

INVESTMENT REPORT

For the Period Ended
December 31, 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.

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2021		December 31, 2021		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Bank Account	\$ 1,031,621	\$ 1,031,621	\$ -	\$ -	0.00%
MMA/LGIPs	29,978,858	29,978,858	35,875,171	35,875,171	0.12%
CDs/Securities	10,621,135	10,621,135	9,912,281	9,912,281	0.18%
Totals	\$ 41,631,614	\$ 41,631,614	\$ 45,787,452	\$ 45,787,452	0.13%

Average Yield Current Quarter (1):

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

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	\$ 13,238
YTD Interest Income	\$ 13,238

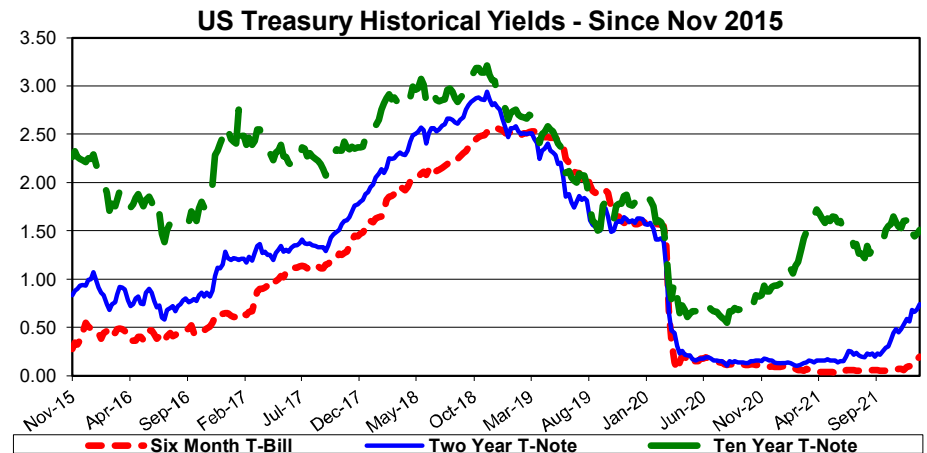
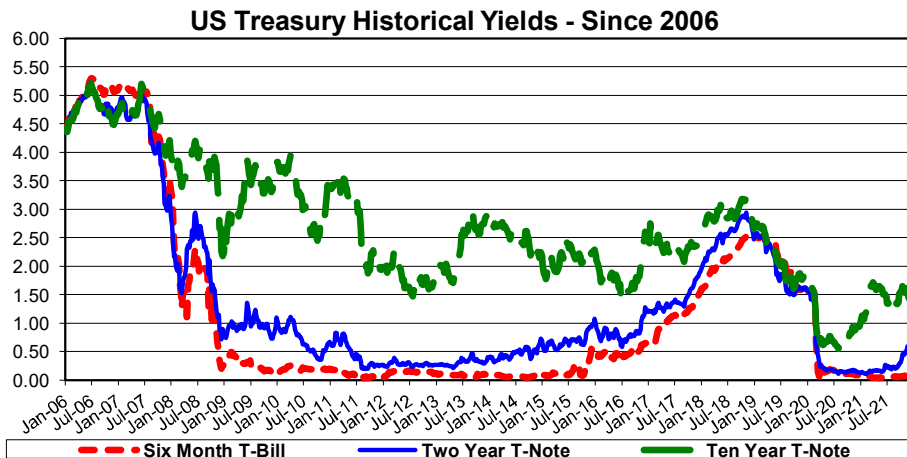
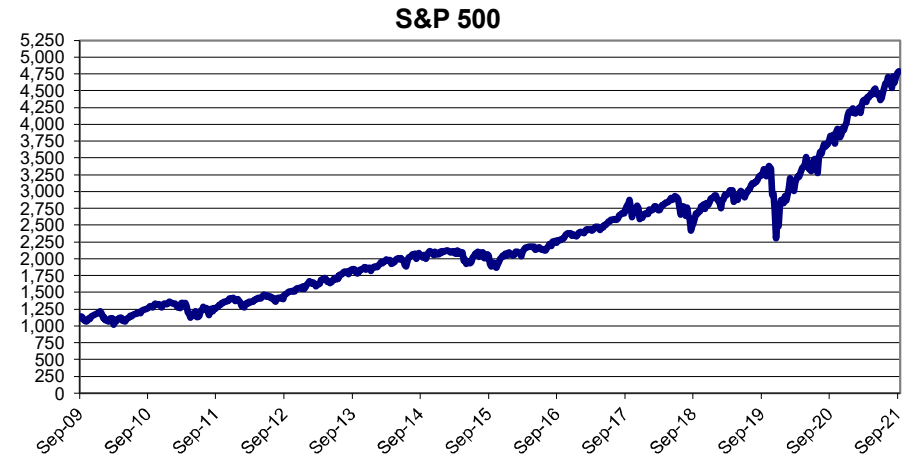
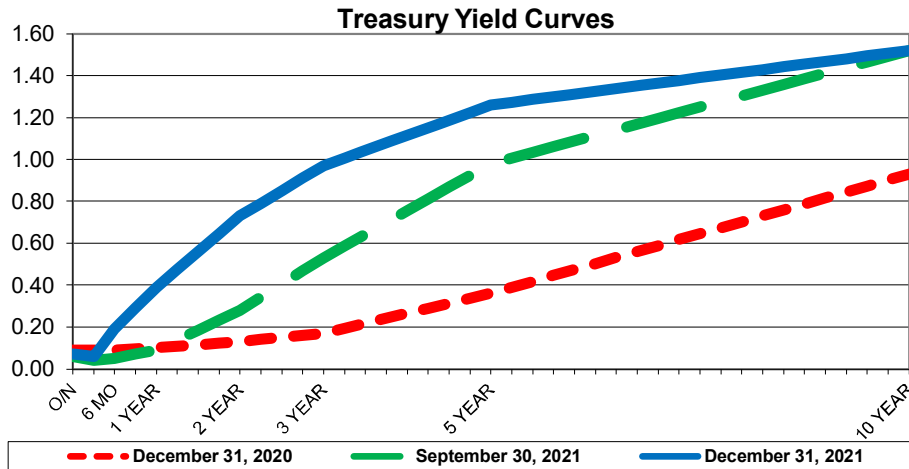
(1) **Average Yield Current Quarter** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

