MARTIN COUNTY, FLORIDA

MONTHLY INVESTMENT REPORT

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

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Investment	Average Daily Investment	Interest Earned/ Gains Realized	Average Yield
State Board of Administration (LGIP)	122,875,438	119,358	1.18%
FL Local Govt Investment Trust *	38,632,327	2,501	0.08%
FLGIT Day to Day Fund *	10,693,242	9,213	1.05%
U.S. Treasury Notes	9,993,394	7,491	0.91%
U.S. Agency Bonds	27,002,353	19,210	0.87%
June 2017 Total	$209,196,754	$157,773	0.92%
Fiscal Year-To-Date	$215,233,103	$1,593,627	0.99%

***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 06/30/17.**

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 ~ Jun 2017 the average return for 90 day U.S. Treasury Bills was .64%, and for the three months ended June 2017 the average was .91%.

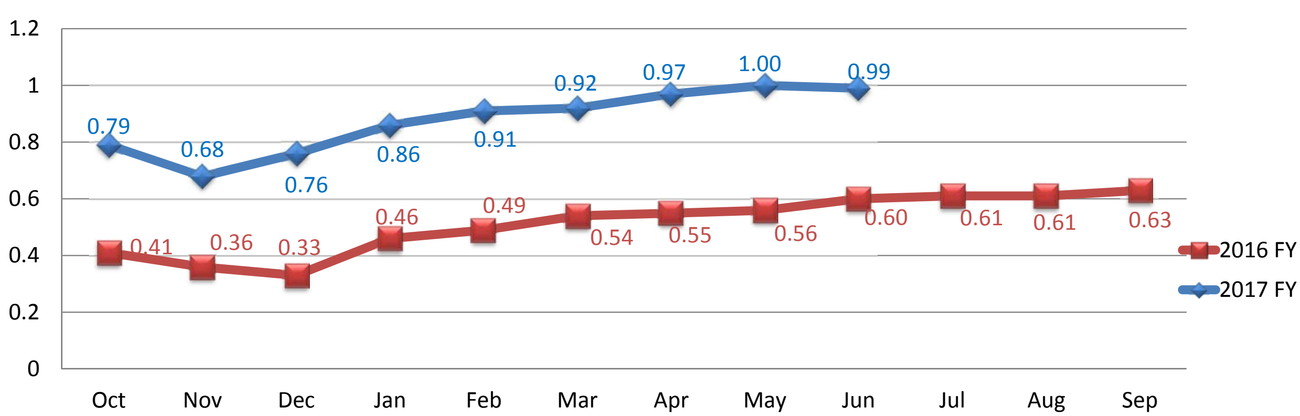
ECONOMIC COMMENTARY FROM OUTSIDE SOURCES

✧ U.S. businesses added +222k jobs to company payrolls in June, far exceeding the +178k median forecast, while revisions to the previous two months added another +47k. The three-month average, which had been just +121k, is now a very solid +194k.

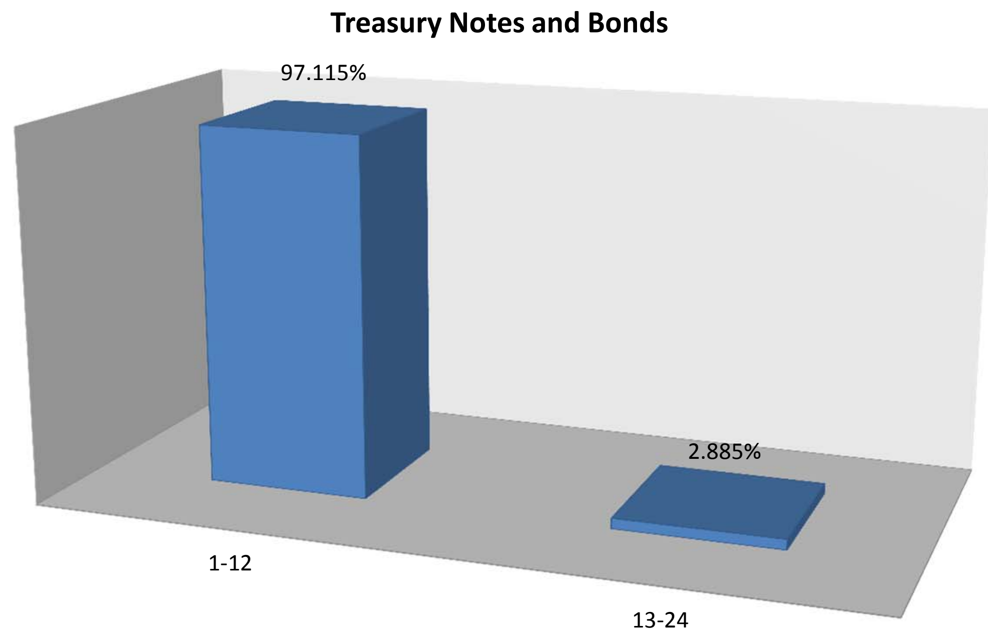
✧ The unemployment rate (which is calculated from a separate household survey) actually moved higher in June, increasing from 4.3% to 4.4%. The June household survey reported +245k Americans found work, while +361k joined (or rejoined) the labor force. The Fed has been determined that tightness in the labor market (as reflected in historically low 4.4% unemployment) will drive hourly wages up and eventually push overall inflation higher …but it isn't happening. Average hourly earnings rose by just +0.2% in June, while the May increase was revised downward to +0.1%. The year-over-year wage gain held at +2.5%, continuing a downward trend that began in January.

✧ Bond yields are mostly flat as Fed mindset hasn't changed. The Fed's most pressing concern right now is *future inflation*. If wages lag, and headline inflation (driven in large part by oil prices) slows, a rate hike in September becomes even less likely. As of now, the fed funds futures contract indicates just a 16% chance of a quarter point hike on September 20th, down from 22%.

YEAR-TO-DATE YIELD COMPARISON



MONTHS TO MATURITY



PORTFOLIO COMPOSITION