

CLARK COUNTY, NEVADA

MONTHLY INVESTMENT REPORT

January 31, 2016



CLARK COUNTY TREASURER'S OFFICE

500 S. GRAND CENTRAL PARKWAY

LAS VEGAS, NEVADA 89106

Laura B. Fitzpatrick

Treasurer

www.clarkcountynv.gov/depts/treasurer



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**CLARK COUNTY TREASURER'S WEBSITE
ADDITIONAL INVESTMENT INFORMATION**

www.co.clark.nv.us/treasurer/investment.htm



INVESTMENT OVERVIEW AND OBJECTIVES

The three main objectives in managing the County's Total Investment Portfolio are to provide safety of principal, to ensure liquidity to meet operating requirements, and to generate a market rate of return on the investments. Using cash flow projections to match revenues with expenditures ensures prudent investment principles that will enable the County to soundly meet its financial obligations. The Investment Portfolio shall be structured in relation to prevailing budgetary and economic environments, taking into account the County's investment risk constraints and cash flow characteristics.

The County's Total Investment Portfolio has five separate investment portfolios. They are as follows:

Investment Pool - operating funds, various bond funds, and capital project funds

Bonds Funds - various bond funds, requiring segregation

McCarran Airport Bond Funds - airport bond funds

Tax Receiver - real property tax collections

Water Reclamation District - separate legal entity's operating funds, various bond funds, and capital project funds

INVESTMENT POOL- The Investment Pool is segregated into three sub-portfolios: Cash Management, Core, and ABS/MBS. The Cash Management and Core sub-portfolios represent the largest portion of the Investment Pool and these funds are primarily invested in short to intermediate term treasury and federal agency securities and in high grade corporate debt obligations. ABS/MBS primarily invests in federal agency collateralized mortgage obligations and high grade asset-backed securities.

BOND FUNDS- Various bond construction, reserve, and debt service monies are invested according to bond covenants in short-term U.S. Treasury and federal agency securities, money market funds (MMFs), and Collateralized Investment Agreements (CIAs) to match semi-annual debt service payments and cash flow requirements. These funds are primarily from special improvement district bond issues.

McCARRAN AIRPORT BOND FUNDS- Various airport bond construction, reserve and debt service monies are invested according to bond covenants in short-term treasury and federal agency securities, MMFs, and Collateralized Investment Agreements to match semi-annual debt service payments and cash flow requirements

TAX RECEIVER- The Treasurer, as ex officio tax receiver, bills and collects taxes on all real property in the County, and distributes the tax dollars to the various taxing entities including the state, county, school district, cities, libraries, other special districts. The balances in the Tax Receiver account are extremely seasonal in nature due to the statutory property tax collection schedule, with the highest balances occurring in the months of August, October, January, and March. Property tax allocations and interest earnings are disbursed to other governmental entities on the 15th of each month. Monies are invested primarily in money market funds (MMFs) and other short-term securities to match the scheduled cash flow requirements.

WATER RECLAMATION DISTRICT- The Treasurer performs the investment function for the Water Reclamation District. The types of investments utilized for this portfolio are primarily treasuries, federal agencies, MMFs, and other short term debt. The Treasurer's office works with the District to ensure the portfolio has adequate liquidity to provide for cash flow needs.



TREASURER'S CERTIFICATION

I, Laura B. Fitzpatrick, Clark County Treasurer, certify that the investments and related activity herein reported comply with Nevada Revised Statutes, Clark County Ordinances, and the Clark County Investment Policy.

/s/ Laura B. Fitzpatrick

Laura B. Fitzpatrick - County Treasurer

REQUIREMENTS AND COMPLIANCE

| ITEM | REQUIREMENTS | ACTUAL PORTFOLIO |
|---------------------------|---|------------------|
| Weighted Average Duration | The Investment Pool cannot exceed a 2.5 year weighted average duration. | 1.92 |
| Liquidity Requirement* | At least 5% of the Investment Pool must mature within 90 days. | 16.97% |

*Percentage includes the closing ledger balance of the Investment Pool's checking account at the County's depository bank.

