



# **2022 Investment Highlights**

**2nd Quarter ending March 31, 2022**

*County Auditor's Office*

*Commissioners Court Meeting*

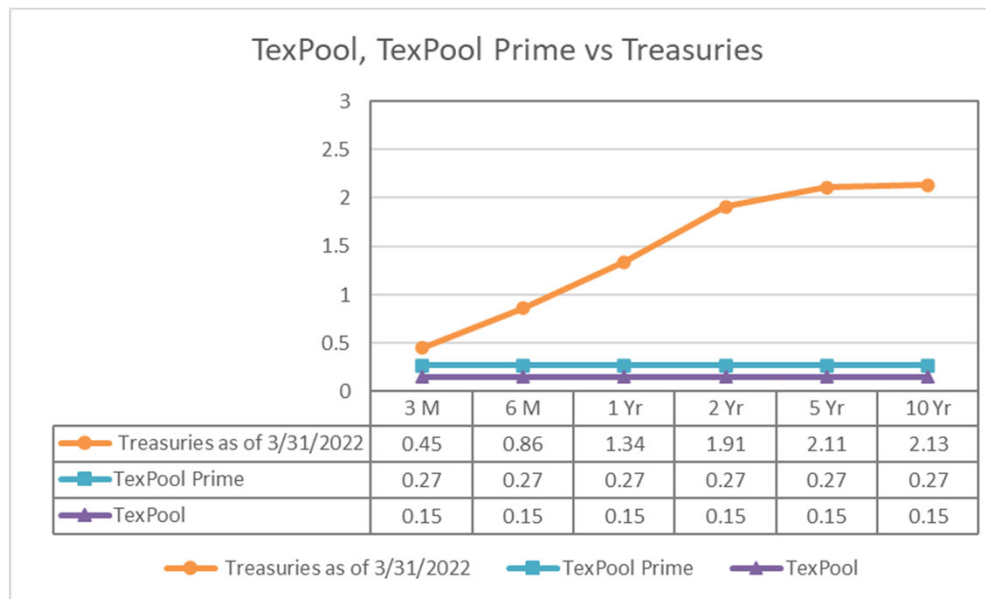
# Quarterly Investment Update

## Directly linked to the County Strategic Plan

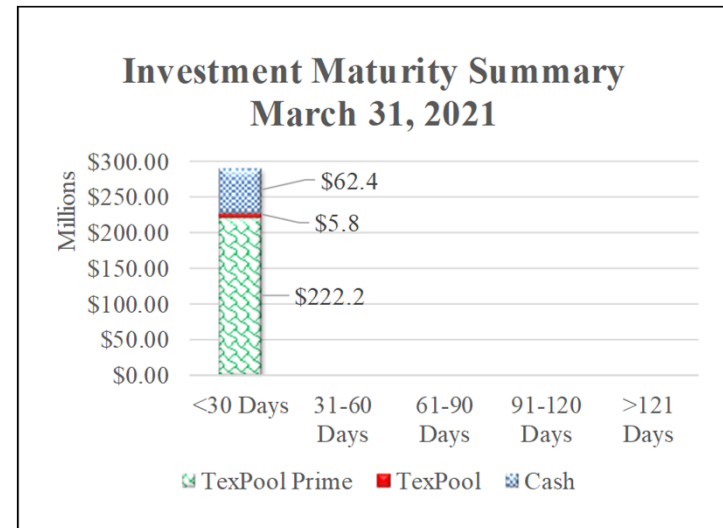
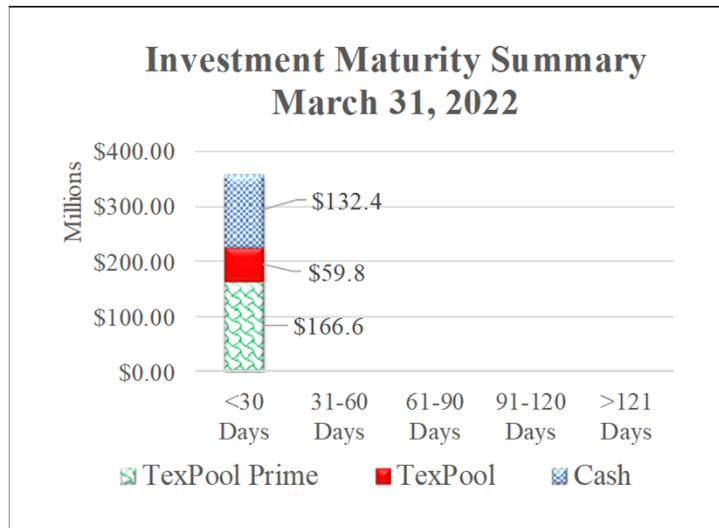
- Investment Goals:
  - Goal 1 - Investing funds on the principles of
    1. Safety
    2. Liquidity
    3. Diversification
  - Goal 2 - Return on Investment

