



INVESTMENT REPORT

For the Period Ended
September 30, 2019

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.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	September 30, 2018			September 30, 2019		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Bank Accounts/MMA	1.07%	\$ 16,474,045	\$ 16,474,045	1.00%	\$ 7,560,939	\$ 7,560,939
Local Government Pools	2.00%	3,300,570	3,300,570	2.45%	11,299,509	11,299,509
CDs/Securities	2.16%	4,245,986	4,245,986	2.55%	5,067,663	5,067,663
Totals		\$ 24,020,600	\$ 24,020,600		\$ 23,928,112	\$ 23,928,112

Fourth Quarter-End Yield **1.39%**

2.01%

Average Quarter-End Yields (1):

	2018 Fiscal Year	2019 Fiscal Year
San Benito-City	1.17%	2.04%
Rolling Three Month Treasury	1.69%	2.33%
Rolling Six Month Treasury	1.73%	2.34%
TexPool	1.62%	2.30%
Fiscal YTD Interest Earnings	\$ 308,669	\$ 467,169

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

Summary

Quarter End Results by Investment Category:

Asset Type	June 30, 2019		September 30, 2019		Ave. Yield
	Book Value	Market Value	Book Value	Market Value	
Bank Account	\$ 6,376,789	\$ 6,376,789	\$ 7,560,939	\$ 7,560,939	1.00%
MMA/LGIPs	11,232,555	11,232,555	11,299,509	11,299,509	2.45%
CDs/Securities	5,030,502	5,030,502	5,067,663	5,067,663	2.55%
Totals	\$ 22,639,845	\$ 22,639,845	\$ 23,928,112	\$ 23,928,112	

Average Yield Current Quarter (1):

Total Portfolio 2.01%

Rolling Three Month Treasury 2.17%
 Rolling Six Month Treasury 2.02%
 TexPool 2.16%

Interest Income

Quarterly Interest Income \$ 124,394
 YTD Interest Income \$ 467,169

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

Total Portfolio 2.04%

Rolling Three Month Treasury 2.33%
 Rolling Six Month Treasury 2.34%
 TexPool 2.30%

