



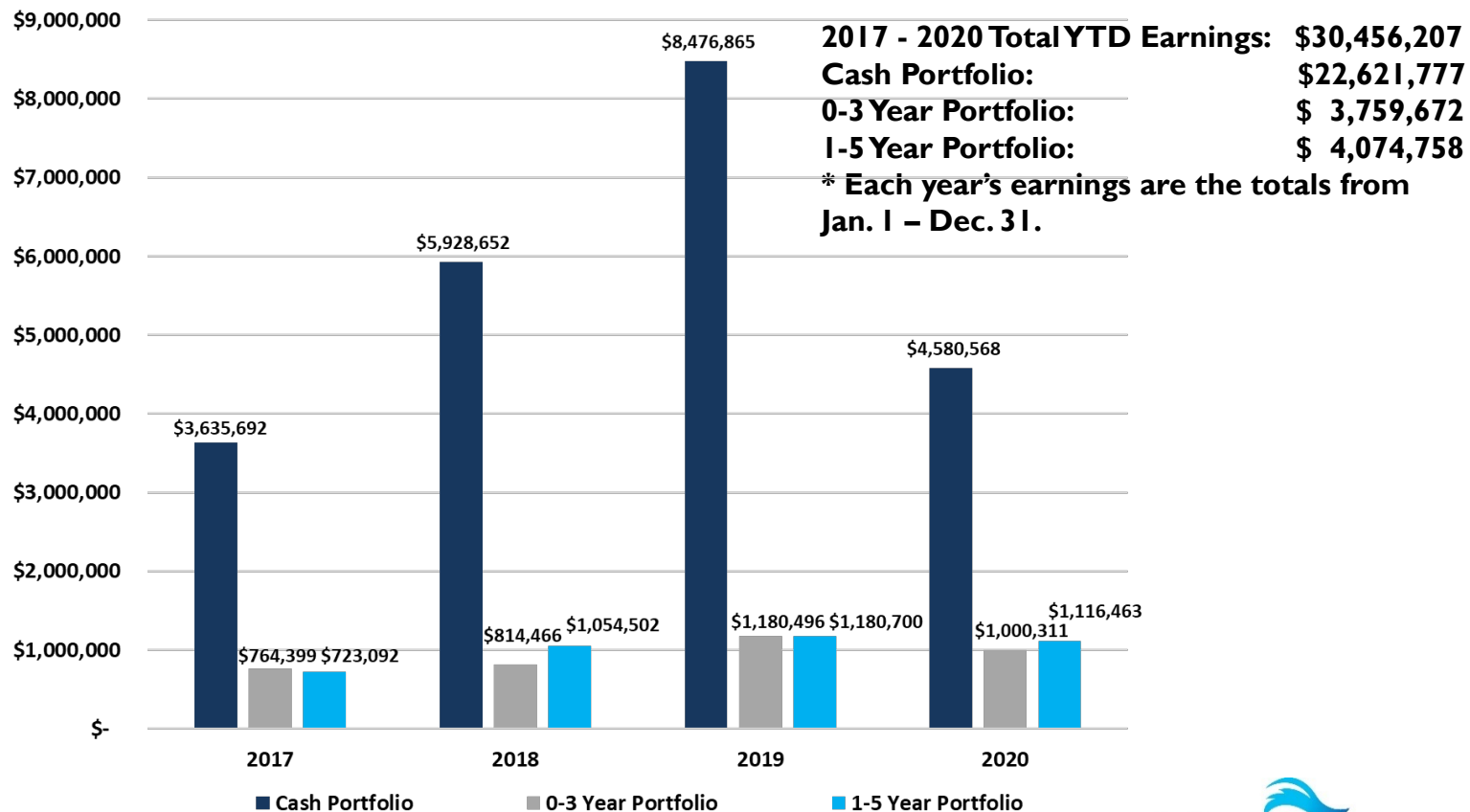
# THE SCHOOL DISTRICT OF LEE COUNTY

## Quarterly Investment Report December 31, 2020



# THE SCHOOL DISTRICT OF LEE COUNTY

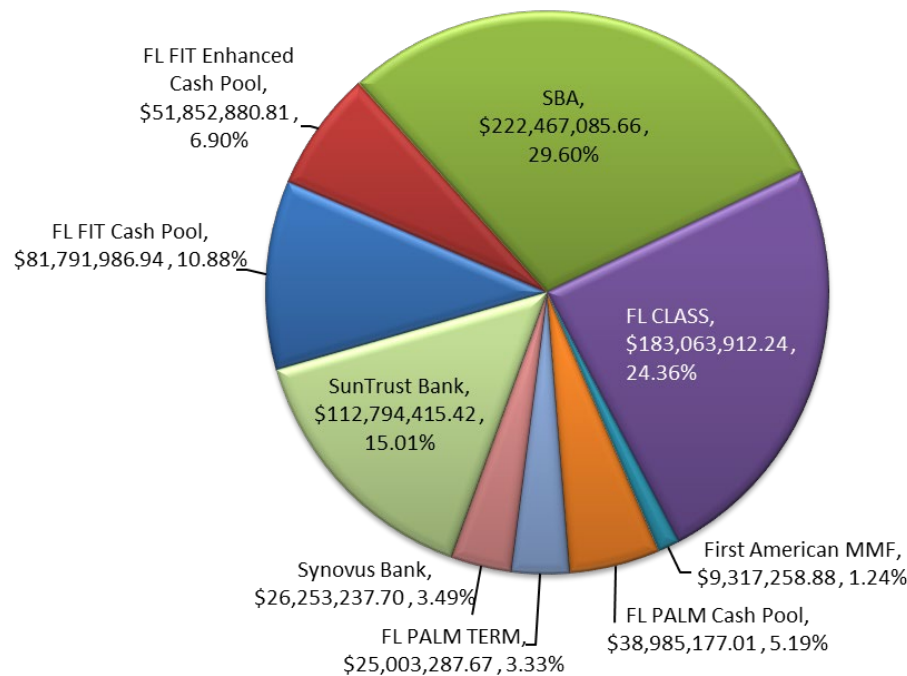
## YTD Interest Earnings (as of 12/31/20)





# THE SCHOOL DISTRICT OF LEE COUNTY

## Cash Portfolio Sector Allocation (as of 12/31/20)



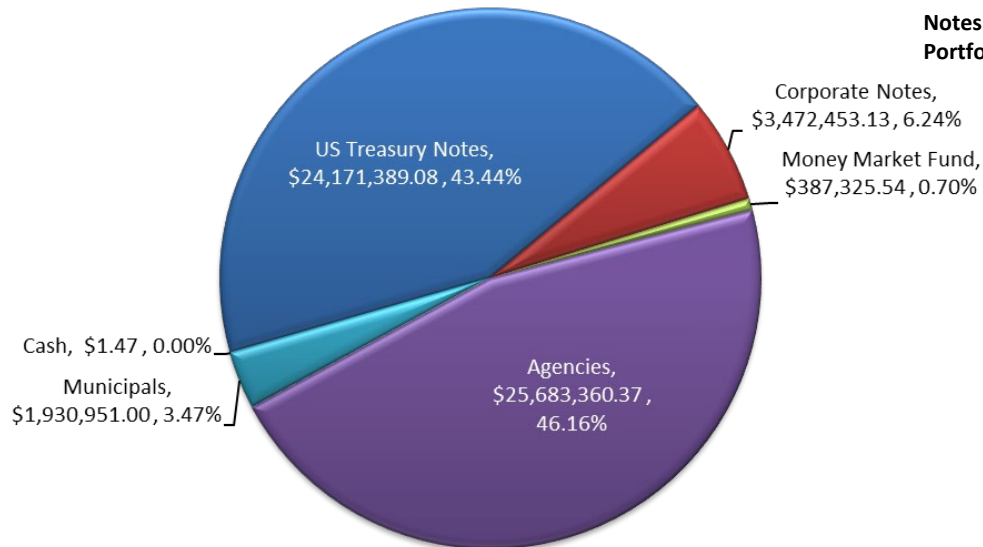
Current Month Earnings	\$ 103,820.61
October 1 - December 31, 2020 Earnings	\$ 281,232.13
Earnings Year to Date (Calendar)	\$ 4,580,568.47
Earnings Year to Date (Fiscal)	\$ 781,482.37
Earnings Year over Year (January 1, 2020 - December 31, 2020)	\$ 4,580,568.47
July 1, 2014 - December 31, 2020 Earnings	\$ 26,101,384.72
Book Value Quarterly Yield, as of December 31, 2020	0.29%
<i>(weighted average yield for all cash)</i>	
Benchmark: S & P AAA & AA GIP Govt (30 Day) (LGIP30D)	0.03%
SunTrust Bank Balance	\$ 112,794,415.42
Cash Investment Portfolio	\$ 638,734,826.91
<b>Total Cash Portfolio</b>	<b>\$ 751,529,242.33</b>

Data is provided by the District.



