



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: April 24, 2020

TO: George Tablack, CPA
Chief Financial Officer

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

FROM: Darren Portner, Investment & Finance Coordinator
Finance and Administrative Services Department

RE: Portfolio and Economic Summary – March 31, 2020

 Digitally signed by LORI FORTENBERRY
Date: 2020.04.30 14:06:59 -04'00'

 Digitally signed by DARREN PORTNER
Date: 2020.04.30 14:14:13 -04'00'

As of March 31, 2020, the Broward County Investment Portfolio had a par value of \$2.96 billion and a Yield to Maturity of 1.85%. The yield exceeded the benchmark Bank of America Merrill Lynch 1-3 Year U.S. Treasury & Agency Index by 134 basis points (0.51% as of March 31, 2020).

In March, the Federal Reserve Bank's (Fed) Federal Open Market Committee (FOMC) twice took emergency action to reduce interest rates in response to the global pandemic caused by the novel coronavirus which has caused havoc on the economy. The first move was on March 3 when the Fed delivered a 0.50% cut followed by an additional 1.00% reduction on March 15. The Fed Funds rate now stands at 0.25%, a level not seen since 2015. Both moves took place prior to the FOMC's regularly scheduled meeting on March 18. In its statement, the Fed noted that "The Federal Reserve is committed to use its full range of tools to support the U.S. economy in this challenging time and thereby promote its maximum employment and price stability goals".

Unemployment has soared as non-essential businesses have closed due to stay-at-home orders and with many having to furlough or layoff staff. Jobless claims for the five-weeks ending April 18 were over 26 million, or more than 15% of the labor force, which erased more than a decade worth of job creation. In response to the crisis, the U.S. government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act and, at \$2 trillion, is the largest fiscal stimulus package in modern history. Meanwhile, all sectors of the economy felt the pain in March as declines were recorded in retail sales (down 8.7%), car sales (down 25.6%), single family housing starts (down 17.5%), and industrial production (down 5.4%). Oil prices are down 67% since the start of the year, caused by a combination of a supply glut, a price war within OPEC, and reduced demand from consumers staying home to help break the spread of the virus. It is reasonable to expect, based on current trends, April will continue to decline even further. The Dow Jones Industrial Average shared in the turmoil as the index tumbled 31% over a 3-week period in March to a low of 18,592 and then rebounded to 24,242 by mid-April. Not to be spared, short-term US Treasuries fell into negative territory in March and have mirrored the ups and downs of the stock market in the ensuing weeks.

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
March 31, 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.
Commercial Paper Discount	223,100,000.00	222,669,504.30	222,669,504.30	7.53	57	36	1.743	1.768
Federal Agency Coupon Securities	477,500,000.00	494,637,580.82	477,159,055.91	16.15	1,341	916	2.088	2.117
Federal Agency Coupon - Callable	1,235,685,000.00	1,242,903,849.64	1,235,685,000.00	41.81	1,498	1,166	1.836	1.861
Federal Agency Discount	470,000,000.00	469,884,173.55	468,378,495.84	15.85	193	83	1.556	1.578
Treasury Coupon Securities	366,323,000.00	369,615,515.25	366,224,203.11	12.39	481	193	1.851	1.877
Treasury Bills	70,900,000.00	70,888,024.30	70,692,684.18	2.39	194	62	1.636	1.659
World Bank Coupon Securities	105,500,000.00	107,297,958.90	105,479,298.00	3.57	1,561	971	1.846	1.872
Israel Bonds	5,000,000.00	5,000,000.00	5,000,000.00	0.17	717	548	2.060	2.089
World Bank Discount	4,000,000.00	4,000,000.00	4,000,000.00	0.14	34	0	1.574	1.596
Investments	2,958,008,000.00	2,986,896,606.76	2,955,288,241.34	100.00%	999	712	1.823	1.848

Cash and Accrued Interest								
Accrued Interest at Purchase		165,903.72	165,903.72					
Subtotal		165,903.72	165,903.72					
Total Cash and Investments	2,958,008,000.00	2,987,062,510.48	2,955,454,145.06		999	712	1.823	1.848

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	4,599,971.28	26,657,265.09
Average Daily Balance	2,983,155,546.56	2,805,890,156.80
Effective Rate of Return	1.82%	1.89%

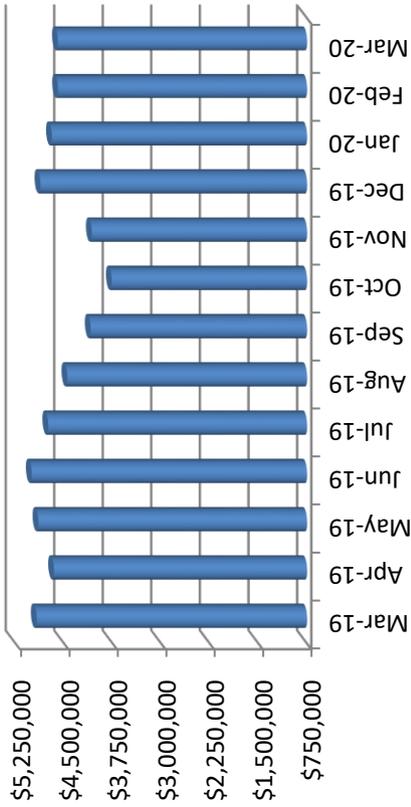
Effective 03/31/2020:
 Current Modified Duration: 1.884 (\$55,728,870) Current Effective Duration: 0.793(289 Days)
 Total Bank Balance \$773,731,432 Percentage of Portfolio 26.2%

