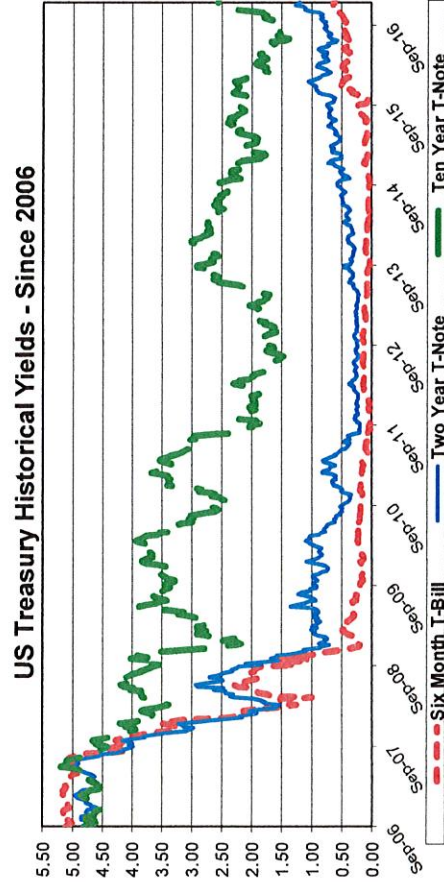
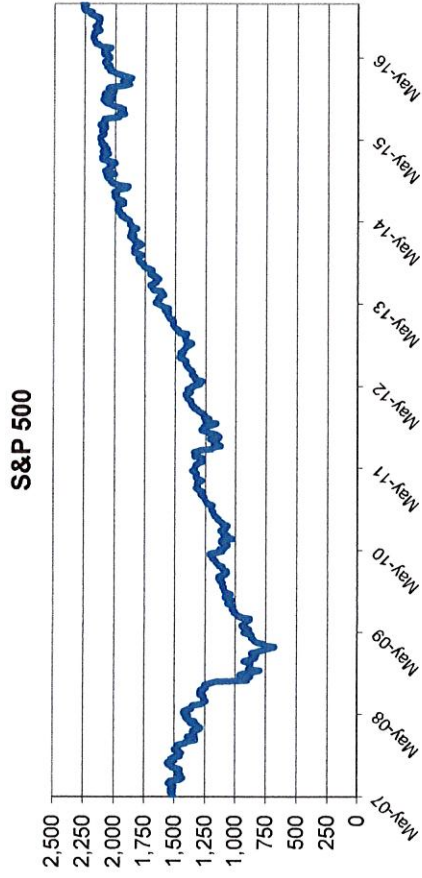
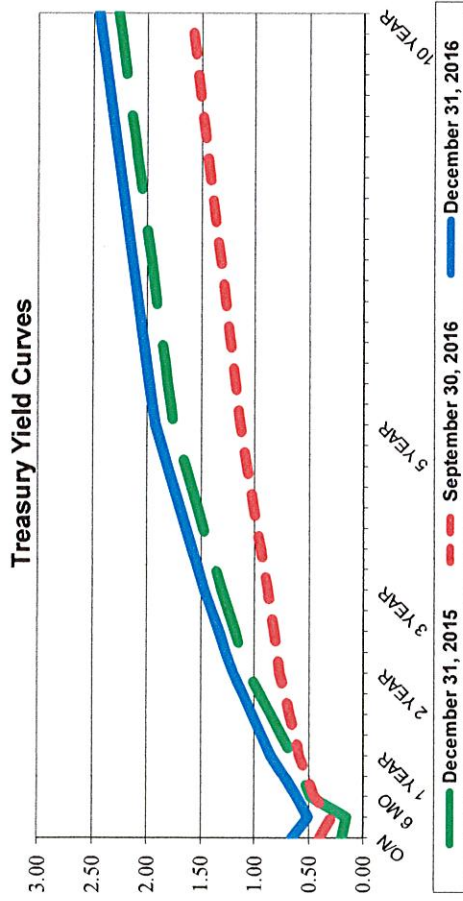
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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.

