

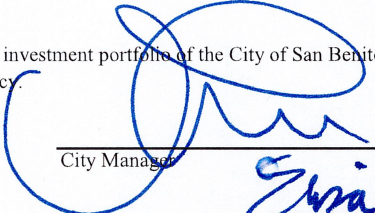


INVESTMENT REPORT

For the Period Ended
September 30, 2022

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

Elva Rosas 10/28/22

Finance Director

Stephanie Sanionandra 10/28/2022

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, 2021			September 30, 2022		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Bank Account	0.13%	\$ 1,031,621	\$ 1,031,621	1.84%	\$ 8,777,460	\$ 8,777,460
MMA/LGIPs	0.06%	29,978,858	29,978,858	1.28%	26,642,843	26,642,843
CDs/Securities	0.16%	10,621,135	10,621,135	1.32%	10,450,283	10,450,283
Totals		\$ 41,631,614	\$ 41,631,614		\$ 45,870,587	\$ 45,870,587
Fourth Quarter-End Yield	0.09%			1.40%		

Average Quarter-End Yields (1):

	2021 Fiscal Year	2022 Fiscal Year
San Benito-City	0.13%	0.79%
Rolling Three Month Treasury	0.06%	1.06%
Rolling Six Month Treasury	0.08%	1.01%
TexPool	0.04%	0.90%
Fiscal YTD Interest Earnings	\$ 50,264 (Approximate)	\$ 247,435 (Approximate)

(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, 2022		September 30, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Bank Account	\$ 7,869,397	\$ 7,869,397	\$ 8,777,460	\$ 8,777,460	1.84%
MMA/LGIPs	23,530,945	23,530,945	26,642,843	26,642,843	1.28%
CDs/Securities	10,415,754	10,415,754	10,450,283	10,450,283	1.32%
Totals	\$ 41,816,097	\$ 41,816,097	\$ 45,870,587	\$ 45,870,587	1.40%

Average Yield Current Quarter (1):

Total Portfolio	1.40%
Rolling Three Month Treasury	2.76%
Rolling Six Month Treasury	2.46%
TexPool	2.41%

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

Total Portfolio	0.79%
Rolling Three Month Treasury	1.06%
Rolling Six Month Treasury	1.01%
TexPool	0.90%

Interest Income (Approximate)

