



## MARTIN COUNTY, FLORIDA INVESTMENT PORTFOLIO REPORT June 2020



### INVESTMENT RECAP

**Summary of June 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 June 2022. One \$5 million purchase was made in June, 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. These funds continue to offer higher yields than direct short-term investments.

### KEY ECONOMIC INDICATORS

- **EMPLOYMENT:** Non-farm payrolls were forecast to shed another 7.5 million jobs, but instead gained 2.5 million during May. It was the largest single month increase in the history of the survey going back to 1939. Forecasters missed by 10 million jobs. The headline unemployment rate fell from 14.7% in April to 13.3% in May, well below the 19% median forecast. Jobless claims improved during May, but remain historically high at well over 1 million per week. Nearly 30 million Americans were receiving unemployment benefits.
- **ECO GROWTH:** GDP contracted by -5.1% in Q1-2020. The median forecast for Q2 was -35% in Bloomberg's June survey, easily the worst quarterly drop on record. Economists expect a snapback in Q3 with a median forecast of +20%.
- **INFLATION:** Both the consumer price index (CPI) and core CPI for the month of May fell by -0.1%. It was the first time in 60+ years of series history that core consumer prices declined over three consecutive months. Core Personal Consumption Expenditures (PCE), which lags by a month, fell -0.4% in April after being flat in March.
- **ISM SURVEYS:** The ISM manufacturing index for May rose from 41.5 to 43.1, still a number consistent with recession, but moving in the right direction. The ISM non-manufacturing (service sector) index climbed from 41.8 to 45.4.
- **CONSUMER SPENDING:** Headline retail sales, supported by federal relief programs, surged by +17.7%, more than twice the median forecast. This was easily a record increase in May, following a record -14.7% April decline, but it still leaves retail sales 8% below pre-pandemic levels. The retail sales "control group," used in the GDP calculation, jumped +11.0% in May following a -15.3% drop in April and has now essentially returned to pre-pandemic levels.

### NEWS and EVENTS

- Economic forecasts were blown out of the water as May data rebounded on re-openings. Forecasters and analysts were lost as they tried to get a handle on what was happening in the economy. Data revisions were epic in size, but in the complete absence of certainty, the primary focus was on employment.
- Equity markets had a huge rally after the May labor report was released, but then had some back and forth after attempting to digest Chairman Powell's comments following the June FOMC meeting.
- As economic data started to show significant improvement, the rally in stocks was somewhat validated and further bolstered. The notion of a "V-shaped recovery," which had been largely dismissed, reentered the conversation.
- The FOMC met on June 10<sup>th</sup> and held its monetary policy stance but did release a new dot plot as well as new economic projections. In the first dot plot/interest rate forecast since December, committee members indicated the overnight target would remain zero bound through at least 2022. None of the 17 committee members were forecasting a rate hike this year or next and only two were forecasting rate hikes in 2022.

### PORTFOLIO SUMMARY

	1/31/2020	2/29/2020	3/31/2020	4/30/2020	5/31/2020	6/30/2020
Book Value	\$396,307,974	\$394,046,496	\$369,688,954	\$360,132,306	\$355,484,762	\$346,718,888
Market Value	\$396,871,546	\$394,991,056	\$371,352,169	\$361,663,940	\$356,873,622	\$347,984,392
Market Value%	100.14%	100.24%	100.45%	100.43%	100.39%	100.36%
Weighted Average Maturity - Days	113 days	114 days	121 days	124 days	126 days	129 days
Weighted Average Yield	1.925%	1.880%	1.584%	1.298%	1.132%	0.991%
Earned Income	\$641,782	\$583,646	\$525,670	\$383,694	\$343,228	\$284,276
Earned Income-Fiscal Year-to-Date	\$2,135,310	\$2,718,956	\$3,244,626	\$3,628,320	\$3,971,548	\$4,255,824
Change in Market Value *	\$207,724	\$461,196	\$701,418	(\$66,549)	(\$95,237)	(\$99,019)
Income Net of Change in Mkt Val	\$849,506	\$1,044,842	\$1,227,088	\$317,145	\$247,991	\$185,257

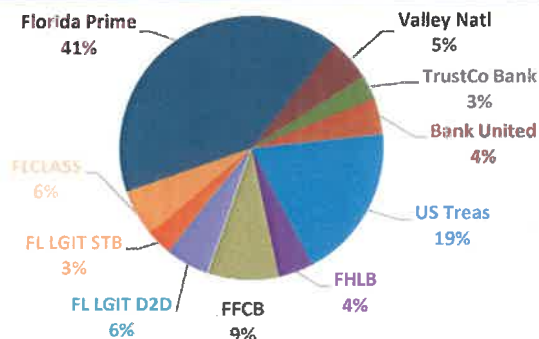
\* Change in market value is net of additions/withdrawals and represents unrealized gains and losses in the portfolio.



