

Recommendation for Modification in Account Investments

Tampa, Florida Designated Site Account

Current Status

- The funds are invested as 76% Cash and 24% FDIC insure CDs.
- The current economic environment has near 0% interest rate.
- Because of this, the current overall yield on the account is very low – about 0.07%. (The 1-2 year CDs that the funds are invested in have a yield of about 0.28%.)

Recommended Modification

- We recommend that 5% of the funds be invested in broad-based equity indices, 50% in investment grade bonds rated A- or above, and the rest 45% be kept as Cash (short-term CDs).
- We have assumed that the majority of the spending at the site will happen over the next 2 years.
- The above allocation is expected to provide a yield of about 1.3%, which is about eighteen times that of the current yield of about 0.07%, with only slightly higher risk.
- The above allocation also continues to allow us to convert the invested amount to cash should the need arise for site expenditures.