# Quarterly Investment Update

## Rate Comparison



# Quarterly Investment Update



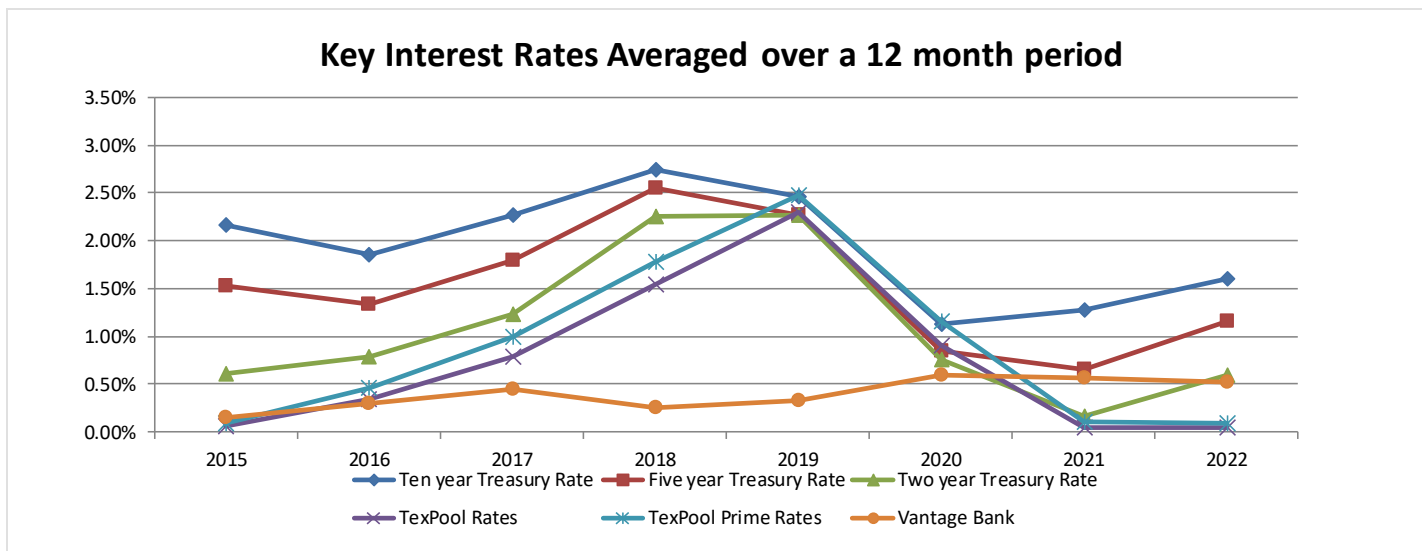
Although investment vehicles have remained the same for both years (cash, TexPool, and TexPool Prime) the percentages in each have changed. As of January 31, 2022, the percentages in cash, TexPool, and TexPool Prime were 36.9%, 16.7%, and 46.4%, respectively. The January 31, 2021, percentages in cash, TexPool, and TexPool Prime were 21.5%, 2.0% and 76.5%, respectively.

Total investments were \$358,837,030 for January 2022 compared to prior year of \$290,336,880, an increase of \$68,500,150, of which \$59.2 million is from the ARPA funds.

The interest earned this fiscal year was \$453,906 compared to last year of \$324,985 an increase of \$128,921 or 39.7%, which is mainly due to the change in investment mix and higher investible balances.

