

Investment Update

May 10, 2022

CLAY COUNTY CLERK OF COURT & COMPTROLLER
TARA S. GREEN



Purpose of the Investment Committee is to provide overall direction for investing under the Investment Policy approved by the Board of County Commissioners

Current Members:

- **Tara S. Green, Clerk of Court and Comptroller**
- **Wayne Bolla, Chairman of Board of County Commissioners**
- **Howard Wanamaker, County Manager**
- **Rick Dingle, Chief Administrative Officer**
- **Troy Nagle, Assistant County Manager**
- **Amy Bramlitt, Finance Officer**
- **Debbie Sileo, Director of the Office of Management and Budgets**
- **Heather Boucher, Commission Auditor**

Oct 2021 – Mar 2022 Actions

- Took \$110.5 million excess cash from Wells Fargo and moved \$50.0 million to Florida Class and \$60.5 million to Florida Prime
- Moved \$33.3 million to Florida Prime from Florida Safe
- Continue to monitor excess cash as the Ad Valorem receipts are received moving into Florida Prime or Florida Class
- Longer term as we finalize the 5 year plan this year we will ladder investments out generating better returns while protecting principal

Market Update

- Federal Reserve raised interest rates in March for the first time since 2018
 - Strong economic activity and low unemployment rate
 - Inflation remains elevated “reflecting supply and demand imbalances related to the pandemic and higher energy prices”¹
- Federal Fund Rate targeted from 0.25% to 0.50%
- Anticipates that future increases will be needed
 - Economists state that they could potentially raise the target rate an additional 50 basis points in May and then another 50 basis points in June
- Sends a message that the Federal Reserve is moving to a tighter monetary policy from a neutral policy²

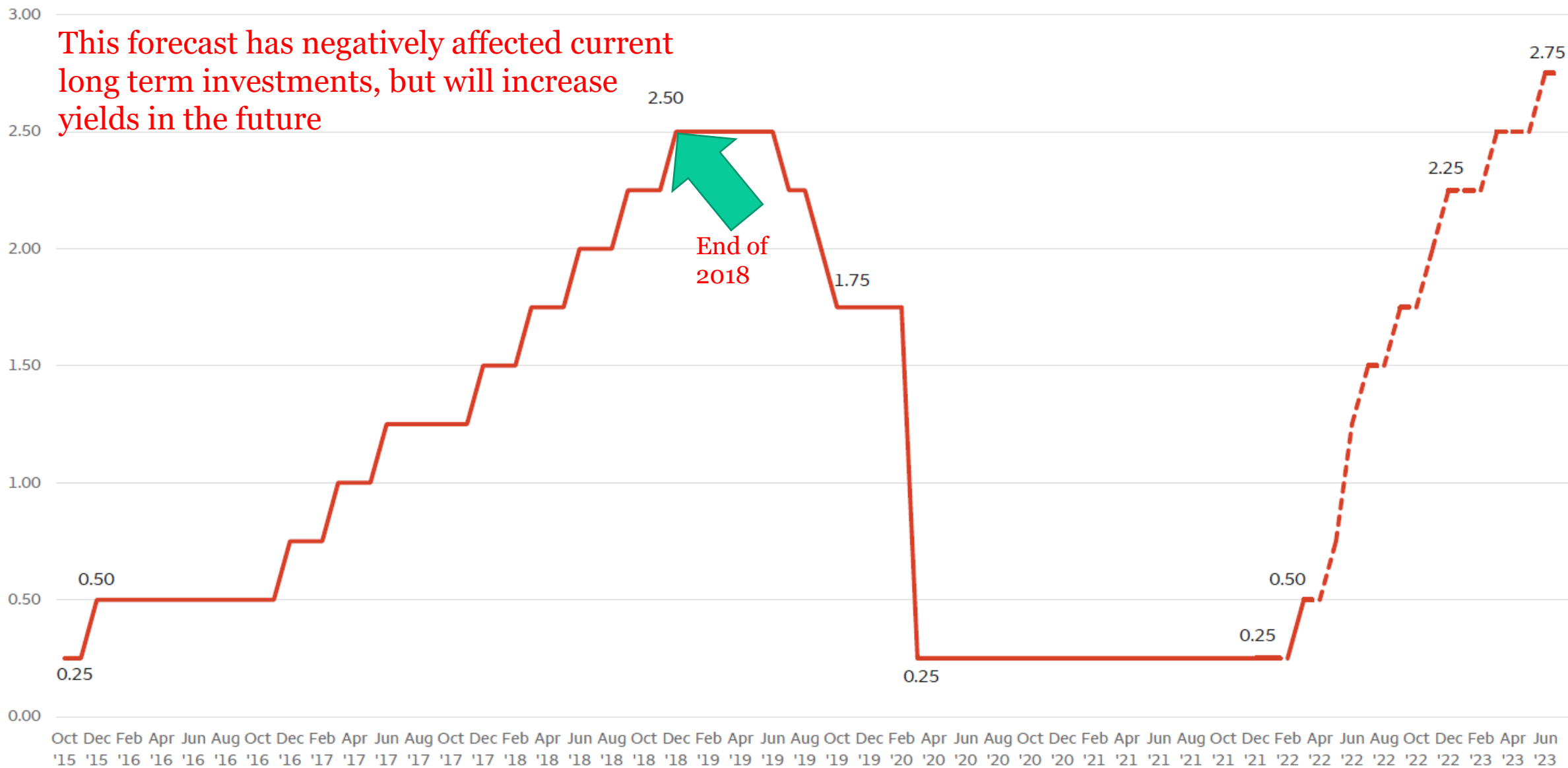
We will continue to watch the market to invest prudently to improve yields

