



# **2021 Investment Highlights**

## **1st Quarter ending December 31, 2020**

*County Auditor's Office*

*Commissioners Court Meeting*

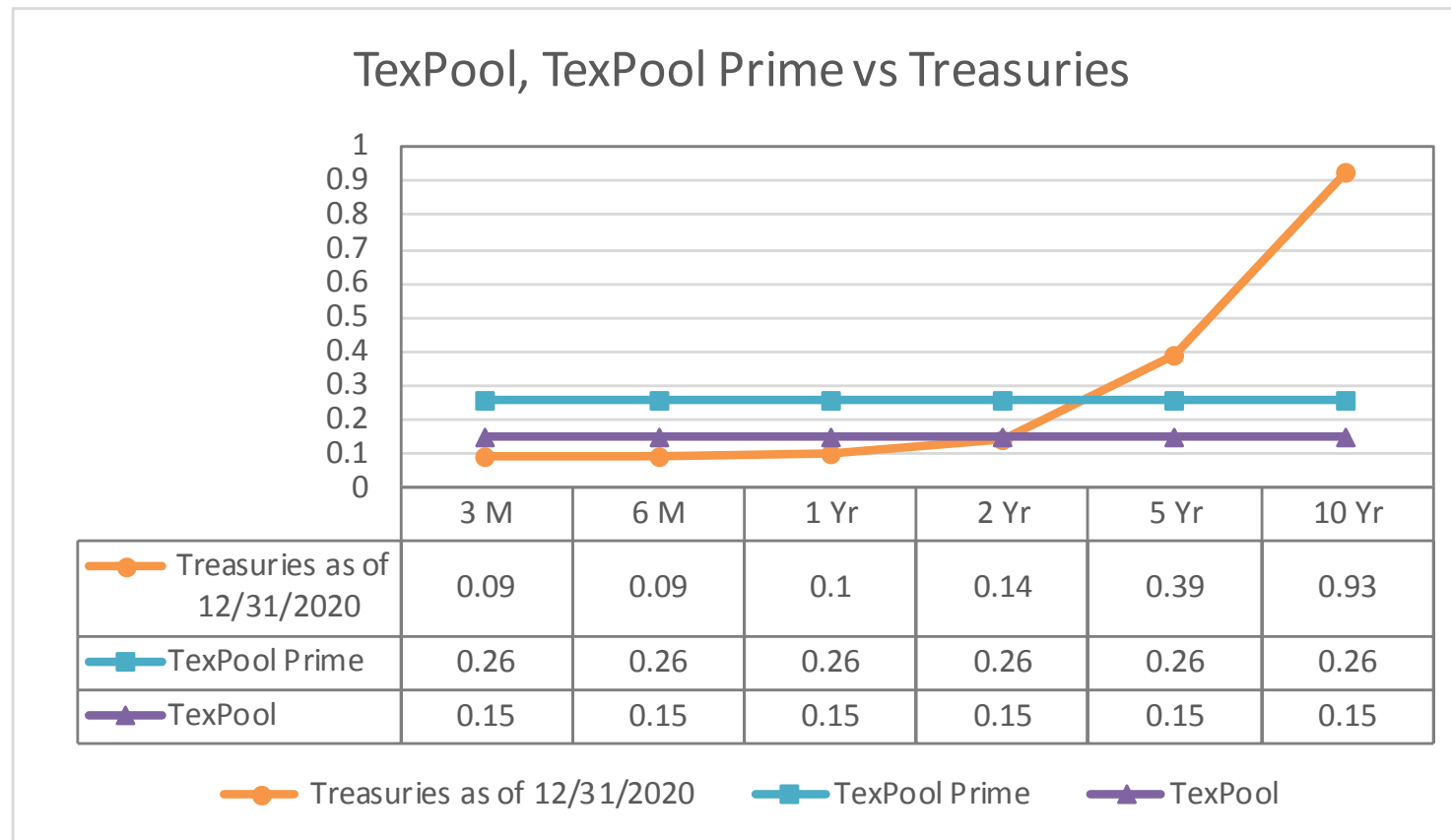
# *Quarterly Investment Update*

## Directly linked to the County Strategic Plan

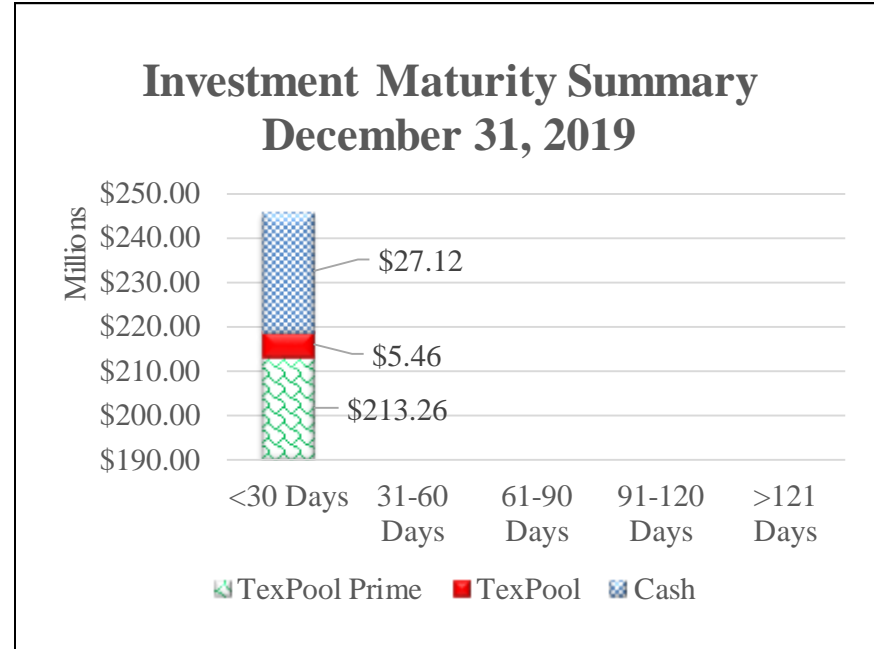
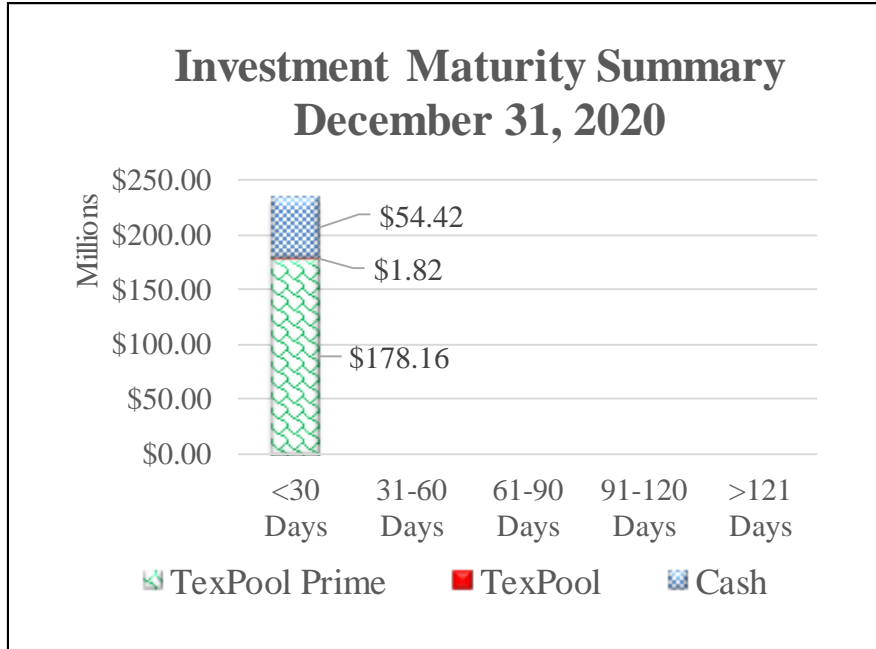
- Investment Goals:
  - Goal 1 - Investing funds on the principles of
    1. Safety
    2. Liquidity
    3. Diversification
  - Goal 2 - Return on Investment

