

# Quarterly Investment Report

March 31, 2021

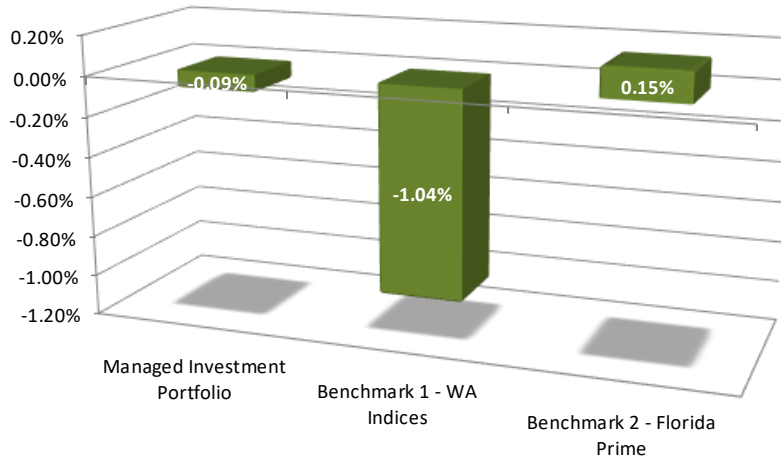


prepared by Cash Management Department

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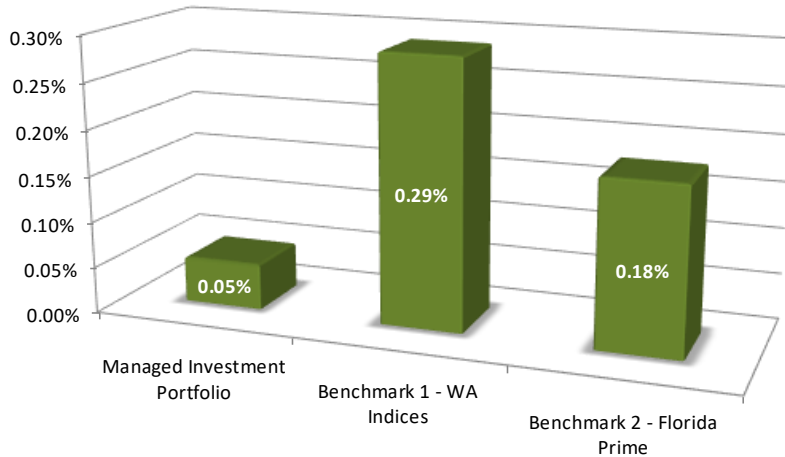
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### Yield Comparison March 31, 2021



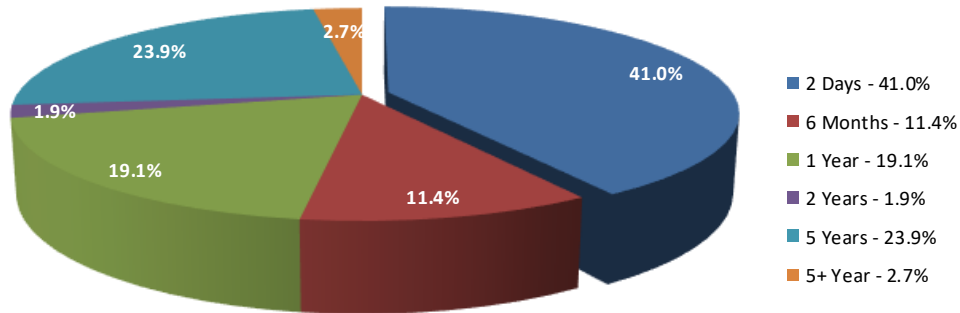
The yield on the district's managed investment program was -0.09% for the quarter ended March 31, 2021.