# Quarterly Investment Update

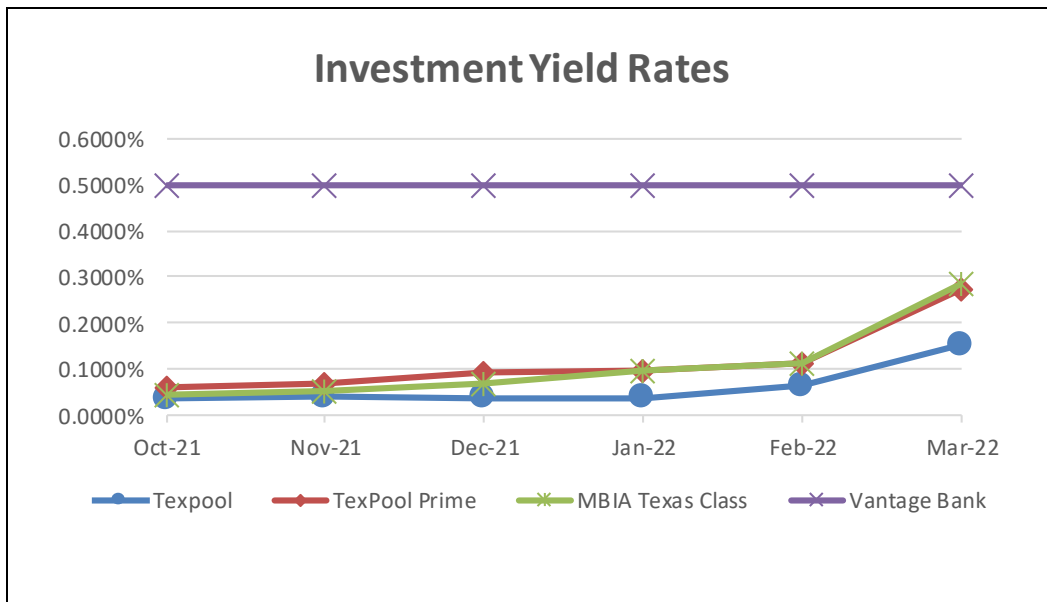
## Historical Market Environment



Key Interest Rates Averaged for the 12 Month period (averaged over five years)	
Ten Year Treasury	1.6%
Five Year Treasury	1.2%
Two Year Treasury	0.6%
TexPool	0.04%
TexPool Prime	0.1%
Vantage Bank	0.5%

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. Despite COVID-19, economic growth continues.

# Quarterly Investment Update



Yields for March 2022	
Texas Class (not currently invested in)	0.29%
TexPool Prime	0.27%
TexPool	0.15%
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 75.5 and 86.0 percent of each pool's investments.



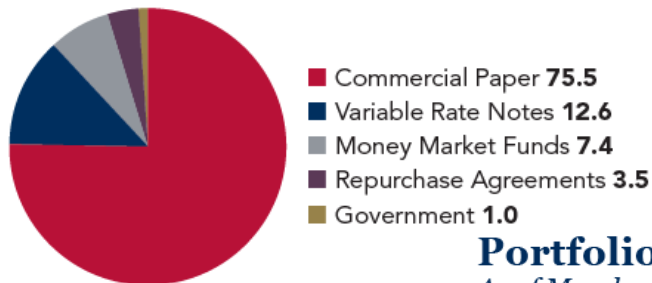
# Quarterly Investment Update

## Prime Investment Pools

### Texpool Prime:

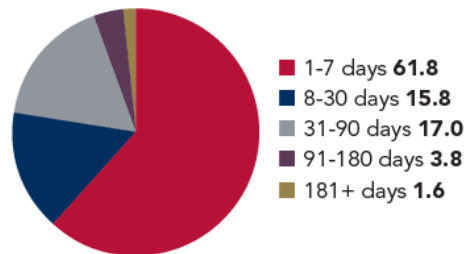
#### Portfolio by Type of Investment (%)

As of March 31, 2022



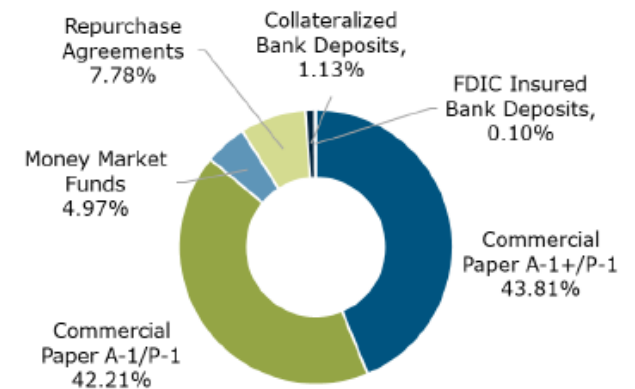
#### Portfolio by Maturity (%)

