



# Economic Development Corporation

## INVESTMENT REPORT

For the Period Ended

September 30, 2017

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of San Benito Economic Development Corporation 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.

## Annual Comparison of Portfolio Performance

### FYE Results by Investment Category:

Asset Type	September 30, 2017			September 30, 2016		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
FCB - EDC	0.25%	\$ 594,972	\$ 594,972	0.25%	\$ 883,679	\$ 883,679
FCB - Cultural	0.25%	1,082	1,082	0.25%	1,077	1,077
FCB - NADB	0.25%	46,794	46,794	0.00%	—	—
SSB - EDC	1.17%	218,428	218,428	0.53%	365,818	365,818
Green Bank - EDC	1.21%	504,867	504,867	0.55%	500,347	500,347
<b>Totals</b>		<b>\$ 1,366,142</b>	<b>\$ 1,366,142</b>		<b>\$ 1,750,921</b>	<b>\$ 1,750,921</b>

Fourth Quarter-End Yield 0.75%

### Average Quarter-End Yields - Fiscal Year (1):

San Benito-EDC	0.65%
Rolling Three Month Treasury	0.75%
Rolling Six Month Treasury	0.78%
TexPool	0.74%

Fiscal YTD Interest Earnings \$ 10,231 \$ 4,610

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

**Summary**

**Quarter End Results by Investment Category:**

Asset Type	September 30, 2017			June 30, 2017		
	Ave. Yield	Book Value	Market Value	Book Value	Market Value	Market Value
FCB - EDC	0.25%	\$ 594,972	\$ 594,972	\$ 453,676	\$ 453,676	\$ 453,676
FCB - Cultural	0.25%	1,082	1,082	1,080	1,080	1,080
FCB - NADB	0.25%	46,794	46,794	46,794	46,794	46,794
SSB - EDC	1.17%	218,428	218,428	217,801	217,801	217,801
Green Bank - EDC	1.21%	504,867	504,867	503,359	503,359	503,359
<b>Totals</b>		<b>\$ 1,366,142</b>	<b>\$ 1,366,142</b>	<b>\$ 1,222,710</b>	<b>\$ 1,222,710</b>	<b>\$ 1,222,710</b>

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

Total Portfolio	0.75%
Rolling Three Mo. Treas. Yield	1.05%
Rolling Six Mo. Treas. Yield	1.09%

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

Total Portfolio	0.65%
Rolling Three Mo. Treas. Yield	0.75%
Rolling Six Mo. Treas. Yield	0.78%
Quarterly TexPool Yield	0.74%