TOTAL PORTFOLIO

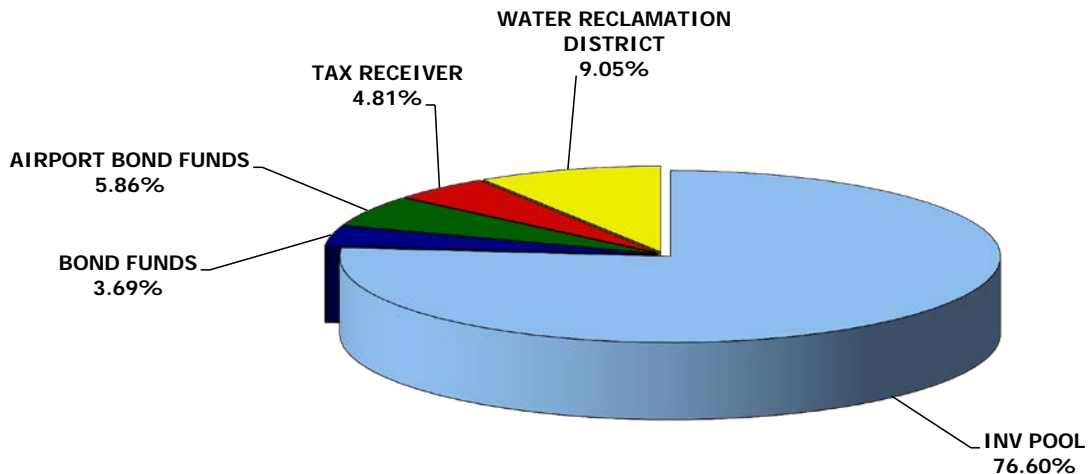
| INVESTMENT CATEGORY | MAXIMUM MATURITY | QUALITY LIMITS S&P/MOODY'S | AUTHORIZED LIMIT | ACTUAL PORTFOLIO |
|--|-------------------|------------------------------------|--|------------------|
| U.S. Federal Agency | 10 Years | N/A | No Limit | 41.26% |
| Money Market Funds | N/A | AAA | No Limits | 2.79% |
| U.S. Treasury | 10 Years | N/A | No Limit | 24.80% |
| Collateralized Investment Agreements | Match Bond Issues | Counterparty rating A2/A or better | No Limits | 0.30% |
| Forward Delivery Agreements | Match Bond Issues | Counterparty rating A2/A or better | No Limits | 0.31% |
| Commercial Paper* | 270 days | Domestic A-1/P-1 or better | 20% - Not more than 5% per issuer | 4.95% |
| Negotiable Certificates of Deposit* | N/A | A-1/P-1 or better | No Limits in total - Not more than 5% per issuer | 2.24% |
| Corporate Notes* | 5 Years | A-/A3 or better | 20% - Not more than 5% per issuer | 15.34% |
| LGIP | N/A | N/A | N/A | 2.24% |
| Repurchase Agreements | 90 Days | N/A | 10% - Collateral 102% | 1.83% |
| Agency Collateralized Mortgage Obligations | N/A | AAA/Aaa | 0.2 | 0.42% |
| Agency MBS Pass-Throughs | 10 years | N/A | No Limit | 0.11% |
| Asset Backed Securities* | N/A | AAA/Aaa | 20% - Not more than 5% per issuer | 3.41% |
| Total | | | | 100.00% |

*No single issuer exceeds the 5% restriction limit.



**TOTAL PORTFOLIO OVERVIEW
DISTRIBUTIONS BY PORTFOLIOS**

| PORTFOLIO | MARKET VALUE | BOOK VALUE | VARIANCE |
|-----------------------------|----------------------------|----------------------------|-------------------------|
| Investment Pool | \$ 3,786,837,685.24 | \$ 3,763,840,559.49 | \$ 22,997,125.75 |
| Bond Funds | 181,395,000.50 | 181,388,153.27 | 6,847.23 |
| McCarran Airport Bond Funds | 287,626,148.81 | 287,790,453.19 | (164,304.38) |
| Tax Receiver | 236,371,426.56 | 236,350,866.87 | 20,559.69 |
| Water Reclamation District | 446,001,737.54 | 444,499,129.83 | 1,502,607.71 |
| TOTALS | \$ 4,938,231,998.65 | \$ 4,913,869,162.65 | \$ 24,362,836.00 |



| PORTFOLIO | YIELD TO MATURITY | DAYS TO MATURITY | WEIGHTED AVG MATURITY (Yrs) | WEIGHTED AVG DURATION (Yrs) | MONTHLY INTEREST EARNINGS |
|----------------------------|-------------------|------------------|-----------------------------|-----------------------------|---------------------------|
| Investment Pool | 1.09% | 742 | 2.03 | 1.92 | \$ 3,111,238.93 |
| Bond Issues | 0.73% | 60 | 0.16 | 0.16 | 80,599.62 |
| McCarran Airport Bond Iss. | 0.69% | 158 | 0.43 | 0.43 | 120,977.72 |
| Tax Receiver | 0.38% | 7 | 0.02 | 0.02 | 26,636.88 |
| Water Reclamation District | 1.03% | 745 | 2.04 | 1.77 | 377,718.21 |
| TOTAL PORTFOLIO | 1.01% | 647 | 1.77 | 1.66 | \$ 3,717,171.36 |

Note: Percentages may not equal 100% due to rounding calculations.

