



## INVESTMENT REPORT

For the Period Ended  
March 31, 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			December 31, 2017		
	Ave. Yield	Book Value	Market Value	Book Value	Market Value	Market Value
Bank Accounts/MMA	0.77%	\$ 14,897,110	\$ 14,897,110	\$ 16,147,031	\$ 16,147,031	16,147,031
Local Government Pools	1.52%	3,270,385	3,270,385	4,258,084	4,258,084	4,258,084
CDs/Securities	1.56%	5,095,080	5,095,080	5,085,611	5,085,611	5,085,611
<b>Totals</b>		<b>\$ 23,262,575</b>	<b>\$ 23,262,575</b>	<b>\$ 25,490,726</b>	<b>\$ 25,490,726</b>	<b>25,490,726</b>

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

Total Portfolio	1.05%
Rolling Three Mo. Treas. Yield	1.58%
Rolling Six Mo. Treas. Yield	1.58%

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

Total Portfolio	1.02%
Rolling Three Mo. Treas. Yield	1.40%
Rolling Six Mo. Treas. Yield	1.42%
Quarterly TexPool Yield	1.35%

Quarterly Interest Income	\$ 71,487
YTD Interest Income	\$ 124,827

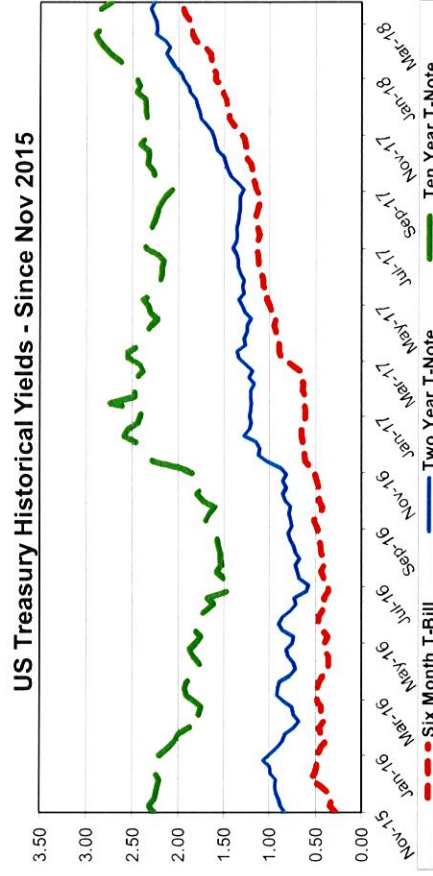
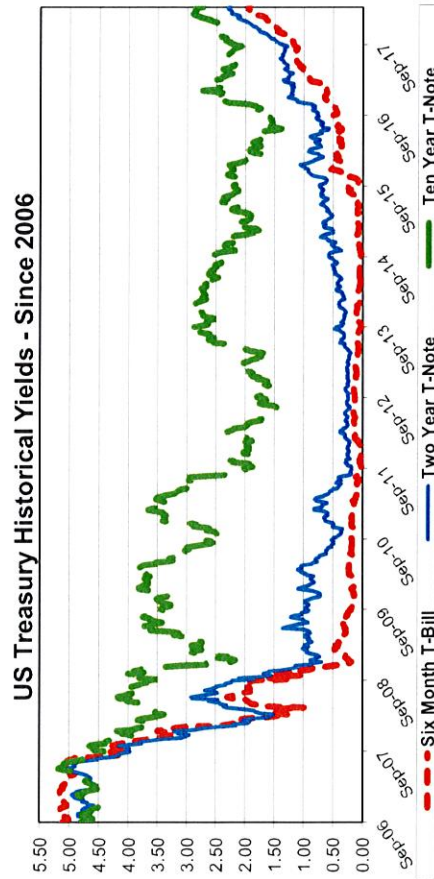
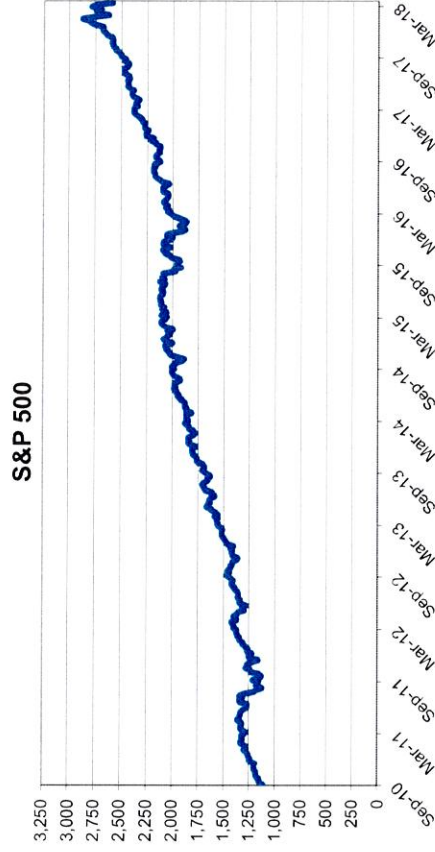
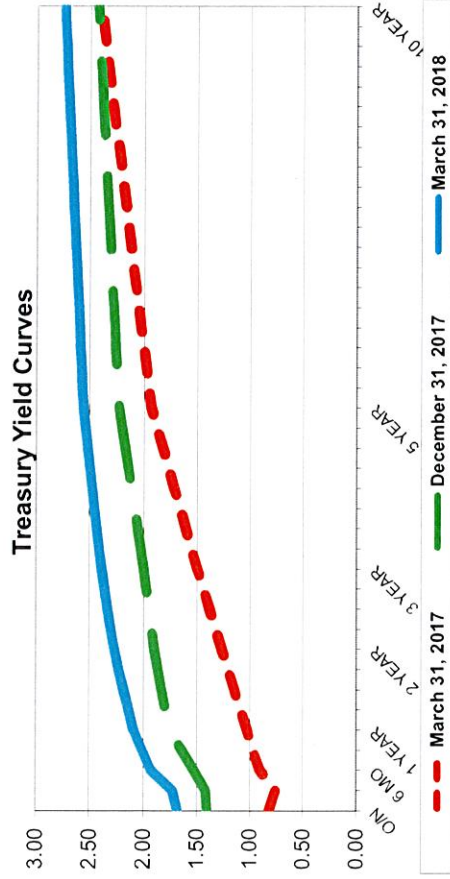
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