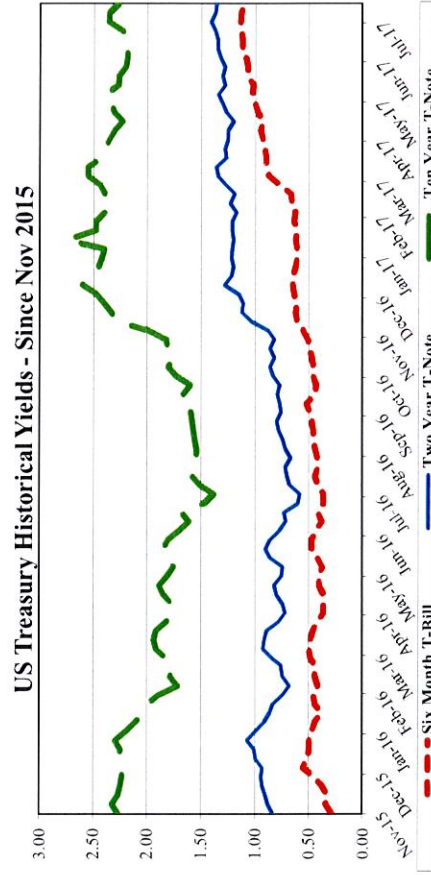
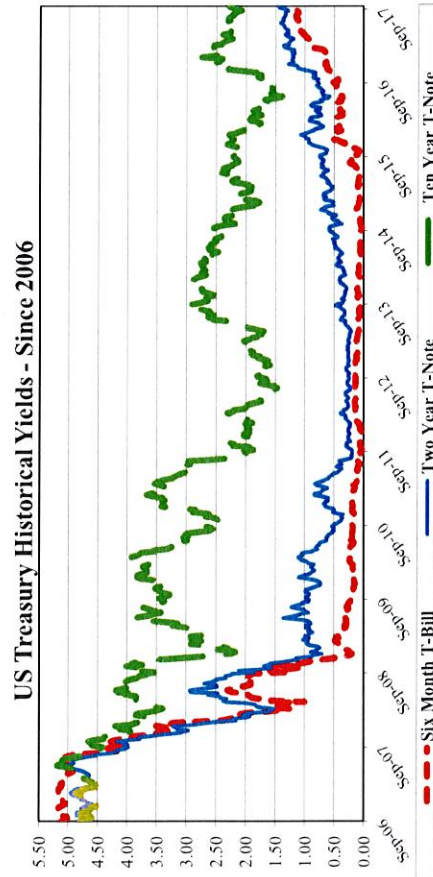
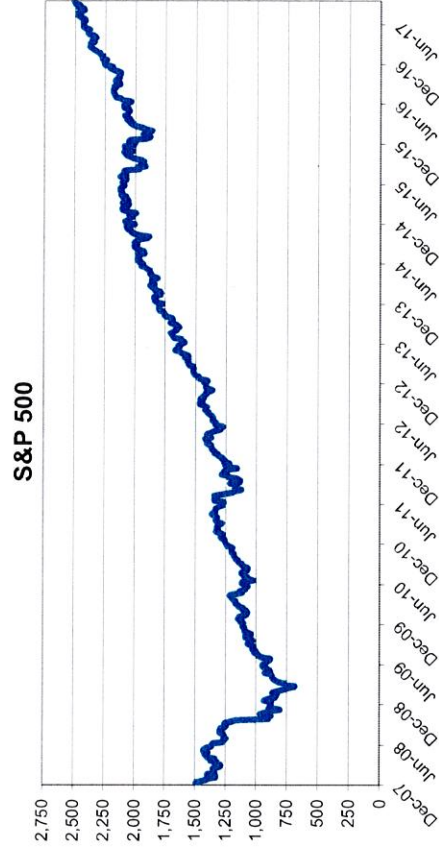
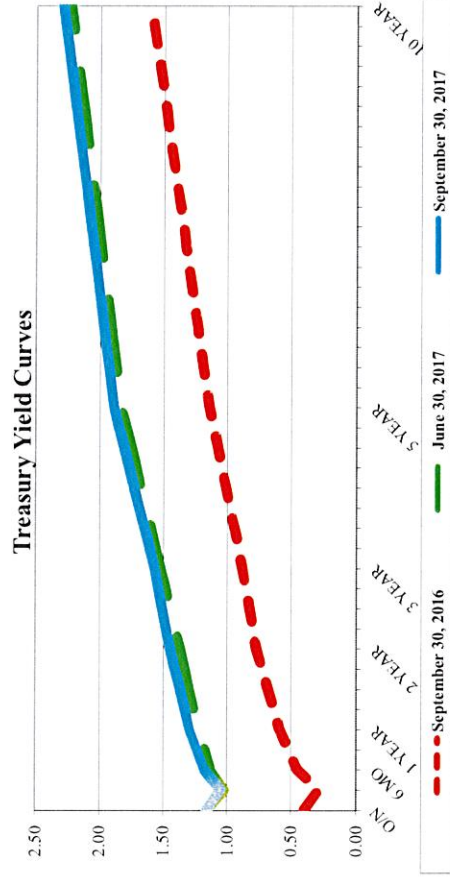
Quarterly Interest Income	\$ 2,948
YTD Interest Income	\$ 10,231

(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

9/30/2017

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range of 1.00% - 1.25% (Effective Fed Funds are trading +/-1.16%) since the June FOMC meeting. Recent announcements have increased the probability of a December rate increase. The FOMC announced a gradual portfolio reduction by limiting reinvestment of maturing holdings. Second Quarter 2017 GDP was revised to 3.1%. September Non Farm Payroll data was a storm influenced negative 33k, with downward revisions to August and July. Other US data generally showed positive with a few negative numbers. The Stock Markets achieved new highs. Monitoring estimated balances and needs will determine laddering opportunities.



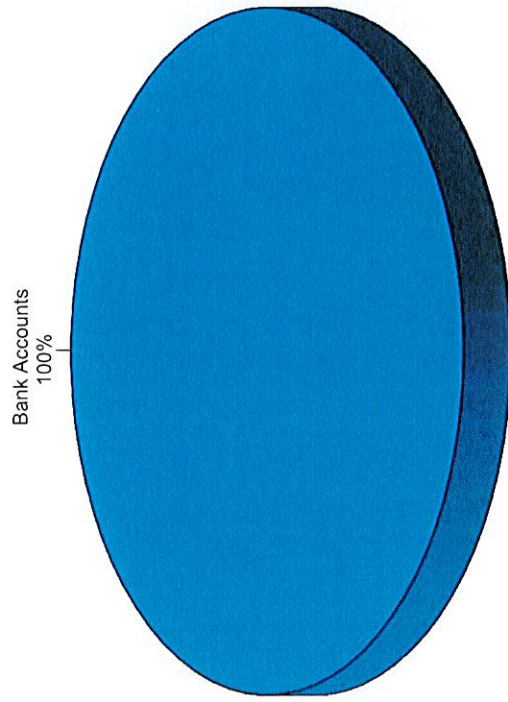
**Investment Holdings  
September 30, 2017**

