



# 2020 Investment Highlights

1st Quarter ending December 31, 2019

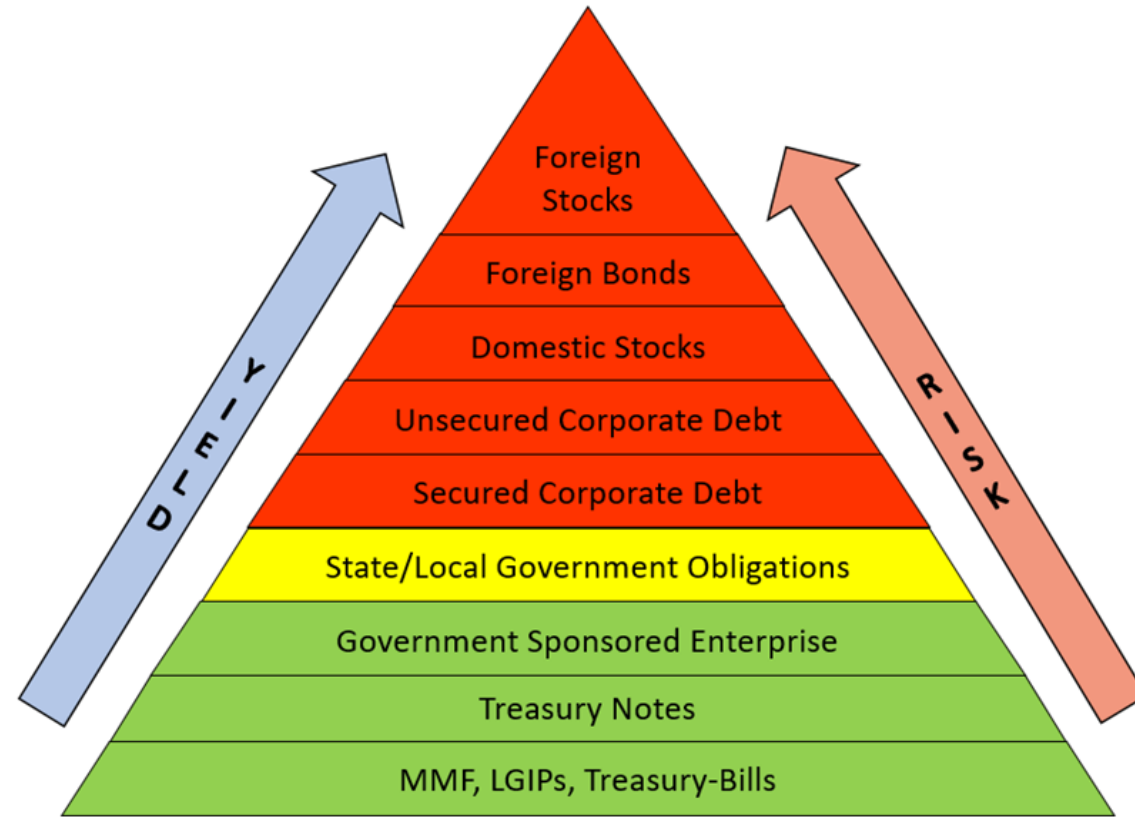





# Quarterly Investment Update

## 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

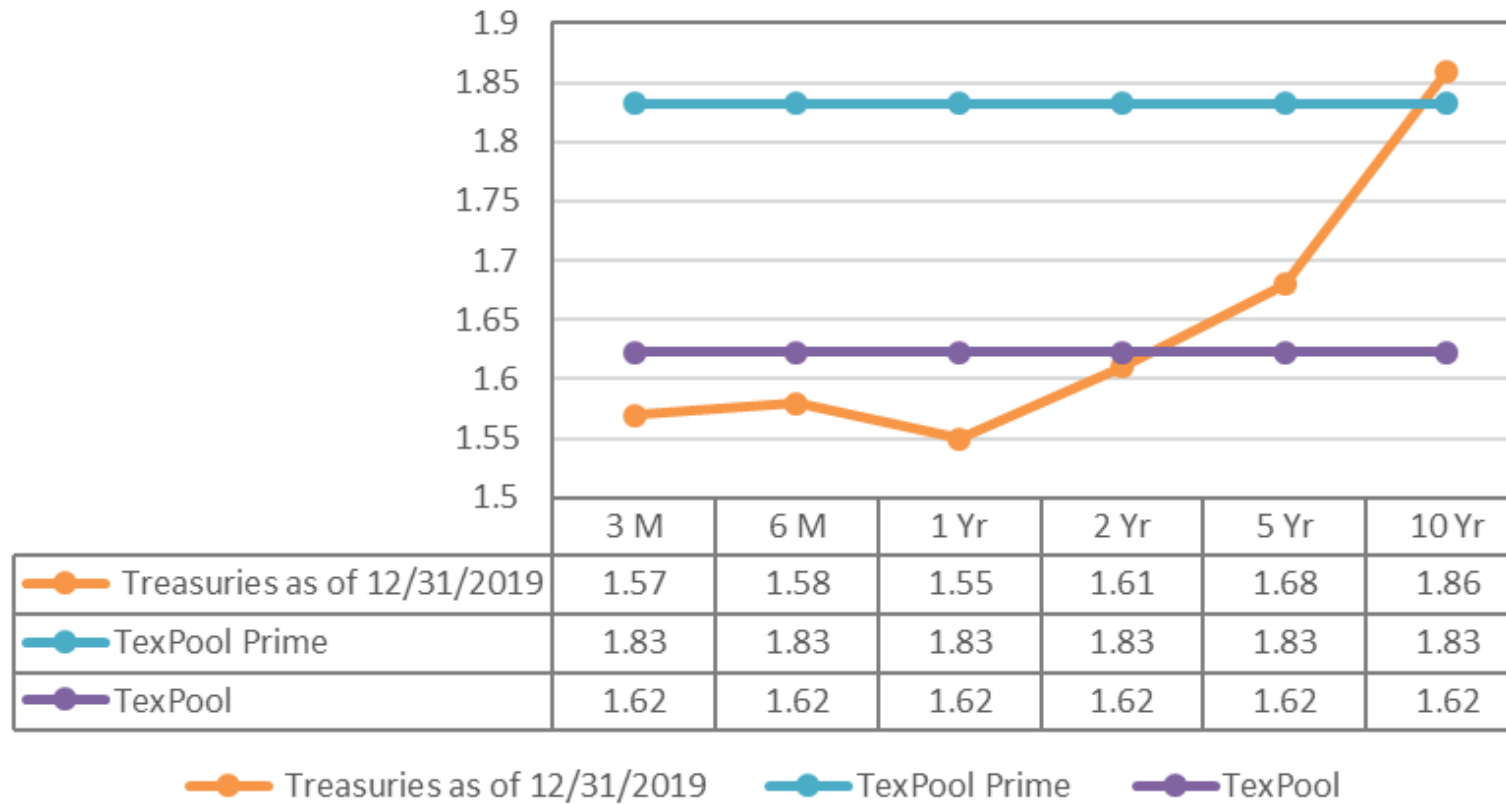
# Investment Risk



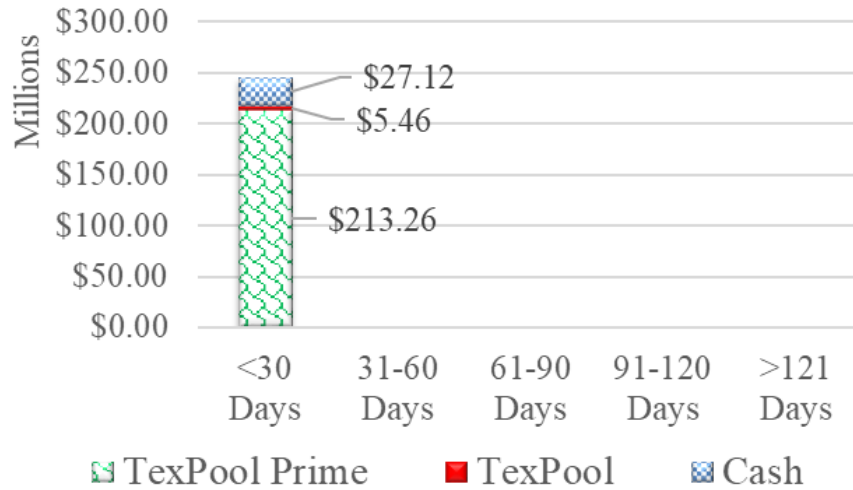
-  Not allowed by Investment policy, except commercial paper through investment pools
-  Restricted to State of Texas and local entities in Texas only, rated Aa or better
-  Allowed under Investment policy

