



State Treasurer  
www.NevadaTreasurer.gov

## INVESTMENTS

GENERAL PORTFOLIO

FISCAL YEAR 2024

Period Ending  
Sept 30, 2023

### Overview

Investment of the State of Nevada General Fund Portfolio is a function performed by the State Treasurer, who, by the provisions of NRS 355, has adopted policies for the prudent and conservative investment of these funds. The General Portfolio encompasses governmental, proprietary, enterprise and fiduciary funds of the State. Investment objectives include safety of principal, portfolio liquidity and market return.

### Investment Guidelines

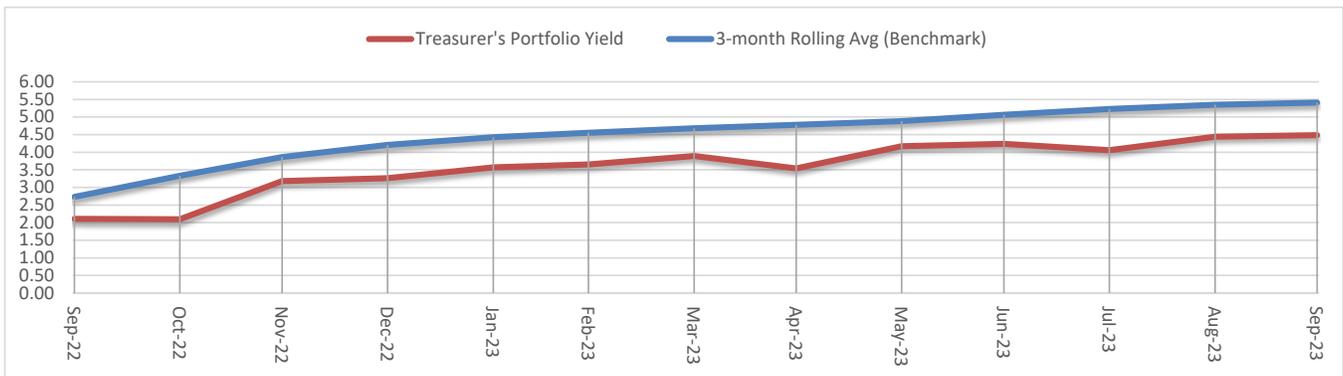
The permissible investments of the General Portfolio include United States Treasury and Agency securities, repurchase agreements, high quality corporate notes and commercial paper, negotiable certificates of deposit, foreign notes, international development notes, asset-backed securities, municipal bonds and banker's acceptances. These securities are diversified to prevent over-concentration in a specific maturity, a specific issuer, or a specific class of securities. The targeted duration of the portfolio is one and a half years, with no security extending longer than ten years.

The State Treasurer maintains a conservative, moderately active investment strategy. Cash flow forecasts are prepared to identify operating cash requirements that can be reasonably anticipated. In order to maintain sufficient liquidity, a portion of the portfolio is structured so that securities mature concurrently with cash needs in the short and medium term. Monies deemed to have a longer investment horizon, are invested to take advantage of longer term market opportunities.

### In-House Performance

As of September 30, 2023, the yield on the in-house portion of the General Portfolio was 4.485%. A three month rolling average of this benchmark for this period was 5.41% with the average days to maturity at 218 days. The average days to maturity for the portfolio was 389 days.