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		0.25%	10/01/17	09/30/17	\$ 642,847	\$ 642,847	1.00	\$ 642,847	1	0.25%
Southside Bank MMA		1.17%	10/01/17	09/30/17	218,428	218,428	1.00	218,428	1	1.17%
Green Bank MMA		1.21%	10/01/17	09/30/17	504,867	504,867	1.00	504,867	1	1.21%
					<u>\$ 1,366,142</u>	<u>\$ 1,366,142</u>		<u>\$ 1,366,142</u>	<u>1</u>	<u>0.75%</u>
									(1)	(2)

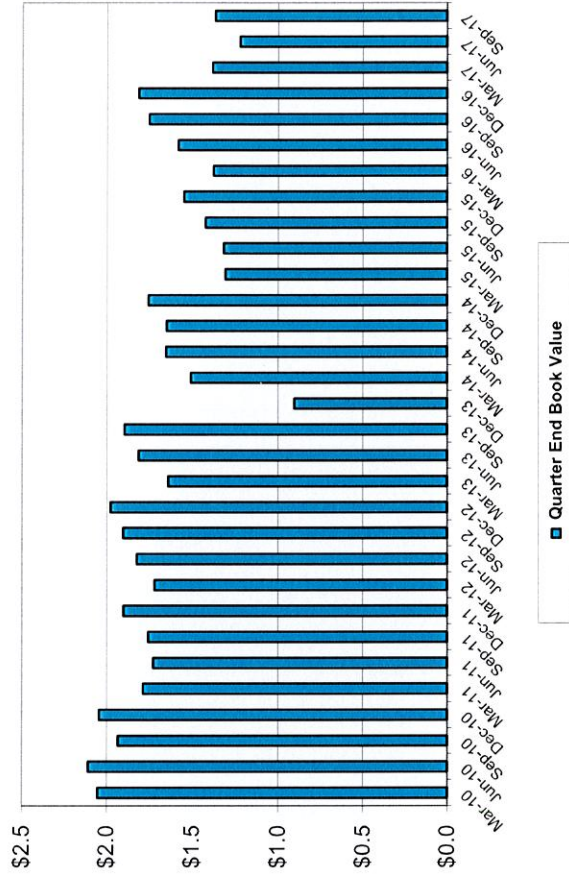
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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	June 30, 2017			September 30, 2017		
				Original Face\		Purchases at Cost	Original Face\		Sales/ Maturities
				Par Value	Book Value		Par Value	Book Value	
FCB Account	0.25%	10/01/17	09/30/17	\$ 501,550	\$ 501,550	\$ 141,298	\$ 642,847	\$ 642,847	
Southside Bank MMA	1.17%	10/01/17	09/30/17	217,801	217,801	627	218,428	218,428	
Green Bank MMA	1.21%	10/01/17	09/30/17	503,359	503,359	1,507	504,867	504,867	
<b>TOTAL</b>				<b>\$ 1,222,710</b>	<b>\$ 1,222,710</b>	<b>\$ 143,432</b>	<b>\$ 1,366,142</b>	<b>\$ 1,366,142</b>	

**Market Value Comparison**

Description	Coupon/ Discount	Maturity Date	Original Face\ Par Value	June 30, 2017		Qtr-to-Qtr Change	September 30, 2017		
				Market Price	Market Value		Market Price	Market Value	
				Original Face\ Par Value	Market Price		Original Face\ Par Value	Market Price	
FCB Account	0.25%	10/01/17	\$ 501,550	1.00	\$ 501,550	\$ 141,298	\$ 642,847	1.00	\$ 642,847
Southside Bank MMA	1.17%	10/01/17	217,801	1.00	217,801	627	218,428	1.00	218,428
Green Bank MMA	1.21%	10/01/17	503,359	1.00	503,359	1,507	504,867	1.00	504,867
<b>TOTAL</b>			<b>\$ 1,222,710</b>		<b>\$ 1,222,710</b>	<b>\$ 143,432</b>	<b>\$ 1,366,142</b>		<b>\$ 1,366,142</b>

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

	<b>Fund Total</b>	<b>FCB Account</b>	<b>Southside Bank MMA</b>	<b>Green Bank MMA</b>
EDC	1,318,266	594,972	218,428	504,867
EDC-SB Cultural Heritage Tourism	1,082	1,082	-	-
EDC NADB CAIP Grant	46,794	46,794	-	-
<b>Totals</b>	<b>1,366,142</b>	<b>642,847</b>	<b>218,428</b>	<b>504,867</b>

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

	<b>Fund Total</b>	<b>FCB Account</b>	<b>Southside Bank MMA</b>	<b>Green Bank MMA</b>
EDC	\$ 1,174,836	\$ 453,676	\$ 217,801	\$ 503,359
EDC-SB Cultural Heritage Tourism	1,080	1,080	-	-
EDC NADB CAIP Grant	46,794	46,794	-	-
<b>Totals</b>	<b>\$ 1,222,710</b>	<b>\$ 501,550</b>	<b>\$ 217,801</b>	<b>\$ 503,359</b>