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

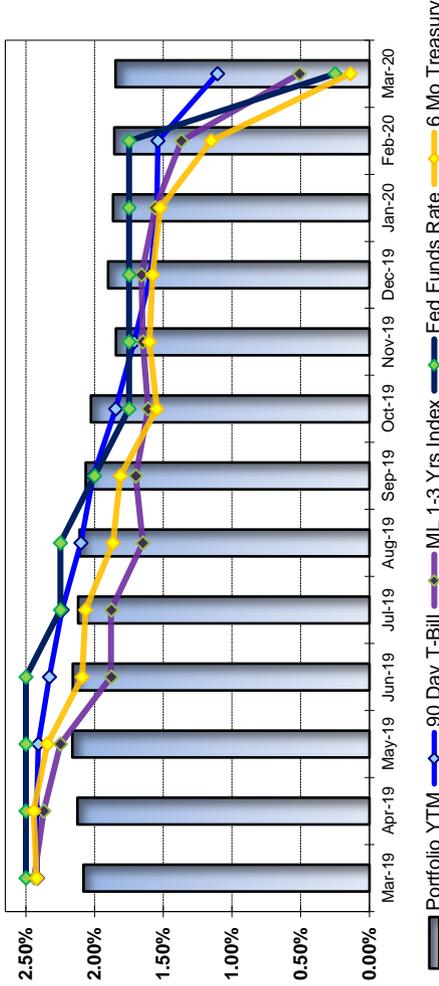
George Tablack, CPA, Chief Financial Officer

Reporting period 03/01/2020-03/31/2020

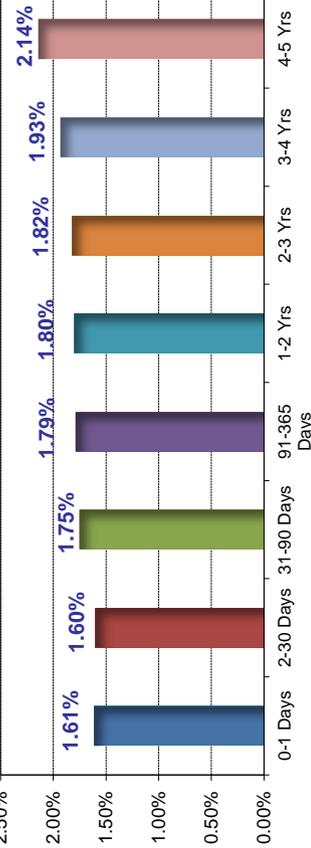
Interest Earnings History



YTM Rate Comparison to Benchmark¹



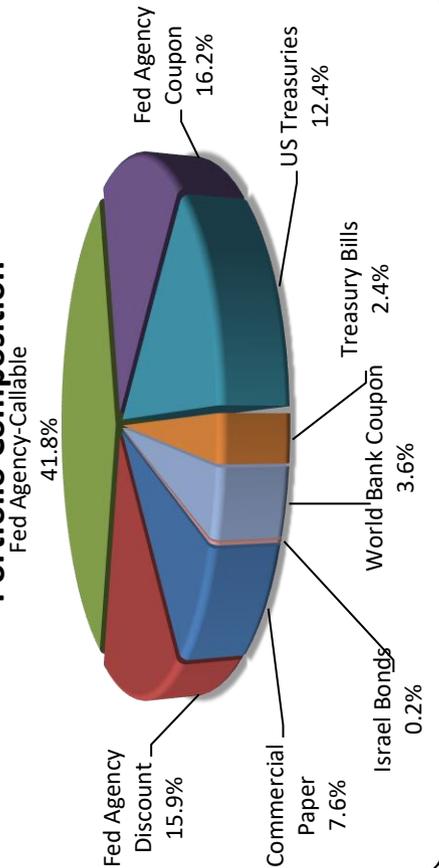
¹Investment Policy determined benchmark is ML 1-3 Yrs Index.



Yield by Maturity Breakdown

Key Economic Data:	Mar-20	Mar-19	% change
Fed Funds Rate	0.25%	2.50%	-90.0%
Rolling 90 Day T-Bill-AVG	1.107%	2.419%	-54.2%
Prime Rate	3.25%	5.50%	-40.9%
DJIA	21,917	25,929	-15.5%
Crude Oil	20.48	60.14	-65.9%
Gold (\$/oz)	1,577.18	1,292.38	22.0%
10 Year Treasury Note	0.67%	2.41%	-72.2%
Total Portfolio Yield	1.85%	2.08%	-11.2%
ML 1-3 Yr Yield	0.51%	2.44%	-79.1%

Portfolio Composition



Maturity Schedule by Percentage Comparison to Benchmark