# THE SCHOOL DISTRICT OF LEE COUNTY

## 0-3 Year Portfolio Allocation (as of 12/31/20)



Current Month Earnings	\$ 64,718.71
October 1 - December 31, 2020 Earnings	\$ 205,587.08
Earnings Year over Year (January 1, 2020 - December 31, 2020)	\$ 1,000,310.95
Book Value Quarterly Yield, as of December 31, 2020	1.40%
Portfolio Total Return, October 1, 2020 - December 31, 2020	N/A
Benchmark ML 1-3 Yr Treasury (qtr)	N/A
<i>(Returns are nominal gross of fees)</i>	
<b>Total Portfolio</b>	<b>\$ 55,645,480.58</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

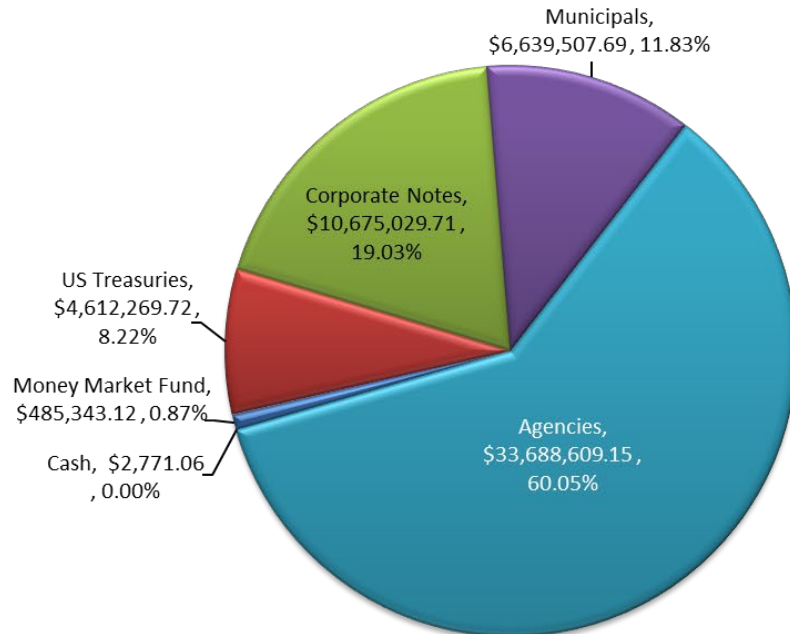
(as of 12/31/20)

- 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 during the quarter as higher unemployment continues to plague the economy during the COVID-19 health crisis. We anticipate the Federal Reserve will remain accommodative over the next couple of years by keeping interest rates low and additional fiscal support packages will help American households, business and local governments.
- Agency bond exposure was increased over the quarter as value can be found on a risk adjusted basis over US Treasuries and other credit sectors.
- The District's 0-3 year portfolio has earned \$3,753,940.33 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 12/31/20)



Current Month Earnings	\$ 33,933.96
October 1 - December 31, 2020 Earnings	\$ 218,245.17
Earnings Year over Year (January 1, 2020 - December 31, 2020)	\$ 1,116,462.89
Book Value Quarterly Yield, as of December 31, 2020	0.74%
Portfolio Total Return, October 1, 2020 - December 31, 2020	0.26%
Benchmark ML 1-5 Yr Treasury (qtr)	0.02%
<i>(Returns are nominal gross of fees)</i>	
<b>Total Portfolio (1)</b>	<b>\$ 56,103,530.45</b>

Data is provided by Water Walker Investments.

