



2021 Investment Highlights

4th Quarter ending September 30, 2021

County Auditor's Office

Commissioners Court Meeting

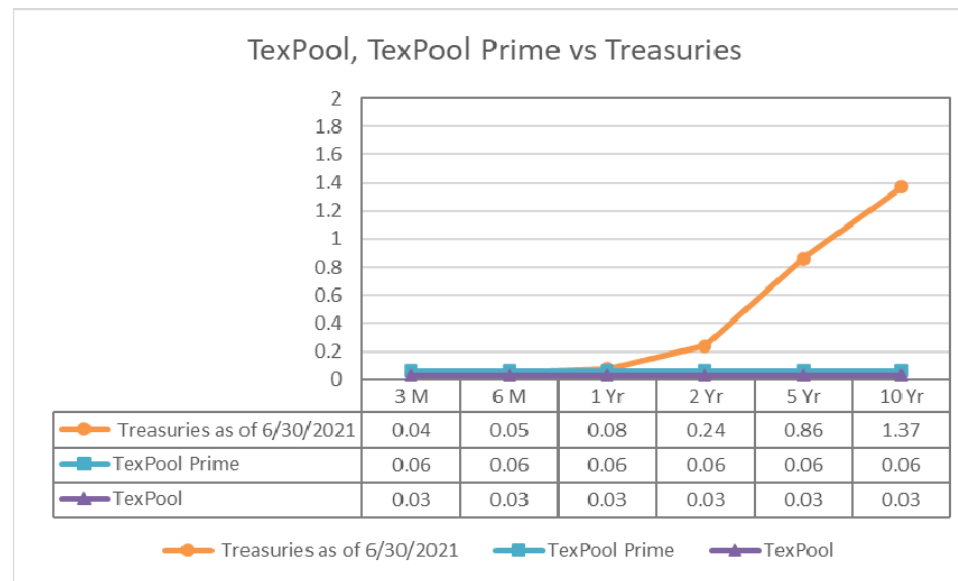
Quarterly Investment Update

Directly linked to the County Strategic Plan

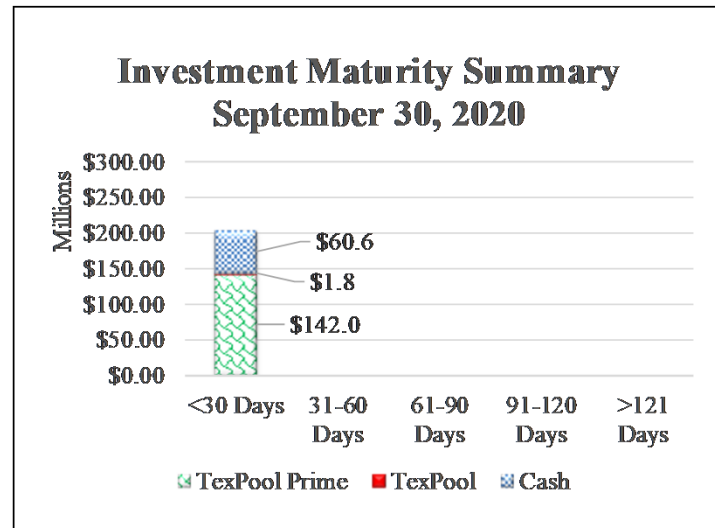
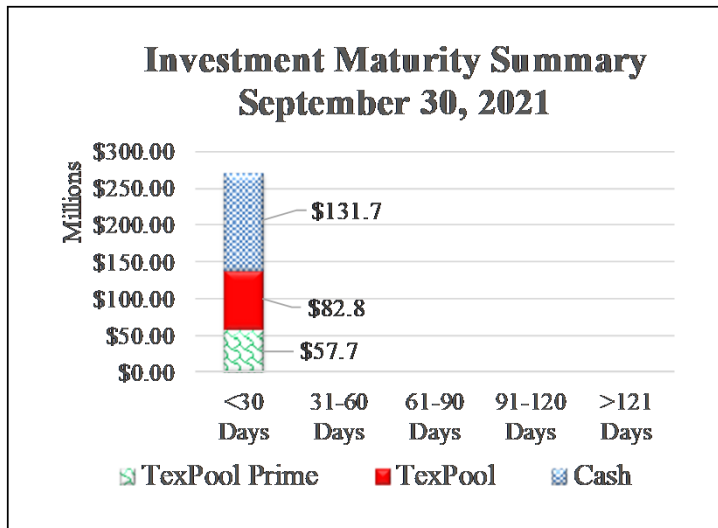
- Investment Goals:
 - Goal 1 - Investing funds on the principles of
 1. Safety
 2. Liquidity
 3. Diversification
 - Goal 2 - Return on Investment

