Howard County
MARYLAND

Investment Report
March 31, 2024

Rafiu O. Ighile
Director of Finance
Department of Finance
3430 Court House Drive
Ellicott City, MD 21043

Department of Finance

Investment Report
As of March 31, 2024

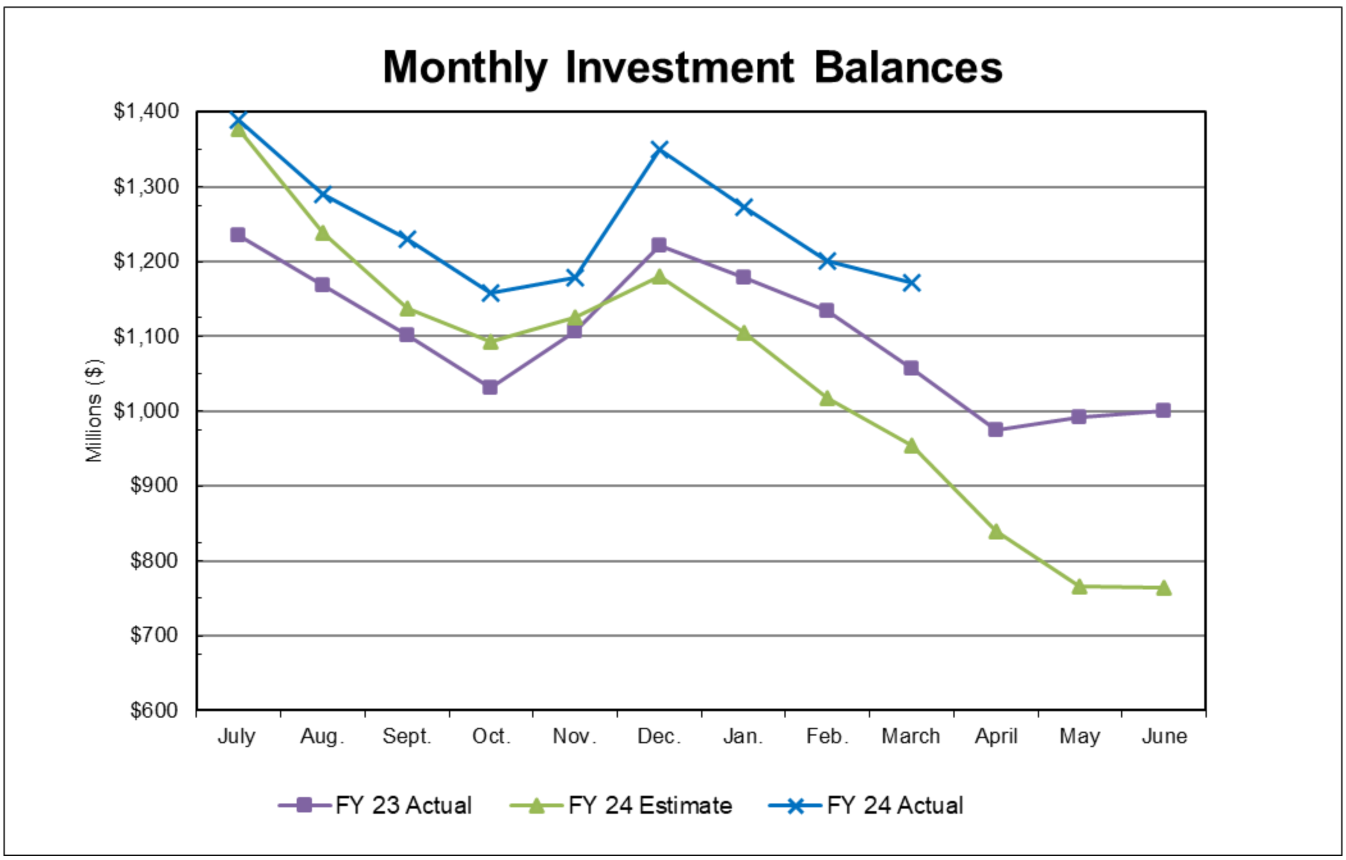
Investment Policy:

Howard County, Maryland invests public funds in a manner that will conform to all State of Maryland and County statutes governing the investment of public funds while meeting its daily cash flow demands and providing a return that most closely matches the three-month Treasury bill yield.

Summary of Portfolio Composition:

	CURRENT MONTH	PRIOR MONTH
General Fund	$858,180,227	$836,147,294
All Other Funds	$313,179,699	$363,999,919
Total Portfolio	$1,171,359,927	$1,200,147,213

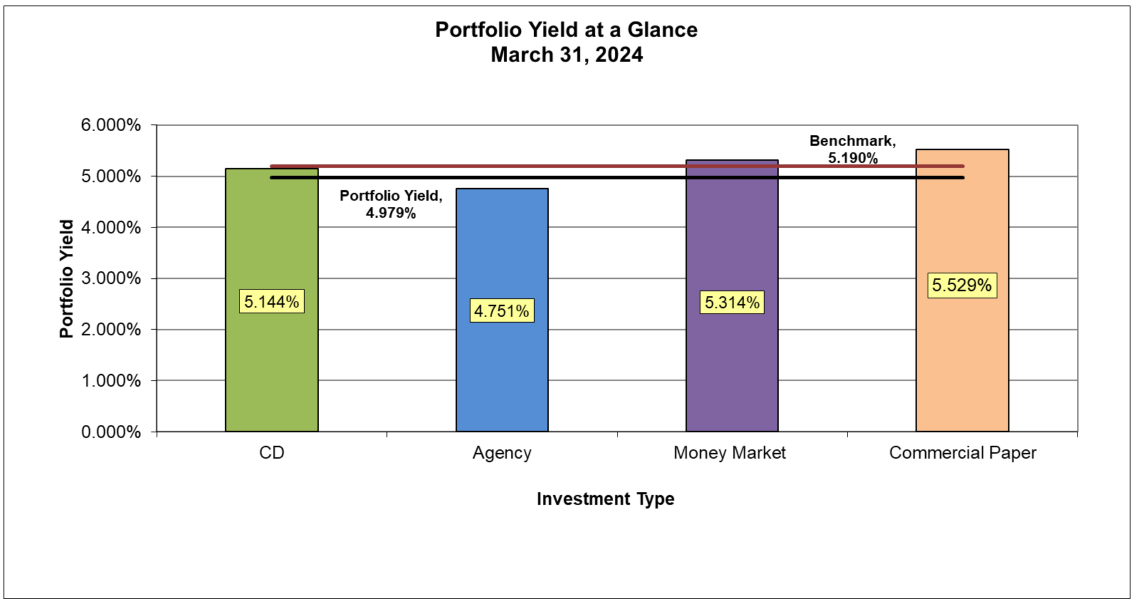
The total portfolio balance decreased by $28.8 million from the previous month. This decrease represents the normal trend as minimal property tax and income tax revenues are received. The County did not break any investments this month and never has. The investment allocations as shown on page 4 were consistent with the County Investment Policy.