# Rate Comparison

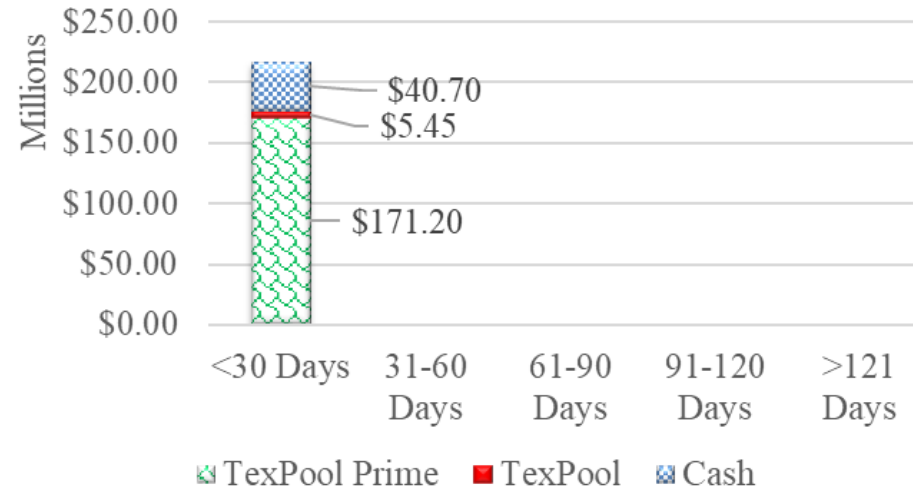
TexPool, TexPool Prime vs Treasuries



### Investment Maturity Summary December 31, 2019



### Investment Maturity Summary December 31, 2018



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, 2019, the percentages in cash, TexPool, and TexPool Prime were 11.03%, 2.22%, and 86.75%, respectively. The December 31, 2018, percentages in cash, TexPool, and TexPool Prime were 18.72%, 2.51% and 78.77%, respectively.

