

Quarterly Investment Report

March 31, 2020

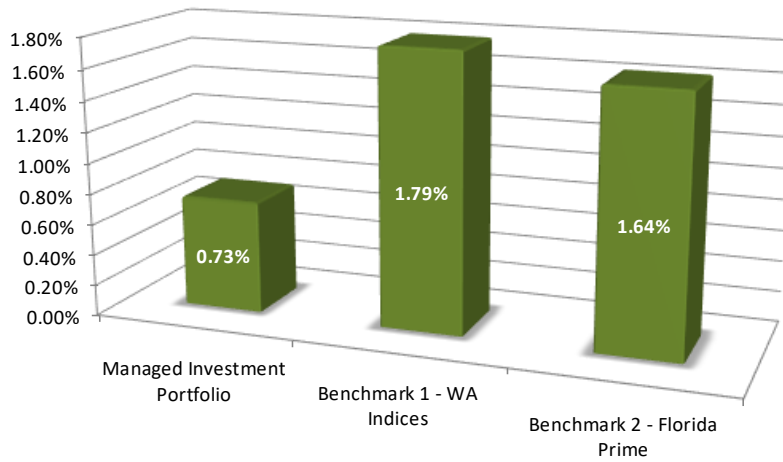


prepared by Cash Management Department

Table of Contents

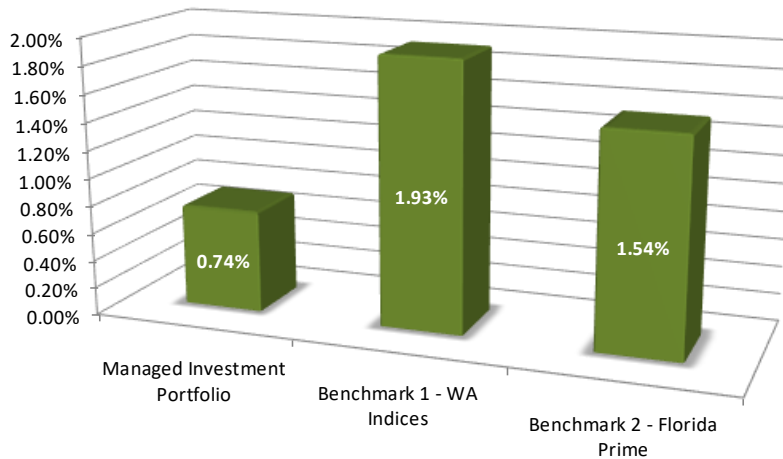
Section	Page
Yield Comparison Charts	1
Portfolio Composition Charts	2
Asset Value and Income Statement	3
Total Investment Value	4
Yield Comparison Analysis	6
Notes to Quarterly Report	7
Risk Disclosures	8

Yield Comparison March 31, 2020



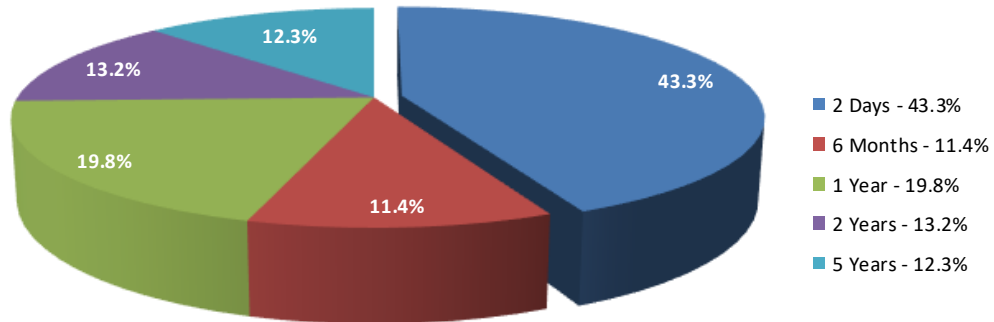
The yield on the district's managed investment program was 0.73% for the quarter ended March 31, 2020.

