



## MARTIN COUNTY, FLORIDA INVESTMENT PORTFOLIO REPORT August 2021



### INVESTMENT RECAP

**Summary of August'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 August 2023. One \$5 million purchase was made in August, 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:** U.S. companies added +943k jobs to payrolls in July, while the June payroll count was revised upward from +850k to +938k. After two solid months of gains, total nonfarm payrolls have now returned all but 5.7 million jobs shed during last years' shutdown. The headline unemployment rate fell from 5.9% to 5.4% in July, the lowest since March of 2020.
- **INFLATION:** Headline CPI rose +0.5% in July, down from the +0.9% reading in June, while core CPI was up +0.3%, well below the +0.9% June core advance. On a year-over-year basis, headline CPI held steady at +5.4%, while the core rate declined from a +4.5% annual pace to +4.3%. As of July, the Fed's preferred measure, core Personal Consumption Expenditures (PCE), was increasing at a +3.6% year-over-year pace.
- **ISM SURVEYS:** The ISM manufacturing index fell from 60.6 to 59.5 in July, falling short of the median forecast. The index is under 60 for the first time since January, but nevertheless indicates solid manufacturing demand. The ISM non-manufacturing (service sector) index rose from 60.1 to 64.1, well above the 60.5 median forecast, the *highest since the report started in 1997*.
- **CONSUMER SPENDING:** Headline retail sales disappointed with a -1.1% drop in July, well below the -0.3% median forecast. Eight of 13 spending categories declined, led by a -3.9% drop in vehicle sales and a -2.6% decrease in clothing sales. The retail sales "control group," which excludes sales of autos, building materials, gasoline and food services, and also feeds into the GDP calculation fell -1.0%.

### NEWS and EVENTS

- The minutes to the July FOMC meeting revealed much discussion about tapering QE but no action was taken. The committee is still looking for "substantial further progress" before actual tapering begins.
- Fed Chairman Jay Powell spoke at the virtual Jackson Hole Economic Symposium, where he reiterated comments he's previously made, including reference to the July FOMC meeting where he thought, "*if the economy evolved broadly as anticipated, it could be appropriate to start reducing asset purchases later this year.*"
- Since the end of June, daily average new Covid-19 cases have exploded from just over 17,000 to 160,000 at the end of August, still roughly half of the January 2021 peak, but nearly four times the average cases on September 1<sup>st</sup> of 2020.

### PORTFOLIO SUMMARY

	3/31/2021	4/30/2021	5/31/2021	6/30/2021	7/31/2021	8/31/2021
Book Value	\$416,536,123	\$405,692,204	\$400,869,088	\$387,013,019	\$370,204,303	\$348,343,392
Market Value	\$416,986,738	\$406,081,601	\$401,203,254	\$387,258,783	\$370,435,531	\$348,525,729
Market Value%	100.11%	100.10%	100.08%	100.06%	100.06%	100.05%
Weighted Average Maturity - Days	108 days	110 days	111 days	115 days	120 days	128 days
Weighted Average Yield	0.367%	0.350%	0.324%	0.310%	0.332%	0.289%
Earned Income	\$133,059	\$118,785	\$110,372	\$99,932	\$106,521	\$89,552
Earned Income-Fiscal Year-to-Date	\$949,104	\$1,067,888	\$1,178,260	\$1,278,192	\$1,384,713	\$1,474,266
Change in Market Value *	(\$149,905)	(\$97,176)	(\$89,764)	(\$142,493)	(\$35,982)	(\$84,742)
Income Net of Change in Mkt Val	-\$16,846	\$21,609	\$20,608	-\$42,561	\$70,539	\$4,811