3/31/2018

The Federal Open Market Committee (FOMC) increased the Fed Funds target range 0.25% to 1.50% - 1.75% (Effective Fed Funds are trading +/-1.68%). Two to three additional increases are projected for 2018 (although subject to economic activity). Gradual portfolio reduction continues by limiting reinvestment of maturing holdings. Fourth Quarter 2017 GDP measured 2.9% (third/final estimate). February Non Farm Payroll data jumped +313k (well above the expected +205k). The Three Month Average increased to +242k. World events raised some uncertainty (Korea, Russia, Middle East). WTI Crude oil maintained +/- \$65. The Stock Markets waffled 5% to 10% below recent highs. The post-FOMC meeting press release pointed to continuing and frequent rate increases.



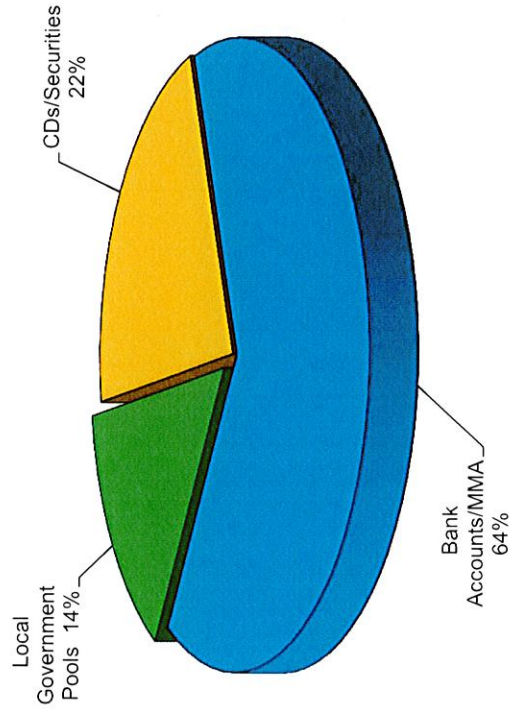
**Investment Holdings**  
**March 31, 2018**