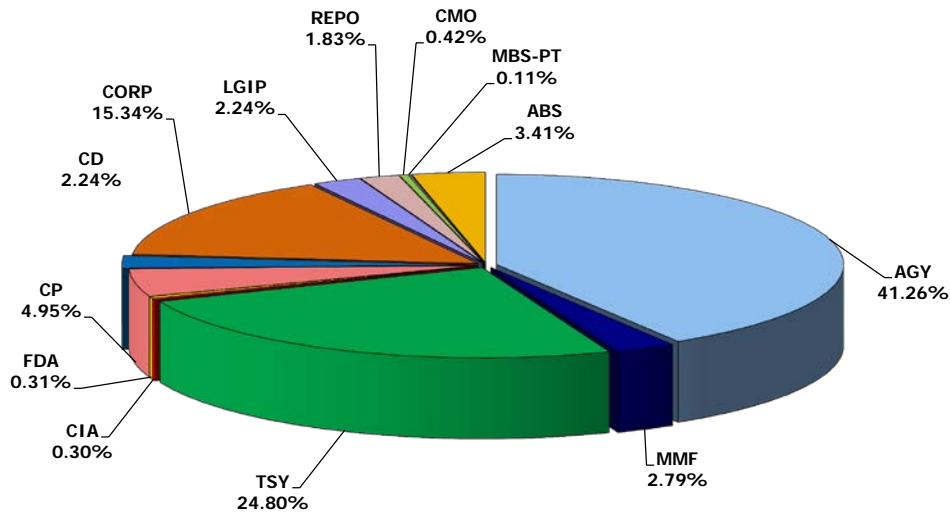


TOTAL PORTFOLIO OVERVIEW (CONTINUED)

The County's Total Investment Portfolio is diversified into various types of assets which are allowed by the County's Investment Policy and Nevada Revised Statutes. The breakdown of the asset types is as follows:

| ASSET TYPE | MARKET VALUE | BOOK VALUE | VARIANCE |
|--|----------------------------|----------------------------|-------------------------|
| AGY - U.S. Federal Agency | \$ 2,037,376,025.62 | \$ 2,027,587,240.79 | \$ 9,788,784.83 |
| MMF - Money Market Funds | 137,191,139.86 | 137,191,139.86 | - |
| TRSY - U.S. Treasury | 1,232,468,143.76 | 1,218,682,869.97 | 13,785,273.79 |
| CIA - Collateralized Investment Agreements | 14,867,770.05 | 14,867,770.05 | - |
| FDA - Forward Delivery Agreement | 15,029,263.92 | 15,029,263.92 | - |
| CP - Commercial Paper | 243,402,625.00 | 243,301,903.19 | 100,721.81 |
| CD - Negotiable CD's | 109,971,600.00 | 110,000,000.00 | (28,400.00) |
| CORP - U.S. Corporate Notes | 754,954,807.01 | 753,940,799.01 | 1,014,008.00 |
| LGIP - State Nevada Pool | 110,120,561.62 | 110,120,561.62 | - |
| REPO - Repurchase Agreements | 90,000,000.00 | 90,000,000.00 | - |
| CMO - Agency CMO | 20,122,861.63 | 20,431,647.42 | (308,785.79) |
| MBS - Agency Pass-Through | 5,294,155.22 | 5,277,067.78 | 17,087.44 |
| ABS - Asset Backed Securities | 167,433,044.96 | 167,438,899.04 | (5,854.08) |
| TOTAL | \$ 4,938,231,998.65 | \$ 4,913,869,162.65 | \$ 24,362,836.00 |

ASSET TYPES BY BOOK VALUE



Note: Percentages may not equal 100% due to rounding calculations.



INVESTMENT POOL OVERVIEW

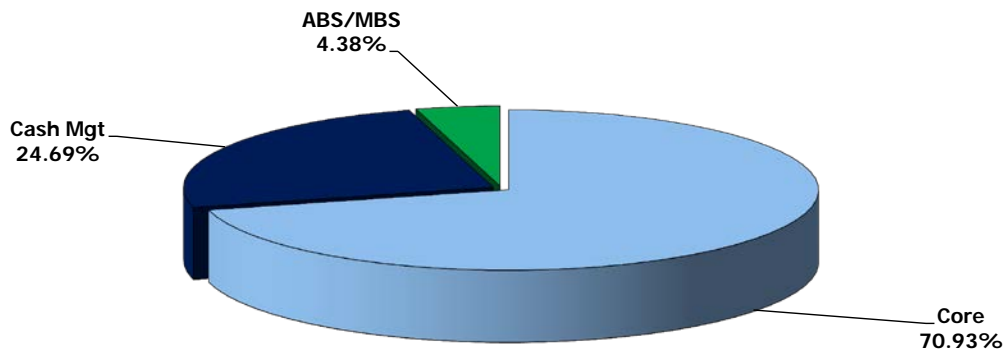
The County's Investment Pool is segregated into the following four sub-portfolios:

CASH MANAGEMENT PORTFOLIO: The primary focus of this portfolio is to provide the day to day liquidity needs of the County. Therefore, the Cash Management portfolio mainly targets maturities from overnight to 12 months. The majority of investments are purchased and held to maturity. The most frequently used investment vehicles are federal agency notes, money market funds, commercial paper, and certificates of deposit.

CORE PORTFOLIO: This portfolio is more active than the Cash Management portfolio and takes advantage of market conditions to prudently maximize return. The Core portfolio mainly targets maturities from 1 to 3 years. The most frequently used investment vehicles include U.S. treasury notes, federal agency notes, corporate obligations with are rated A-AAA, commercial paper, and money market funds.