As of March 31, 2022



Source: TexPool April 1, 2022 Monthly Newsletter

### Texas Class:



#### Texas CLASS Portfolio Breakdown

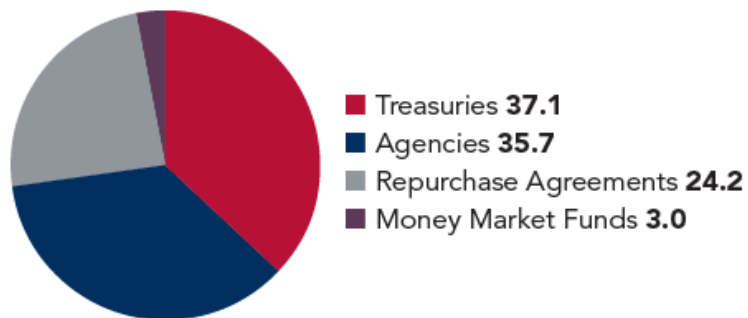
Source: Texas Class Website – Portfolio Characteristics as of March 31 2022

# Quarterly Investment Update

## TexPool

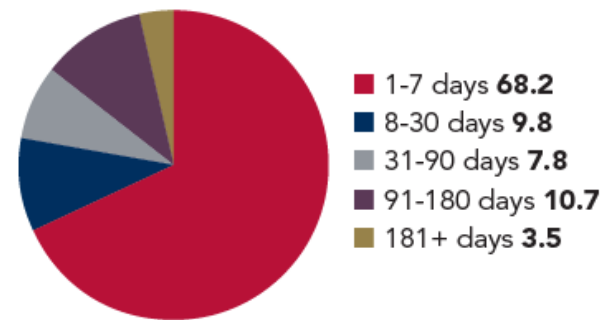
### Portfolio by Type of Investment (%)

