



MARTIN COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Presented by Carolyn Timmann, Clerk of the Circuit Court and County Comptroller

December
2016
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Investment	Average Daily Investment	Interest Earned/ Gains Realized	Average Yield
State Board of Administration (LGIP)	134,579,627	102,904	0.90%
FL Local Govt Investment Trust *	13,368,656	2,638	0.23%
FLGIT Day to Day Fund *	10,648,782	5,831	0.64%
U.S. Treasury Notes	9,979,011	7,491	0.88%
U.S. Agency Bonds	54,105,785	44,210	0.96%
November 2016 Total	\$222,681,861	\$163,074	0.86%
Fiscal Year-To-Date	\$173,482,024	\$331,117	0.76%

*Note: Florida Local Government Investment Trust, and FLGIT Day to Day Fund gain(loss) is unrealized and is based on the net asset value as of 12/31/2016.

PERFORMANCE MEASURE

The investment portfolio is designed with the annual objective of equaling or exceeding the average return on 90 day U.S. Treasury bills. For the period Oct 2016 ~ Dec 2016 the average return for 90 day U.S. Treasury Bills was .41%, and for the three months ended December 2016 the average was .41%.

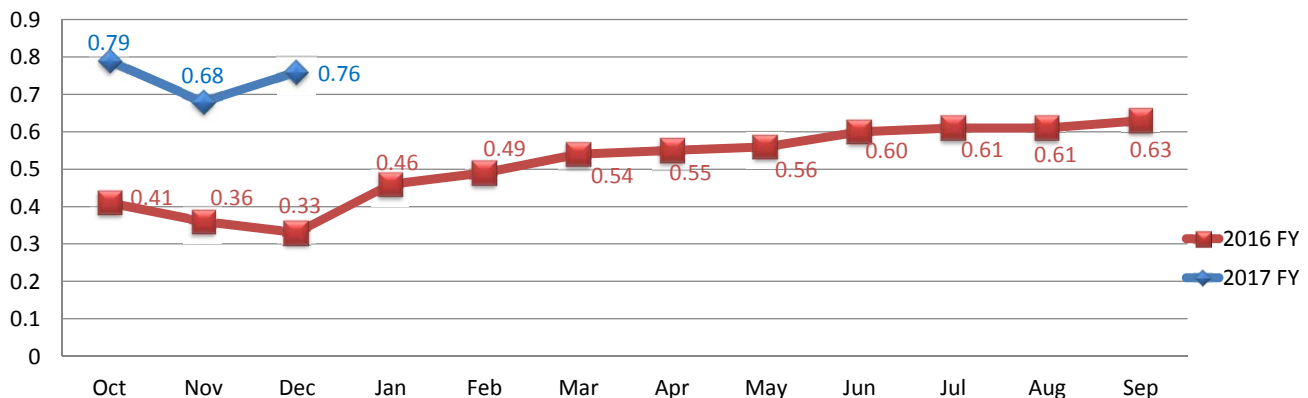
ECONOMIC COMMENTARY

✦ Nineteen states, including Florida will increase minimum wage at the beginning of 2017 with three more states, including D.C., raising the minimum at midyear. According to the Bureau of Labor Statistics, 78.2 million U.S. workers were paid an hourly rate last year, representing 58.5% of all wage and salary workers. Just 870,000 of these workers earned the \$7.25 per hour minimum with 1.7 million earning less. These two groups combined to make up just 3.3% of all hourly employees, down from 3.9% in the previous year.

✦ The headline producer price index (PPI) rose by +0.4% in November and +1.3% year-over-year. A month earlier, October PPI was unchanged and up +0.8% year-over-year. Core PPI (which excludes food and energy) also rose by +0.4% in November, boosting the year-over-year PPI core from +1.2% to +1.3%. The key takeaway on producer inflation is that although it's still on the low side by historical standards, the trend is up.

✦ Bond yields have moved sharply higher in just the past six months. It's hard to believe the 10-year Treasury-note yield, which touched 2.60% in December, was trading at 1.35% in July. Market volatility isn't unusual and it certainly doesn't move in a single direction - keep in mind that the 10-year began 2014 at 3.03%. Although the most recent Bloomberg survey shows an average 10-year yield forecast of 2.68% a year from now, there was an unusually wide variance among individual economists with a range of 1.35% to 4.0%.

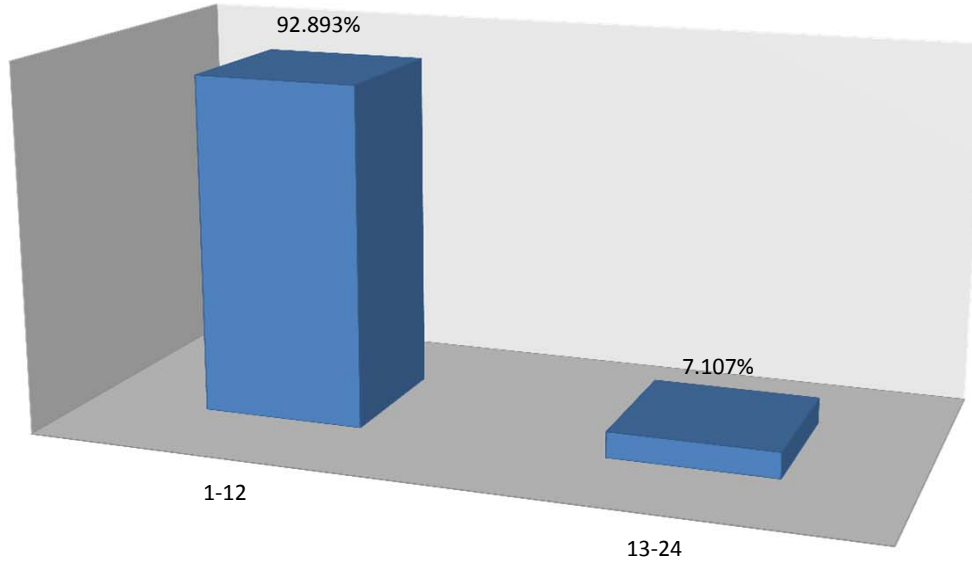
YEAR-TO-DATE YIELD COMPARISON





MONTHS TO MATURITY

Treasury Notes and Bonds



PORTFOLIO COMPOSITION

