



C I T Y O F
RENO
Memorandum

DATE: November 15, 2024

TO: Mayor and City Council

THROUGH: Jackie Bryant, Interim City Manager **Approved Electronically**

FROM: Matt Taylor, Assistant Finance Director

DEPT: Finance

SUBJECT: Monthly Investment Reports – October 31, 2024

Attached is the monthly investment report provided by PFM Asset Management for the month of October 2024.

City of Reno

Monthly Investment Report

October 31, 2024

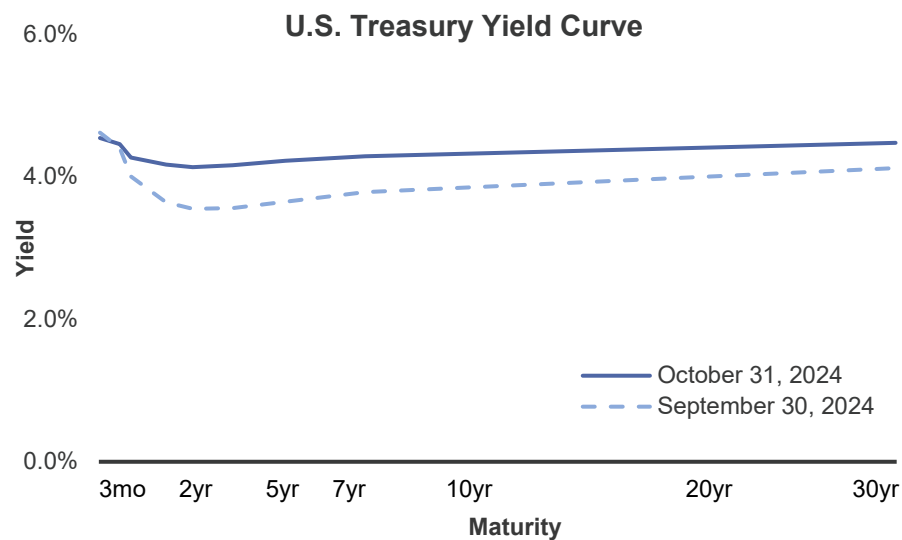
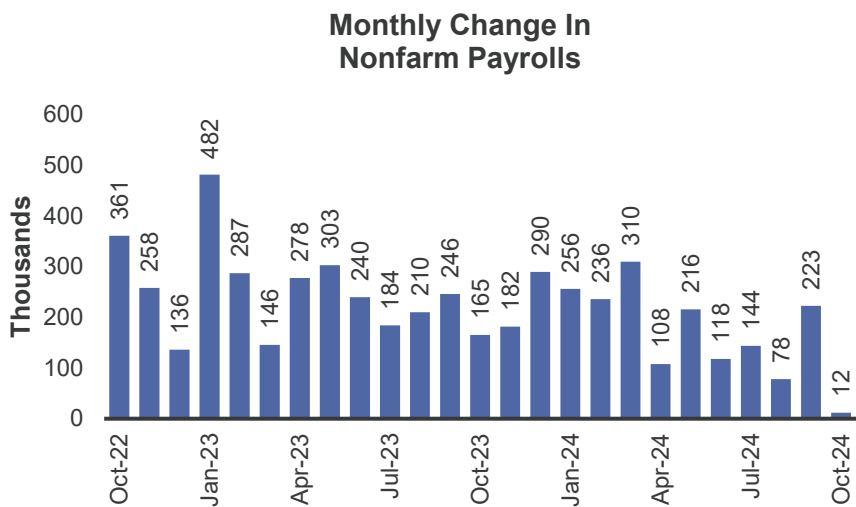
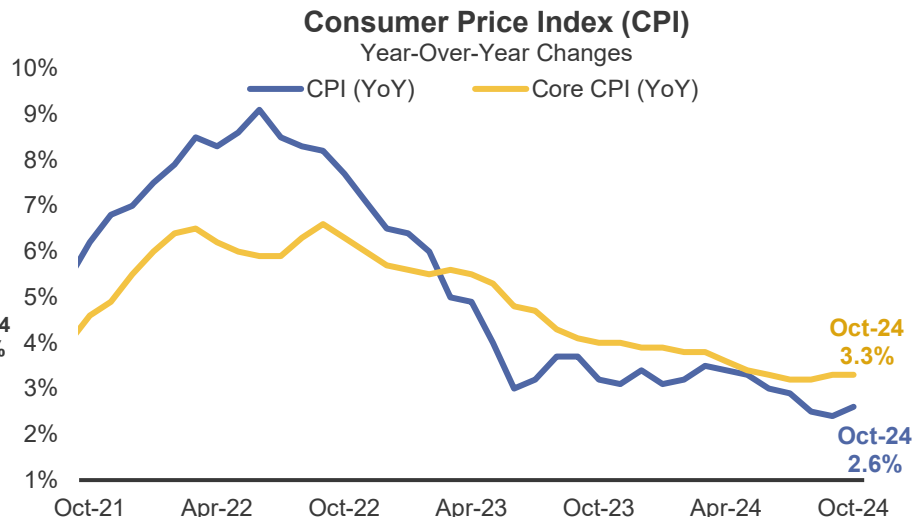
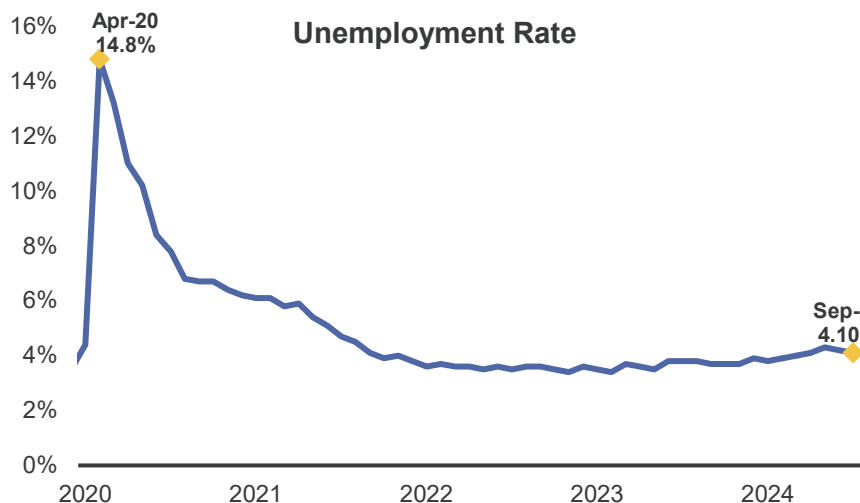
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PFM Asset Management LLC