ABS/MBS PORTFOLIO: The ABS/MBS portfolio primarily invests in AAA-rated collateralized mortgage obligations, AAA-rated asset backed securities, federal agency securities, and treasury notes.

Table with 4 columns: SUB PORTFOLIO, MARKET VALUE, BOOK VALUE, VARIANCE. Rows include Core, Cash Management, ABS/MBS, and TOTALS.



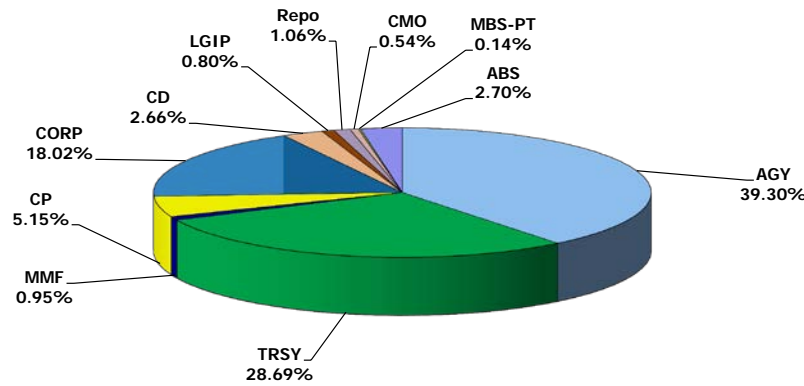
Note: Percentages may not equal 100% due to rounding calculations.



INVESTMENT POOL OVERVIEW (CONTINUED)

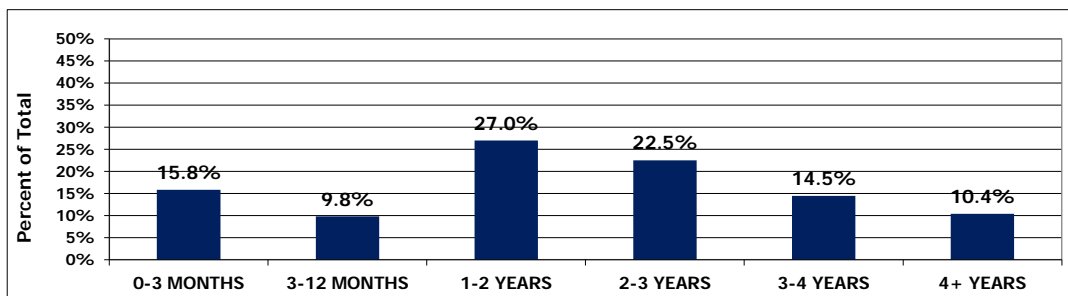
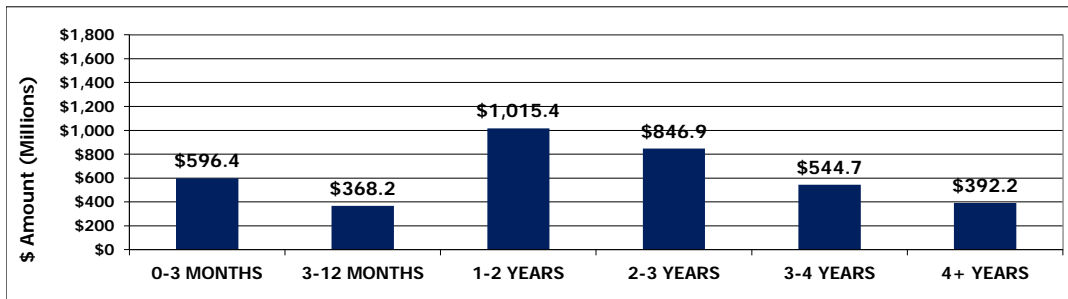
| ASSET TYPE | MARKET VALUE | BOOK VALUE | VARIANCE |
|---|----------------------------|----------------------------|-------------------------|
| AGY - U.S. Federal Agency | \$ 1,488,367,170.00 | \$ 1,479,219,616.96 | \$ 9,147,553.04 |
| TRSY - U.S. Treasury | 1,092,784,980.00 | 1,079,678,006.63 | 13,106,973.37 |
| MMF - Money Market Funds | 35,685,663.15 | 35,685,663.15 | - |
| CP - Commercial Paper | 193,910,690.00 | 193,823,834.82 | 86,855.18 |
| CORP - U.S. Corporate Notes | 679,008,658.81 | 678,086,752.43 | 921,906.38 |
| CD - Negotiable Certificates of Deposit | 99,971,400.00 | 100,000,000.00 | (28,600.00) |
| LGIP - State Nevada Pool | 30,030,888.29 | 30,030,888.29 | - |
| REPO - Repurchase Agreements | 40,000,000.00 | 40,000,000.00 | |
| CMO - Agency CMO | 20,122,861.63 | 20,431,647.42 | (308,785.79) |
| MBS - Agency Pass-Through | 5,294,155.22 | 5,277,067.78 | 17,087.44 |
| ABS - Asset Backed Securities | 101,661,218.14 | 101,607,082.01 | 54,136.13 |
| TOTAL | \$ 3,786,837,685.24 | \$ 3,763,840,559.49 | \$ 22,997,125.75 |

ASSET TYPES BY BOOK VALUE



The County Investment Policy stipulates that the Investment Pool always has at least 5% of its holdings between an 1 day to a 90 day maturity to ensure the daily liquidity needs of the County are met. The Treasurer's Office maintains a detailed 12-month rolling cash flow analysis to assist in meeting this requirement. The charts below display the allocations for specific maturity intervals of the Investment Pool.