¹ From Federal Reserve Press Release dated March 16, 2022

² From Jim Caron, Morgan Stanley’s Senior Portfolio Manager and Chief Strategist, Weekly Update March 28, 2022

Market outlook - From Wells Fargo

Chart below includes trend of historical and predicted Fed Funds Target (FFT)



Source for predicted future rates is the CME Fed Watch Tool as of March 17th 9:15 AM EST

Descriptions of the Invested Funds

➤ Florida Prime – (Daily Liquidity)

- Intergovernmental investment pool and currently serves over 700 participants across the state
- Pooled assets of \$20.2 billion as of 3/24/2022 and is invested in short-term, high-quality fixed income securities
- Pool rated AAAM by Standard & Poor's

➤ Florida Class – (3-5 Day Liquidity)

- Intergovernmental investment pool with a longer term investment strategy generating a higher return
- Pooled assets of \$569.9 million as of 3/30/2022
- Value is affected by current interest rates
- Pool rated AA Af/S1 by Fitch

➤ PFM/US Bank

- Bond investments in PFM's Pooled funds and US Treasuries recommended by Financial Advisor

Cash & Investments as of 3/31/2022

Need to add Wells Interest here

	Balances in Accounts	Average Returns for FY 2021/2022	Net Interest Collected for First Quarter	Net Interest Collected for Second Quarter
Wells Fargo *	\$ 69,925,086			\$ -
US Bank Bond Investments	\$ 93,716,567	0.26%	\$ 62,701 **	\$ 56,811
Florida Palm Bond Investments	\$ 26,015,320	0.09%	\$ 1,628	\$ 11,659
Florida Class	\$ 50,046,385	0.30%	\$ 10,676	\$ 35,709
Florida Safe Investments	\$ 876	0.04%	\$ 2,573	\$ -
Florida Prime Investments	\$ 201,069,516	0.15%	\$ 34,614	\$ 98,281
Total Cash & Investments	\$ 440,773,751		\$ 112,193	\$ 202,460
PFM Fees for Bond Porfolio	\$ (38,085)			
Amount of Investments net of fees	\$ 440,735,667			