### Yield Comparison Year to Date through March 31, 2021



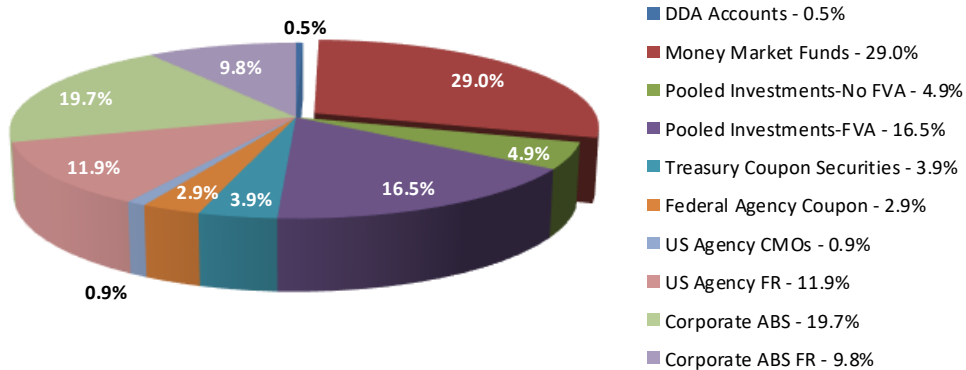
The yield on the district's managed investment program was 0.05% for the fiscal year ended March 31, 2021.

### Investments by Duration March 31, 2021



The above chart breaks down the duration of the district’s investment by time frame. The largest category, at 41% is 2 days duration, which 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, 2021



The above chart breaks down the district’s portfolio by investment type. For example, the largest category is Money Market Funds representing 29% of the portfolio.

<b>Portfolio Assets</b>	<b>3/31/21</b>	<b>6/30/20</b>	
Investment in U.S. Treasury and Agency Securities:			
Investments (securities at market value)	\$252,040,445	\$219,430,319	
Other Pooled Investments	84,815,678	34,299,194	
Accrued Interest Receivable and Prepaid Interest	389,304	405,903	
<b>Total U.S. Treasury and Agency Securities</b>	<b>\$337,245,427</b>	<b>\$254,135,415</b>	
Cash Investments			
Money market funds	149,108,235	35,173,727	
Pooled Cash Investments	25,007,709	16,326,963	
Bank accounts (DDA & MMA)	2,323,781	419,263	
<b>Total Cash Investments</b>	<b>\$176,439,724</b>	<b>\$51,919,953</b>	
<b>Total Managed Investment Portfolio Value</b>	<b>\$513,685,151</b>	<b>\$306,055,368</b>	
	<b>Quarter End</b>	<b>Y-T-D</b>	<b>Prior Year</b>
	<b>3/31/21</b>	<b>3/31/21</b>	<b>6/30/20</b>
<b>Portfolio Income</b>			
Interest Earned			
U.S. Government Securities & Other Pooled Accounts	1,241,337	2,917,979	5,735,732
Money Market Funds	23,219	37,672	848,698
Bank Accounts	0	0	0
<b>Total Interest Earned</b>	<b>1,264,556</b>	<b>2,955,652</b>	<b>6,584,430</b>
Net increase/(decrease) in fair value of investments - Note 2	(1,378,389)	(2,805,582)	(760,511)
<b>Total Managed Investment Portfolio Earnings</b>	<b>(\$113,833)</b>	<b>\$150,070</b>	<b>\$5,823,919</b>
	<b>Quarter End</b>	<b>Y-T-D</b>	<b>Prior Year</b>
	<b>3/31/21</b>	<b>3/31/21</b>	<b>6/30/20</b>
<b>Yield Comparison - Page 5</b>			
<i>Managed Investment Portfolio</i>			
Annualized Rate of Return	-0.09%	0.05%	1.41%
<i>Benchmark 1 - Weighted Average of Comparable Indices</i>			
Annualized Rate of Return	-1.04%	0.29%	2.89%
<b>Managed Investment Portfolio Yield vs. Benchmark 1</b>	<b>0.95%</b>	<b>-0.24%</b>	<b>-1.48%</b>
<i>Benchmark 2 - Florida Prime MMF (SBA LGIP)</i>			
Annualized Rate of Return	0.15%	0.18%	1.28%
<b>Managed Investment Portfolio Yield vs. Benchmark 2</b>	<b>-0.24%</b>	<b>-0.13%</b>	<b>0.13%</b>

