



FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

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MEMORANDUM

DATE: October 15, 2024
TO: George Tablack, CPA
Chief Financial Officer
FROM: Greg Krohner, Investment Finance Analyst
Finance and Administrative Services Department
RE: Portfolio and Economic Summary – September 30, 2024

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Gregory Krohner
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As of September 30, 2024, the Broward County Investment Portfolio had a par value of \$6.280 billion and a Yield to Maturity of 3.70%. In comparison, the Bank of America Merrill Lynch 1-3 Year U.S. Treasury & Agency Index benchmark of 4.15% exceeded the yield on County's Portfolio by 45 basis points. The yield on the County's Portfolio has increased by 240 basis points over the last 2 years (since September 30, 2022) and will continue to rise as upcoming maturities are reinvested at higher yields.

The Federal Open Markets Committee (FOMC) lowered the Fed Funds Rate 50 basis points to 5.00%, at their meeting on September 18th, 2024, a start to a policy shift aimed at bolstering the US labor market. Fed Chair J. Powell said, "this decision reflects our growing confidence that with an appropriate recalibration of our policy stance, strength in the labor market can be maintained in a context of moderate growth and inflation moving sustainably down to 2%." This is the first rate cut since March 2020.

Consumer prices rose faster than economists forecasted last month for the first time since March, posing a potential obstacle to the fight to return to 2% inflation. Inflation came in stronger than expected in the U.S. in September, according to the government's Consumer Price Index (CPI) report. The CPI rose by 0.2% in September versus economist forecasts for 0.1%. On a year-over-year basis, the CPI was higher by 2.4% against expectations for 2.3%. Core CPI – which excludes more volatile food and energy costs – rose 0.3% in September versus forecasts for 0.2%. Year-over-year Core CPI was higher by 3.3% versus an expected 3.2%.

Furthermore, according to Labor Department data the September jobs report reflected 254k jobs were added in September, blowing past economist expectations, which foresaw the addition of 140k jobs. The unemployment rate ticked lower to 4.1% from 4.2%. Wage growth as average hourly earnings year-over-year jumped to 4.0% from 3.8%, while month-over-month grew at 0.4% versus expectations of 0.3%. This information comes as the Federal Reserve has begun to lower benchmark interest rates. After a half percentage point reduction in September, the central bank is expected to continue cutting, though the pace and degree remain in question.

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, 2024

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

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	360 Equiv. YTM	365 Equiv. YTM
Money Market Accounts	82,165,912.93	82,165,912.93	82,165,912.93	1.32	1	1	5.198	5.270
Bank Account	239,505,425.03	239,505,425.03	239,505,425.03	3.86	1	1	5.129	5.200
Federal Agency Coupon Securities	904,000,000.00	906,142,886.85	903,505,796.14	14.57	1,215	596	3.551	3.600
Federal Agency Coupon - Callable	1,578,375,000.00	1,549,495,484.35	1,578,372,542.02	25.45	1,528	592	1.984	2.011
Treasury Coupon Securities	2,702,400,000.00	2,650,718,190.22	2,631,560,742.58	42.43	970	684	4.162	4.220
Treasury Bills	603,603,000.00	598,558,309.83	597,937,235.13	9.64	131	70	5.143	5.214
World Bank Coupon Securities	145,000,000.00	142,727,616.25	144,210,347.63	2.33	1,735	1,053	3.485	3.533
Israel Bonds	25,000,000.00	24,998,467.20	25,000,000.00	0.40	801	463	5.159	5.231
Investments	6,280,049,337.96	6,194,312,292.66	6,202,258,001.46	100.00%	1,033	560	3.653	3.703

Cash and Accrued Interest								
Accrued Interest at Purchase		737,651.17	737,651.17					
Subtotal		737,651.17	737,651.17					
Total Cash and Investments	6,280,049,337.96	6,195,049,943.83	6,202,995,652.63		1,033	560	3.653	3.703

Total Earnings	September 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	18,931,280.66	233,072,347.41	233,072,347.41
Average Daily Balance	6,225,496,329.38	6,526,727,878.59	
Effective Rate of Return	3.70%	3.56%	

