

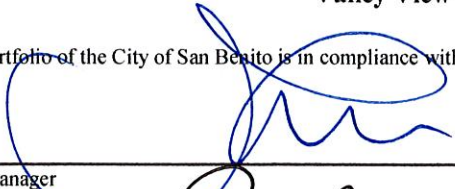


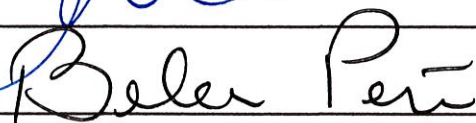
# INVESTMENT REPORT

For the Period Ended  
September 30, 2021

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, 2020			September 30, 2021		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Bank Account	0.13%	\$ 8,564,266	\$ 8,564,266	0.13%	\$ 1,031,621	\$ 1,031,621
MMA/LGIPs	0.17%	12,934,368	12,934,368	0.06%	29,978,858	29,978,858
CDs/Securities	0.79%	4,530,082	4,530,082	0.16%	10,621,135	10,621,135
<b>Totals</b>		<b>\$ 26,028,716</b>	<b>\$ 26,028,716</b>		<b>\$ 41,631,614</b>	<b>\$ 41,631,614</b>
Fourth Quarter-End Yield	<b>0.26%</b>			<b>0.09%</b>		

### Average Quarter-End Yields (1):

	2020 Fiscal Year	2021 Fiscal Year
San Benito-City	0.85%	0.13%
Rolling Three Month Treasury	0.76%	0.06%
Rolling Six Month Treasury	0.99%	0.08%
TexPool	0.75%	0.04%
<b>Fiscal YTD Interest Earnings</b>	<b>\$ 261,988 (Approximate)</b>	<b>\$ 50,264 (Approximate)</b>

(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, 2021		September 30, 2021		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Bank Account	\$ 5,790,475	\$ 5,790,475	\$ 1,031,621	\$ 1,031,621	0.13%
MMA/LGIPs	21,466,108	21,466,108	29,978,858	29,978,858	0.06%
CDs/Securities	10,618,121	10,618,121	10,621,135	10,621,135	0.16%
<b>Totals</b>	<b>\$ 37,874,705</b>	<b>\$ 37,874,705</b>	<b>\$ 41,631,614</b>	<b>\$ 41,631,614</b>	0.09%

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

Total Portfolio	0.09%
Rolling Three Month Treasury	0.05%
Rolling Six Month Treasury	0.05%
TexPool	0.03%

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

Total Portfolio	0.13%
Rolling Three Month Treasury	0.06%
Rolling Six Month Treasury	0.08%
TexPool	0.04%