# Quarterly Investment Update

## Rate Comparison



# Quarterly Investment Update



Although investments vehicles have remained the same for both years (cash, TexPool, and TexPool Prime) the percentages in each has changed. As of December 31, 2020, the percentages in cash, TexPool, and TexPool Prime were 23.22%, 0.78%, and 76.00%, respectively. The December 31, 2019, percentages in cash, TexPool, and TexPool Prime were 11.03%, 2.22% and 86.75%, respectively.

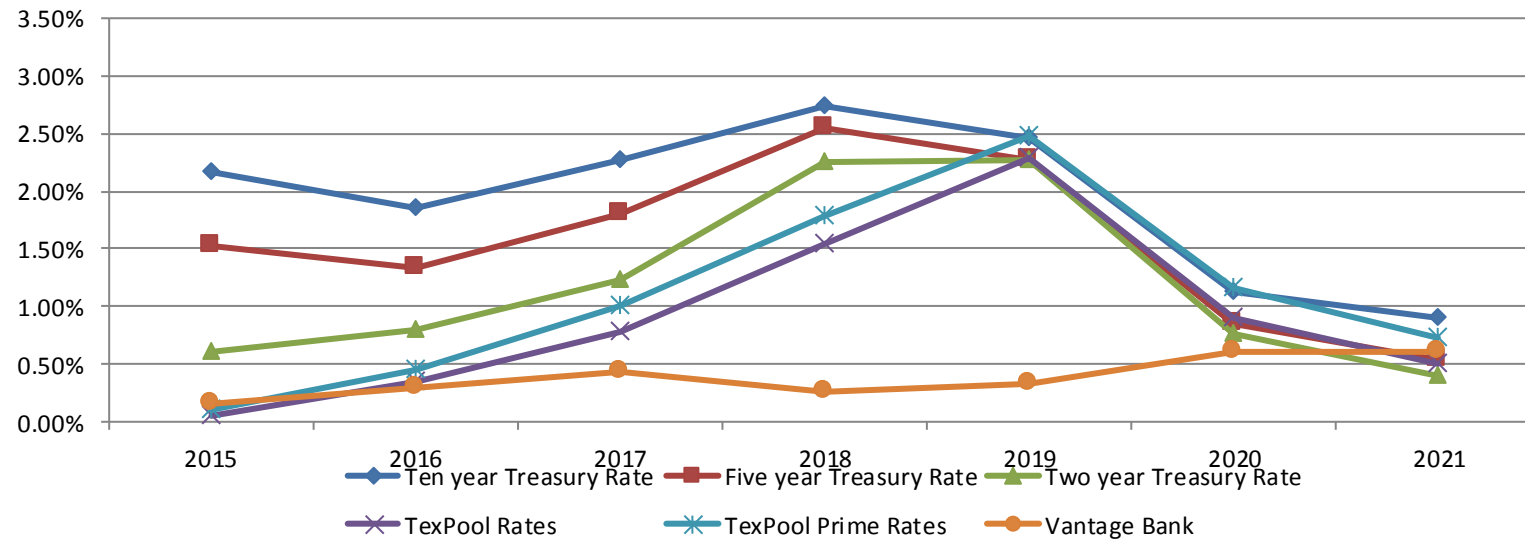
Total investments were \$234,399,465 for December 2020 compared to prior year of \$245,845,506, a decrease of (\$11,446,040).