DISTRIBUTION BY MATURITY (BOOK VALUE)



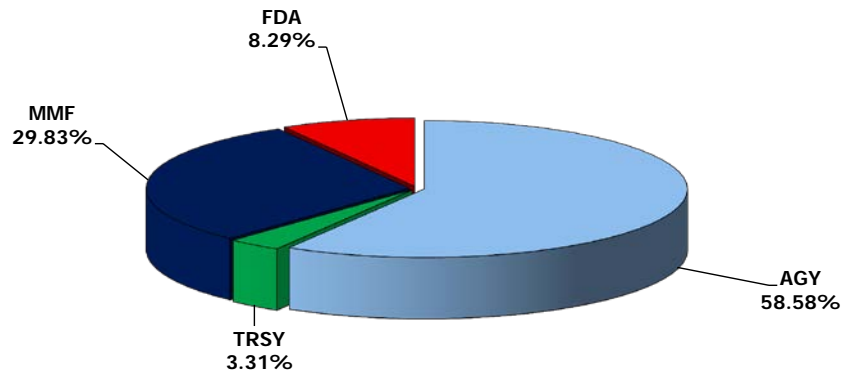
Note: Percentages may not equal 100% due to rounding calculations.



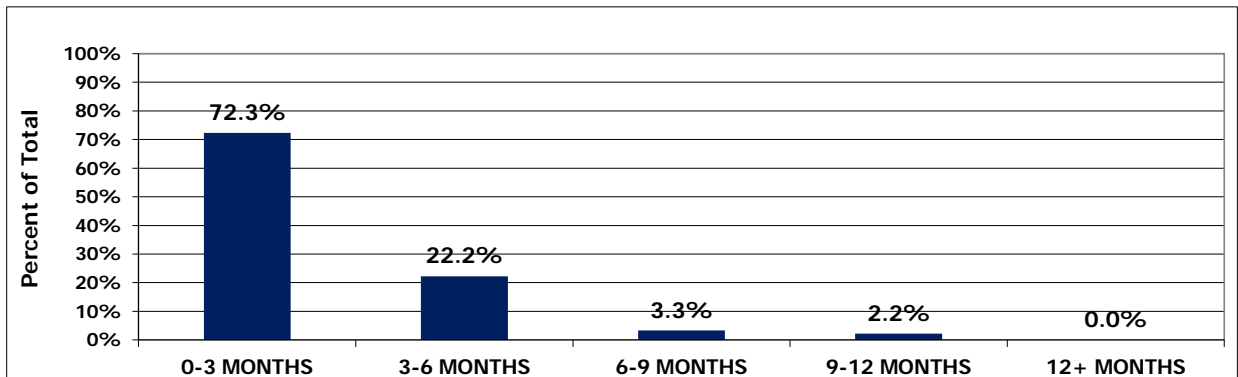
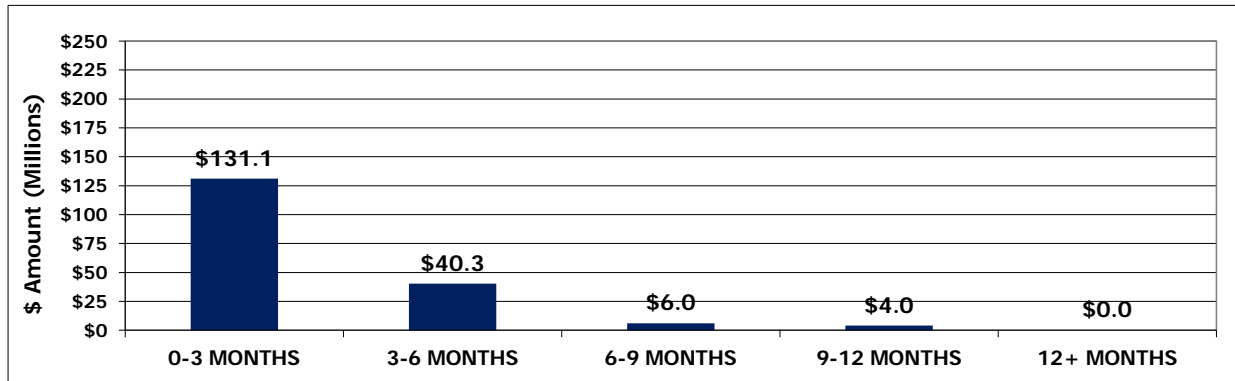
BOND FUNDS OVERVIEW