Quarterly Investment Update

Rate Comparison



Quarterly Investment Update



Although investment vehicles have remained the same for both years (cash, TexPool, and TexPool Prime) the percentages in each have changed. As of September 30, 2021, the percentages in cash, TexPool, and TexPool Prime were 48.4%, 30.4%, and 21.2%, respectively. The September 30, 2020, percentages in cash, TexPool, and TexPool Prime were 29.7%, 0.9% and 69.5%, respectively.

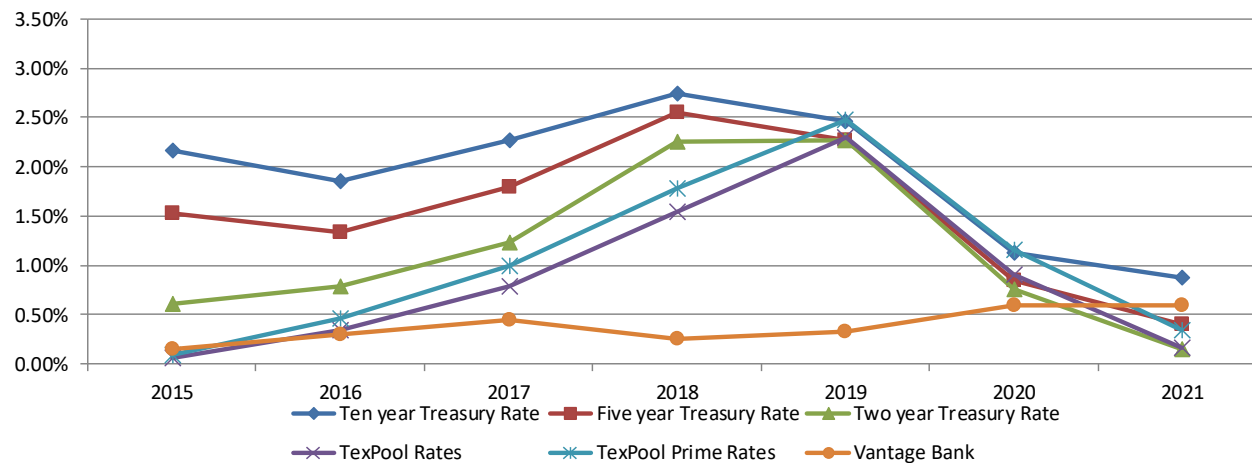
Total investments were \$272,224,875 for September 2021 compared to prior year of \$204,391,907, an increase of \$67,832,968.

The interest earned this fiscal year was \$663,813 compared to last year of \$2,586,911 a decrease of (\$1,923,098) or (74.34%), which is mainly due to the rapid decline in interest rates in late 2019 and early 2020. From mid 2020 through the 4th quarter rates have continued down at a much slower rate.