### In-House Performance vs. Benchmark

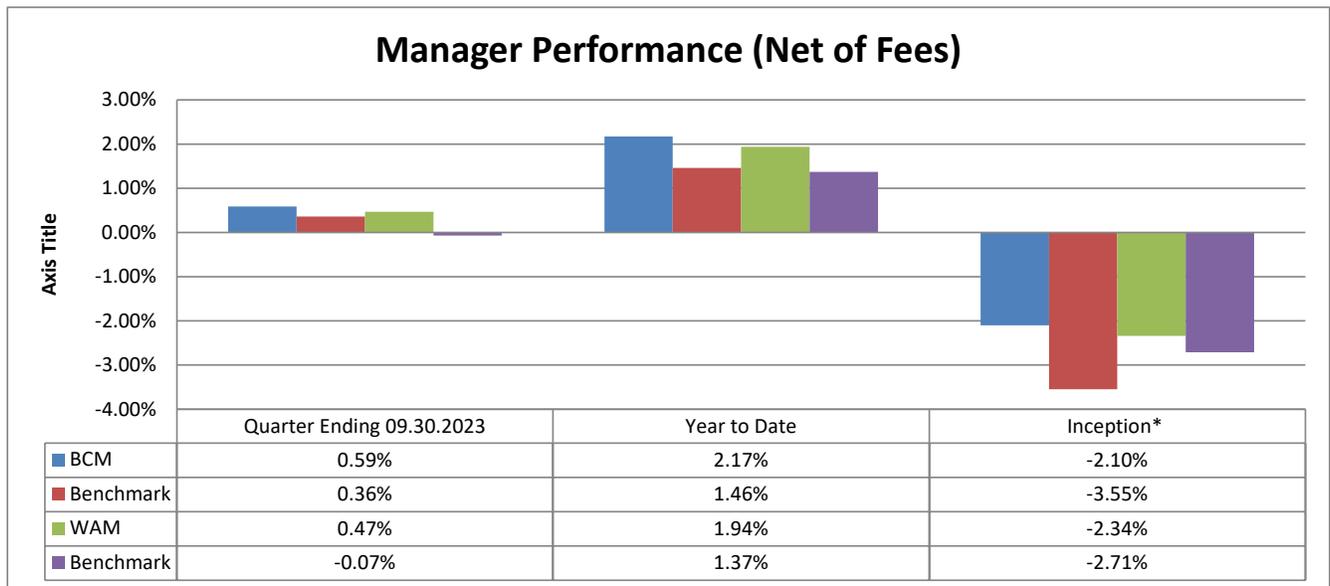


\* Benchmark is 3-month rolling weighted average of 80% 3-month Treasuries and 20% 2-year Treasuries

## Outside Manager Performance

The annualized performance since inception for period ending June 30, 2023 for Buckhead Capital Management (BCM) is -4.29%\* and for Western Asset Management (WAM) is -2.34%\*. BCM has been contracted to provide investment management services for securitized assets in the State General Portfolio. BCM has been assigned the Bloomberg Barclays CMBS AAA Index benchmark. WAM has been contracted to provide investment management services for corporate assets in the State General Portfolio. WAM has been assigned the ICE BofA 3-5 Year AA US Corporate & Yankee Index benchmark. \*BCM inception date was October 2020 and WAM was November 2020. No new funding occurred in these two accounts during the previous quarter.

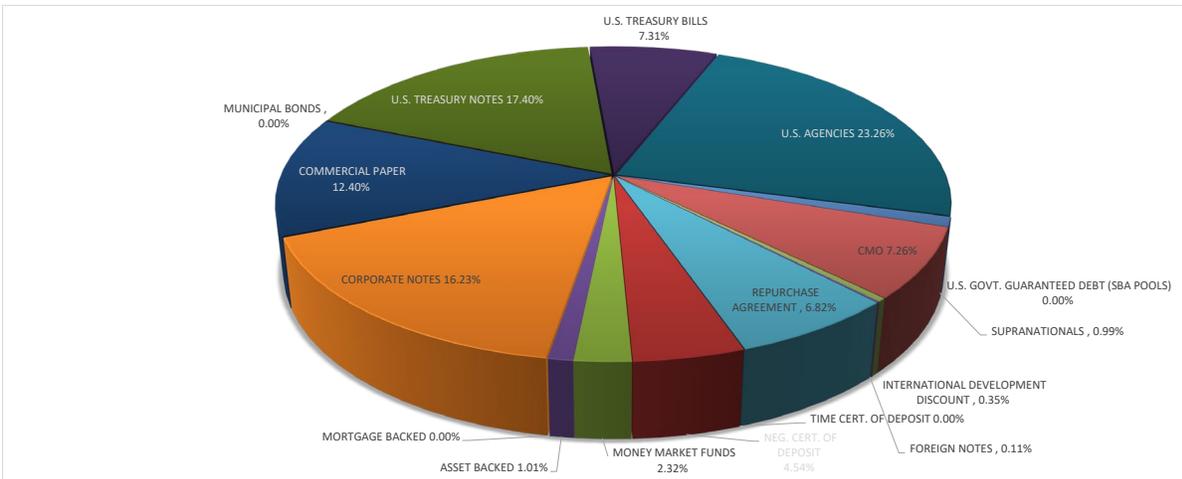
### Outside Managers' Performance vs. Benchmark