| ASSET TYPE | MARKET VALUE | BOOK VALUE | VARIANCE |
|----------------------------------|--------------------------|--------------------------|--------------------|
| AGY - U.S. Federal Agency | \$ 106,266,509.72 | \$ 106,259,662.49 | \$ 6,847.23 |
| TRSY - U.S. Treasury | 5,996,718.76 | 5,996,718.76 | - |
| MMF - Money Market Funds | 54,102,508.10 | 54,102,508.10 | - |
| FDA - Forward Delivery Agreement | 15,029,263.92 | 15,029,263.92 | - |
| TOTAL | \$ 181,395,000.50 | \$ 181,388,153.27 | \$ 6,847.23 |

ASSET TYPES BY BOOK VALUE



DISTRIBUTION BY MATURITY (BOOK VALUE)



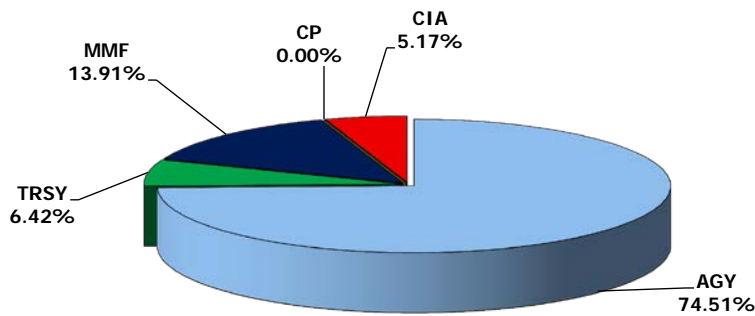
Note: Percentages may not equal 100% due to rounding calculations.



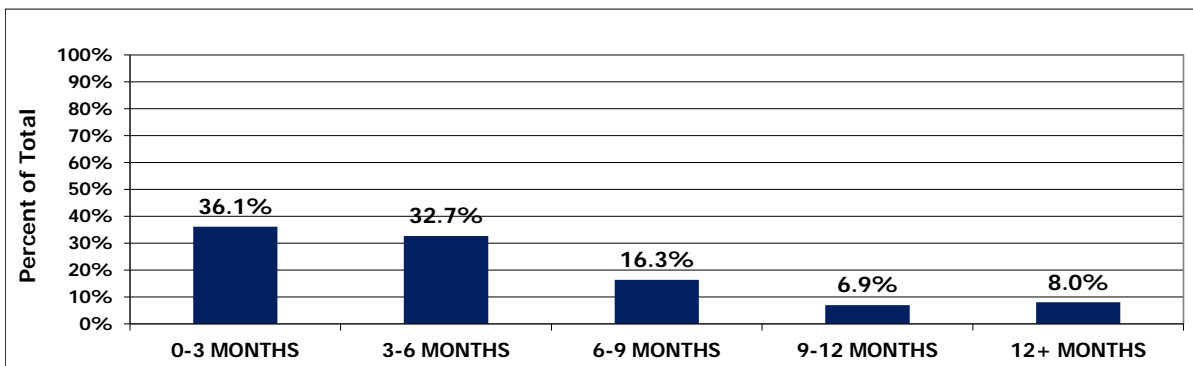
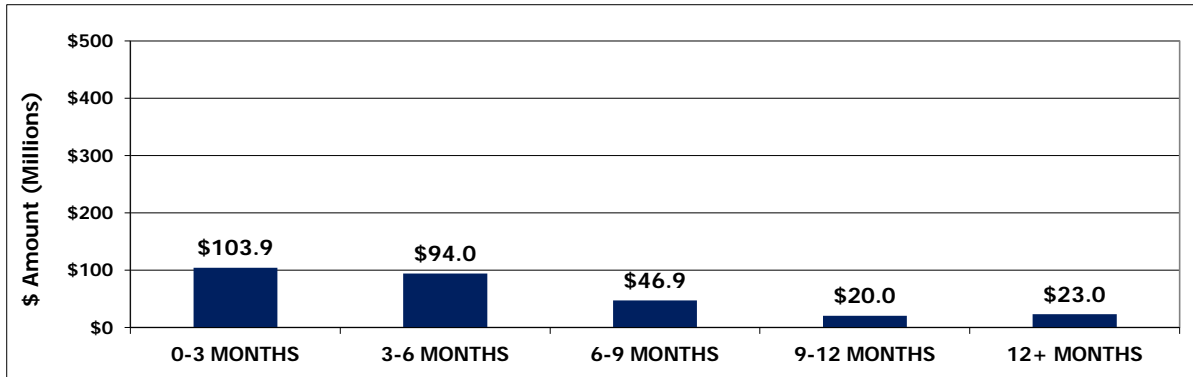
MCCARRAN AIRPORT BOND FUNDS OVERVIEW

| ASSET TYPE | MARKET VALUE | BOOK VALUE | VARIANCE |
|--|--------------------------|--------------------------|------------------------|
| AGY - U.S. Federal Agency | \$ 214,231,725.90 | \$ 214,422,876.06 | \$ (191,150.16) |
| TRSY - U.S. Treasury | 18,491,045.00 | 18,464,199.22 | 26,845.78 |
| MMF - Money Market Funds | 40,035,607.86 | 40,035,607.86 | - |
| CP - Commercial Paper | - | - | - |
| CIA - Collateralized Investment Agreements | 14,867,770.05 | 14,867,770.05 | - |
| TOTAL | \$ 287,626,148.81 | \$ 287,790,453.19 | \$ (164,304.38) |

