



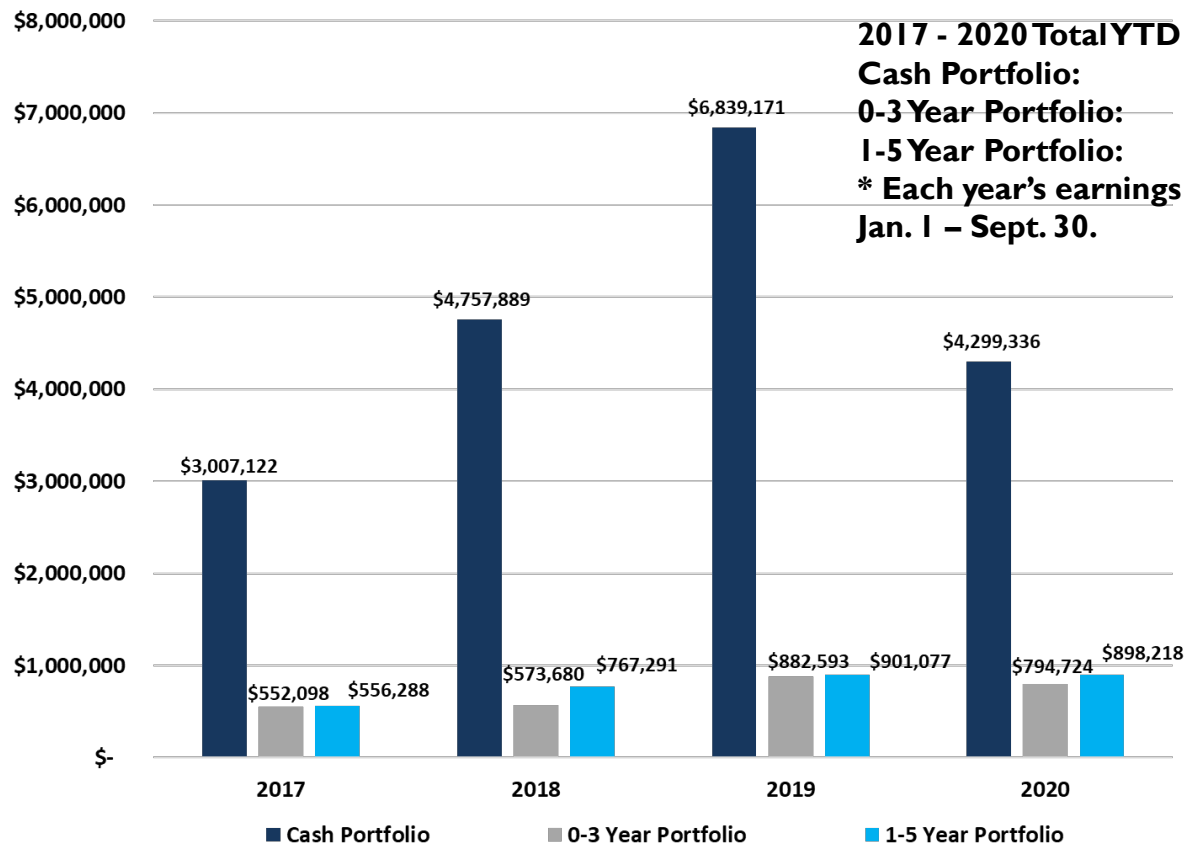
THE SCHOOL DISTRICT OF LEE COUNTY

Quarterly Investment Report September 30, 2020



THE SCHOOL DISTRICT OF LEE COUNTY

YTD Interest Earnings (as of 9/30/20)