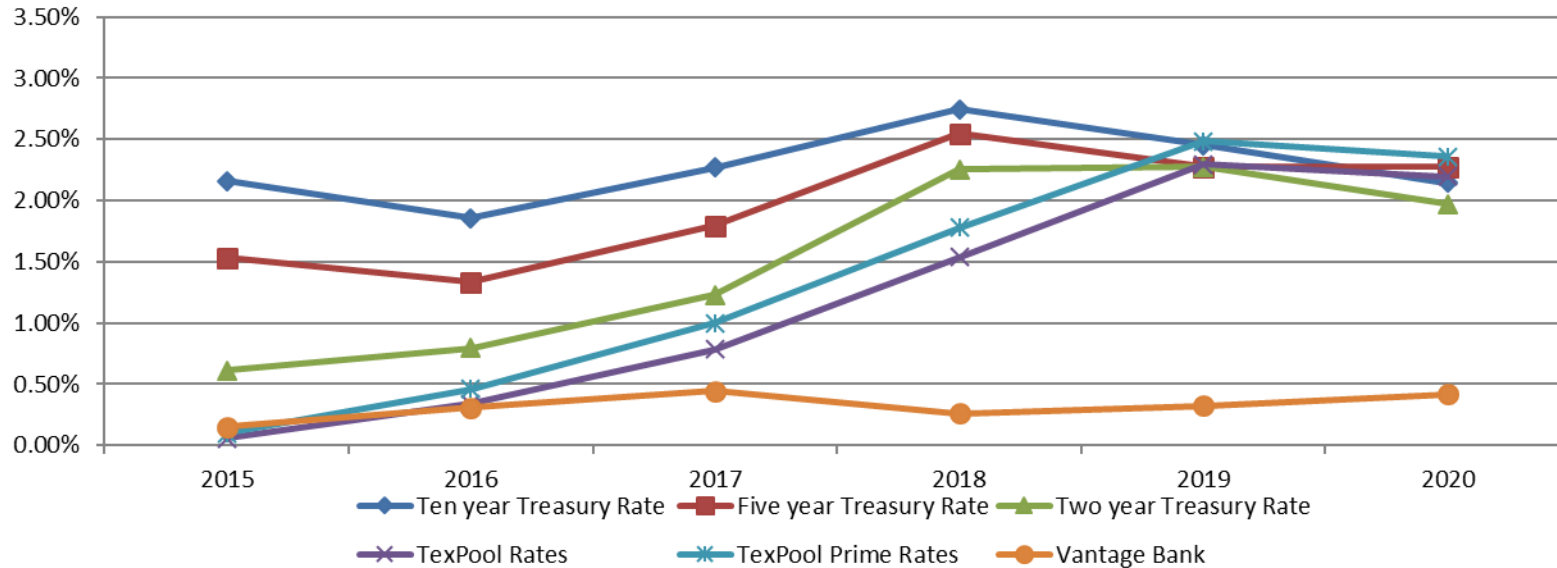
Total investments were \$245,845,506 for October 2019 compared to prior year of \$217,341,641, a increase of \$28,503,865 .

The interest earned so far this year was \$750,173 compared to last year of \$889,322 a decrease of \$139,149 or 15.65%.



# Historical Market Environment

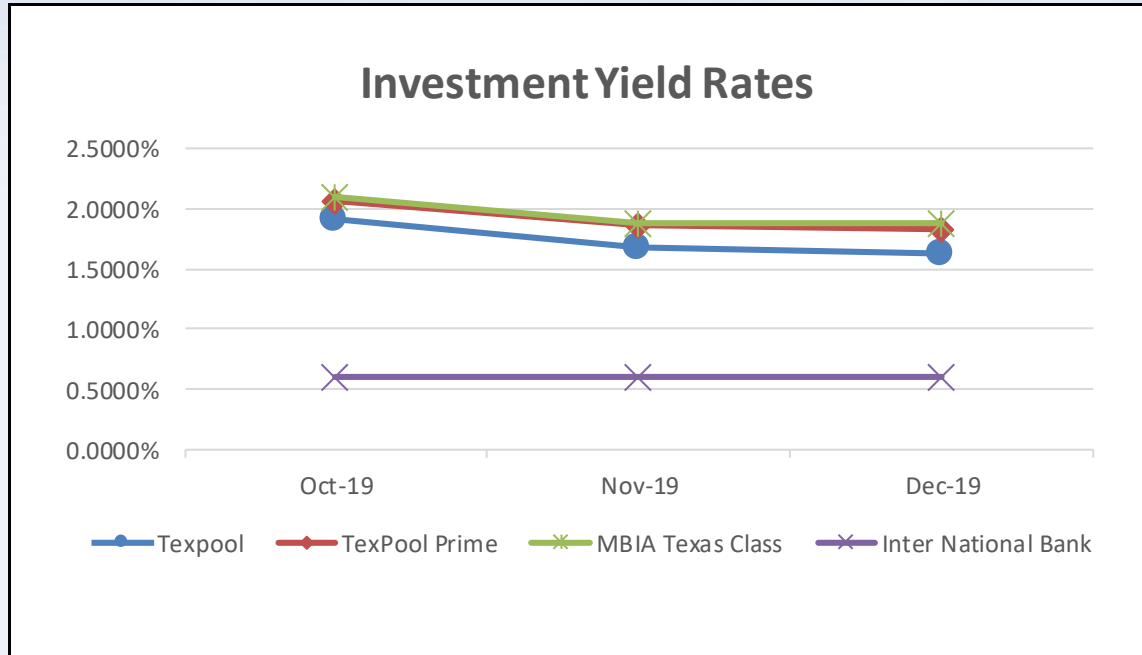
Key Interest Rates Averaged over a 12 month period