ASSET TYPES BY BOOK VALUE



DISTRIBUTION BY MATURITY (BOOK VALUE)



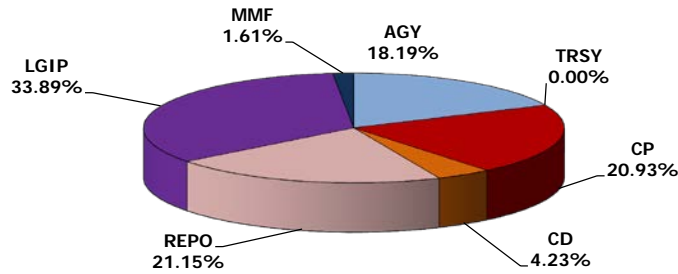
Note: Percentages may not equal 100% due to rounding calculations.



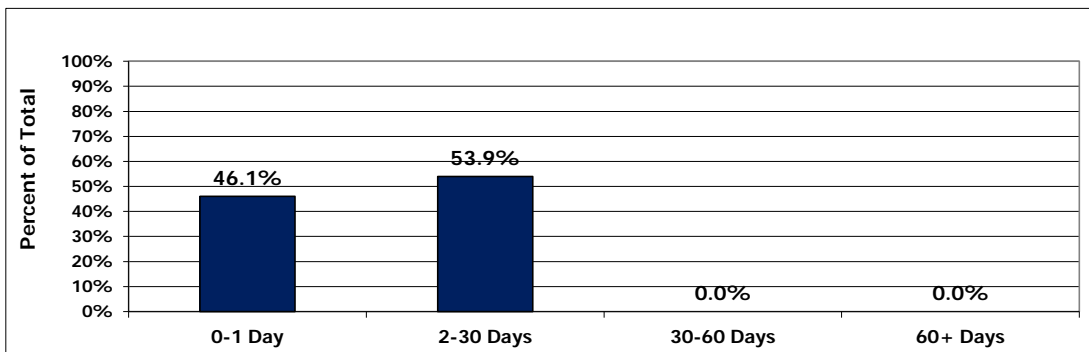
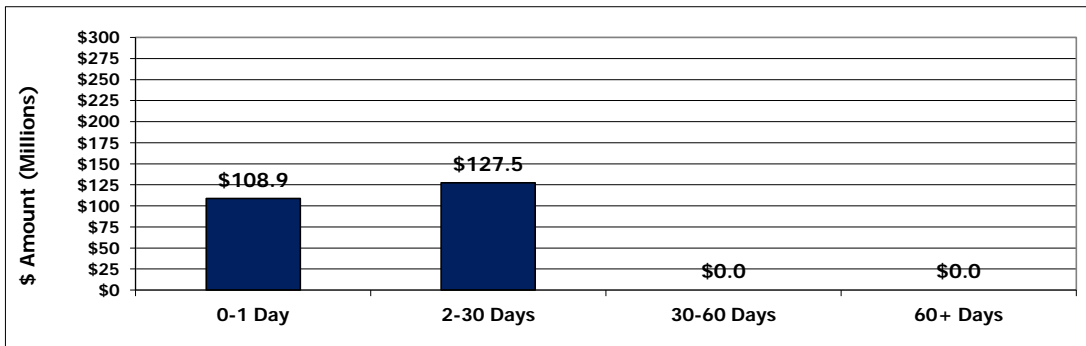
TAX RECEIVER OVERVIEW

| ASSET TYPE | MARKET VALUE | BOOK VALUE | VARIANCE |
|-----------------------------|--------------------------|--------------------------|---------------------|
| AGY - U.S. Federal Agency | \$ 42,996,070.00 | \$ 42,989,576.94 | \$ 6,493.06 |
| TRSY - U.S. Treasury | - | - | - |
| CP - Commercial Paper | 49,491,935.00 | 49,478,068.37 | 13,866.63 |
| CD - Negotiable CD's | 10,000,200.00 | 10,000,000.00 | 200.00 |
| REPO - Repurchase Agreement | 50,000,000.00 | 50,000,000.00 | - |
| LGIP - State Nevada Pool | 80,089,673.33 | 80,089,673.33 | - |
| MMF - Money Market Funds | 3,793,548.23 | 3,793,548.23 | - |
| TOTAL | \$ 236,371,426.56 | \$ 236,350,866.87 | \$ 20,559.69 |