\*Inception date for BCM is October 2020 and WAM is November 2020

**GENERAL PORTFOLIO  
Amortized Book Value**

	<u>September 30, 2023</u> Amortized Book Value				<u>June 30, 2023</u> Amortized Book Value
	<u>Treasurer In-House</u>	<u>Buckhead Capital Management</u>	<u>Western Asset Management</u>	<u>Total Portfolio</u>	<u>Total Portfolio</u>
TIME CERTIFICATES OF DEPOSIT	\$ -	\$ -	\$ -	\$ -	\$ -
NEGOTIABLE CERTIFICATES OF DEPOSIT	400,000,000	-	-	400,000,000	435,000,000
MONEY MARKET FUNDS	189,004,641	12,886,030	2,556,696	204,447,368	283,714,276
ASSET-BACKED SECURITIES	-	88,828,057	-	88,828,057	96,326,377
MORTGAGE-BACKED SECURITIES	-	-	-	-	-
CORPORATE NOTES	712,630,085	-	716,536,007	1,429,166,092	1,373,404,455
COMMERCIAL PAPER	1,091,500,778	-	-	1,091,500,778	940,429,375
MUNICIPAL BONDS	-	-	-	-	-
U.S. TREASURY NOTES	1,495,147,001	-	36,405,061	1,531,552,062	1,502,137,919
U.S. TREASURY BILLS	643,554,273	-	-	643,554,273	895,010,567
U.S. AGENCIES	1,838,097,032	209,698,172	-	2,047,795,204	1,922,646,918
U.S. GOVERNMENT GUARANTEED DEBT	-	-	-	-	-
SUPRANATIONALS	87,012,081	-	-	87,012,081	87,013,944
COLLATERALIZED MORTGAGE OBLIGATION	207,125	639,122,646	-	639,329,770	636,718,340
INTERNATIONAL DEVELOPMENT DISCOUNT	24,885,903	-	5,822,375	30,708,278	129,865,466
FOREIGN NOTES	10,000,000	-	-	10,000,000	10,000,000
REPURCHASE AGREEMENTS	600,000,000	-	-	600,000,000	600,000,000
<b>TOTAL</b>	<b>\$ 7,092,038,918</b>	<b>\$ 950,534,905</b>	<b>\$ 761,320,139</b>	<b>\$ 8,803,893,962</b>	<b>\$ 8,912,267,636</b>



**YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON**

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
<b>TOTAL PORTFOLIO</b>	<b>\$8,803,893,962</b>	<b>\$7,819,039,313</b>

**State of Nevada**  
Office of the State Treasurer  
Schedule of General Fund Interest Revenue

	Quarter Ended 09/30/2023	Quarter Ended 12/31/2023	Quarter Ended 03/31/2024	Quarter Ended 06/30/2024	Totals
<b><u>Average Daily Balances of Funds</u></b>					
General Fund	\$ 5,360,686,927				\$ 5,360,686,927
All Funds	8,882,134,912				8,882,134,912
<b><u>Annualized Interest Rate</u></b>					
Cash Basis (see Note 1)	4.0372%				4.0372%
Accrual Basis	4.0469%				4.0469%
<b><u>Interest Distribution for General Fund (Cash Basis)</u></b>					
General Fund Interest Collected	54,262,379				54,262,379
General Fund Interest Revenue - Distributed	54,262,015				54,262,015
Undistributed General Fund Interest Revenue					-
<b><u>Interest Distribution for All Funds (Cash Basis)</u></b>					
All Funds Interest Collected	89,939,580				89,939,580
All Funds Interest Revenue - Distributed	89,939,580				89,939,580

**Note 1** Interest is distributed to statutorily approved funds and budget accounts based on the cash basis of accounting. Under the cash basis of accounting, earnings are distributed in the quarter received but not necessarily in the quarter they were earned. Therefore, some of the receipts included in the Actual General Fund interest collected line were actually earned in the prior period and some of the earnings included in the General Fund interest revenue - accrual basis line will not be collected until a subsequent period.