The interest earned so far this year was \$170,736 compared to last year of \$750,173 a decrease of (\$579,437) or (77.24%), which is mainly due to the rapid decline in interest rate in late 2019 and 2020.

# Quarterly Investment Update

## Historical Market Environment

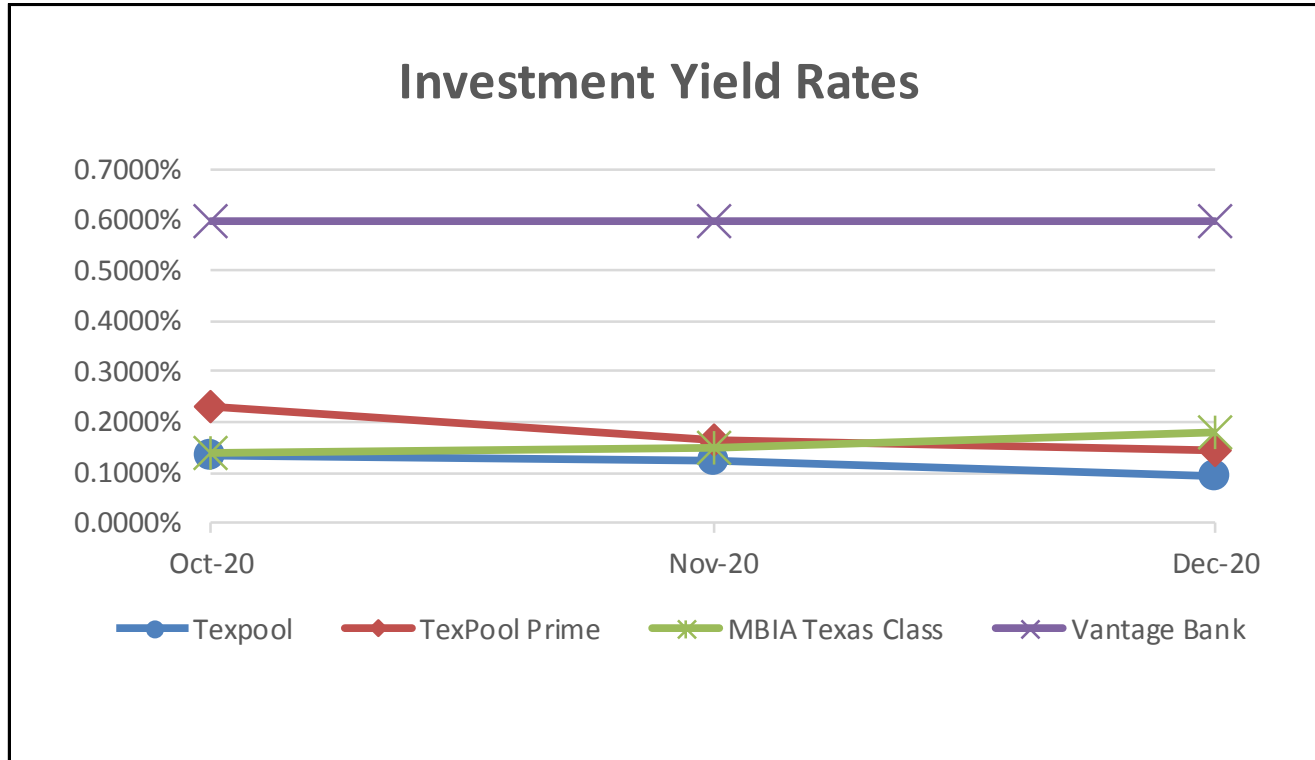
Key Interest Rates Averaged over a 12 month period



Key Interest Rates Averaged for the 12 Month period (averaged over five years)	
Ten Year Treasury	1.89%
Five Year Treasury	1.56%
Two Year Treasury	1.28%
TexPool	1.06%
TexPool Prime	1.27%
Vantage Bank	0.42%

The year began with the overnight Fed Funds target range at 0.00% to 0.25%. The expectation is the Federal Reserve will hold rates steady for all of 2021. COVID-19 has dramatically slowed economic growth and continues to effect the economy.

# Quarterly Investment Update



Yields for December 2020	
Texas Class (not currently invested in)	0.1771%
TexPool Prime	0.1431%
TexPool	0.0909%
Vantage Bank	0.6000%

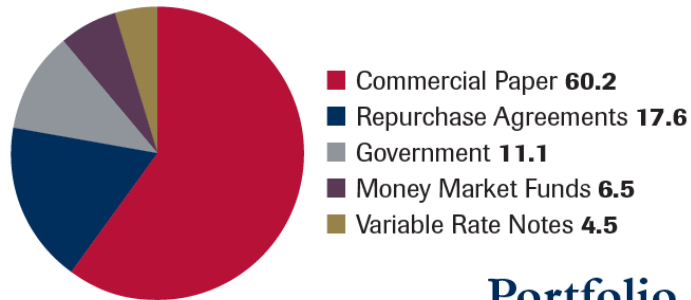
Above is a comparison of interest rates for the investment pools and Vantage Bank. The two highest yielding pools are TexPool Prime and Texas Class. Both contain Commercial Paper respectively consisting of approximately 60.2 and 78.14 percent of each pool’s investments.