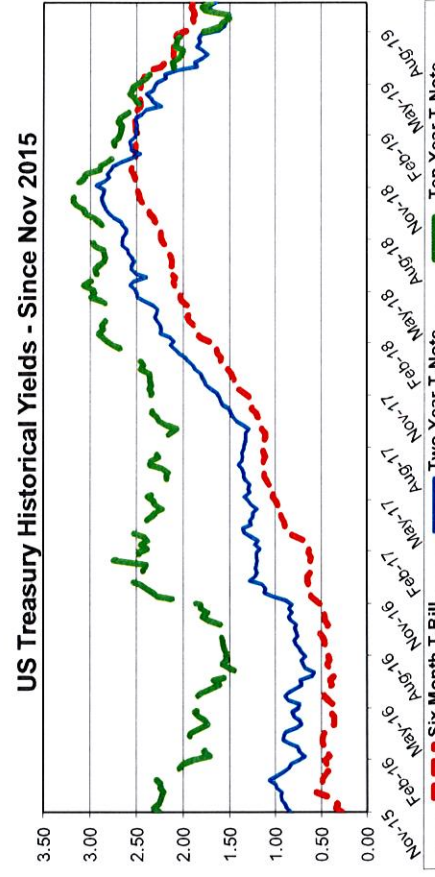
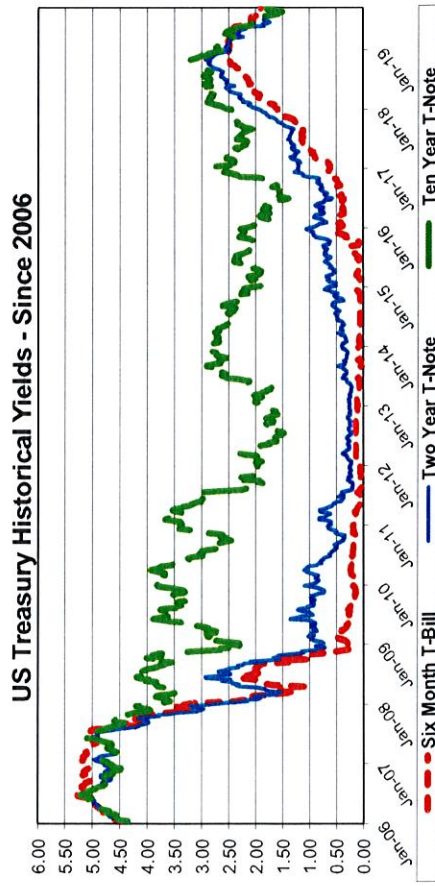
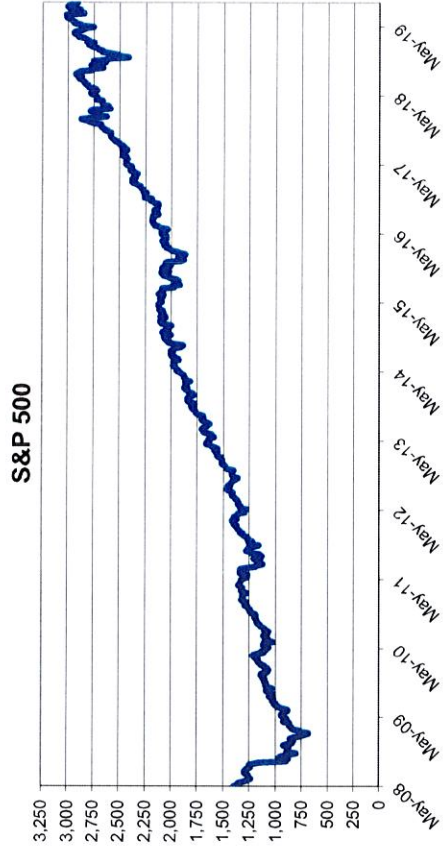
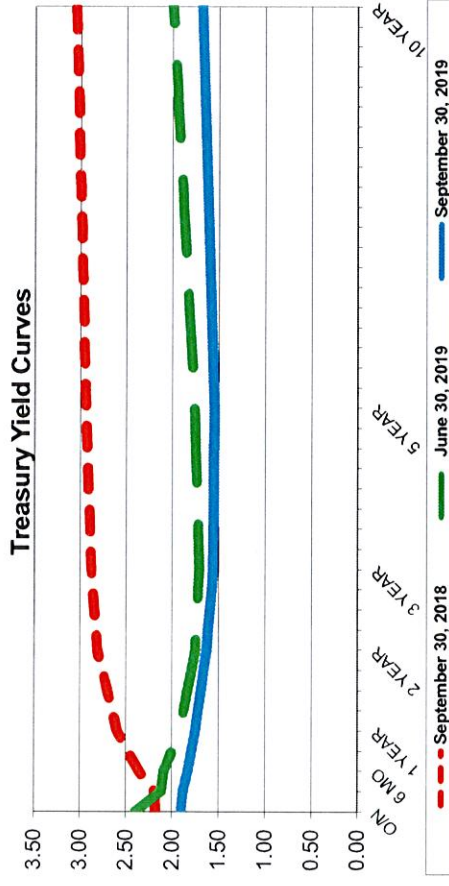
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

9/30/2019

The Federal Open Market Committee (FOMC) reduced the Fed Funds target range to 1.75% - 2.00% (Effective Fed Funds are trading +/-1.83%). The Futures Market continues to project additional decreases. Gradual Federal Reserve Bank portfolio reduction ended. August Non Farm Payroll added 136,000 new jobs, with the rolling three month averaging 157,000. Crude oil settled back and trades +/- \$55. The Stock Markets waffled near the recent highs. Consumer spending continues albeit less robustly. Overall economic activity remains mostly positive with 2nd Quarter GDP recorded at 2.0%. Brexit, Chinese trade concerns, growth outlook, and other factors may weigh on US growth. The inverted Yield Curve persists with yields declining.



