



## MARTIN COUNTY, FLORIDA INVESTMENT PORTFOLIO REPORT March 2020



### INVESTMENT RECAP

**Summary of March Investments:** The County's core portfolio, made up of excess funds not needed during the annual operating cycle, consists of \$120 million invested in a diversified mix of U.S. Treasuries and government agency securities as well as certificates of deposit with a local qualified public depository. These investments are laddered out with maturities of \$5 million per month through March 2022. One \$5 million purchase was made in March, reinvesting the proceeds from a maturity. The cyclical portion, made up of ad valorem tax proceeds that are used during the annual operating cycle, are primarily held in overnight liquid investments including Florida Prime and the Florida Local Government Investment Trust. In recent months, these funds have offered higher yields than direct short-term investments.

### KEY ECONOMIC INDICATORS

- **ECO GROWTH:** The extreme measures being taken to contain the COVID-19 coronavirus have decimated the economy, but the evidence will be more apparent in Q2 data. Much of the data released in March indicated the economy was surging in the first two months of 2020. Given unfolding events, this data no longer reflects the current state of the economy.
- **EMPLOYMENT:** Nonfarm payrolls jumped by +275k in February, crushing the +175k median forecast. It was the biggest single month gain since May 2018. The unemployment rate returned to its 50-year low of 3.5%. It will get much worse from here.
- **ISM SURVEYS:** The ISM manufacturing index finally emerged into expansionary territory in January after spending five consecutive months below 50, but fell again from 50.9 to 50.1 in February. The ISM non-manufacturing (services) index rose from 55.5 in January to 57.8 in February, its highest reading since last February.
- **CONSUMER SPENDING:** Headline retail sales fell -0.5% in February. Sales were expected to rise 0.3%. January was revised from 0.3% to 0.6%, but December was revised from 0.2% to 0.0%. Control group sales, which feed into GDP, were unchanged, well below the expected increase of +0.4%.
- **JOBLESS CLAIMS:** In the last two weeks of March nearly 10 million people filed initial claims for unemployment benefits as the first signs of damage from the economic shutdown began revealing themselves in the data.

### NEWS and EVENTS

- The coronavirus was declared a global pandemic by the World Health Organization as the number of confirmed cases climbed over 200k in 166 countries. A fast growing number of state and local governments across the country ordered bars, restaurants, schools, and non-essential businesses to close their doors and asked the public to stay home. At the end of March, the W.H.O. reported a total number of confirmed cases worldwide over 750k.
- Stock markets were in a complete shambles as economic activity came to a sudden halt. The Dow fell more than 30% from its all-time high, which was set just the previous month on February 12<sup>th</sup>.
- Congress passed a massive \$2 trillion fiscal stimulus package, revolving around cash infusions to American households, stabilizing airlines, helping small and medium-sized businesses, and providing loan guarantees to struggling sectors.
- Saudi Arabia ramped up oil production and cut prices aggressively in a feud with Russia, despite a collapse in demand on coronavirus shutdowns. The price war caused oil prices to plunge some 40% with West Texas Intermediate crude falling to \$20 per barrel.
- The Federal Reserve pumped an unprecedented amount of liquidity into the markets and opened various facilities to keep markets orderly. Previously, it was thought the Fed could run out of tools, but they proved their vast resources for monetary policy.

### PORTFOLIO SUMMARY

	10/31/2019	11/30/2019	12/31/2019	1/31/2020	2/29/2020	3/31/2020
Book Value	\$245,334,008	\$268,872,797	\$374,599,759	\$396,307,974	\$394,046,496	\$369,688,954
Market Value	\$245,912,350	\$269,317,701	\$375,039,162	\$396,871,546	\$394,991,056	\$371,352,169
Market Value%	100.24%	100.17%	100.12%	100.14%	100.24%	100.45%
Weighted Average Maturity - Days	129 days	140 days	119 days	113 days	114 days	121 days
Weighted Average Yield	2.266%	2.090%	1.969%	1.925%	1.880%	1.584%
Earned Income	\$479,406	\$431,251	\$582,871	\$641,782	\$583,646	\$525,670
Earned Income-Fiscal Year-to-Date	\$479,406	\$910,657	\$1,493,528	\$2,135,310	\$2,718,956	\$3,244,626
Change in Market Value *	\$152,525	(\$98,168)	\$29,393	\$207,724	\$461,196	\$701,418
Income Net of Change in Mkt Val	\$631,931	\$333,083	\$612,264	\$849,506	\$1,044,842	\$1,227,088