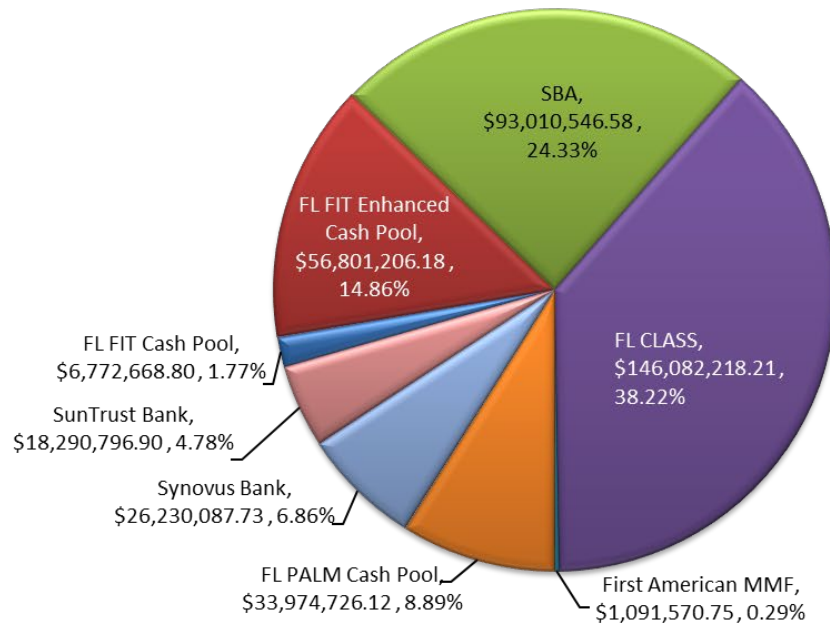


2017 - 2020 Total YTD Earnings: \$24,829,486
Cash Portfolio: \$18,903,518
0-3 Year Portfolio: \$ 2,803,095
1-5 Year Portfolio: \$ 3,122,873
*** Each year's earnings are the totals from Jan. 1 – Sept. 30.**



THE SCHOOL DISTRICT OF LEE COUNTY

Cash Portfolio Sector Allocation (as of 9/30/20)



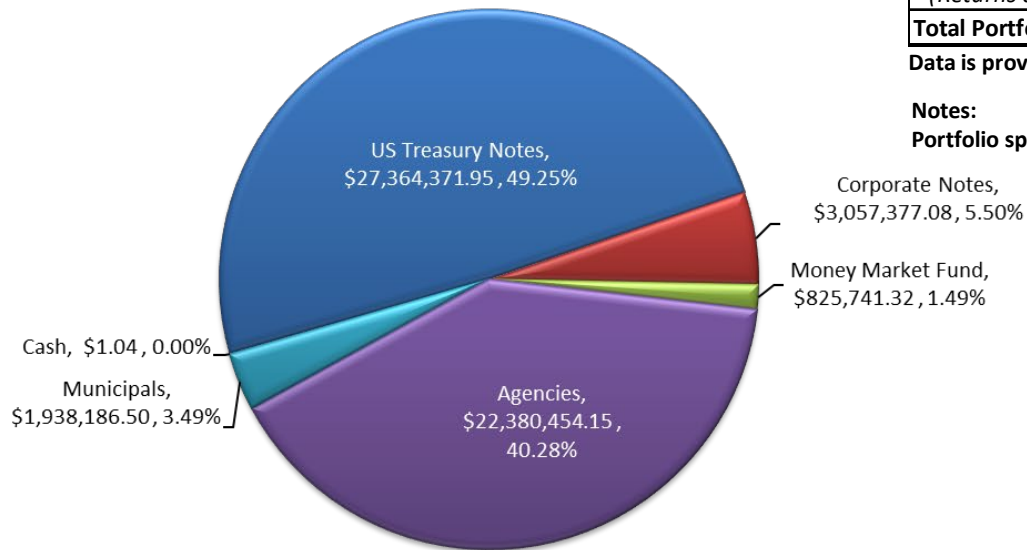
Current Month Earnings	\$ 110,319.18
July 1 - September 30, 2020 Earnings	\$ 500,250.24
Earnings Year to Date (Calendar)	\$ 4,299,336.34
Earnings Year to Date (Fiscal)	\$ 500,250.24
Earnings Year over Year (October 1, 2019 - September 30, 2020)	\$ 5,937,030.09
July 1, 2014 - September 30, 2020 Earnings	\$ 25,820,152.59
Book Value Quarterly Yield, as of September 30, 2020	0.35%
<i>(weighted average yield for all cash)</i>	
Benchmark: S & P AAA & AA GIP Govt (30 Day) (LGIP30D)	0.14%
SunTrust Bank Balance	\$ 18,290,796.90
Cash Investment Portfolio	\$ 363,963,024.37
Total Cash Portfolio	\$ 382,253,821.27

Data is provided by the District.



