



2020 Investment Highlights

4th Quarter ending September 30, 2020

County Auditor's Office

Commissioner's Court Meeting

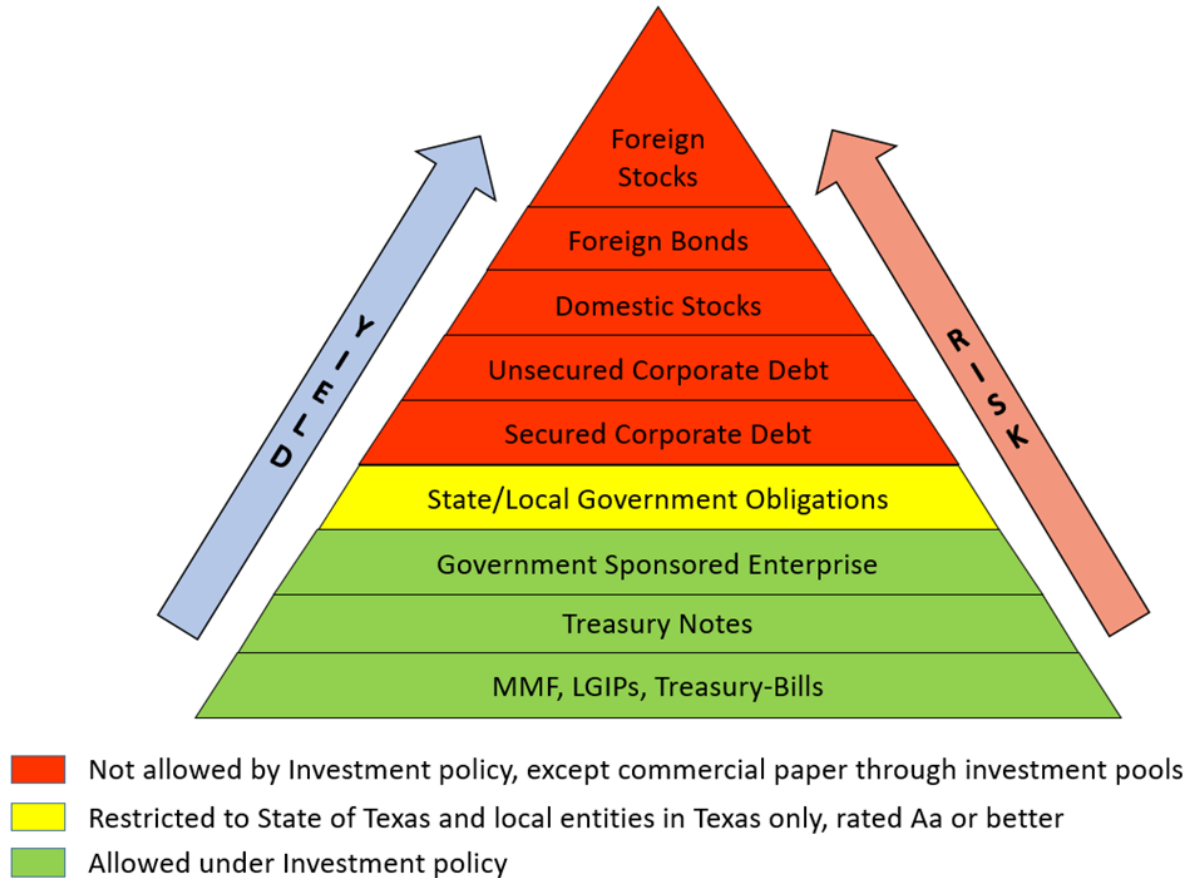
Quarterly Investment Update

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

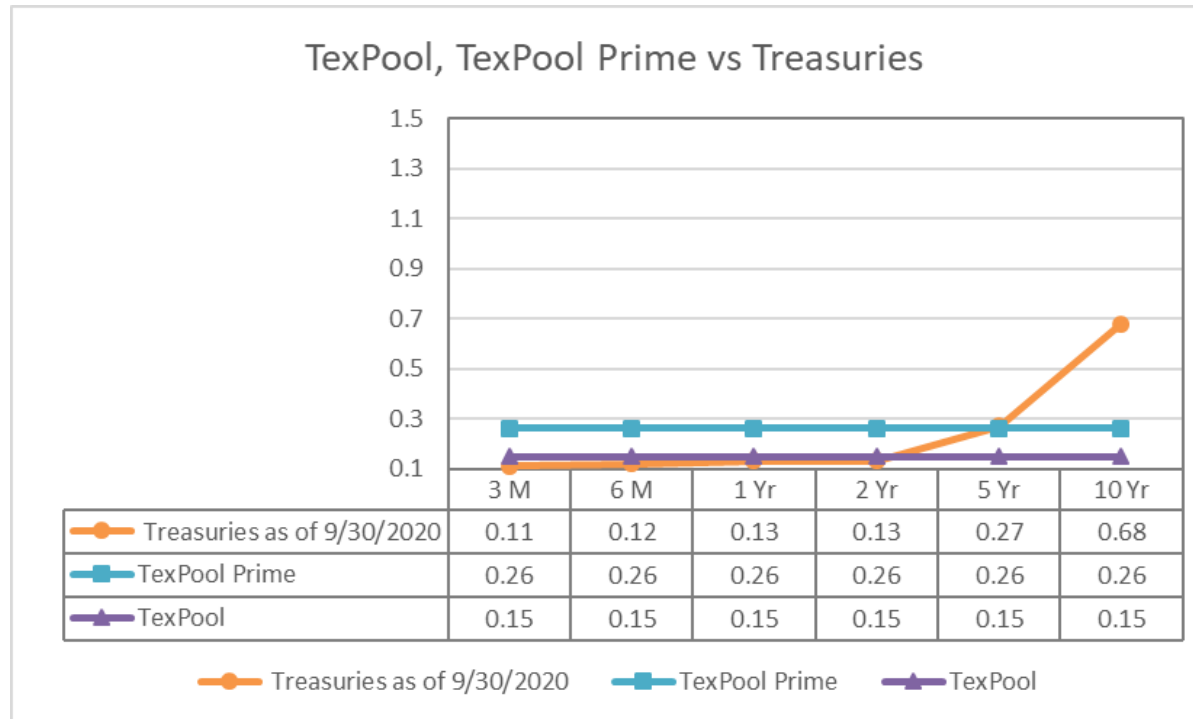
Quarterly Investment Update

Investment Risk



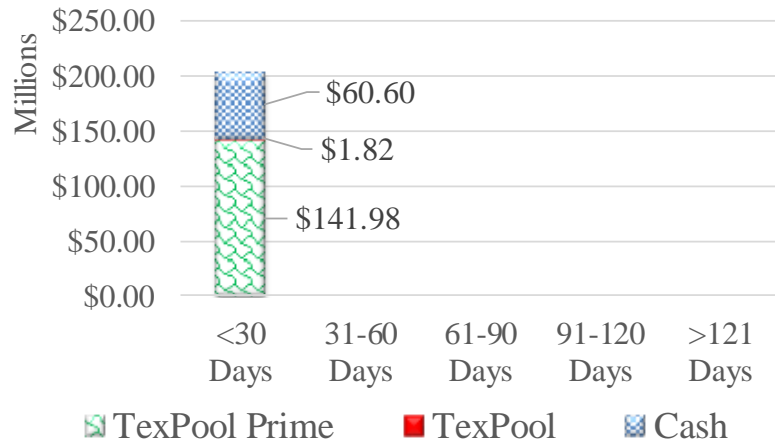
Quarterly Investment Update

Rate Comparison

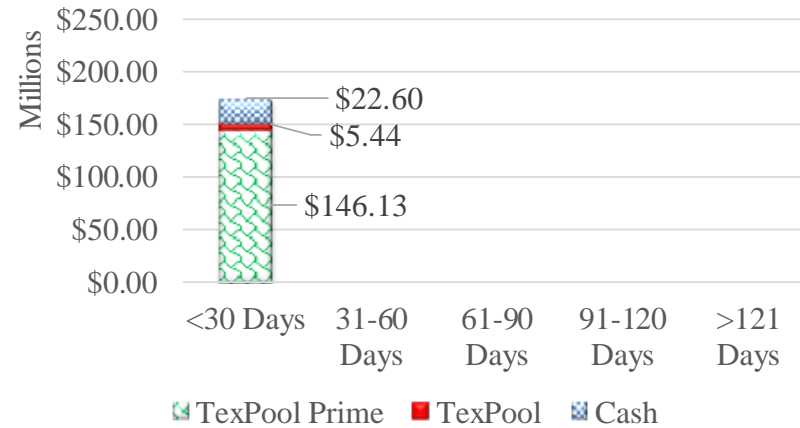


Quarterly Investment Update

**Investment Maturity Summary
September 30, 2020**



**Investment Maturity Summary
September 30, 2019**



Although investments vehicles have remained the same for both years (cash, TexPool, and TexPool Prime) the percentages in each has changed. As of September 30, 2020, the percentages in cash, TexPool, and TexPool Prime were 29.65%, 0.89%, and 69.46%, respectively. The September 30, 2019, percentages in cash, TexPool, and TexPool Prime were 12.97%, 3.12% and 83.90%, respectively.