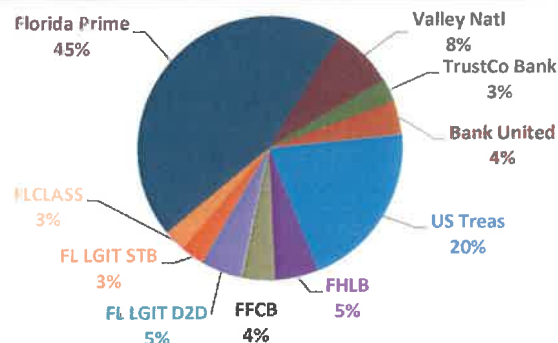
\* Change in market value is net of additions/withdrawals and represents unrealized gains and losses in the portfolio.



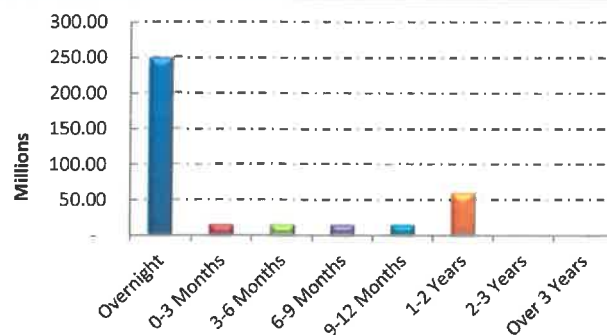
# MARTIN COUNTY, FLORIDA INVESTMENT PORTFOLIO REPORT March 2020