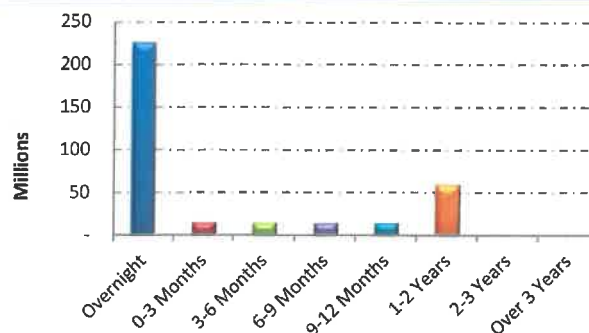
# MARTIN COUNTY, FLORIDA INVESTMENT PORTFOLIO REPORT June 2020



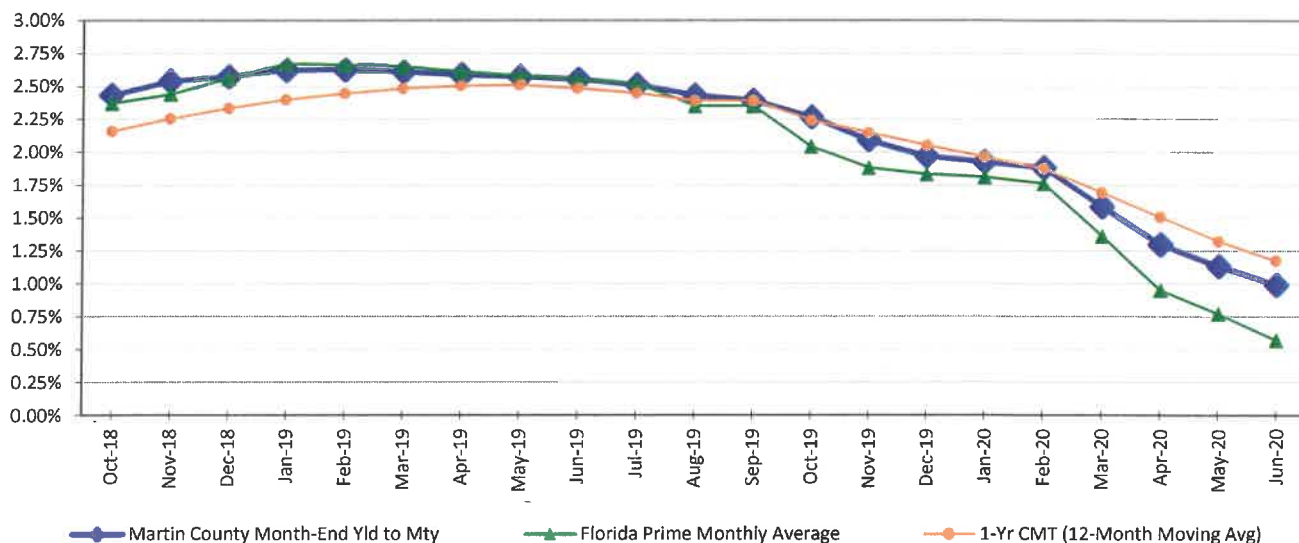
## Portfolio Composition by Issuer



## 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	\$346,718,888	\$346,718,888	\$346,718,888	\$346,718,888	\$346,718,888	\$346,718,888
Market Value	\$348,694,414	\$348,339,403	\$347,984,392	\$347,629,382	\$347,274,371	\$346,564,350
Unrealized Gain/(Loss)	\$1,975,525	\$1,620,515	\$1,265,504	\$910,493	\$555,483	-\$154,539
Market Price	100.57%	100.47%	100.36%	100.26%	100.16%	99.96%
Book Yield	0.681%	0.836%	0.991%	1.146%	1.301%	1.611%
Duration	0.408	0.408	0.408	0.408	0.408	0.408