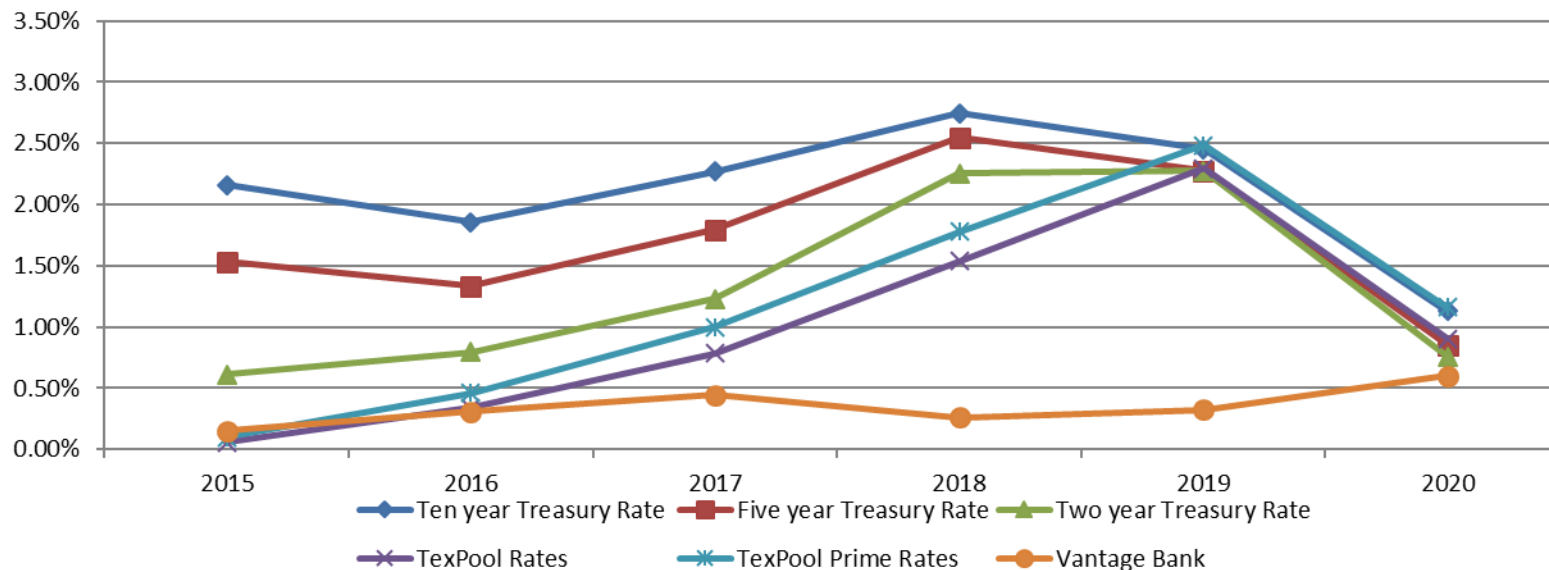
Total investments were \$204,391,907 for September 2020 compared to prior year of \$174,170,219, a increase of \$30,221,688 .

The interest earned in fiscal year 2020 was \$2,586,911 compared to fiscal year 2019 of \$4,837,482 a decrease of \$2,250,571 or 46.52%, which is mainly due to the rapid decline in interest rate in late 2019 and early 2020.

Quarterly Investment Update

Historical Market Environment

Key Interest Rates Averaged over a 12 month period

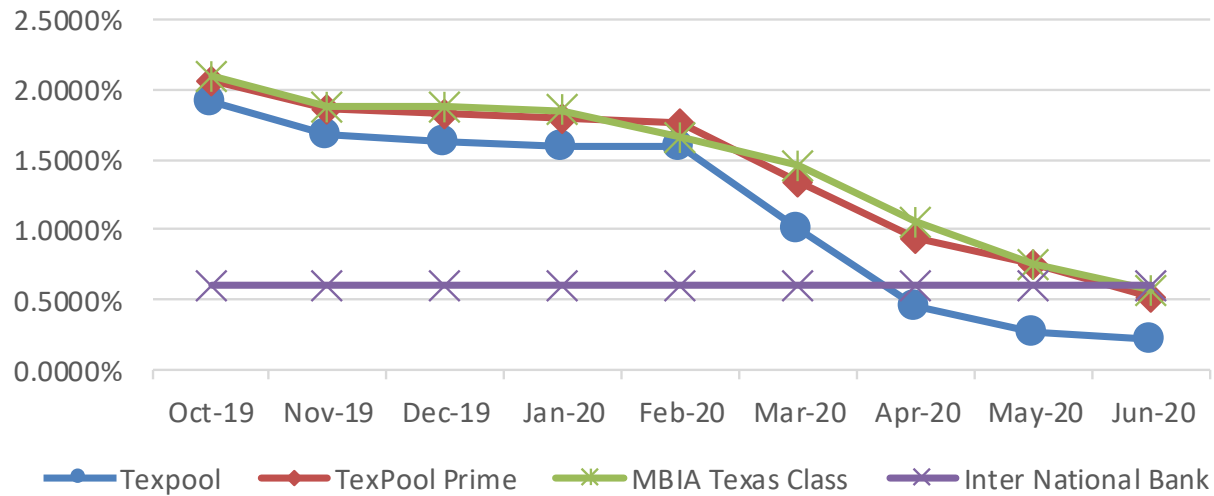


Key Interest Rates Averaged for the 12 Month period (averaged over five years)	
Ten Year Treasury	2.10%
Five Year Treasury	1.72%
Two Year Treasury	1.32%
TexPool	0.99%
TexPool Prime	1.16%
Vantage Bank	0.35%

Fiscal year 2020 began with the overnight Fed Funds target range at 1.50% to 1.75%. The expectation is the Federal Reserve will hold rates steady for all the remainder of 2020. The unexpected emergence of COVID-19 has dramatically slowed economic growth and prompted Fed officials to make emergency rate cuts of half a percentage point on March 3, 2020, and a full point on March 16, 2020, bringing the overnight target range down to 0.00% to 0.25%.