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Inflation Maintains Trend to Fed's 2% Target; Labor Market: Unemployment and Labor Force Participation Rates



Source: Bloomberg Finance L.P., Bureau of Labor Statistics. (Top Left). Bloomberg L.P., Bureau of Labor Statistics as of October 2024 (Top Right). Bloomberg L.P., Bureau of Labor Statistics, as of October 2024. Data is seasonally adjusted. (Bottom Left). Bloomberg L.P., as of October 31, 2024 (Bottom Right).

Summary of the City's Funds

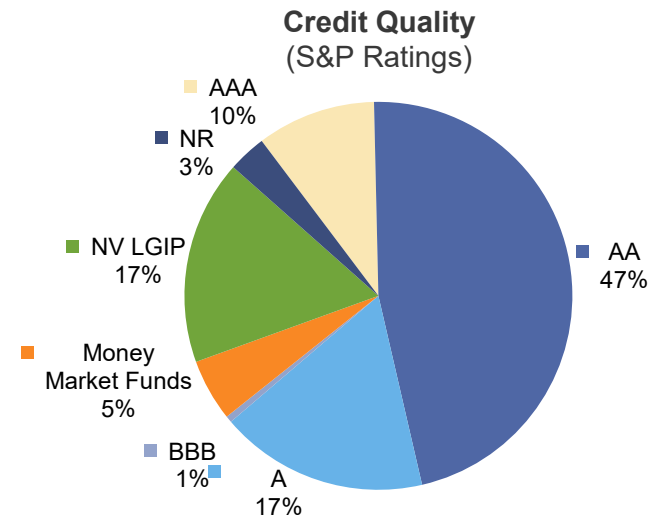
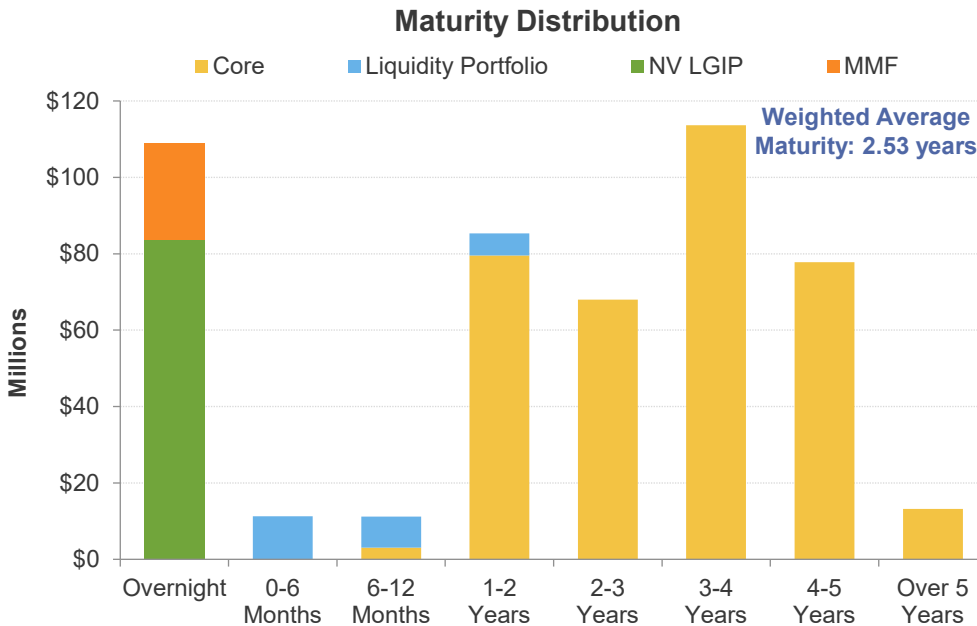
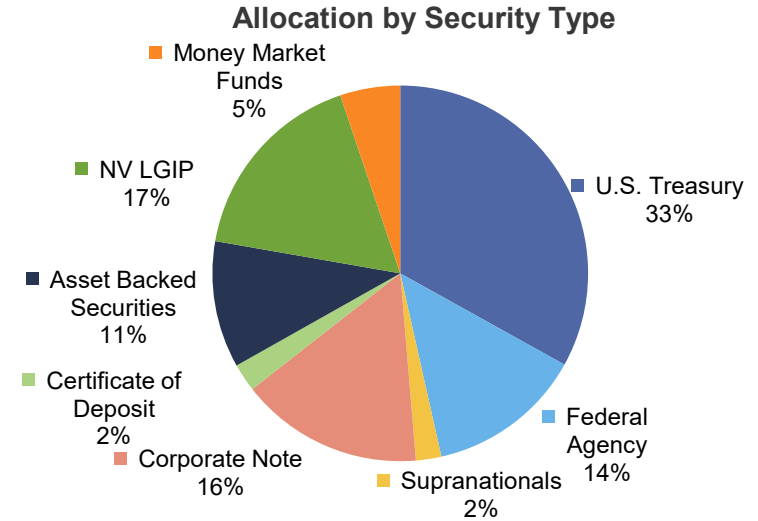
City of Reno as of
10/31/24