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		0.25%	04/01/2018	03/31/2018	\$ 8,699,912	\$ 8,699,912	1.00	\$ 8,699,912	1	0.25%
Southside Bank MMA		1.64%	04/01/2018	03/31/2018	2,093,969	2,093,969	1.00	2,093,969	1	1.64%
Green Bank MMA		1.43%	04/01/2018	03/31/2018	4,103,230	4,103,230	1.00	4,103,230	1	1.43%
TexPool	AAAmm	1.52%	04/01/2018	03/31/2018	3,270,385	3,270,385	1.00	3,270,385	1	1.52%
Southside Bank CD		1.18%	04/02/2018	05/02/2017	1,008,949	1,008,949	100.00	1,008,949	2	1.18%
Southside Bank CD		1.35%	04/16/2018	12/15/2017	1,876,844	1,876,844	100.00	1,876,844	16	1.35%
East West Bank CD		1.82%	12/21/2018	12/20/2017	1,206,051	1,206,051	100.00	1,206,051	265	1.82%
LegacyTexas Bank CD		2.00%	01/30/2019	01/30/2018	1,003,235	1,003,235	100.00	1,003,235	305	2.00%
					<b>\$ 23,262,575</b>	<b>\$ 23,262,575</b>		<b>\$ 23,262,575</b>	<b>29</b>	<b>1.05%</b>
									<b>(1)</b>	<b>(2)</b>

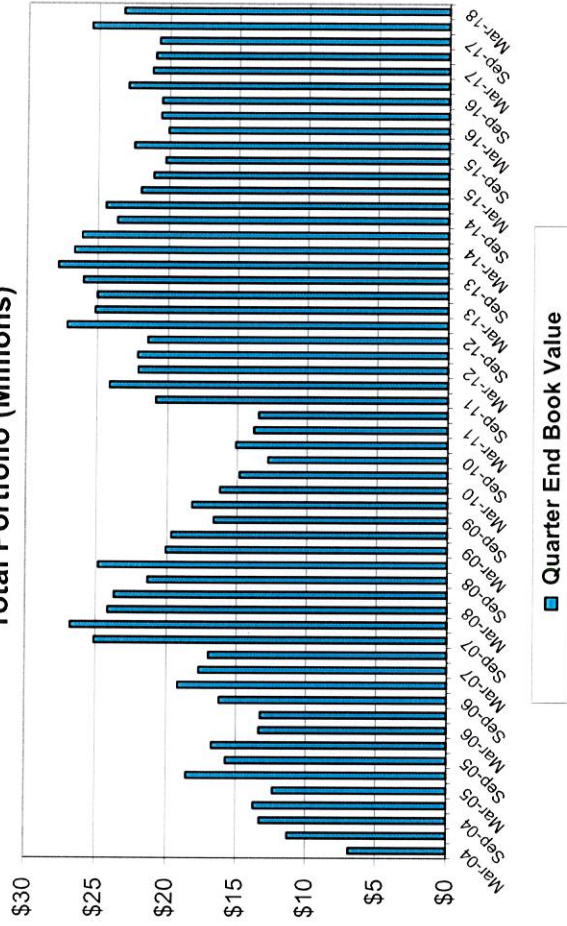
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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	December 31, 2017		Purchases at Cost	Sales/ Maturities	March 31, 2018	
				Original Face\	Book Value			Original Face\	Book Value
				Par Value	\$			Par Value	\$
FCB Account	0.25%	04/01/2018	3/31/2018	\$ 7,751,288	\$ 7,751,288	\$ 948,624	\$ -	\$ 8,699,912	\$ 8,699,912
Southside Bank MMA	1.64%	04/01/2018	3/31/2018	3,108,347	3,108,347		(1,014,379)	2,093,969	2,093,969
Green Bank MMA	1.43%	04/01/2018	3/31/2018	5,287,396	5,287,396		(1,184,166)	4,103,230	4,103,230
TexPool	1.52%	04/01/2018	3/31/2018	4,258,084	4,258,084		(987,699)	3,270,385	3,270,385
First Community Bank CD	1.11%	01/30/2018	02/27/2017	1,008,325	1,008,325		(1,008,325)	-	-
Southside Bank CD	1.18%	04/02/2018	05/02/2017	1,005,957	1,005,957	2,992		1,008,949	1,008,949
Southside Bank CD	1.35%	04/16/2018	12/15/2017	1,870,618	1,870,618	6,226		1,876,844	1,876,844
East West Bank CD	1.82%	12/21/2018	12/20/2017	1,200,710	1,200,710	5,341		1,206,051	1,206,051
Legacy Texas Bank CD	2.00%	01/30/2019	01/30/2018	-	-	1,003,235		1,003,235	1,003,235
<b>TOTAL</b>				<b>\$ 25,490,726</b>	<b>\$ 25,490,726</b>	<b>\$ 1,966,419</b>	<b>\$ (4,194,570)</b>	<b>\$ 23,262,575</b>	<b>\$ 23,262,575</b>