#### Interest Income (Approximate)

Quarterly Interest Income	\$ 11,077
YTD Interest Income	\$ 50,264

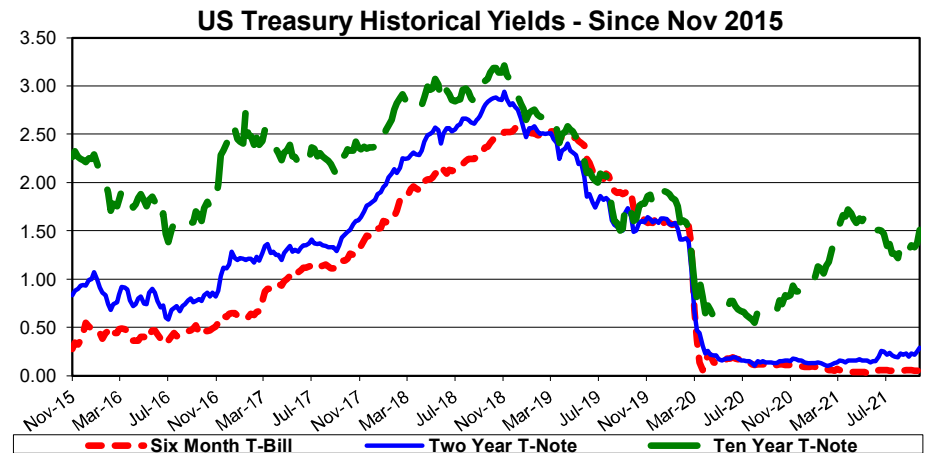
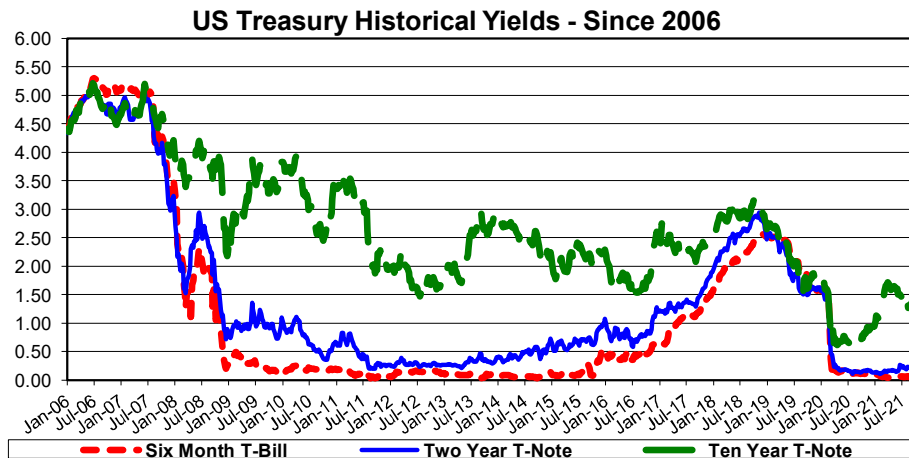
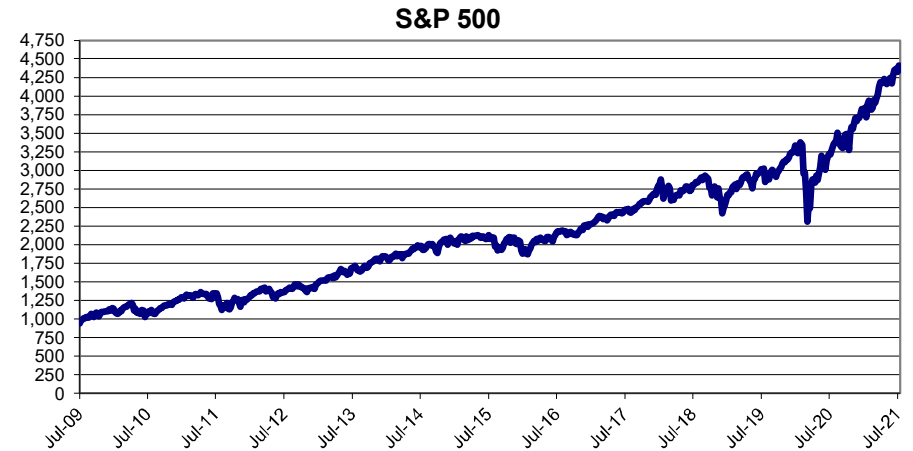
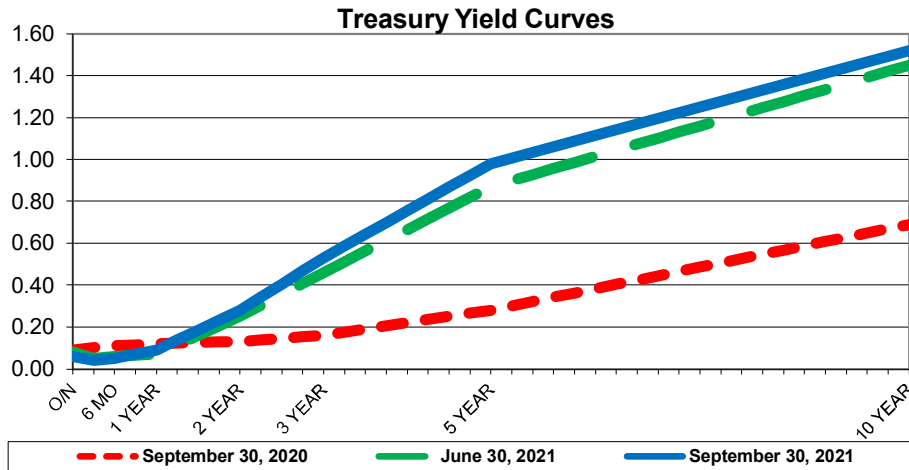
(1) **Average Yield Current Quarter** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yields** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