Pinellas County Schools  
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March 31, 2021  
Total Investment Value

Security Description	CUSIP	Book Value	Market Value	Unrealized Gain/Loss	Prepaid & Accrued Interest	Total Investment Value	Rtg	Mod. Dur.	% of Port
<b>Treasury Coupon Securities</b>									
UST1/2% 2/28/26	91282CBQ3	9,850,191	9,799,200	(50,991)	4,348	\$9,803,548	Aaa	4.84	1.9%
UST1/8% 2/28/23	91282CBN0	9,993,174	9,993,800	626	1,087	\$9,994,887	Aaa	1.91	1.9%
subtotal		\$19,843,365	\$19,793,000	(\$50,365)	\$5,435	\$19,798,435	AAA	3.36	3.9%
<b>Federal Agency Coupon</b>									
FHLB1/4% 9/23	3130ALNG5	14,998,653	14,985,150	(13,503)	208	\$14,985,358	Aaa	2.48	2.9%
subtotal		\$14,998,653	\$14,985,150	(\$13,503)	\$208	\$14,985,358	AAA	2.48	2.9%
<b>US Agency CMOs</b>									
FNR 2013-126 DA	3136AHQR4	4,887,797	4,866,658	(21,139)	13,948	\$4,880,606	AAA	0.42	0.9%
GNR 2013-33 A	38378B7C7	42	43	1	0	\$43	AAA	0.92	0.0%
subtotal		\$4,887,839	\$4,866,701	(\$21,138)	\$13,948	\$4,880,649	AAA	0.42	0.9%
<b>US Agency FR</b>									
SBA 522623	83165BD41	6,582,442	6,336,905	(245,537)	28,092	\$6,364,998	AAA	0.82	1.2%
SBA 522634	83165BEF5	21,921,549	21,818,013	(103,535)	127,758	\$21,945,771	AAA	0.83	4.3%
SBA 522638	83165BEK4	10,030,064	9,950,539	(79,525)	46,654	\$9,997,193	AAA	0.87	1.9%
SBA POOL 522179	83165AUC6	1,891,612	1,827,327	(64,285)	11,383	\$1,838,710	AAA	0.61	0.4%
FHMS KF53 A	3137FJY29	8,526,629	8,500,157	(26,472)	837	\$8,500,994	AAA	3.75	1.7%
FHMS KF58 A MTG	3137FL2Q6	12,624,697	12,531,245	(93,452)	1,501	\$12,532,746	AAA	4.03	2.4%
subtotal		\$61,576,993	\$60,964,186	(\$612,807)	\$216,225	\$61,180,411	AAA	1.89	11.9%
<b>Corporate ABS</b>									
AESOP 2016-1A A	05377RCD4	5,702,915	5,685,507	(17,408)	5,176	\$5,690,683	AAA	0.00	1.1%
CAALT 2020-3A A	22536BAA0	8,428,684	8,386,701	(41,983)	4,580	\$8,391,281	Aaa	2.13	1.6%
DRIVE 2018-2	26208JAG8	26,117,266	26,000,420	(116,846)	46,697	\$26,047,117	Aaa	0.62	5.1%
FORDR 2018-2 A	34528HAA2	21,418,251	21,338,400	(79,851)	30,844	\$21,369,244	Aaa	2.20	4.2%
HFLF 2019-1 A2	428041BK2	8,234,325	8,206,512	(27,812)	12,768	\$8,219,280	Aaa	0.00	1.6%
OMFIT 2018-1A	68267BAA8	11,218,659	11,099,580	(119,079)	17,237	\$11,116,817	AAA	0.34	2.2%
SCLP 2019-2 B	83406CAB5	7,348,770	7,331,400	(17,370)	3,864	\$7,335,264	AAA	0.59	1.4%
TMCAT 2020-AA	88641WAB5	13,017,278	13,005,475	(11,803)	7,987	\$13,013,462	AAA	0.40	2.5%
subtotal		\$101,486,147	\$101,053,996	(\$432,152)	\$129,152	\$101,183,148	AAA	0.93	19.7%