City of Reno Funds	Market Value ¹
Core Portfolio	\$355,234,742
Liquidity Portfolio	\$25,168,922
Liquid Funds	\$108,866,224
<i>Nevada LGIP</i>	\$83,531,542
<i>U.S. Bank</i>	\$402,389
<i>Wells Fargo</i>	\$24,932,294
Managed Account Subtotal	\$489,269,888
Reserve Fund Portfolios	\$12,741,271
Total	\$502,011,159

1. Market Values exclude accrued interest



Account Summary	Ending Values as of 9/30/24	Ending Values as of 10/31/24
Market Value	\$480,235,821	\$489,269,888
Book Value	\$477,489,655	\$490,934,839
Unrealized Gain/(Loss)	\$2,746,166	(\$1,664,951)
Yield at Market	3.95%	4.45%
Yield at Cost	4.15%	4.18%



- Summary data includes Core Portfolio, Liquidity Portfolio and Liquid Funds, excluding accrued interest; excludes Reserve Fund Portfolios.
- Money Market Funds include U.S. Bank, and Wells Fargo balances.
- The weighted average yield at market and yield at cost excludes Liquid Funds.

Security Type and Maturity Analytics^{1,2,3,4}

City of Reno as of
10/31/24

Security Type	Market Value	% of Portfolio	Permitted by Policy
U.S. Treasury	\$161,819,473	33.1%	100%
Federal Agency	\$54,085,665	11.1%	100%
Agency MBS	\$7,220,992	1.5%	20%
Supranationals	\$10,689,139	2.2%	15%
Corporate Note	\$81,415,283	16.6%	25%
Certificate of Deposit	\$11,796,829	2.4%	30%
Asset Backed Securities	\$53,376,283	10.9%	30%
NV LGIP	\$83,531,542	17.1%	100%
Money Market Funds	\$25,334,682	5.2%	100%
Total Market Value	\$489,269,888	100.0%	

Maturity	Market Value	% of Portfolio	Permitted by Policy
Overnight	\$108,866,224	22.3%	No Limit
0-6 Months	\$11,299,948	2.3%	No Limit
6-12 Months	\$11,197,177	2.3%	No Limit
1-2 Years	\$85,297,427	17.4%	No Limit
2-3 Years	\$68,003,993	13.9%	No Limit
3-4 Years	\$113,674,580	23.2%	No Limit
4-5 Years	\$77,774,093	15.9%	No Limit
Over 5 Years	\$13,156,445	2.7%	No Limit
Total Market Value	\$489,269,888	100.0%	

Accrual Basis Earnings ⁴	10/1/24 through 10/31/24
Total Estimated Earnings	\$1,076,318

1. Data includes Core Portfolio, Liquidity Portfolio and Liquid Funds, excluding accrued interest; excludes Reserve Fund Portfolios.
2. Money Market Funds include U.S. Bank, and Wells Fargo balances.
3. Investment policy dated September 2023.
4. Excludes earnings on Liquid Funds.

