



# INVESTMENT REPORT

**For the Period Ended  
June 30, 2018**

**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	March 31, 2018		June 30, 2018	
	Book Value	Market Value	Book Value	Market Value
Bank Accounts/MMA	\$ 14,897,110	\$ 14,897,110	\$ 17,049,923	\$ 17,049,923
Local Government Pools	3,270,385	3,270,385	3,284,529	3,284,529
CDs/Securities	5,095,080	5,095,080	2,219,777	2,219,777
<b>Totals</b>	<b>\$ 23,262,575</b>	<b>\$ 23,262,575</b>	<b>\$ 22,554,229</b>	<b>\$ 22,554,229</b>

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

Total Portfolio 1.28%

Rolling Three Mo. Treas. Yield 1.88%

Rolling Six Mo. Treas. Yield 1.92%

#### Interest Income (City & EDC)

Quarterly Interest Income \$ 85,743

YTD Interest Income \$ 210,570

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

Total Portfolio 1.10%

Rolling Three Mo. Treas. Yield 1.56%

Rolling Six Mo. Treas. Yield 1.58%

Quarterly TexPool Yield 1.50%

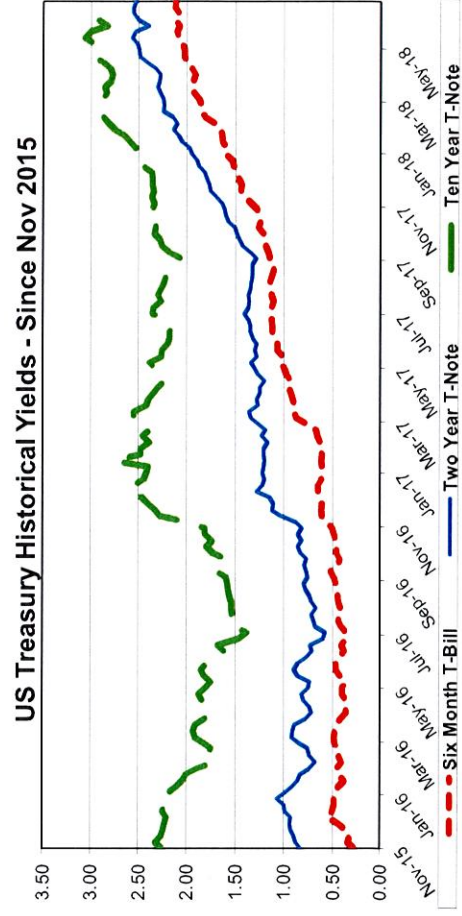
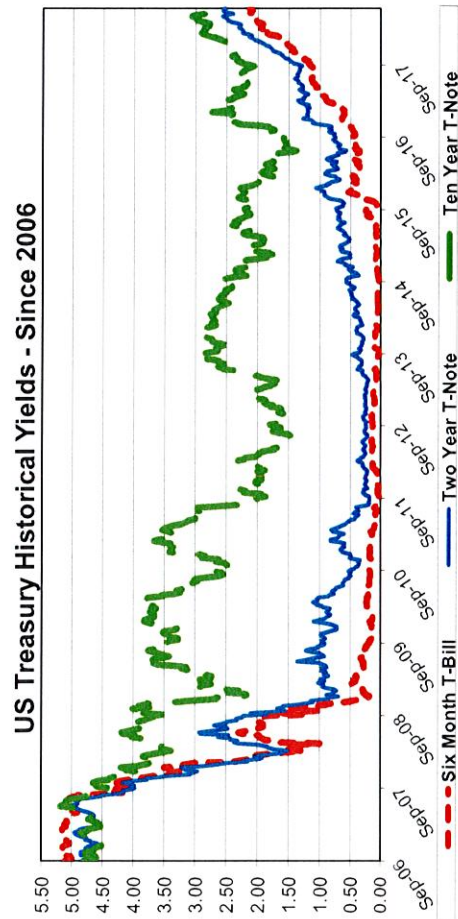
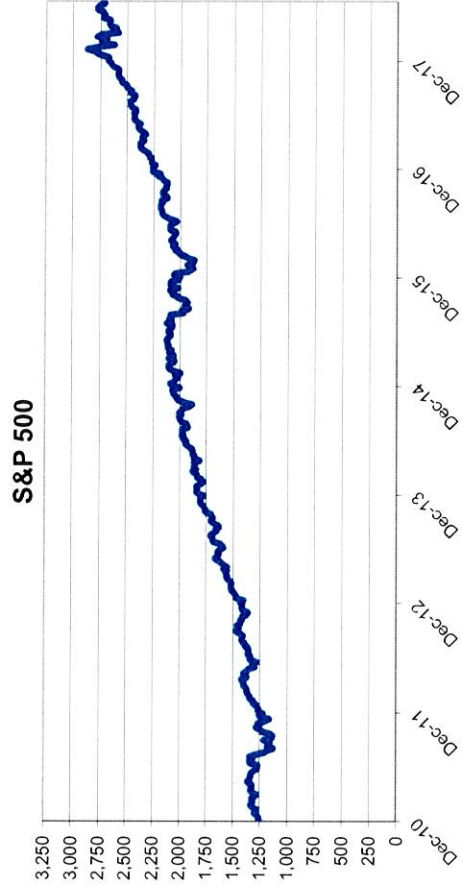
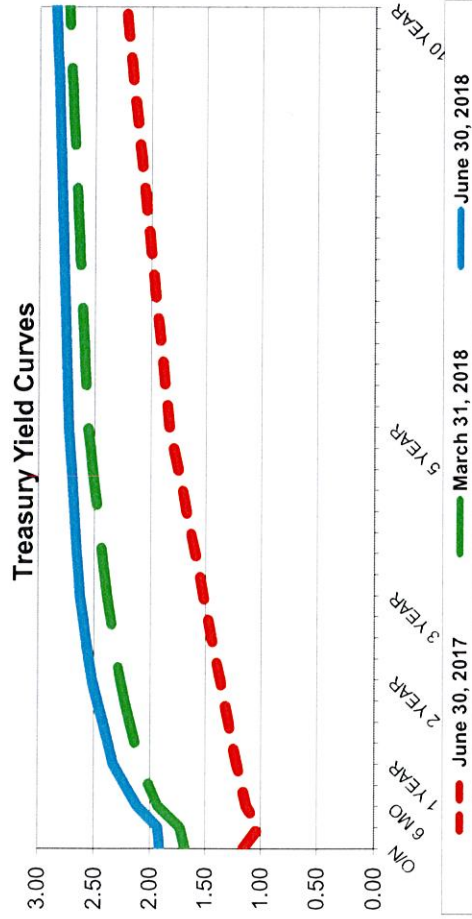
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