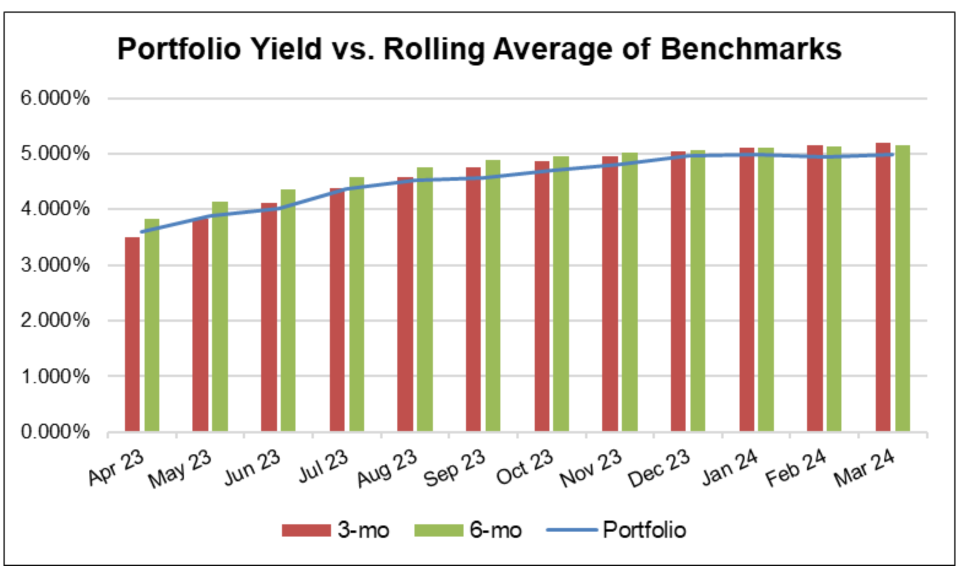
Analysis:

	CURRENT MONTH	PRIOR MONTH	WEIGHTED AVERAGE FOR 3 MONTHS ENDING March 31, 2024
Portfolio yield	4.979%	4.944%	4.967%
Three Month Benchmark yield	5.190%	5.270%	5.216%
Trailing 12-mo Three Month Benchmark yield	5.205%	5.155%	-

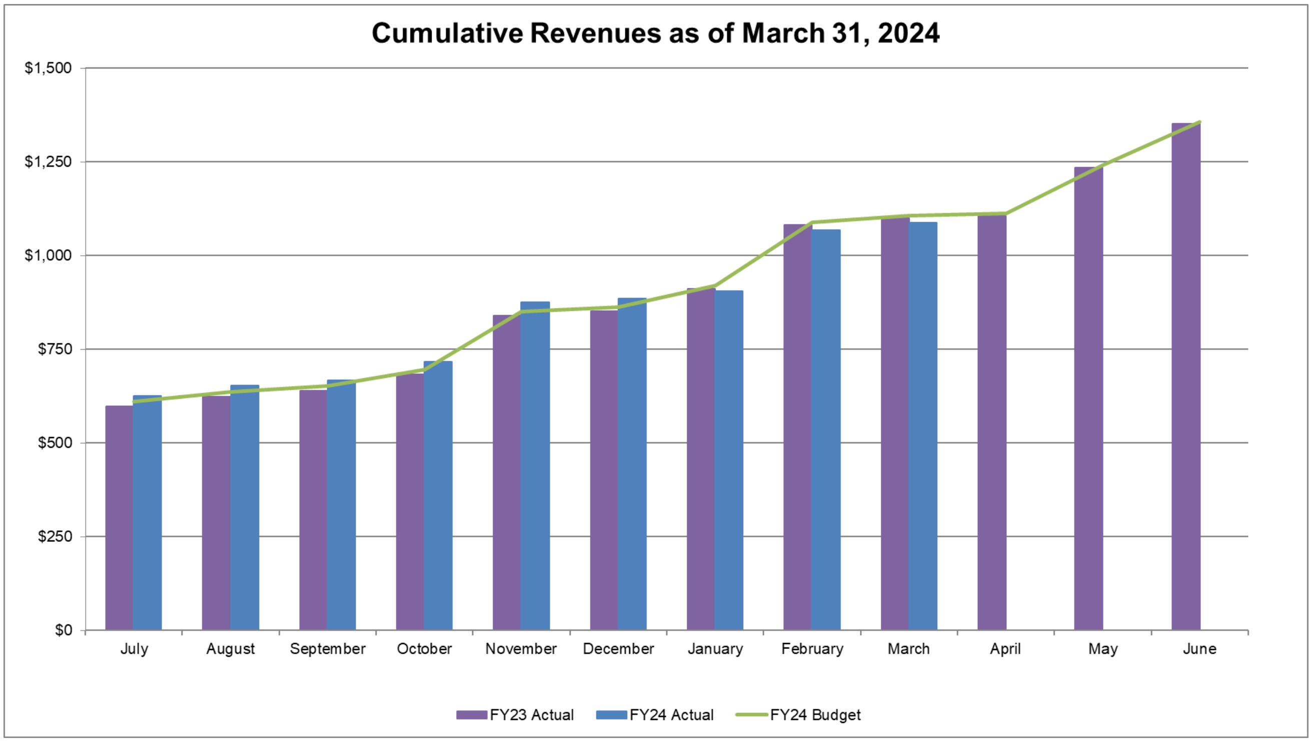
As of March 31, 2024, the average weighted maturity of the portfolio was 210 days.