Quarterly Investment Update

Historical Market Environment

Key Interest Rates Averaged over a 12 month period

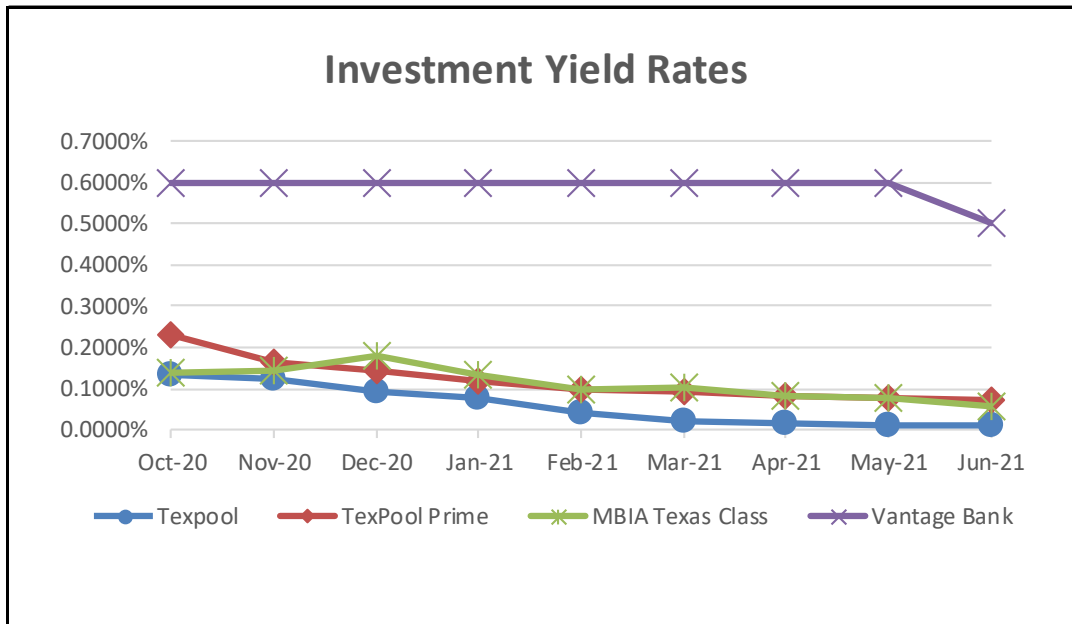


Key Interest Rates Averaged for the 12 Month period (averaged over five years)

Ten Year Treasury	1.3%
Five Year Treasury	0.7%
Two Year Treasury	0.2%
TexPool	0.1%
TexPool Prime	0.1%
Vantage Bank	0.6%

The year began with the overnight Fed Funds target range at 0.00% to 0.25%. The current expectation is the Federal Reserve will gradually begin increasing overnight rates in the middle of 2022. COVID-19 has dramatically slowed economic growth and continues to affect the economy.

Quarterly Investment Update



Yields for September 2021

Texas Class (not currently invested in)	0.04%
TexPool Prime	0.06%
TexPool	0.03%
Vantage Bank	0.50%

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 69 and 87 percent of each pool's investments.

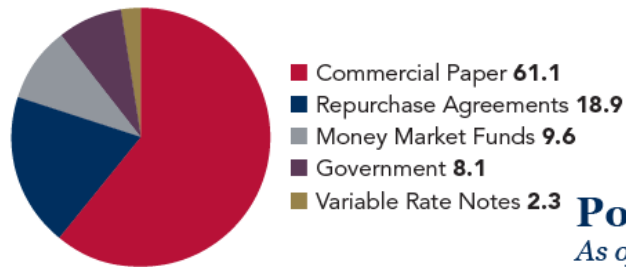
Quarterly Investment Update

Prime Investment Pools

Texpool Prime:

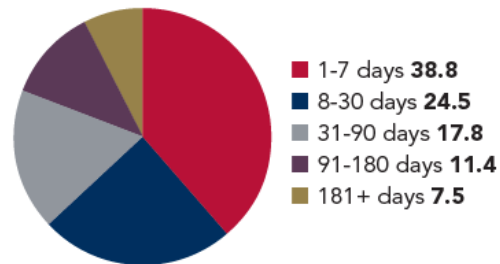
Portfolio by Type of Investment (%)