THE SCHOOL DISTRICT OF LEE COUNTY

0-3 Year Portfolio Allocation (as of 9/30/20)



Current Month Earnings	\$ 75,964.04
July 1 - September 30, 2020 Earnings	\$ 237,206.96
Earnings Year over Year (October 1, 2019 - September 30, 2020)	\$ 1,092,627.01
Book Value Quarterly Yield, as of September 30, 2020	1.64%
Portfolio Total Return, July 1, 2020 - September 30, 2020	N/A
Benchmark ML 1-3 Yr Treasury (qtr)	N/A
<i>(Returns are nominal gross of fees)</i>	
Total Portfolio	\$ 55,566,132.04

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

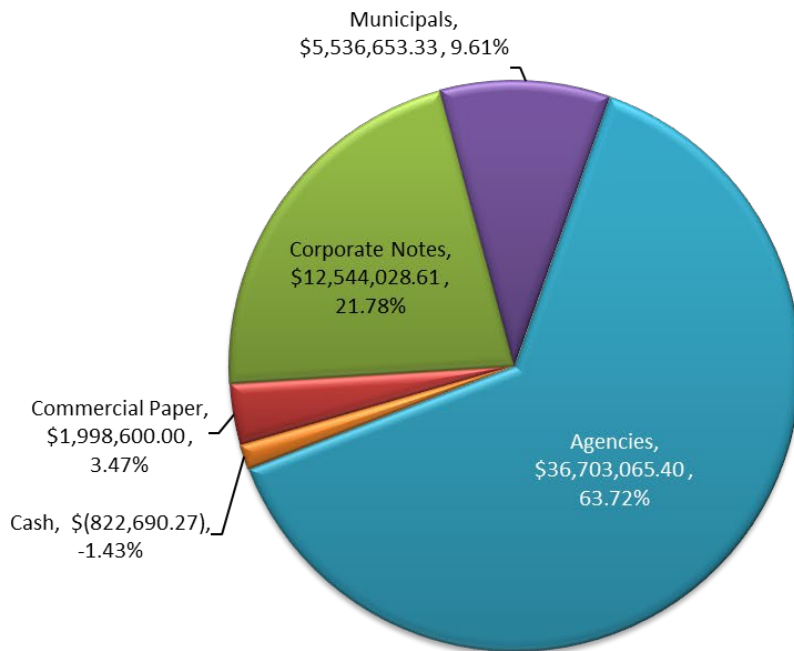
(as of 9/30/20)

- The District implemented a multiple duration investment strategy in December 2016.
- This includes a liquidity portfolio, a 0-3 year duration portfolio and a 1-5 year duration portfolio.
- In the 0-3 year strategy, we maintained an overweight duration position over the quarter as the economy continues to struggle during the health crisis. To improve financial conditions the Federal Reserve will remain accommodative over the next couple of years by keeping interest rates low.
- Agency bond exposure was increased over the quarter as value can be found on a risk adjusted basis over US Treasuries.
- The District's 0-3 year portfolio has earned \$3,546,507.70 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 9/30/20)



Current Month Earnings	\$ 256,320.51
July 1 - September 30, 2020 Earnings	\$ 381,664.54
Earnings Year over Year (October 1, 2019 - September 30, 2020)	\$ 1,340,452.76
Book Value Quarterly Yield, as of September 30, 2020	0.95%
Portfolio Total Return, July 1, 2020 - September 30, 2020	0.30%
Benchmark ML 1-5 Yr Treasury (qtr)	0.13%
<i>(Returns are nominal gross of fees)</i>	
Total Portfolio (1)	\$ 55,959,657.07

Data is provided by Water Walker Investments.

