



INVESTMENT REPORT

For the Period Ended
December 31, 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.

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2019		December 31, 2019		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Bank Account	\$ 7,560,939	\$ 7,560,939	\$ 7,102,050	\$ 7,102,050	1.00%
MMA/LGIPs	11,299,509	11,299,509	14,862,594	14,862,594	1.71%
CDs/Securities	5,067,663	5,067,663	5,099,935	5,099,935	2.55%
Totals	\$ 23,928,112	\$ 23,928,112	\$ 27,064,579	\$ 27,064,579	

Average Yield Current Quarter (1):

Total Portfolio	1.68%
Rolling Three Month Treasury	1.60%
Rolling Six Month Treasury	1.78%
TexPool	1.62%

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

Total Portfolio	1.68%
Rolling Three Month Treasury	1.60%
Rolling Six Month Treasury	1.78%
TexPool	1.62%

Interest Income

Quarterly Interest Income	\$ 117,968
YTD Interest Income	\$ 117,968

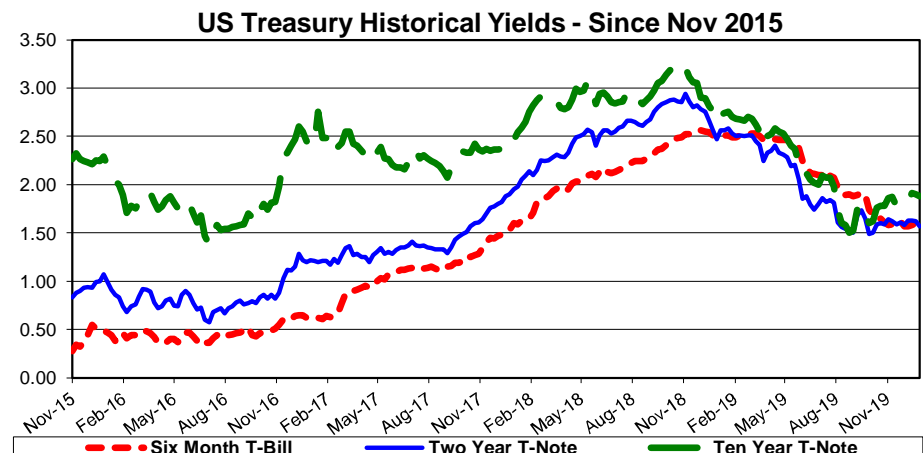
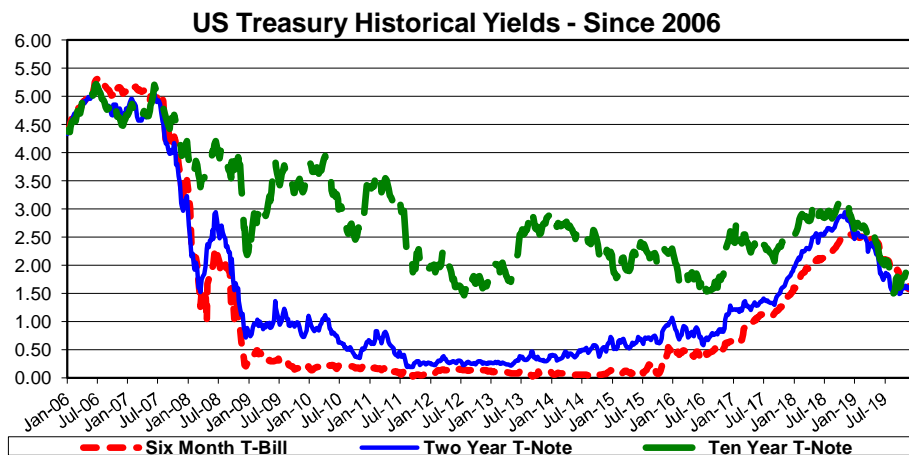
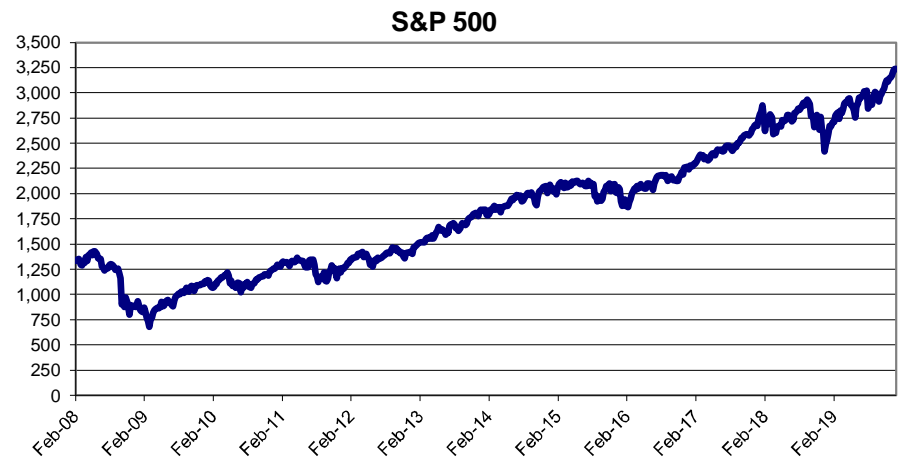
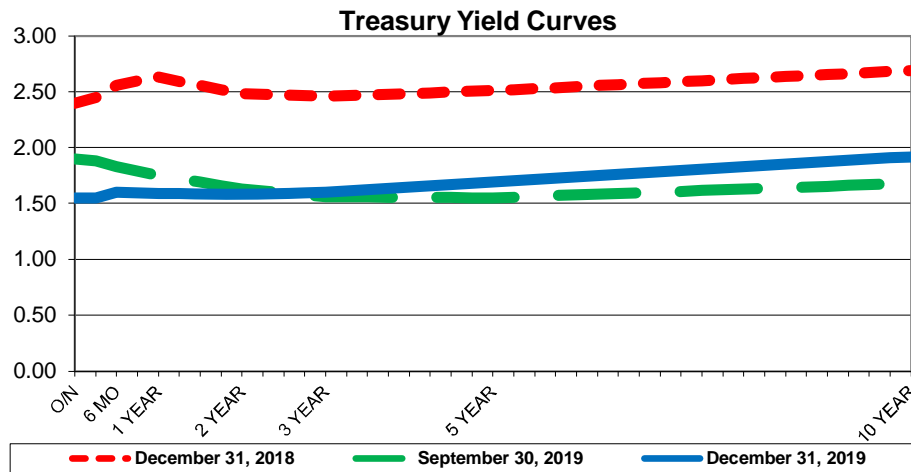
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yields** calculated using quarter end report yields.