As of September 30, 2021



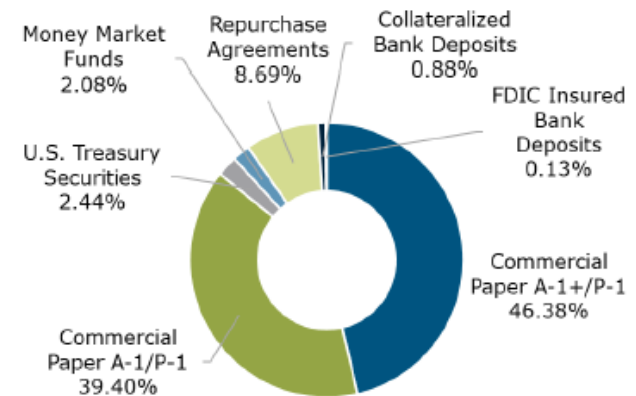
Portfolio by Maturity (%)

As of September 30, 2021



Source: TexPool July 2021 Monthly Newsletter

Texas Class:



Texas CLASS Portfolio Breakdown

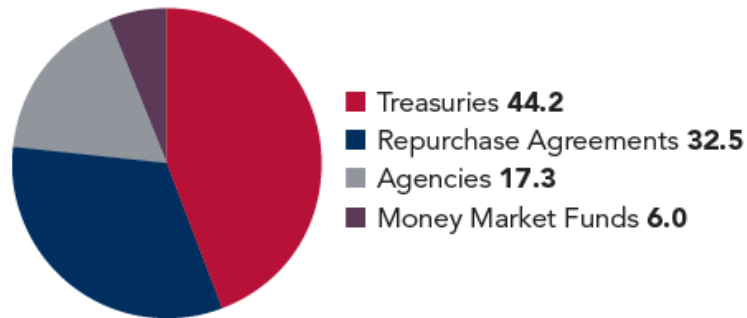
Source: Texas Class Website – Portfolio Characteristics as of September 30 2021



