



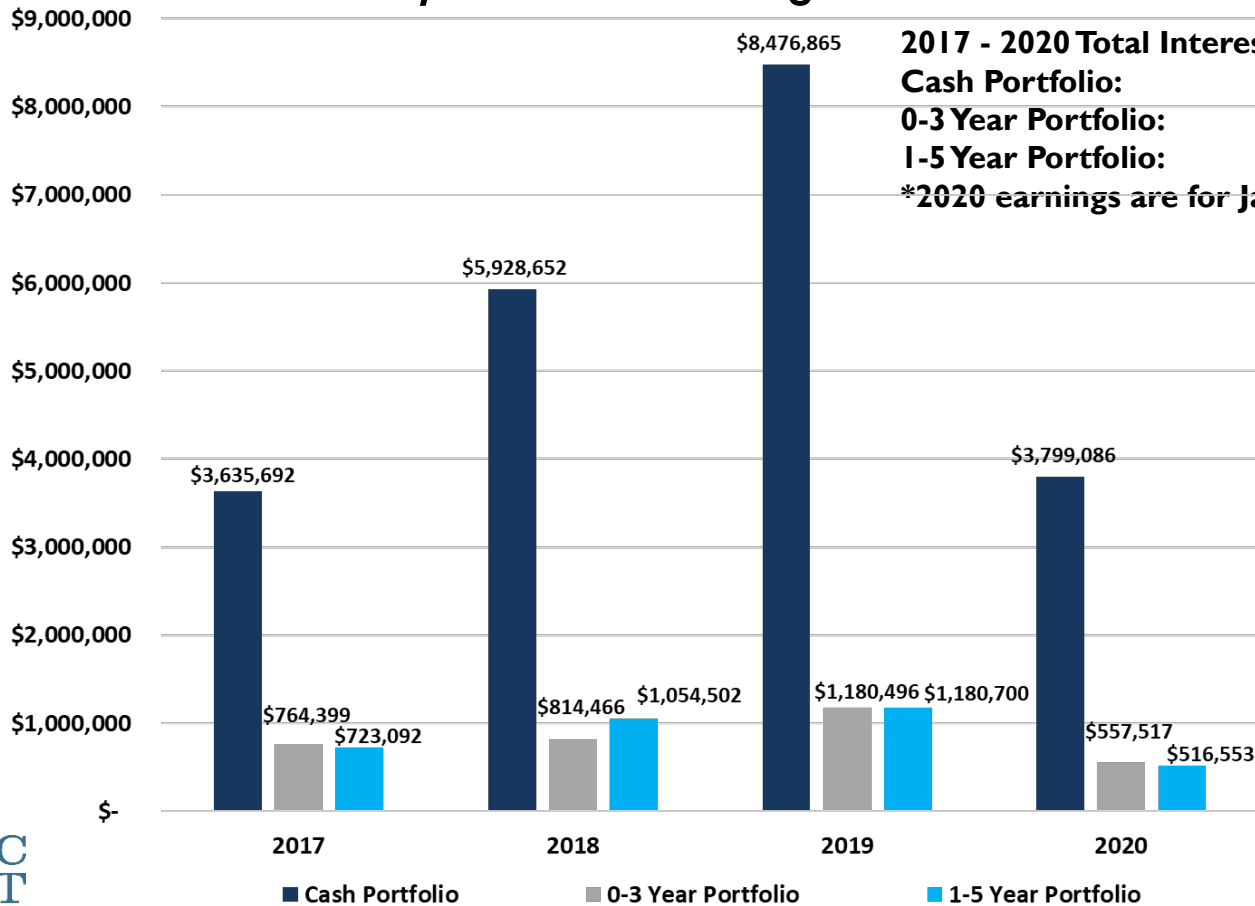
# THE SCHOOL DISTRICT OF LEE COUNTY

## Quarterly Investment Report June 30, 2020



# THE SCHOOL DISTRICT OF LEE COUNTY

## Yearly Interest Earnings (as of 6/30/20)



**2017 - 2020 Total Interest Earnings: \$28,632,021**

**Cash Portfolio: \$21,840,295**

**0-3 Year Portfolio: \$ 3,316,878**

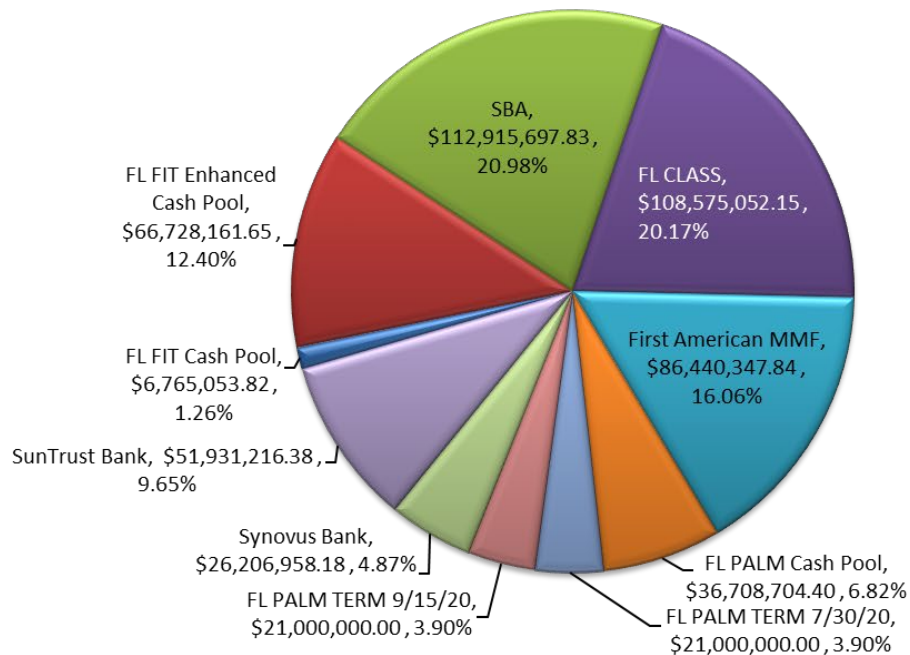
**1-5 Year Portfolio: \$ 3,474,848**

**\*2020 earnings are for January 1 – June 30, 2020**



# THE SCHOOL DISTRICT OF LEE COUNTY

## Cash Portfolio Sector Allocation (as of 6/30/20)



Current Month Earnings	\$ 501,409.82
April 1 - June 30, 2020 Earnings	\$ 1,169,685.48