Quarterly Interest Income	\$ 160,084
YTD Interest Income	\$ 247,435

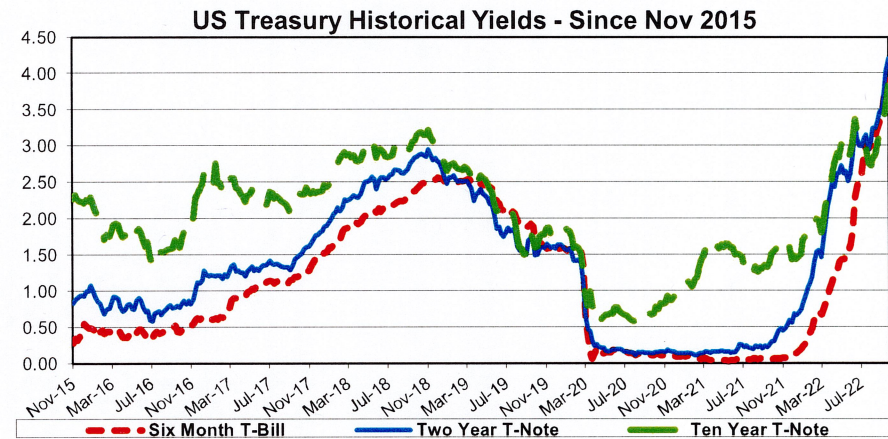
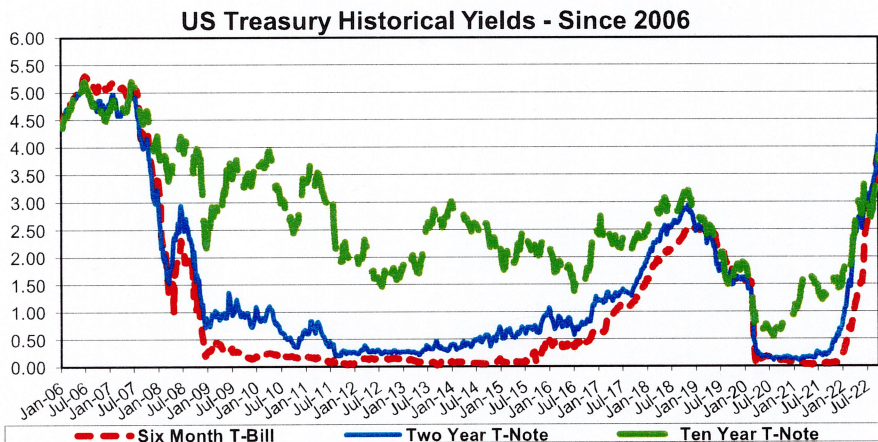
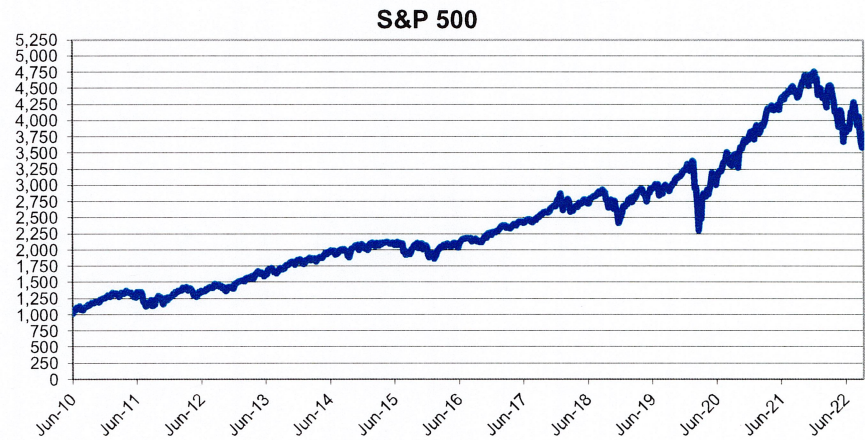
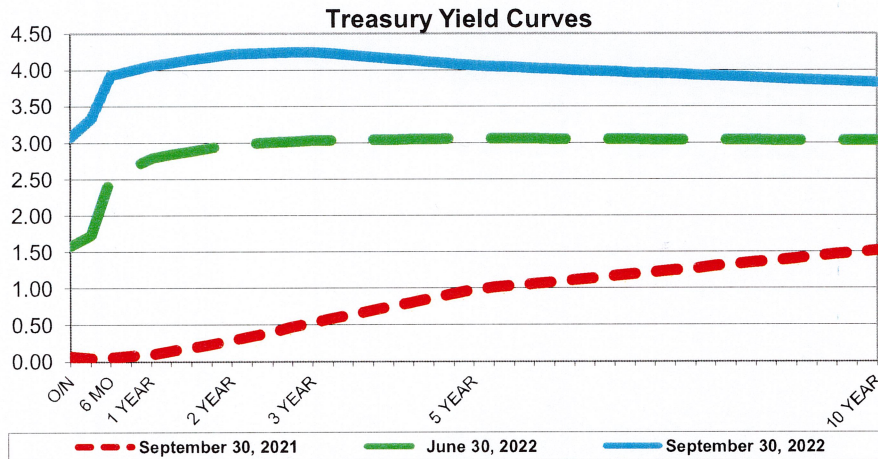
(1) **Average Yield Current Quarter** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(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

9/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 3.00% - 3.25% September 21st (Effective Fed Funds are trading +/-3.10%). The FOMC continued actively reducing their balance sheet. An additional 0.50% - 0.75% increase is currently anticipated November 2nd. Second Quarter GDP was confirmed at -0.6%. Domestic and international economies are slowing. September Non-Farm Payroll added 263k new jobs with a Three Month Average of 372k. Crude oil fell below \$80 per barrel, but OPEC+ announced a target production reduction of 2 million barrels/day. The Stock Markets continued bouncing down and are +/-20% below the 2021 peak. The negatively sloped yield curve (6 months to 10 years, with peak yield at 3 years) may indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-4.9% and CPI exceeding 8%).