## Overview

The State of Nevada Local Government Investment Pool (LGIP) was established as an alternative investment program to be utilized by local governments for their public funds. This program’s operation is the responsibility of the State Treasurer who, by the provisions of state statute, has adopted guidelines for the prudent investment of these pooled funds. Any local government, as defined by NRS 354.474, may deposit its public monies into this fund for purposes of investment. As of September 30, 2023, there were 100 members of the LGIP, which includes cities, counties, school districts, and various special districts. The LGIP’s foremost investment objectives include safety of principal, portfolio liquidity, and market return, which are consistent with a conservative, short duration portfolio.

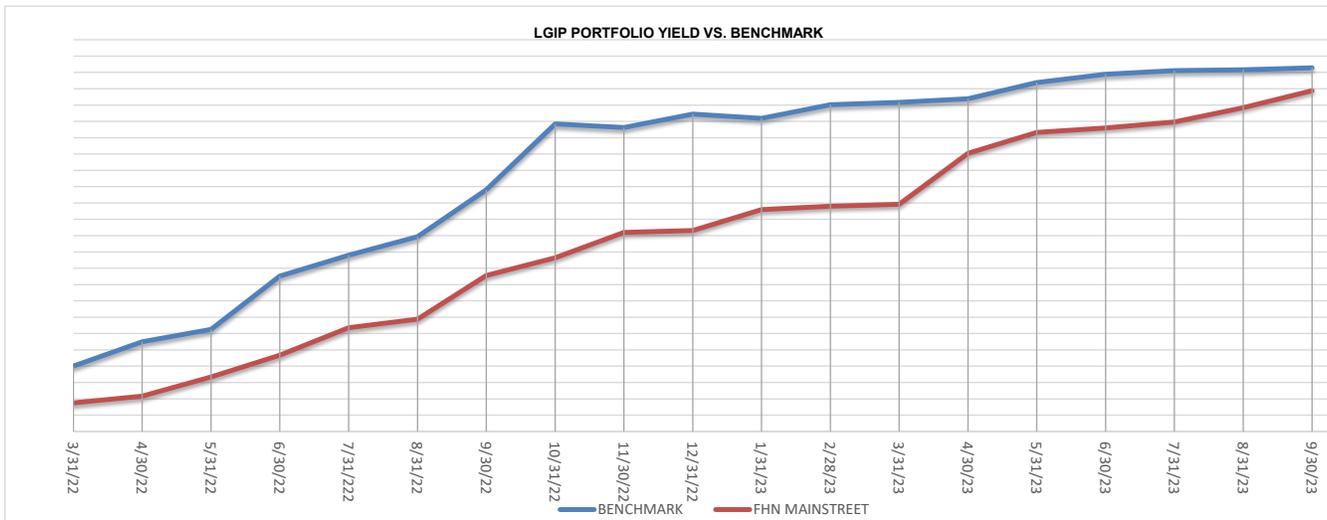
## Investment Guidelines

The permissible investments of the LGIP include United States Treasury and Agency securities, repurchase agreements, high quality commercial paper, negotiable certificates of deposit, foreign notes, international development notes, municipal bonds and banker’s acceptances. These securities are diversified to prevent over-concentration in a specific maturity, a specific issuer, or a specific class of securities. The average maturity of the portfolio must not exceed 150 days, and no single security may be longer than two years.

The State Treasurer maintains a conservative investment strategy, which incorporates the matching of maturing securities to the cash needs of the participants. Approximately 6.7% of the fund matures on a daily basis, ensuring sufficient liquidity to meet both anticipated and unanticipated withdrawals. Additionally, approximately 74% of the fund matures within 90 days, compared to the policy requirement of 50%. This requirement minimizes the risk that the market value of portfolio holdings will fall significantly due to adverse changes in general interest rates.

## Performance

FHN Financial began managing the LGIP portfolio in July 2015. As of September 30, 2023, the LGIP's portfolio book yield was 5.22%, and the blended benchmark was 5.57%. The average days to maturity of the LGIP portfolio was 93 days.