6/30/2018

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 1.75% - 2.00% (Effective Fed Funds are trading +/-1.91%). Additional range increases are expected this calendar year (one or two) although subject to economic activity. Gradual portfolio reduction continues by limiting reinvestment of maturing holdings. The ultimate size of the balance sheet is under discussion. First Quarter 2018 GDP measured 2.0% (final estimate). Second Quarter is expected to be substantially higher. Employment/Unemployment continued to record levels. Trade war uncertainty dominated world markets. WTI Crude oil hovers at +/- \$73. The Stock Markets wiggled higher but still below recent highs.



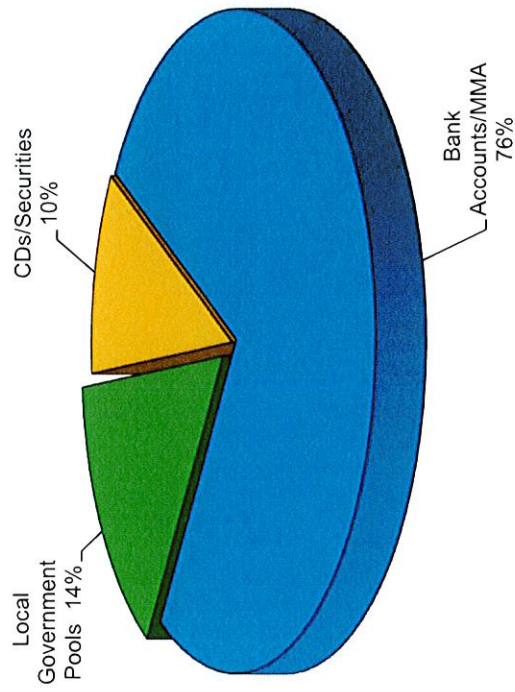
**Investment Holdings  
June 30, 2018**

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		0.25%	07/01/2018	06/30/2018	\$ 8,928,081	\$ 8,928,081	1.00	\$ 8,928,081	1	0.25%
Southside Bank MMA		1.96%	07/01/2018	06/30/2018	4,000,130	4,000,130	1.00	4,000,130	1	1.96%
Green Bank MMA		2.09%	07/01/2018	06/30/2018	4,121,712	4,121,712	1.00	4,121,712	1	2.09%
TexPool	AAA	1.81%	07/01/2018	06/30/2018	3,284,529	3,284,529	1.00	3,284,529	1	1.81%
East West Bank CD		1.82%	12/21/2018	12/20/2017	1,211,476	1,211,476	100.00	1,211,476	174	1.82%
LegacyTexas Bank CD		2.00%	01/30/2019	01/30/2018	1,008,301	1,008,301	100.00	1,008,301	214	2.00%
					<b>\$ 22,554,229</b>	<b>\$ 22,554,229</b>		<b>\$ 22,554,229</b>	<b>20</b>	<b>1.28%</b>
									(1)	(2)

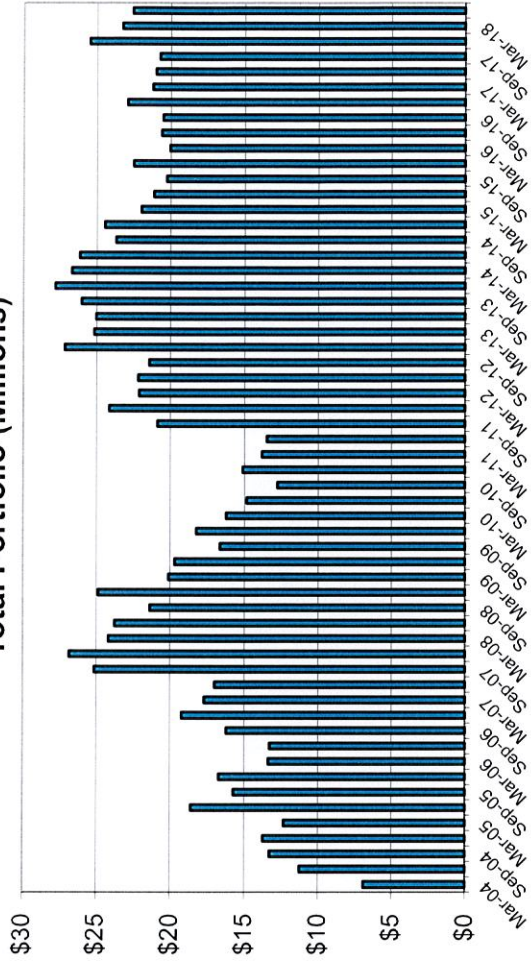
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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)



### Book Value Comparison

Description	Coupon/ Discount	Maturity Date	Settlement Date	March 31, 2018			June 30, 2018		
				Original Face\		Purchases at Cost	Sales/ Maturities	Original Face\	
				Par Value	Book Value			Par Value	Book Value
FCB Account	0.25%	07/01/2018	6/30/2018	\$ 8,699,912	\$ 8,699,912	\$ 228,169	\$ -	\$ 8,928,081	\$ 8,928,081
Southside Bank MMA	1.96%	07/01/2018	6/30/2018	2,093,969	2,093,969	1,906,162		4,000,130	4,000,130
Green Bank MMA	2.09%	07/01/2018	6/30/2018	4,103,230	4,103,230	18,482		4,121,712	4,121,712
TexPool	1.81%	07/01/2018	6/30/2018	3,270,385	3,270,385	14,144		3,284,529	3,284,529
Southside Bank CD	1.18%	04/02/2018	05/02/2017	1,008,949	1,008,949		(1,008,949)	-	-
Southside Bank CD	1.35%	04/16/2018	12/15/2017	1,876,844	1,876,844		(1,876,844)	-	-
East West Bank CD	1.82%	12/21/2018	12/20/2017	1,206,051	1,206,051	5,424		1,211,476	1,211,476
Legacy Texas Bank CD	2.00%	01/30/2019	01/30/2018	1,003,235	1,003,235	5,066		1,008,301	1,008,301
<b>TOTAL</b>				<b>\$ 23,262,575</b>	<b>\$ 23,262,575</b>	<b>\$ 2,177,447</b>	<b>\$ (2,885,793)</b>	<b>\$ 22,554,229</b>	<b>\$ 22,554,229</b>

