



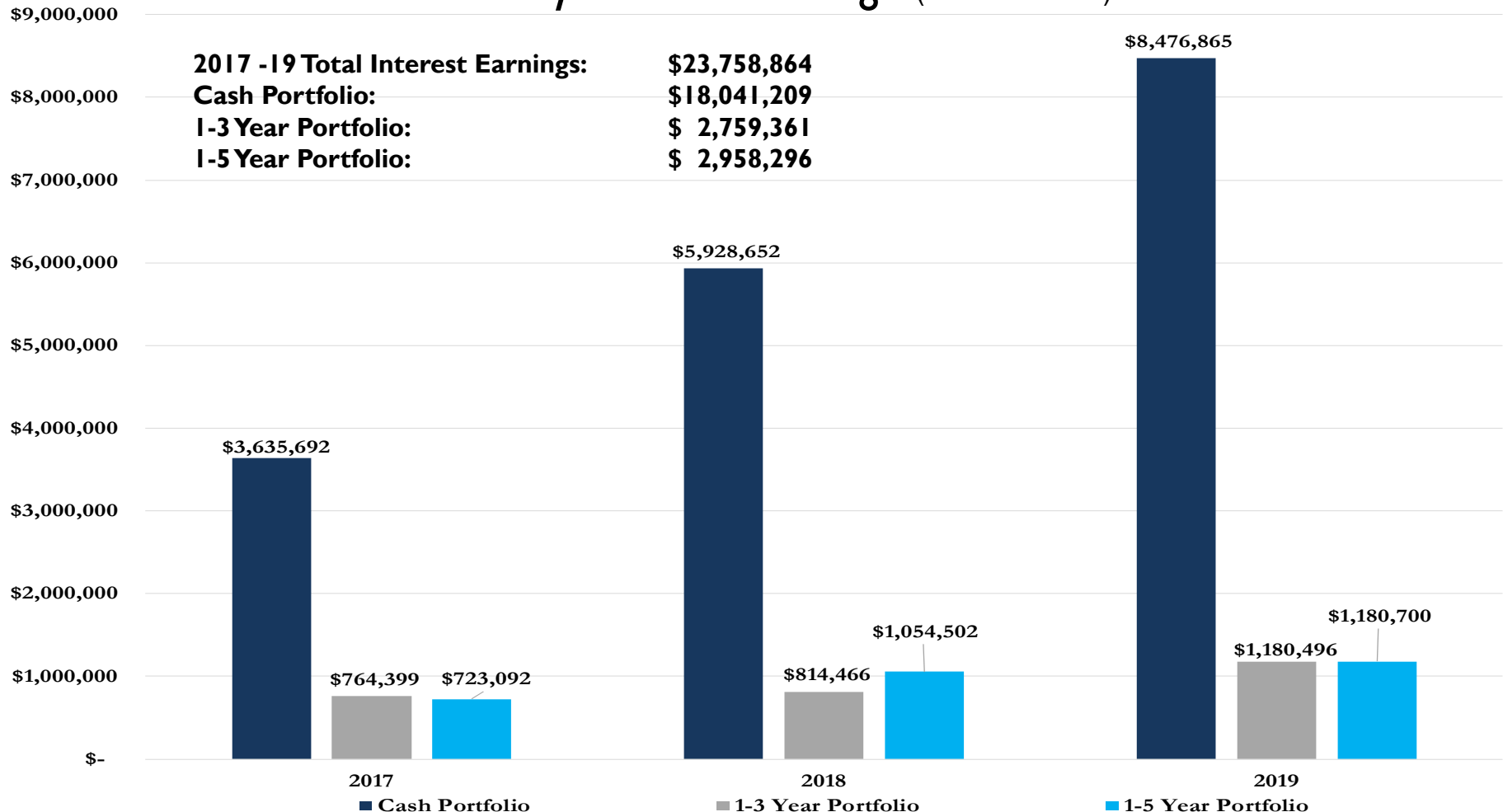
THE SCHOOL DISTRICT OF LEE COUNTY

Quarterly Investment Report December 31, 2019



THE SCHOOL DISTRICT OF LEE COUNTY

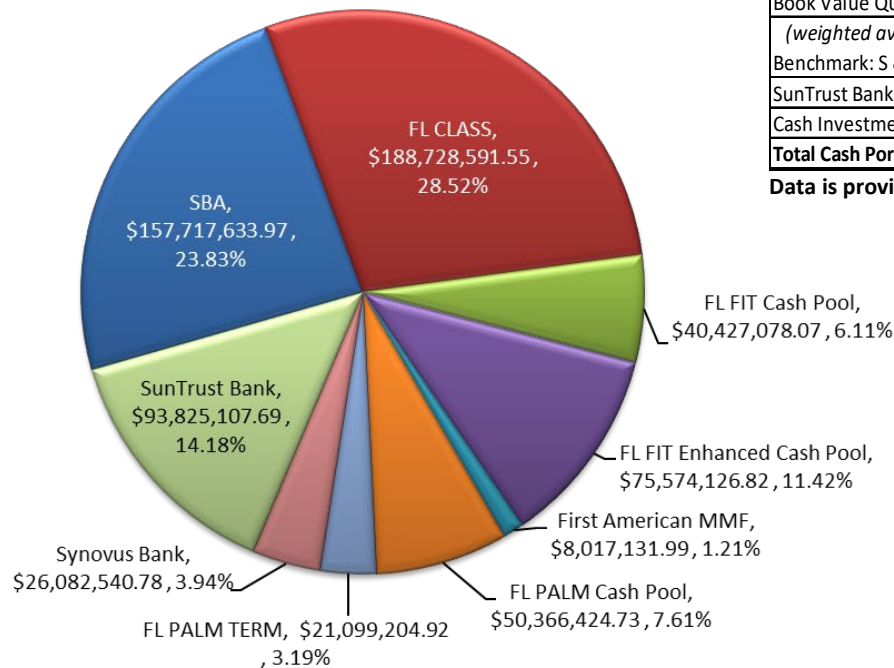
Yearly Interest Earnings (as of 12/31/19)





THE SCHOOL DISTRICT OF LEE COUNTY

Cash Portfolio Sector Allocation (as of 12/31/19)



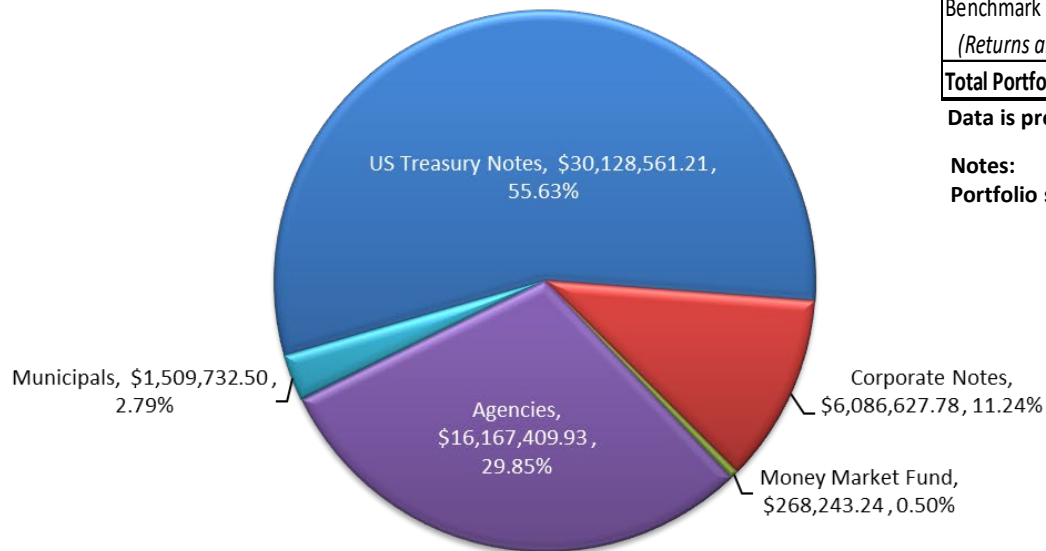
Current Month Earnings	\$ 711,236.97
October 1- December 31, 2019 Earnings	\$ 1,637,693.75
Earnings Year to Date (Calendar)	\$ 8,476,865.09
Earnings Year to Date (Fiscal)	\$ 3,116,550.30
Earnings Year over Year (January 1, 2019 - December 31, 2019)	\$ 8,476,865.09
July 1, 2014 - December 31, 2019 Earnings	\$ 21,520,816.25
Book Value Quarterly Yield, as of December 31, 2019	1.67%
<i>(weighted average yield for all cash)</i>	
Benchmark: S & P AAA & AA GIP Govt (30 Day) (LGIP30D)	
SunTrust Bank Balance	\$ 93,825,107.69
Cash Investment Portfolio	\$ 568,012,732.83
Total Cash Portfolio	\$ 661,837,840.52

Data is provided by the District.