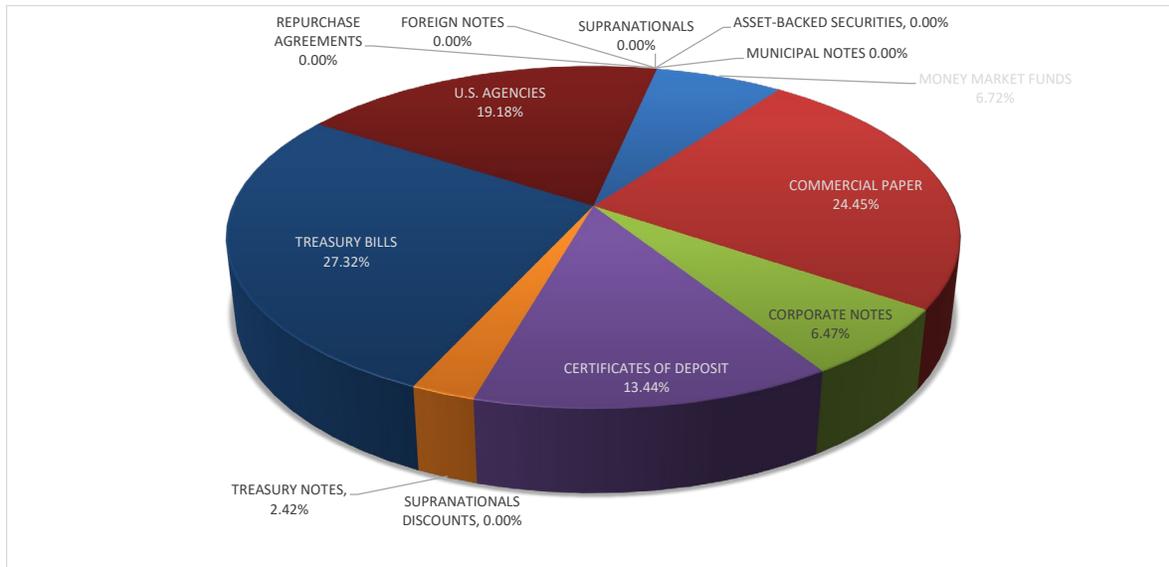
\* Benchmark is 3-month rolling weighted average of 55% Dealer Commercial Paper 150-Day Index, 30% Agency Note 180 Day Index, and 15% Dreyfus Institutional Preferred Government Money Markey Fund.

\*\*Benchmark was updated July 2020. This graph represents that change.

**Administration**

The State Treasurer has adopted an Investment Policy relating specifically to the LGIP. The State Board of Finance shall review and approve or disapprove the policies established by the State Treasurer for investment of money of the LGIP at least every four months. The State Treasurer hereby confirms all LGIP investments are in compliance with the Terror-Free Investment Policy and the Divestiture Policy. The State Treasurer may contract with an independent auditor to review LGIP transactions for accuracy and fairness in reporting.

	<u>September 30, 2023</u>		<u>June 30, 2023</u>	
	<u>Amortized Book</u>	<u>Purchased Interest</u>	<u>Amortized Book</u>	<u>Purchased Interest</u>
MONEY MARKET FUNDS	\$ 125,112,396	\$ -	\$ 184,512,382	\$ -
COMMERCIAL PAPER	454,918,136	-	375,939,090	-
CORPORATE NOTES	120,351,788	-	135,490,928	-
CERTIFICATES OF DEPOSIT	250,000,000	-	250,000,000	-
SUPRANATIONALS DISCOUNTS	-	-	-	-
TREASURY NOTES	44,932,014	-	104,858,544	-
TREASURY BILLS	508,257,592	-	411,339,873	-
U.S. AGENCIES	356,909,740	-	310,934,416	-
FOREIGN NOTES	-	-	-	-
SUPRANATIONALS	-	-	-	-
ASSET-BACKED SECURITIES	-	-	-	-
MUNICIPAL NOTES	-	-	-	-
REPURCHASE AGREEMENTS	-	-	-	-
TOTAL	\$ 1,860,481,666	\$ -	\$ 1,773,075,232	\$ -
GRAND TOTAL	\$ 1,860,481,666	\$ 1,860,481,666	\$ 1,773,075,232	\$ 1,773,075,232



**YEAR-TO-YEAR BOOK VALUE AND PURCHASED INTEREST COMPARISON**

	<u>September 30, 2023</u>	<u>September 30, 2022</u>
<b>TOTAL PORTFOLIO</b>	<b>\$1,860,481,666</b>	<b>\$2,106,644,879</b>