

Presentation to the Pinellas County Board of County Commissioners

Investment Portfolio Review By

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Clerk of the Circuit Court & Comptroller

Tuesday, March 20, 2018

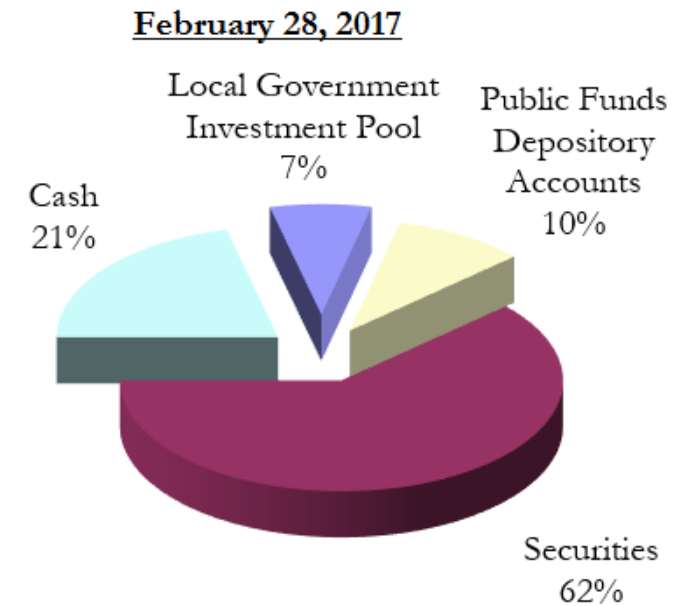
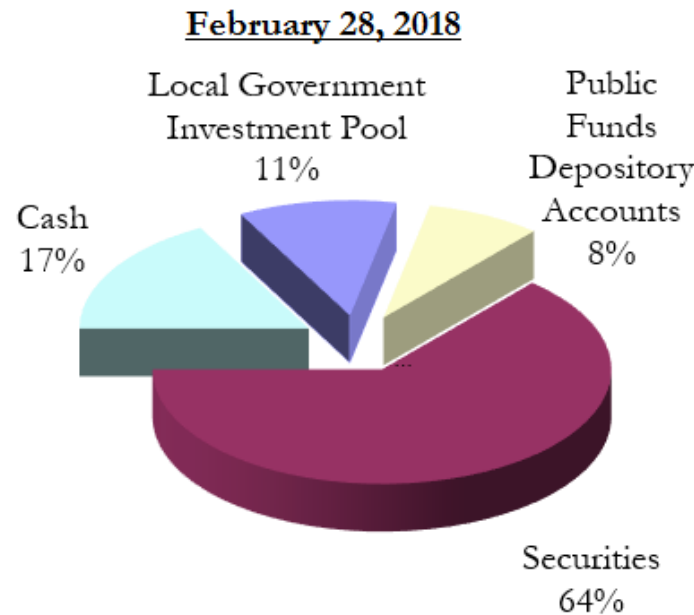


Portfolio Compliance

- Section 218.415, Florida Statutes, and 2-144 Pinellas County Code, authorize the Board of County Commissioners to adopt a written investment plan to guide investment activity of the County.
- The County's investment portfolio is in compliance with the written investment plan and Florida State Statutes.
- The investment portfolio is well diversified in highly rated U.S. Treasury Notes, Federal Agency Notes.
- Cash and money market funds provide liquidity for short term expenditures.

Portfolio Characteristics

➤ Portfolio Characteristics as of:	February 28, 2018	February 28, 2017
➤ Total Portfolio Book Value:	\$1,144,409,036	\$1,159,052,498
➤ Long Term Portfolio Weighted Average Maturity:	1.09 Years	1.23 Years
➤ Year to Date Composite Yield:	1.27%	0.88%
➤ Year to Date Earnings:	\$5,312,727	\$3,566,608