ASSET TYPES BY BOOK VALUE



DISTRIBUTION BY MATURITY (BOOK VALUE)



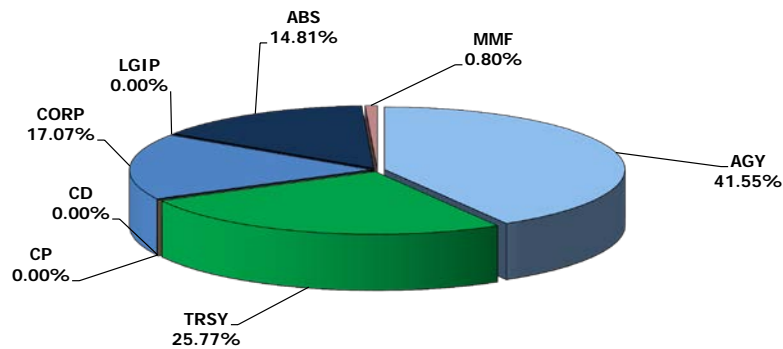
Note: Percentages may not equal 100% due to rounding calculations.



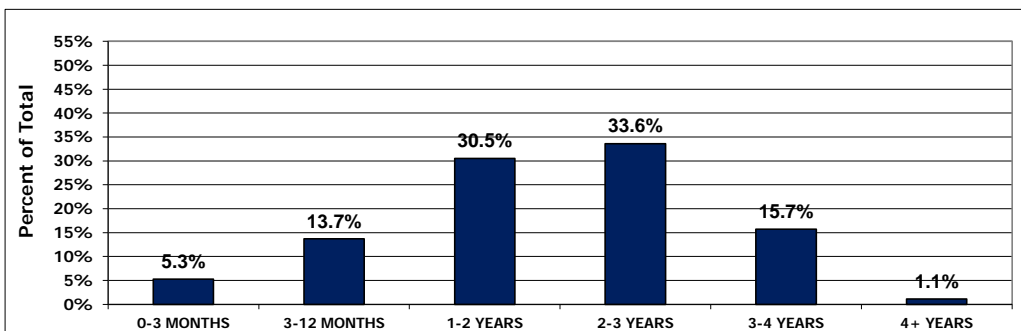
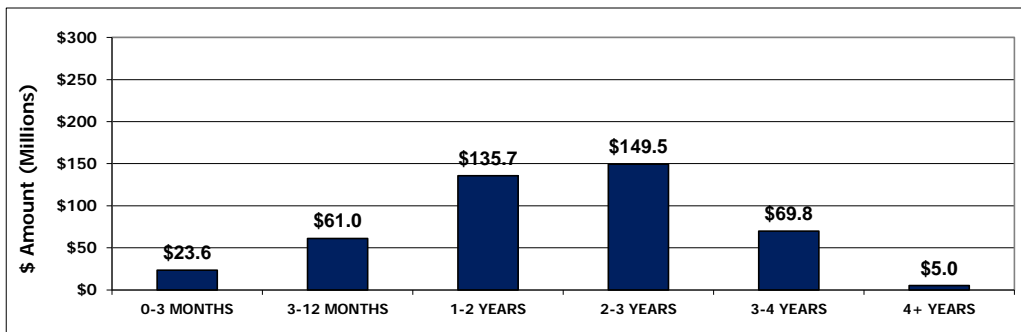
WATER RECLAMATION DISTRICT OVERVIEW

| ASSET TYPE | MARKET VALUE | BOOK VALUE | VARIANCE |
|---|--------------------------|--------------------------|------------------------|
| AGY - U.S. Federal Agency | \$ 185,514,550.00 | \$ 184,695,508.34 | \$ 819,041.66 |
| TRSY - U.S. Treasury | 115,195,400.00 | 114,543,945.36 | 651,454.64 |
| CP - Commercial Paper | - | - | - |
| CD - Negotiable Certificates of Deposit | - | - | - |
| CORP - Corporate Notes | 75,946,148.20 | 75,854,046.58 | 92,101.62 |
| ABS - Asset Backed Securities | 65,771,826.82 | 65,831,817.03 | (59,990.21) |
| LGIP - State Nevada Pool | - | - | - |
| MMF - Money Market Funds | 3,573,812.52 | 3,573,812.52 | - |
| TOTAL | \$ 446,001,737.54 | \$ 444,499,129.83 | \$ 1,502,607.71 |

ASSET TYPES BY BOOK VALUE



DISTRIBUTION BY MATURITY (BOOK VALUE)



Note: Percentages may not equal 100% due to rounding calculations.



APPENDIX

INVESTMENT HOLDINGS

- ◆ TOTAL INVESTMENT SUMMARY
 - ◆ INVESTMENT POOL
 - ◆ BOND FUNDS
 - ◆ McCARRAN AIRPORT BOND FUNDS
 - ◆ TAX RECEIVER
 - ◆ WATER RECLAMATION DISTRICT
-