THE SCHOOL DISTRICT OF LEE COUNTY

I-3 Year Portfolio Allocation (as of 12/31/19)



Current Month Earnings	\$ 100,169.33
October 1- December 31, 2019 Earnings	\$ 297,903.13
Earnings Year over Year (January 1, 2019 - December 31, 2019)	\$ 1,180,495.74
Book Value Quarterly Yield, as of December 31, 2019	2.21%
Portfolio Total Return, October 1, 2019 - December 31, 2019	N/A
Benchmark ML 1-3 Yr Treasury (qtr)	N/A
<i>(Returns are nominal gross of fees)</i>	
Total Portfolio	\$ 54,160,574.66

Data is provided by Public Trust Advisors.

Notes:

Portfolio split into two strategies (1-3 Yr & 1-5 Yr) on 1/1/17



THE SCHOOL DISTRICT OF LEE COUNTY

1-3 Year Portfolio Strategy

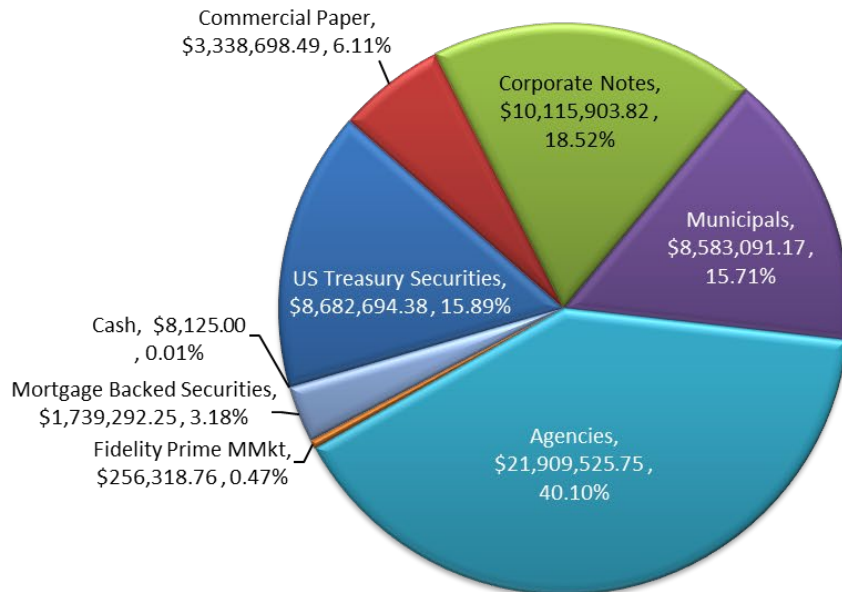
(as of 12/31/19)

- The District implemented a multiple duration investment strategy in December 2016.
- This includes a liquidity portfolio, a 1-3 year duration and a 1-5 year duration portfolio.
- 1-3 year strategy will be a shift to 0-3 year duration target (1.4 years) as cash flows through maturities provide investment opportunities. Approximately 20mm of maturities within the first half of 2020 will provide flexibility to add duration.
- Although opportunities within Corporates and Agency securities are currently limited from a relative value perspective, we will look to add to the asset classes if conditions improve. Municipals provide diversification and higher income streams.
- The District's 1-3 year portfolio has earned \$2.8 million since December 2016.
- The portfolio currently has a book yield of 2.22% which is an increase of 0.90% since inception.
- The longer term strategy has protected this District from falling interest rates from the longer average maturity structure.
- The overall portfolio strategy is designed to protect against declining interest rates while limiting interest rate (volatility) risk.



THE SCHOOL DISTRICT OF LEE COUNTY

I-5 Year Portfolio Allocation (as of 12/31/19)



Current Month Earnings	\$ 93,705.18
October 1- December 31, 2019 Earnings	\$ 279,623.20
Earnings Year over Year (January 1, 2019 - December 31, 2019)	\$ 1,180,700.30
Book Value Quarterly Yield, as of December 31, 2019	2.07%
Portfolio Total Return, October 1, 2019 - December 31, 2019	0.51%
Benchmark ML 1-5 Yr Treasury (qtr)	0.35%
<i>(Returns are nominal gross of fees)</i>	
Total Portfolio (1)	\$ 54,633,649.62

Data is provided by Water Walker Investments.