Quarterly Investment Update

Investment Yield Rates



Yields for June 2020

Texas Class (not currently invested in)	0.5693%
TexPool Prime	0.5240%
TexPool	0.2165%
Vantage Bank	0.6000%

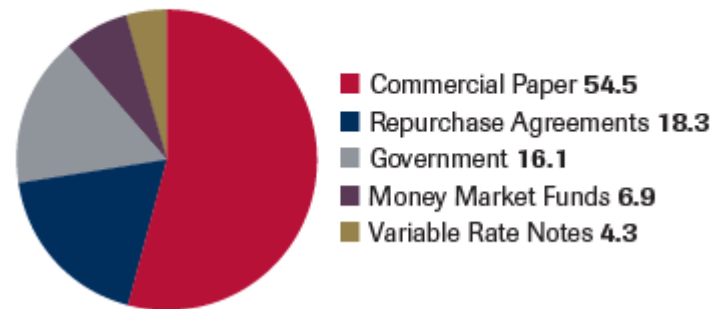
Above is a comparison of interest rates for the investment pools and Vantage Bank. The two highest yielding pools are TexPool Prime and Texas Class. Both contain Commercial Paper consisting of approximately 59.3 and 80.42 percent, respectively of the pools investments.

Quarterly Investment Update

Prime Investment Pools

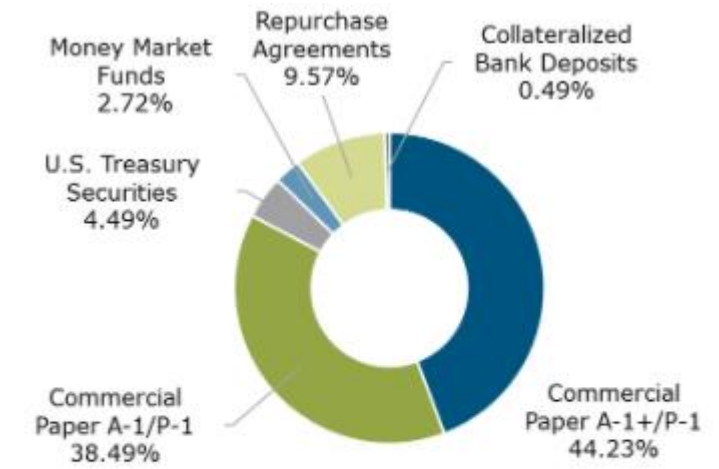
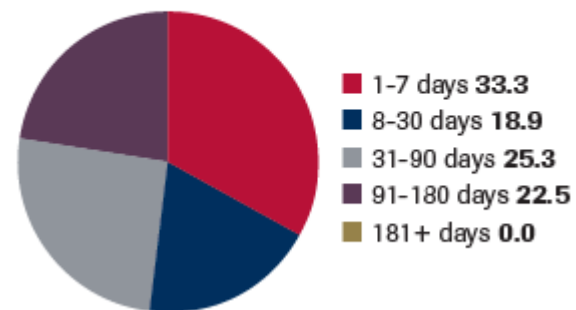
Portfolio by Type of Investment (%)

As of September 30, 2020



Portfolio by Maturity (%)

As of September 30, 2020



**Texas CLASS
Portfolio Breakdown**

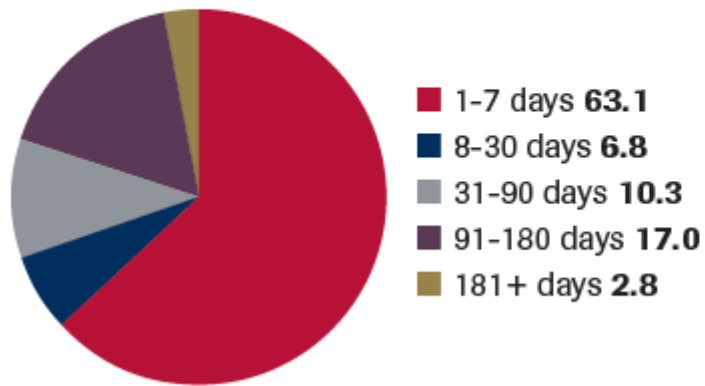
Source: Texas Class Website – Portfolio Characteristics as of September 30, 2020