Yield Comparison Year to Date through March 31, 2020



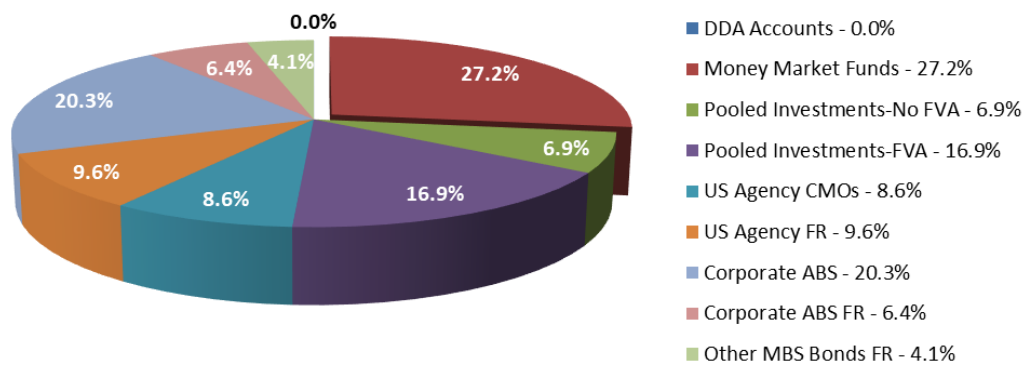
The yield on the district's managed investment program was 0.74% for the fiscal year ended March 31, 2020.

Investments by Duration March 31, 2020



The above chart breaks down the duration of the district’s investment by time frame. The largest category, 2 days duration, represents liquid cash that can be accessed within 2 days. The other categories represent investments whose modified duration falls within that time frame.

Investments by Type March 31, 2020



The above chart breaks down the district’s portfolio by investment type. For example, the largest category is Money Market Funds representing 27.2% of the portfolio.

Portfolio Assets	3/31/20	6/30/19	
Investment in U.S. Treasury and Agency Securities:			
Investments (securities at market value)	\$233,126,833	\$250,850,019	
Other Pooled Investments	80,504,412	35,901,108	
Accrued Interest Receivable and Prepaid Interest	565,592	672,263	
Total U.S. Treasury and Agency Securities	\$314,196,837	\$287,423,389	
Cash Investments			
Money market funds	129,203,093	274,088	
Pooled Cash Investments	32,636,757	1,944,612	
Bank accounts (DDA & MMA)	46,944	12,906,325	
Total Cash Investments	\$161,886,793	\$15,125,026	
Total Managed Investment Portfolio Value	\$476,083,630	\$302,548,415	
	Quarter End	Y-T-D	Prior Year
	3/31/20	3/31/20	6/30/19
Portfolio Income			
Interest Earned			
U.S. Government Securities & Other Pooled Accounts	1,778,489	4,293,534	7,398,820
Money Market Funds	426,223	712,990	1,137,908
Bank Accounts	0	0	0
Total Interest Earned	2,204,712	5,006,524	8,536,729
Net increase/(decrease) in fair value of investments - Note 2	(1,273,008)	(2,847,884)	246,140
Total Managed Investment Portfolio Earnings	\$931,704	\$2,158,640	\$8,782,869
	Quarter End	Y-T-D	Prior Year
	3/31/20	3/31/20	6/30/19
Yield Comparison - Page 5			
<i>Managed Investment Portfolio</i>			
Annualized Rate of Return	0.73%	0.74%	2.34%
<i>Benchmark 1 - Weighted Average of Comparable Indices</i>			
Annualized Rate of Return	1.79%	1.93%	3.13%
Managed Investment Portfolio Yield vs. Benchmark 1	-1.06%	-1.19%	-0.79%
<i>Benchmark 2 - Florida Prime MMF (SBA LGIP)</i>			
Annualized Rate of Return	1.64%	1.54%	2.31%
Managed Investment Portfolio Yield vs. Benchmark 2	-0.91%	-0.80%	0.03%