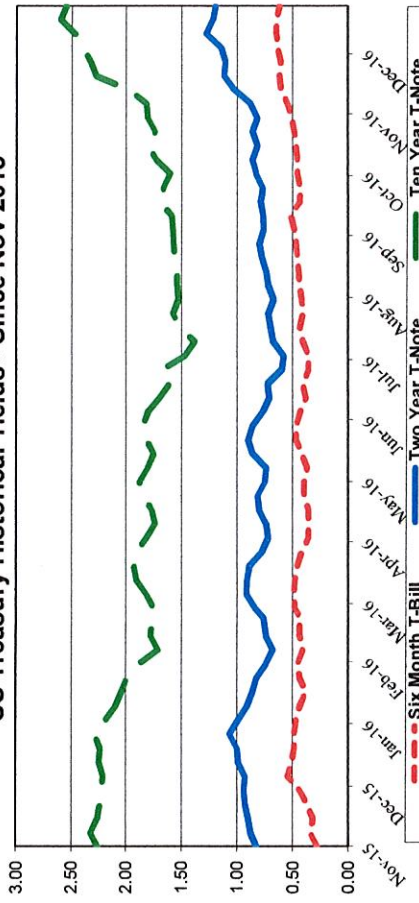
Economic Overview

12/31/2016

The Federal Open Market Committee (FOMC) raised the Fed Funds target range to 0.50% - 0.75% (actual Fed Funds currently trading +/-65 bps). The FOMC also projected the possibility of three additional increases during 2017. Third Quarter US GDP revised up to 3.5%. Other economic data recorded mixed results. December Non Farm Payroll Employment provided 156,000 new jobs. The US Stock markets recorded record highs. Treasury yields peaked and settled slightly lower. When available, CD and Taxable Municipal yields generally exceed government securities. The banks' reactions to recent market movements will determine if MMAs and CDs continue to be attractive.



US Treasury Historical Yields - Since Nov 2015



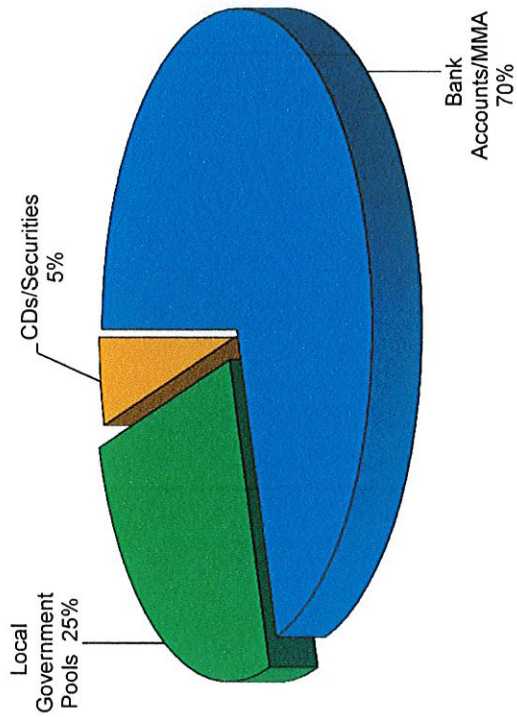
**Investment Holdings
December 31, 2016**

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		0.25%	01/01/2017	12/31/2016	\$ 9,467,048	\$ 9,467,048	1.00	\$ 9,467,048	1	0.25%
Southside Bank MMA		0.60%	01/01/2017	12/31/2016	4,363,550	4,363,550	1.00	4,363,550	1	0.60%
Green Bank MMA		0.66%	01/01/2017	12/31/2016	2,253,432	2,253,432	1.00	2,253,432	1	0.66%
TexPool	AAA	0.46%	01/01/2017	12/31/2016	5,817,925	5,817,925	1.00	5,817,925	1	0.46%
Southside Bank CD		0.70%	05/02/2017	05/02/2016	1,013,617	1,013,617	1.00	1,013,617	122	0.70%
					\$ 22,915,571	\$ 22,915,571		\$ 22,915,571	6	0.43%
									(1)	(2)