## Economic Overview

9/30/2021

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range at 0.00% to 0.25% (Effective Fed Funds are trading <0.10%), and projects that reduced rates could remain into 2023. Monthly government security purchases may begin tapering as early as Nov 2021. Second Quarter GDP posted +6.7% (Final). Employment recovery/growth has moderated, but job openings remain high. August Non-Farm Payroll only added 194k net new jobs. Crude oil bounced up to +/- \$77 per barrel, with fuel shortages in England and other countries. The Stock Markets reached new highs, but have retrenched slightly. Housing, Industrial Production, Durable Goods, Consumer Spending, and other indicators remain positive but constrained. The Biden administration and Congress continue to negotiate infrastructure, fiscal and debt limit packages. Inflation remained over the FOMC 2+% target and may not be as temporary as initially projected. The Yield Curve rose slightly from two years to ten years.



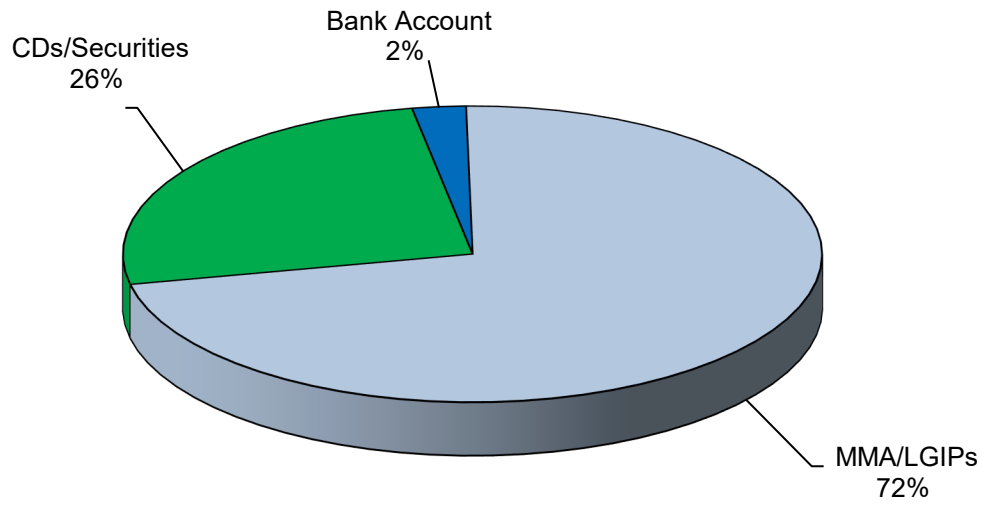
**Investment Holdings**  
**September 30, 2021**

<b>Description</b>	<b>Coupon/ Rating</b>	<b>Maturity Date</b>	<b>Settlement Date</b>	<b>Par Value</b>	<b>Book Value</b>	<b>Market Price</b>	<b>Market Value</b>	<b>Life (days)</b>	<b>Yield</b>
FCB Account	0.13%	10/01/21	09/30/21	\$ 1,031,621	\$ 1,031,621	1.00	\$ 1,031,621	1	0.13%
Southside Bank MMA	0.08%	10/01/21	09/30/21	2,740,637	2,740,637	1.00	2,740,637	1	0.08%
Veritex Bank MMA	0.08%	10/01/21	09/30/21	6,044,722	6,044,722	1.00	6,044,722	1	0.08%
Texas Regional Bank MMA	0.08%	10/01/21	09/30/21	506,409	506,409	1.00	506,409	1	0.08%
Texas Regional Bank MMA #2	0.08%	10/01/21	09/30/21	11,505,925	11,505,925	1.00	11,505,925	1	0.08%
TexPool	AAA Am 0.03%	10/01/21	09/30/21	9,181,165	9,181,165	1.00	9,181,165	1	0.03%
Texas Regional Bank CD	0.12%	12/04/21	06/04/21	7,712,702	7,712,702	100.00	7,712,702	65	0.12%
Texas Regional Bank CD	0.35%	02/12/22	02/12/21	1,405,731	1,405,731	100.00	1,405,731	135	0.35%
Texas Regional Bank CD	0.18%	06/04/22	06/04/21	1,502,702	1,502,702	100.00	1,502,702	247	0.18%
					<b>\$ 41,631,614</b>	<b>\$ 41,631,614</b>		<b>26</b>	<b>0.09%</b>
								(1)	(2)