Pinellas County Schools
Quarterly Investment Report

March 31, 2020
Total Investment Value

Security Description	CUSIP	Book Value	Market Value	Unrealized Gain/Loss	Prepaid & Accrued Interest	Total Investment Value	Rtg	Mod. Dur.	% of Port
US Agency CMOs									
FNR 2013-126 DA	3136AHQR4	12,122,569	12,360,137	237,568	34,594	\$12,394,731	Aaa	0.22	2.6%
FNR 2020-10 JA	3136B9BF3	9,971,747	10,134,051	162,304	20,597	\$10,154,649	Aaa	0.92	2.1%
GNR 2013-78	38378KRQ4	5,924,640	5,953,200	28,560	8,003	\$5,961,203	Aaa	1.93	1.3%
GNR 2013-33 A	38378B7C7	7,314,669	7,371,596	56,928	6,623	\$7,378,219	Aaa	1.32	1.6%
GNR 2013-2 AF	38378B3V9	4,996,875	5,018,350	21,475	9,125	\$5,027,475	Aaa	2.16	1.1%
subtotal		\$40,330,500	\$40,837,334	\$506,835	\$78,942	\$40,916,276	AAA	1.08	8.6%
US Agency FR									
FH 2B7388	31326NF55	21,948,285	21,621,480	(326,805)	92,188	\$21,713,668	Aaa	1.23	4.5%
FN AL8226	3138ETD86	8,770,009	8,467,778	(302,231)	28,449	\$8,496,228	Aaa	2.29	1.8%
SBA POOL 522179	83165AUC6	2,421,858	2,366,503	(55,355)	20,231	\$2,386,734	Aaa	0.51	0.5%
SBA POOL 522500	83165A7M0	13,455,694	13,291,951	(163,743)	101,922	\$13,393,873	Aaa	0.65	2.8%
subtotal		\$46,595,846	\$45,747,713	(\$848,134)	\$242,791	\$45,990,503	AAA	1.22	9.6%
Corporate ABS									
AESOP 2016-1A A	05377RCD4	11,468,016	11,065,331	(402,685)	10,351	\$11,075,682	Aa2	0.97	2.3%
CARMX 2017-1 A4	14314JAD2	17,299,196	17,231,132	(68,064)	17,353	\$17,248,485	AAA	0.80	3.6%
COMET 2015-A8	14041NFB2	20,323,002	20,358,377	35,375	18,486	\$20,376,864	AAA	0.53	4.3%
FORDR 2016-2 A	34531BAA0	25,030,152	24,997,750	(32,402)	22,556	\$25,020,306	Aaa	2.39	5.3%
GCAR 2017-1A B	36253UAC5	3,220,032	3,206,883	(13,149)	4,255	\$3,211,138	AA	0.00	0.7%
OMFIT 2018-1A	68267BAA8	11,645,684	11,428,072	(217,612)	17,862	\$11,445,934	AAA	2.09	2.4%
TAOT 2017-D A3	89238KAD4	8,251,951	8,236,360	(15,592)	7,067	\$8,243,427	Aaa	0.44	1.7%
subtotal		\$97,238,033	\$96,523,906	(\$714,128)	\$97,930	\$96,621,836	AAA-	1.27	20.3%
Corporate ABS FR									
BCARD 2018-1A A	38406EAG4	9,034,793	9,006,701	(28,092)	4,432	\$9,011,133	AAA	0.00	1.9%
CCCIT 2018-A2 A	17305EGL3	9,002,703	8,780,400	(222,303)	3,309	\$8,783,709	Aaa	2.80	1.8%
MOTEL 17--MTL6A	61975FAA7	1,166,191	1,074,804	(91,388)	844	\$1,075,648	AAA	0.30	0.2%
NMOTR 2019-A A	65474VAQ4	10,317,902	9,851,242	(466,660)	5,767	\$9,857,008	Aaa	1.86	2.1%
VALET 2018-2A2B	92869BAC6	1,686,657	1,682,306	(4,352)	525	\$1,682,830	Aaa	0.00	0.4%
subtotal		\$31,208,247	\$30,395,452	(\$812,795)	\$14,876	\$30,410,328	AAA	1.42	6.4%