# Quarterly Investment Update

## Prime Investment Pools

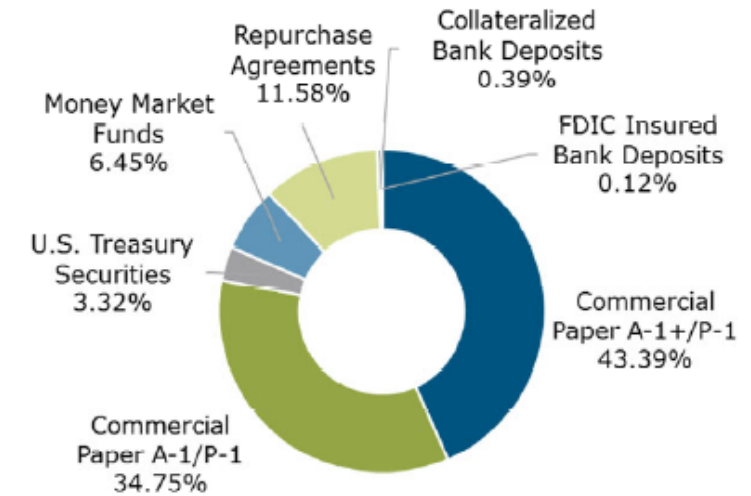
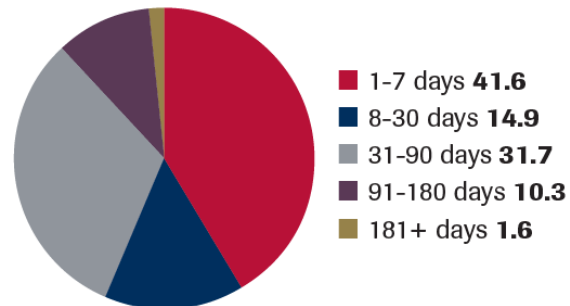
### Portfolio by Type of Investment (%)

As of December 31, 2020



### Portfolio by Maturity (%)

As of December 31, 2020



### Texas CLASS Portfolio Breakdown

Source: Texas Class Website – Portfolio Characteristics as of December 31, 2020

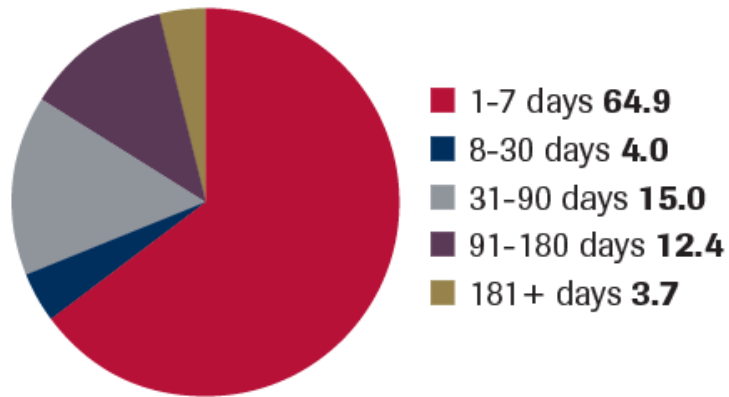
Source: TexPool January 2021 Monthly Newsletter

# Quarterly Investment Update

## TexPool

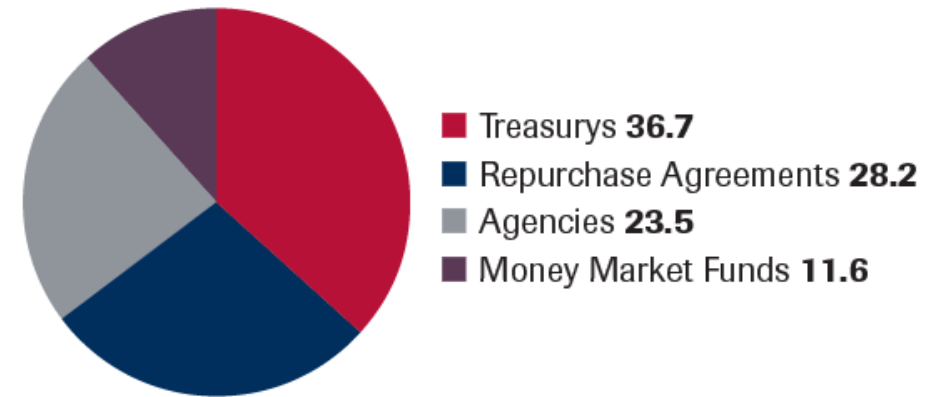
### Portfolio by Maturity (%)