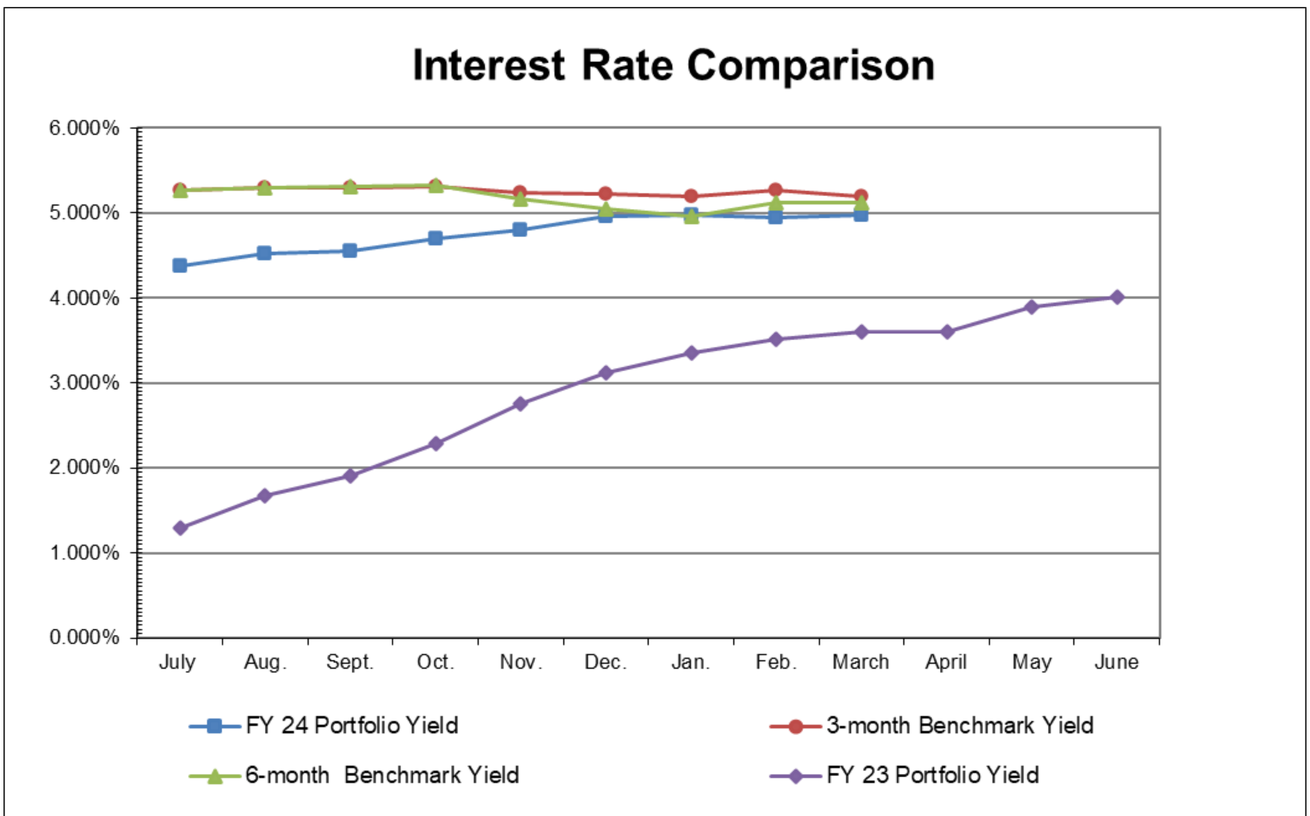


Below is the portfolio yield compared to the trailing 12-month three and six month benchmark yields. This key performance indicator measures the County's performance relative to the fixed income markets.