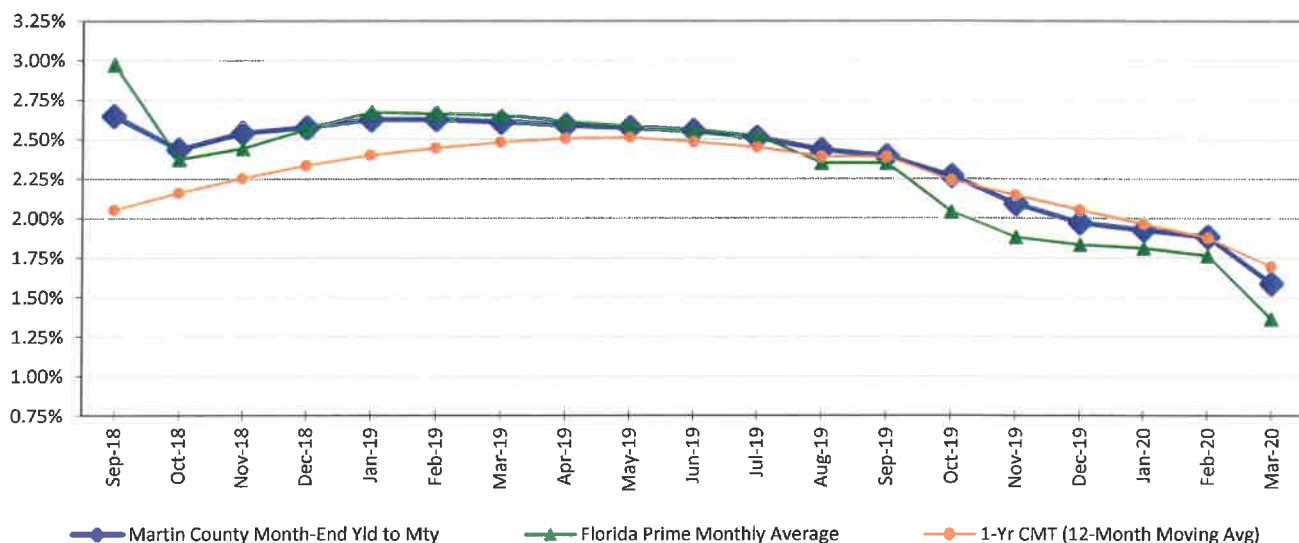
## Portfolio Composition by Issuer



## Portfolio Composition by Maturity



## YIELD COMPARISONS



## SHOCK ANALYSIS

	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points	Up 100 Basis Points
Book Value	\$369,688,954	\$369,688,954	\$369,688,954	\$369,688,954	\$369,688,954	\$369,688,954
Market Value	\$372,058,517	\$371,705,343	\$371,352,169	\$370,998,996	\$370,645,822	\$369,939,475
Unrealized Gain/(Loss)	\$2,369,562	\$2,016,389	\$1,663,215	\$1,310,042	\$956,868	\$250,521
Market Price	100.64%	100.55%	100.45%	100.35%	100.26%	100.07%
Book Yield	1.262%	1.423%	1.584%	1.745%	1.907%	2.229%
Duration	0.380	0.380	0.380	0.380	0.380	0.380

The portfolio shock analysis is intended as a risk management tool and should not be considered a definitive assessment of market value. The analysis assumes an instantaneous parallel shift in interest rates. Cash equivalent holdings such as bank deposits, Florida Prime, and FL LGIT Day to Day are assumed to have a duration of zero and their yields are assumed to shift immediately. The FL LGIT Short Term Bond Fund duration is taken from the FL LGIT web-site and was 1.89 as of 2/29/20, 3/31/20 was not yet posted.

Martin County Clerk of the Circuit Court and Comptroller - Carolyn Timmann - Cash & Investment Management