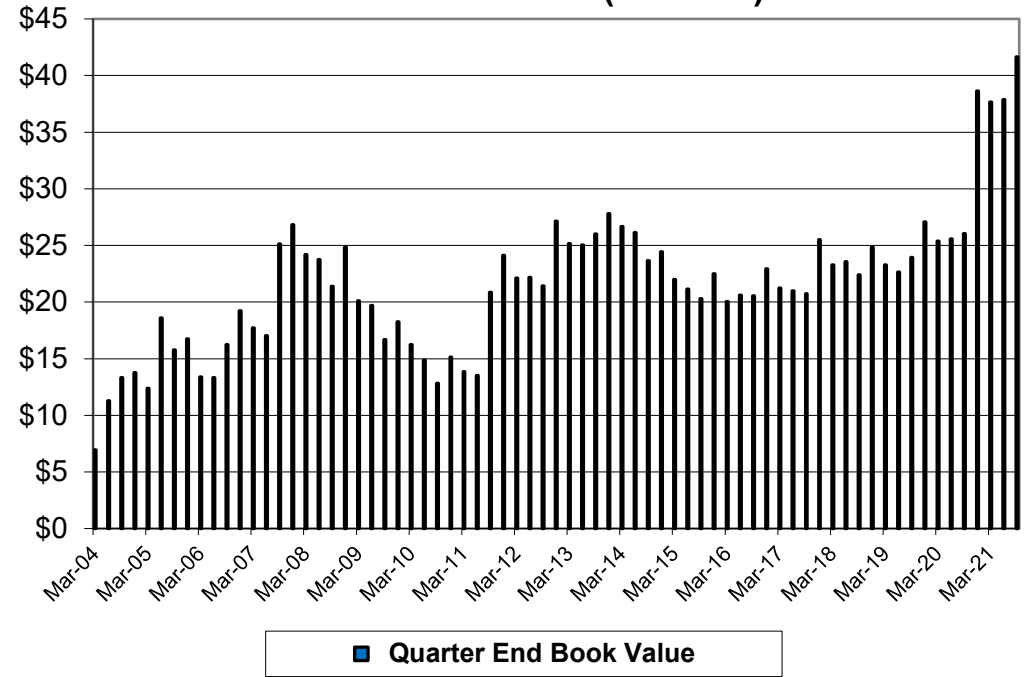
**(1) Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