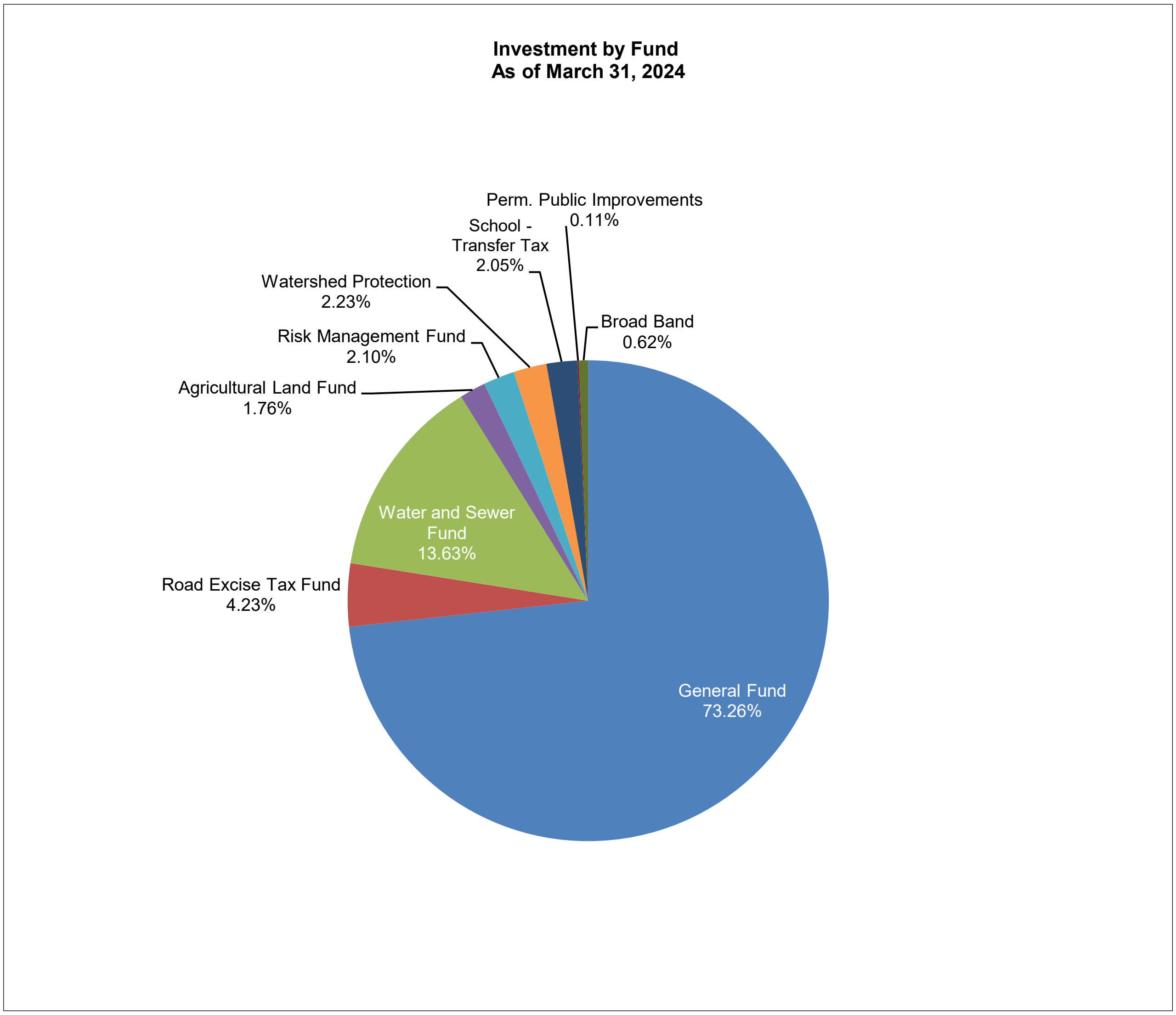


Current Market and Year-Over-Year Comparison:



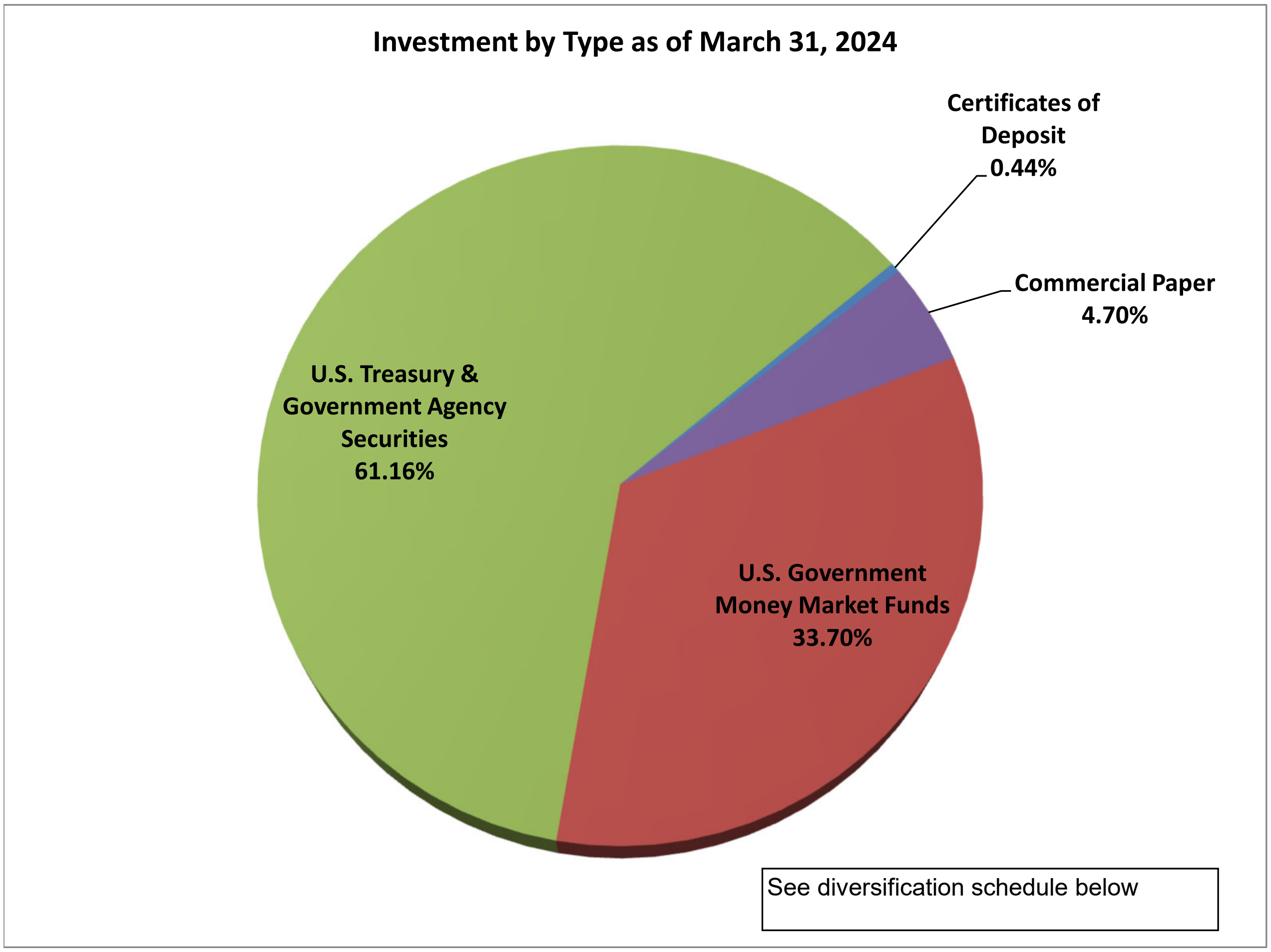


Note: Per the County's investment policy, the Treasury Bill yield is the benchmark yield.