### Notes:

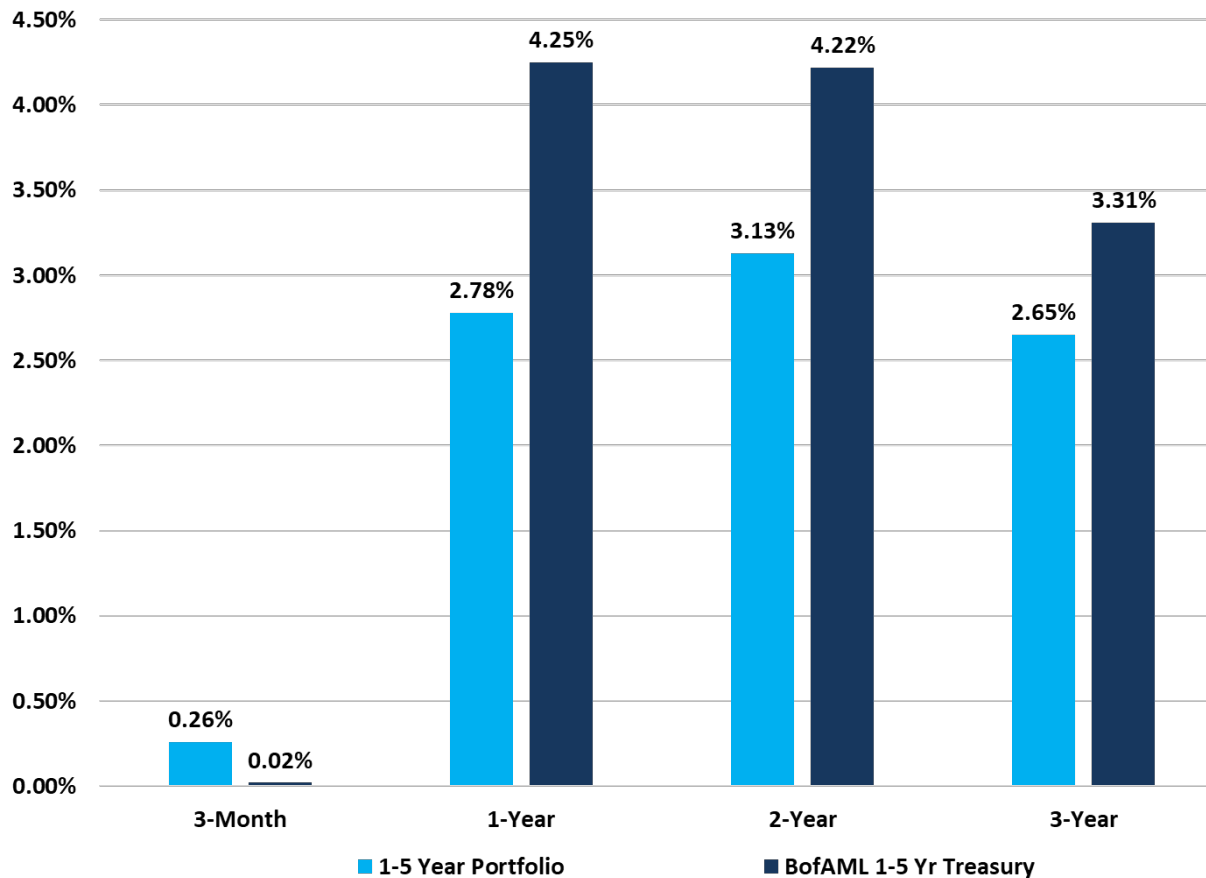
Portfolio split into two strategies (0-3 Yr & 1-5 Yr) on 1/1/17

(1) Total portfolio value includes accrued interest.



# THE SCHOOL DISTRICT OF LEE COUNTY

Total Returns: 1-5 Year Portfolio versus benchmark as of 12/31/20





# THE SCHOOL DISTRICT OF LEE COUNTY

## 1-5 Year Portfolio Strategy

(as of 12/31/20)

- The Federal Reserve continues to be committed to its economic support utilizing low-rate policies and large-scale bond buying further indicating that no interest rate moves are to be expected in the next 12-18 months.
- Realized gains and maturities were reinvested into primarily U.S. treasuries with between 1-2 year maturities to both provide liquidity and protection to lower interest rate movements.
- The portfolio continues to mirror the benchmark's duration between 2.5-2.75 years while benefiting from a yield far higher due to the corporate and municipal exposure.
- Corporate bonds have experienced some tightening over the last few months providing an opportunity to realize gains and potentially reallocate into government securities.
- The strategy will target 25-35% between corporates and municipals with the remaining 65-75% of funds invested in US treasuries and agencies.