Key Interest Rates Averaged for the 12 Month period (averaged over five years)

Ten Year Treasury	2.27%
Five Year Treasury	1.96%
Two Year Treasury	1.52%
TexPool	1.20%
TexPool Prime	1.36%
Vantage Bank	0.32%

- On October 31, 2019, the Federal Open Markets Committee decreased the Fed Funds Rate range of 1.75-2.25 percent by 25 basis points to 1.50-1.75. This was the first decrease in interest rates for this fiscal year.



Yields for December 2019	
Texas Class (not currently invested in)	1.8808%
TexPool Prime	1.8321%
TexPool	1.6226%
Vantage Bank	0.6000%

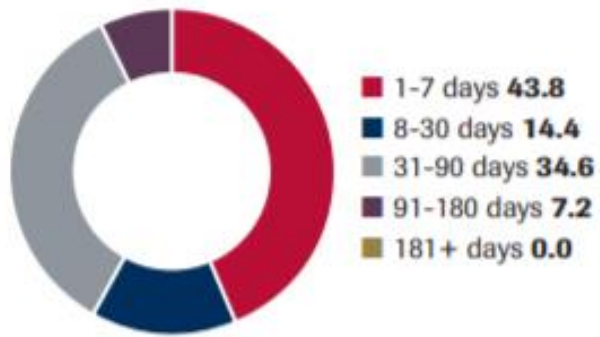
Above is a comparison of interest rates for the investment pools and Vantage Bank. The two highest yielding pools are TexPool Prime and Texas Class. TexPool Prime and Texas Class both contain Commercial Paper consisting of approximately 36.6 and 91.4 percent, respectively of the pools investments.

# Prime Investment Pools

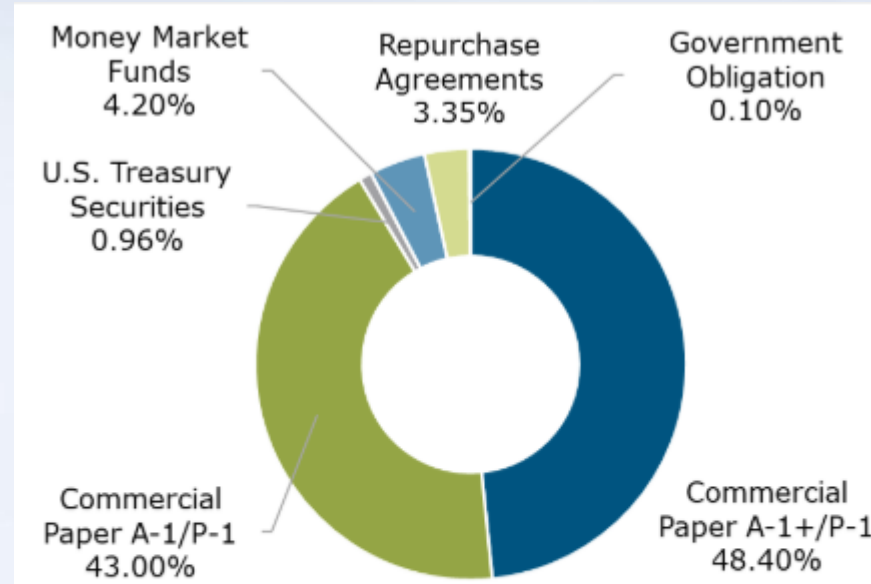
**Portfolio by Type of Investment (%)**  
As of December 31, 2019



**Portfolio by Maturity (%)**  
As of December 31, 2019



Source: TexPool January 2020 Monthly Newsletter



## Texas CLASS Portfolio Breakdown

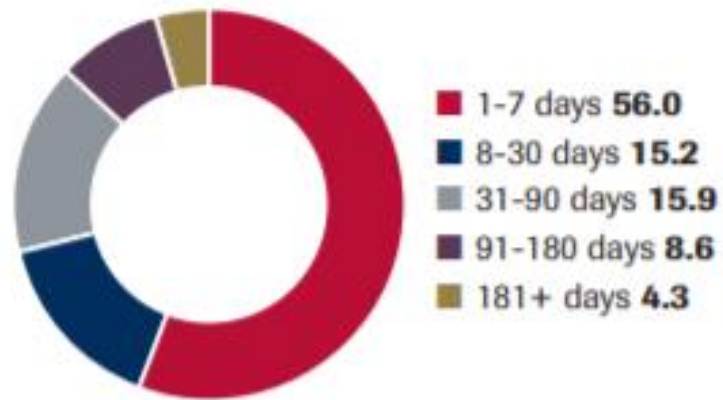
Source: Texas Class Website – Portfolio Characteristics as of December 31, 2019