	Investment Allocation As of 03/31/2024	FY 23 Interest Income* Actual	FY 24 Interest Income Budget	FY 24 Interest Income* As of 03/31/2024
General Fund	$ 858,180,227	$ 11,602,333	$ 4,000,000	$ 22,216,958
Road Excise Tax Fund	49,544,130	1,614,844	28,400	1,870,210
Water and Sewer Fund	159,711,968	3,564,768	2,300,000	5,073,035
Agricultural Land Fund	20,655,048	354,594	10,778	710,981
Risk Management Fund	24,576,305	424,117	10,000	627,078
Watershed Protection	26,076,145	346,882	42,895	710,272
School - Transfer Tax	24,011,000	714,380	47,000	951,771
Perm. Public Improvements	1,333,898	37,149	701	46,861
Broad Band	7,271,204	107,877	1,000	164,010
	$ 1,171,359,927	$ 18,766,944	$ 6,440,774	$ 32,371,176

* Reported on a cash basis.



Diversification Levels for Authorized Investments

	Authorized Percentage	Actual Percentage(2)	Actual Amount
U.S. Treasury & Government Agency Securities	90%	61.16%	716,421,997
Repurchase Agreements	90%	0.00%	-
U.S. Government Money Market Funds	60%	33.70%	394,744,665
Municipal Securities & Municipal Mutual Funds	40%	0.00%	-
Supranational Issuers	40%	0.00%	-
Commercial Paper	10%	4.70%	55,042,427
Certificates of Deposit	5%	0.44%	5,150,838
		100.00%	1,171,359,927

Diversification Levels for Authorized Brokers

	Actual Percentage (1) & (2)	Actual Amount
Cantor Fitzgerald	4.59%	53,819,134
Fulton Bank (3)	0.00%	48,532
FHN Financial	10.63%	124,540,429
Harbor Bank (3)	0.01%	102,306
Multi-Bank Securities Inc	3.53%	41,311,002
Ramirez	9.73%	114,030,367
Raymond James Financial	12.51%	146,568,626
Piper Sandler & Co.	10.14%	118,783,985
Sandy Spring Bank (3)	0.43%	5,000,000
Stifel, Nicolaus & Co.	7.95%	93,155,881
UBS Financial Services	6.77%	79,255,000
Goldman Sachs	8.88%	104,045,665
MD Local Government Investment Pool	23.58%	276,258,440
Wells Fargo	1.23%	14,440,561
	100.00%	1,171,359,927

(1) Actual percentages cannot exceed 40% for any one broker or financial institution at the time of purchase.
(2) Due to rounding, percentages may not total 100%.
(3) Certificates of Deposit

Investment Schedule

Type	Book Value	Yield	Purchase Date	Term in Days	Maturity Date
Certificates of Deposit:					
Sandy Spring	5,000,000	5.250%	09/08/23	243	05/08/24
Harbor Bank	102,306	0.750%	07/07/23	366	07/07/24
Fulton Bank	48,532	3.500%	12/05/23	366	12/05/24
Total Certificates of Deposit	**5,150,838**	**5.144%**			
Commercial Paper:					
Credit Agricole CIB NY	14,576,813	5.711%	10/05/23	183	04/05/24
Barclays Capital Inc	9,675,414	5.670%	10/02/23	213	05/02/24
MUFG Bank Ltd NY Branch	9,803,086	5.437%	12/15/23	133	04/26/24
Brittania Funding Co LLC	11,114,072	5.436%	01/12/24	81	04/02/24
Salisbury Receivables Co CP	9,873,042	5.321%	02/09/24	87	05/06/24
Total Commercial Paper	**55,042,427**	**5.529%**			
U.S. Government Money Market Funds:					
Goldman Sachs	104,045,665	5.200%	Various	-	On Demand
MD Local Govt Investment Pool	276,258,440	5.364%	Various	-	On Demand
Wells Fargo	14,440,561	5.176%	Various	-	On Demand
Total Money Markets	**394,744,665**	**5.314%**			