Source: TexPool October 2020 Monthly Newsletter

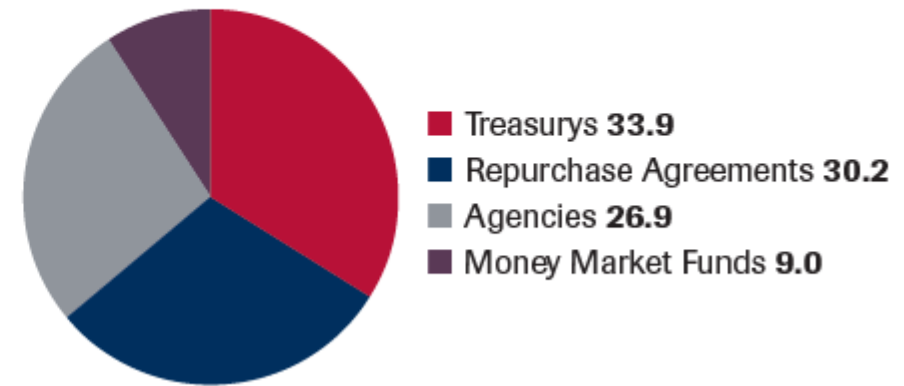
Quarterly Investment Update

TexPool

Portfolio by Maturity (%)
As of September 30, 2020

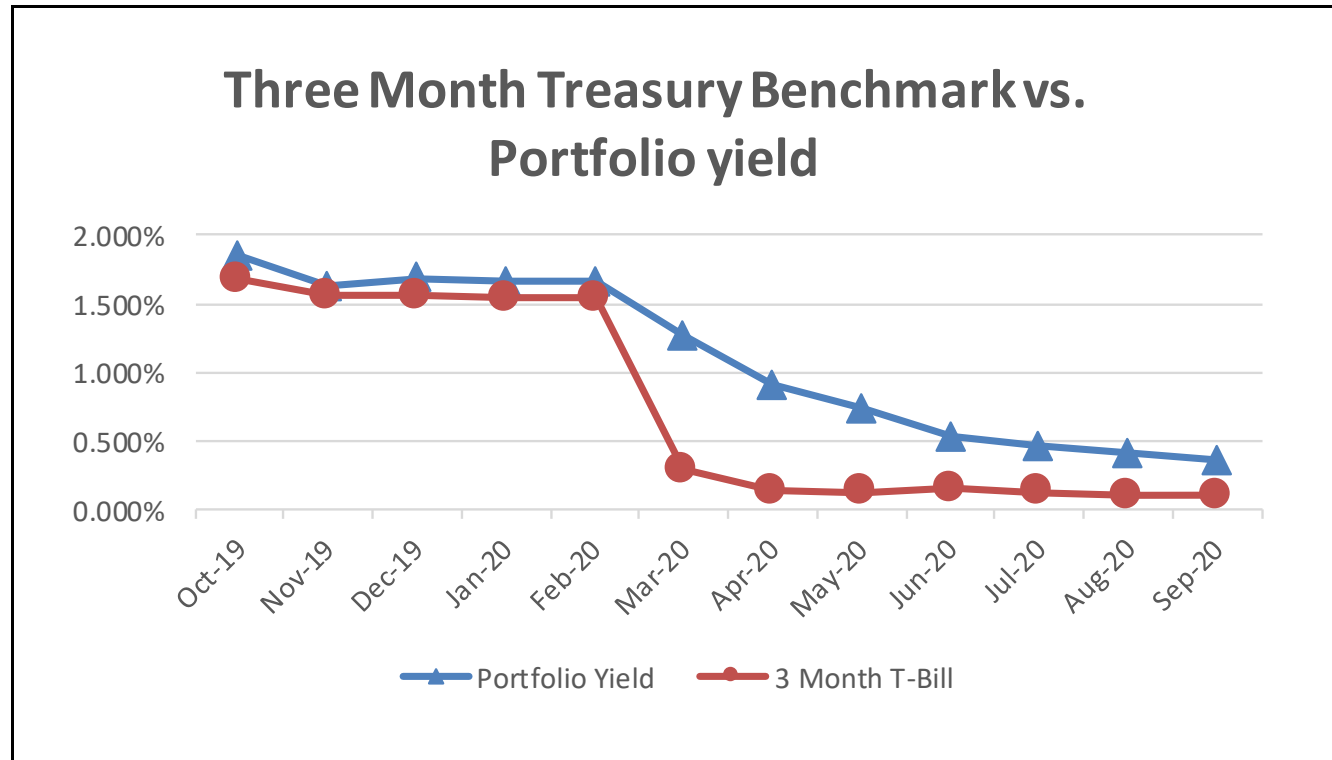


Portfolio by Type of Investment (%)
As of September 30, 2020



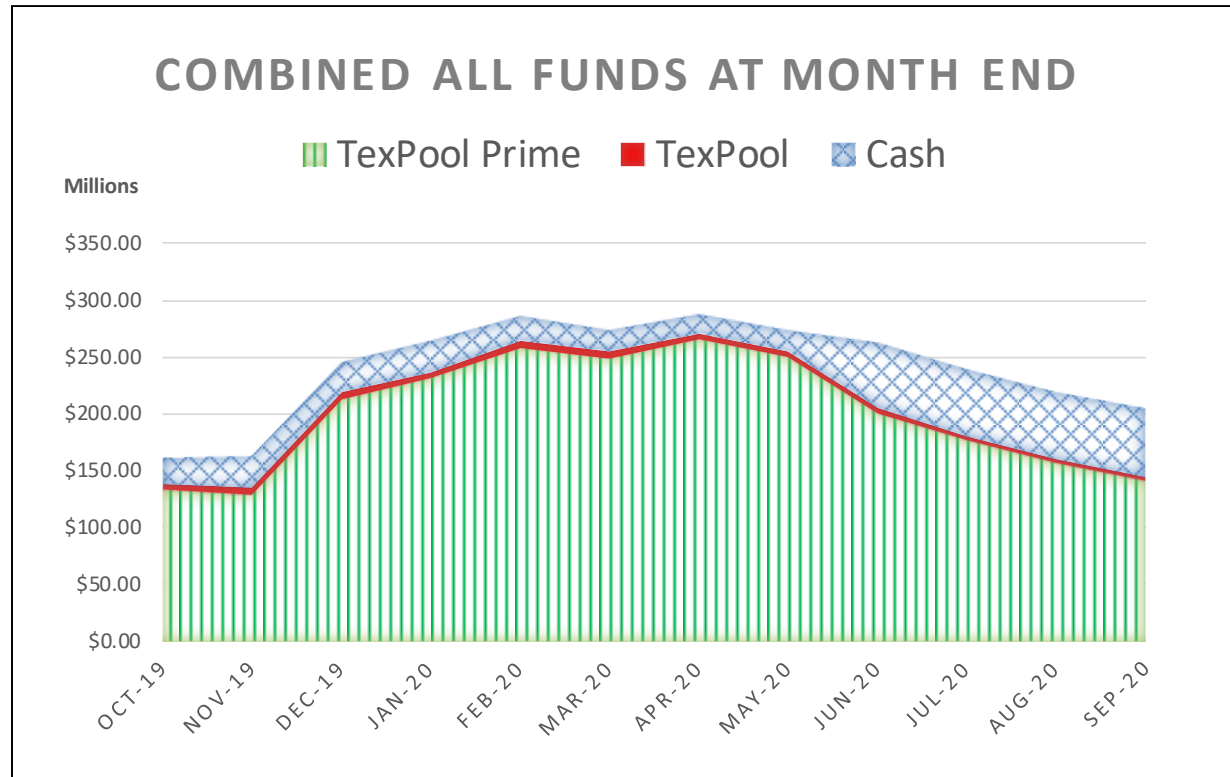
Source: TexPool October 1, 2020 Monthly Newsletter