Issuer Diversification^{1,2,3,4}

City of Reno as of
10/31/24

Issuer	Market Value	% of Portfolio	Permitted by Policy
U.S. Treasury	\$161,819,473	33.1%	100%
Nevada LGIP	\$83,531,542	17.1%	100%
Federal Home Loan Mortgage Corporation	\$52,772,514	10.8%	100%
Money Market Funds	\$25,334,682	5.2%	100%
Bank Of America Co	\$9,513,463	1.9%	30%
Toronto-Dominion Bank	\$6,738,639	1.4%	25%
Federal National Mortgage Association	\$6,548,082	1.3%	100%
African Development Bank	\$5,308,695	1.1%	15%
Discover Financial Services	\$4,782,227	1.0%	30%
Toyota Motor Corp	\$4,562,532	0.9%	30%
Wells Fargo Card Issuance Trust	\$3,961,026	0.8%	30%
Wells Fargo & Company	\$3,793,668	0.8%	25%
Bank of America Auto Trust	\$3,639,716	0.7%	30%
Citigroup Inc	\$3,471,327	0.7%	25%
Rabobank Nederland	\$3,398,087	0.7%	5%
Bmw Financial Services Na Llc	\$3,141,916	0.6%	25%
Mitsubishi Ufj Financial Group Inc	\$3,005,235	0.6%	25%
Credit Agricole SA	\$2,993,814	0.6%	5%
Capital One Financial Corp	\$2,914,940	0.6%	30%
American Express Co	\$2,829,712	0.6%	30%
Intl Bank Of Reconstruction And Dev	\$2,822,082	0.6%	15%
USAA Auto Owner Trust	\$2,700,289	0.6%	30%
Bank Of Montreal	\$2,666,781	0.5%	25%
State Street Corporation	\$2,643,353	0.5%	25%
Daimler Truck	\$2,620,417	0.5%	30%
Chase Issurance	\$2,614,635	0.5%	30%
Sumitomo Mitsui Financial Group Inc	\$2,568,395	0.5%	25%
Deere & Company	\$2,565,268	0.5%	25%
Asian Development Bank	\$2,558,362	0.5%	15%
Morgan Stanley	\$2,556,583	0.5%	25%
Royal Bank Of Canada	\$2,540,605	0.5%	25%
Mercedes-Benz Group AG	\$2,523,018	0.5%	25%
American Honda Finance	\$2,481,508	0.5%	25%
Hyundai Auto Receivables	\$2,412,254	0.5%	30%
Natixis NY Branch	\$2,364,644	0.5%	5%
Fifth Third Auto Trust	\$2,360,799	0.5%	30%
John Deere Owner Trust	\$2,337,774	0.5%	30%
JPMorgan Chase & Co	\$2,308,204	0.5%	25%
National Australia Bank Ltd	\$2,269,392	0.5%	25%
Honda Auto Receivables	\$2,202,876	0.5%	30%

Issuer	Market Value	% of Portfolio	Permitted by Policy
Northern Trust Corp	\$2,179,599	0.4%	25%
Analog Devices Inc	\$2,069,011	0.4%	25%
National Rural Utilities Co Finance Corp	\$2,053,872	0.4%	25%
Comcast Corp	\$2,047,204	0.4%	25%
Kubota Credit Owners Trust	\$2,021,762	0.4%	30%
Goldman Sachs Group Inc	\$2,004,145	0.4%	25%
Government National Mortgage Association	\$1,986,062	0.4%	100%
Mercedes-Benz Auto Receivables	\$1,984,508	0.4%	30%
IBM Corp	\$1,980,412	0.4%	25%
Paccar Financial Corp	\$1,895,800	0.4%	25%
Gm Financial Securitized Term	\$1,846,269	0.4%	30%
BP PLC	\$1,840,069	0.4%	25%
Canadian Imperial Bank Of Commerce	\$1,734,583	0.4%	25%
META Platforms Inc	\$1,661,373	0.3%	25%
Cisco Systems Inc	\$1,640,088	0.3%	25%
Bank Of New York Mellon	\$1,614,746	0.3%	25%
AstraZeneca Finance LLC	\$1,522,974	0.3%	25%
Honeywell International	\$1,486,021	0.3%	25%
Unitedhealth Group Inc	\$1,439,513	0.3%	25%
Adobe Inc	\$1,377,258	0.3%	25%
Carmax Auto Owner Trust	\$1,264,101	0.3%	30%
Ally Auto Receivables Trust	\$1,231,013	0.3%	30%
Lockheed Martin Corp	\$998,845	0.2%	25%
Ford Credit Auto Owner Trust	\$987,914	0.2%	30%
Volkswagen Auto	\$966,914	0.2%	30%
BMW Financial Services	\$875,496	0.2%	30%
Nissan Auto Receivables	\$640,259	0.1%	30%
Pepsico Inc	\$614,276	0.1%	25%
Truist Financial Corp	\$427,365	0.1%	25%
Caterpillar Inc	\$322,125	0.1%	25%
CNH Equipment Trust	\$200,584	<0.1%	30%
World Omni Auto Rec Trust	\$177,195	<0.1%	30%
Total	\$489,269,888		