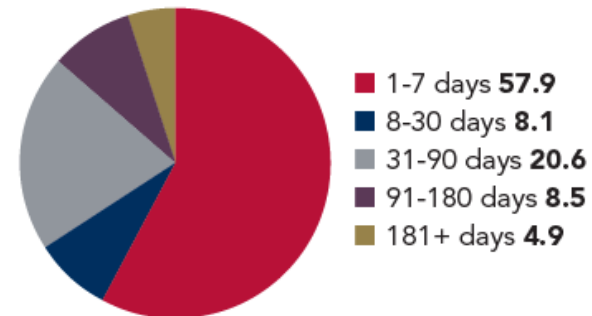
Quarterly Investment Update

TexPool

Portfolio by Type of Investment (%)
As of September 30, 2021

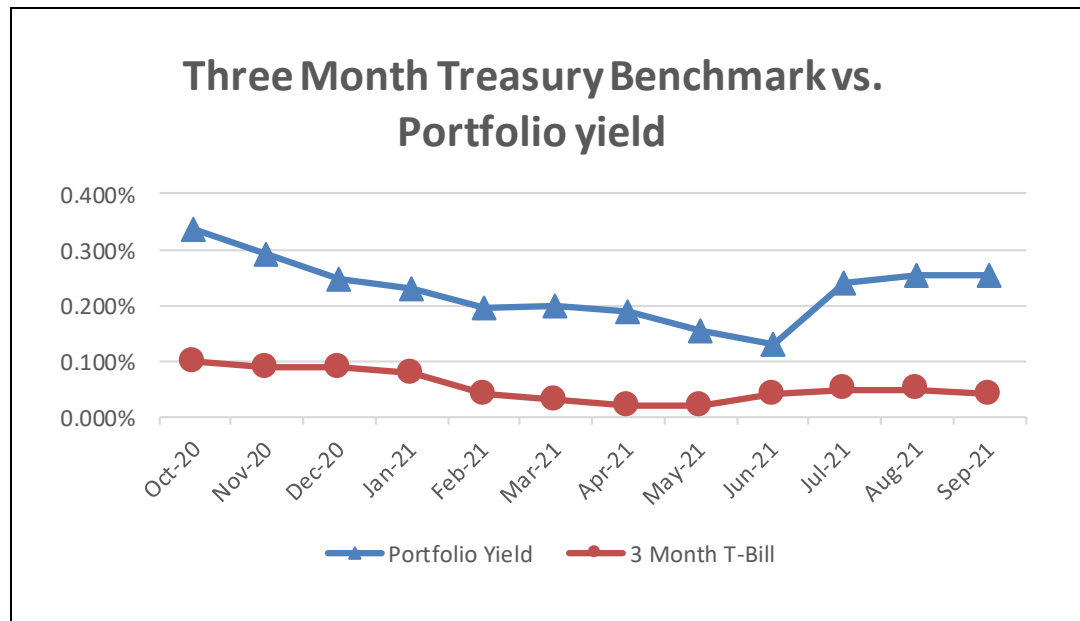


Portfolio by Maturity (%)
As of September 30, 2021



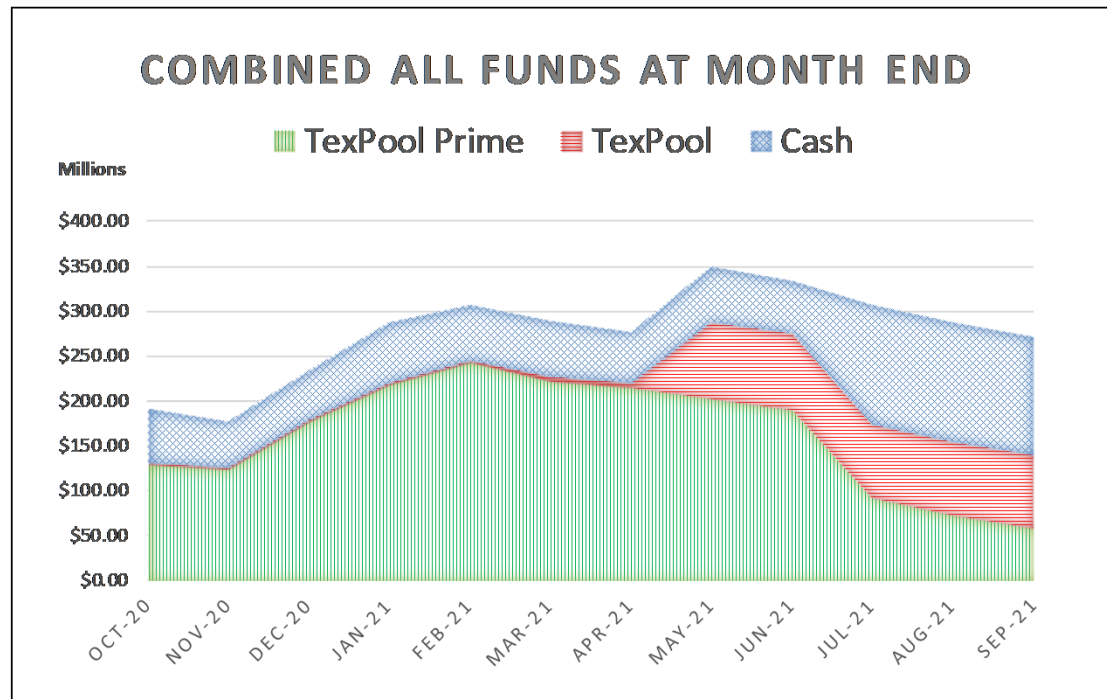
Source: TexPool October 1, 2021 Monthly Newsletter