Earnings Year to Date (Calendar)	\$ 3,799,086.10
Earnings Year to Date (Fiscal)	\$ 6,915,636.40
Earnings Year over Year (July 1, 2019 - June 30, 2020)	\$ 6,915,636.40
July 1, 2014 - June 30, 2020 Earnings	\$ 25,319,902.35
Book Value Quarterly Yield, as of June 30, 2020	0.56%
<i>(weighted average yield for all cash)</i>	
Benchmark: S & P AAA & AA GIP Govt (30 Day) (LGIP30D)	0.58%
SunTrust Bank Balance	\$ 51,931,216.38
Cash Investment Portfolio	\$ 486,339,975.87
<b>Total Cash Portfolio</b>	<b>\$ 538,271,192.25</b>

Data is provided by the District.



# THE SCHOOL DISTRICT OF LEE COUNTY

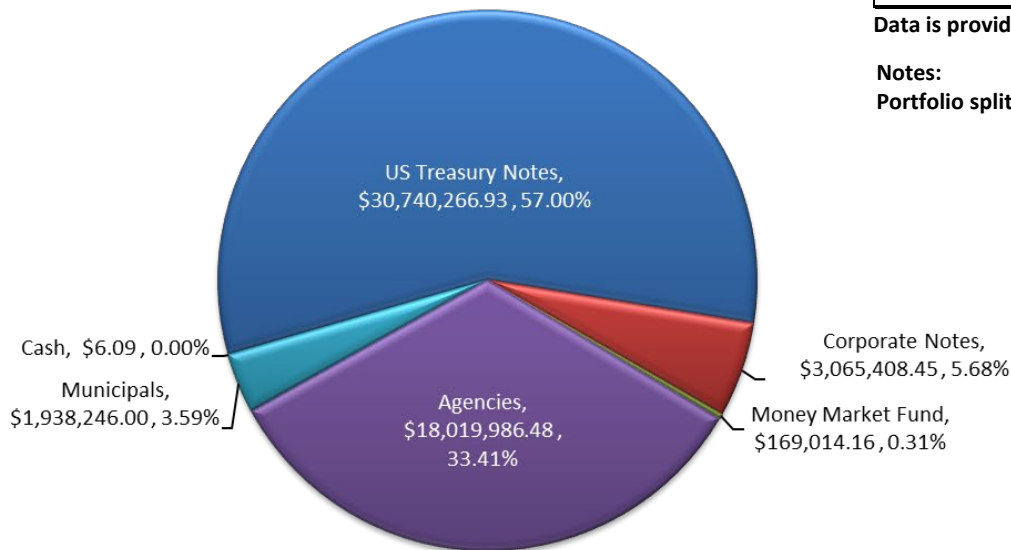
## 0-3 Year Portfolio Allocation (as of 6/30/20)