**(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.

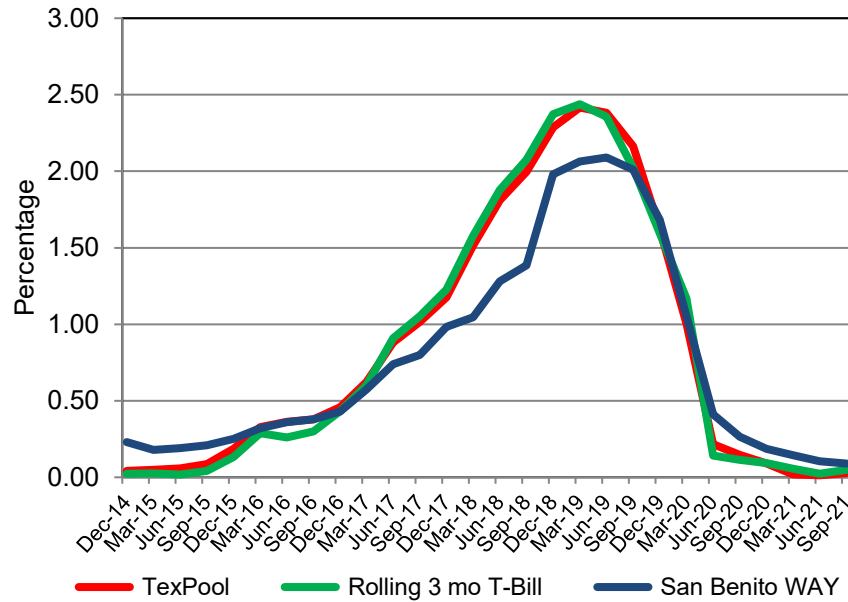
**Portfolio Composition**



**Total Portfolio (Millions)**



**Total Portfolio Performance**



## Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/21	Increases	Decreases	Book Value 09/30/21	Market Value 06/30/21	Change in Market Value	Market Value 09/30/21
FCB Account	0.13%	10/01/21	\$ 5,790,475	\$ -	\$ (4,758,854)	\$ 1,031,621	\$ 5,790,475	\$ (4,758,854)	\$ 1,031,621
Southside Bank MMA	0.08%	10/01/21	2,740,140	497	-	2,740,637	2,740,140	497	2,740,637
Veritex Bank MMA	0.08%	10/01/21	6,043,503	1,219	-	6,044,722	6,043,503	1,219	6,044,722
Texas Regional Bank MMA	0.08%	10/01/21	500,368	6,042	-	506,409	500,368	6,042	506,409
Texas Regional Bank MMA #2	0.08%	10/01/21	2,001,478	9,504,447	-	11,505,925	2,001,478	9,504,447	11,505,925
TexPool	0.03%	10/01/21	10,180,620	-	(999,454)	9,181,165	10,180,620	(999,454)	9,181,165
Texas Regional Bank CD	0.12%	12/04/21	7,710,370	2,332	-	7,712,702	7,710,370	2,332	7,712,702
Texas Regional Bank CD	0.35%	02/12/22	1,405,731	-	-	1,405,731	1,405,731	-	1,405,731
Texas Regional Bank CD	0.18%	06/04/22	1,502,020	681	-	1,502,702	1,502,020	681	1,502,702
<b>TOTAL / AVERAGE</b>	<b>0.09%</b>		<b>\$ 37,874,705</b>	<b>\$ 9,515,218</b>	<b>\$ (5,758,309)</b>	<b>\$ 41,631,614</b>	<b>\$ 37,874,705</b>	<b>\$ 3,756,909</b>	<b>\$ 41,631,614</b>

**Fund Allocation  
Book & Market Value  
September 30, 2021**

	<b>Fund Total</b>	<b>FCB Account</b>	<b>Southside Bank MMA</b>	<b>Veritex Bank MMA</b>	<b>Texas Regional Bank MMA</b>	<b>TexPool</b>	<b>Texas Regional Bank CDs</b>
Consolidated/General	\$ 13,119,056	\$ 254,152	\$ —	\$ 4,477,992	1,012,734	\$ 5,871,477	\$ 1,502,702
Escrow	266,065	—	—	—	—	266,065	—
Utilites Cons./W & S	1,929,131	349,782	—	—	1,579,349	—	—
Payroll	899,709	393,299	—	—	506,409	—	—
Water (Greenbank)	1,566,730	—	—	1,566,730	—	—	—
Water Treatment Plant	1,425,953	—	925,358	—	500,595	—	—
W&S O & M Reserve	469,508	—	411,439	—	—	58,069	—
W&S R & R Reserve	266,309	—	237,027	—	—	29,282	—
W & S Debt Service Reserve	447,223	—	384,315	—	—	62,909	—
W & S Reserve Capital Imp	213,192	—	—	—	—	213,192	—
Water and Sewer	1,600,234	—	—	—	—	1,600,234	—
CO 2007 EDC Projects	958,749	—	—	—	—	958,749	—
CO Series 2011	782,498	—	782,498	—	—	—	—
CO Series 2012	121,189	—	—	—	—	121,189	—
CO Series 2019	1,001,200	—	—	—	1,001,200	—	—
CO Series 2020	7,712,702	—	—	—	—	—	7,712,702
Cons. Cash Grant CO	306,798	29	—	—	306,769	—	—
Veterans Memorial	44,148	4	—	—	44,144	—	—
Resaca Trails	1,423	—	—	—	1,423	—	—
Hotel/Motel Tax	592,960	885	—	—	592,075	—	—
Community Dev. Block Grant	5,962	5,962	—	—	—	—	—
DSRIP UTHSCSA	31,479	3	—	—	31,476	—	—
Police	1,311	0	—	—	1,311	—	—
Forfeiture Seizure Federal	58,172	6	—	—	58,166	—	—
Special Investigations Ckg	114,370	11	—	—	114,359	—	—
Special investigation Svgs	65,189	—	—	—	65,189	—	—
Fire Relief & Retirement Plan	83,688	27,355	—	—	56,333	—	—
Border Security	16,089	2	—	—	16,087	—	—
Emergency Management Funds	181,102	—	—	—	181,102	—	—
Coronavirus Funds	1,016,682	97	—	—	1,016,584	—	—
TIRZ	1,798,233	33	—	—	392,469	—	1,405,731
ARPA Grant	4,534,559	—	—	—	4,534,559	—	—
<b>TOTAL</b>	<b>\$ 41,631,614</b>	<b>\$ 1,031,621</b>	<b>\$ 2,740,637</b>	<b>\$ 6,044,722</b>	<b>\$ 12,012,334</b>	<b>\$ 9,181,165</b>	<b>\$ 10,621,135</b>

