



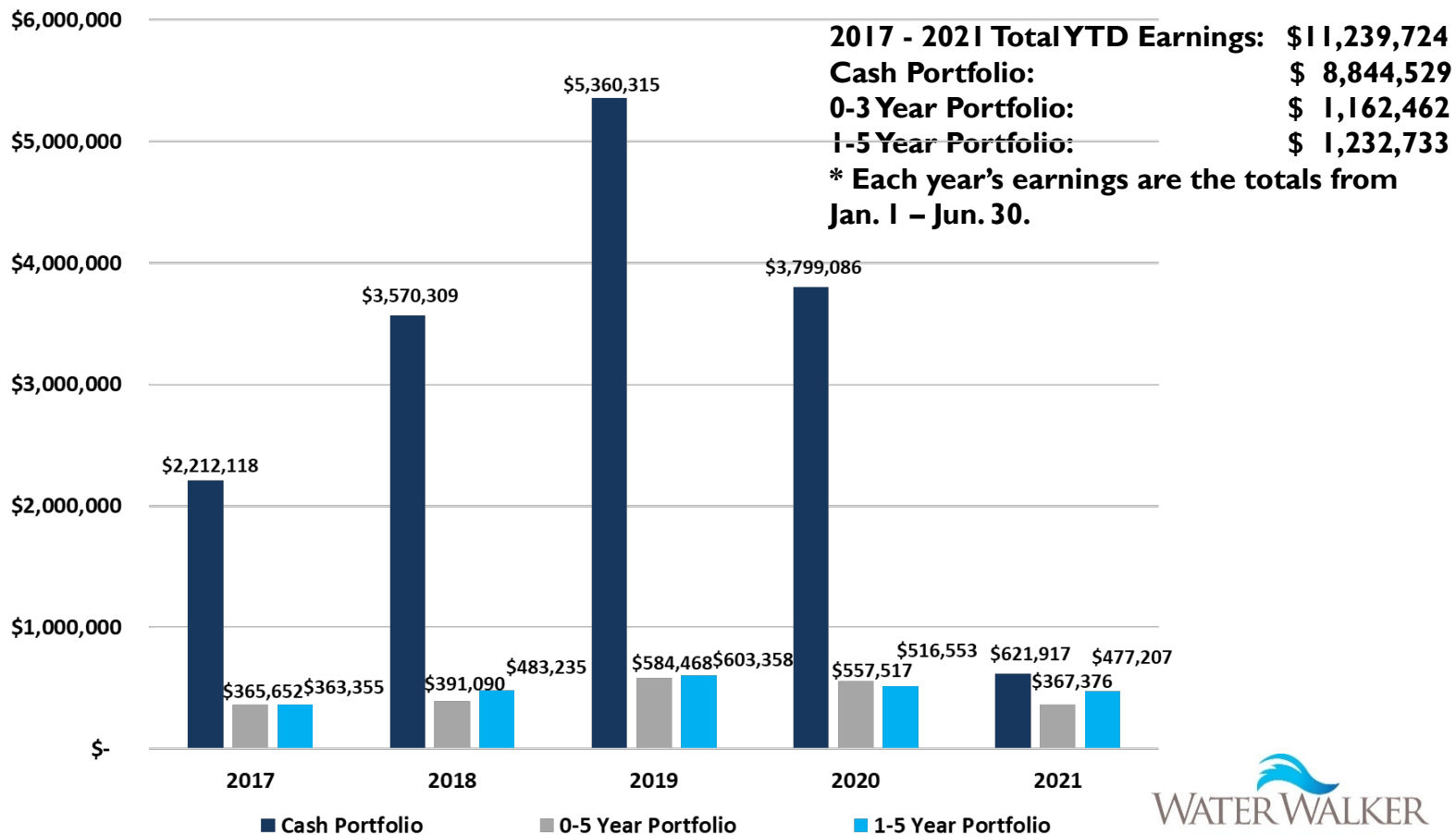
# THE SCHOOL DISTRICT OF LEE COUNTY

## Quarterly Investment Report June 30, 2021



# THE SCHOOL DISTRICT OF LEE COUNTY

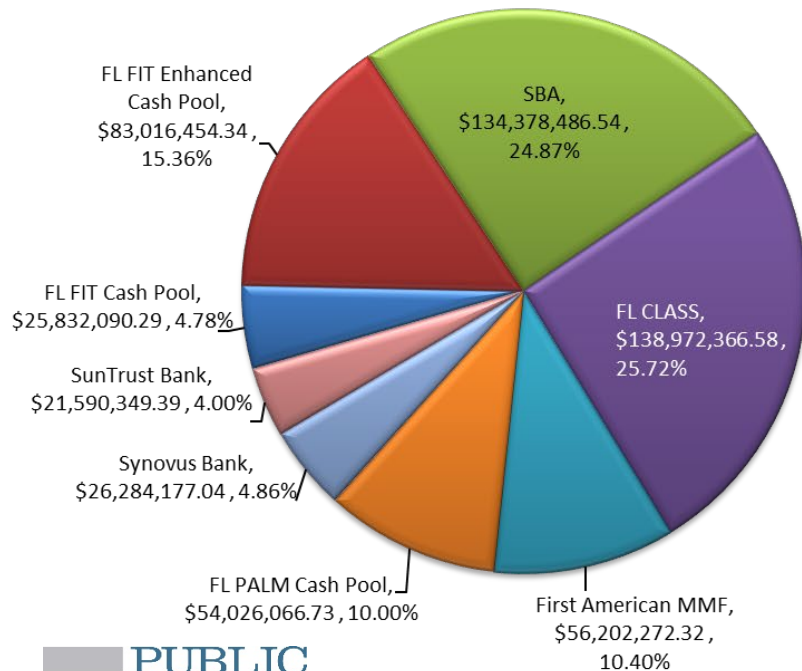
## YTD Interest Earnings (as of 6/30/21)





# THE SCHOOL DISTRICT OF LEE COUNTY

## Cash Portfolio Sector Allocation (as of 6/30/21)



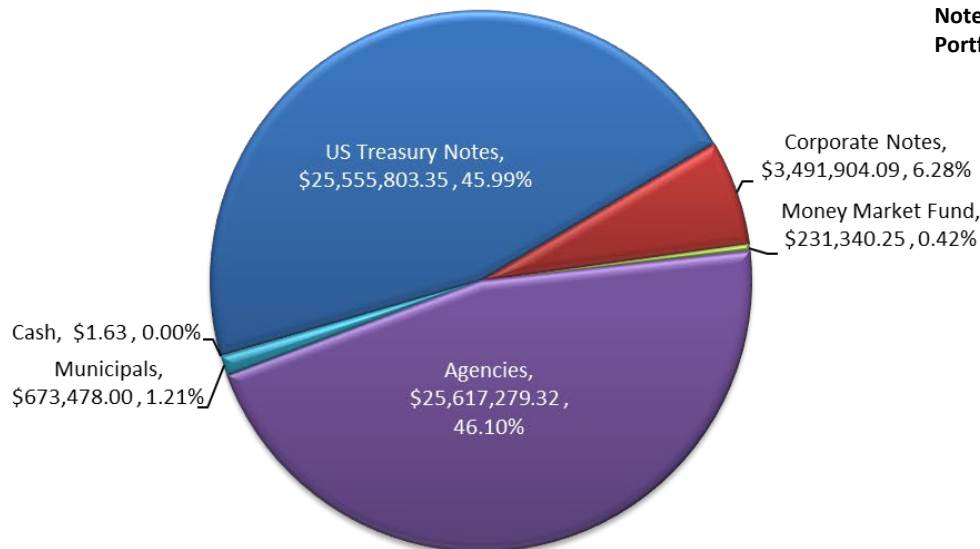
Current Month Earnings	\$ 77,260.07
April 1 - June 30, 2021 Earnings	\$ 268,424.72
Earnings Year to Date (Calendar)	\$ 621,916.66
Earnings Year to Date (Fiscal)	\$ 1,403,399.03
Earnings Year over Year (July 1, 2020 - June 30, 2021)	\$ 1,403,399.03
July 1, 2014 - June 30, 2021 Earnings	\$ 26,723,301.38
Book Value Quarterly Yield, as of June 30, 2021	0.17%
<i>(weighted average yield for all cash)</i>	
Benchmark: S & P AAA & AA GIP Govt (30 Day) (LGIP30D)	0.04%
SunTrust Bank Balance	\$ 21,590,349.39
Cash Investment Portfolio	\$ 518,711,913.84
<b>Total Cash Portfolio</b>	<b>\$ 540,302,263.23</b>

Data is provided by the District.