### Market Value Comparison

Description	Coupon/ Discount	Maturity Date	Original Face\ Par Value	March 31, 2018		June 30, 2018			
				Market Price	Market Value	Qtr-to-Qtr Change	Original Face\ Par Value	Market Price	Market Value
FCB Account	0.25%	07/01/2018	\$ 8,699,912	1.00	\$ 8,699,912	\$ 228,169	\$ 8,928,081	1.00	\$ 8,928,081
Southside Bank MMA	1.96%	07/01/2018	2,093,969	1.00	2,093,969	1,906,162	4,000,130	1.00	4,000,130
Green Bank MMA	2.09%	07/01/2018	4,103,230	1.00	4,103,230	18,482	4,121,712	1.00	4,121,712
TexPool	1.81%	07/01/2018	3,270,385	1.00	3,270,385	14,144	3,284,529	1.00	3,284,529
Southside Bank CD	1.18%	04/02/2018	1,008,949	100.00	1,008,949	(1,008,949)	-	-	-
Southside Bank CD	1.35%	04/16/2018	1,876,844	100.00	1,876,844	(1,876,844)	-	-	-
East West Bank CD	1.82%	12/21/2018	1,206,051	100.00	1,206,051	5,424	1,211,476	100.00	1,211,476
Legacy Texas Bank CD	2.00%	01/30/2019	1,003,235	100.00	1,003,235	5,066	1,008,301	100.00	1,008,301
<b>TOTAL</b>			<b>\$ 23,262,575</b>		<b>\$ 23,262,575</b>	<b>\$ (708,346)</b>	<b>\$ 22,554,229</b>		<b>\$ 22,554,229</b>

**Fund Allocation  
Book & Market Value  
June 30, 2018**

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	Southside Bank CDs	East West Bank CDs	LegacyTexas Bank CDs
Consolidated/General Escrow	\$ 7,672,633	\$ 2,787,661	\$ 1,078,474	\$ -	\$ 3,302,347	\$ -	\$ -	\$ 504,151
Utilites Cons./W & S Payroll	256,258	-	256,258	-	-	-	-	-
Water (Greenbank)	3,924,506	3,420,355	-	-	-	-	-	504,151
Water Treatment Plant	381,878	381,878	-	-	-	-	-	-
W&S O & M Reserve	510,230	-	-	-	510,230	-	-	-
W&S R & R Reserve	1,886,160	-	-	1,886,160	-	-	-	-
W & S Debt Service Reserve	450,140	-	55,928	394,212	-	-	-	-
W & S Reserve Capital Imp	255,305	-	28,202	227,103	-	-	-	-
Water and Sewer	428,805	-	60,590	368,215	-	-	-	-
CO 2007 EDC Projects	205,333	-	205,333	-	-	-	-	-
CO Series 2011	559,616	-	559,616	-	-	-	-	-
CO Series 2012	923,407	-	923,407	-	-	-	-	-
Cons. Cash Grant CO	893,447	-	-	893,447	-	-	-	-
Veterans Memorial	116,722	-	116,722	-	-	-	-	-
Resaca Trails	1,149	1,149	-	-	-	-	-	-
Hotel/Motel Tax	37,143	37,143	-	-	-	-	-	-
Community Dev. Block Grant	471,530	67,705	-	-	-	-	403,825	-
DSRIP UTHSCSA	472,657	68,832	-	-	-	-	403,825	-
Police	3,476	3,476	-	-	-	-	-	-
Forfeiture Seizure Federal	20,465	20,465	-	-	-	-	-	-
Special Investigations Ckg	3,641	3,641	-	-	-	-	-	-
Special investigation Svgs	134,801	134,801	-	-	-	-	-	-
Fire Relief & Retirement Plan	289,161	289,161	-	-	-	-	-	-
Border Security	21,054	21,054	-	-	-	-	-	-
Emergency Management Funds	167,413	167,413	-	-	-	-	-	-
Revolving Loan	15,749	15,749	-	-	-	-	-	-
TIRZ	210,759	210,759	-	-	-	-	-	-
	269,065	269,065	-	-	-	-	-	-
<b>Sub-totals</b>	<b>\$ 21,012,614</b>	<b>\$ 8,330,419</b>	<b>\$ 3,284,529</b>	<b>\$ 3,769,137</b>	<b>\$ 3,812,577</b>	<b>\$ -</b>	<b>\$ 807,650</b>	<b>\$ 1,008,301</b>
EDC	1,137,789	597,662	-	230,993	309,135	-	-	-
EDC-East West Investment	403,825	-	-	-	-	-	403,825	-
<b>Sub-totals</b>	<b>\$ 1,541,614</b>	<b>\$ 597,662</b>	<b>\$ -</b>	<b>\$ 230,993</b>	<b>\$ 309,135</b>	<b>\$ -</b>	<b>\$ 403,825</b>	<b>\$ -</b>
<b>Totals</b>	<b>\$ 22,554,229</b>	<b>\$ 8,928,081</b>	<b>\$ 3,284,529</b>	<b>\$ 4,000,130</b>	<b>\$ 4,121,712</b>	<b>\$ -</b>	<b>\$ 1,211,476</b>	<b>\$ 1,008,301</b>