**Fund Allocation  
Book & Market Value  
June 30, 2021**

	<b>Fund Total</b>	<b>FCB Account</b>	<b>Southside Bank MMA</b>	<b>Veritex Bank MMA</b>	<b>Texas Regional Bank MMA</b>	<b>TexPool</b>	<b>Texas Regional Bank CDs</b>
Consolidated/General	\$ 13,940,368	\$ 1,090,137	\$ —	\$ 4,477,089	—	\$ 6,871,123	\$ 1,502,020
Escrow	266,050	—	—	—	—	266,050	—
Utilites Cons./W & S	1,750,881	1,750,881	—	—	—	—	—
Payroll	787,154	286,786	—	—	500,368	—	—
Water (Greenbank)	1,566,414	—	—	1,566,414	—	—	—
Water Treatment Plant	1,425,557	—	925,190	—	500,367	—	—
W&S O & M Reserve	469,435	—	411,370	—	—	58,065	—
W&S R & R Reserve	266,267	—	236,987	—	—	29,280	—
W & S Debt Service Reserve	447,155	—	384,250	—	—	62,905	—
W & S Reserve Capital Imp	213,179	—	—	—	—	213,179	—
Water and Sewer	1,600,142	—	—	—	—	1,600,142	—
CO 2007 EDC Projects	958,694	—	—	—	—	958,694	—
CO Series 2011	782,342	—	782,342	—	—	—	—
CO Series 2012	121,182	—	—	—	—	121,182	—
CO Series 2019	1,000,744	—	—	—	1,000,744	—	—
CO Series 2020	7,710,370	—	—	—	—	—	7,710,370
Cons. Cash Grant CO	569,691	569,691	—	—	—	—	—
Veterans Memorial	43,835	43,835	—	—	—	—	—
Resaca Trails	58,843	58,843	—	—	—	—	—
Hotel/Motel Tax	581,716	81,349	—	—	500,367	—	—
Community Dev. Block Grant	251	251	—	—	—	—	—
DSRIP UTHSCSA	31,470	31,470	—	—	—	—	—
Police	3,201	3,201	—	—	—	—	—
Forfeiture Seizure Federal	72,714	72,714	—	—	—	—	—
Special Investigations Ckg	170,341	170,341	—	—	—	—	—
Special investigation Svgs	62,026	62,026	—	—	—	—	—
Fire Relief & Retirement Plan	77,869	77,869	—	—	—	—	—
Border Security	16,083	16,083	—	—	—	—	—
Emergency Management Funds	176,729	176,729	—	—	—	—	—
Coronavirus Funds	1,071,370	1,071,370	—	—	—	—	—
TIRZ	1,632,630	226,899	—	—	—	—	1,405,731
<b>TOTAL</b>	<b>\$ 37,874,705</b>	<b>\$ 5,790,475</b>	<b>\$ 2,740,140</b>	<b>\$ 6,043,503</b>	<b>\$ 2,501,846</b>	<b>\$ 10,180,620</b>	<b>\$ 10,618,121</b>