As of March 31, 2022



### Portfolio by Maturity (%)

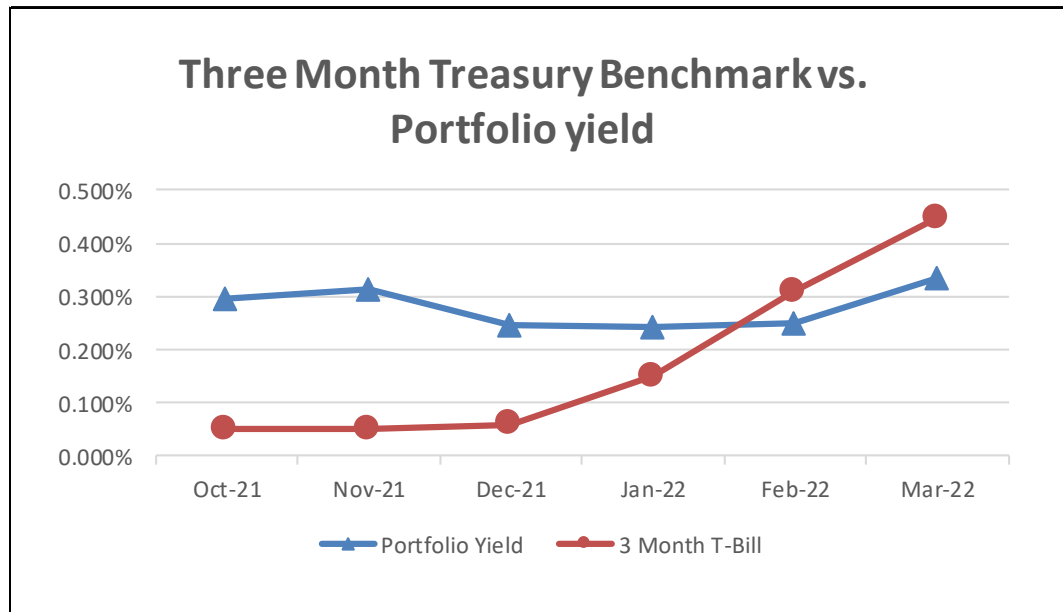
As of March 31, 2022



Source: TexPool April 1, 2022 Monthly Newsletter

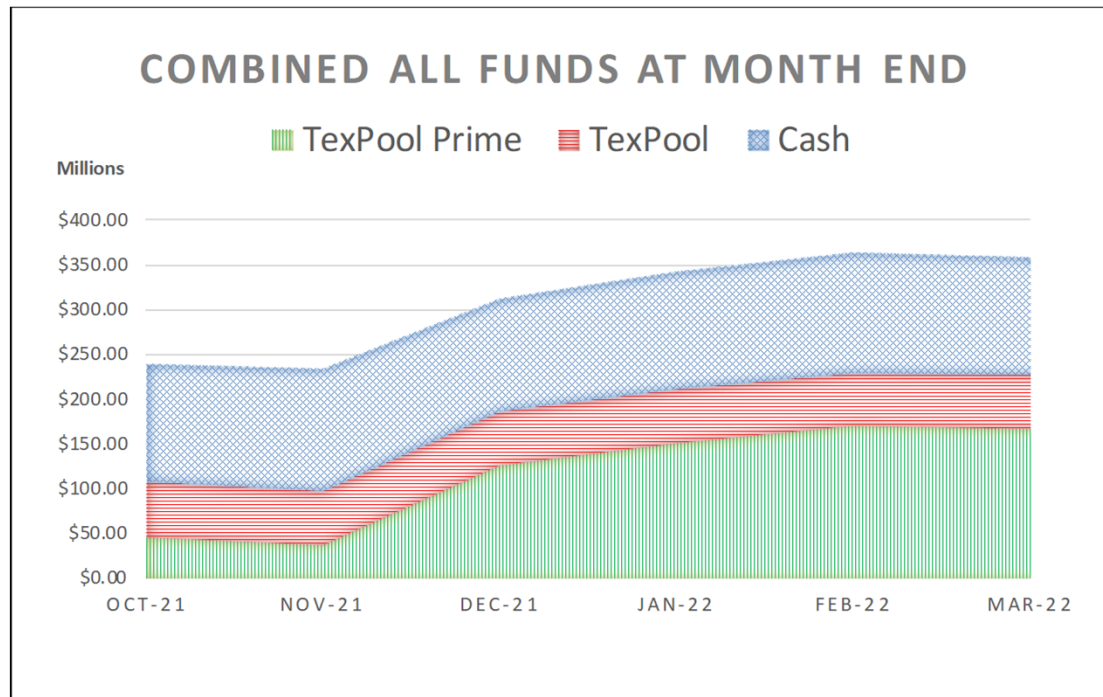


# Quarterly Investment Update



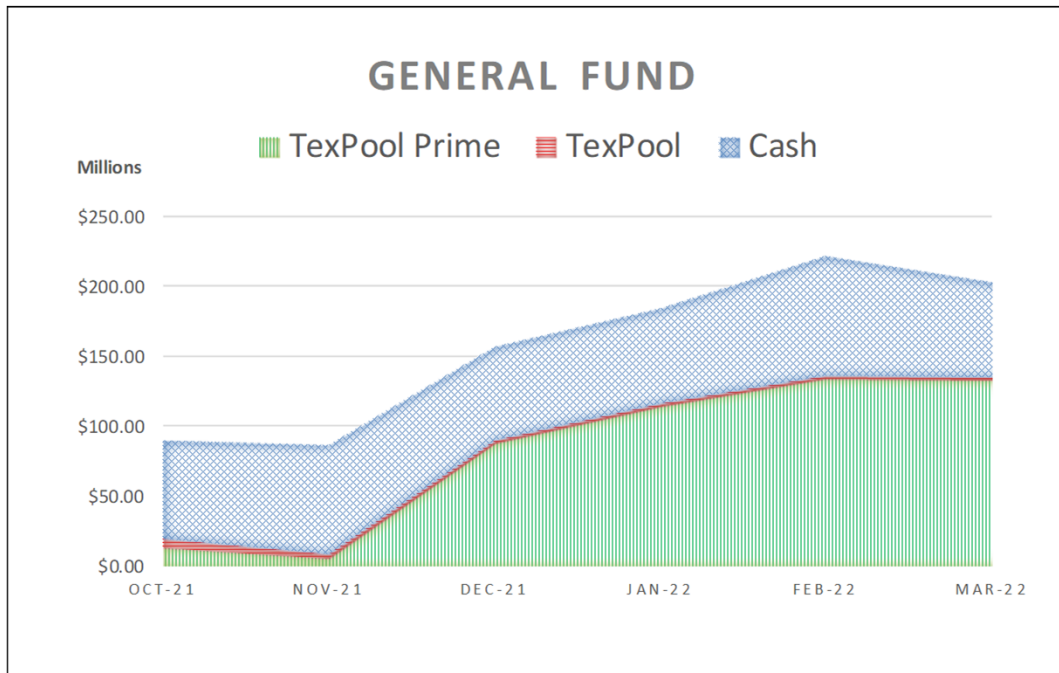
The County had a weighted average yield of 0.34% as of March 31, 2022, compared to the 90-day treasury benchmark of 0.45% resulting in the County being 11 basis points below the benchmark for the month.