**Fund Allocation  
Book & Market Value  
March 31, 2018**

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	Southside Bank CDs	East West Bank CDs	LegacyTexas Bank CDs
Consolidated/General Escrow	\$ 9,277,016	\$ 3,405,080	\$ 1,073,830	\$ -	\$ 3,287,539	\$ 1,008,949	\$ -	\$ 501,618
Utilities Cons./W & S Payroll	255,154	-	255,154	-	-	-	-	-
Water (Greenbank)	3,588,209	3,086,591	-	-	-	-	-	501,618
Water Treatment Plant	119,089	119,089	-	-	-	-	-	-
W&S O & M Reserve	507,942	-	-	-	507,942	-	-	-
W&S R & R Reserve	1,876,844	-	-	-	-	1,876,844	-	-
W & S Debt Service Reserve	420,423	-	28,081	392,343	-	-	-	-
W & S Reserve Capital Imp	281,713	-	55,687	226,026	-	-	-	-
Water and Sewer	426,798	-	60,329	366,469	-	-	-	-
CO 2007 EDC Projects	204,449	-	204,449	-	-	-	-	-
CO Series 2011	557,206	-	557,206	-	-	-	-	-
CO Series 2012	919,431	-	919,431	-	-	-	-	-
Cons. Cash Grant CO	889,210	-	-	889,210	-	-	-	-
Veterans Memorial	116,219	-	116,219	-	-	-	-	-
Resaca Trails	1,147	1,147	-	-	-	-	-	-
Hotel/Motel Tax	35,831	35,831	-	-	-	-	-	-
Community Dev. Block Grant	469,574	67,557	-	-	-	-	402,017	-
DSRIP UTHSCSA	456,071	54,054	-	-	-	-	402,017	-
Police	415	415	-	-	-	-	-	-
Forfeiture Seizure Federal	20,420	20,420	-	-	-	-	-	-
Special Investigations Ckg	5,167	5,167	-	-	-	-	-	-
Special Investigation Svgs	140,316	140,316	-	-	-	-	-	-
Fire Relief & Retirement Plan	289,154	289,154	-	-	-	-	-	-
Border Security	15,546	15,546	-	-	-	-	-	-
Emergency Management Funds	120,251	120,251	-	-	-	-	-	-
Revolving Loan	15,715	15,715	-	-	-	-	-	-
TIRZ	210,879	210,879	-	-	-	-	-	-
	237,194	237,194	-	-	-	-	-	-
	429,176	429,176	-	-	-	-	-	-
<b>Sub-totals</b>	<b>\$ 21,887,099</b>	<b>\$ 8,254,122</b>	<b>\$ 3,270,385</b>	<b>\$ 1,874,047</b>	<b>\$ 3,795,481</b>	<b>\$ 2,885,793</b>	<b>\$ 804,034</b>	<b>\$ 1,003,235</b>
EDC-East West Investment	961,229	433,560	-	219,921	307,748	-	-	-
	402,017	-	-	-	-	-	402,017	-
<b>Sub-totals</b>	<b>\$ 1,375,476</b>	<b>\$ 445,790</b>	<b>\$ -</b>	<b>\$ 219,921</b>	<b>\$ 307,748</b>	<b>\$ -</b>	<b>\$ 402,017</b>	<b>\$ -</b>
<b>Totals</b>	<b>\$ 23,262,575</b>	<b>\$ 8,699,912</b>	<b>\$ 3,270,385</b>	<b>\$ 2,093,969</b>	<b>\$ 4,103,230</b>	<b>\$ 2,885,793</b>	<b>\$ 1,206,051</b>	<b>\$ 1,003,235</b>