As of December 31, 2020



### Portfolio by Type of Investment (%)

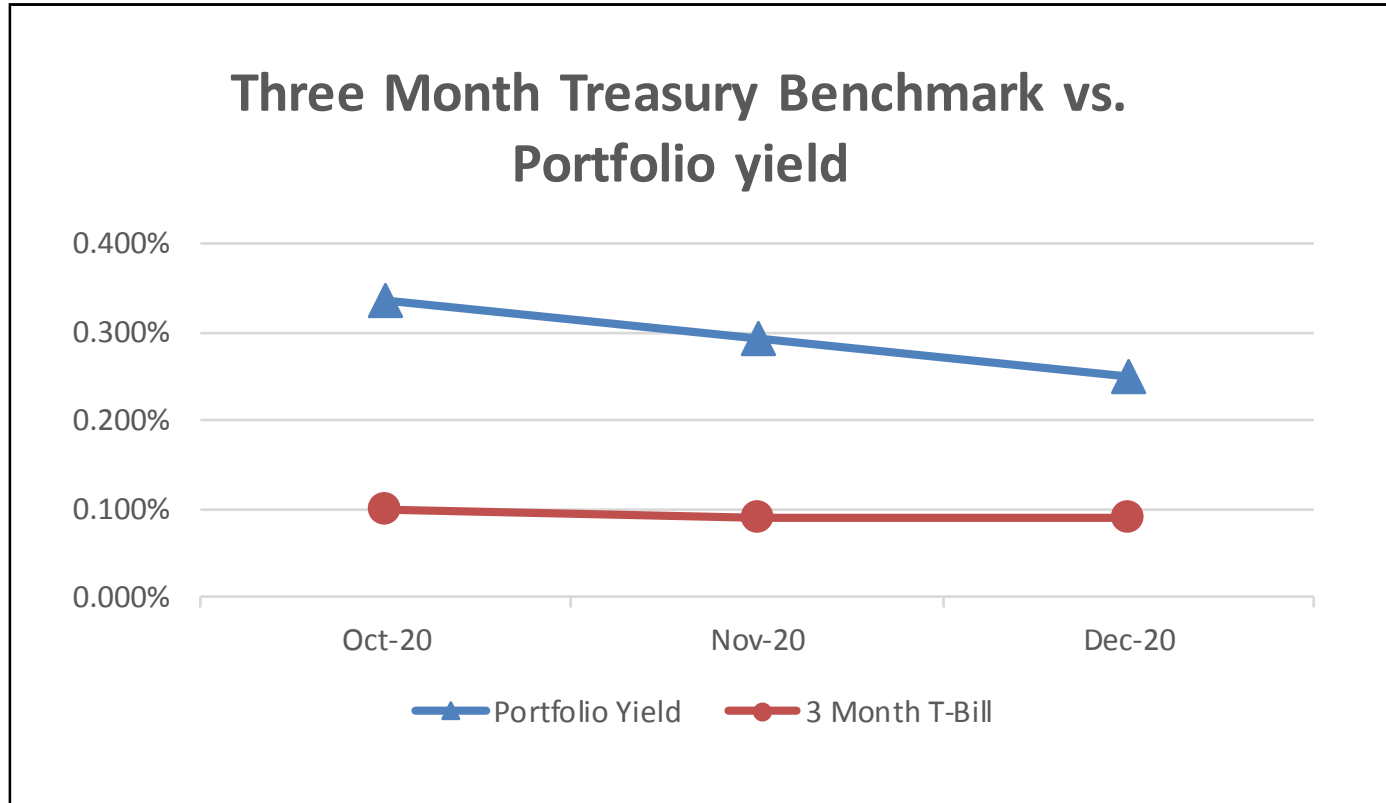
As of December 31, 2020



Source: TexPool January 1, 2021 Monthly Newsletter

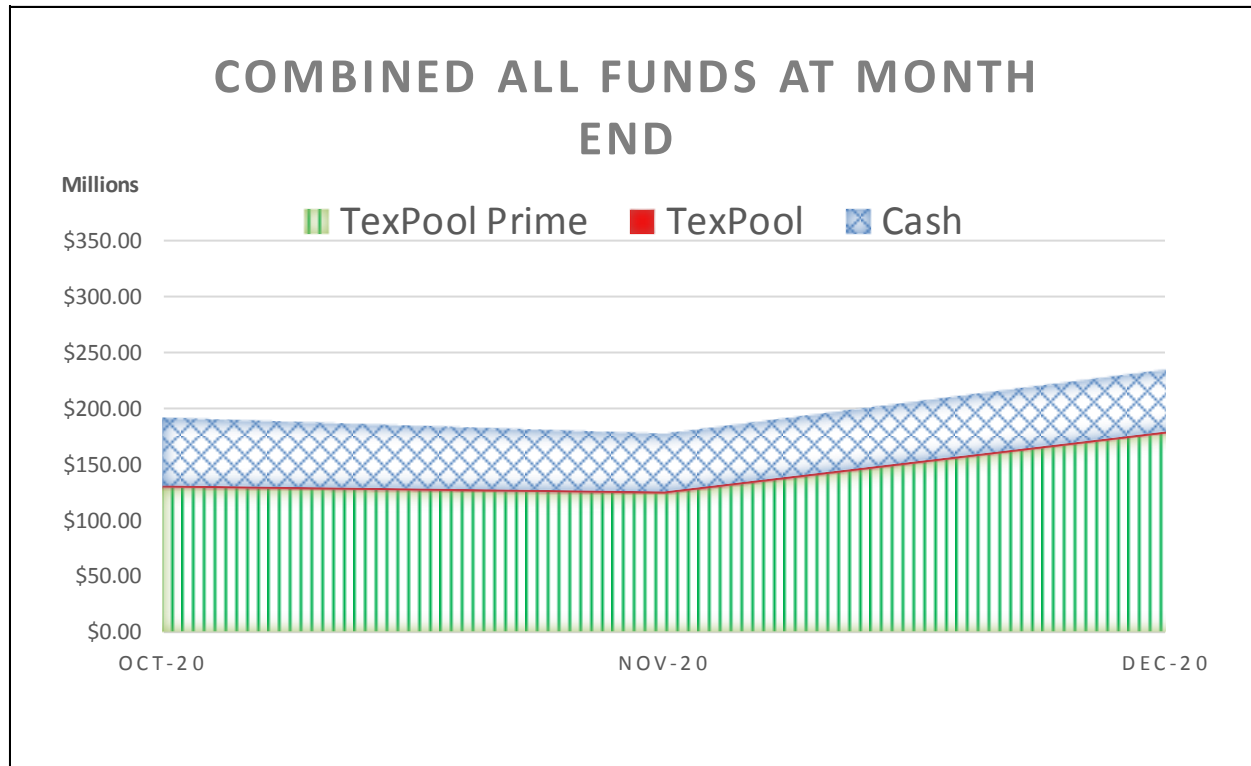


# Quarterly Investment Update



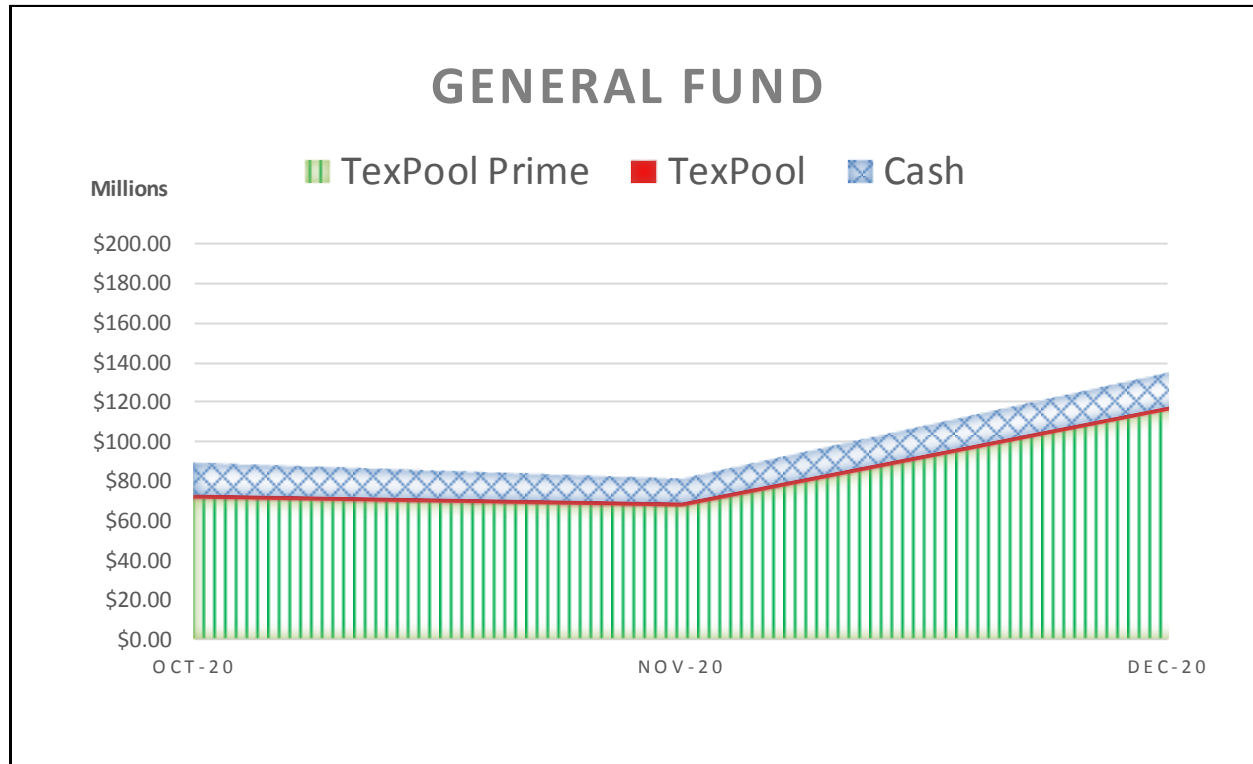
The County had an weighted average yield 0.249% as of December 31, 2020, to the 90-day treasury benchmark of 0.090% resulting the County being 15.88 basis points above the benchmark for the month.

# Quarterly Investment Update



The County's investable funds include the General Fund, Special Revenue Fund, Capital Projects, Internal Service, Enterprise Fund, Debt Service, and Agency Fund.

