



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: October 29, 2020

TO: George Tablack, CPA
Chief Financial Officer

FROM: Lori Fortenberry, Investment & Finance Coordinator
Finance and Administrative Services Department


Digitally signed by LORI FORTENBERRY
Date: 2020.10.30 15:04:43 -04'00'

RE: Portfolio and Economic Summary – September 30, 2020

As of September 30, 2020, the Broward County Investment Portfolio had a par value of \$3.70 billion and a Yield to Maturity of 0.76%. The yield exceeded the benchmark Bank of America Merrill Lynch 1-3 Year U.S. Treasury & Agency Index by 61 basis points (0.15% as of September 30, 2020).

The Federal Reserve Bank (the “Fed”) left the Fed Funds Rate unchanged at its latest meeting, on September 16, 2020, and have pledged to keep rates low until the economy returns to maximum employment. In addition, the Fed announced they would redefine their 2% inflation target as an average to be achieved over time and would allow inflation to rise above the 2% target when following periods of low inflation. Fed Chairman, Jerome Powell, has warned that without sufficient government aid, the recovery will be weak, and further stated that providing too much stimulus would not be a problem. The Fed Funds Rate is expected to remain at current levels through 2023.

While the Covid-19 pandemic has continued to upend everyone’s lives, there are signs that data is improving. Retail sales data have now surpassed pre-pandemic levels with gains increasing at almost 2%, month over month. And, while not back to pre-pandemic levels, the airline industry and home sales have shown some bright spots. The number of passengers flying in the U.S. surpassed one million in mid-October, a milestone not reached since March. While the number of travelers is less than half during the same period last year, it represents a slow but steady recovery from levels reported during the early days of the pandemic. Home sales have been energetic, fueled by low interest rates and buyers needing more space as they work from home indefinitely. The demand for housing is mirroring the typically high summer season with homes selling faster and, in some metropolitan areas, at higher prices than the year prior. In addition, with demand exceeding supply, bidding wars are becoming more common. Casting a shadow over this nascent recovery is the spike in new coronavirus cases across the U.S. and the rest of the world with France and Germany proposing new lockdowns. The spike in cases could temper the slow recovery in employment. The unemployment rate in the U.S. was 7.9% in September which was more than double the rate from February but down from a high of 14.7% in April. The latest reported continuing claims in October were 8,373 which, while lower than the high of 24,912 this past May, was still higher than in May 2009 (the peak of the recession) when continuing claims were 6,635.

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



**Broward County
Portfolio Management
Portfolio Summary
September 30, 2020**

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

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Money Market Accounts	341,118,223.84	341,118,223.84	341,118,223.84	9.22	1	1	0.014	0.014
Commercial Paper Discount	50,000,000.00	49,999,277.78	49,999,277.78	1.35	31	4	0.130	0.132
Federal Agency Coupon Securities	625,300,000.00	642,786,809.01	624,885,653.70	16.89	1,161	682	1.647	1.669
Federal Agency Coupon - Callable	1,027,350,000.00	1,030,272,975.29	1,027,342,552.08	27.76	1,233	1,023	1.034	1.048
Federal Agency Discount	719,820,000.00	719,693,841.49	719,644,862.48	19.45	142	69	0.210	0.213
Treasury Coupon Securities	171,180,000.00	171,837,093.77	171,194,089.44	4.63	505	81	1.918	1.945
Treasury Bills	706,210,000.00	706,025,577.98	706,007,198.46	19.08	140	91	0.111	0.113
World Bank Coupon Securities	55,000,000.00	55,981,845.00	54,989,288.66	1.49	1,428	774	1.744	1.768
Israel Bonds	5,000,000.00	4,997,168.95	5,000,000.00	0.14	717	365	2.032	2.060
Investments	3,700,978,223.84	3,722,712,813.11	3,700,181,146.44	100.00%	639	446	0.748	0.758

Cash and Accrued Interest								
Accrued Interest at Purchase		152.17	152.17					
Subtotal		152.17	152.17					
Total Cash and Investments	3,700,978,223.84	3,722,712,965.28	3,700,181,298.61		639	446	0.748	0.758

Total Earnings	September 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	2,421,747.50	46,996,828.68	46,996,828.68
Average Daily Balance	3,472,447,534.03	3,105,345,116.15	
Effective Rate of Return	0.85%	1.51%	
Effective 09/30/2020			

Current Modified Duration: 1.181 (\$43,708,553) Current Effective Duration: 0.592 (217 Days)
 Total Bank Account Balance: \$310,133,546 Percentage of Total Portfolio: 8.4%

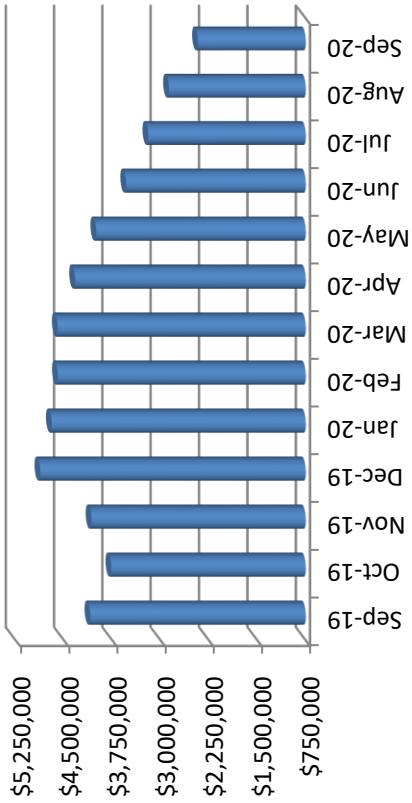
Diversification by Investment per Investment Policy:
 US Treasuries/Agencies - 100% Maximum
 Commercial Paper - 25% Maximum
 World Bank Securities - 15% Maximum