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

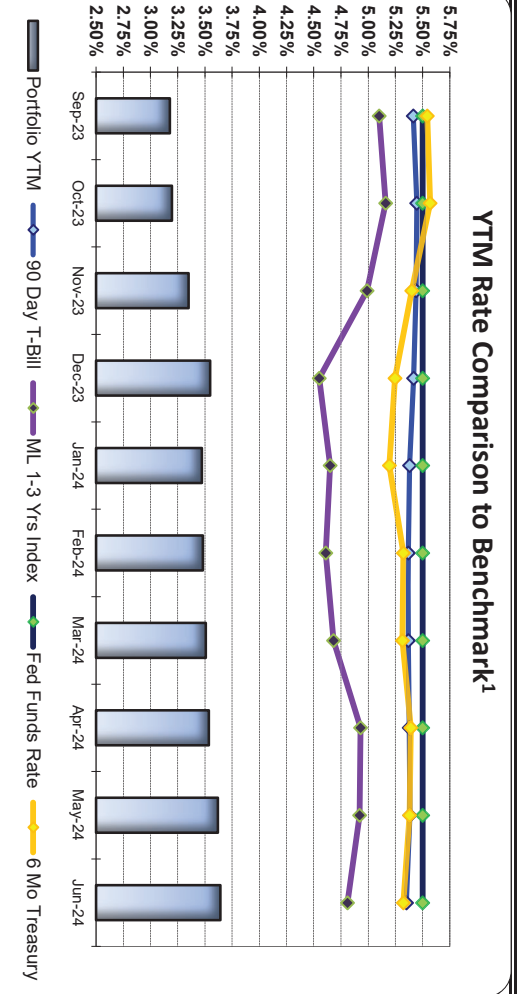
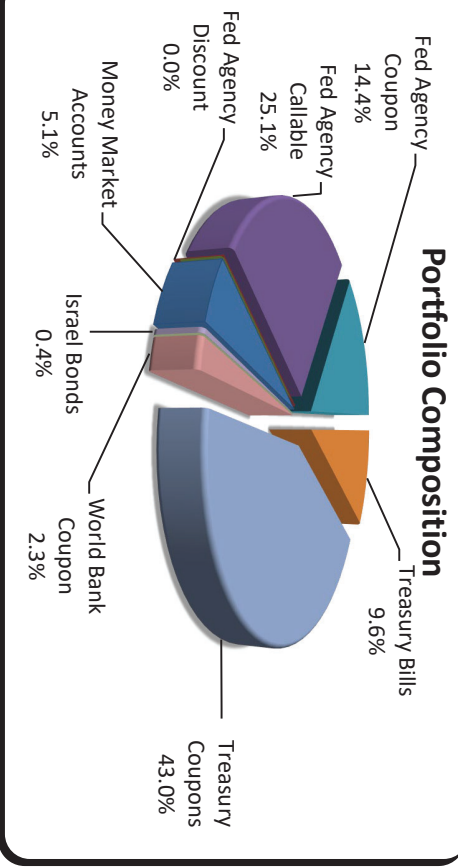
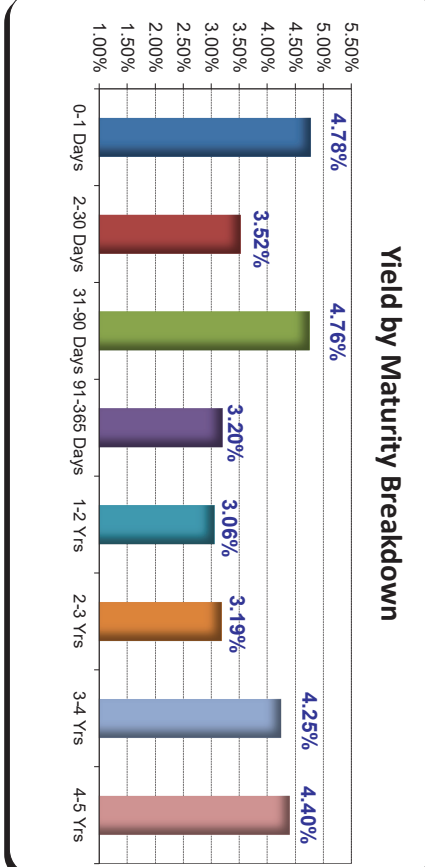
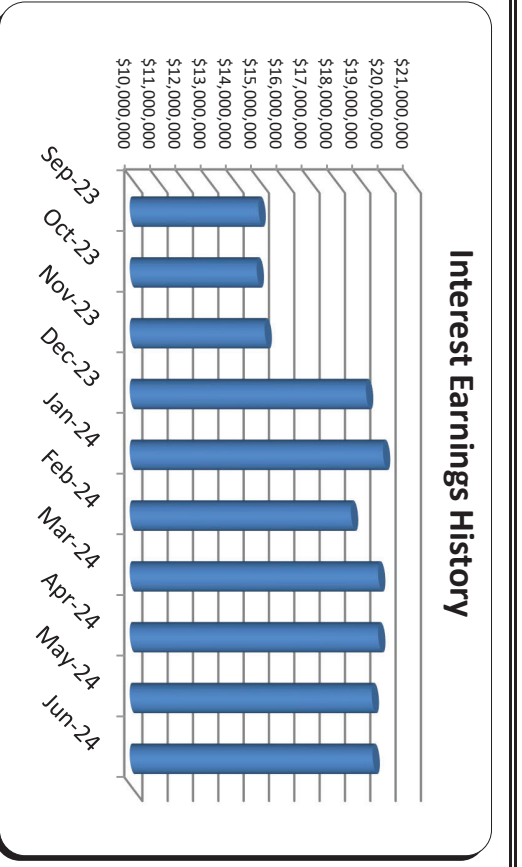
Reporting period 09/01/2024-09/30/2024

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Portfolio BROW

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Quarterly Portfolio Analysis - September 30, 2024



Key Economic Data:

	Sep-24	Sep-23	% change
Fed Funds Rate	5.00%	5.50%	-9.1%
Rolling 90 Day T-Bill-AVG	5.12%	5.41%	-5.4%
Prime Rate	8.00%	8.50%	-5.9%
DJIA	42,330	33,508	26.3%
Crude Oil	68.17	90.79	-24.9%
Gold (\$/oz)	2,663	1,849	44.1%
10 Year Treasury Note	3.78%	4.57%	-17.3%
Total Portfolio Yield	3.70%	3.18%	16.4%
ML 1-3 Yr Yield	3.86%	5.10%	-24.3%