### Market Value Comparison

Description	Coupon/ Discount	Maturity Date	Original Face\	December 31, 2017		Qtr-to-Qtr Change	Original Face\	March 31, 2018	
				Market Price	Market Value			Market Price	Market Value
				Par Value	\$			Par Value	\$
FCB Account	0.25%	04/01/2018	\$ 7,751,288	1.00	\$ 7,751,288	\$ 948,624	\$ 8,699,912	1.00	\$ 8,699,912
Southside Bank MMA	1.64%	04/01/2018	3,108,347	1.00	3,108,347	(1,014,379)	2,093,969	1.00	2,093,969
Green Bank MMA	1.43%	04/01/2018	5,287,396	1.00	5,287,396	(1,184,166)	4,103,230	1.00	4,103,230
TexPool	1.52%	04/01/2018	4,258,084	1.00	4,258,084	(987,699)	3,270,385	1.00	3,270,385
First Community Bank CD	1.11%	01/30/2018	1,008,325	100.00	1,008,325	(1,008,325)	-	-	-
Southside Bank CD	1.18%	04/02/2018	1,005,957	100.00	1,005,957	2,992	1,008,949	100.00	1,008,949
Southside Bank CD	1.35%	04/16/2018	1,870,618	100.00	1,870,618	6,226	1,876,844	100.00	1,876,844
East West Bank CD	1.82%	12/21/2018	1,200,710	100.00	1,200,710	5,341	1,206,051	100.00	1,206,051
Legacy Texas Bank CD	2.00%	01/30/2019	-	-	-	1,003,235	1,003,235	100.00	1,003,235
<b>TOTAL</b>			<b>\$ 25,490,726</b>		<b>\$ 25,490,726</b>	<b>\$ (2,228,151)</b>	<b>\$ 23,262,575</b>		<b>\$ 23,262,575</b>

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

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	Community Bank CD	Southside Bank CDs	East West Bank CDs	LegacyTexas Bank CDs
Consolidated/General	\$ 9,277,016	\$ 3,405,080	\$ 1,073,830	\$ -	\$ 3,287,539	\$ -	\$ 1,008,949	\$ -	\$ 501,618
Escrow	255,154	-	255,154	-	-	-	-	-	-
Utilities Cons./W & S	3,588,209	3,086,591	-	-	-	-	-	-	501,618
Payroll	119,089	119,089	-	-	-	-	-	-	-
Water (Greenbank)	507,942	-	-	-	507,942	-	-	-	-
Water Treatment Plant	1,876,844	-	-	-	-	-	1,876,844	-	-
W&S O & M Reserve	420,423	-	28,081	392,343	-	-	-	-	-
W&S R & R Reserve	281,713	-	55,687	226,026	-	-	-	-	-
W & S Debt Service Reserve	426,798	-	60,329	366,469	-	-	-	-	-
W & S Reserve Capital Imp	204,449	-	204,449	-	-	-	-	-	-
Water and Sewer	557,206	-	557,206	-	-	-	-	-	-
CO 2007 EDC Projects	919,431	-	919,431	-	-	-	-	-	-
CO Series 2011	889,210	-	-	889,210	-	-	-	-	-
CO Series 2012	116,219	-	116,219	-	-	-	-	-	-
Cons. Cash Grant CO	1,147	1,147	-	-	-	-	-	-	-
Veterans Memorial	35,831	35,831	-	-	-	-	-	-	-
Resaca Trails	469,574	67,557	-	-	-	-	-	402,017	-
Hotel/Motel Tax	456,071	54,054	-	-	-	-	-	402,017	-
Community Dev. Block Grant	415	415	-	-	-	-	-	-	-
DSRIP UTHSCSA	20,420	20,420	-	-	-	-	-	-	-
Police	5,167	5,167	-	-	-	-	-	-	-
Forfeiture Seizure Federal	140,316	140,316	-	-	-	-	-	-	-
Special Investigations Ckg	289,154	289,154	-	-	-	-	-	-	-
Special Investigation Svgs	15,546	15,546	-	-	-	-	-	-	-
Fire Relief & Retirement Plan	120,251	120,251	-	-	-	-	-	-	-
Border Security	15,715	15,715	-	-	-	-	-	-	-
Emergency Management Funds	210,879	210,879	-	-	-	-	-	-	-
Revolving Loan	237,194	237,194	-	-	-	-	-	-	-
Revolving Loan #2	343	343	-	-	-	-	-	-	-
Local Match	195	195	-	-	-	-	-	-	-
TIRZ	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>-</b>	<b>2,885,793</b>	<b>804,034</b>	<b>1,003,235</b>
EDC	961,229	433,560	-	219,921	307,748	-	-	-	-
EDC-SB Cultural Heritage Program	1,086	1,086	-	-	-	-	-	-	-
EDA-Museum Grant	11,144	11,144	-	-	-	-	-	-	-
EDC-East West Investment	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>-</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>\$ -</b>	<b>\$ 2,885,793</b>	<b>\$ 1,206,051</b>	<b>\$ 1,003,235</b>