George Tablack, CPA, Chief Financial Officer

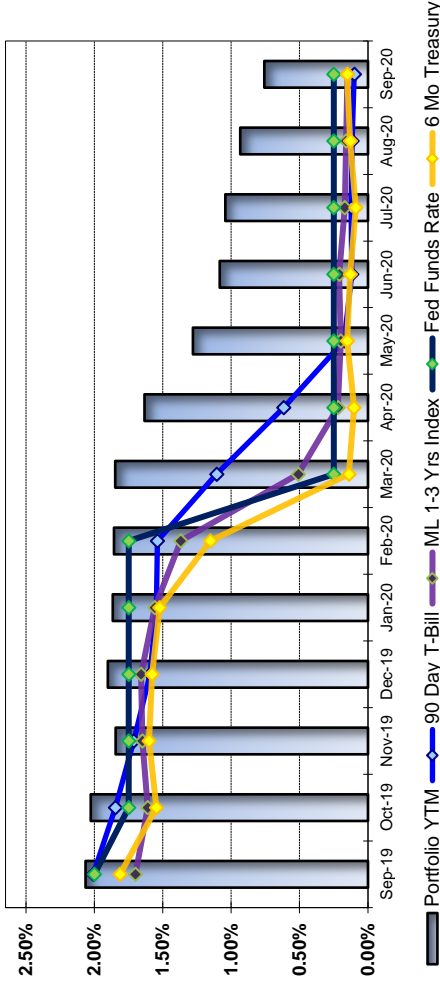
Reporting period 09/01/2020-09/30/2020

Run Date: 10/06/2020 - 11:29

Interest Earnings History

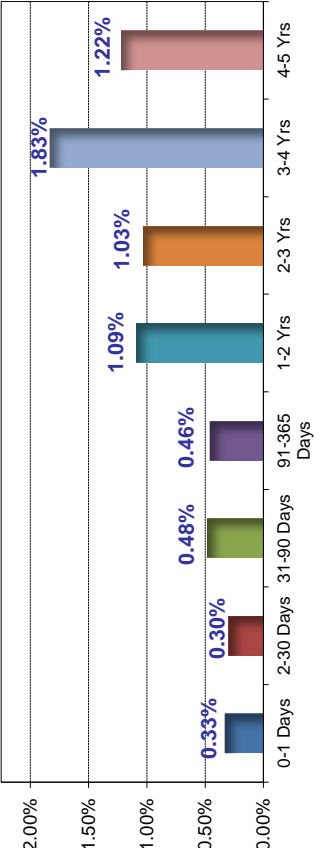


YTM Rate Comparison to Benchmark¹

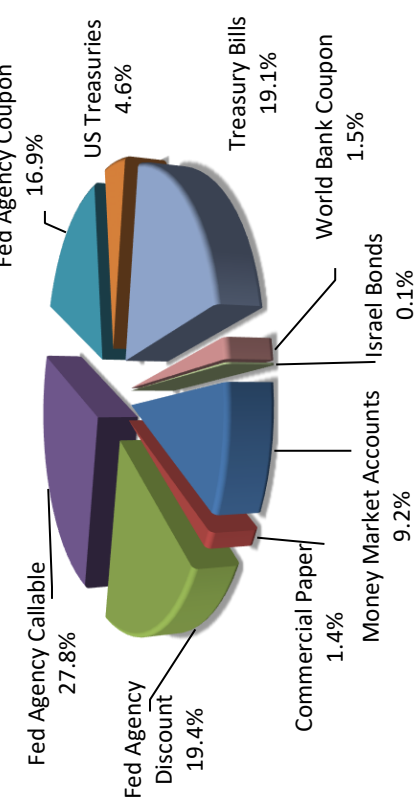


¹Investment Policy determined benchmark is ML 1 to 3 Yrs Index.

Yield by Maturity Breakdown



Portfolio Composition



Key Economic Data:

	Sep-20	Sep-19	% change
Fed Funds Rate	0.25%	2.00%	-87.5%
Rolling 90 Day T-Bill-AVG	0.10%	2.01%	-95.0%
Prime Rate	3.25%	5.00%	-35.0%
DJIA	27,782	26,917	3.2%
Crude Oil	40.22	54.07	-25.6%
Gold (\$/oz)	1,885.82	1,472.49	28.1%
10 Year Treasury Note	0.68%	1.66%	-58.9%
Total Portfolio Yield	0.76%	2.07%	-63.3%
ML 1-3 Yr Yield	0.15%	1.70%	-91.2%

Maturity Schedule by Percentage Comparison to Benchmark

