



FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

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MEMORANDUM

DATE: August 5, 2021

TO: George Tablack, CPA
Chief Financial Officer

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

RE: Portfolio and Economic Summary – June 30, 2021

 Digitally signed by LORI FORTENBERRY
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As of June 30, 2021, the Broward County Investment Portfolio had a par value of \$4.28 billion and a Yield to Maturity of 0.47%. The yield exceeded the benchmark Bank of America Merrill Lynch 1-3 Year U.S. Treasury & Agency Index, which was 0.21%, by 26 basis points.

The Federal Reserve Bank (the “Fed”) left the Fed Funds Rate unchanged at its latest meeting on July 28, 2021. The Fed statement said that economic activity and employment have continued to strengthen with progress on vaccinations and strong policy support but have not fully recovered. While inflation has risen over the last few months, the Fed believes it is based on largely transitory factors and reflects price spikes in a narrow range of categories that have been distorted by temporary supply shortages. In his remarks after the statement was released, Chairman Powell reiterated his longstanding view that recent surges in inflation are transitory and likely to fade over time but acknowledged the need to monitor and take the risk of persistent inflation seriously. The next meeting will be held on September 22, 2021.

With the recent surge in the coronavirus Delta variant and the large percentage of vaccine holdouts, there is concern that the highly contagious variant could slow the U.S. labor market recovery and become a drag on the U.S. economic recovery. More businesses are delaying a return to the office or are implementing stricter mask and vaccine requirements. Alphabet Inc, parent to Google, will require vaccines for those working at its campuses, Walmart Inc. is requiring its headquarters and regional staff to be vaccinated by early October, and Disney will give all salaried and nonunion hourly U.S. employees 60 days to become fully vaccinated. In addition, President Biden has said he will require federal workers to prove they have been vaccinated against the virus or wear masks and submit to frequent testing and encouraged private sector employers to follow the same approach.

Even as concerns over the Delta variant surfaced, payrolls rose by 943,000 in July, the biggest increase in nearly a year, highlighting optimism about the economy’s prospects. The unemployment rate dropped to 5.4% which is the lowest it has been during the pandemic. The increase in payrolls was led by the leisure and hospitality sector with notable gains also seen in health services, transportation and warehousing, and manufacturing and business services.

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
June 30, 2021**

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	350,139,399.20	350,139,399.20	350,139,399.20	8.18	1	1	0.010	0.010
Commercial Paper Discount	182,500,000.00	182,483,832.33	182,483,832.33	4.26	78	55	0.054	0.055
Federal Agency Coupon Securities	1,268,050,000.00	1,277,221,882.72	1,267,614,383.53	29.62	1,031	716	0.780	0.791
Federal Agency Coupon - Callable	1,121,575,000.00	1,118,438,801.07	1,121,554,158.14	26.20	1,447	1,244	0.695	0.705
Federal Agency Discount	242,967,000.00	242,949,670.84	242,940,301.95	5.68	286	54	0.080	0.082
Treasury Coupon Securities	195,000,000.00	194,415,385.00	194,580,980.26	4.55	834	722	0.303	0.307
Treasury Bills	890,865,000.00	890,661,816.87	890,646,288.02	20.81	241	146	0.059	0.060
World Bank Coupon Securities	25,000,000.00	25,563,244.00	24,991,193.66	0.58	1,826	412	1.766	1.791
Israel Bonds	5,000,000.00	4,999,978.45	5,000,000.00	0.12	717	92	2.032	2.060
Investments	4,281,096,399.20	4,286,874,010.48	4,279,950,537.09	100.00%	804	609	0.460	0.466

Cash and Accrued Interest								
Accrued Interest at Purchase		7,832.93	7,832.93					
Subtotal		7,832.93	7,832.93					
Total Cash and Investments	4,281,096,399.20	4,286,881,843.41	4,279,958,370.02		804	609	0.460	0.466

Total Earnings	June 30	Month Ending	Fiscal Year To Date
Current Year	1,645,481.55		15,073,641.88
Average Daily Balance	4,204,685,721.60		3,656,318,572.60
Effective Rate of Return	0.48%		0.55%
Effective 06/30/2021			

Current Modified Duration: 1.612 (\$69,011,276) Current Effective Duration: 0.992 (362 Days)
Total Bank Account Balance: \$178,674,193 Percentage of Total Portfolio: 4.17%

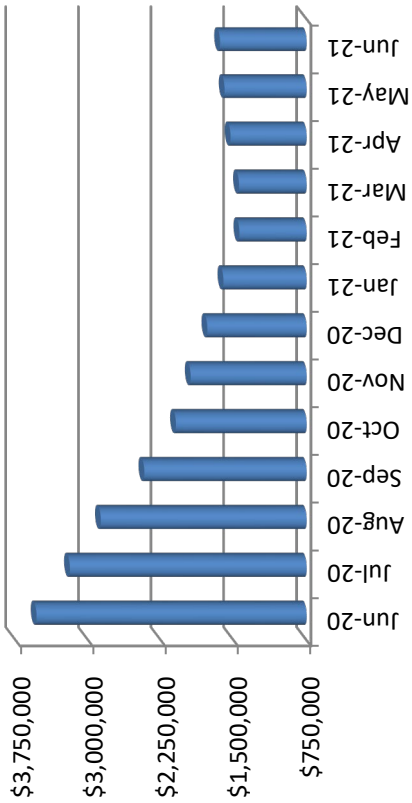
Diversification by Investment per Investment Policy:

- US Treasuries/Agencies - 100% Maximum
- Commercial Paper - 25% Maximum
- World Bank Securities - 15% Maximum

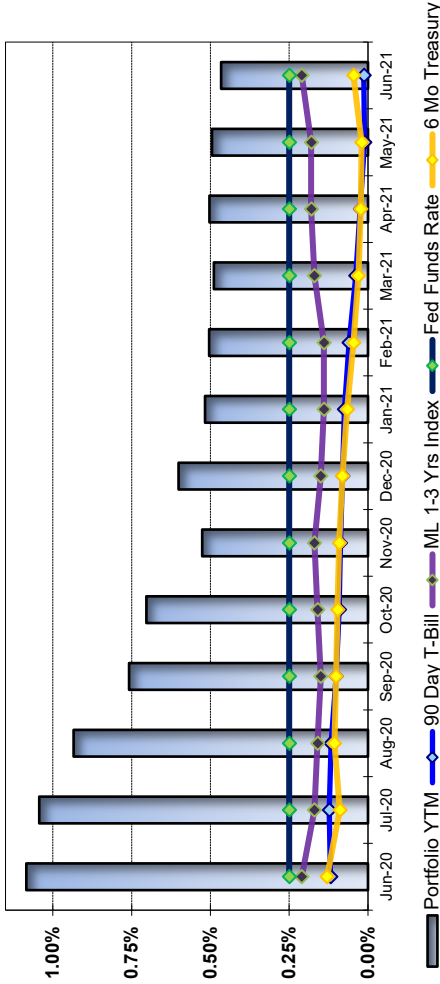
George Tablack, CPA, Chief Financial Officer

Reporting period 06/01/2021-06/30/2021

Interest Earnings History



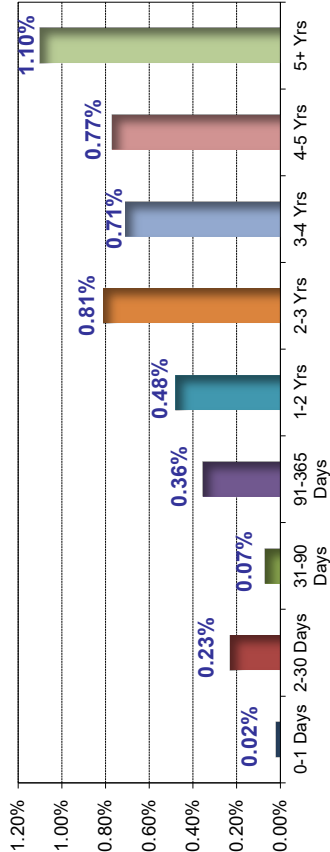
YTM Rate Comparison to Benchmark¹



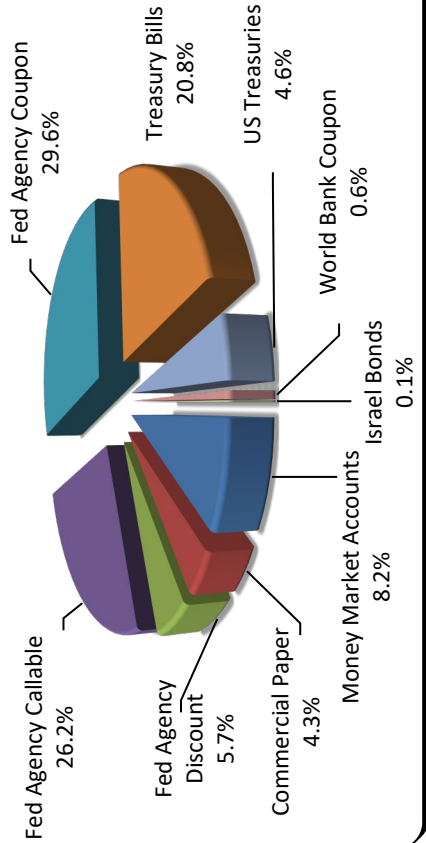
¹Investment Policy determined benchmark is ML 1 to 3 Yrs Index.

Key Economic Data:	Jun-21	Jun-20	% change
Fed Funds Rate	0.25%	0.25%	0.0%
Rolling 90 Day T-Bill-AVG	0.01%	0.12%	-89.1%
Prime Rate	3.25%	3.25%	0.0%
DJIA	34,503	25,813	33.7%
Crude Oil	73.47	39.27	87.1%
Gold (\$/oz)	1,814.19	1,780.96	1.9%
10 Year Treasury Note	1.47%	0.66%	123.7%
Total Portfolio Yield	0.48%	1.08%	-55.4%
ML 1-3 Yr Yield	0.21%	0.21%	0.0%

Yield by Maturity Breakdown



Portfolio Composition



Maturity Schedule by Percentage Comparison to Benchmark

