



INVESTMENT REPORT

For the Period Ended
December 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	Restated		
	September 30, 2018		December 31, 2018
	Book Value	Market Value	Ave. Yield
Bank Accounts/MMA	\$ 15,241,054	\$ 15,241,054	1.70%
Local Government Pools	3,300,570	3,300,570	2.29%
CDs/Securities	3,840,324	3,840,324	2.38%
Totals	\$ 22,381,948	\$ 22,381,948	

Average Yield Current Quarter (1):

Total Portfolio 1.98%

Rolling Three Month Treasury 2.37%

Rolling Six Month Treasury 2.39%

Interest Income (City & EDC)

Quarterly Interest Income \$ 105,741

YTD Interest Income \$ 105,741

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

Total Portfolio 1.98%

Rolling Three Month Treasury 2.37%

Rolling Six Month Treasury 2.39%

TexPool 2.29%

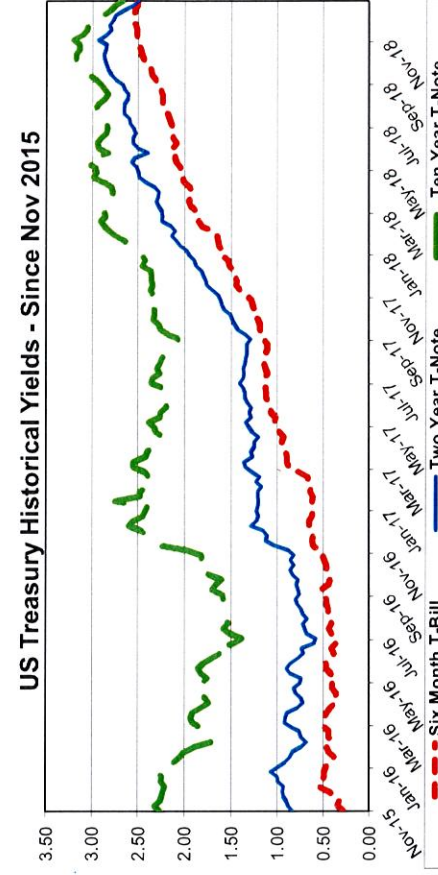
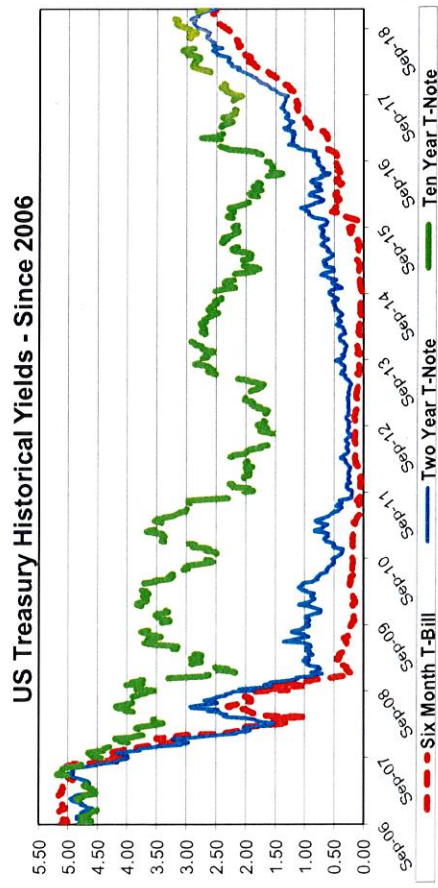
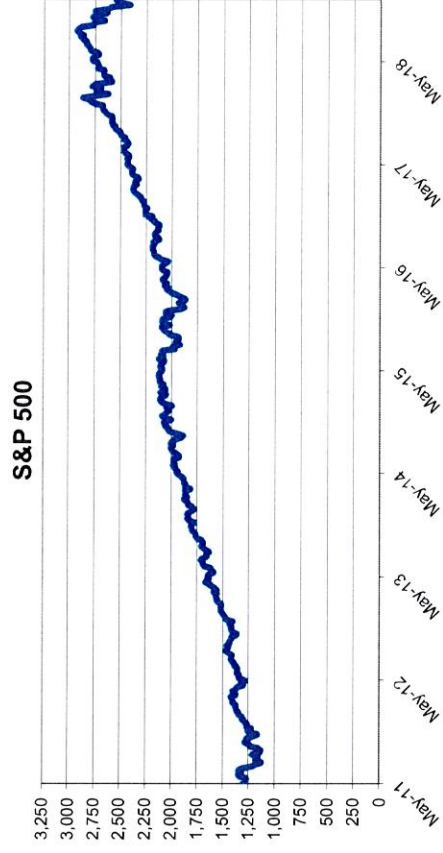
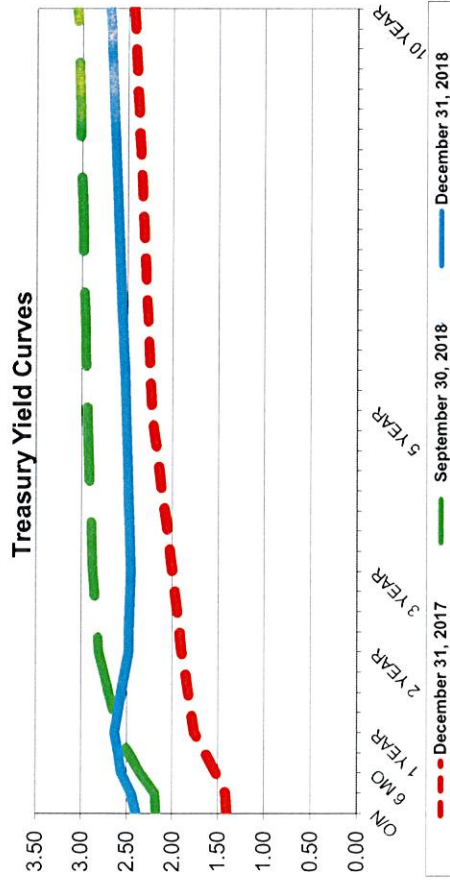
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(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

