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 26, 2022

TO: George Tablack, CPA
Chief Financial Officer

FROM: Stephen Farmer, Acting Deputy Chief Financial Officer
Finance and Administrative Services Department

Digitally signed by
STEPHEN FARMER
Date: 2022.10.26
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RE: Portfolio and Economic Summary – September 30, 2022

As of September 30, 2022, the Broward County Investment Portfolio had a par value of $4.51 billion and a Yield to Maturity of 1.28%. In comparison, the Bank of America Merrill Lynch 1-3 Year U.S. Treasury & Agency Index benchmark of 3.87% exceeded the yield on County's Portfolio by 259 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 yield on the County's Portfolio 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 300bps since March 2022 and is expected to raise the rate an additional 50 to 75bps at their next meeting in November. In making policy decisions, the Fed has seemingly focused solely on employment and headline inflation, which are lagging indicators, while some suggest they should also consider rising commodity prices and inventory accumulation. The Fed's current projections show rates increasing through 2023 to approximately 4.5% and then beginning to decrease in almost as rapidly in 2024 and the years after. The Fed's latest projections for the Implied Fed Funds Target Rate still show an expectation that rates may begin to decrease as soon as 2024.

The unemployment rate dropped to 3.5% in September matching a five-decade low. The robust job market further solidifies market expectations that the Fed will continue to aggressively increase rates to keep inflation in check. Housing markets, one of the most sensitive parts of the economy to Fed actions, have seen declines. According to the S&P CoreLogic Case-Shiller index, prices in 20 of the largest US cities in August fell 1.3% on a month-over-month basis, the most since March 2009. While prices are still up year-over-year, they're slowing at a record pace. A national measure of prices increased 13% in August from a year earlier, down from a 15.6% gain in July, the biggest deceleration in the history of the index. Sales of new US homes fell in September, resuming a downtrend as decades-high mortgage rates push would-be buyers out of the market.

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
September 30, 2022

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Coupon Securities	1,317,050,000.00	1,269,101,761.92	1,316,632,438.62	29.23	1,100	483	1.007	1.021
Federal Agency Coupon - Callable	1,783,525,000.00	1,641,381,076.69	1,783,509,139.63	39.59	1,368	906	0.948	0.961
Federal Agency Discount	493,600,000.00	486,564,660.61	488,788,828.01	10.85	274	139	1.997	2.025
Treasury Coupon Securities	511,000,000.00	489,517,692.00	509,121,664.26	11.30	1,030	799	1.912	1.939
Treasury Bills	281,150,000.00	278,581,741.75	279,273,692.38	6.20	245	93	1.603	1.625
World Bank Coupon Securities	80,000,000.00	76,064,158.05	79,995,218.66	1.78	1,708	1,424	2.758	2.797
World Bank Discount	47,929,000.00	47,820,497.74	47,818,651.80	1.06	262	24	0.750	0.760
Investments	**4,514,254,000.00**	**4,289,031,588.76**	**4,505,139,633.36**	**100.00%**	**1,058**	**636**	**1.258**	**1.276**
Cash and Accrued Interest								
Accrued Interest at Purchase		132,797.68	132,797.68					
Subtotal		132,797.68	132,797.68					
Total Cash and Investments	**4,514,254,000.00**	**4,289,164,386.44**	**4,505,272,431.04**		**1,058**	**636**	**1.258**	**1.276**

Total Earnings	September 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	4,657,134.06	32,599,130.05	32,599,130.05
Average Daily Balance	**4,652,511,194.90**	**4,585,053,028.81**	
Effective Rate of Return	**1.22%**	**0.71%**	

Effective 09/30/2022
Current Effective Duration: 0.951 (347 Days)
Total Bank Account Balance: $333,628,054 Percentage of Total Portfolio: 7.4%