12/31/2021

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%). The FOMC began reducing monthly security purchases during Nov 2021 and then increased the paced at the December meeting. Projections for target range increases shortened to late spring or early summer 2022. Third Quarter GDP posted +2.3% (Final). December employment reflected U-2 dropping to 3.9% and Non-Farm Payroll adding 199k net new jobs (Three Month Average NFP = 365). Crude oil reversed recent declines and bounced back to +/- \$75 per barrel. The Stock Markets reached new highs. Many domestic economic indicators remain positive. The Build Back Better legislation stalled in the Senate. The Debt Ceiling was increased to \$31+ trillion, easing any near-term funding pressures. Inflation remained well over the FOMC 2% target and does not appear positioned to decline in the near term. The Yield Curve shifted higher primarily six months and longer.



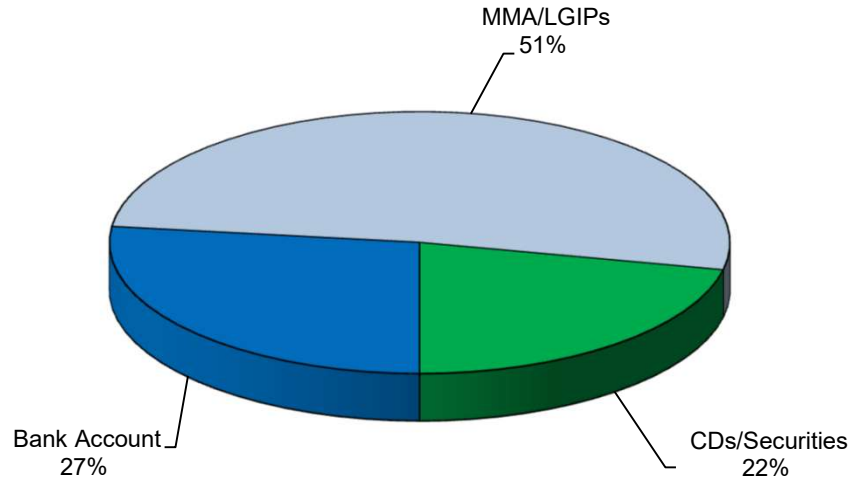
Investment Holdings
December 31, 2021

Description	Coupon/ Rating	Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Texas Regional Bank DDA		0.13%	01/01/22	12/31/21	\$ 12,337,184	12,337,184	1.00	\$ 12,337,184	1	0.13%
Southside Bank MMA		0.09%	01/01/22	12/31/21	2,741,237	2,741,237	1.00	2,741,237	1	0.09%
Veritex Bank MMA		0.10%	01/01/22	12/31/21	6,046,204	6,046,204	1.00	6,046,204	1	0.10%
Prosperity Bank MMA		0.15%	01/01/22	12/31/21	6,000,567	6,000,567	1.00	6,000,567	1	0.15%
Texas Regional Bank MMA		0.13%	01/01/22	12/31/21	7,040,365	7,040,365	1.00	7,040,365	1	0.13%
TexPool	AAAm	0.04%	01/01/22	12/31/21	1,709,614	1,709,614	1.00	1,709,614	1	0.04%
Texas Regional Bank CD		0.35%	02/12/22	02/12/21	1,408,212	1,408,212	100.00	1,408,212	43	0.35%
Texas Regional Bank CD		0.18%	06/04/22	06/04/21	1,503,378	1,503,378	100.00	1,503,378	155	0.18%
East West Bank CD		0.15%	06/08/22	12/08/21	7,000,690	7,000,690	100.00	7,000,690	159	0.15%
					\$ 45,787,452	\$ 45,787,452		\$ 45,787,452	32	0.13%
									(1)	(2)