Quarterly Investment Update



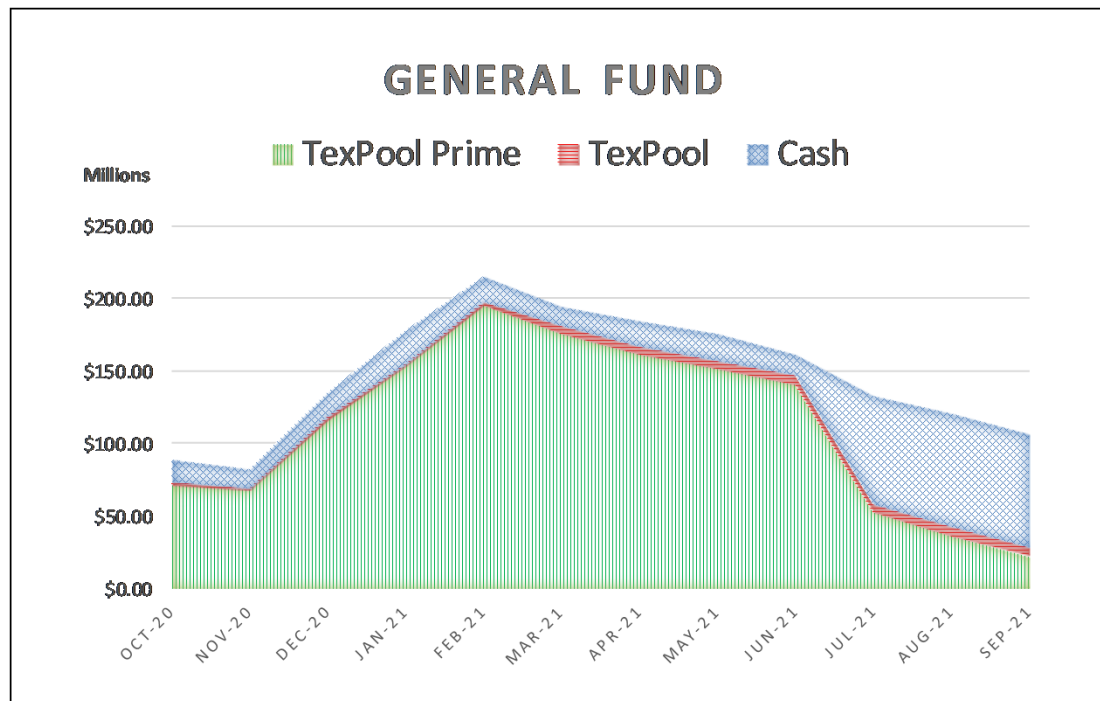
The County had a weighted average yield of 0.25% as of September 30, 2021, compared to the 90-day treasury benchmark of 0.04% resulting in the County being 3.6 basis points above the benchmark for the month.

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.