# MARTIN COUNTY BOARD OF COMMISSIONERS

## INVESTMENT PORTFOLIO

FOR QUARTER ENDING: MARCH 2020

PORTFOLIO SEGREGATION	INVESTMENT TYPE	CUSIP	MATURITY	COUPON	PURCHASE PRICE	PRINCIPAL BOOK BALANCE	PAR / FACE VALUE	FACE VALUE	CURRENT PRICE	MARKET VALUE	PERCENTAGE OF PORTFOLIO
CYCICAL	S.B.A. FLORIDA PRIME	-	-	-	-	\$165,488,109.62	-	-	-	\$165,488,109.62	44.568%
CYCICAL	VALLEY NATIONAL BANK	-	-	-	-	\$28,402,767.34	-	-	-	\$28,402,767.34	7.649%
CYCICAL	BANK UNITED MONEY MARKET	-	-	-	-	\$15,393,269.07	-	-	-	\$15,393,269.07	4.146%
FLEX CORE	F.L.G.I.T. SHORT-TERM FUND	-	-	-	-	\$10,875,546.93	-	-	-	\$10,875,546.93	2.929%
FLEX CORE	F.L.G.I.T. DAY TO DAY FUND	-	-	-	-	\$18,919,122.88	-	-	-	\$18,919,122.88	5.095%
FLEX CORE	FLORIDA CLASS	-	-	-	-	\$10,057,299.53	-	-	-	\$10,057,299.53	2.709%
CORE	U.S. TREASURY NOTE	9128284J6	04-30-2020	2.375%	99.546875	\$4,998,921.15	\$5,000,000.00	\$5,000,000.00	100.18280%	\$5,009,140.00	1.349%
CORE	U.S. BONDS ~ FHLB	3130AECJ7	05-28-2020	2.625%	99.917000	\$4,999,622.80	\$5,000,000.00	\$5,000,000.00	100.35620%	\$5,017,810.00	1.351%
CORE	U.S. TREASURY NOTE	912828XU9	06-15-2020	1.500%	97.843750	\$4,984,598.24	\$5,000,000.00	\$5,000,000.00	100.28880%	\$5,014,440.00	1.350%
CORE	U.S. TREASURY NOTE	9128282J8	07-15-2020	1.500%	97.707031	\$4,979,154.78	\$5,000,000.00	\$5,000,000.00	100.42190%	\$5,021,095.00	1.352%
CORE	U.S. TREASURY NOTE	912828VV9	08-31-2020	2.125%	98.683594	\$4,985,691.19	\$5,000,000.00	\$5,000,000.00	100.83200%	\$5,041,600.00	1.358%
CORE	U.S. BONDS ~ FHLB	313370US5	09-11-2020	2.875%	99.985000	\$4,999,785.65	\$5,000,000.00	\$5,000,000.00	101.16240%	\$5,058,120.00	1.362%
CORE	U.S. TREASURY NOTE	9128282Z2	10-15-2020	1.625%	97.835938	\$4,965,571.68	\$5,000,000.00	\$5,000,000.00	100.80860%	\$5,040,430.00	1.357%
CORE	U.S. TREASURY NOTE	912828A42	11-30-2020	2.000%	98.910156	\$4,980,184.69	\$5,000,000.00	\$5,000,000.00	101.28910%	\$5,064,455.00	1.364%
CORE	U.S. BONDS ~ FHLB	313371U79	12-11-2020	3.125%	100.459000	\$5,008,606.25	\$5,000,000.00	\$5,000,000.00	101.93480%	\$5,096,740.00	1.373%
CORE	U.S. TREASURY NOTE	9128283Q1	01-15-2021	2.000%	98.312500	\$4,966,250.00	\$5,000,000.00	\$5,000,000.00	101.53120%	\$5,076,560.00	1.367%
CORE	TRUSTCO CD	4480019356	02-16-2021	2.050%	100.000000	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	100.00000%	\$5,000,000.00	1.347%
CORE	TRUSTCO CD	4480019357	03-16-2021	2.050%	100.000000	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	100.00000%	\$5,000,000.00	1.347%
CORE	U.S. TREASURY NOTE	9128284G2	04-15-2021	2.375%	100.824219	\$5,028,196.94	\$5,000,000.00	\$5,000,000.00	102.31640%	\$5,115,820.00	1.378%
CORE	U.S. TREASURY NOTE	9128284P2	05-15-2021	2.625%	101.292969	\$5,045,253.92	\$5,000,000.00	\$5,000,000.00	102.80080%	\$5,140,040.00	1.384%
CORE	U.S. TREASURY NOTE	9128284T4	06-15-2021	2.625%	101.554688	\$5,061,369.26	\$5,000,000.00	\$5,000,000.00	103.01170%	\$5,150,585.00	1.387%
CORE	U.S. TREASURY NOTE	912828Y20	07-15-2021	2.625%	101.582031	\$5,063,281.24	\$5,000,000.00	\$5,000,000.00	103.18750%	\$5,159,375.00	1.389%
CORE	U.S. TREASURY NOTE	912828YC8	08-31-2021	1.500%	99.753906	\$4,990,039.07	\$5,000,000.00	\$5,000,000.00	101.86330%	\$5,093,165.00	1.372%
CORE	U.S. TREASURY NOTE	9128285A4	09-15-2021	2.750%	101.894531	\$5,081,194.19	\$5,000,000.00	\$5,000,000.00	103.68750%	\$5,184,375.00	1.396%
CORE	U.S. TREASURY NOTE	9128285F3	10-15-2021	2.875%	102.234375	\$5,101,078.87	\$5,000,000.00	\$5,000,000.00	104.10550%	\$5,205,275.00	1.402%
CORE	U.S. BONDS ~ FFCB	3133ELAR5	11-22-2021	1.600%	99.893000	\$4,995,347.83	\$5,000,000.00	\$5,000,000.00	101.91600%	\$5,095,800.00	1.372%
CORE	U.S. BONDS ~ FFCB	3133ELDU5	12-13-2021	1.580%	99.883000	\$4,994,881.25	\$5,000,000.00	\$5,000,000.00	101.93470%	\$5,096,735.00	1.373%
CORE	U.S. BONDS ~ FFCB	3133ELHR8	01-21-2022	1.600%	99.994500	\$4,999,747.92	\$5,000,000.00	\$5,000,000.00	102.04630%	\$5,102,315.00	1.374%
CORE	U.S. TREASURY NOTE	9128285C9	02-15-2022	2.500%	102.207031	\$5,105,753.58	\$5,000,000.00	\$5,000,000.00	104.26950%	\$5,213,475.00	1.404%
CORE	U.S. BONDS ~ FHLB	313378CR0	03-11-2022	2.250%	103.411000	\$5,170,550.00	\$5,000,000.00	\$5,000,000.00	103.63680%	\$5,181,840.00	1.396%
TOTALS						\$369,641,195.87				\$371,315,305.37	100.0000%