Pinellas County Schools  
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March 31, 2021  
Total Investment Value

Security Description	CUSIP	Book Value	Market Value	Unrealized Gain/Loss	Prepaid & Accrued Interest	Total Investment Value	Rtg	Mod. Dur.	% of Port
<b>Corporate ABS FR</b>									
CCCIT 2018-A2 A	17305EGL3	9,002,141	9,034,470	32,329	1,102	\$9,035,572	Aaa	0.48	1.8%
NFMOT 2019-2A A	65341KBJ4	10,060,823	10,084,800	23,977	3,806	\$10,088,606	Aaa	0.45	2.0%
NMOTR 2019-A A	65474VAQ4	10,302,966	10,302,784	(182)	3,227	\$10,306,011	Aaa	0.45	2.0%
NSLT 2004-4 A5	64031QBK6	7,230,108	7,219,446	(10,663)	5,058	\$7,224,504	Aaa	3.06	1.4%
SLMA 2006-10 A6	78443BAG1	13,821,047	13,735,913	(85,134)	9,511	\$13,745,424	Aa1	8.32	2.7%
subtotal		\$50,417,085	\$50,377,413	(\$39,672)	\$22,704	\$50,400,117	AAA-	2.97	9.8%
<b>Cash, MMFs, &amp; Investment Pools</b>									
Bank Accounts <sup>1</sup>	N/A	2,323,781	2,323,781	0	0	2,323,781	BBB	1d	0.5%
Money Market Funds <sup>1</sup>	N/A	149,114,580	149,108,235	(6,345)	2,456	149,110,690	Aaamf	0.2	29.0%
Pooled Investments-No FVA <sup>1</sup>	N/A	25,007,709	25,007,709	0	0	25,007,709	Aaamf	0.39	4.9%
Pooled Investments-FVA	N/A	84,815,678	84,815,678	0	0	84,815,678	Aaamf	1.69	16.5%
subtotal		\$261,261,747	\$261,255,402	(\$6,345)	\$2,456	\$261,257,858	AAA	0.68	50.9%
Managed Investment Program		\$514,471,830	\$513,295,847	(\$1,175,983)	\$390,129	\$513,685,976	AAA	1.25	

<sup>1</sup>Figure shown is Weighted Average Life, or WAL, instead of Modified Duration  
Unrealized Gain/Loss as a percent of total market value:

-0.23%

	<b>Quarter End 3/31/21</b>	<b>Y-T-D 3/31/21</b>	<b>Prior Year 6/30/20</b>
Average Invested Value of Managed Investment Portfolio	\$540,386,582	\$386,762,374	\$411,681,729
<b>Managed Investment Portfolio Yield</b>			
Total Managed Investment Portfolio Earnings	( <b>\$113,833</b> )	\$150,070	\$5,823,919
<i>Managed Investment Portfolio Annualized Rate Of Return</i>	<b>-0.09%</b>	<b>0.05%</b>	<b>1.41%</b>
<b>Benchmark 1 - Weighted Average of Comparable Indices</b>			
Pro Forma Interest Earnings:			
Quarter Ended 6/30/21			11,889,544
Quarter Ended 3/31/21	( <b>1,391,887</b> )	( <b>1,391,887</b> )	
Quarter Ended 12/31/20		645,244	
Quarter Ended 9/30/20		1,589,440	
Total Pro Forma Benchmark 1 Earnings	( <b>\$1,391,887</b> )	\$842,797	\$11,889,544
<i>Benchmark 1 Annualized Rate Of Return</i>	<b>-1.04%</b>	<b>0.29%</b>	<b>2.89%</b>
<b>Benchmark 2 - Florida Prime (SBA LGIP)</b>			
Pro Forma Interest Earnings:			
Quarter Ended 6/30/21			5,279,428
Quarter Ended 3/31/21	199,111	199,111	
Quarter Ended 12/31/20		108,179	
Quarter Ended 9/30/20		223,848	
Total Pro Forma Benchmark 2 Earnings	\$199,111	\$531,138	\$5,279,428
<i>Benchmark 2 Annualized Rate Of Return</i>	<b>0.15%</b>	<b>0.18%</b>	<b>1.28%</b>
<b>Earnings Comparison</b>			
<i>Annualized Rate of Return</i>			
Managed Investment Portfolio vs. Benchmark 1	<b>0.95%</b>	<b>-0.24%</b>	<b>-1.48%</b>
Managed Investment Portfolio vs. Benchmark 2	<b>-0.24%</b>	<b>-0.13%</b>	<b>0.13%</b>
<i>Dollar Earnings</i>			
Managed Investment Portfolio vs. Benchmark 1	<b>\$1,278,054</b>	( <b>\$692,727</b> )	( <b>\$6,065,624</b> )
Managed Investment Portfolio vs. Benchmark 2	( <b>\$312,944</b> )	( <b>\$381,068</b> )	<b>\$544,492</b>