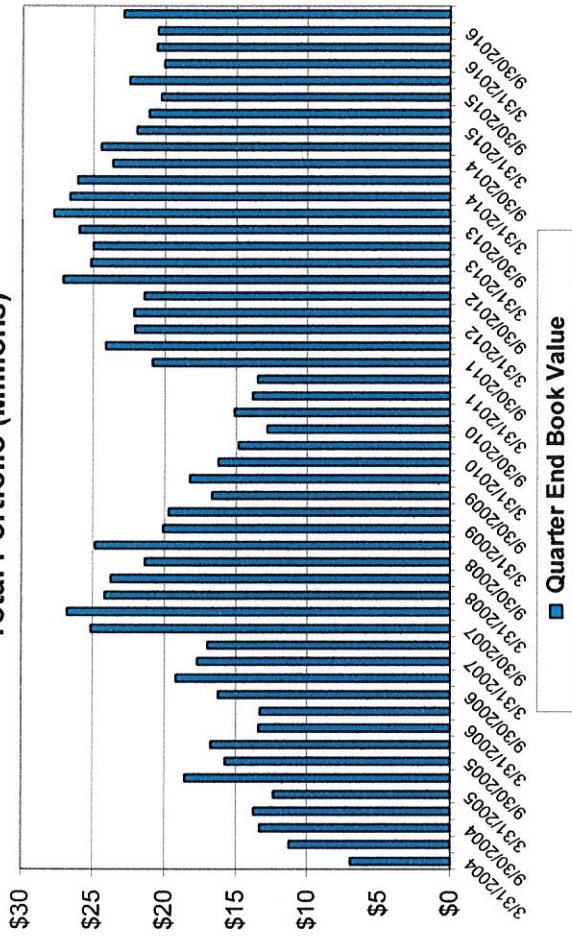
(1) Weighted average life - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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, 2016		Purchases at Cost	Sales/ Maturities	December 31, 2016	
				Original Face/ Par Value	Book Value			Original Face/ Par Value	Book Value
FCB Account	0.25%	01/01/2017	12/31/2016	\$ 8,995,045	\$ 8,995,045	\$ 472,002	\$ -	\$ 9,467,048	\$ 9,467,048
Southside Bank MMA	0.60%	01/01/2017	12/31/2016	4,162,981	4,162,981	200,569		4,363,550	4,363,550
Green Bank MMA	0.66%	01/01/2017	12/31/2016	1,000,867	1,000,867	1,252,565		2,253,432	2,253,432
TexPool	0.46%	01/01/2017	12/31/2016	5,355,531	5,355,531	462,394		5,817,925	5,817,925
Southside Bank CD	0.70%	05/02/2017	05/02/2016	1,013,617	1,013,617			1,013,617	1,013,617
TOTAL				\$ 20,528,040	\$ 20,528,040	\$ 2,387,530	\$ -	\$ 22,915,571	\$ 22,915,571

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	Original Face/ Par Value	September 30, 2016		Qtr-to-Qtr Change	Original Face/ Par Value	December 31, 2016	
				Market Price	Market Value			Market Price	Market Value
FCB Account	0.25%	01/01/2017	\$ 8,995,045	1.00	\$ 8,995,045	\$ 472,002	\$ 9,467,048	1.00	\$ 9,467,048
Southside Bank MMA	0.60%	01/01/2017	4,162,981	1.00	4,162,981	200,569	4,363,550	1.00	4,363,550
Green Bank MMA	0.66%	01/01/2017	1,000,867	1.00	1,000,867	1,252,565	2,253,432	1.00	2,253,432
TexPool	0.46%	01/01/2017	5,355,531	1.00	5,355,531	462,394	5,817,925	1.00	5,817,925
Southside Bank CD	0.70%	05/02/2017	1,013,617	100	1,013,617		1,013,617	100	1,013,617
TOTAL			\$ 20,528,040		\$ 20,528,040	\$ 2,387,530	\$ 22,915,571		\$ 22,915,571