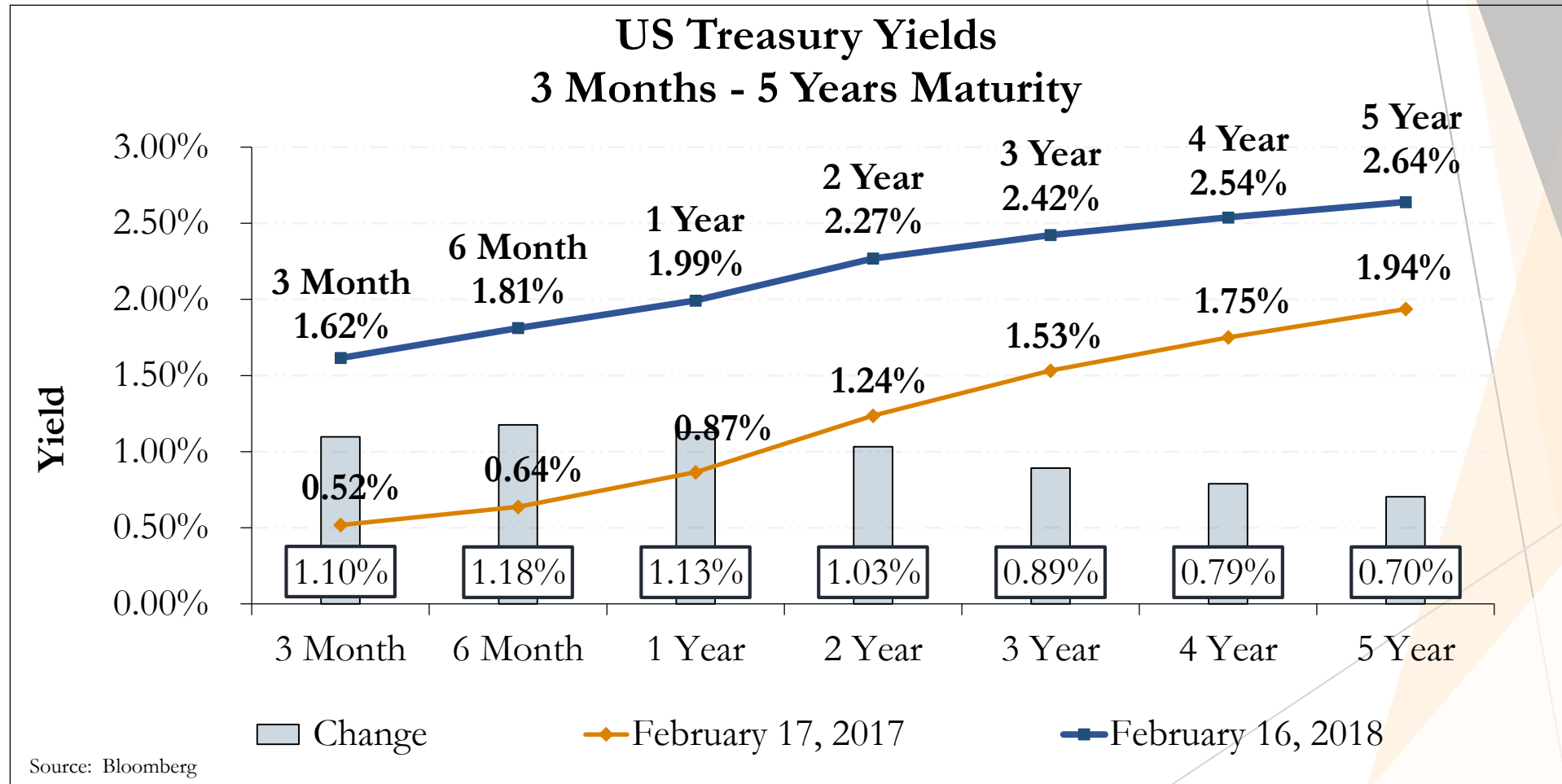


Economic Update

- Federal Funds Rate – The FOMC met in December 2017 and raised federal funds target rate to 1.25% - 1.50%, the fifth increase in two years.
- Interest rates are higher compared to a year ago and inflationary pressures may be on the horizon which may continue this trend.
- The U.S. economy grew by 2.5% during the fourth quarter of 2017 and expectations of 2.5% - 3.0% growth in 2018.
- Nationally, the housing market continues to be robust as home prices continue the longer trend higher, and sales remain above six million on an annual basis.