Investment Schedule (Cont.)						
Security Type	Purchase Price	Yield	Purchase Date	Call Date	Interest Date	Maturity Date
U.S. Treasury & Government Agency Securities:						
U.S. Treasury Note *	15,494,250	0.695%	12/02/21		03/31/24	03/31/24
U.S. Treasury Bill	9,731,919	5.570%	10/13/23		04/11/24	04/11/24
U.S. Treasury Note	9,422,100	4.521%	10/31/22		04/15/24	04/15/24
U.S. Treasury Note	9,415,679	4.430%	10/13/22		04/15/24	04/15/24
Federal Agricultural Mortgage Corporation	9,531,467	5.291%	05/31/23		05/01/24	05/01/24
Federal Home Loan Bank	9,632,850	5.494%	08/25/23		05/03/24	05/03/24
U.S. Treasury Note	9,426,953	3.834%	09/15/22		05/15/24	05/15/24
World Bank	4,860,931	5.506%	11/09/23		05/17/24	05/17/24
Federal Home Loan Bank	14,388,212	5.370%	08/04/23		05/17/24	05/17/24
Federal Home Loan Bank	5,000,000	0.375%	06/03/21	06/03/24	06/03/24	06/03/24
Federal Home Loan Bank	3,028,781	4.783%	11/30/22		05/30/24	06/14/24
Federal Farm Credit Bureau	10,505,000	0.440%	06/28/21	Anytime	06/28/24	06/28/24
Federal Home Loan Mortgage Corporation	5,000,000	4.000%	07/12/22	04/12/24	07/12/24	07/12/24
Federal Home Loan Mortgage Corporation	10,000,000	5.175%	11/17/22	05/09/24	05/09/24	08/09/24
U.S. Treasury Note	9,692,969	5.020%	05/31/23		08/15/24	08/15/24
Federal Farm Credit Bureau	9,986,400	4.970%	02/21/23		08/21/24	08/21/24
Intl Development Finance Corporation	10,000,000	5.770%	08/21/23		08/21/24	08/21/24
Federal Home Loan Mortgage Corporation	10,000,000	4.825%	03/15/23		09/06/24	09/06/24
Federal Home Loan Bank	10,031,700	5.100%	06/14/23		09/09/24	09/09/24
Federal Home Loan Mortgage Corporation	10,000,000	5.402%	02/28/23	06/20/24	09/20/24	09/20/24
Federal Home Loan Bank	7,000,000	0.570%	09/30/21	06/30/24	09/30/24	09/30/24
Federal Home Loan Bank	15,000,000	4.403%	05/10/23		04/04/24	10/04/24
Federal Home Loan Bank	10,000,000	5.019%	12/20/23		04/20/24	10/16/24
Federal Home Loan Mortgage Corporation	10,000,000	5.150%	04/17/23	04/17/24	04/17/24	10/17/24
Federal Home Loan Bank	10,000,000	5.430%	10/27/23		04/25/24	10/25/24
Federal Home Loan Bank	5,000,000	5.000%	10/25/22	04/25/24	07/25/24	10/25/24
Federal Farm Credit Bureau	9,997,500	4.517%	04/28/23		04/28/24	10/28/24
Federal Home Loan Bank	4,741,500	3.412%	08/10/22	04/08/24	08/08/24	11/08/24
Federal Home Loan Bank	10,000,000	1.000%	11/18/21	05/18/24	05/18/24	11/18/24
Federal Agricultural Mortgage Corporation	10,000,000	5.300%	11/22/23		05/22/24	11/22/24
U.S. Treasury Note	4,707,031	5.223%	06/30/23		12/15/24	12/15/24
Federal Home Loan Bank	5,000,000	3.875%	06/30/22	06/30/24	06/30/24	12/30/24
Federal Home Loan Bank	5,000,000	5.004%	12/08/23		07/03/24	01/03/25
Federal Agricultural Mortgage Corporation	20,000,000	5.250%	01/10/23	04/10/24	07/10/24	01/10/25
Federal Agricultural Mortgage Corporation	10,000,000	4.800%	01/17/24		07/17/24	01/17/25
Federal Home Loan Bank	10,000,000	5.000%	12/18/23	09/18/24	06/18/24	01/22/25
U.S. Treasury Note	9,848,438	5.182%	07/28/23		07/31/24	01/31/25
U.S. Treasury Note	9,771,875	4.670%	12/29/23		07/31/24	01/31/25
Federal Home Loan Bank	10,000,000	5.159%	08/01/23		08/05/24	02/05/25
Federal Home Loan Bank	10,000,000	5.336%	10/16/23		04/16/24	02/14/25
U.S. Treasury Note	9,604,688	4.959%	12/07/23		08/15/24	02/15/25
U.S. Treasury Note	4,835,400	4.980%	02/22/24		08/15/25	02/15/25
Federal Home Loan Mortgage Corporation	10,000,000	5.516%	02/28/23	05/28/24	05/28/24	02/28/25
Federal Home Loan Mortgage Corporation	10,000,000	5.550%	03/01/23	06/01/24	09/01/24	02/28/25
Federal Farm Credit Bureau	15,009,852	4.690%	02/01/24		08/28/24	02/28/25
Federal Home Loan Bank	10,000,000	5.460%	06/15/23	04/15/24	06/15/24	03/05/25
Federal Home Loan Bank	4,670,460	4.730%	01/05/24		09/14/24	03/14/25
Federal Home Loan Bank	20,000,000	4.680%	01/26/24		04/02/24	04/02/25
Federal Home Loan Bank	9,498,900	4.538%	12/29/23		04/14/24	04/14/25
Federal Home Loan Bank	15,000,000	5.004%	01/30/23	04/28/24	07/28/24	04/28/25
Federal Home Loan Mortgage Corporation	9,974,000	5.341%	06/09/23	05/16/24	05/16/24	05/16/25

Investment Schedule (Cont.)						
Security Type	Purchase Price	Yield	Purchase Date	Call Date	Interest Date	Maturity Date
U.S. Treasury & Government Agency Securities:						
Federal National Mortgage Association	10,000,000	5.620%	10/16/23	04/16/24	04/16/24	06/13/25
Federal Home Loan Mortgage Corporation	5,000,000	3.320%	06/30/22	06/30/24	06/30/24	06/30/25
Federal Home Loan Bank	10,000,000	5.000%	01/11/24	10/11/24	07/11/24	07/11/25
Federal Home Loan Bank	5,000,000	5.630%	09/20/23	04/20/24	09/20/24	08/13/25
Federal National Mortgage Association	15,000,000	5.250%	02/12/24	08/12/24	08/12/24	09/05/25
Federal Home Loan Bank	15,083,400	5.281%	12/29/23	09/26/24	09/26/24	09/26/25
Federal National Mortgage Association	10,000,000	5.060%	01/08/24	10/08/24	07/08/24	10/15/25
Federal National Mortgage Association	10,000,000	5.340%	01/08/24	04/08/24	07/08/24	10/15/25
Federal National Mortgage Association	10,000,000	5.375%	12/21/23	06/19/24	06/21/24	10/17/25
Federal National Mortgage Association	10,000,000	5.475%	12/08/23	05/14/24	05/14/24	11/14/25
Federal Home Loan Bank	15,000,000	4.940%	02/05/24	11/05/24	08/05/24	12/12/25
Federal Home Loan Bank	10,000,000	5.100%	12/22/23	09/19/24	06/19/24	12/19/25
Federal Home Loan Bank	15,000,000	5.000%	01/25/24	10/23/24	07/23/24	01/23/26
Federal Home Loan Bank	10,000,000	5.050%	02/07/24	11/06/24	08/06/24	02/06/26
Federal Home Loan Mortgage Corporation	10,000,000	5.050%	02/23/24	02/20/25	08/20/24	02/20/26
Federal Home Loan Mortgage Corporation	5,000,000	5.498%	02/22/24	05/20/24	08/20/24	02/20/26
Federal Home Loan Bank	6,551,474	5.067%	03/11/24	03/06/25	09/06/24	03/06/26
Federal Farm Credit Bureau	9,978,270	4.616%	03/25/24		09/13/24	03/13/26
Federal Agricultural Mortgage Corporation	15,000,000	5.051%	03/26/24	03/20/25	09/26/24	03/20/26
Federal Home Loan Bank	15,000,000	5.360%	03/25/24	09/25/24	09/25/24	04/15/26
Federal Home Loan Bank	15,000,000	5.300%	03/13/24	09/13/24	09/13/24	05/13/26
	716,421,997					
Supranationals:						
Total U.S. Treasury, Govt Agency Securities & Supranationals	**716,421,997**	**4.751%**				
Total Investment Balance (Page 6 - 8)	**1,171,359,927**	**4.979%**				