# 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.

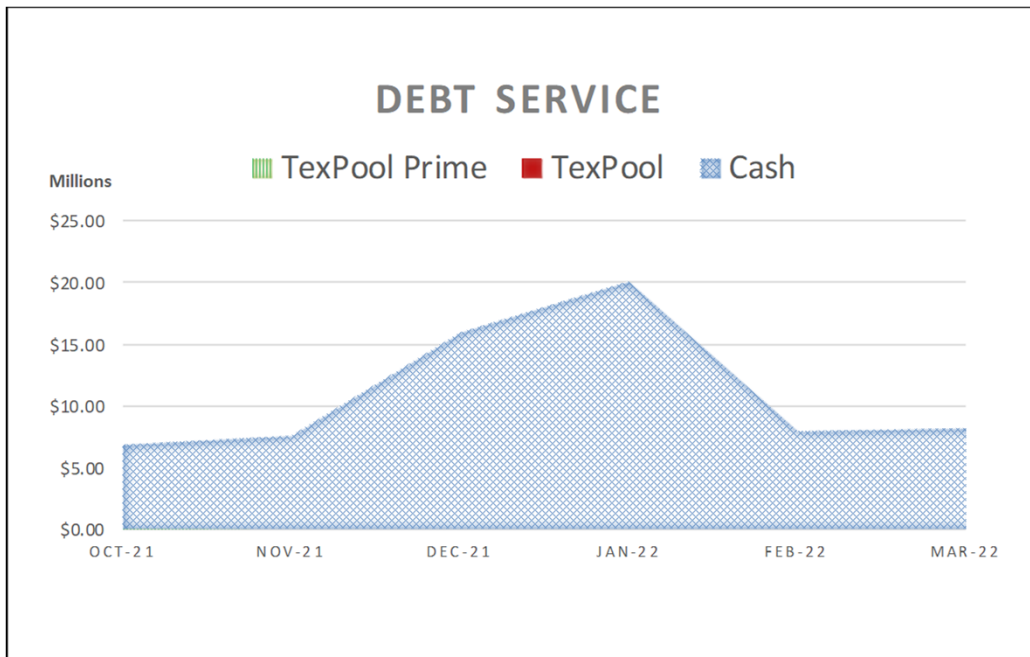
# Quarterly Investment Update



Date	Millions
October 31, 2021	\$90.0
November 30	\$86.8
December 31	\$157.0
January 31, 2022	\$184.8
February 28	\$221.2
March 31	\$203.5

- 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.