# TexPool

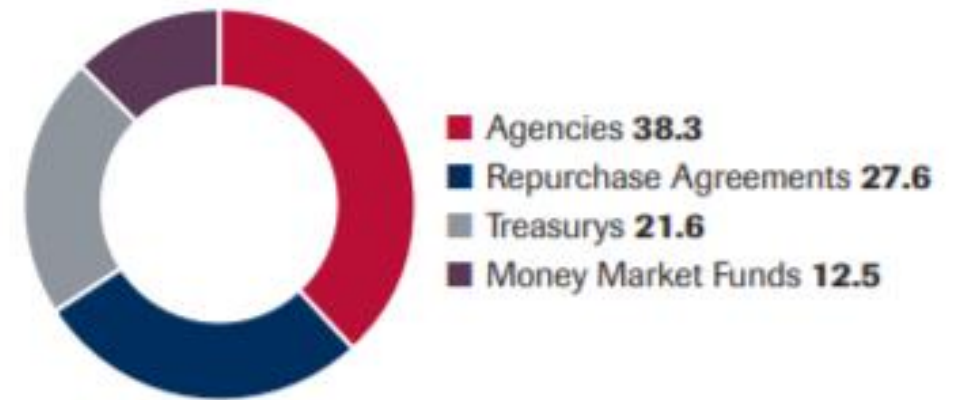
## Portfolio by Maturity (%)

*As of December 31, 2019*



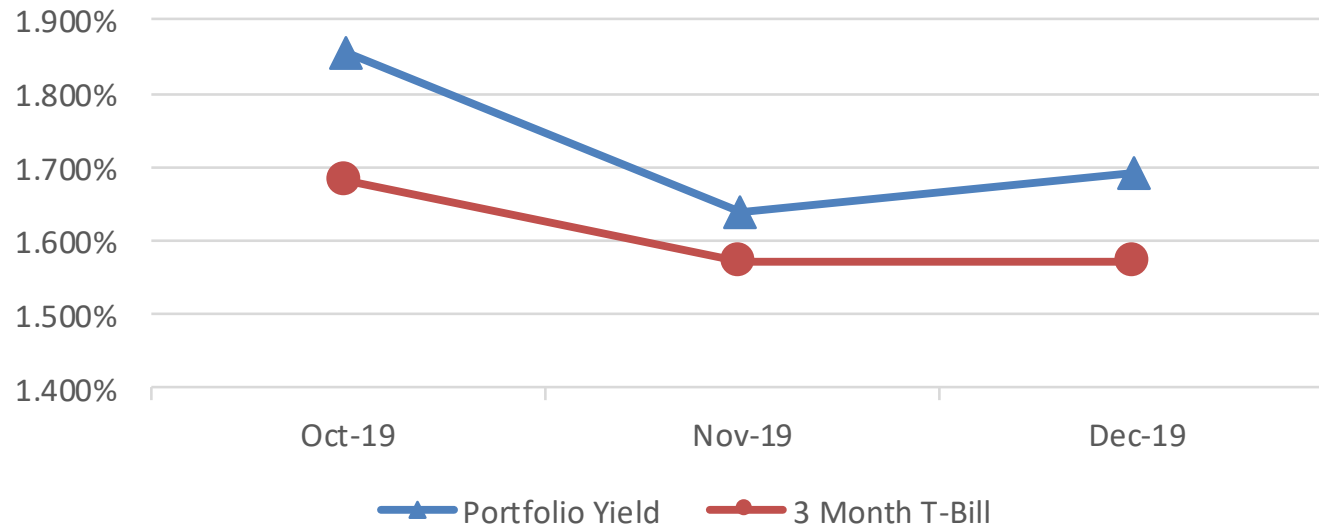
## Portfolio by Type of Investment (%)