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

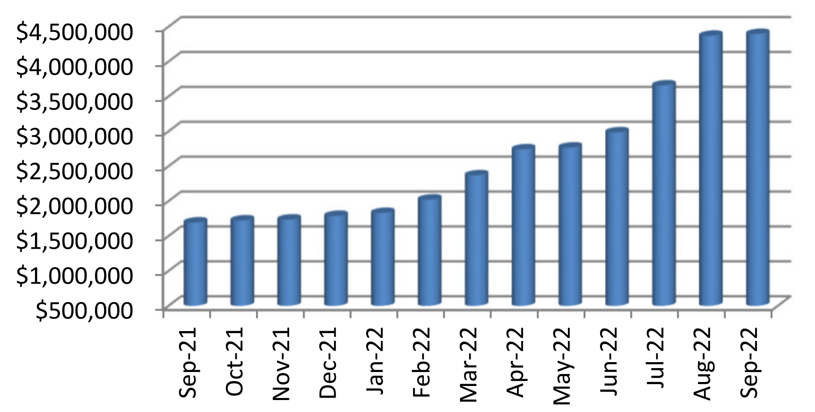
Reporting period 09/01/2022-09/30/2022

Run Date: 10/06/2022 - 11:18

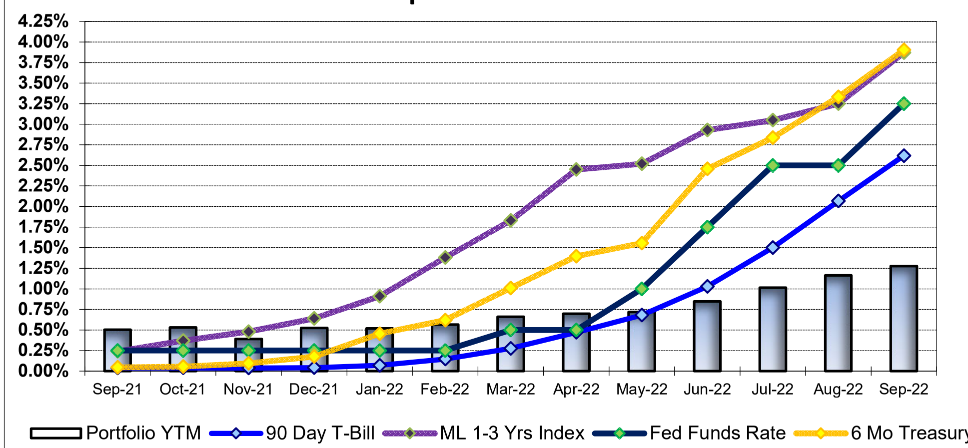
Portfolio BROW
AP
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

Quarterly Portfolio Analysis - September 30, 2022

Interest Earnings History

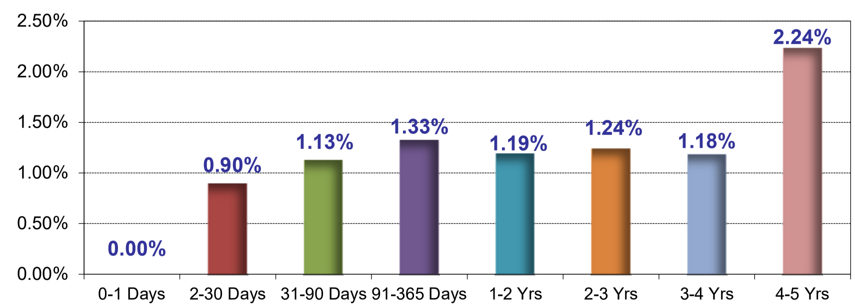


YTM Rate Comparison to Benchmark[1]



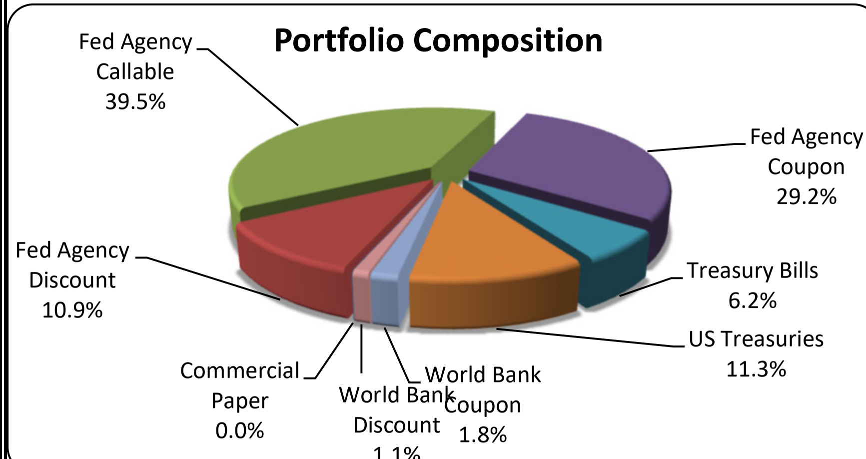
[1]Investment Policy determined benchmark is ML 1 to 3 Yrs Index.

Yield by Maturity Breakdown



Key Economic Data:	Sep-22	Sep-21	*% change*
Fed Funds Rate	3.25%	0.25%	*1200.0%*
Rolling 90 Day T-Bill-AVG	2.70%	0.05%	*5485.9%*
Prime Rate	6.25%	3.25%	*92.3%*
DJIA	28,726	33,844	*-15.1%*
Crude Oil	79.49	75.03	*5.9%*
Gold ($/oz)	1,664	1758.27	*-5.4%*
10 Year Treasury Note	3.83%	1.49%	*157.5%*
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