Notes:

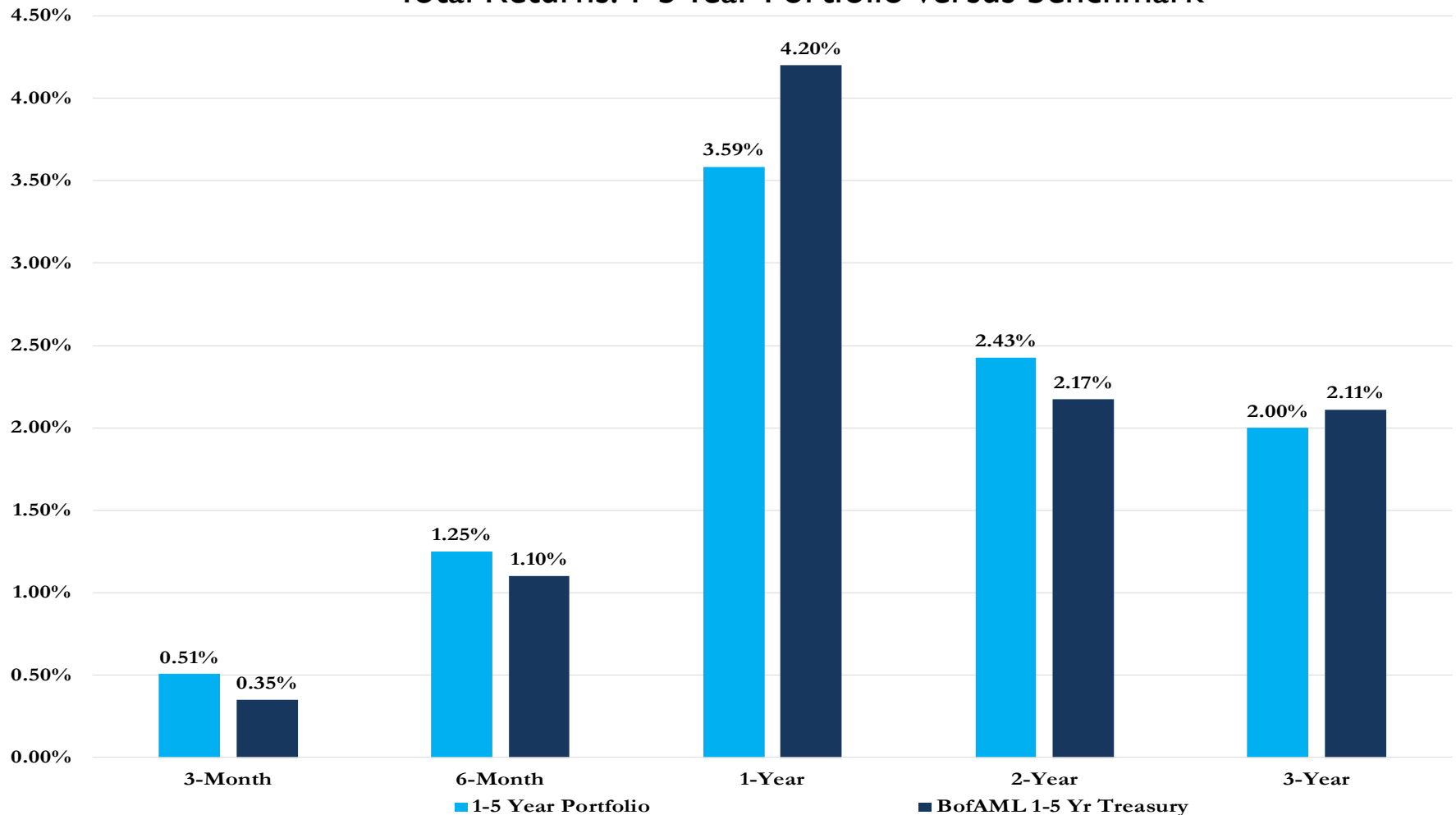
Portfolio split into two strategies (1-3 Yr & 1-5 Yr) on 1/1/17

(1) Total portfolio value includes accrued interest.



THE SCHOOL DISTRICT OF LEE COUNTY

Total Returns: 1-5 Year Portfolio versus benchmark





THE SCHOOL DISTRICT OF LEE COUNTY

1-5 Year Portfolio Strategy

(as of 12/31/19)

- The portfolio benchmark return reflects an increase in flight to quality within the market, as this subsides, we expect the portfolio's total return to outpace the benchmark.
- 1-5 year strategy has been managed short to the benchmark during the past couple years as the FOMC was raising rates, as short term rates peaked the duration of the portfolio was extended and is targeted to (2.0 years).
- As spreads have tightened recently, there are opportunities to rotate out of corporates and Treasury securities, and into securities that offer some additional relative value and yield by increasing the asset allocation to mortgage back securities and well structured agency.
- Approximately 20% of the portfolio (\$10MM) is expected to mature in within the first six months of 2020 and security type rotation will provide an opportunity to extend duration.
- Portfolio holdings are well diversified into multiple asset classes; however, we may rotate sectors as opportunities arise.
- The overall portfolio strategy is designed to generate income and provide steady cash flows while limiting duration extension and volatility risk.