Notes:

Portfolio split into two strategies (0-3 Yr & 1-5 Yr) on 1/1/17

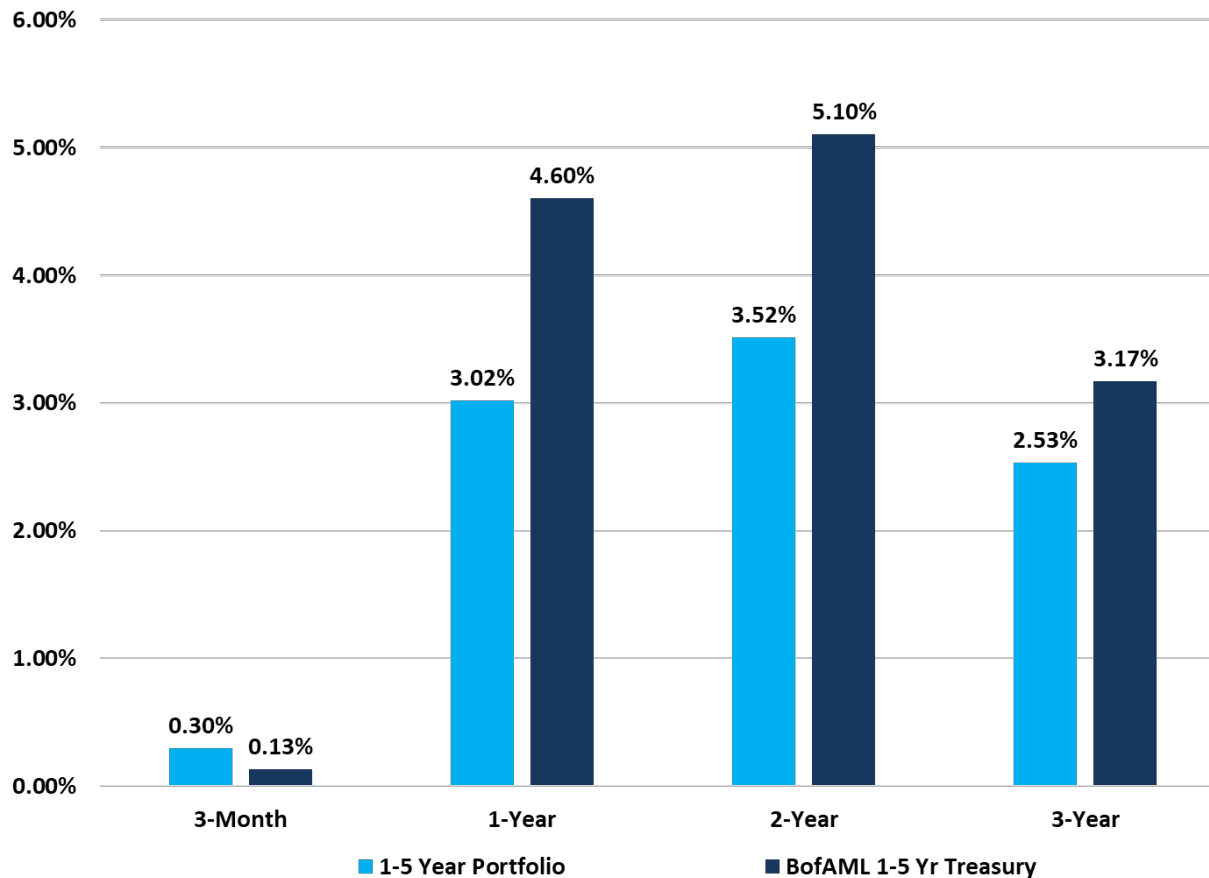
(1) Total portfolio value includes accrued interest.

(2) As of September 30, 2020, the negative cash balance reflects an unsettled position in the portfolio that settled in October.



THE SCHOOL DISTRICT OF LEE COUNTY

Total Returns: 1-5 Year Portfolio versus benchmark as of 9/30/20





THE SCHOOL DISTRICT OF LEE COUNTY

I-5 Year Portfolio Strategy

(as of 9/30/20)

- The Federal Reserve remains very accommodative with expectations for a zero-rate environment to continue for the next 2-3 years.
- Gains were realized on securities with less than a year to maturity in order to reinvest into longer securities providing a comparable duration to the benchmark due to the current low interest rate environment.
- Select opportunities within high grade corporates and agencies between 3 and 5 years of stated final maturity were utilized during the quarter.
- Agency securities still provide relative value especially when structured with at least a year of lockout coupled with one-time or annual call dates.
- The recent reallocations have helped to provide a strong, stable yield that will help bolster the portfolio's earnings.
- The strategy will target 30-40% between corporates and municipals with the remaining 60-70% of funds invested in US treasuries and agencies.