**Fund Allocation  
Book & Market Value  
December 31, 2017**

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	First Community Bank CD	Southside Bank CDs	East West Bank CDs
Consolidated/General	\$ 9,184,160	\$ 2,328,982	\$ 2,069,027	\$ -	\$ 3,276,032	\$ 504,163	\$ 1,005,957	\$ -
Escrow	254,283	-	254,283	-	-	-	-	-
Utilities Cons./W & S	3,563,574	3,059,411	-	-	-	504,163	-	-
Payroll	332,955	332,955	-	-	-	-	-	-
Water (Greenbank)	1,504,939	-	-	-	1,504,939	-	-	-
Water Treatment Plant	1,870,618	-	-	-	-	-	-	-
W&S O & M Reserve	253,402	-	27,985	225,417	-	-	1,870,618	-
W&S R & R Reserve	446,262	-	55,497	390,765	-	-	-	-
W & S Debt Service Reserve	924,235	-	60,123	864,113	-	-	-	-
W & S Reserve Capital Imp	203,751	-	203,751	-	-	-	-	-
Water and Sewer	555,304	-	555,304	-	-	-	-	-
CO 2007 EDC Projects	916,292	-	916,292	-	-	-	-	-
CO Series 2011	1,408,952	-	-	1,408,952	-	-	-	-
CO Series 2012	115,822	-	115,822	-	-	-	-	-
Cons. Cash Grant CO	1,145	1,145	-	-	-	-	-	-
Veterans Memorial	35,763	35,763	-	-	-	-	-	-
Resaca Trails	467,622	67,386	-	-	-	-	-	-
Hotel/Motel Tax	441,874	41,638	-	-	-	-	-	400,237
Community Dev. Block Grant	415	415	-	-	-	-	-	400,237
DSRIP UTHSCSA	80,636	80,636	-	-	-	-	-	-
Police	2,543	2,543	-	-	-	-	-	-
Forfeiture Seizure Federal	125,151	125,151	-	-	-	-	-	-
Special Investigations Ckg	289,154	289,154	-	-	-	-	-	-
Special investigation Svgs	15,546	15,546	-	-	-	-	-	-
Fire Relief & Retirement Plan	119,591	119,591	-	-	-	-	-	-
Border Security	15,685	15,685	-	-	-	-	-	-
Emergency Management Funds	187,537	187,537	-	-	-	-	-	-
Revolving Loan	202,856	202,856	-	-	-	-	-	-
Revolving Loan #2	343	343	-	-	-	-	-	-
Local Match	195	195	-	-	-	-	-	-
TIRZ	428,367	428,367	-	-	-	-	-	-
<b>Sub-totals</b>	<b>23,948,973</b>	<b>7,335,298</b>	<b>4,258,084</b>	<b>2,889,247</b>	<b>4,780,970</b>	<b>1,008,325</b>	<b>2,876,575</b>	<b>800,474</b>
EDC	1,540,669	414,906	-	219,100	506,426	-	-	400,237
EDC-SB Cultural Heritage Program	1,084	1,084	-	-	-	-	-	-
<b>Sub-totals</b>	<b>1,541,753</b>	<b>415,990</b>	<b>-</b>	<b>219,100</b>	<b>506,426</b>	<b>-</b>	<b>-</b>	<b>400,237</b>
<b>Totals</b>	<b>\$ 25,490,726</b>	<b>\$ 7,751,288</b>	<b>\$ 4,258,084</b>	<b>\$ 3,108,347</b>	<b>\$ 5,287,396</b>	<b>\$ 1,008,325</b>	<b>\$ 2,876,575</b>	<b>\$ 1,200,710</b>