



City of Sarasota

Quarterly Investment Report

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Portfolio Strategy

The Investment Policy was established by ordinance in 2001 and stresses safety of capital as the highest priority. To ensure this safety and the protection of the public's assets, the weighted average duration of principal return for the portfolio shall be less than two years. The portfolio consists of securities that strive to maximize the return on investments by actively managing and diversifying into a wide range of securities. The portfolio is structured so as to provide sufficient liquidity to pay current obligations. A variety of short-term investments and adjustable rate mortgage securities paying principal and interest monthly is the strategy used to provide an adequate level of liquidity. The portfolio statistics and composition chart below support the policy guidelines.

Quarterly Activity

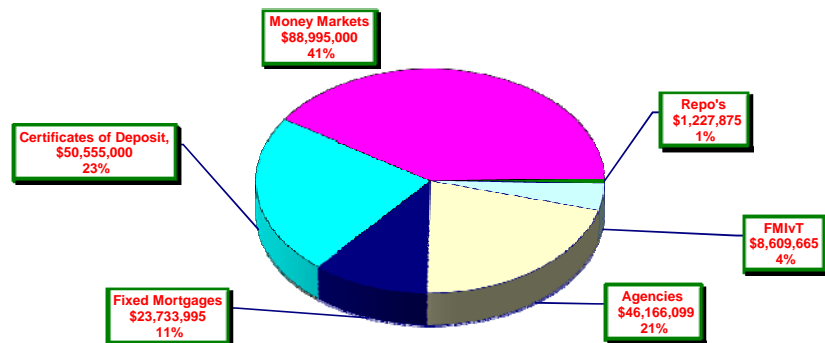
Maturities/Calls/Sales:

Fix Mtg. 2.14m @ 5.0% (37)
 Agency 17.4m @ 2.66% (17)
 Treasuries 0.0m @ 0.0% (0)
 C. D.'s \$2.774m @ 3.03% (19)

Purchases:

Treasuries 0.0m @ 0.0% (0)
 Agencies 11.0m @ 2.27% (11)
 Fixed Mtg. 0.0m @ 0.0% (0)
 C. D.'s \$10.841m @ 1.51% (47)

Portfolio Composition



Weighted avg. Maturity = 1.96 yrs

SBA = .00008 or \$17,326

Portfolio Statistics by Quarter

	Mar. 2010	Dec. 2009	Sept. 2009	June 2009	March 2009	Dec. 2008	Sept. 2008
Ending Portfolio Balance	\$219.3m	\$230.5m	\$230.9m	\$237.3m	\$230.9m	\$230.9m	\$194.1m
End Portfolio Market Value	\$219.6m	\$231.3m	\$232.0m	\$238.2m	\$232.0m	\$232.3m	\$193.7m
Yield Based Upon Cost	1.48%	2.21%	2.51%	1.90%	2.02%	2.29%	3.08%
Weighted Aver. Maturity	1.96yrs.	2.17yrs.	2.61yrs.	2.13 yrs.	2.34 yrs.	2.03 yrs.	2.21 yrs.

Portfolio Analysis by Quarter

	Mar-10	Dec-09	Sep-09	Jun-09
Month-End Portfolio Balance	\$230,449,726	\$230,449,726	\$230,859,906	\$237,321,269
Yield Based Upon Cost	1.48%	2.21%	2.51%	1.90%
Investment Earnings per Current Quarter	\$975,879	\$1,223,099	\$1,199,236	\$1,222,524
Market Value Adjustment per Current Quarter	(\$118,954)	(\$201,161)	\$125,234	(\$155,720)
Investment Earnings plus Mrkt. Val. Adjmt.	\$856,925	\$1,021,938	\$1,324,470	\$1,066,804

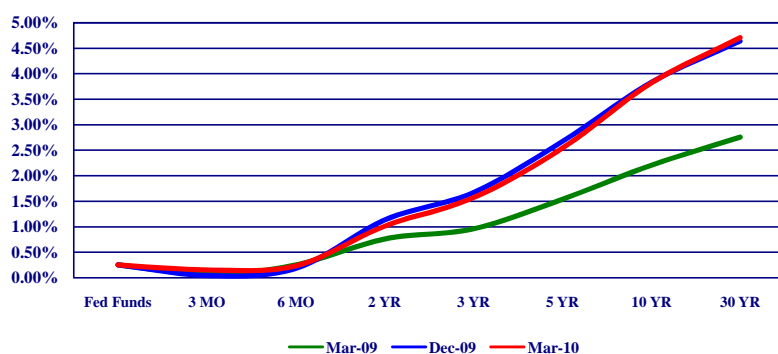
Key Economic Indicators

- During Jan. & Feb., employment dropped by 56,000 but added 162,000 in Mar., the biggest increase in three years.
- U.S. jobs increases included gains in manufacturing, health and human services and temporary census workers.
- U.S. Treasury interest rates increased in the quarter in anticipation of a continued economic recovery.
- The Dow dropped 361 pts. In Jan. but recovered in Feb. & Mar. by adding 771 points to reach 10,856 by quarter end.
- Crude oil prices continued rising, up 4.7% in March after increasing 6.3% in Feb. and up 50.0% from Feb. 2009.

News

- Congress approved a new Healthcare bill costing \$940 billion over 10 years, reducing the uninsured by 32 million people.
- The Senate approved a \$15 billion job-creation bill by a vote of 70-28, creating tax credits for employers hiring new workers.
- A new wave of home foreclosures was predicted with an est. 7.7 million households currently behind on mortgage paymtns.
- Top executives collected less pay in 2009, making it the first time in 20 yrs. that compensation declined two consecutive yrs.
- GMAC rec'd. its third lifeline of \$3.8 billion, a total of \$17.3 billion from the government, which now owns 56% of the Co.

U.S. Treasury Yield Curve



	Mar-09	Dec-09	Mar-10	Quarterly Change
Fed Funds	0.25%	0.25%	0.25%	0.00%
3 MO	0.07%	0.04%	0.15%	0.11%
6 MO	0.25%	0.18%	0.23%	0.05%
2 YR	0.76%	1.13%	1.01%	-0.12%
3 YR	0.96%	1.67%	1.57%	-0.10%
5 YR	1.54%	2.67%	2.54%	-0.13%
10 YR	2.21%	3.83%	3.82%	-0.01%
30 YR	2.76%	4.64%	4.71%	0.07%

Portfolio Yield Comparison