1. Data includes Core Portfolio, Liquidity Portfolio and Liquid Funds, excluding accrued interest; excludes Reserve Fund Portfolios.

2. Money Market Funds include U.S. Bank, and Wells Fargo balances.

3. Investment policy dated September 2023.

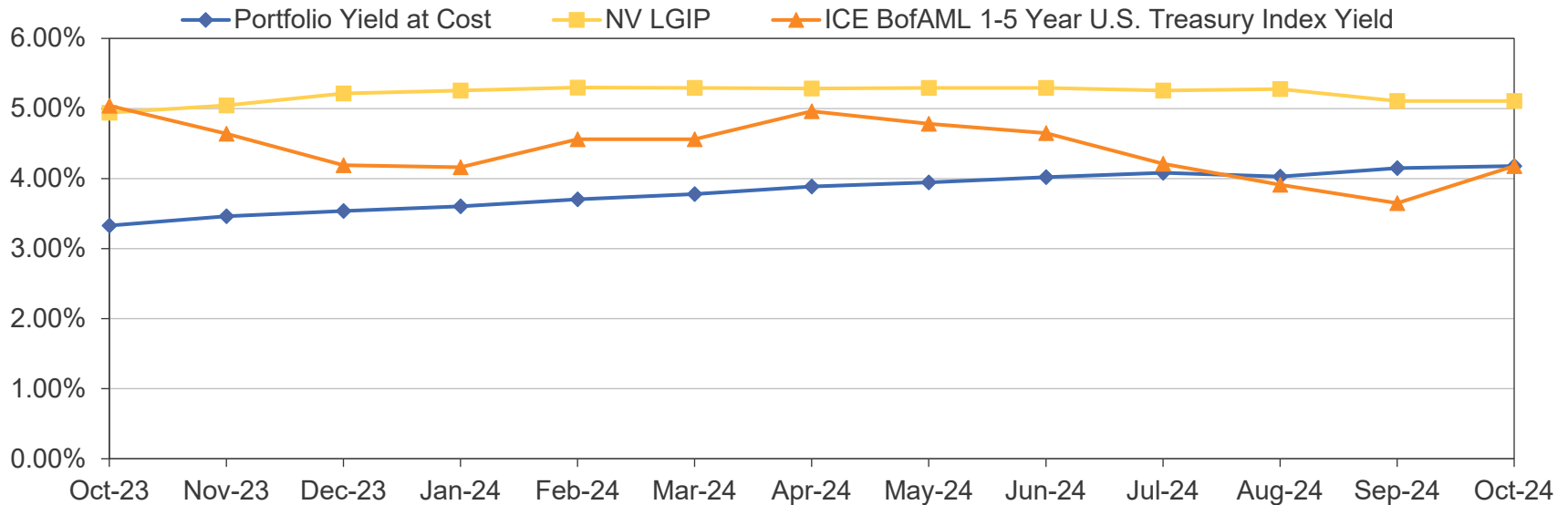
4. Securities issued by Asian Development Bank and the African Development are compliant as they were purchased prior to the City's October 2021 investment policy update.