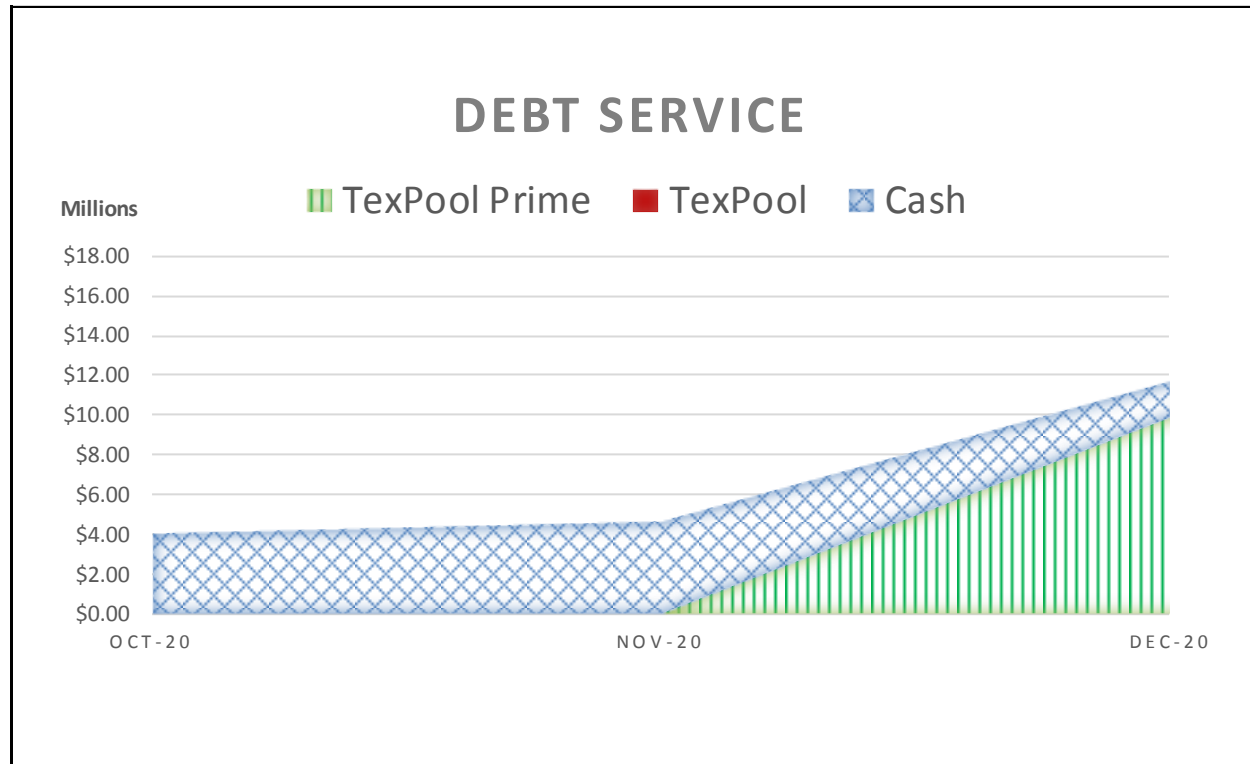
# Quarterly Investment Update



Date	Millions
October 31, 2020	\$89.0
November 30	\$81.7
December 31	\$134.8

- Investable funds reach their lowest point in mid-December and increase from late December through mid-February.
- After reaching its peak for investable funds in February the general fund declines throughout the year until it reaches the low point in mid-December.