Economic Overview

12/31/2019

The Federal Open Market Committee (FOMC) held the Fed Funds target range at 1.50% - 1.75% (Effective Fed Funds are trading +/-1.55%). The Futures Market has reduced the probability of additional decreases until late summer/early fall 2020. Middle East turmoil had bumped crude oil over \$60, but it has retreated back below. December Non Farm Payroll rose 145,000 resulting in a three month moving average of 185,000. The Unemployed level remained at 3.5%. The Stock Markets remain at or near historic highs. Consumer spending has improved. Housing shows signs of growth. Overall economic activity remains positive, 3rd Quarter GDP was confirmed at 2.1%. The British are moving forward with Brexit. Several trade agreements are also progressing (China, North America, Japan). The Yield Curve shifted to slightly positive.



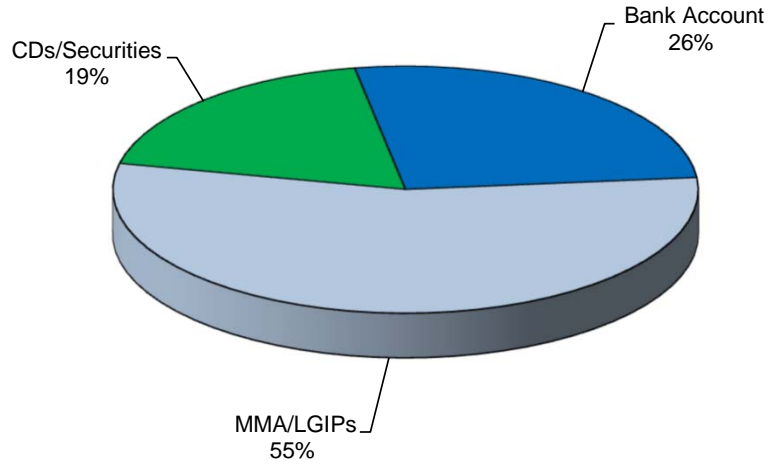
Investment Holdings
December 31, 2019

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
FCB Account		1.00%	01/01/2020	12/31/2019	\$ 7,102,050	\$ 7,102,050	1.00	\$ 7,102,050	1	1.00%
Southside Bank MMA		1.77%	01/01/2020	12/31/2019	6,136,575	6,136,575	1.00	6,136,575	1	1.77%
Veritex Bank MMA		1.77%	01/01/2020	12/31/2019	2,723,042	2,723,042	1.00	2,723,042	1	1.77%
TexPool	AAAm	1.62%	01/01/2020	12/31/2019	6,002,978	6,002,978	1.00	6,002,978	1	1.62%
Southside Bank CD		2.68%	02/26/2020	02/26/2019	3,060,537	3,060,537	100.00	3,060,537	57	2.71%
East West Bank CD		2.06%	02/26/2020	08/26/2019	1,020,371	1,020,371	100.00	1,020,371	57	2.08%
East West Bank CD		2.52%	04/03/2020	04/03/2019	1,019,026	1,019,026	100.00	1,019,026	94	2.55%
					\$ 27,064,579	\$ 27,064,579		\$ 27,064,579	13	1.68%
									(1)	(2)

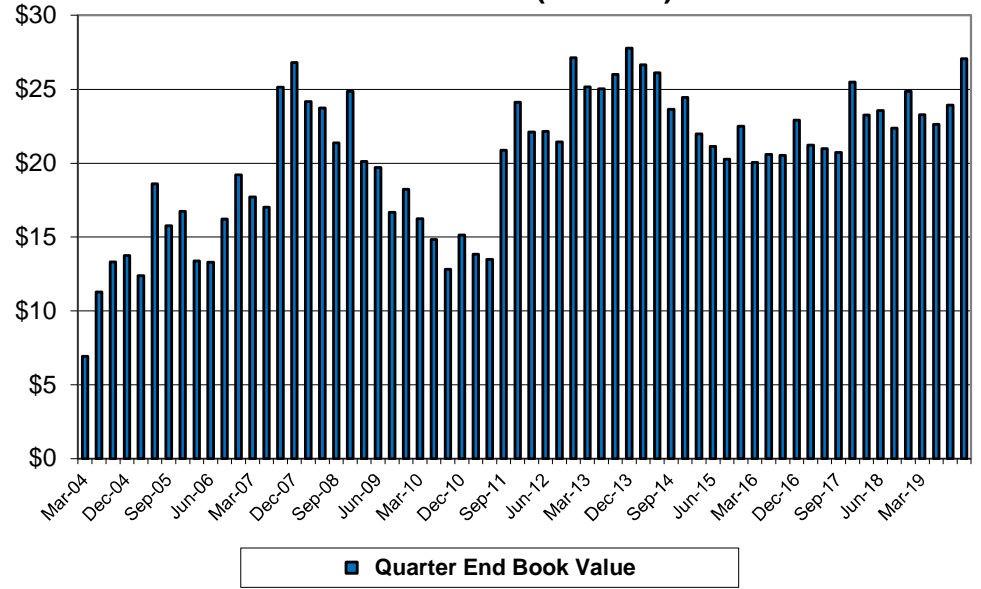
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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.