*As of December 31, 2019*

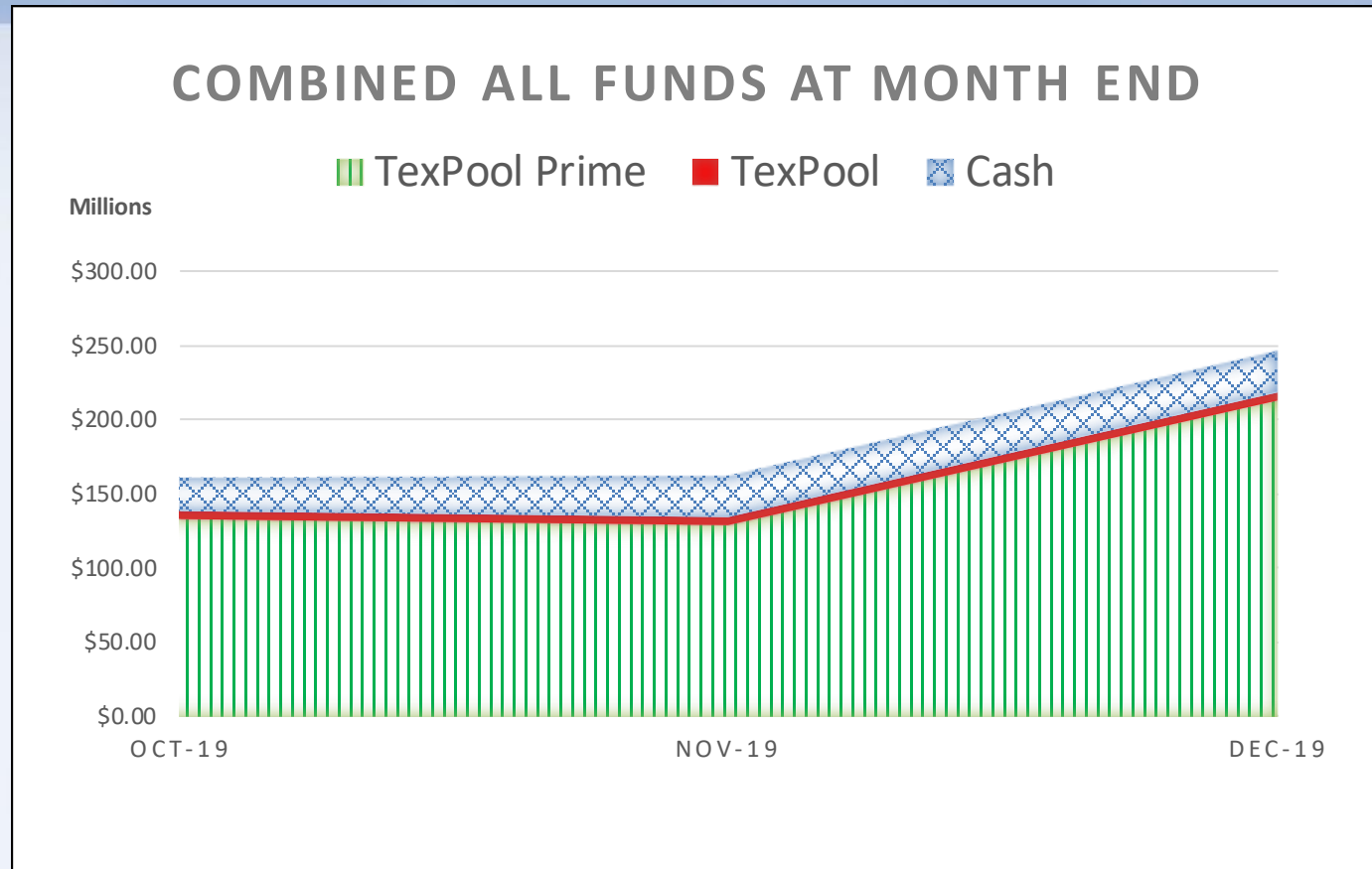


Source: TexPool December 2019 Monthly Newsletter

### Three Month Treasury Benchmark vs. Portfolio yield

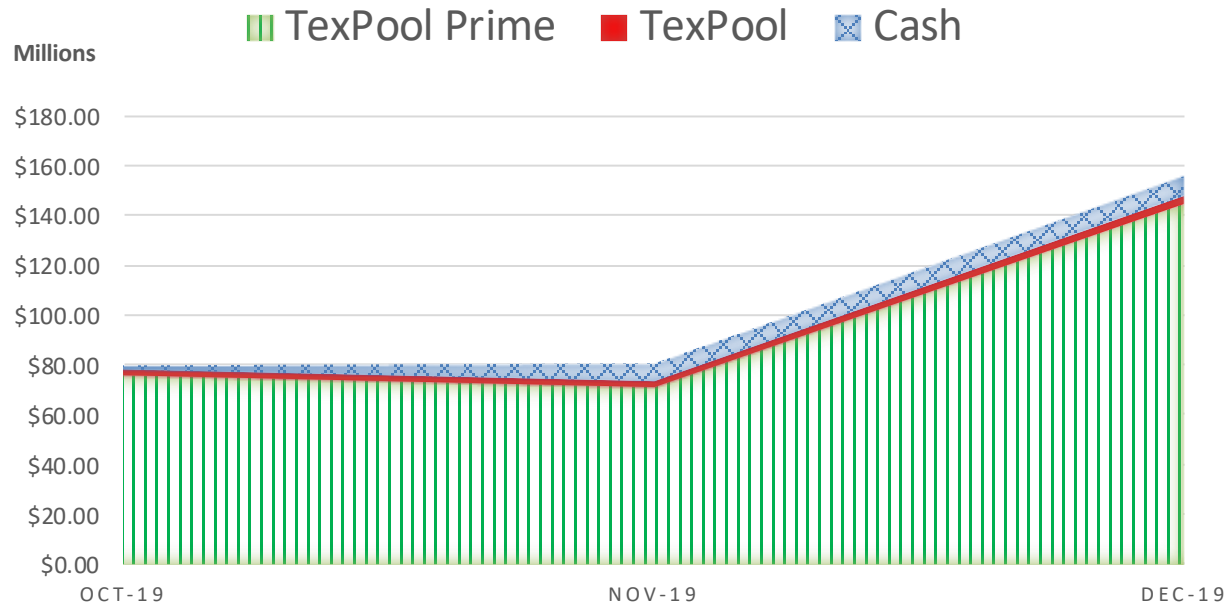


The County had an weighted average yield 1.692% as of December 31, 2019, to the 90-day treasury benchmark of 1.570% resulting the County being 12.15 basis points above the benchmark for the month.