12/31/2018

The Federal Open Market Committee (FOMC) increased the Fed Funds target range to 2.25% - 2.50% (Effective Fed Funds are trading +/-2.40%). The official outlook calls for two additional increases during 2019. However, the market is currently projecting zero 2019 increases. Gradual FRB portfolio reduction continues by limiting reinvestment of maturing holdings. Third Quarter GDP grew 3.4% (final). Employment/ Unemployment remain solid with December adding 312k new jobs and a 254k three month average. Crude oil decreased below +/-\$.50. The Stock Markets drifted slightly higher than recent lows. Housing continues to weaken. The mid-maturity yield curve flattened.



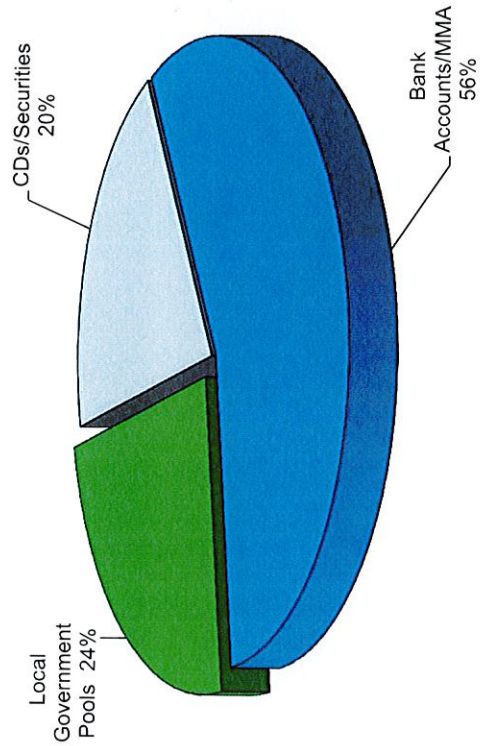
**Investment Holdings
December 31, 2018**