Quarterly Investment Update



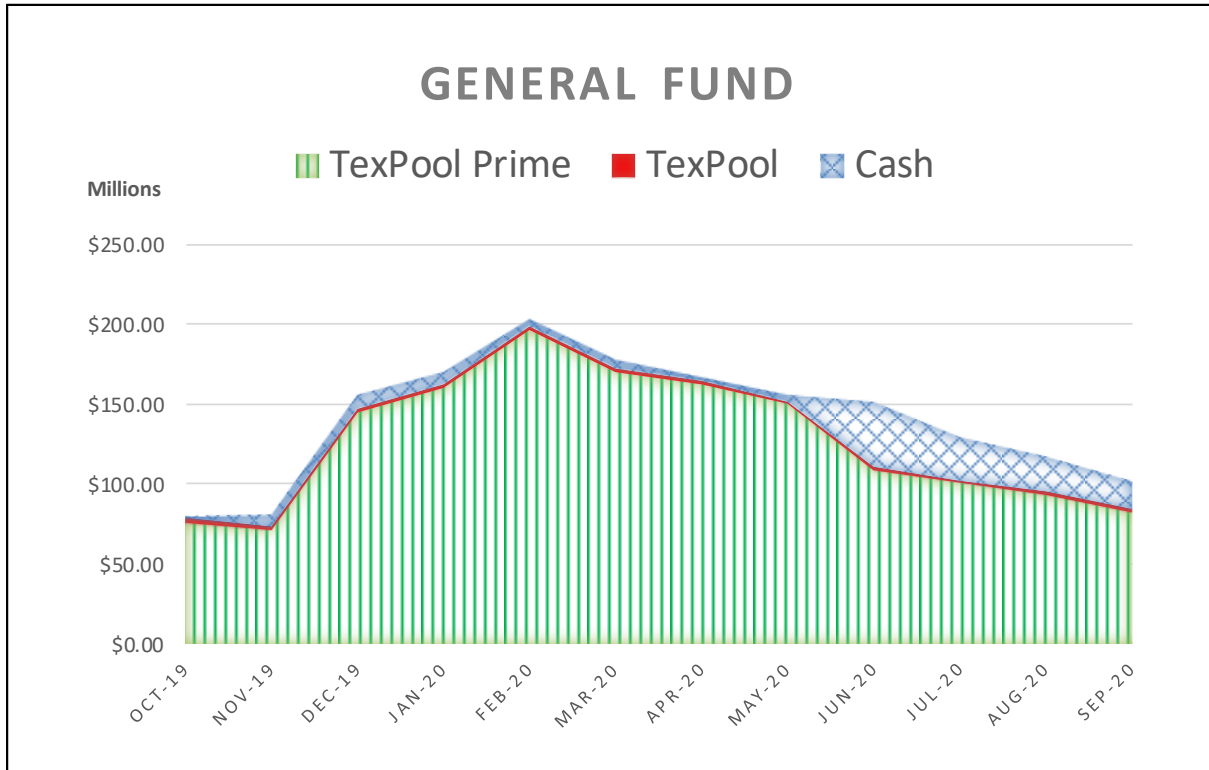
The County had an weighted average yield 0.361% as of September 30, 2020, to the 90-day treasury benchmark of 0.110% resulting the County being 25.11 basis points above the benchmark for the month.

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.