Portfolio Yield Summary

City of Reno as of
10/31/24

Date	Book Value ¹	Portfolio Yield (Cost) ⁴	Portfolio Duration ⁴	NV LGIP Yield (Monthly) ³	1-5 Year Treasury Index Yield ²
May-24	479,778,093	3.94%	2.37	5.30%	4.78%
Jun-24	465,626,547	4.02%	2.36	5.30%	4.65%
Jul-24	465,339,566	4.08%	2.35	5.26%	4.21%
Aug-24	453,918,577	4.03%	2.34	5.28%	3.91%
Sept-24	477,489,655	4.15%	2.35	5.11%	3.65%
Oct-24	490,934,839	4.18%	2.37	-	4.18%

Comparison of Combined Portfolio Yield, BAML 1-5 Year Treasury Index², and NV LGIP³



1. Security book values include Core Portfolio, Liquid Portfolio, and Liquid Funds, excluding accrued interest and balances in the reserve funds.
2. Source: ICE Bank of America/Merrill Lynch Global Bond Indices
3. Source: Nevada State Treasurer's website. Monthly net distributed interest rate.
4. The portfolio yield and duration exclude Liquid Funds.

During the reporting period for the month ended October 30, 2024, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*



City's Investment Objectives

- **Investment Objectives:** In accordance with the City's Investment Policy, the City's primary objectives in order of priority are:
 - **Safety** – Safety of principal is the foremost objective of the investment program. Investments for the City will be made in a manner that seeks to ensure the preservation of capital in the overall portfolio.
 - **Liquidity** – The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
 - **Yield** – The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints, liquidity needs, and cash flow characteristics of the portfolio.
- ▶ **Certification:** The City has sufficient funds to meet expenditures for the following six-month period.



Portfolio Information Summary

Funds Included in Report

- The following report includes the City's funds held in overnight investment vehicles (savings accounts, money market funds, and Nevada Local Government Investment Pool) and portfolios of individual fixed income securities (Core Portfolio and Liquidity Portfolio).

Portfolio Summary and Characteristics

- Funds are shown on an amortized cost, and market value basis.
 - Amortized Cost Value (Book Value). Represents the original cost of an investment adjusted for amortization of premium or accretion of discount.
 - Market Value. The current price at which that security is trading between buyers and sellers. Valuation is highly dependent on interest rate movements.
- The investment sector, maturity, and credit ratings distribution is shown based on market value basis.
- Demonstrates level of diversification by investment type and credit quality. Additionally, illustrates active management of funds to optimize value in the current market.

Investment Program Maturity Summary

- The maturity distribution of the City's funds (market value plus accrued interest) from one-day to the ten-year mandated limit.
- Demonstrates level of diversification by maturity date. Shows placement of funds to take advantage of opportunities while ensuring that the City has funds to meet its cash flow needs.

Portfolio Yield Summary

- The historical yield and duration of the City's funds, monthly net distribution rate for the Nevada Local Government Investment Pool (NV LGIP), and the monthly yield for the Bank of America/Merrill Lynch 1 – 5 year Treasury Index is shown for the trailing six months.
- A historical record of the City's overall fund balance and earnings rates.

Investment Guidelines

- The City invests in permitted securities consistent with Nevada Revised Statutes (NRS) Chapter 355.170 – 355.200 and the Reno Municipal Code. The City’s Investment Policy includes additional sector allocation and maturity restrictions that reflect the City’s risk tolerances.

Security Type	Nevada Government Code	City’s Investment Policy
U.S. Treasury Notes	✓	✓
Federal Agencies	✓	✓
Supranationals	✓	✓
State and Local Municipal Obligations	✓	✓
Corporate Notes	✓	✓
Mortgage-Backed Securities	✓	✓
Commercial Paper	✓	✓
Time Certificates of Deposit	✓	✓
Negotiable Certificates of Deposit	✓	✓
Bankers’ Acceptances	✓	✓
Repurchase Agreements	✓	✓
Reverse Repurchase Agreements	✓	✓
Mutual Funds	✓	✓
Money Market Funds	✓	✓
Nevada Local Government Investment Pool (NV LGIP)	✓	✓

Disclaimer

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