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

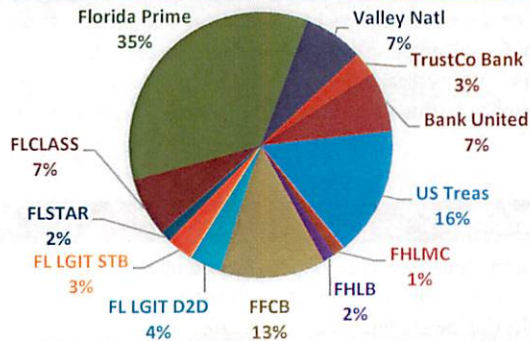




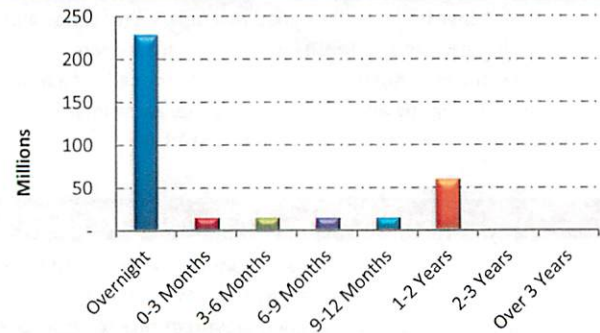
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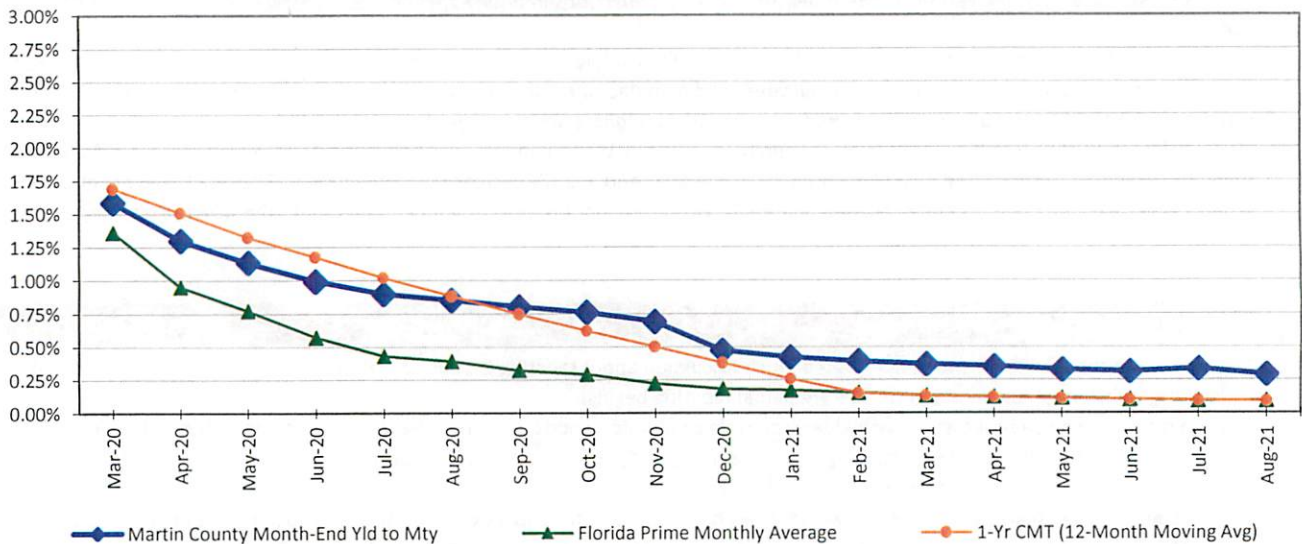
## Portfolio Composition by Issuer



## 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	\$348,343,392	\$348,343,392	\$348,343,392	\$348,343,392	\$348,343,392	\$348,343,392
Market Value	\$349,224,330	\$348,875,030	\$348,525,729	\$348,176,429	\$347,827,129	\$347,128,529
Unrealized Gain/(Loss)	\$880,938	\$531,638	\$182,338	-\$166,962	-\$516,262	-\$1,214,862
Market Price	100.25%	100.15%	100.05%	99.95%	99.85%	99.65%
Book Yield	0.014%	0.152%	0.289%	0.426%	0.564%	0.838%
Duration	0.401	0.401	0.401	0.401	0.401	0.401

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 1.70 as of 8/31/21.