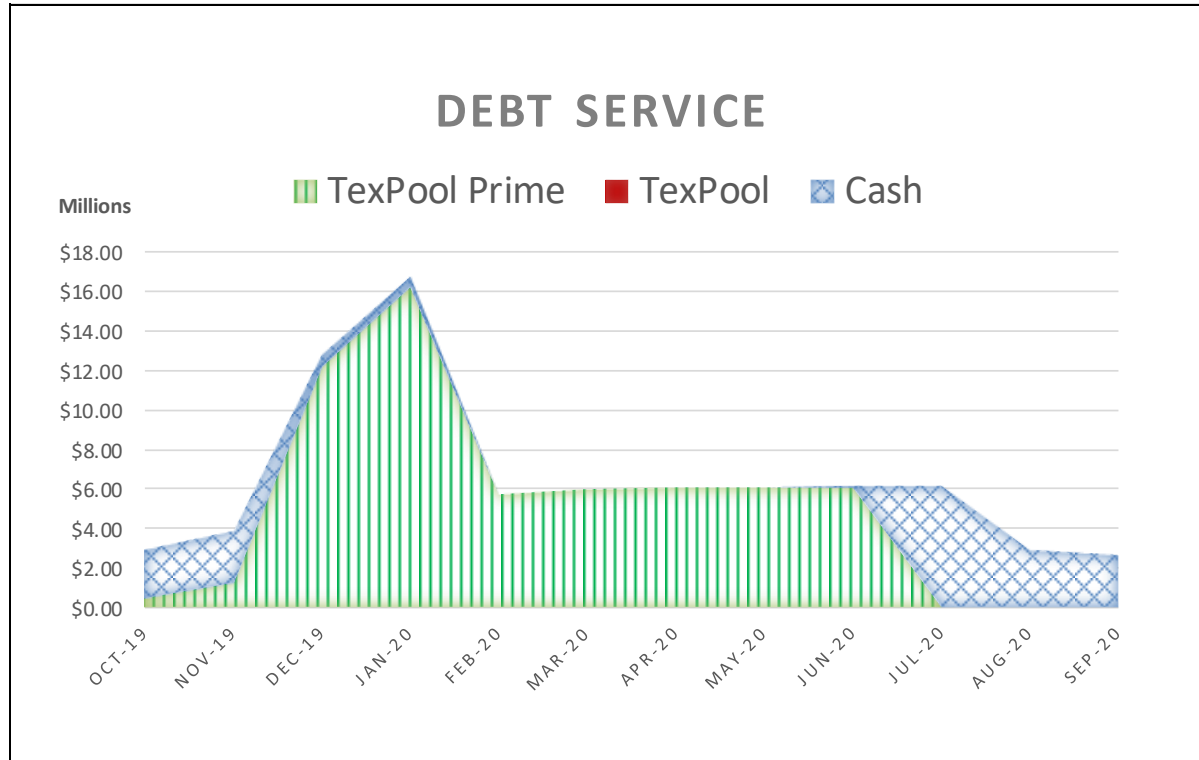
Quarterly Investment Update



Date	Millions
October 31, 2019	\$79.8
November 30	\$80.6
December 31	\$155.8
January 31, 2020	\$170.4
February 29	\$203.2
March 31	\$178.2
April 30	\$167.0
May 31	\$156.2
June 30	\$151.3
July 31	\$129.7
August 31	\$117.3
September 30	\$101.8

- 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.