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

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	Southside Bank CD (0.70%) 05/02/17
Consolidated/General	\$ 7,792,246	\$ 2,225,538	\$ 2,800,732	\$ -	\$ 1,752,360	\$ 1,013,617
Escrow	252,100	-	252,100	-	-	-
Utilities Cons./W & S Payroll	4,974,381	4,423,843	550,537	-	-	-
W&S O & M Reserve	111,370	111,370	-	-	-	-
W&S R & R Reserve	442,430	-	55,020	387,409	-	-
W & S Debt Service Reserve	414,710	-	27,745	386,966	-	-
W & S Reserve Capital Imp	1,004,773	-	59,607	945,166	-	-
CO 2007 EDC Projects	202,002	-	202,002	-	-	-
CO Series 2011	1,694,051	-	1,694,051	-	-	-
CO Series 2012	2,027,444	-	-	2,027,444	-	-
Cons. Cash Grant CO	176,131	-	176,131	-	-	-
Police	1,139	1,139	-	-	-	-
Forfeiture Seizure Federal	2,580	2,580	-	-	-	-
Special Investigations Ckg	88,850	88,850	-	-	-	-
Special investigation Svgs	131,537	131,537	-	-	-	-
Veterans Memorial	13,960	13,960	-	-	-	-
Resaca Trails	35,968	35,968	-	-	-	-
Hotel/Motel Tax	495,642	495,642	-	-	-	-
Community Dev. Block Grant	363,281	363,281	-	-	-	-
DSRIP UTHSCSA	2,338	2,338	-	-	-	-
Fire Relief & Retirement Plan	20,349	20,349	-	-	-	-
Border Security	111,145	111,145	-	-	-	-
Emergency Management Funds	15,592	15,592	-	-	-	-
Revolving Loan	170,728	170,728	-	-	-	-
Local Match	129,595	129,595	-	-	-	-
TIRZ	194	194	-	-	-	-
	426,049	426,049	-	-	-	-
Sub-totals	21,100,586	8,769,700	5,817,925	3,746,985	1,752,360	1,013,617
EDC	1,813,907	696,270	-	616,565	501,072	-
EDC-SB Cultural Heritage Program	1,078	1,078	-	-	-	-
Sub-totals	1,814,985	697,348	-	616,565	501,072	-
Totals	\$ 22,915,571	\$ 9,467,048	\$ 5,817,925	\$ 4,363,550	\$ 2,253,432	\$ 1,013,617

**Fund Allocation
Book & Market Value
September 30, 2016**

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	Southside Bank CD (0.70%) 05/02/17
Consolidated/General	\$ 5,221,745	\$ 1,709,465	\$ 1,998,144	\$ -	\$ 500,520	\$ 1,013,617
Escrow	251,838	-	251,838	-	-	-
Utilities Cons./W & S Payroll	4,752,859	4,202,894	549,965	-	-	-
W&S O & M Reserve	184,675	184,675	-	-	-	-
W&S R & R Reserve	460,660	-	54,963	405,697	-	-
W & S Debt Service Reserve	432,642	-	27,716	404,926	-	-
W & S Reserve Capital Imp	1,021,499	-	59,545	961,955	-	-
CO 2007 EDC Projects	201,792	-	201,792	-	-	-
CO Series 2011	1,692,288	-	1,692,288	-	-	-
CO Series 2012	2,024,585	-	-	2,024,585	-	-
Cons. Cash Grant CO	519,281	-	519,281	-	-	-
Police	1,137	1,137	-	-	-	-
Forfeiture Seizure Federal	2,578	2,578	-	-	-	-
Special Investigations Ckg	97,981	97,981	-	-	-	-
Special investigation Svgs	131,537	131,537	-	-	-	-
Veterans Memorial	13,960	13,960	-	-	-	-
Resaca Trails	31,503	31,503	-	-	-	-
Hotel/Motel Tax	495,303	495,303	-	-	-	-
Community Dev. Block Grant	346,012	346,012	-	-	-	-
DSRIP UTHSCSA	4,963	4,963	-	-	-	-
Fire Relief & Retirement Plan	20,335	20,335	-	-	-	-
Border Security	161,860	161,860	-	-	-	-
Emergency Management Funds	15,582	15,582	-	-	-	-
Revolving Loan	146,247	146,247	-	-	-	-
Local Match	118,306	118,306	-	-	-	-
TIRZ	194	194	-	-	-	-
	425,757	425,757	-	-	-	-
Sub-totals	18,777,120	8,110,289	5,355,531	3,797,163	500,520	1,013,617
EDC	1,749,844	883,679	-	365,818	500,347	-
EDC-SB Cultural Heritage Program	1,077	1,077	-	-	-	-
Sub-totals	1,750,921	884,756	-	365,818	500,347	-
Totals	\$ 20,528,040	\$ 8,995,045	\$ 5,355,531	\$ 4,162,981	\$ 1,000,867	\$ 1,013,617