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

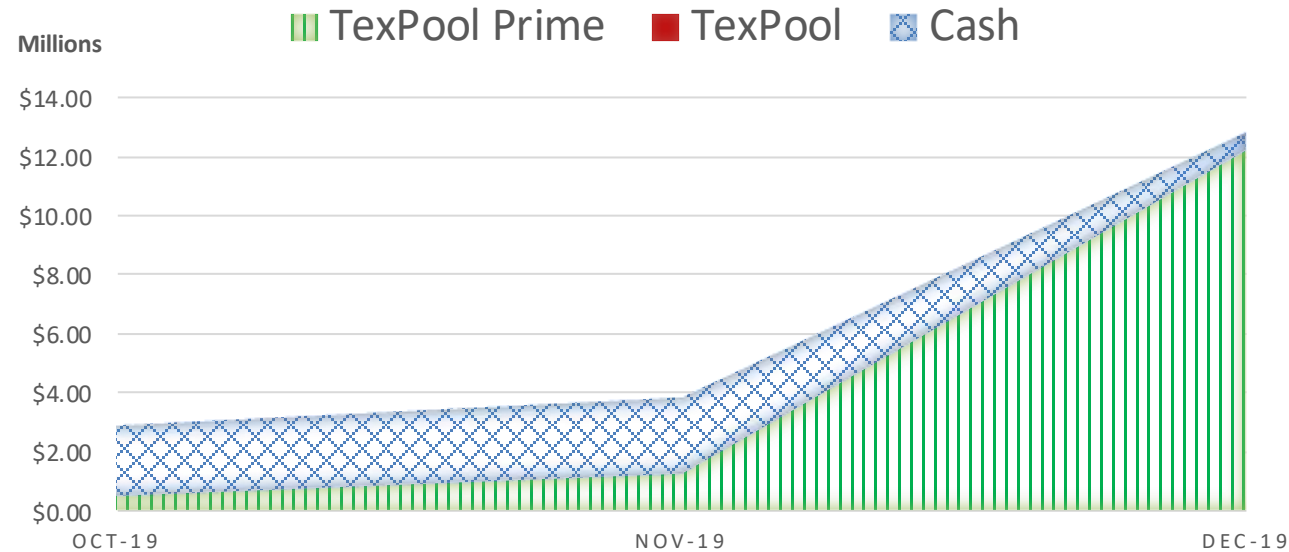
## GENERAL FUND



Date	Millions
October 31, 2019	\$79.8
November 30	\$80.6
December 31	\$155.8

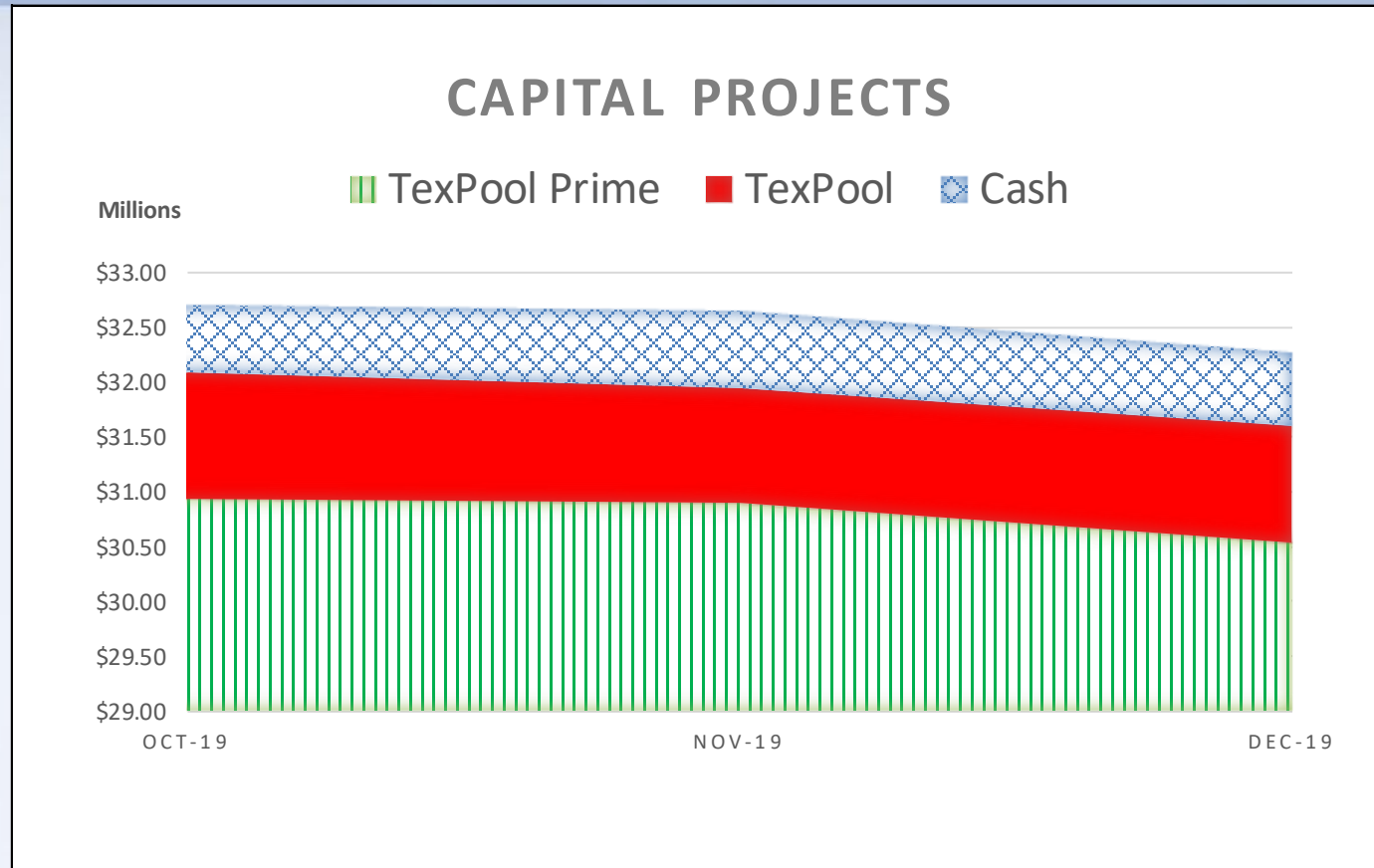
- Investable funds reach their lowest point in mid-December and increases from late December through mid-February.
- After reaching its peak for investable funds in February the general fund declines throughout the year until it reaches the low point in mid-December.