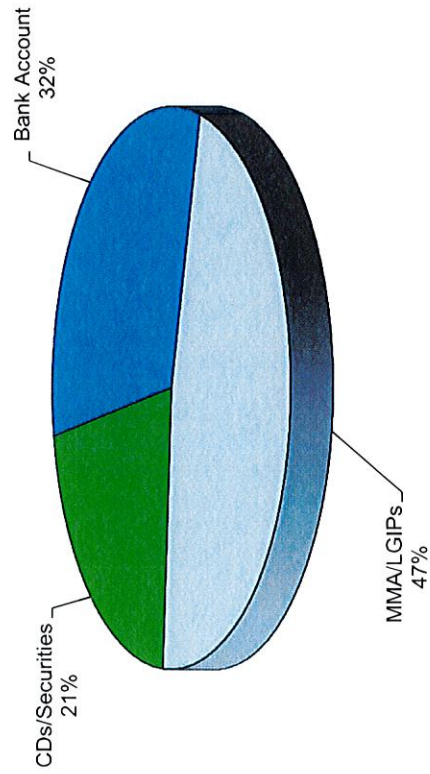
**Investment Holdings
September 30, 2019**

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		1.00%	10/01/2019	09/30/2019	\$ 7,560,939	\$ 7,560,939	1.00	\$ 7,560,939	1	1.00%
Southside Bank MMA		2.53%	10/01/2019	09/30/2019	2,615,882	2,615,882	1.00	2,615,882	1	2.53%
Green Bank MMA		2.53%	10/01/2019	09/30/2019	2,710,342	2,710,342	1.00	2,710,342	1	2.53%
TexPool	AAA	2.38%	10/01/2019	09/30/2019	5,973,285	5,973,285	1.00	5,973,285	1	2.38%
Southside Bank CD		2.68%	02/26/2020	02/26/2019	3,040,002	3,040,002	100.00	3,040,002	149	2.71%
East West Bank CD		2.06%	02/26/2020	08/26/2019	1,015,087	1,015,087	100.00	1,015,087	149	2.08%
East West Bank CD		2.52%	04/03/2020	04/03/2019	1,012,574	1,012,574	100.00	1,012,574	186	2.55%
					\$ 23,928,112	\$ 23,928,112		\$ 23,928,112	34	2.01%
									(1)	(2)

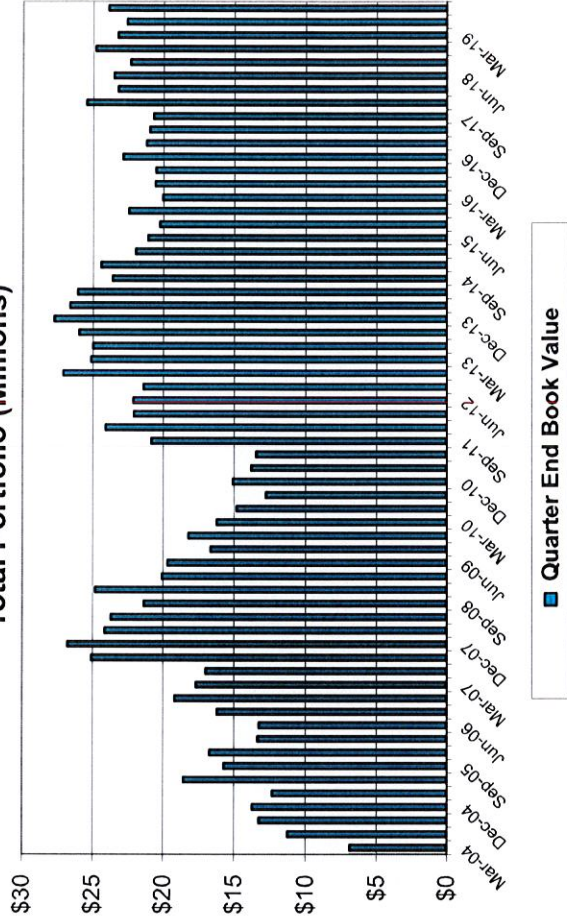
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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, 2019			September 30, 2019		
				Original Face\	Purchases	Sales/ Maturities	Original Face\	Original Face\	Original Face\
				Par Value	at Cost		Par Value	Par Value	Par Value
FCB Account	1.00%	10/01/2019	9/30/2019	\$ 6,376,789	\$ 1,184,151	\$ -	\$ 7,560,939	\$ 7,560,939	
Southside Bank MMA	2.53%	10/01/2019	9/30/2019	2,601,157	14,725		2,615,882	2,615,882	
Green Bank MMA	2.53%	10/01/2019	9/30/2019	2,694,401	15,941		2,710,342	2,710,342	
TexPool	2.38%	10/01/2019	9/30/2019	5,936,996	36,289		5,973,285	5,973,285	
East West Bank CD	2.61%	08/26/2019	02/26/2019	1,006,816		(1,006,816)	-	-	
Southside Bank CD	2.68%	02/26/2020	02/26/2019	3,019,604	20,398		3,040,002	3,040,002	
East West Bank CD	2.06%	02/26/2020	08/26/2019	-	1,015,087		1,015,087	1,015,087	
East West Bank CD	2.52%	04/03/2020	04/03/2019	1,004,082	8,493		1,012,574	1,012,574	
TOTAL				\$ 22,639,845	\$ 2,295,083	\$ (1,006,816)	\$ 23,928,112	\$ 23,928,112	