Current Month Earnings	\$ 84,368.64
April 1 - June 30, 2020 Earnings	\$ 264,849.46
Earnings Year over Year (July 1, 2019 - June 30, 2020)	\$ 1,153,544.25
Book Value Quarterly Yield, as of June 30, 2020	1.78%
Portfolio Total Return, April 1, 2020 - June 30, 2020	N/A
Benchmark ML 1-3 Yr Treasury (qtr) (Returns are nominal gross of fees)	N/A
<b>Total Portfolio</b>	<b>\$ 53,932,928.10</b>

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

## 0-3 Year Portfolio Strategy

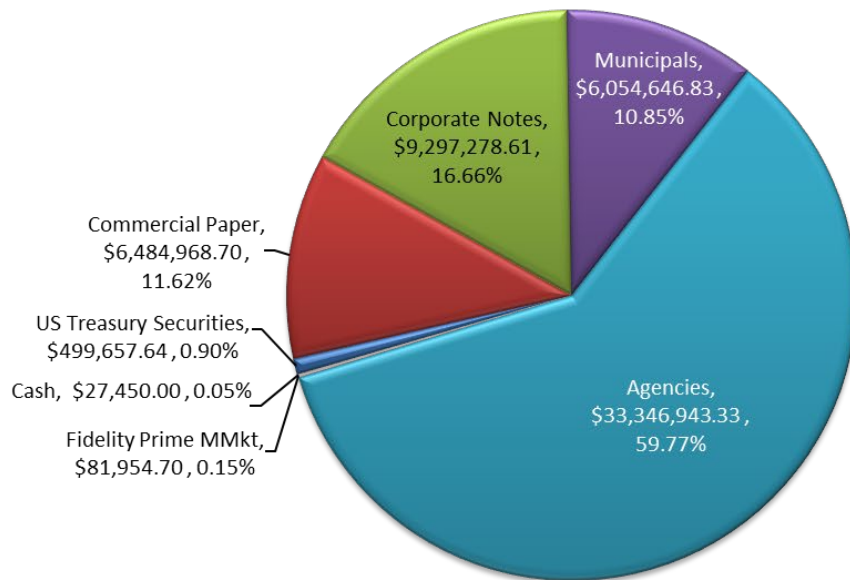
(as of 6/30/20)

- The District implemented a multiple duration investment strategy in December 2016.
- This includes a liquidity portfolio, a 0-3 year duration and a 1-5 year duration portfolio.
- In the 0-3 year strategy, an overweight duration position was developed as the economic outlook from the COVID-19 crisis grew grim. This positioning has lead to outperformance against benchmark returns over the quarter.
- Portfolio has become more conservative to credit risk over the last year as it has become more difficult to source risk-adjusted return from Corporate and Municipal asset classes. Opportunities in Agency bonds will lead to a continued increase in exposure.
- The District's 0-3 year portfolio has earned \$3,309,300.74 million since December 2016.
- The overall portfolio strategy is designed to protect against declining interest rates while limiting interest rate (volatility) risk and credit risk.



# THE SCHOOL DISTRICT OF LEE COUNTY

## I-5 Year Portfolio Allocation (as of 6/30/20)



Current Month Earnings	\$ 65,871.02
April 1 - June 30, 2020 Earnings	\$ 228,263.85
Earnings Year over Year (July 1, 2019 - June 30, 2020)	\$ 1,093,895.37
Book Value Quarterly Yield, as of June 30, 2020	1.46%
Portfolio Total Return, April 1, 2020 - June 30, 2020	1.35%
Benchmark ML 1-5 Yr Treasury (qtr)	0.29%
<i>(Returns are nominal gross of fees)</i>	
<b>Total Portfolio (1)</b>	<b>\$ 55,792,899.81</b>

Data is provided by Water Walker Investments.