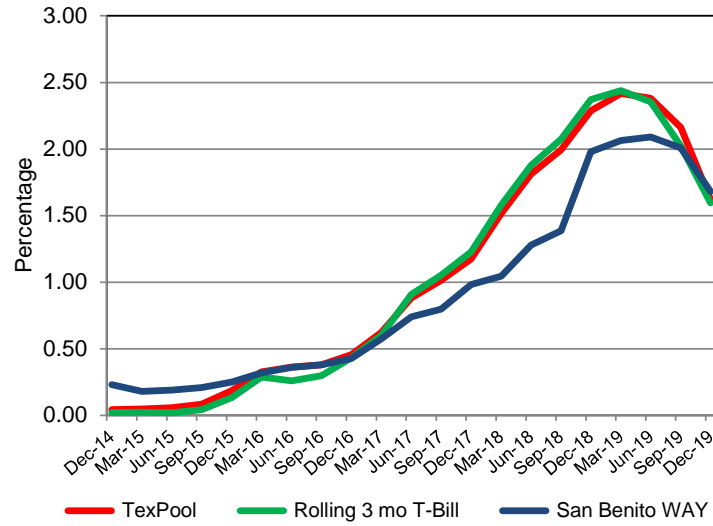
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Description	Coupon/ Discount	Maturity Date	Settlement Date	September 30, 2019			December 31, 2019		
				Original Face\ Par Value	Book Value	Purchases at Cost	Sales/ Maturities	Original Face\ Par Value	Book Value
FCB Account	1.00%	01/01/2020	12/31/2019	\$ 7,560,939	\$ 7,560,939	\$ –	\$ (458,889)	\$ 7,102,050	\$ 7,102,050
Southside Bank MMA	1.77%	01/01/2020	12/31/2019	2,615,882	2,615,882	3,520,692		6,136,575	6,136,575
Veritex Bank MMA	1.77%	01/01/2020	12/31/2019	2,710,342	2,710,342	12,700		2,723,042	2,723,042
TexPool	1.62%	01/01/2020	12/31/2019	5,973,285	5,973,285	29,693		6,002,978	6,002,978
Southside Bank CD	2.68%	02/26/2020	02/26/2019	3,040,002	3,040,002	20,535		3,060,537	3,060,537
East West Bank CD	2.06%	02/26/2020	08/26/2019	1,015,087	1,015,087	5,284		1,020,371	1,020,371
East West Bank CD	2.52%	04/03/2020	04/03/2019	1,012,574	1,012,574	6,452		1,019,026	1,019,026
TOTAL				\$ 23,928,112	\$ 23,928,112	\$ 3,595,356	\$ (458,889)	\$ 27,064,579	\$ 27,064,579

**Fund Allocation
Book & Market Value
December 31, 2019**

	Fund Total	FCB Account	Southside Bank MMA	Veritex Bank MMA	TexPool	Southside Bank CDs	East West Bank CDs
Consolidated/General	\$ 11,473,043	\$ 1,119,858	\$ -	\$ 4,447,068	\$ 3,356,822	\$ 1,530,269	\$ 1,019,026
Escrow	264,688	-	-	-	264,688	-	-
Utilites Cons./W & S	3,114,119	3,114,119	-	-	-	-	-
Payroll	419,640	419,640	-	-	-	-	-
Water (Greenbank)	1,555,910	-	-	1,555,910	-	-	-
Water Treatment Plant	1,939,788	-	919,417	-	-	-	1,020,371
W&S O & M Reserve	466,767	-	409,000	-	57,768	-	-
W&S R & R Reserve	264,751	-	235,622	-	29,130	-	-
W & S Debt Service Reserve	444,618	-	382,035	-	62,583	-	-
W & S Reserve Capital Imp	212,088	-	-	-	212,088	-	-
Water and Sewer	1,079,149	-	-	-	1,079,149	-	-
CO 2007 EDC Projects	953,785	-	-	-	953,785	-	-
CO Series 2011	776,968	-	776,968	-	-	-	-
CO Series 2012	120,562	-	-	-	120,562	-	-
Cons. Cash Grant CO	1,385,682	1,385,682	-	-	-	-	-
Veterans Memorial	41,906	41,906	-	-	-	-	-
Resaca Trails	126,746	126,746	-	-	-	-	-
Hotel/Motel Tax	536,741	26,651	-	-	-	510,090	-
Community Dev. Block Grant	110	110	-	-	-	-	-
DSRIP UTHSCSA	20,882	20,882	-	-	-	-	-
Police	1,403	1,403	-	-	-	-	-
Forfeiture Seizure Federal	45,118	45,118	-	-	-	-	-
Special Investigations Ckg	233,062	233,062	-	-	-	-	-
Special investigation Svgs	49,934	49,934	-	-	-	-	-
Fire Relief & Retirement Plan	73,124	73,124	-	-	-	-	-
Border Security	16,016	16,016	-	-	-	-	-
Emergency Management Funds	243,246	243,246	-	-	-	-	-
TIRZ	1,204,733	184,554	-	-	-	1,020,179	-
TOTAL	\$ 27,064,579	\$ 7,102,050	\$ 2,723,042	\$ 6,002,978	\$ 6,136,575	\$ 3,060,537	\$ 2,039,397

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

	Fund Total	FCB Account	Southside Bank MMA	Veritex 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	-	-
Utilites Cons./W & S	3,130,952	3,130,952	-	-	-	-	-
Payroll	361,361	361,361	-	-	-	-	-
Water (Greenbank)	1,548,214	-	-	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