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	Original Face\	June 30, 2019			September 30, 2019		
				Par Value	Market Price	Market Value	Original Face\	Market Price	Market Value
						Change	Par Value		
FCB Account	1.00%	10/01/2019	\$ 6,376,789	1.00	\$ 6,376,789	\$ 1,184,151	\$ 7,560,939	1.00	\$ 7,560,939
Southside Bank MMA	2.53%	10/01/2019	2,601,157	1.00	2,601,157	14,725	2,615,882	1.00	2,615,882
Green Bank MMA	2.53%	10/01/2019	2,694,401	1.00	2,694,401	15,941	2,710,342	1.00	2,710,342
TexPool	2.38%	10/01/2019	5,936,996	1.00	5,936,996	36,289	5,973,285	1.00	5,973,285
East West Bank CD	2.61%	08/26/2019	1,006,816	100.00	1,006,816	(1,006,816)	-	-	-
Southside Bank CD	2.68%	02/26/2020	3,019,604	100.00	3,019,604	20,398	3,040,002	100.00	3,040,002
East West Bank CD	2.06%	02/26/2020	-	-	-	1,015,087	1,015,087	100.00	1,015,087
East West Bank CD	2.52%	04/03/2020	1,004,082	100.00	1,004,082	8,493	1,012,574	100.00	1,012,574
TOTAL			\$ 22,639,845		\$ 22,639,845	\$ 1,288,267	\$ 23,928,112		\$ 23,928,112