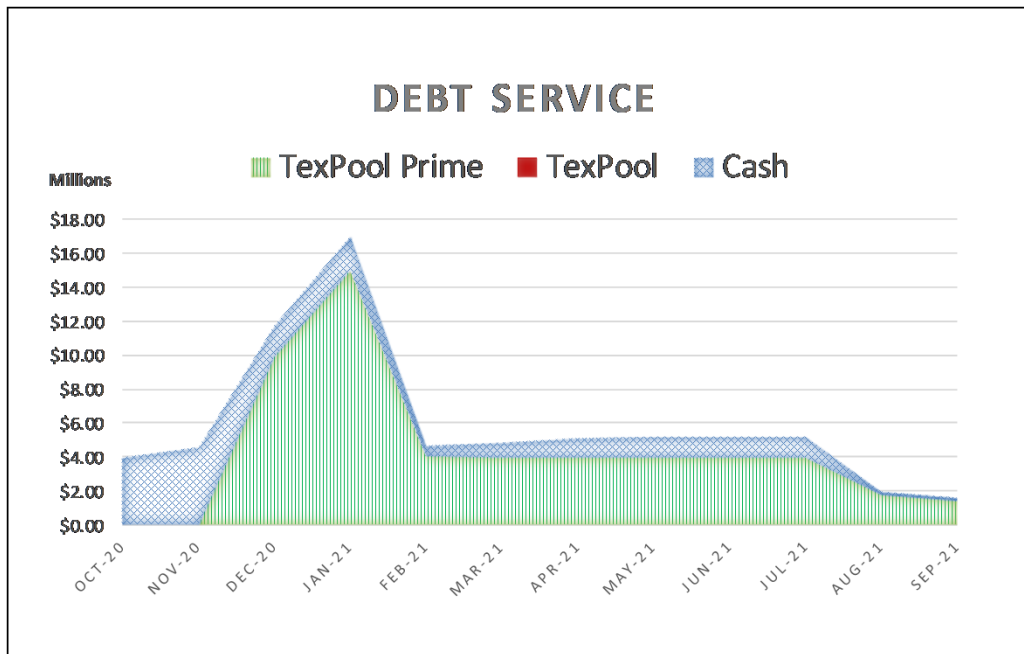
Quarterly Investment Update



Date	Millions
October 31, 2020	\$89.0
November 30	\$81.7
December 31	\$134.8
January 31, 2021	\$178.1
February 28	\$214.6
March 31	\$194.6
April 30	\$183.8
May 31	\$175.9
June 30	\$160.8
July 31	\$132.7
August 31	\$120.5
September 30	\$106.5

- 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.