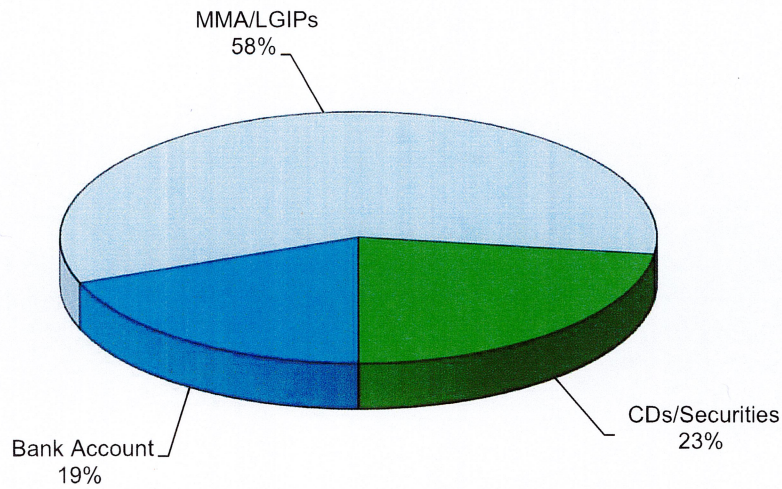
Investment Holdings
September 30, 2022

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Texas Regional Bank DDA		1.84%	10/01/22	09/30/22	\$ 8,777,460	\$ 8,777,460	1.00	\$ 8,777,460	1	1.84%
Southside Bank MMA		0.97%	10/01/22	09/30/22	2,760,420	2,760,420	1.00	2,760,420	1	0.97%
Veritex Bank MMA		1.45%	10/01/22	09/30/22	4,588,527	4,588,527	1.00	4,588,527	1	1.45%
Prosperity Bank MMA		2.00%	10/01/22	09/30/22	6,013,608	6,013,608	1.00	6,013,608	1	2.00%
Texas Regional Bank MMA		0.75%	10/01/22	09/30/22	11,596,812	11,596,812	1.00	11,596,812	1	0.75%
TexPool	AAAm	2.41%	10/01/22	09/30/22	1,683,476	1,683,476	1.00	1,683,476	1	2.41%
East West Bank CD		1.09%	02/17/23	02/17/22	3,926,527	3,926,527	100.00	3,926,527	140	1.09%
Veritex Bank CD		1.45%	06/06/23	06/08/22	1,505,482	1,505,482	100.00	1,505,482	249	1.46%
Veritex Bank CD		1.45%	06/06/23	06/09/22	5,018,274	5,018,274	100.00	5,018,274	249	1.46%
					\$ 45,870,587	\$ 45,870,587		\$ 45,870,587	48	1.40%
									(1)	(2)

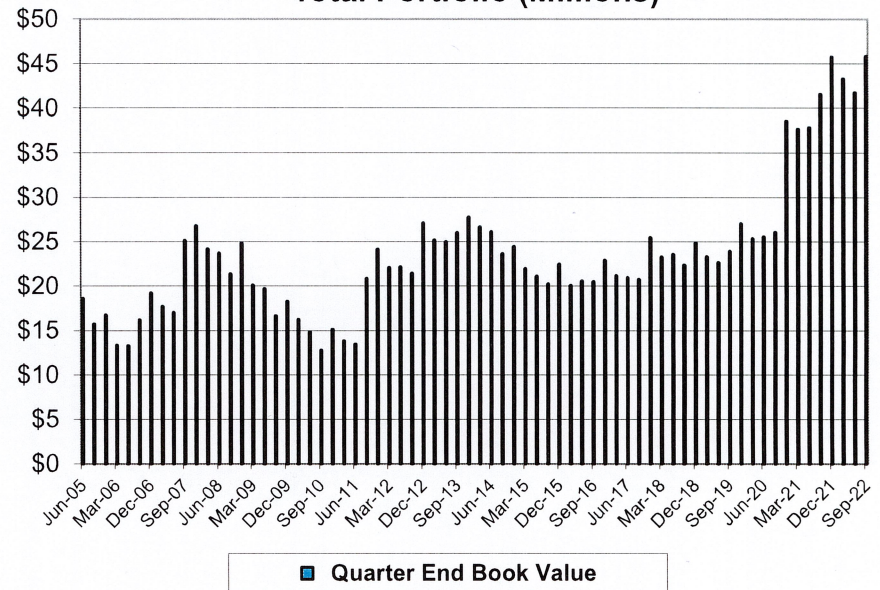
(1) **Weighted average life** - For purposes of calculating weighted average life, bank, pool and money market balances are assumed to have a one day maturity.

(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.