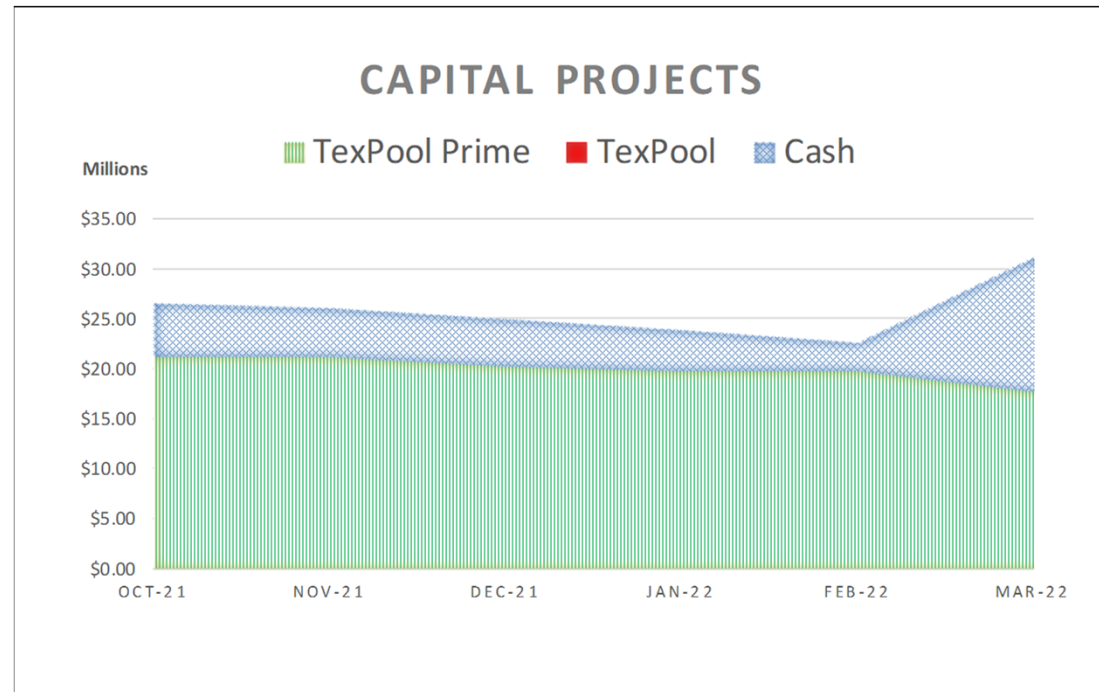
# Quarterly Investment Update



Date	Millions
October 31, 2021	\$6.9
November 30	\$7.6
December 31	\$16.0
January 31, 2022	\$20.0
February 28	\$8.0
March 31	\$8.2

- 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.

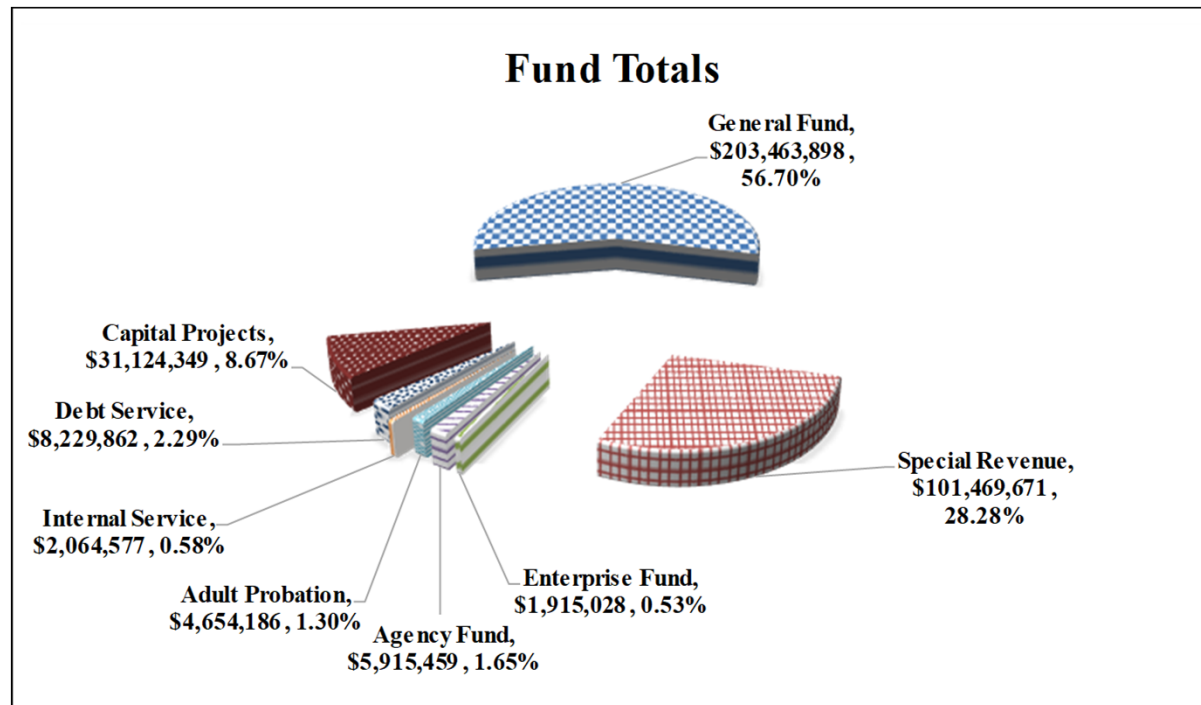
# Quarterly Investment Update



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 March 31, 2022







# *Questions*