Portfolio Yield	**4.979%**
Benchmarks:	
Three-month Treasury Yield	**5.190%**
Six-month Treasury Yield	**5.120%**
Money Market Funds Yield	**5.314%**

* Maturity occurred over the weekend.The redemption was recognized the following business day.

The above report has been approved by:

Rafiu O. Ighile
Director of Finance

5/3/2024
Date

Notes to Investment Schedule

1. **Certificates of Deposit and Repurchase Agreements**

The County can only purchase Certificates of Deposit (CD's) from banks located in the State of Maryland. The banks currently holding CD's for the County are: Fulton Bank and Harbor Bank. The County currently maintains repurchase agreements with Cantor Fitzgerald and UBS Financial Services, Inc.

All certificates of deposit and repurchase agreements are collateralized at 102% of their cost plus accrued interest or FDIC insured. The collateral is held at Principal.

2. **Social Investing**

The County invests in instruments offered by community and minority financial institutions. These financial institutions may not meet all of the criteria listed in the County's Investment Policy as authorized dealers and institutions. These institutions are: Fulton Bank, Harbor Bank and Sandy Spring Bank. The County maintains a Certificate of Deposit with Fulton Bank for the Verizon Pole Agreement Surety Bond Requirements for the Department of Technology & Communication Services.

3. **Agricultural Land Preservation Program**

The County finances the acquisition of development rights to a parcel of agricultural property by entering into an installment-purchase agreement with the property owner. US Treasury Strips, purchased as part of the County's Agricultural Land Preservation program, will be used to match balloon payments to the property owner. The table below shows the detail information regarding the investment in Stripped Coupon U.S. Treasury Securities.

Maturity Date	Par Value[1] Balloon Payment	Original[2] Cost	Book Value[3] 6/30/2023
8/15/2023	3,359,000	362,503	3,327,901
8/15/2023	6,928,000	854,220	6,866,053
2/15/2025	374,000	66,011	339,490
2/15/2025	183,000	27,404	164,451
2/15/2026	3,950,000	560,900	3,315,409
8/15/2026	1,295,000	175,073	1,043,898
11/15/2027	2,158,000	478,644	1,665,762
Total	$ 18,247,000	$2,524,756	$16,722,965

[1] Purchase price plus accrued interest at maturity

[2] Purchase price

[3] Purchase price plus accrued interest as of 6/30/23

4. Securities with a Final Maturity Greater Than One Year from the Date of the Report

Security	Purchase Price	Market Value	Maturity Date
Federal Home Loan Bank	20,000,000	19,926,800	04/02/25
Federal Home Loan Bank	9,498,900	9,532,800	04/14/25
Federal Home Loan Bank	15,000,000	14,924,400	04/28/25
Federal Home Loan Mortgage Corp	9,974,000	9,987,000	05/16/25
Federal National Mortage Assn	10,000,000	10,004,100	06/13/25
Federal Home Loan Mortgage Corp	5,000,000	4,893,350	06/30/25
Federal Home Loan Bank	10,000,000	9,984,100	07/11/25
Federal Home Loan Bank	5,000,000	5,003,550	08/13/25
Federal National Mortage Assn	15,000,000	14,987,550	09/05/25
Federal Home Loan Bank	15,083,400	15,029,250	09/26/25
Federal National Mortage Assn	10,000,000	10,026,000	10/17/25
Federal National Mortage Assn	10,000,000	10,001,800	10/15/25
Federal National Mortage Assn	10,000,000	9,962,300	10/15/25
Federal National Mortage Assn	10,000,000	9,977,200	11/14/25
Federal Home Loan Bank	15,000,000	14,976,450	12/12/25
Federal Home Loan Bank	10,000,000	9,971,600	12/19/25
Federal Home Loan Bank	15,000,000	14,984,250	01/23/26
Federal Home Loan Bank	10,000,000	9,999,100	02/06/26
Federal Home Loan Mortgage Corp	10,000,000	9,990,000	02/20/26
Federal Home Loan Mortgage Corp	5,000,000	4,998,050	02/20/26
Federal Home Loan Bank	6,551,474	6,543,057	03/06/26
Federal Farm Credit Bureau	9,978,270	9,960,900	03/13/26
Federal Agricultural Mortgage Corp	15,000,000	15,000,000	03/20/26
Federal Home Loan Bank	15,000,000	14,965,350	04/15/26
Federal Home Loan Bank	15,000,000	14,997,150	05/13/26

Types of Investment Instruments

Bankers Acceptances (BA's): Financial transactions involving the import or export of goods. A bank agrees to lend money to an importer to finance the purchase of goods. The bank then sells this agreement to an investor (the County) who receives compensation in the form of interest.

