FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT
115 S. Andrews Avenue, Room 513 • Fort Lauderdale, Florida 33301 • 954-357-7130 • FAX 954-357-7134 • Email: finance@broward.org

MEMORANDUM

DATE: July 15, 2022

TO: George Tablack, CPA
Chief Financial Officer

FROM: Lori Fortenberry, Acting Finance Manager
Finance and Administrative Services Department

Digitally signed by LORI FORTENBERRY
Date: 2022.07.15 16:11:54 -04'00'

RE: Portfolio and Economic Summary – June 30, 2022

As of June 30, 2022, the Broward County (County) Portfolio had a par value of $4.70 billion and a Yield to Maturity of 0.85%. In comparison, the Bank of America Merrill Lynch 1-3 Year U.S. Treasury & Agency Index benchmark of 2.93% exceeded the yield on County's Portfolio by 208 basis points. In a rapidly rising rate environment, it is typical for Index yields to increase quicker as they can incorporate changes at a faster pace. The County's Portfolio yield will continue to increase as upcoming maturities are reinvested at higher yields.

The Federal Reserve Bank (the "Fed") has raised the Fed Funds rate by 125bps since May 2022 and, in a bid to get inflation under control, is expected to raise the rate an additional 75bps to 2.5% at their next meeting in July. Correspondingly, the Fed's current forecast implies that it will be aggressive raising rates this year, while slowing down next year, to get to an ultimate projected rate of 3.75%. While the Fed is battling inflation, they are also mindful of the prospect of a recession resulting from the aggressive rate hikes. The Fed's latest projections for the Implied Fed Funds Target Rate shows an expectation that rates may begin to decrease as soon as 2024.

The Consumer Price Index, which measures inflation, rose by a hotter-than-expected 9.1% in the year through June and is the highest it has been in more than 40 years. Likewise, the month-over-month change in CPI was the biggest gain since 2005. While market participants latched on to these gains as motivation for the Fed to hike rates by 100bps, rather than just 75bps, two Fed officials declined to endorse such a move and the US consumer long-term inflation expectations also decreased by more than forecast resulting in a more settled expectation of a 75bps hike.

Despite fears of inflation and resulting rate hikes leading to a recession, US employers added more jobs in June than forecast and the unemployment rate came in at 3.6%, nearly matching the low of 3.5% from February 2020. Meanwhile, the pool of available workers shrank, giving credance to complaints about worker shortages and an inability for employers to fill millions of open positions leading to the potential for sustained wage pressures and bucking forecasts for an imminent recession.

Please see the attached pages showcasing portfolio detail and key economic data as of the end of the period.

BROWARD COUNTY
115 S. ANDREWS AVE A430
FT LAUDERDALE, FL 33301

Broward County
Portfolio Management
Portfolio Summary
June 30, 2022

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Commercial Paper Discount	90,000,000.00	89,946,270.00	89,964,000.00	1.92	37	12	1.201	1.218
Federal Agency Coupon Securities	1,350,050,000.00	1,316,426,487.33	1,349,626,538.75	28.75	1,048	490	0.802	0.813
Federal Agency Coupon - Callable	1,739,525,000.00	1,646,752,440.51	1,739,507,430.21	37.06	1,377	996	0.872	0.884
Federal Agency Discount	470,870,000.00	465,602,711.10	467,568,915.39	9.96	246	159	1.308	1.326
Treasury Coupon Securities	321,000,000.00	309,455,835.00	320,248,524.05	6.82	1,009	680	0.755	0.765
Treasury Bills	538,925,000.00	536,686,865.56	538,131,005.64	11.46	275	79	0.468	0.474
World Bank Coupon Securities	35,000,000.00	33,069,991.20	34,994,403.66	0.75	1,826	1,338	1.672	1.696
World Bank Discount	154,200,000.00	153,788,405.98	154,142,698.61	3.28	212	48	0.359	0.364
Investments	**4,699,570,000.00**	**4,551,729,006.68**	**4,694,183,516.31**	**100.00%**	**958**	**593**	**0.836**	**0.848**
Cash and Accrued Interest								
Accrued Interest at Purchase		17,140.26	17,140.26					
Subtotal		17,140.26	17,140.26					
Total Cash and Investments	**4,699,570,000.00**	**4,551,746,146.94**	**4,694,200,656.57**		**958**	**593**	**0.836**	**0.848**

Total Earnings	June 30 Month Ending	Fiscal Year To Date
Current Year	2,984,005.04	19,916,634.12
Average Daily Balance	**4,715,393,986.46**	**4,539,081,766.89**
Effective Rate of Return	**0.77%**	**0.59%**

Effective 06/30/2022

Current Modified Duration: 1.520 ($71,433,464) Current Effective Duration: 0.834 (304 Days)
Total Bank Account Balance: $519,546,682 Percentage of Total Portfolio: 11.1%