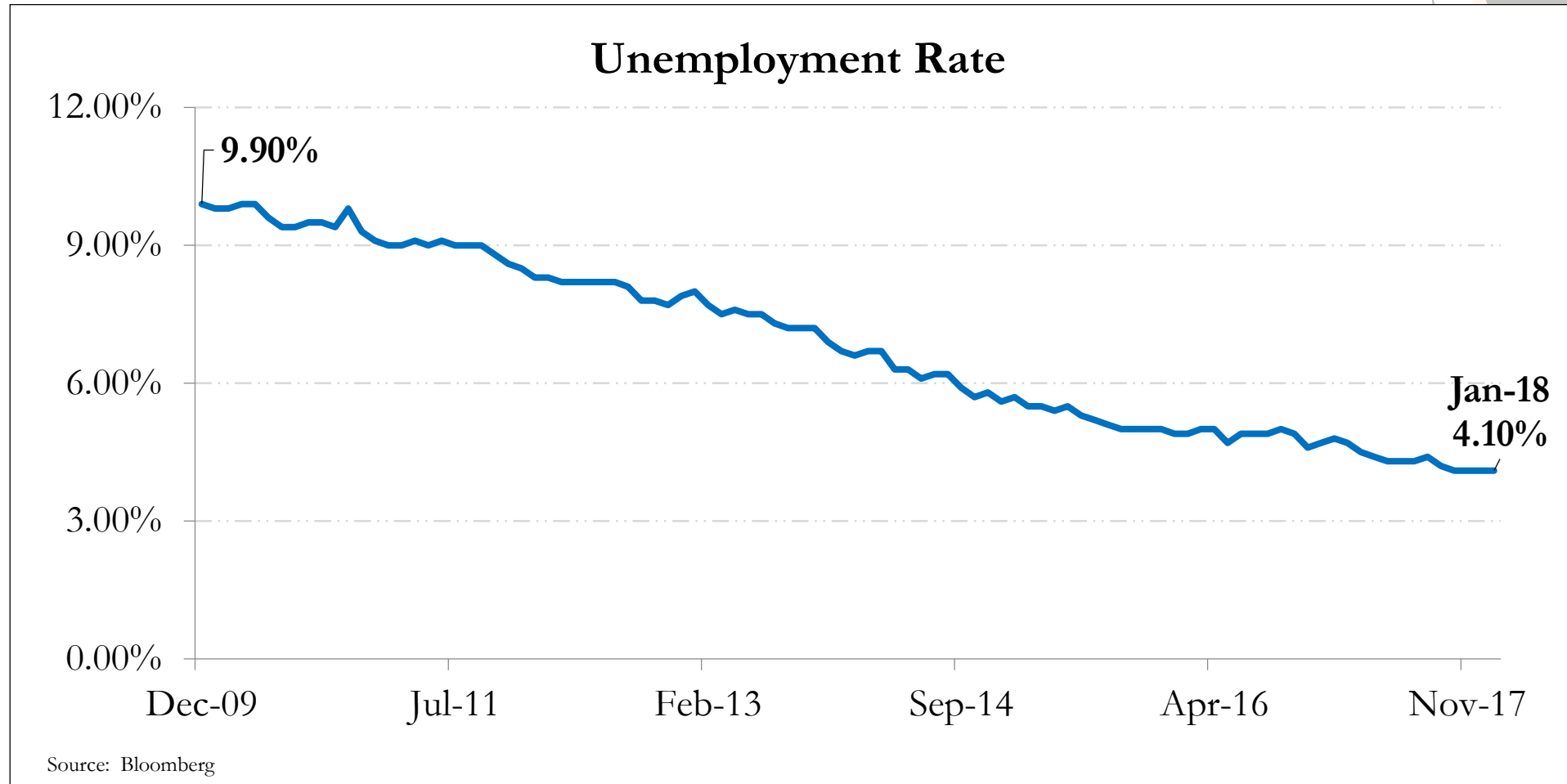
U.S. Treasury Yield Curve

- Interest rates trended higher throughout 2017 and continue in the first quarter of 2018.