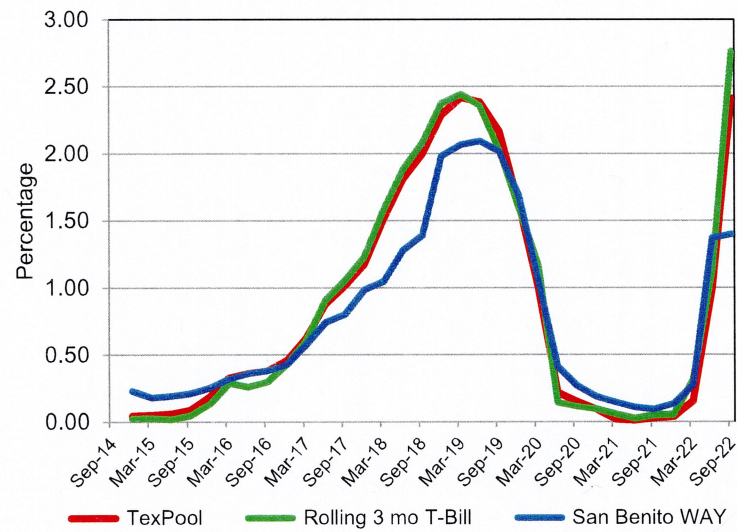
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/22	Increases	Decreases	Book Value 09/30/22	Market Value 06/30/22	Change in Market Value	Market Value 09/30/22
Texas Regional Bank DDA	1.84%	10/01/22	\$ 7,869,397	\$ 908,063	\$ -	\$ 8,777,460	\$ 7,869,397	\$ 908,063	\$ 8,777,460
Southside Bank MMA	0.97%	10/01/22	2,746,472	13,948	-	2,760,420	2,746,472	13,948	2,760,420
Veritex Bank MMA	1.45%	10/01/22	6,057,542	-	(1,469,015)	4,588,527	6,057,542	(1,469,015)	4,588,527
Prosperity Bank MMA	2.00%	10/01/22	6,005,542	8,066	-	6,013,608	6,005,542	8,066	6,013,608
Texas Regional Bank MMA	0.75%	10/01/22	7,046,489	4,550,323	-	11,596,812	7,046,489	4,550,323	11,596,812
TexPool	2.41%	10/01/22	1,674,901	8,575	-	1,683,476	1,674,901	8,575	1,683,476
East West Bank CD	1.09%	02/17/23	3,915,754	10,773	-	3,926,527	3,915,754	10,773	3,926,527
Veritex Bank CD	1.45%	06/06/23	1,500,000	5,482	-	1,505,482	1,500,000	5,482	1,505,482
Veritex Bank CD	1.45%	06/06/23	5,000,000	18,274	-	5,018,274	5,000,000	18,274	5,018,274
TOTAL / AVERAGE	1.40%		\$ 41,816,097	\$ 5,523,505	\$ (1,469,015)	\$ 45,870,587	\$ 41,816,097	\$ 4,054,490	\$ 45,870,587

**Fund Allocation
Book & Market Value
September 30, 2022**

	Fund Total	Southside Bank MMA	Veritex Bank MMA	Prosperity Bank MMA	Texas Regional Bank DDA	Texas Regional Bank MMA	TexPool	East West Bank CDs	Veritex Bank CDs
Consolidated/General	\$ 14,102,750	\$ -	\$ 3,010,041	\$ 5,011,340	\$ 2,058,883	\$ -	\$ -	\$ 2,517,005	\$ 1,505,482
Escrow	267,937	-	-	-	-	-	267,937	-	-
Utilites Cons./W & S	3,541,760	-	-	1,002,268	2,539,492	-	-	-	-
Payroll	998,347	-	-	-	496,103	502,243	-	-	-
Water (Greenbank)	1,578,486	-	1,578,486	-	-	-	-	-	-
Water Treatment Plant	1,434,282	932,038	-	-	-	502,244	-	-	-
W&S O & M Reserve	472,659	414,182	-	-	-	-	58,477	-	-
W&S R & R Reserve	268,095	238,607	-	-	-	-	29,488	-	-
W & S Debt Service Reserve	450,229	386,878	-	-	-	-	63,351	-	-
W & S Reserve Capital Imp	214,692	-	-	-	-	-	214,692	-	-
CO 2007 EDC Projects	927,488	-	-	-	-	-	927,488	-	-
CO Series 2011	788,716	788,716	-	-	-	-	-	-	-
CO Series 2012	122,042	-	-	-	-	-	122,042	-	-
CO Series 2019	1,004,497	-	-	-	-	1,004,497	-	-	-
CO Series 2020	5,018,274	-	-	-	-	-	-	-	5,018,274
Cons. Cash Grant CO	1,567,499	-	-	-	1,567,499	-	-	-	-
Veterans Memorial	44,837	-	-	-	44,837	-	-	-	-
Resaca Trails	1,436	-	-	-	1,436	-	-	-	-
Hotel/Motel Tax	646,012	-	-	-	143,768	502,243	-	-	-
Community Dev. Block Grant	26,164	-	-	-	26,164	-	-	-	-
DSRIP UTHSCSA	38,265	-	-	-	38,265	-	-	-	-
Police	2,725	-	-	-	2,725	-	-	-	-
Forfeiture Seizure Federal	29,926	-	-	-	29,926	-	-	-	-
Special Investigations Ckg	107,157	-	-	-	107,157	-	-	-	-
Special investigation Svgs	76,492	-	-	-	76,492	-	-	-	-
Fire Relief & Retirement Plan	63,240	-	-	-	63,240	-	-	-	-
Border Security	16,241	-	-	-	16,241	-	-	-	-
Emergency Management Funds	22,693	-	-	-	22,693	-	-	-	-
Coronavirus Funds	932,354	-	-	-	932,354	-	-	-	-
TIRZ	2,019,707	-	-	-	610,184	-	-	1,409,523	-
ARPA Grant	9,085,585	-	-	-	-	9,085,585	-	-	-
TOTAL	\$ 45,870,587	\$ 2,760,420	\$ 4,588,527	\$ 6,013,608	\$ 8,777,460	\$ 11,596,812	\$ 1,683,476	\$ 3,926,527	\$ 6,523,756