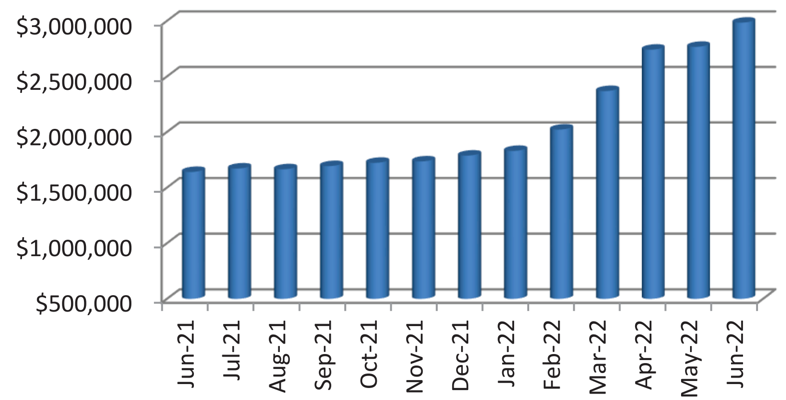
Diversification by Investment per Investment Policy:
US Treasuries/Agencies - 100% Maximum
Commercial Paper - 25% Maximum
World Bank Securities - 15% Maximum

George Tablack, CPA, Chief Financial Officer

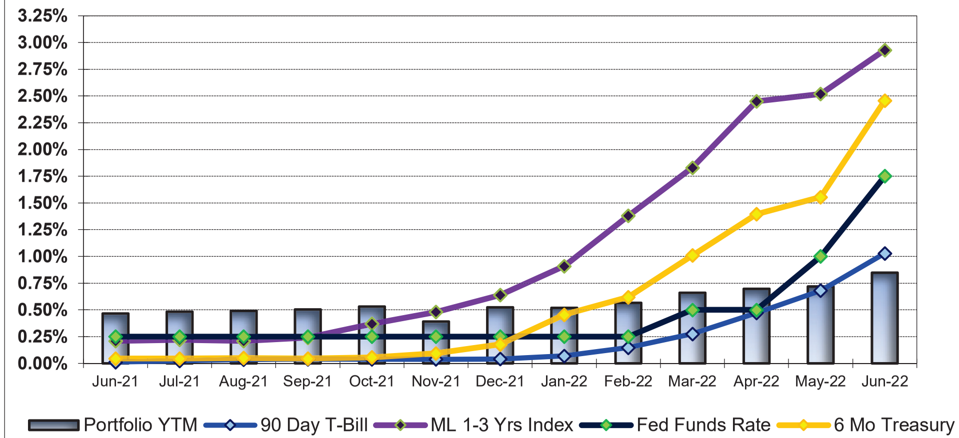
Reporting period 06/01/2022-06/30/2022

Quarterly Portfolio Analysis - June 30, 2022

Interest Earnings History

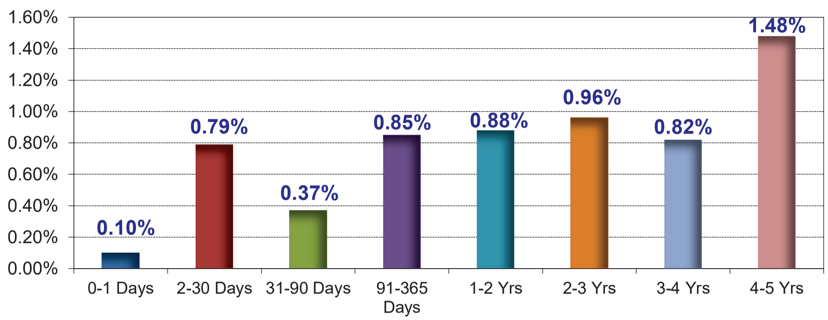


YTM Rate Comparison to Benchmark[1]



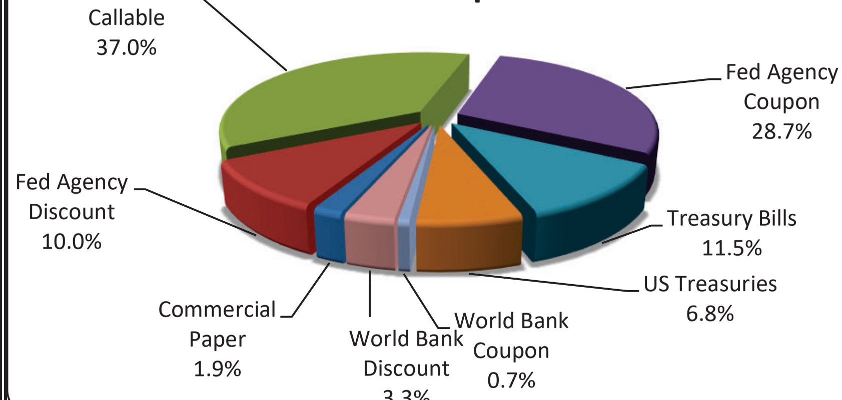
[1]Investment Policy determined benchmark is ML 1 to 3 Yrs Index.

Yield by Maturity Breakdown



Key Economic Data:	**Jun-22**	**Jun-21**	***% change***
Fed Funds Rate	1.75%	0.25%	*600.0%*
Rolling 90 Day T-Bill-AVG	1.63%	0.04%	*3905.4%*
Prime Rate	4.75%	3.25%	*46.2%*
DJIA	30,775	34,503	*-10.8%*
Crude Oil	105.76	73.47	*43.9%*
Gold ($/oz)	1,807	1770.00	*2.1%*
10 Year Treasury Note	3.01%	1.47%	*105.2%*
Total Portfolio Yield	0.85%	0.47%	*82.0%*
ML 1-3 Yr Yield	2.93%	0.21%	*1295.2%*

Portfolio Composition



Maturity Schedule by Percentage Comparison to Benchmark