Pinellas County Schools
Quarterly Investment Report

March 31, 2020
Total Investment Value

Security Description	CUSIP	Book Value	Market Value	Unrealized Gain/Loss	Prepaid & Accrued Interest	Total Investment Value	Rtg	Mod. Dur.	% of Port
Other MBS Bonds FR									
SBA 510021	83164MD22	10,097,801	9,768,770	(329,032)	62,461	\$9,831,230	Aaa	0.77	2.1%
SBA 510189	83164MKA6	9,838,789	9,853,658	14,870	34,584	\$9,888,242	Aaa	0.61	2.1%
subtotal		\$19,936,590	\$19,622,428	(\$314,162)	\$97,044	\$19,719,472	AAA	0.69	4.1%
Cash, MMFs, & Investment Pools									
Bank Accounts ¹	N/A	46,944	46,944	0	0	46,944	NR	1d	0.0%
Money Market Funds ¹	N/A	129,260,520	129,203,093	(57,427)	33,720	129,236,813	Aaamf	0.13	27.2%
Pooled Investments-No FVA ¹	N/A	32,636,757	32,636,757	0	0	32,636,757	Aaamf	0.29	6.9%
Pooled Investments-FVA	N/A	80,459,881	80,504,412	44,531	0	80,504,412	Aaamf	0.14	16.9%
subtotal		\$242,404,102	\$242,391,206	(\$12,896)	\$33,720	\$242,424,926	NR	0.13	51.0%
Managed Investment Program		\$477,713,318	\$475,518,038	(\$2,195,280)	\$565,303	\$476,083,342	AAA	0.65	

¹Figure shown is Weighted Average Maturity, or WAM, instead of Modified Duration
Unrealized Gain/Loss as a percent of total market value:

-0.46%

	Quarter End 3/31/20	Y-T-D 3/31/20	Prior Year 6/30/19
Average Invested Value of Managed Investment Portfolio	\$510,935,458	\$386,059,084	\$377,640,409
Managed Investment Portfolio Yield			
Total Managed Investment Portfolio Earnings	\$931,508	\$2,158,640	\$8,837,735
<i>Managed Investment Portfolio Annualized Rate Of Return</i>	0.73%	0.74%	2.34%
Benchmark 1 - Weighted Average of Comparable Indices			
Pro Forma Interest Earnings:			
Quarter Ended 6/30/20			11,819,551
Quarter Ended 3/31/20	2,276,840	2,276,840	
Quarter Ended 12/31/19		750,650	
Quarter Ended 9/30/19		2,583,381	
Total Pro Forma Benchmark 1 Earnings	\$2,276,840	\$5,610,872	\$11,819,551
<i>Benchmark 1 Annualized Rate Of Return</i>	1.79%	1.93%	3.13%
Benchmark 2 - Florida Prime (SBA LGIP)			
Pro Forma Interest Earnings:			
Quarter Ended 6/30/20			8,730,042
Quarter Ended 3/31/20	2,077,089	2,077,089	
Quarter Ended 12/31/19		1,034,462	
Quarter Ended 9/30/19		1,367,291	
Total Pro Forma Benchmark 2 Earnings	\$2,077,089	\$4,478,842	\$8,730,042
<i>Benchmark 2 Annualized Rate Of Return</i>	1.64%	1.54%	2.31%
Earnings Comparison			
<i>Annualized Rate of Return</i>			
Managed Investment Portfolio vs. Benchmark 1	-1.06%	-1.19%	-0.79%
Managed Investment Portfolio vs. Benchmark 2	-0.91%	-0.80%	0.03%
<i>Dollar Earnings</i>			
Managed Investment Portfolio vs. Benchmark 1	(\$1,345,852)	(\$3,452,232)	(\$2,981,816)
Managed Investment Portfolio vs. Benchmark 2	(\$1,145,580)	(\$2,320,202)	\$107,693

Note 1 – Securities Valuation

Starting June 30, 1997, Investments are valued at current market value. Prior to August 12, 1992 all cash was invested with the SBA. The Managed Investment Program (MIP) refers to assets actively managed for higher earnings than what would be achieved if all surplus district cash were held in a deposit account. Cash needed for current expenditures is held in interest bearing deposit accounts, money market funds, and pooled investment accounts. Bonds are priced by comparing the current coupon to the yield an investor would get if they purchased a similar bond in the open market as of the pricing date. An inverse relationship exists between yield and price. When yields rise, market prices fall, conversely when yields fall, market prices rise. The district uses the custodian’s market prices to value its securities at month-end. The custodian purchases its pricing from IDC, Interactive Data Corporation. IDC is a provider of global investment market data to the financial industry.