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		1.00%	01/01/2019	12/31/2018	\$ 6,973,473	\$ 6,973,473	1.00	\$ 6,973,473	1	1.00%
Southside Bank MMA		2.44%	01/01/2019	12/31/2018	3,319,002	3,319,002	1.00	3,319,002	1	2.44%
Green Bank MMA		2.37%	01/01/2019	12/31/2018	3,654,606	3,654,606	1.00	3,654,606	1	2.37%
TexPool	AAA	2.29%	01/01/2019	12/31/2018	5,861,704	5,861,704	1.00	5,861,704	1	2.29%
LegacyTexas Bank CD		2.00%	01/30/2019	01/30/2018	1,018,454	1,018,454	100.00	1,018,454	30	2.00%
East West Bank CD		2.48%	02/06/2019	11/06/2018	2,007,351	2,007,351	100.00	2,007,351	37	2.51%
East West Bank CD		2.48%	02/08/2019	08/08/2018	1,009,832	1,009,832	100.00	1,009,832	39	2.48%
Third Coast Bank SSB CD		2.40%	03/28/2019	03/28/2018	1,012,069	1,012,069	100.00	1,012,069	87	2.40%
					\$ 24,856,491	\$ 24,856,491		\$ 24,856,491	10	1.98%
									(1)	(2)

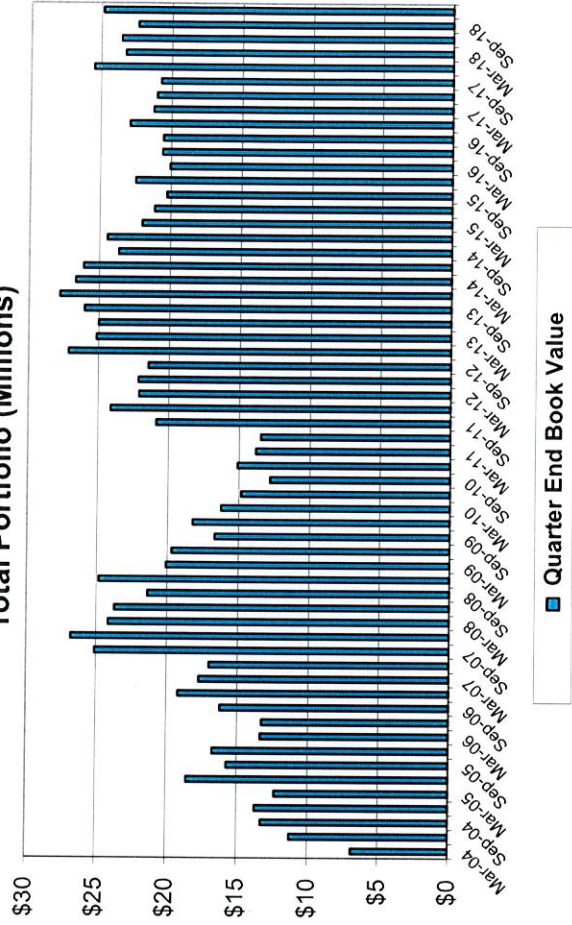
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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	Restated		Purchases at Cost	Sales/ Maturities	December 31, 2018	
				September 30, 2018				Original Face\	
				Original Face\ Par Value	Book Value			Original Face\ Par Value	Book Value
FCB Account	1.00%	01/01/2019	12/31/2018	\$ 8,622,541	\$ 8,622,541	\$ -	\$ (1,649,068)	\$ 6,973,473	\$ 6,973,473
Southside Bank MMA	2.44%	01/01/2019	12/31/2018	2,785,853	2,785,853	533,149		3,319,002	3,319,002
Green Bank MMA	2.37%	01/01/2019	12/31/2018	3,832,660	3,832,660		(178,054)	3,654,606	3,654,606
TexPool	2.29%	01/01/2019	12/31/2018	3,300,570	3,300,570	2,561,134		5,861,704	5,861,704
East West Bank CD	1.82%	12/21/2018	12/20/2017	811,323	811,323		(811,323)	-	-
LegacyTexas Bank CD	2.00%	01/30/2019	01/30/2018	1,013,393	1,013,393	5,061		1,018,454	1,018,454
East West Bank CD	2.48%	02/06/2019	11/06/2018	-	-	2,007,351		2,007,351	2,007,351
East West Bank CD	2.48%	02/08/2019	08/08/2018	1,003,539	1,003,539	6,293		1,009,832	1,009,832
Third Coast Bank SSB CD	2.40%	03/28/2019	03/28/2018	1,012,069	1,012,069			1,012,069	1,012,069
TOTAL				\$ 22,381,948	\$ 22,381,948	\$ 5,112,988	\$ (2,638,445)	\$ 24,856,491	\$ 24,856,491