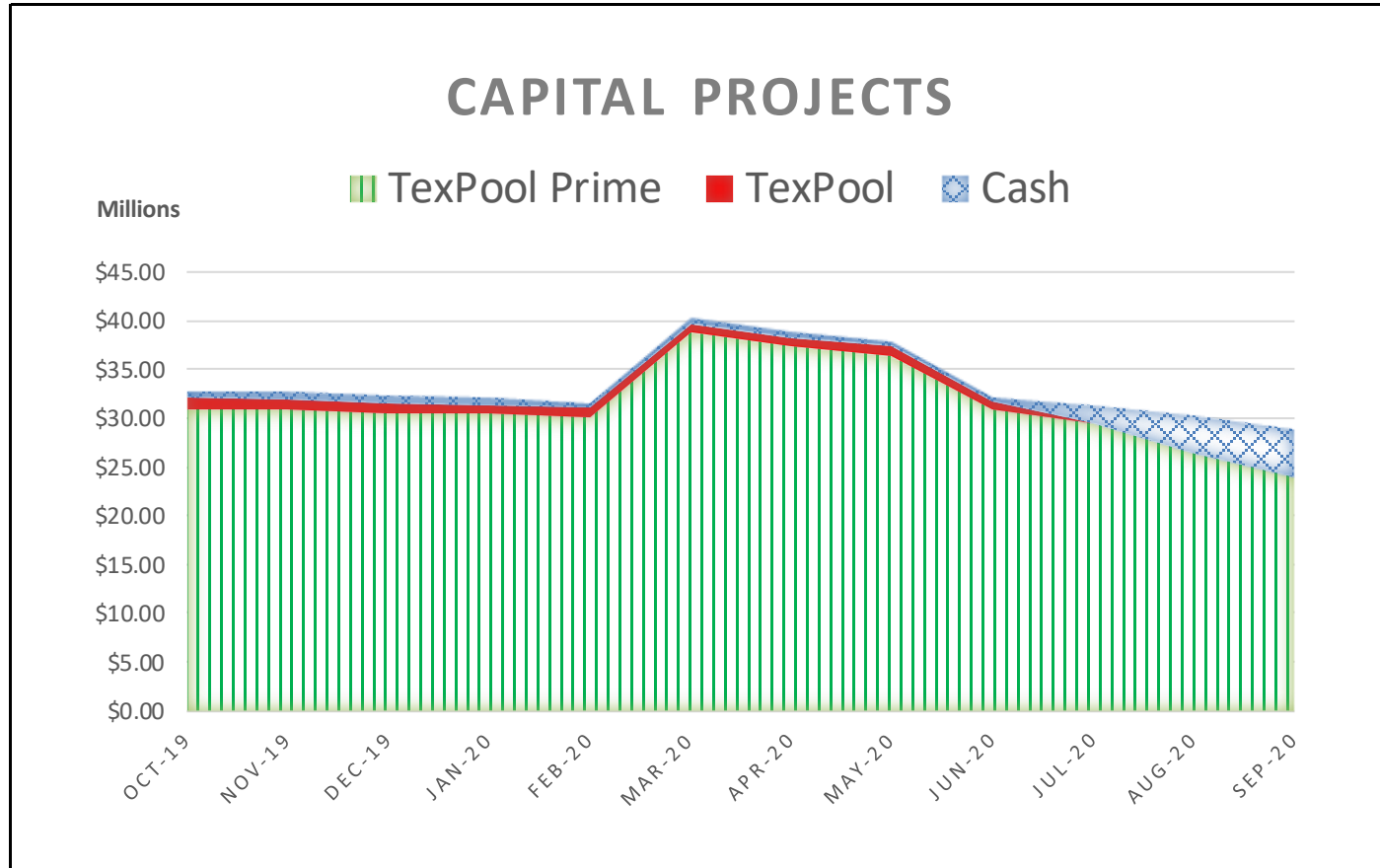
Quarterly Investment Update



Date	Millions
October 31, 2019	\$2.9
November 30	\$3.9
December 31	\$12.8
January 31, 2020	\$16.8
February 29	\$5.7
March 31	\$6.0
April 30	\$6.1
May 31	\$6.1
June 30	\$6.1
July 31	\$6.2
August 31	\$2.9
September 30	\$2.6

- 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 16th the day after our final interest payment for the fiscal year is made.

Quarterly Investment Update

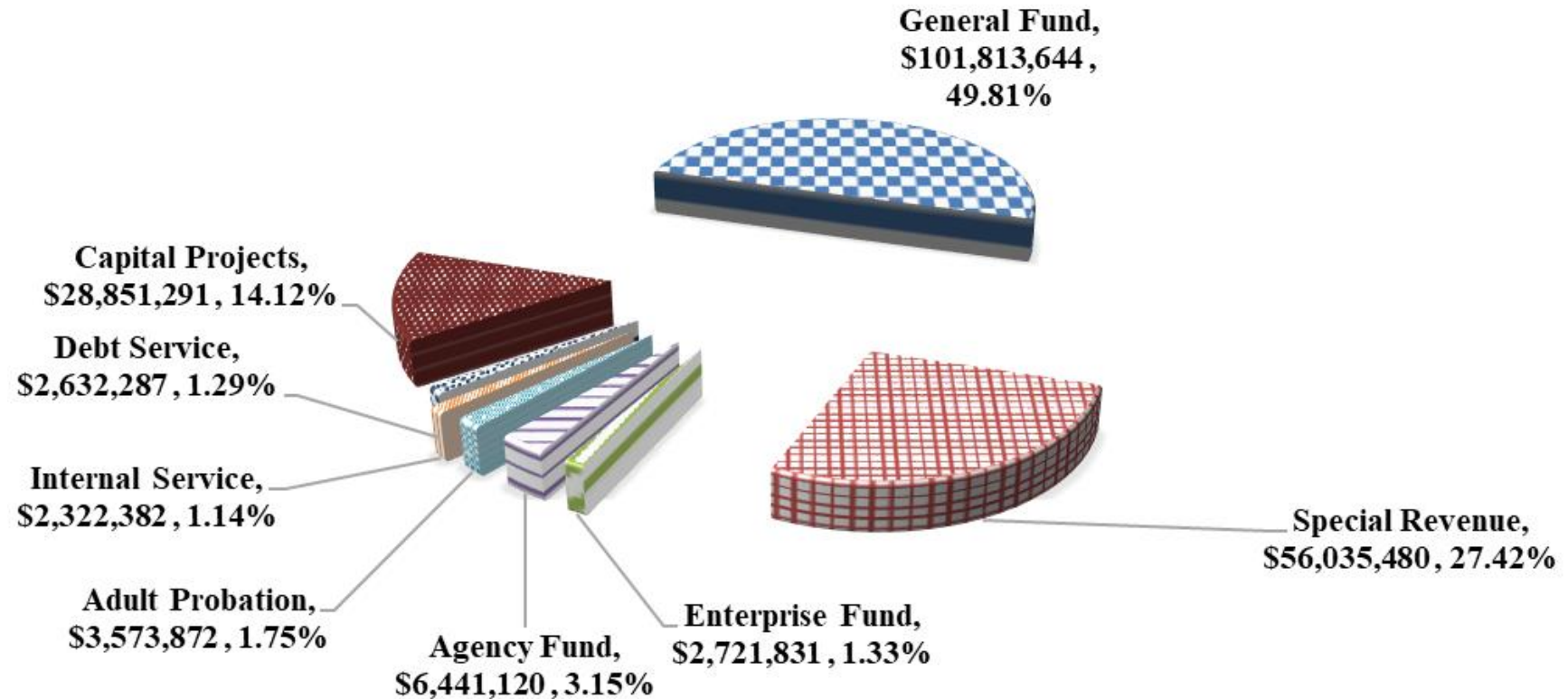


The primary funding sources for the Capital Projects Fund are bond proceeds and the two cent from the Maintenance and Operations portion of the Ad Valorem taxes which funds the Capital Improvement Fund.

Quarterly Investment Update

Investments by Fund Type as of September 30, 2020

Fund Totals





Questions