Note 2 – Calculation of Net increase/(decrease) in fair value of investments

The Governmental Accounting Standards Board (GASB) Statement 31 requires that all Governmental entities must adjust the book value of most investment securities to current market value. Securities with a fixed coupon and a final maturity of less than one year are exempt. Since most securities held by money market funds meet the above criteria, investments in money market funds are also exempt. The amount of the adjustment will be netted against interest earned for the reporting period. Securities exempt from GASB 31 will be recorded on the books at amortized cost.

At month end, the market prices from the district’ custodian, will be used to calculate the change in fair value from the prior month. The changes in value and interest earnings are booked to the general ledger in separate revenue functions. Since the district’s strategy is to buy and hold, over time, the net of the change in value and interest earnings should closely approximate the purchase yield of the portfolio. The following table summarizes the relationship between realized gains and losses and the adjustment to fair value per GASB 31.

March 31, 2020	<u>Quarter End</u>	<u>Fiscal Y-T-D</u>	<u>Prior Fiscal Year</u>
Realized Gains/Losses	0	102,947	(1,051,444)
MV Adjustment for Period	(1,273,008)	(2,950,831)	(2,070,711)
Net Incr/(Decr) in fair value of investments	<u>(1,273,008)</u>	<u>(2,847,884)</u>	<u>(3,122,155)</u>

Note 3 – Cumulative Return Over the SBA

For the fiscal year-to-date, the Managed Investment Portfolio’s (MIP) earnings were less than the State Board of Administration’s (SBA) local government investment pool by (\$2,320,202). Since June 2015, the MIP’s cumulative earnings were over the SBA by (4,296,705).

Note 4 – Effect of Unrealized Gains and Losses on Income

The district’s MIP currently has an unrealized loss of \$2,195,280. This figure has been netted against interest income. If the district’s bonds were priced at par (100) as of March 31, 2020, the district’s cumulative earnings over the SBA would be (\$2,101,425) since June 2015.

Note 5 – Implied Ratings on US Agency Mortgage-Backed Securities

Mortgage-backed securities (MBS), including pools and Collateralized Mortgage Obligations (CMO), issued by US government agencies (GNMA, FNMA, and FHLMC) are not rated by the any rating agency. This is due to the implicit, in the case of FNMA and FHLMC, and explicit, in the case of GNMA, backing of the United States government. An implied rating based on the sovereign rating of US government issued debt is used. Currently this rating is AAA.

Credit Risk

The district's Investment Policy (6144) permits investments in US government and US government guaranteed bonds, Federal agency (Government Sponsored Enterprise, GSE) bonds, collateralized bonds, and short-term, money market investments. The district has \$126,919,358 in corporate asset-backed securities. The credit enhancements, short duration, and high ratings of these bonds demonstrate the safety and liquidity of these bonds. Securities in the Exempt category include U.S. Government obligations and obligations with an explicit U.S. Government guarantee. The non-compliant category consists of the district's investment in SBA Fund B accounts. This investment is frozen by the SBA. Money is distributed as the investments in the fund return principal or mature.

Credit Risk

Investment Category	Market Value	Average Rating
Cash	\$46,944	NR
Money Market Fund	\$129,203,093	AAA
Pooled Investments-No FVA	\$32,636,757	AAA
Pooled Investments-FVA	\$80,504,412	AAA
US Agency CMOs	\$40,837,334	AAA
US Agency FR	\$45,747,713	AAA
Corporate ABS	\$96,523,906	AAA-
Corporate ABS FR	\$30,395,452	AAA
Other MBS Bonds FR	\$19,622,428	AAA
Portfolio	\$475,518,038	AAA

Concentration of Credit Risk

The district's Investment Policy (6144) permits investments in US government and US government guaranteed bonds, Federal agency (Government Sponsored Enterprise, GSE) bonds, collateralized bonds, and short-term, money market investments. For this reason, the Policy does not separately address concentration of credit risk. The Manager, Cash & Investments is allowed to invest up to 5% of the total portfolio value in bonds that are not otherwise permitted under the Funds Management Policy. The concentration risk of these investments is 5%.

