

Attachment E
Albemarle County Investment Report
Third Quarter Ended: September 30, 2025 (1st Quarter, FY 26)

Discussion

Albemarle County invests available cash, in accordance with the County's Investment Policy and all applicable local, state and federal codes and regulations, on behalf of its funds and those of its fiscal agencies. The interest earnings are allocated monthly to participating funds and reflected in the financial reports under the revenue sections.

Below is a quarterly comparison, not year to date (YTD), of 1st Quarter FY 26 to FY 25.

Quarterly Earnings Comparison

The 1st Quarter of FY 26 (not YTD) earnings were \$2,541,000 compared to \$3,189,000 in the 1st Quarter of FY 25. This decrease is primarily attributed to the decreasing interest rates. Year-over-year, the average quarterly Federal Funds rate decreased from 5.30% to 4.34%. The 1st Quarter of FY 26 portfolio value is \$232.9 million, which is \$5.7 million less than FY 25's portfolio value at \$238.6 million.

Current Portfolio Statistics (rounded to nearest 000's)	
Total Portfolio Value This Quarter (Liquidity)	\$ 232,884,000
Total Portfolio Value This Quarter (Long-Term)	\$ 1,972,000
Total Investments Made This Quarter	\$ -
Weighted Average Yield (Liquidity)	4.34%
Weighted Average Yield (Long-Term)	4.27%
Investment Portfolio Earnings (Liquidity)	\$ 2,520,000
Investment Portfolio Earnings (Long-Term)	\$ 21,000
Total Quarterly Earnings	\$ 2,541,000

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Portfolio Summary

The allocations below show the percentage investments based on the approved asset classes/types, as approved in the Investment Policy, and dictated by the Commonwealth of Virginia.

Cash remains liquid in Bank of America and the Local Government Investment Program (LGIP), which is administered by the Commonwealth of Virginia. In addition, the County launched a laddering program for long-term investments in the fourth quarter of FY25, introducing agency zero-coupon bonds to the portfolio. This strategy enhances diversification and helps mitigate the risk of overexposure to short-term interest rate fluctuations

Portfolio Allocation (rounded to nearest 000's)					
Asset Class/Type	Amount	Current Allocation	Prior Allocation	Quarter Change	Current Target
Liquidity					
Bank of America Accts	\$ 7,537,000	3.2%	5.5%	-2.3%	5.0%
LGIP	\$ 223,375,000	95.9%	94.5%	1.4%	94.6%
LGIP EM	\$ -	0.0%	0.0%	0.0%	0.0%
Subtotal	\$ 230,912,000	99.1%	100.0%	-0.9%	99.6%
Certificates of Deposits ("CDs")					
CD	\$ -	0.0%	0.0%	0.0%	0.0%
Subtotal	-	0.0%	0.0%	0.0%	0.0%
Agencies					
AG	\$ 1,972,000	0.9%	0.0%	0.9%	0.4%
Subtotal	\$ 1,972,000	0.9%	0.0%	0.9%	0.4%
Treasuries					
TD Bank	\$ -	0.0%	0.0%	0.0%	0.0%
Subtotal	\$ -	0.0%	0.0%	0.0%	0.0%
Commercial Paper					
CP	\$ -	0.0%	0.0%	0.0%	0.0%
Subtotal	\$ -	0.0%	0.0%	0.0%	0.0%
GRAND TOTAL	\$ 232,884,000	100.0%	100.0%	0.0%	100.0%