### Notes:

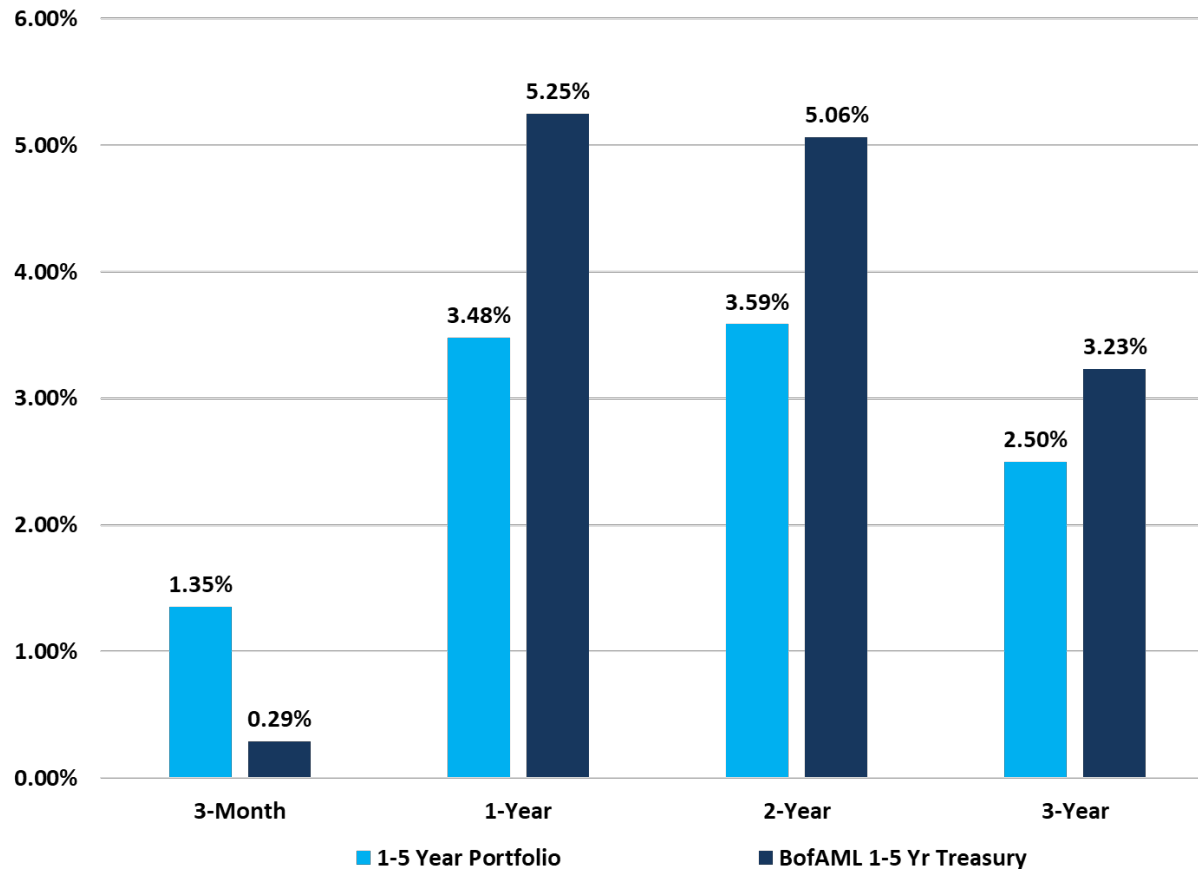
Portfolio split into two strategies (1-3 Yr & 1-5 Yr) on 1/1/17

(1) Total portfolio value includes accrued interest.



# THE SCHOOL DISTRICT OF LEE COUNTY

Total Returns: 1-5 Year Portfolio versus benchmark as of 6/30/20





# THE SCHOOL DISTRICT OF LEE COUNTY

## I-5 Year Portfolio Strategy

(as of 6/30/20)

- The portfolio benchmark return reflects a persistent low interest rate environment for the quarter. Therefore, the I-5 Year Portfolio outperformed the benchmark significantly during the quarter.
- As corporate and municipal spreads continue to tighten there is greater relative value in US agency callable bonds with appropriate call structures.
- Approximately 11.62% of the portfolio's holdings are currently allocated to commercial paper and will mature by the end of October. These maturities will be reinvested into sectors with the highest relative value in order to extend the portfolio's duration.
- With rates expected to be low for the next several years, the portfolio duration will be managed at or near the benchmark.