# THE SCHOOL DISTRICT OF LEE COUNTY

## 0-5 Year Portfolio Allocation (as of 6/30/21)



Current Month Earnings	\$ 50,880.71
April 1 - June 30, 2021 Earnings	\$ 161,498.74
Earnings Year over Year (July 1, 2020 - June 30, 2021)	\$ 810,170.23
Book Value Quarterly Yield, as of June 30, 2021	1.11%
Portfolio Total Return, April 1, 2021 - June 30, 2021	N/A
Benchmark ML 1-3 Yr Treasury (qtr)	N/A
<i>(Returns are nominal gross of fees)</i>	
<b>Total Portfolio</b>	<b>\$ 55,569,806.64</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

## 0-5 Year Portfolio Strategy

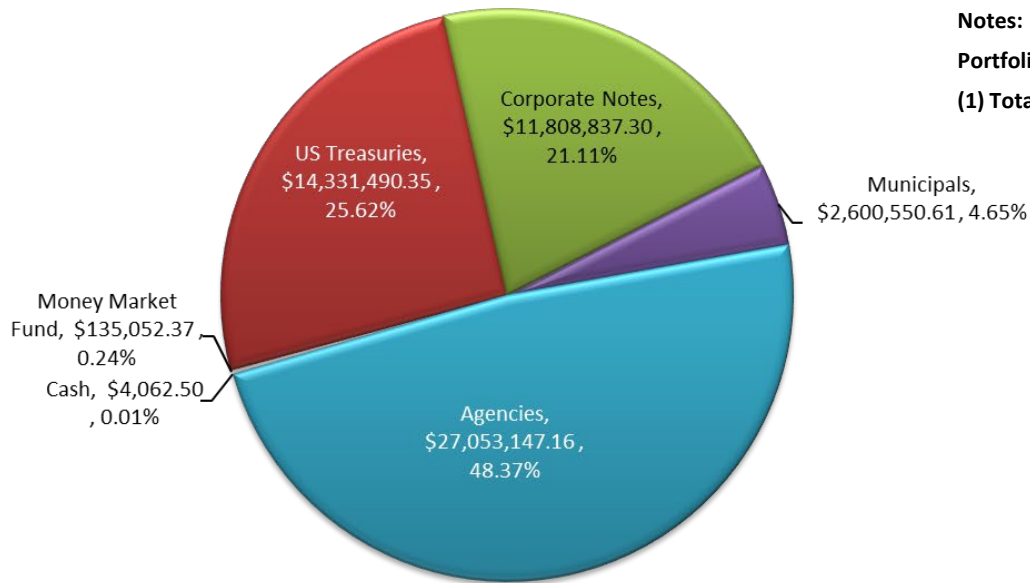
(as of 6/30/21)

- The District implemented a multiple duration investment strategy in December 2016.
- This includes a liquidity portfolio, a 0-5 year duration portfolio and a 1-5 year duration portfolio.
- In the 0-5 year strategy, we maintained a neutral duration position during the quarter as the yield curve steepened on higher inflation expectations. We anticipate the Federal Reserve will continue it's accommodative policy stance throughout the remainder of 2021 before likely tapering it's asset purchase program in 2022.
- Credit exposure we expect to decline as opportunities on a relative basis have become less attractive.
- The District's 0-5 year portfolio has earned \$4,119,471 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 6/30/21)



Current Month Earnings	\$ 22,925.77
April 1 - June 30, 2021 Earnings	\$ 240,402.40
Earnings Year over Year (July 1, 2020 - June 30, 2021)	\$ 1,077,116.99
Book Value Quarterly Yield, as of June 30, 2021	0.49%
Portfolio Total Return, April 1, 2021 - June 30, 2021	-0.12%
Benchmark ML 1-5 Yr Treasury (qtr)	-0.22%
<i>(Returns are nominal gross of fees)</i>	
<b>Total Portfolio (1)</b>	<b>\$ 55,933,140.29</b>

Data is provided by Water Walker Investments.