Securities exempt from Concentration of Credit Risk disclosure include U.S. Government obligations and obligations with an explicit U.S. Government guarantee. In addition, investment pools and money market fund investments are also exempt.

Concentration of Credit Risk

Issuer	Percent of Total	Market Value	Issuer Full Name
EX	50.97%	242,391,206	Exempt
FNMA	6.51%	30,961,967	Federal National Mtge Assoc
SBAD	7.42%	35,280,882	Small Business Administration
FORDR	5.26%	24,997,750	Ford Credit Auto Owner Trust

Securities Where Issuer Represents More Than 5% of Portfolio

Issuer	CUSIP	Market Value	Description
FORDR	34531BAA0	24,997,750.00	FORDR 2016-2 A
SBAD	83165A7M0	13,291,950.88	SBA POOL 522500
FNMA	3136AHQR4	12,360,137.01	FNR 2013-126 DA
FNMA	3136B9BF3	10,134,051.34	FNR 2020-10 JA
SBAD	83164MKA6	9,853,658.40	SBA 510189
SBAD	83164MD22	9,768,769.59	SBA 510021
FNMA	3138ETD86	8,467,778.25	FN AL8226
SBAD	83165AUC6	2,366,503.26	SBA POOL 522179

Interest Rate Risk

The district's Investment Policy (6144) requires the average duration of the portfolio to be less than five years.

Modified Duration Risk

Modified duration expresses the amount of time in years until half of the principal is returned. This calculation takes into account the coupon rate, interest and principal payment frequency, call options, and sensitivity of price to changes in interest rates. Factors that extend the return of principal, or make it more time uncertain, increase the duration. Factors that quicken the return of principal, or make it more time certain, decrease the duration. Duration will also change as the level of interest rates in the economy rise and fall. With the current level of interest rates, the above table indicates that the district will receive 50% of invested principal in 0.69 years, or 8.28 months.

Floating/Adjustable Interest Rate Risk

The district currently has \$95,765,593 invested in securities with floating or adjustable interest rate risk. \$95,765,593 is invested in floating rate bonds. The coupon on these bonds resets monthly, or quarterly, based on an index rate. The coupons on these bonds range from 0.93% to 6.01%.

Call Option Risk

There are three types of call options, "one-time" calls, "discrete" calls and "continuous" calls. These are listed in order of increasing risk. A one-time call means that at one specified time before maturity, the issuer of a bond has the option to call the bond, or buy it back from investors. A discrete call means that at specific times, usually either quarterly or semi-annually, before maturity, the issuer can call the bond. A continuous call means that starting at a specified point in time, usually an interest payment date, and at any time thereafter, up to the maturity date, the issuer can call the bond. The district currently has no callable bonds.

MBS/ABS Prepayment Risk

There are two types of Mortgage-Backed Securities (MBSs) in which the district invests. Agency pools are collections, or pools, of mortgages in which the investor receives the principal and interest payments in the same proportion as the borrowers pay them. CMO bonds are backed by mortgage pools, however, the principal payment of the bond has been altered to be either more or less time certain than the underlying mortgages. ABS bonds are securities that are collateralized by financial products other than residential mortgages. For example car loans/leases, commercial mortgages, or credit card loans. MBSs have a unique type of "call" risk, in that homeowners may opt to prepay their mortgage at any time. While there are many factors which determine whether a homeowner will prepay their mortgage, one of the most significant is the level of interest rates. When rates fall it is more advantageous to the homeowner to refinance their mortgage to a lower rate. When rates rise, this type of prepayment will decrease.

The duration on the District's portfolio ranges from 0 years to 2.8 years. The duration on the District's ABS/MBS bonds ranges from 0.22 years to 2.8 years.

Interest Rate Risk

Investment Category	Market Value	Mod. Dur.
Exempt	\$129,250,036	0.13
Pooled Investments-No FVA	\$32,636,757	0.29
Pooled Investments-FVA	\$80,504,412	0.58
US Agency CMOs	\$40,837,334	1.08
US Agency FR	\$45,747,713	1.22
Corporate ABS	\$96,523,906	1.27
Corporate ABS FR	\$30,395,452	1.42
Other MBS Bonds FR	\$19,622,428	0.69
Portfolio	\$475,518,038	0.65