**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.

<b>March 31, 2021</b>	<u>Quarter End</u>	<u>Fiscal Y-T-D</u>	<u>Prior Fiscal Year</u>
Realized Gains/Losses	(1,305)	(39,890)	102,947
MV Adjustment for Period	(1,377,084)	(2,765,691)	(863,457)
Net Incr/(Decr) in fair value of investments	<u>(1,378,389)</u>	<u>(2,805,582)</u>	<u>(760,511)</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 (\$381,068). For the year-to-date plus the prior four fiscal years, the MIP’s cumulative earnings were over the SBA by (2,399,629).

**Note 4 – Effect of Unrealized Gains and Losses on Income**

The district’s MIP currently has an unrealized loss of \$1,175,983. This figure has been netted against interest income. If the district’s bonds were priced at par (100) as of March 31, 2021, the district’s cumulative earnings over the SBA would be -\$1,223,646 for the current five-year period.

**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 \$151,431,408 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	\$2,323,781	Baa
Money Market Fund	\$149,108,235	AAA
Pooled Investments-No FVA	\$25,007,709	AAA
Pooled Investments-FVA	\$84,815,678	AAA
Treasury Coupon Securities	\$19,793,000	AAA
Federal Agency Coupon	\$14,985,150	AAA
US Agency CMOs	\$4,866,701	AAA
US Agency FR	\$60,964,186	AAA
Corporate ABS	\$101,053,996	AAA
Corporate ABS FR	\$50,377,413	AAA-
<b>Portfolio</b>	<b>\$513,295,847</b>	<b>AAA</b>

#### 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	50.90%	261,255,402	Exempt
SBA	7.42%	38,105,457	State Board of Administration
DRIVE	5.07%	26,000,420	Drive Financial Services

**Securities Where Issuer Represents More Than 5% of Portfolio**

Issuer	CUSIP	Market Value	Description
DRIVE	26208JAG8	26,000,419.63	DRIVE 2018-2
SBA	83165BEF5	21,818,013.48	SBA 522634
SBA	83165BEK4	9,950,538.50	SBA 522638
SBA	83165BD41	6,336,905.47	SBA 522623

**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 1.25 years, or 15months.

**Floating/Adjustable Interest Rate Risk**

The district currently has \$90,310,197 invested in securities with floating or adjustable interest rate risk. \$90,310,197 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 0.37% 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 8.32 years. The duration on the District's ABS/MBS bonds ranges from 0.34 years to 8.32 years.

**Interest Rate Risk**

<b>Investment Category</b>	<b>Market Value</b>	<b>Mod. Dur.</b>
Exempt	\$151,432,016	0.16
Pooled Investments-No FVA	\$25,007,709	0.39
Pooled Investments-FVA	\$84,815,678	1.69
Treasury Coupon Securities	\$19,793,000	3.36
Federal Agency Coupon	\$14,985,150	2.48
US Agency CMOs	\$4,866,701	0.42
US Agency FR	\$60,964,186	1.89
Corporate ABS	\$101,053,996	0.93
Corporate ABS FR	\$50,377,413	2.97
<b>Portfolio</b>	<b>\$513,295,847</b>	<b>1.25</b>