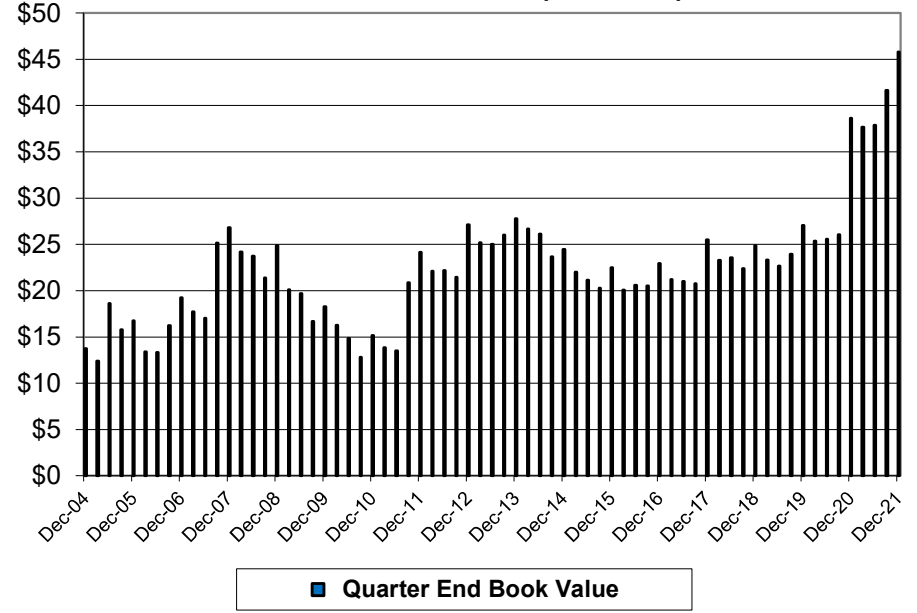
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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.

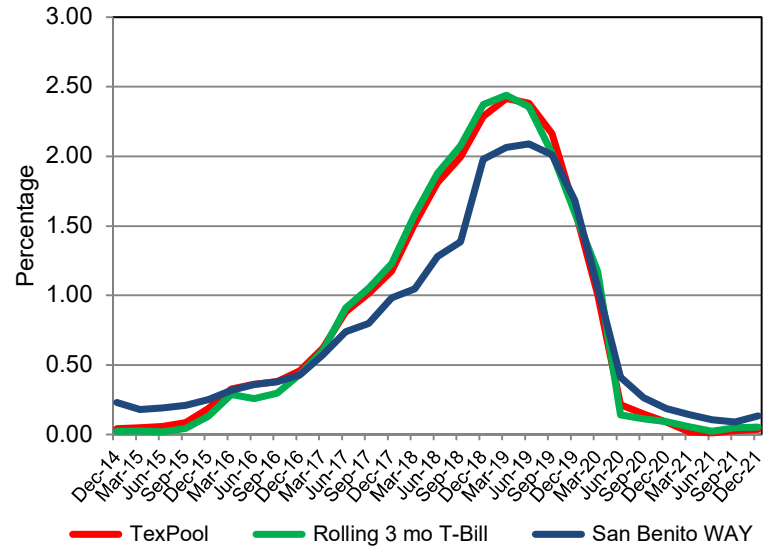
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/21	Increases	Decreases	Book Value 12/31/21	Market Value 09/30/21	Change in Market Value	Market Value 12/31/21
FCB Account	0.13%	01/01/22	\$ 1,031,621	\$ -	\$ (1,031,621)	\$ -	\$ 1,031,621	\$ (1,031,621)	\$ -
Texas Regional Bank DDA	0.13%	01/01/22	-	12,337,184	-	12,337,184	-	12,337,184	12,337,184
Southside Bank MMA	0.09%	01/01/22	2,740,637	601	-	2,741,237	2,740,637	601	2,741,237
Veritex Bank MMA	0.10%	01/01/22	6,044,722	1,482	-	6,046,204	6,044,722	1,482	6,046,204
Prosperity Bank MMA	0.15%	01/01/22	-	6,000,567	-	6,000,567	-	6,000,567	6,000,567
Texas Regional Bank MMA	0.13%	01/01/22	12,012,334	-	(4,971,969)	7,040,365	12,012,334	(4,971,969)	7,040,365
TexPool	0.04%	01/01/22	9,181,165	-	(7,471,552)	1,709,614	9,181,165	(7,471,552)	1,709,614
Texas Regional Bank CD	0.12%	12/04/21	7,712,702	-	(7,712,702)	-	7,712,702	(7,712,702)	-
Texas Regional Bank CD	0.35%	02/12/22	1,405,731	2,481	-	1,408,212	1,405,731	2,481	1,408,212
Texas Regional Bank CD	0.18%	06/04/22	1,502,702	677	-	1,503,378	1,502,702	677	1,503,378
East West Bank CD	0.15%	06/08/22	-	7,000,690	-	7,000,690	-	7,000,690	7,000,690
TOTAL / AVERAGE	0.13%		\$ 41,631,614	\$ 25,343,683	\$ (21,187,844)	\$ 45,787,452	\$ 41,631,614	\$ 4,155,839	\$ 45,787,452