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	Original Face\ Par Value	Restated		Qtr-to-Qtr Change	Original Face\ Par Value	December 31, 2018	
				September 30, 2018				Market	
				Price	Market Value			Price	Market Value
FCB Account	1.00%	01/01/2019	\$ 8,622,541	\$ 8,622,541	\$ (1,649,068)	\$ 6,973,473	1.00	\$ 6,973,473	
Southside Bank MMA	2.44%	01/01/2019	2,785,853	2,785,853	533,149	3,319,002	1.00	3,319,002	
Green Bank MMA	2.37%	01/01/2019	3,832,660	3,832,660	(178,054)	3,654,606	1.00	3,654,606	
TexPool	2.29%	01/01/2019	3,300,570	3,300,570	2,561,134	5,861,704	1.00	5,861,704	
East West Bank CD	1.82%	12/21/2018	811,323	811,323	(811,323)	-	-	-	
LegacyTexas Bank CD	2.00%	01/30/2019	1,013,393	1,013,393	5,061	1,018,454	100.00	1,018,454	
East West Bank CD	2.48%	02/06/2019	-	-	2,007,351	2,007,351	100.00	2,007,351	
East West Bank CD	2.48%	02/08/2019	1,003,539	1,003,539	6,293	1,009,832	100.00	1,009,832	
Third Coast Bank SSB CD	2.40%	03/28/2019	1,012,069	1,012,069		1,012,069	100.00	1,012,069	
TOTAL			\$ 22,381,948	\$ 22,381,948	\$ 2,474,543	\$ 24,856,491		\$ 24,856,491	

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

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	Third Coast Bank SSB CD	East West Bank CDs	LegacyTexas Bank CDs
Consolidated/General	\$ 10,865,975	\$ 895,292	\$ 1,089,793	\$ -	\$ 4,342,410	\$ 1,012,069	\$ 3,017,183	\$ 509,227
Escrow	258,947	-	258,947	-	-	-	-	-
Utilities Cons./W & S	3,461,955	2,952,728	-	-	-	-	-	509,227
Payroll	276,691	276,691	-	-	-	-	-	-
Water (Greenbank)	1,519,293	-	-	-	1,519,293	-	-	-
Water Treatment Plant	898,340	-	-	898,340	-	-	-	-
W&S O & M Reserve	788,939	-	56,515	732,424	-	-	-	-
W&S R & R Reserve	591,746	-	28,498	563,248	-	-	-	-
W & S Debt Service Reserve	767,334	-	61,226	706,108	-	-	-	-
W & S Reserve Capital Imp	207,488	-	207,488	-	-	-	-	-
Water and Sewer	565,489	-	565,489	-	-	-	-	-
CO 2007 EDC Projects	933,099	-	933,099	-	-	-	-	-
CO Series 2011	754,486	-	-	754,486	-	-	-	-
CO Series 2012	117,947	-	117,947	-	-	-	-	-
Cons. Cash Grant CO	1,156	1,156	-	-	-	-	-	-
Veterans Memorial	39,053	39,053	-	-	-	-	-	-
Resaca Trails	444,949	444,949	-	-	-	-	-	-
Hotel/Motel Tax	500,076	500,076	-	-	-	-	-	-
Community Dev. Block Grant	7,736	7,736	-	-	-	-	-	-
DSRIP UTHSCSA	20,596	20,596	-	-	-	-	-	-
Police	1,822	1,822	-	-	-	-	-	-
Forfeiture Seizure Federal	23,491	23,491	-	-	-	-	-	-
Special Investigations Ckg	363,100	363,100	-	-	-	-	-	-
Special Investigation Svgs	41,954	41,954	-	-	-	-	-	-
Fire Relief & Retirement Plan	77,363	77,363	-	-	-	-	-	-
Border Security	15,834	15,834	-	-	-	-	-	-
Emergency Management Funds	202,771	202,771	-	-	-	-	-	-
Revolving Loan	293,992	293,992	-	-	-	-	-	-
TIRZ	814,869	814,869	-	-	-	-	-	-
Sub-totals	\$ 24,856,491	\$ 6,973,473	\$ 3,319,002	\$ 3,654,606	\$ 5,861,704	\$ 1,012,069	\$ 3,017,183	\$ 1,018,454