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 1.90 as of 5/31/20, 6/30/20 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: JUNE 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
CYCLOCAL	S.B.A. FLORIDA PRIME	-	-	-	-	\$142,219,528.90	-	-	-	\$142,219,528.90	40.884%
CYCLOCAL	VALLEY NATIONAL BANK	-	-	-	-	\$18,437,277.76	-	-	-	\$18,437,277.76	5.300%
CYCLOCAL	BANK UNITED MONEY MARKET	-	-	-	-	\$15,406,630.21	-	-	-	\$15,406,630.21	4.429%
FLEX CORE	F.L.G.I.T. SHORT-TERM FUND	-	-	-	-	\$11,044,767.97	-	-	-	\$11,044,767.97	3.175%
FLEX CORE	F.L.G.I.T. DAY TO DAY FUND	-	-	-	-	\$18,947,615.49	-	-	-	\$18,947,615.49	5.447%
FLEX CORE	FLORIDA CLASS	-	-	-	-	\$20,091,218.40	-	-	-	\$20,091,218.40	5.776%
CORE	U.S. TREASURY NOTE	9128282J8	07-15-2020	1.500%	97.707031	\$4,994,788.65	\$5,000,000.00	\$5,000,000.00	100.05110%	\$5,002,555.00	1.438%
CORE	U.S. TREASURY NOTE	912828VV9	08-31-2020	2.125%	98.683594	\$4,994,276.44	\$5,000,000.00	\$5,000,000.00	100.32210%	\$5,016,105.00	1.442%
CORE	U.S. BONDS ~ FHLB	313370US5	09-11-2020	2.875%	99.985000	\$4,999,892.78	\$5,000,000.00	\$5,000,000.00	100.52000%	\$5,026,000.00	1.445%
CORE	U.S. TREASURY NOTE	9128282Z2	10-15-2020	1.625%	97.835938	\$4,980,326.64	\$5,000,000.00	\$5,000,000.00	100.41520%	\$5,020,760.00	1.443%
CORE	U.S. TREASURY NOTE	912828A42	11-30-2020	2.000%	98.910156	\$4,987,615.45	\$5,000,000.00	\$5,000,000.00	100.73440%	\$5,036,720.00	1.448%
CORE	U.S. BONDS ~ FHLB	313371U79	12-11-2020	3.125%	100.459000	\$5,005,737.50	\$5,000,000.00	\$5,000,000.00	101.32400%	\$5,066,200.00	1.456%
CORE	U.S. TREASURY NOTE	9128283Q1	01-15-2021	2.000%	98.312500	\$4,976,375.00	\$5,000,000.00	\$5,000,000.00	100.97660%	\$5,048,830.00	1.451%
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	1.437%
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	1.437%
CORE	U.S. TREASURY NOTE	9128284G2	04-15-2021	2.375%	100.824219	\$5,021,689.94	\$5,000,000.00	\$5,000,000.00	101.72660%	\$5,086,330.00	1.462%
CORE	U.S. TREASURY NOTE	9128284P2	05-15-2021	2.625%	101.282969	\$5,035,556.66	\$5,000,000.00	\$5,000,000.00	102.12500%	\$5,106,250.00	1.468%
CORE	U.S. TREASURY NOTE	9128284T4	06-15-2021	2.625%	101.554668	\$5,049,095.42	\$5,000,000.00	\$5,000,000.00	102.33590%	\$5,116,795.00	1.471%
CORE	U.S. TREASURY NOTE	912828Y20	07-15-2021	2.625%	101.582031	\$5,051,416.00	\$5,000,000.00	\$5,000,000.00	102.53520%	\$5,126,760.00	1.474%
CORE	U.S. TREASURY NOTE	912828YC8	08-31-2021	1.500%	99.753906	\$4,991,796.89	\$5,000,000.00	\$5,000,000.00	101.52730%	\$5,076,365.00	1.459%
CORE	U.S. TREASURY NOTE	9128285A4	09-15-2021	2.750%	101.894531	\$5,067,661.82	\$5,000,000.00	\$5,000,000.00	103.10160%	\$5,155,080.00	1.482%
CORE	U.S. TREASURY NOTE	9128285F3	10-15-2021	2.875%	102.234375	\$5,085,119.05	\$5,000,000.00	\$5,000,000.00	103.47270%	\$5,173,635.00	1.487%
CORE	U.S. BONDS ~ FFCB	3133ELAR5	11-22-2021	1.600%	99.893000	\$4,996,045.66	\$5,000,000.00	\$5,000,000.00	101.94420%	\$5,097,210.00	1.465%
CORE	U.S. BONDS ~ FFCB	3133ELDU5	12-13-2021	1.580%	99.883000	\$4,995,612.50	\$5,000,000.00	\$5,000,000.00	101.99080%	\$5,099,540.00	1.466%
CORE	U.S. BONDS ~ FFCB	3133ELHR8	01-21-2022	1.600%	99.994500	\$4,999,782.30	\$5,000,000.00	\$5,000,000.00	102.15520%	\$5,107,760.00	1.468%
CORE	U.S. TREASURY NOTE	9128285C9	02-15-2022	2.500%	102.207031	\$5,091,959.64	\$5,000,000.00	\$5,000,000.00	103.75780%	\$5,187,890.00	1.491%
CORE	U.S. BONDS ~ FHLB	313378CR0	03-11-2022	2.250%	103.411000	\$5,149,231.25	\$5,000,000.00	\$5,000,000.00	103.30600%	\$5,165,300.00	1.485%
CORE	U.S. BONDS ~ FFCB	3133ELXW9	04-27-2022	0.300%	99.976000	\$4,998,900.00	\$5,000,000.00	\$5,000,000.00	100.12280%	\$5,006,140.00	1.439%
CORE	U.S. BONDS ~ FFCB	3133ELZN7	05-18-2022	0.160%	99.804600	\$4,990,637.08	\$5,000,000.00	\$5,000,000.00	99.83020%	\$4,991,510.00	1.435%
CORE	U.S. BONDS ~ FFCB	3133ELIN26	06-22-2022	0.260%	99.952000	\$4,997,600.00	\$5,000,000.00	\$5,000,000.00	100.00420%	\$5,000,210.00	1.437%
TOTALS										\$347,860,983.73	100.000%

\$346,608,155.40