## DEBT SERVICE



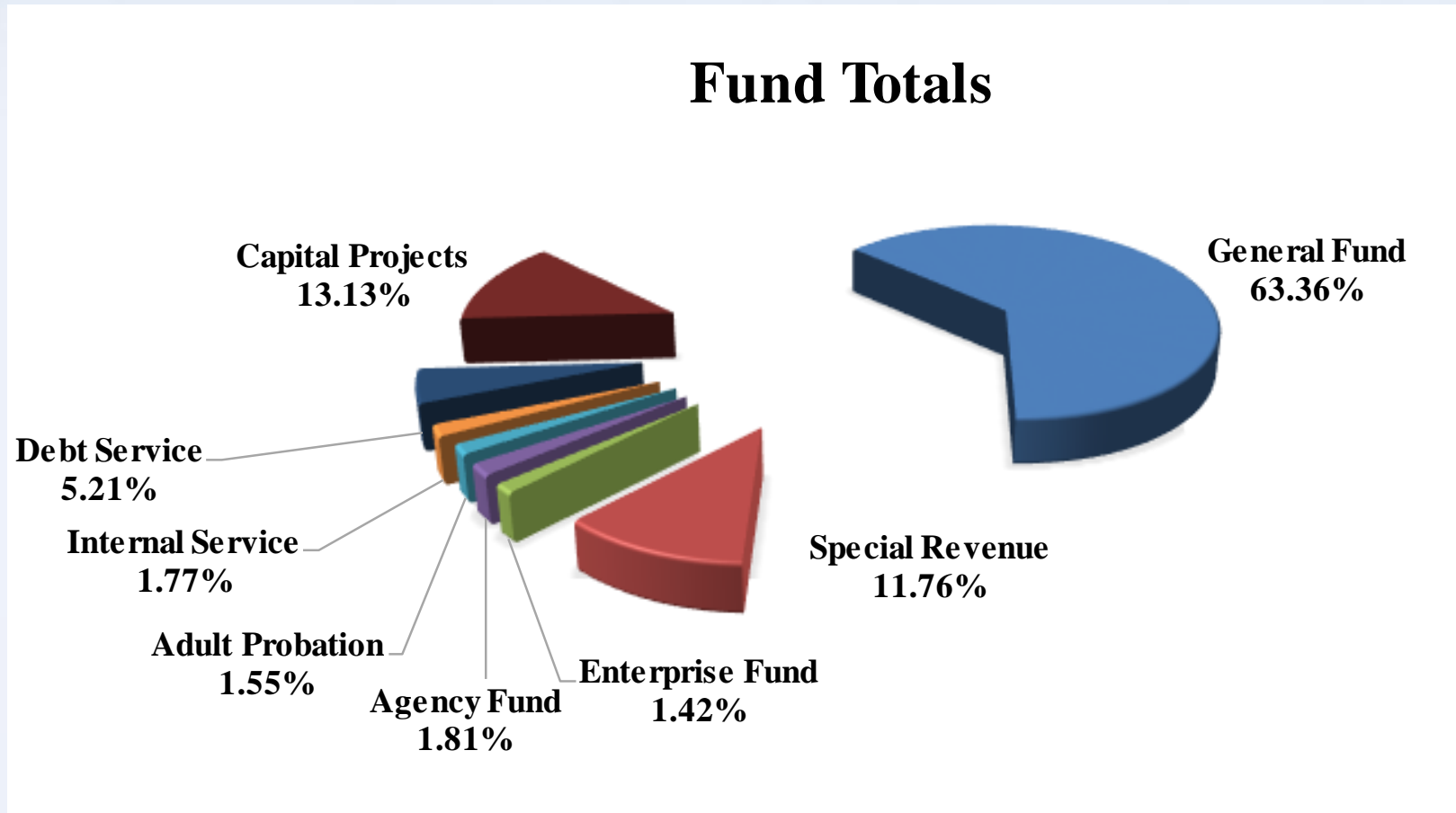
Date	Millions
October 31, 2019	\$2.9
November 30	\$3.9
December 31	\$12.8

- 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.



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

# Investments by Fund Type



As of December 31, 2019



# Questions?