Characteristics:
1. Very safe: There has never been a BA failure in their history
2. Can only purchase BA's from banks rated A1 or P1
3. Three guarantees back this investment:
   a. Obligation to pay by the importer
   b. Guarantee from the accepting bank
   c. The goods themselves
4. Maturities less than 180 days
5. Generally higher yielding than Repos

Restrictions: The County currently does not purchase Japanese BA's.

Certificates of Deposits: A time deposit with a specific maturity evidenced by a certificate. All deposits held in minority or community banks.

Money Market Funds: Current holdings include the Maryland Local Government Investment Pool (MLGIP) and Goldman Sachs. MLGIP is designed to provide all local government units of the State an Investment vehicle for the short-term investment of funds. The County's cash in these money market funds is obtainable on demand.

Repurchase Agreement (Repo): An investment contract involving the temporary transfer of ownership of U.S. Government securities between a broker and an investor (the County). A broker agrees to sell U.S. Treasury or Government Agency Securities to the County and agrees to repurchase them at a fixed price on a fixed date. The County receives the original purchase price and compensation in the form of interest on the maturity date.

Characteristics:
1. Very safe: only collateralized U.S. Government securities
2. Very flexible: maturities from one day to one year
3. Higher yields than purchasing securities outright

U.S. Treasury and Government Agency Securities: Considered the safest investments in the world. The U.S. Government and its agency issue these securities to finance their operations. Maturities range from three months to 30 years, however, the County, per our investment policy, is limited to five-year maturities.

Characteristics:
1. Very safe
2. Very liquid: can be sold very easily

Main Agency issuers:
1. Federal Farm Credit Bank (FFCB)
2. Federal National Mortgage Association (FNMA)
3. Federal Home Loan Bank (FHLB)
4. Federal Home Loan Mortgage Corporation (FHLMC)
5. Federal Agricultural Mortgage Corporation (FAMC)

Commercial Paper: Per the County's investment policy, must have minimum rating of A1, P1 or F1 from the credit rating agencies.

Supranational Issuer: An international development institution that provides financing, advisory services, or other financial services to the institution's member countries to achieve the overall goal of improving living standards through sustainable economic growth; and is rated in the highest credit rating category by a nationally recognized statistical rating organization.

Characteristics:

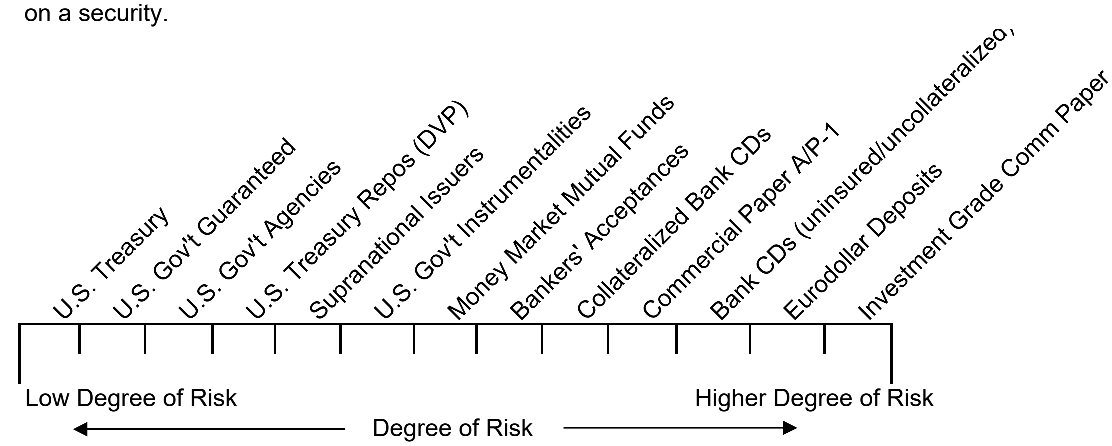
1. Very safe
2. Can only purchase Supranational Issuers from primary dealers

Main Agency issuers:

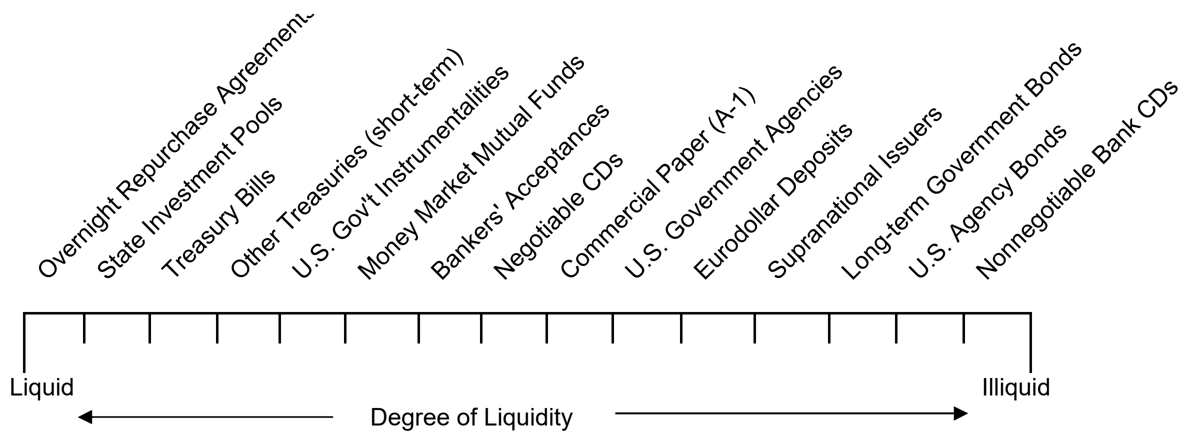
1. The World Bank (IBRD)
2. The International Finance Corporation (IFC)
3. The Inter-American Development Bank (IADB)
4. The African Development Bank (AfDB)
5. The Asian Development Bank (ADB)

Key Investing Terms

Credit Risk: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.



Liquidity: An asset that can be converted easily and quickly into cash.



Distribution:

County Executive
County Council
County Auditor
Chief Administrative Officer
Office of Public Information
Budget Director