**Fund Allocation
Book & Market Value
December 31, 2021**

	Fund Total	FCB Account	Southside Bank MMA	Veritex Bank MMA	Prosperity Bank MMA	Texas Regional Bank DDA	Texas Regional Bank MMA	TexPool	East West Bank CDs	Texas Regional Bank CDs
Consolidated/General	\$ 16,761,190	\$ -	\$ -	\$ 4,479,090	\$ 5,000,473	\$ 5,778,250	\$ -	\$ -	\$ -	\$ 1,503,378
Escrow	266,090	-	-	-	-	-	-	266,090	-	-
Utilites Cons./W & S	4,389,820	-	-	-	1,000,095	3,389,725	-	-	-	-
Payroll	586,324	-	-	-	-	85,576	500,747	-	-	-
Water (Greenbank)	1,567,114	-	-	1,567,114	-	-	-	-	-	-
Water Treatment Plant	1,426,307	-	925,561	-	-	-	500,746	-	-	-
W&S O & M Reserve	469,596	-	411,522	-	-	-	-	58,074	-	-
W&S R & R Reserve	266,359	-	237,075	-	-	-	-	29,284	-	-
W & S Debt Service Reserve	447,307	-	384,392	-	-	-	-	62,915	-	-
W & S Reserve Capital Imp	213,212	-	-	-	-	-	-	213,212	-	-
CO 2007 EDC Projects	958,839	-	-	-	-	-	-	958,839	-	-
CO Series 2011	782,687	-	782,687	-	-	-	-	-	-	-
CO Series 2012	121,200	-	-	-	-	-	-	121,200	-	-
CO Series 2019	1,001,502	-	-	-	-	-	1,001,502	-	-	-
CO Series 2020	7,000,690	-	-	-	-	-	-	-	7,000,690	-
Cons. Cash Grant CO	998,414	-	-	-	-	998,414	-	-	-	-
Veterans Memorial	44,231	-	-	-	-	44,231	-	-	-	-
Resaca Trails	1,423	-	-	-	-	1,423	-	-	-	-
Hotel/Motel Tax	601,461	-	-	-	-	100,714	500,746	-	-	-
Community Dev. Block Grant	251	-	-	-	-	251	-	-	-	-
DSRIP UTHSCSA	60,894	-	-	-	-	60,894	-	-	-	-
Police	1,312	-	-	-	-	1,312	-	-	-	-
Forfeiture Seizure Federal	55,569	-	-	-	-	55,569	-	-	-	-
Special Investigations Ckg	108,829	-	-	-	-	108,829	-	-	-	-
Special investigation Svgs	65,189	-	-	-	-	65,189	-	-	-	-
Fire Relief & Retirement Plan	53,847	-	-	-	-	53,847	-	-	-	-
Border Security	16,093	-	-	-	-	16,093	-	-	-	-
Emergency Management Funds	184,454	-	-	-	-	184,454	-	-	-	-
Coronavirus Funds	999,794	-	-	-	-	999,794	-	-	-	-
TIRZ	1,800,831	-	-	-	-	392,618	-	-	-	1,408,212
ARPA Grant	4,536,623	-	-	-	-	-	4,536,623	-	-	-
TOTAL	\$ 45,787,452	\$ -	\$ 2,741,237	\$ 6,046,204	\$ 6,000,567	\$ 12,337,184	\$ 7,040,365	\$ 1,709,614	\$ 7,000,690	\$ 2,911,591

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

	Fund Total	FCB Account	Southside Bank MMA	Veritex Bank MMA	Texas Regional Bank MMA	TexPool	Texas Regional Bank CDs
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	—	—
TOTAL	\$ 41,631,614	\$ 1,031,621	\$ 2,740,637	\$ 6,044,722	\$ 12,012,334	\$ 9,181,165	\$ 10,621,135