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

	Fund Total	FCB Account	TexPool	Southside Bank MMA	Green Bank MMA	Third Coast Bank SSB CD	East West Bank CDs	LegacyTexas Bank CDs
Consolidated/General	\$ 8,817,478	\$ 1,891,689	\$ 1,083,741	\$ -	\$ 3,319,742	\$ 1,012,069	\$ 1,003,539	\$ 506,696
Escrow	257,509	-	257,509	-	-	-	-	-
Utilites Cons./W & S Payroll	4,899,753	4,393,056	-	-	-	-	-	506,696
Water (Greenbank)	178,675	178,675	-	-	-	-	-	-
Water Treatment Plant	512,918	-	-	-	512,918	-	-	-
W&S O & M Reserve	893,044	-	-	893,044	-	-	-	-
W&S R & R Reserve	452,470	-	56,201	396,270	-	-	-	-
W & S Debt Service Reserve	256,628	-	28,340	228,289	-	-	-	-
W & S Reserve Capital Imp	431,024	-	60,886	370,139	-	-	-	-
Water and Sewer	206,336	-	206,336	-	-	-	-	-
CO 2007 EDC Projects	562,349	-	562,349	-	-	-	-	-
CO Series 2011	927,917	-	927,917	-	-	-	-	-
CO Series 2012	898,112	-	-	898,112	-	-	-	-
Cons. Cash Grant CO	117,292	-	117,292	-	-	-	-	-
Veterans Memorial	1,152	1,152	-	-	-	-	-	-
Resaca Trails	38,907	38,907	-	-	-	-	-	-
Hotel/Motel Tax	455,820	50,158	-	-	-	-	405,661	-
Community Dev. Block Grant	488,655	82,994	-	-	-	-	405,661	-
DSRIP UTHSCSA	14,920	14,920	-	-	-	-	-	-
Police	20,534	20,534	-	-	-	-	-	-
Forfeiture Seizure Federal	2,489	2,489	-	-	-	-	-	-
Special Investigations Ckg	136,925	136,925	-	-	-	-	-	-
Special investigation Svgs	401,353	401,353	-	-	-	-	-	-
Fire Relief & Retirement Plan	22,954	22,954	-	-	-	-	-	-
Border Security	78,179	78,179	-	-	-	-	-	-
Emergency Management Funds	15,789	15,789	-	-	-	-	-	-
Revolving Loan	203,221	203,221	-	-	-	-	-	-
TIRZ	276,984	276,984	-	-	-	-	-	-
	812,563	812,563	-	-	-	-	-	-
Sub-totals	\$ 22,381,948	\$ 8,622,541	\$ 3,300,570	\$ 2,785,853	\$ 3,832,660	\$ 1,012,069	\$ 1,814,862	\$ 1,013,393