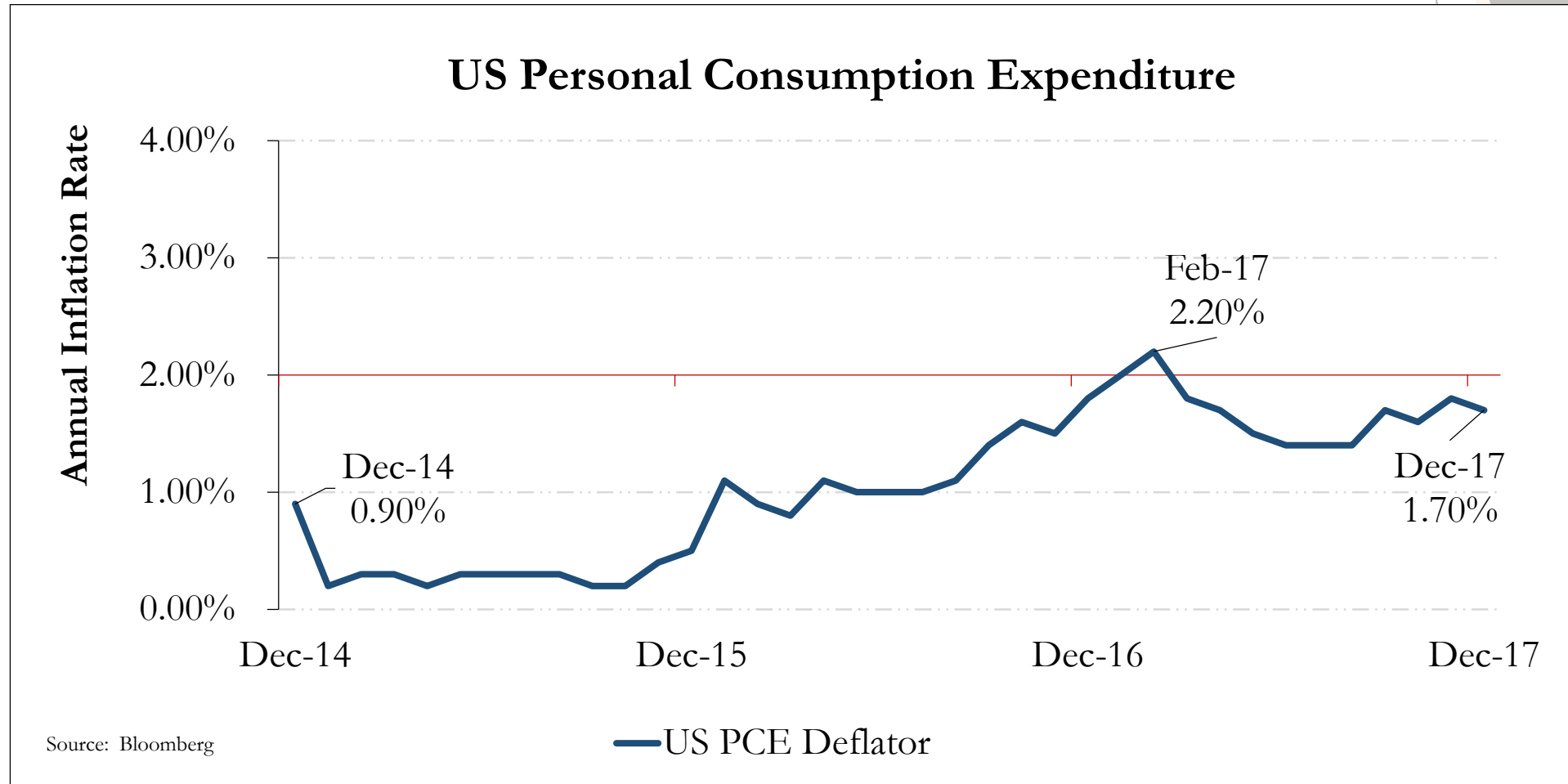
Unemployment

- Labor markets remain strong with low unemployment and steady job creation.



Inflation

- Inflation indicators remain persistently below the Fed's 2.0% target although recent indications suggest higher inflation may be on the horizon for 2018.



Partnership with Public Trust

- Public Trust Advisors was selected through a competitive RFP process to provide investment advice to the Clerk's Office.
- This relationship provides the Clerk's Finance Division with additional resources for investment decisions and overall portfolio strategy.
- The Clerk's office holds monthly formal strategy calls with Public Trust's portfolio management and investment advisory professionals.
- Public Trust provides advice for each investment based on market conditions, current interest rates and the current portfolio structure.
- Public Trust is also working with the Finance Division to develop a formal cash flow analysis.

Investment Strategy

- The Clerk's Finance Division has invested Ad Valorem receipts based on anticipated cash flows.
- The portfolio allocation of bonds and overnight investments is on target.
- Each investment decision is based on discussions with Public Trust and the Finance Division.
- The Finance Division maintains detailed records of all investment holdings and transactions.
- Safety of funds and liquidity are the two primary investment objectives.

Investment Reporting

- An investment portfolio summary is published and distributed to the investment committee monthly
- For the first three quarters of the County's fiscal year, a Quarterly Investment Report is published
- An Annual Investment Report is published at the end of each fiscal year
- Reports are available to the public on the internet at <https://www.pinellasclerk.org/aspInclude2/ASPInclude.asp?pageName=investmentreports.htm>

Public Trust Advisors Additional Disclosures

This presentation is for information purposes only and is not intended to provide specific advice or recommendations. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. All information is assumed to be correct but the accuracy has not been confirmed and therefore is not guaranteed to be correct. Information is obtained from third party sources that may or may not be verified. Any financial and/or investment decision should be made only after considerable research, consideration and involvement with an experienced professional engaged for the specific purpose. Returns are presented on a trade date basis, gross of management fees, net of transaction costs, and include the reinvestment of all income. The custodian bank maintains the control of assets and executes and settles all investments transactions. The custodian statement is the official record of security and cash holdings transactions. Public Trust Advisors does not have the authority to withdraw funds from or deposit funds to the custodian. Past performance is not an indication of future performance. The data in this presentation is unaudited.

Public Trust Advisors is an investment advisor registered with the Securities and Exchange Commission, and is required to maintain a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, privacy policy, or code of ethics please contact us.