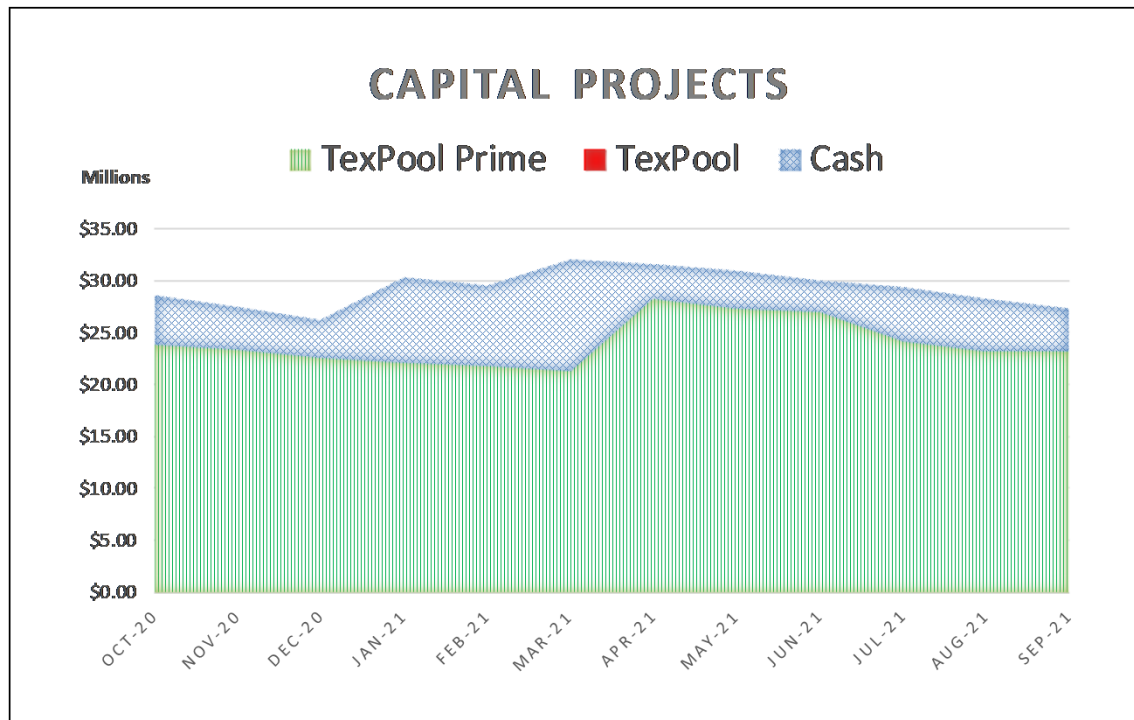
Quarterly Investment Update



Date	Millions
October 31, 2020	\$4.0
November 30	\$4.6
December 31	\$11.7
January 31, 2021	\$17.0
February 28	\$4.7
March 31	\$4.9
April 30	\$5.1
May 31	\$5.2
June 30	\$5.2
July 31	\$5.2
August 31	\$1.9
September 30	\$1.6

- 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.

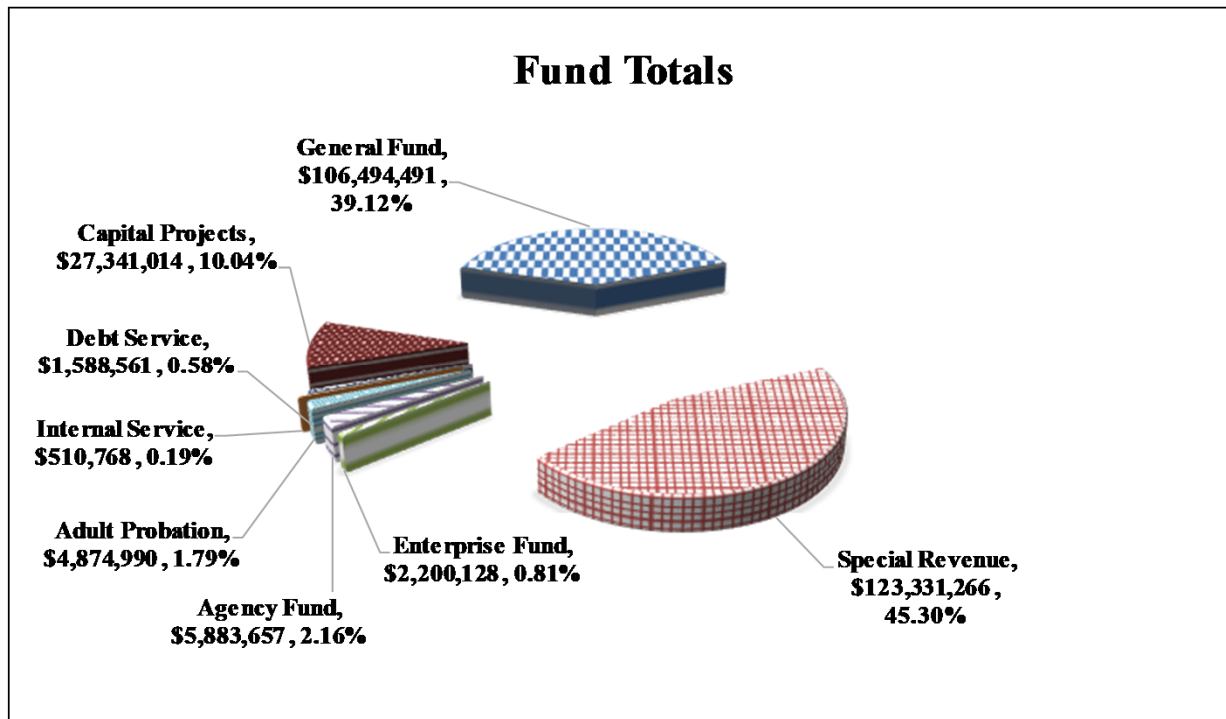
Quarterly Investment Update



The primary funding sources for the Capital Projects Fund are bond proceeds and the two 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 September 30, 2021





Questions