**Fund Allocation
Book & Market Value
September 30, 2019**

	Fund Total	FCB Account	Southside Bank MMA	Green Bank MMA	TexPool	Southside Bank CDs	East West Bank CDs
Consolidated/General	\$ 8,742,658	\$ 1,437,807	\$ -	\$ 4,425,071	\$ 347,205	\$ 1,520,001	\$ 1,012,574
Escrow	263,532	-	-	-	263,532	-	-
Utilities Cons./W & S Payroll	3,130,952	3,130,952	-	-	-	-	-
Water (Greenbank)	1,548,214	361,361	-	1,548,214	-	-	-
Water Treatment Plant	1,930,216	-	915,129	-	-	-	1,015,087
W&S O & M Reserve	464,755	-	407,239	-	57,515	-	-
W&S R & R Reserve	263,610	-	234,607	-	29,003	-	-
W & S Debt Service Reserve	442,699	-	380,390	-	62,309	-	-
W & S Reserve Capital Imp	211,162	-	-	-	211,162	-	-
Water and Sewer	575,502	-	-	-	575,502	-	-
CO 2007 EDC Projects	949,620	-	-	-	949,620	-	-
CO Series 2011	772,976	-	772,976	-	-	-	-
CO Series 2012	120,035	-	-	-	120,035	-	-
Cons. Cash Grant CO	1,379,465	1,379,465	-	-	-	-	-
Veterans Memorial	41,611	41,611	-	-	-	-	-
Resaca Trails	132,668	132,668	-	-	-	-	-
Hotel/Motel Tax	519,600	12,933	-	-	-	506,667	-
Community Dev. Block Grant	4,968	4,968	-	-	-	-	-
DSRIP UTHSCSA	20,809	20,809	-	-	-	-	-
Police	2,856	2,856	-	-	-	-	-
Forfeiture Seizure Federal	50,391	50,391	-	-	-	-	-
Special Investigations Ckg	341,461	341,461	-	-	-	-	-
Special investigation Svgs	49,934	49,934	-	-	-	-	-
Fire Relief & Retirement Plan	148,786	148,786	-	-	-	-	-
Border Security	15,979	15,979	-	-	-	-	-
Emergency Management Funds	244,830	244,830	-	-	-	-	-
TIRZ	1,197,462	184,128	-	-	-	1,013,334	-
TOTAL	\$ 23,928,112	\$ 7,560,939	\$ 2,710,342	\$ 5,973,285	\$ 2,615,882	\$ 3,040,002	\$ 2,027,661

**Fund Allocation
Book & Market Value
June 30, 2019**

	Fund Total	FCB Account	Southside Bank MMA	Green Bank MMA	TexPool	Southside Bank CDs	East West Bank CDs
Consolidated/General	\$ 9,350,506	\$ 2,093,184	\$ -	\$ 4,398,188	\$ 345,251	\$ 1,509,802	\$ 1,004,082
Escrow	262,049	-	-	-	262,049	-	-
Utilities Cons./W & S Payroll	2,709,259	2,709,259	-	-	-	-	-
Water (Greenbank)	346,013	346,013	-	-	-	-	-
Water Treatment Plant	1,538,809	-	-	1,538,809	-	-	-
W&S O & M Reserve	1,916,563	-	909,747	-	-	-	-
W&S R & R Reserve	462,221	-	405,029	-	57,191	-	1,006,816
W & S Debt Service Reserve	262,173	-	233,334	-	28,839	-	-
W & S Reserve Capital Imp	440,283	-	378,324	-	61,959	-	-
Water and Sewer	209,973	-	-	-	209,973	-	-
CO 2007 EDC Projects	572,262	-	-	-	572,262	-	-
CO Series 2011	944,274	-	-	-	944,274	-	-
CO Series 2012	767,966	-	767,966	-	-	-	-
Cons. Cash Grant CO	119,359	-	-	-	119,359	-	-
Veterans Memorial	1,163	1,163	-	-	-	-	-
Resaca Trails	39,463	39,463	-	-	-	-	-
Hotel/Motel Tax	250,056	250,056	-	-	-	-	-
Community Dev. Block Grant	511,304	8,036	-	-	-	503,267	-
DSRIP UTHSCSA	944	944	-	-	-	-	-
Police	20,738	20,738	-	-	-	-	-
Forfeiture Seizure Federal	4,774	4,774	-	-	-	-	-
Special Investigations Ckg	11,731	11,731	-	-	-	-	-
Special Investigation Svgs	369,755	369,755	-	-	-	-	-
Fire Relief & Retirement Plan	49,934	49,934	-	-	-	-	-
Border Security	200,656	200,656	-	-	-	-	-
Emergency Management Funds	15,932	15,932	-	-	-	-	-
TIRZ	231,039	231,039	-	-	-	-	-
	1,030,646	24,112	-	-	-	1,006,535	-
TOTAL	\$ 22,639,845	\$ 6,376,789	\$ 2,694,401	\$ 5,936,996	\$ 2,601,157	\$ 3,019,604	\$ 2,010,898