



MARTIN COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

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

March
2017
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Investment	Average Daily Investment	Interest Earned/ Gains Realized	Average Yield
State Board of Administration (LGIP)	156,644,084	136,370	1.03%
FL Local Govt Investment Trust *	38,472,822	30,394	0.93%
FLGIT Day to Day Fund *	10,668,136	8,423	0.93%
U.S. Treasury Notes	9,986,153	7,491	0.88%
U.S. Agency Bonds	27,005,705	19,210	0.84%
March 2017 Total	\$242,776,900	\$201,888	0.98%
Fiscal Year-To-Date	\$212,263,144	\$974,864	0.92%

*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 03/31/17.

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 ~ Mar 2017 the average return for 90 day U.S. Treasury Bills was .50%, and for the three months ended March 2017 the average was .59%.

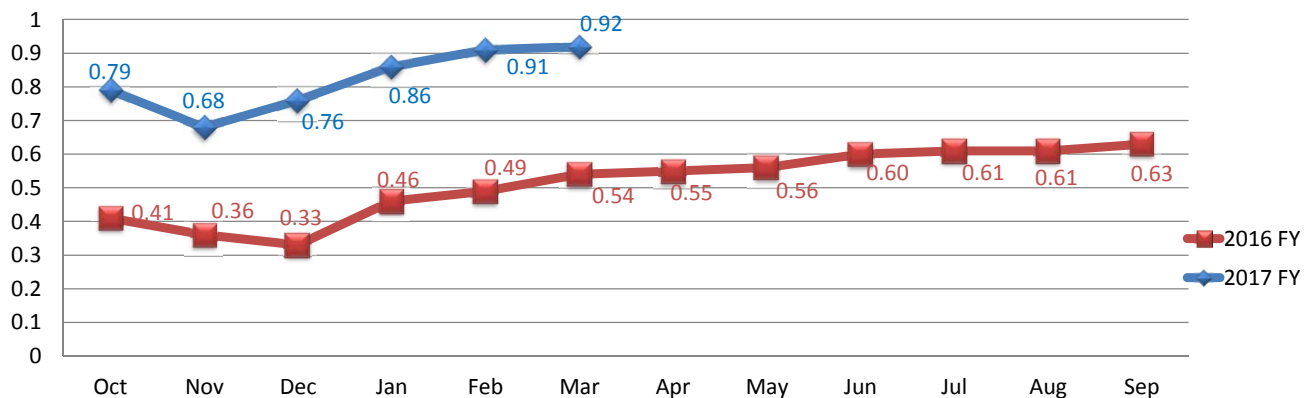
ECONOMIC COMMENTARY

✦ Personal consumption expenditures (PCE) rose from +1.2% to +1.3% quarter-over-quarter and held steady at +1.7% year-over-year. The more widely recognized consumer price index (CPI) is rising at a disconcerting +2.7% annual pace, but that should begin to taper off as the year-over-year base effects of last year's trough in energy prices fades away. While CPI is well above the Fed's +2.0% inflation target, the core rate (ex food and energy) is up a lesser +2.2%. And the Fed prefers the core PCE, which is really where their 2% target is directed.

✦ The median nonfarm payroll forecast is for +180k new jobs; this follows +235k previously reported. There is indication that the job count could be higher. The ADP report showed U.S. companies added +263k jobs, well above the median forecast of +185k.

✦ The Fed seems determined to raise rates at least two more times this year and may even begin to address their balance sheet late this year. Right now, it seems reasonable ...but the market calm is almost uncanny. As soon as the calm breaks, the Fed will reassess. The overnight target of the Bond Market is at 0.75% to 1.00% now and possibly as high as 1.50% to 1.75% by yearend, the two-year Treasury at 1.25% (for instance) doesn't look all that attractive. However, a lot of positive things need to happen to justify multiple increases from the Fed.

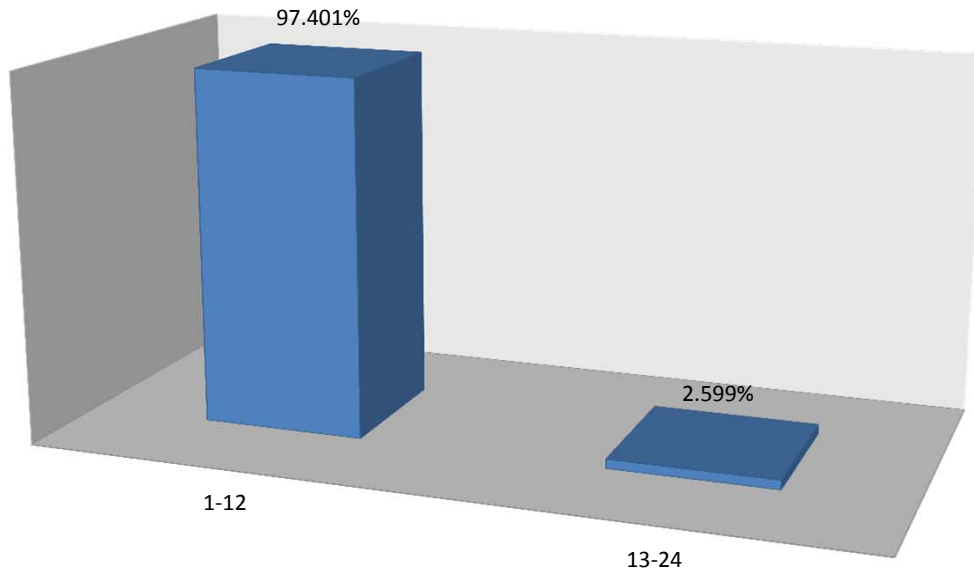
YEAR-TO-DATE YIELD COMPARISON





MONTHS TO MATURITY

Treasury Notes and Bonds



PORTFOLIO COMPOSITION