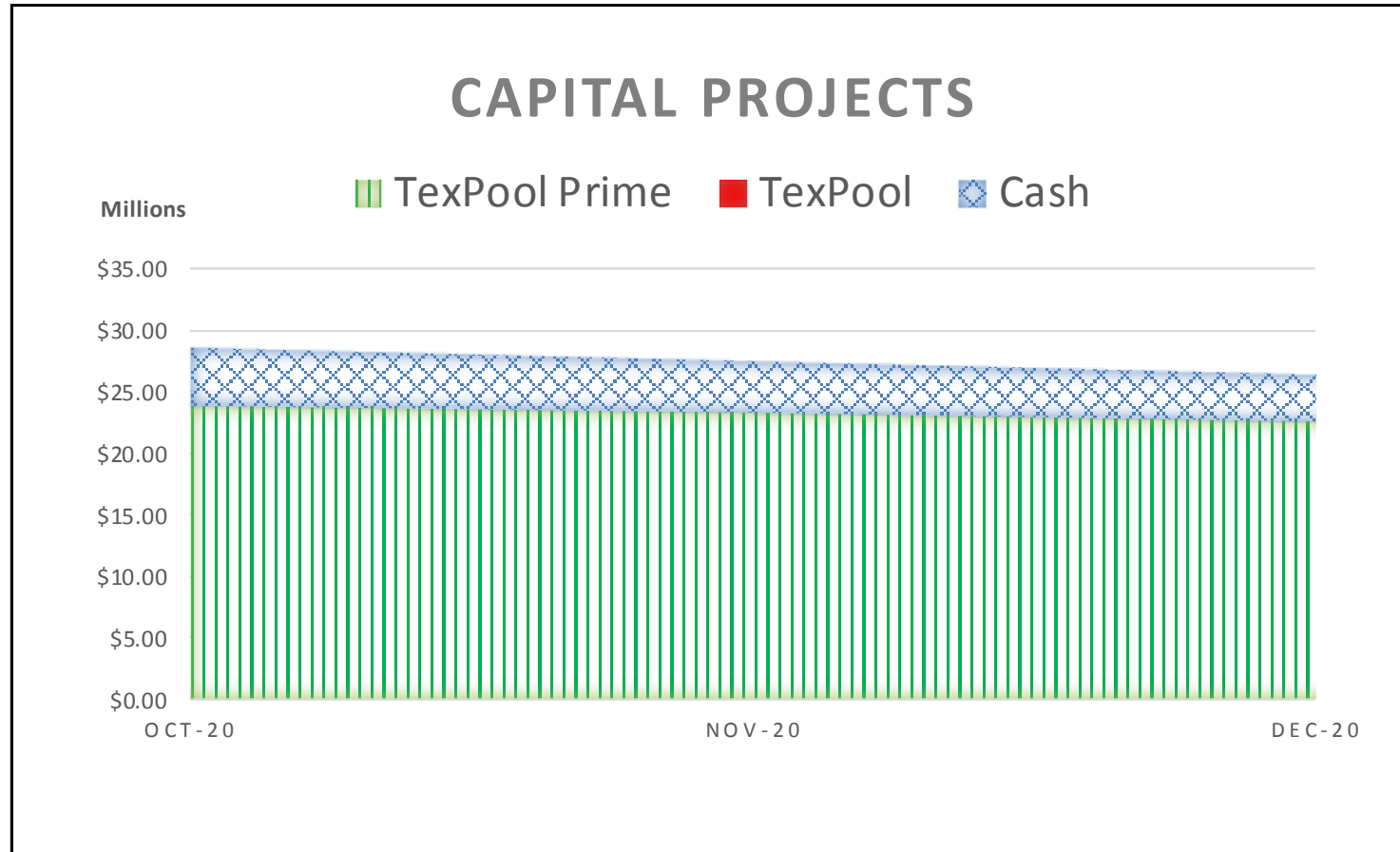
# Quarterly Investment Update



Date	Millions
October 31, 2020	\$4.0
November 30	\$4.6
December 31	\$11.7

- Debt Service follows the same cash inflow pattern as the General Fund.
- Disbursements occur in February, March, August, and September.
- The low point for the debt service fund is September 16<sup>th</sup> the day after our final interest payment for the fiscal year is made.

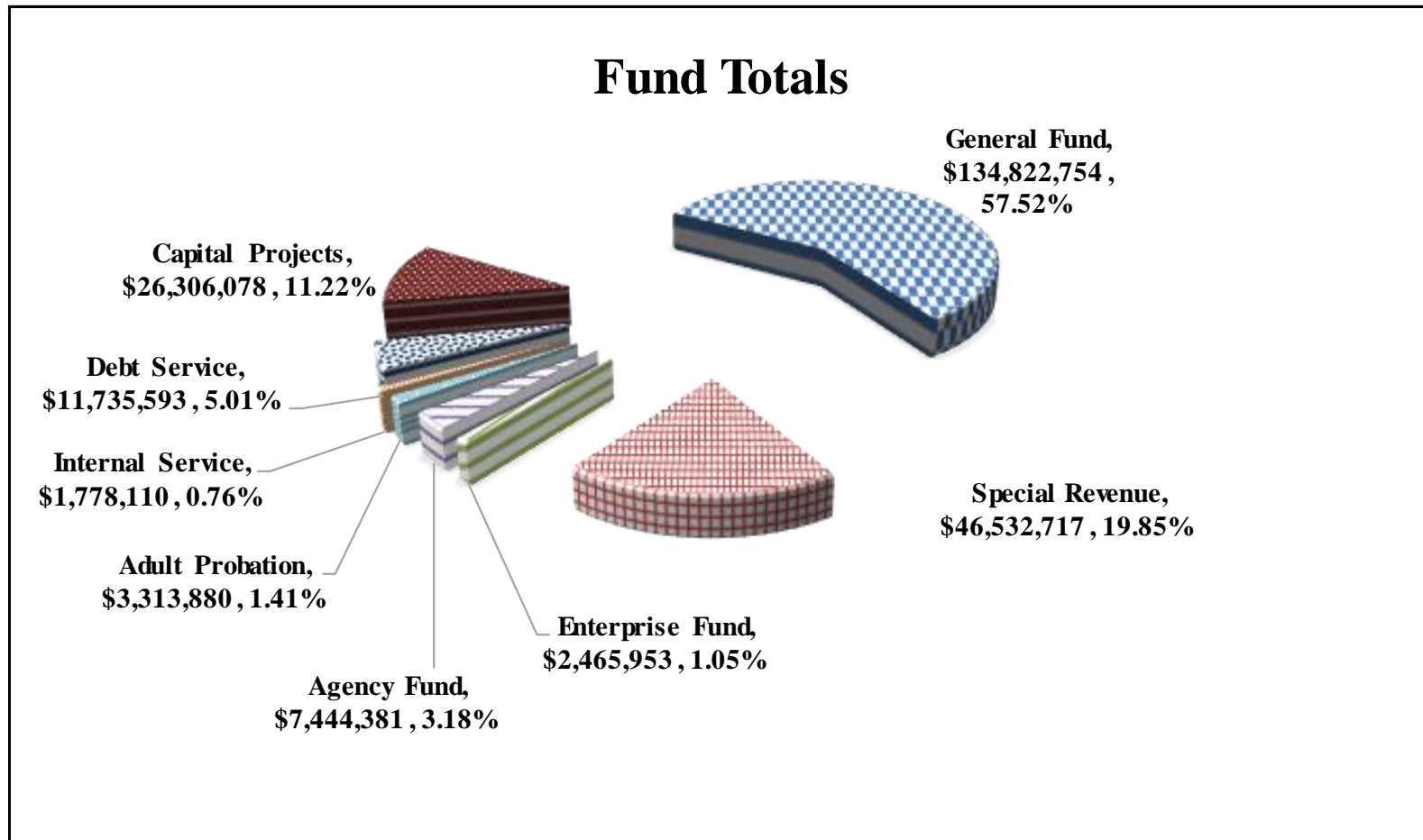
# Quarterly Investment Update



The primary funding sources for the Capital Projects Fund are bond proceeds and the two cents from the Maintenance and Operations portion of the Ad Valorem taxes which funds the Capital Improvement Fund.

# Quarterly Investment Update

## Investments by Fund Type as of December 31, 2020





# *Questions*