* This is actual cash in bank as of 3/31/2022

** PFM Fees netted from interest earnings

Summary of Cash & Investments

Note: All returns are net of fees

	Florida Prime	Annual Return	Florida Safe	Annual Return	Florida Class	Annual Return	Florida Palm - Bond Proceeds Daily Funds/ Palm term/US Bank	Annual Return	Wells Fargo - Operating Acct	Total
Balance at 9/30/2021	\$ 107,136,621		\$ 33,298,985		\$ -		\$ 124,561,003			
Earnings	\$ 132,895	0.15%	\$ 2,573	0.03%	\$ 46,385	0.25%	\$ 170,884	0.17%		
Changes to Investment	\$ 93,800,000		\$ (33,300,682)		\$ 50,000,000		\$ (5,000,000)			
Balance at 3/31/2022	\$ 201,069,516		\$ 876		\$ 50,046,385		\$ 119,731,888		\$ 69,925,086	\$ 440,773,751
% Invested	45.62%		0.00%		11.35%		27.16%		15.86%	100.00%
Maximum Per Investment Policy	<80%		<40%		<40%		<40%		<40%	
Total in Pools										27.16%
Maximum in Pools per Investment Policy										<80%
S&P Rated GIP Index Government 30-Day Gross of Fees Yield										0.16%
S&P Rated GIP Index Government 30-Day Net of Fees Yield										0.07%
FMV of Investments					\$ 49,796,282		\$ 92,884,842			
Unrealized Gain /(Loss)					\$ (250,103) ²		\$ (831,725) ¹			

1 Loss will only be recognized if investment is sold prior to term

2 Due to recent interest rate drop and long term nature. Average Maturity of fund is 4 months and should turn around in next 6-12 months.

Net Earnings by Investment FY 2021/2022

**Since invested in Treasury Investments*

	Current Investments				
	Florida		Florida Palm	PFM/US	
	Prime	Florida Safe		Bank *	Florida Class
Average	0.146%	0.041%	0.086%	0.255%	0.295%
High	0.298%	0.063%	0.332%	0.294%	0.381%
Low	0.095%	0.061%	0.007%	0.142%	0.236%

Note: All of these funds with the exception of the bond proceeds are liquid funds with same day to 3 days availability

Questions

Appendix

Detail Earnings for FY 2021/2022

Note: All returns are net of fees except US Bank

	Florida Prime	Annual Return	Florida Safe	Annual Return	Florida Class	Annual Return	Florida Palm - Bond Proceeds Daily Funds/ Palm term	Annual Return	Florida Palm - US Bank -Treasuries	Annual Gross Return	Wells Fargo - Operating Acct	Total
Balance at 9/30/2021	\$ 107,136,621		\$ 33,298,985		\$ -		\$ 31,002,034		\$ 93,558,970			\$ 382,681,677
Interest October 2021	\$ 8,555	0.10%	\$ 1,697	0.06%	\$ -		\$ 1,288	0.05%	\$ 28,476	0.37%	\$ 5,380	
Interest November 2021	\$ 10,085	0.10%	\$ 876	0.06%	\$ 2,226	0.20%	\$ 169	0.01%	\$ 24,286	0.31%	\$ 3,604	
Interest December 2021	\$ 15,974	0.10%	\$ -		\$ 8,450	0.20%	\$ 170	0.01%	\$ 28,980	0.37%	\$ 4,366	
Additional Principal - November	\$ 19,800,000		\$ (33,300,682)		\$ 50,000,000							
Additional Principal - December	\$ 74,000,000											
Interest January 2022	\$ 24,537	0.15%		0.00%	\$ 9,850	0.24%	\$ 8,570	0.33%	\$ 29,225	0.37%		
Interest February 2022	\$ 23,837	0.14%		0.00%	\$ 9,970	0.24%	\$ 758	0.03%	\$ 17,304	0.22%		
Interest March 2022	\$ 49,907	0.30%			\$ 15,889	0.38%	\$ 2,330	0.09%	\$ 29,327	0.38%		
Principal to pay invoices - March							\$ (5,000,000)					
Additional Principal - December												
Interest January 2022												
Interest February 2022												
Interest March 2022												
Investment Premium & Accrued Interest												
Balance at 3/31/2022	\$ 201,069,516		\$ 876		\$ 50,046,385		\$ 26,015,320		\$ 93,716,567		\$ 69,925,086	\$ 440,773,751
% Invested	45.62%		0.00%		11.35%		5.90%		21.26%		15.86%	100.00%
Maximum Per Investment Policy	<80%		<40%		<40%		<40%		<40%		<40%	
Total in Pools												38.52%
Maximum in Pools per Investment Policy												<80%
FMV of Investments					\$ 49,796,282.11				\$ 92,884,841.89			
Unrealized Gain /(Loss)					\$ (250,102.98)				\$ (93,716,567.13)			
									\$ (831,725.24)			