### Notes:

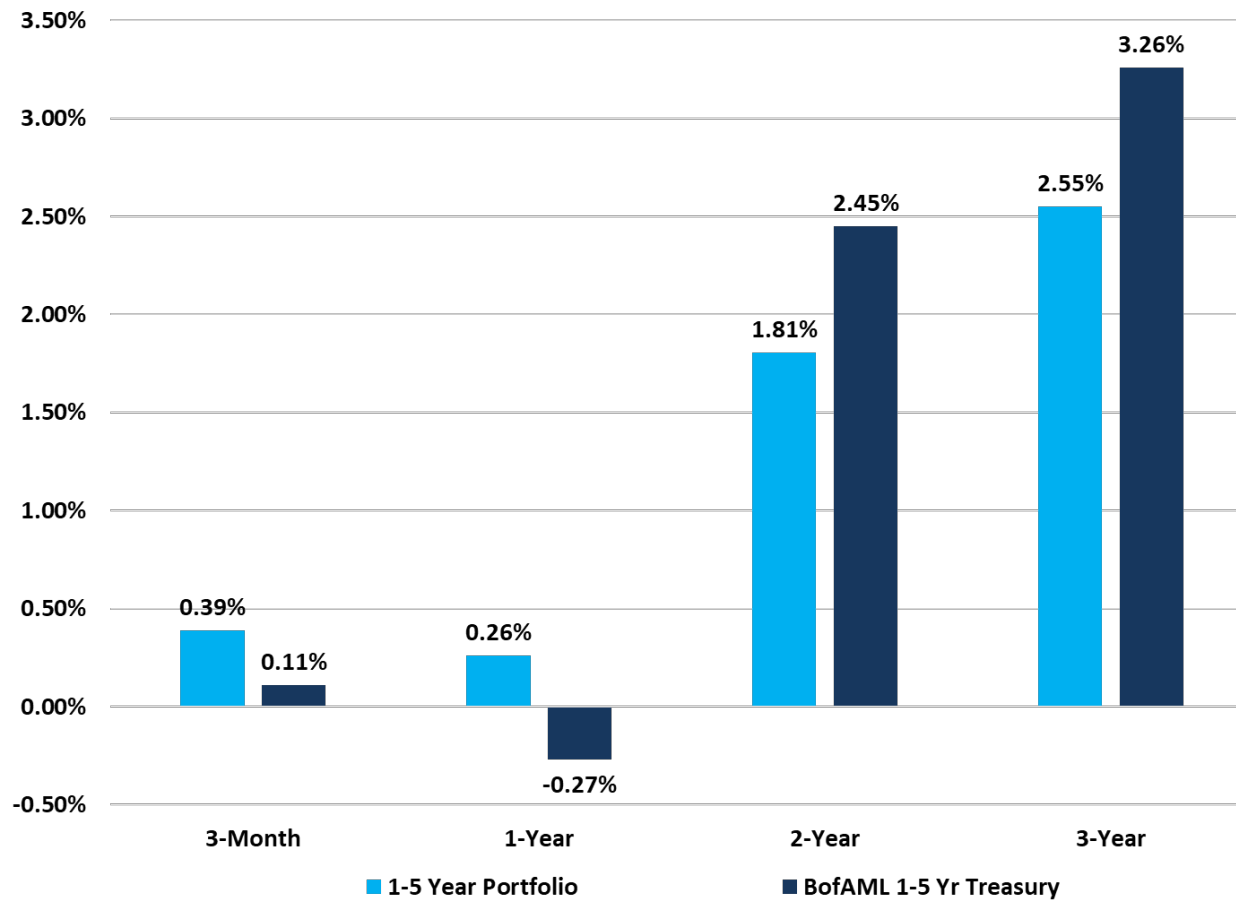
Portfolio split into two strategies (0-3 Yr & 1-5 Yr) on 1/1/17

(1) Total portfolio value includes accrued interest.



# THE SCHOOL DISTRICT OF LEE COUNTY

Total Returns: 1-5 Year Portfolio versus benchmark as of 6/30/21





# THE SCHOOL DISTRICT OF LEE COUNTY

## I-5 Year Portfolio Strategy

(as of 6/30/21)

- Markets have begun to raise the probability of the Federal Reserve beginning to taper by the end of the year, however, Chairman Powell has not provided any validation to these forecasts. It is expected that a potential rate hike is still 12-18 months from materializing.
- Fixed rate corporate positions were sold for a net gain to reallocate to floating rate corporates to benefit from a potential increasing yield curve.
- Continued to increase US treasury exposure utilizing US agencies that were called during the quarter
- 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.
- The strategy will target 20-30% between corporates and municipals with the remaining 70-80% of funds invested in US treasuries and agencies.