

# 3. Investment Portfolio as of May 31, 2020

## Audit and Finance Committee Meeting July 9, 2020

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Treasurer

Administrative Services Division



# Key Interest Rates

Investment Type	February 29, 2020	May 31, 2020
Federal Reserve Funds	1.50-1.75%	0.00%-0.25%
3-Month T Bill	1.27%	0.14%
3-Month Libor	1.6789%	0.404%
2-Year Treasury	0.86%	0.16%
5-Year Treasury	0.89%	0.30%
State Pool	1.76%	0.77%

# Current Portfolio Breakdown \$672 Million

	PAR VALUE (million)	CURRENT YIELD	% PORTFOLIO
<b>Cash &amp; Cash Equivalents/Short Term Cash (66%)</b>			
Operating Account	\$340.0	0.10%	50.59%
Federated MM* Money Market	\$32.5	0.40%	4.84%
Florida Prime (SBA*) *State Board of Administration	\$30.8	0.77%	4.58%
Bond Fund (FLGIT*) Florida Local Government Investment Trust	\$40.0	0.86%	5.95%
<b>Invested/Long-Term Investments (34%)</b>			
U.S. Agencies	\$10.0	1.82%	1.49%
MBS* Mortgage Backed Securities	\$219.1	2.36%	32.55%

# FY2019-2020 Through May 2020

- **\$6.5M Investment Earnings**
- **2.34% Yield (Investments Only)**
- **.952% Yield (Cash & Investments)**
- **\$443M Cash Balance**
- **\$229M Investment Balance**
- **34% Invested\***
- **66% Cash & Cash Equivalents\***

\*See breakdown slide 3

# Investment Strategy

- Strategy for remainder of the year is to keep cash balances low while laddering out investments but remaining conservative as well
- Will maintain operating account target balance at 25% as opposed to 10-15% target range to remain conservative during unprecedented market conditions
- Communicate with the District's brokers daily to keep abreast of market conditions and current bond offerings
- Brokers, traders and economists are estimating this current environment to remain for 1-2 years
- Actual earnings of \$6.5M through May 2020.
- Budgeted earnings of \$7.86M in Fiscal Year 2019-2020.
- Estimated earnings of \$9.7M in Fiscal Year 2019-2020.

# Bond Purchases (June)

- The Federal Reserve is maintaining interest rates at 0-0.25% as the economy navigates through COVID-19 and its effects
- The ten-year Treasury is at .65%, down .48% since my last presentation in February, when it was at 1.13%
- Purchased \$90M in Agency Callable Securities and \$90M in MBS Securities in June at an average yield of .85%
- These investments will earn \$1.5M annually.
- Agency Investment portfolio percentage increased to 13.3% from 1.5%
- MBS Investment portfolio percentage increased to 45% from 32%
- Operating account portfolio percentage decreased to 25% from 50%
- Portfolio will adjust to 60% invested and 40% in cash & cash equivalents



# Discussion