**Fund Allocation
Book & Market Value
June 30, 2022**

	Fund Total	Southside Bank MMA	Veritex Bank MMA	Prosperity Bank MMA	Texas Regional Bank DDA	Texas Regional Bank MMA	TexPool	East West Bank CDs	Veritex Bank CDs
Consolidated/General	\$ 14,983,525	\$ -	\$ 4,487,489	\$ 5,004,618	\$ 1,481,319	\$ -	\$ -	\$ 2,510,099	\$ 1,500,000
Escrow	266,573	-	-	-	-	-	266,573	-	-
Utilites Cons./W & S	2,787,460	-	-	1,000,924	1,786,537	-	-	-	-
Payroll	922,162	-	-	-	420,867	501,295	-	-	-
Water (Greenbank)	1,570,053	-	1,570,053	-	-	-	-	-	-
Water Treatment Plant	1,428,624	927,328	-	-	-	501,296	-	-	-
W&S O & M Reserve	470,427	412,248	-	-	-	-	58,179	-	-
W&S R & R Reserve	266,831	237,493	-	-	-	-	29,337	-	-
W & S Debt Service Reserve	448,099	385,071	-	-	-	-	63,029	-	-
W & S Reserve Capital Imp	213,598	-	-	-	-	-	213,598	-	-
CO 2007 EDC Projects	922,764	-	-	-	-	-	922,764	-	-
CO Series 2011	784,332	784,332	-	-	-	-	-	-	-
CO Series 2012	121,420	-	-	-	-	-	121,420	-	-
CO Series 2019	1,002,600	-	-	-	-	1,002,600	-	-	-
CO Series 2020	5,000,000	-	-	-	-	-	-	-	5,000,000
Cons. Cash Grant CO	2,027,501	-	-	-	2,027,501	-	-	-	-
Veterans Memorial	44,461	-	-	-	44,461	-	-	-	-
Resaca Trails	1,428	-	-	-	1,428	-	-	-	-
Hotel/Motel Tax	622,230	-	-	-	120,935	501,295	-	-	-
Community Dev. Block Grant	251	-	-	-	251	-	-	-	-
DSRIP UTHSCSA	35,174	-	-	-	35,174	-	-	-	-
Police	2,241	-	-	-	2,241	-	-	-	-
Forfeiture Seizure Federal	45,265	-	-	-	45,265	-	-	-	-
Special Investigations Ckg	107,352	-	-	-	107,352	-	-	-	-
Special investigation Svgs	76,492	-	-	-	76,492	-	-	-	-
Fire Relief & Retirement Plan	76,974	-	-	-	76,974	-	-	-	-
Border Security	16,140	-	-	-	16,140	-	-	-	-
Emergency Management Funds	26,221	-	-	-	26,221	-	-	-	-
Coronavirus Funds	993,818	-	-	-	993,818	-	-	-	-
TIRZ	2,012,077	-	-	-	606,421	-	-	1,405,655	-
ARPA Grant	4,540,003	-	-	-	-	4,540,003	-	-	-
TOTAL	\$ 41,816,097	\$ 2,746,472	\$ 6,057,542	\$ 6,005,542	\$ 7,869,397	\$ 7,046,489	\$ 1,674,901	\$ 3,915,754	\$ 6,500,000