



Anoka County

FINANCE & CENTRAL SERVICES DIVISION

Respectful, Innovative, Fiscally Responsible

MEMORANDUM

DATE: March 19, 2024

TO: Commissioner Jeff Reinert
Chair, Finance & Capital Improvements Committee

FROM: Cory Kampf, Chief Financial Officer and Division Manager of F&CS

SUBJECT: 2023 4th Quarter Investment Update

The Finance Committee has requested receiving information on investments on a periodic basis.

For the year ended December 31, 2023, the County had investments totaling \$543.19 million. Within the investment management system, we have broken down our investments into portfolios, which are defined below:

- **Investment Manager – RBC:** Represents funds managed by RBC.
- **MAGIC Fund:** Represents short-term CD's, Term Notes, and liquid funds.
- **OPEB Irrevocable:** Investments with State Board of Investments (SBI) tied to our Retiree Health Care Liability.
- **US Bank - Fixed Income:** Represents portfolio managed internally.
- **US Bank – Liquid Assets:** Represents short-term liquid funds.
- **Wells Fargo – Sweep:** Represents short-term overnight funds associated with main checking account.

Investing Strategy

The County's investing strategy focuses on safety, liquidity, and then yield. The yield is impacted by the constraints of the fixed income market and is secondary to maintaining safety in the investments chosen and the liquidity needed to manage operations. We strive for the best yield possible using a ladder maturity philosophy. The OPEB Irrevocable Trust represents Pension Assets and are invested in an Index Fund that includes equities.

Anoka County Summary of Investments by Portfolio – December 31, 2023

Description	Beginning Face Amount/Shares	Ending Face Amount/Shares	Buy Principal	Sell Principal	Interest Earned During Period-Book Value	Realized Gain/Loss-Book Value	Investment Income-Book Value
Investment Manager - RBC Capital	41,392,199.67	42,268,392.56	22,816,306.89	21,609,829.96	1,178,546.21	(665,743.17)	512,803.04
MAGIC Fund	90,700,863.79	53,869,631.37	458,696,767.58	495,528,000.00	5,897,879.63	-	5,897,879.63
OPEB Irrevocable	85,787,095.08	105,087,280.98	32,781,721.87	(8,304,284.64)	1,629,882.23	-	1,629,882.23
US Bank - Fixed Income	287,457,225.39	321,722,899.89	113,778,094.13	80,641,296.22	6,950,254.49	(175,608.86)	6,774,645.63
US Bank - Liquid Assets	12,583,051.23	12,040,291.66	1,041,273,720.38	1,041,816,479.95	894,978.44	-	894,978.44
Wells Fargo - Sweep	2,585,697.22	8,197,055.40	117,951,001.23	112,339,643.05	165,542.84	-	165,542.84
Total / Average	520,506,132.38	543,185,551.86	1,787,297,612.08	1,743,630,964.54	16,717,083.84	(841,352.03)	15,875,731.81
Less OPEB Investment Income							(1,629,882.23)
Less Interest allocated to Other Funds							(957,580.67)
Net Investment Income YTD					% of Budget as of 12.31.2023	201%	13,288,268.91
2023 Investment Income Budget							6,600,000.00
Investment Income (deficit) surplus YTD							6,688,268.91
GASB YE Market Value Change							6,871,315.28

Portfolio Performance

Total investment income earned for the year ended totaled \$16.72M, with \$(841.35)K in related realized losses due to regular activity by our RBC Capital Asset Manager \$(665.74)K and Internal activity \$(175.61)K. The overall portfolio performance for the year ended December 31, 2023, is an average book yield of 2.74% compared with 1.51% at the end of 2022. The portfolio, excluding the OPEB Trust, saw a \$6.87M unrealized market value gain as of December 31, 2023. The OPEB Trust saw a market value gain due to the market volatility throughout 2023, posting a 22.5% increase or \$20.6 million gain (unrealized).

See chart below for a breakdown by Portfolio:

