



MARTIN COUNTY, FLORIDA INVESTMENT PORTFOLIO REPORT April 2021



INVESTMENT RECAP

Summary of March's 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 April 2023. One \$5 million purchase was made in April, reinvesting the proceeds of a maturing Treasury note. 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, Florida CLASS, Florida Local Government Investment Trust, and FLSTAR.

KEY ECONOMIC INDICATORS

- **EMPLOYMENT:** Non-farm payrolls added a whopping 916k jobs to non-farm payrolls in March, well above the 660k Bloomberg median forecast, while upward revisions to January and February added another 156k to the tally. The unemployment rate declined from 6.2% to 6.0% in March, above last February's five-decade low of 3.5%, but much improved from the 14.8% pandemic high 10 months ago.
- **INFLATION:** Headline CPI rose by +0.6% in March following a +0.4% increase in February. The gain topped forecasts and was the largest in any single month since August 2012. Overall CPI is now increasing at a +2.6% annual pace, the highest since August 2018. Core CPI, which excludes the volatile food and energy components rose by +0.3% in March and on a year-over-year basis was up +1.6%.
- **ISM SURVEYS:** The headline manufacturing index has continued trending upward, rising to 58.7 in January, 60.8 in February, and 64.7 in March, the highest reading in 38 years. The ISM non-manufacturing index for March unexpectedly surged from 55.3 to 63.7, the highest level in the 24-year history of the index.
- **CONSUMER SPENDING:** Headline retail sales jumped +9.8% in March as a combination of warmer spring weather, business re-openings, vaccines, tax refunds, stimulus checks and pent-up demand fueled a spending wave. March's overall increase obliterated the +5.8% median forecast and was the second highest single month gain in almost 30 years of recordkeeping.
- **ECO GROWTH:** The initial reading of first quarter GDP came in at a quarter-over-quarter annualized rate of +6.4%, a bit below the +6.7% median forecast, but well shy of whisper numbers above +7.0%. The first quarter strength pushed GDP back above pre-pandemic levels.

NEWS and EVENTS

- Economic growth is surging as progress on the vaccine front and a subsiding pandemic allow the re-opening to expand. Shortages of materials and labor are becoming widespread.
- The Federal Open Market Committee met in late April and made no change to the overnight funds target or the amount of monthly asset purchases. There were minor changes to the official statement, acknowledging progress on vaccines, improvement in the service sector, and a rise in inflation.
- The Biden Administration announced a \$2.3 trillion infrastructure deal and the GOP offered its own proposal totaling \$570 billion. No vote is expected in the House before July.
- Freddie Mac reported a 3.8 million unit shortfall in single-family homes, 52% higher than Freddie's assessment in 2018. Compounding the problem is a sharp rise in materials prices. According to Business Insider, the cost of lumber has soared over +250% in the past 12 months and nearly +350% from the pandemic low point last March.

PORTFOLIO SUMMARY

	11/30/2020	12/31/2020	1/31/2021	2/28/2021	3/31/2021	4/30/2021
Book Value	\$283,741,278	\$426,144,923	\$448,986,192	\$436,520,787	\$416,536,123	\$405,692,204
Market Value	\$284,449,933	\$426,800,394	\$449,590,220	\$437,058,074	\$416,986,738	\$406,081,601
Market Value%	100.25%	100.15%	100.13%	100.12%	100.11%	100.10%
Weighted Average Maturity - Days	120 days	105 days	99 days	103 days	108 days	110 days
Weighted Average Yield	0.688%	0.470%	0.420%	0.389%	0.367%	0.350%
Earned Income	\$167,934	\$167,577	\$159,282	\$135,592	\$133,059	\$118,785
Earned Income-Fiscal Year-to-Date	\$353,594	\$521,171	\$680,453	\$816,045	\$949,104	\$1,067,888
Change in Market Value *	(\$109,384)	(\$87,402)	(\$88,323)	(\$129,735)	(\$149,905)	(\$97,176)
Income Net of Change in Mkt Val	\$58,550	\$80,175	\$70,959	\$5,857	-\$16,846	\$21,609

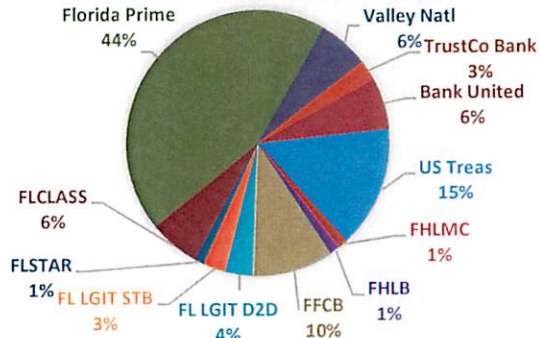
* Change in market value is net of additions/withdrawals and represents unrealized gains and losses in the portfolio.



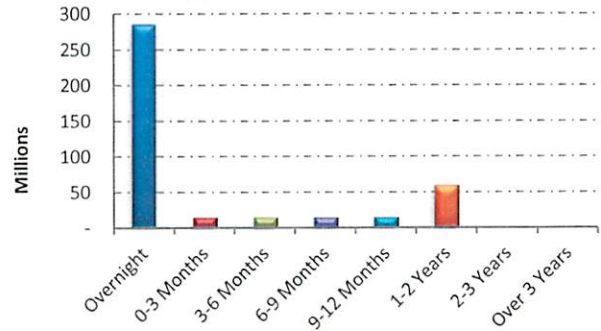
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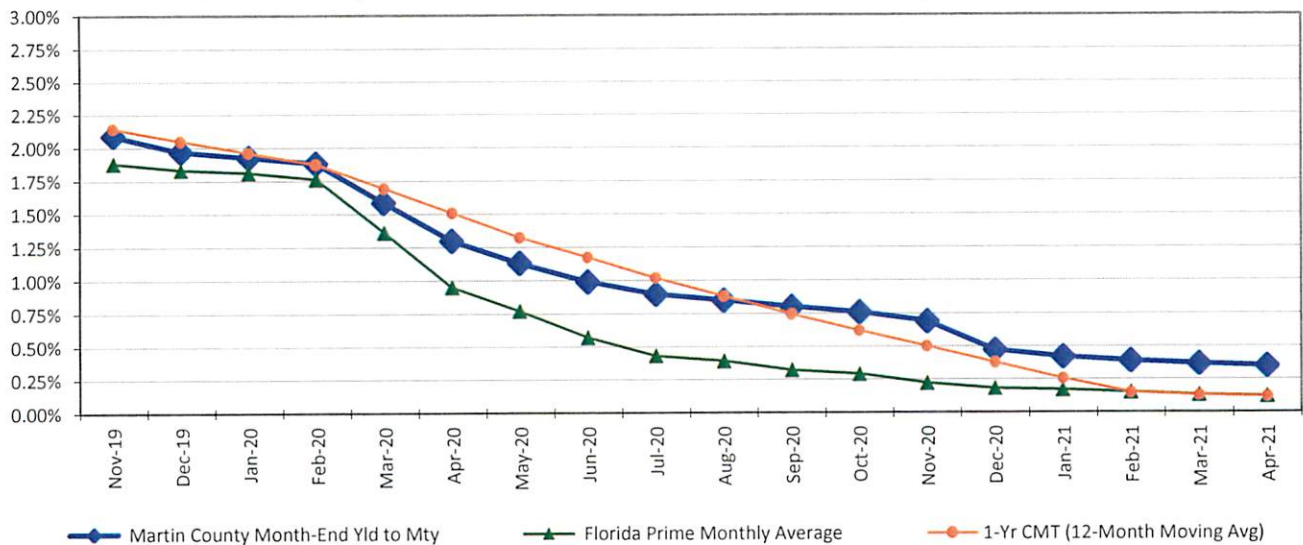
Portfolio Composition by Issuer



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	\$405,692,204	\$405,692,204	\$405,692,204	\$405,692,204	\$405,692,204	\$405,692,204
Market Value	\$406,788,875	\$406,435,238	\$406,081,601	\$405,727,964	\$405,374,326	\$404,667,052
Unrealized Gain/(Loss)	\$1,096,672	\$743,035	\$389,397	\$35,760	-\$317,877	-\$1,025,152
Market Price	100.27%	100.18%	100.10%	100.01%	99.92%	99.75%
Book Yield	0.043%	0.196%	0.350%	0.503%	0.656%	0.962%
Duration	0.348	0.348	0.348	0.348	0.348	0.348

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 1.81 as of 4/30/21.