

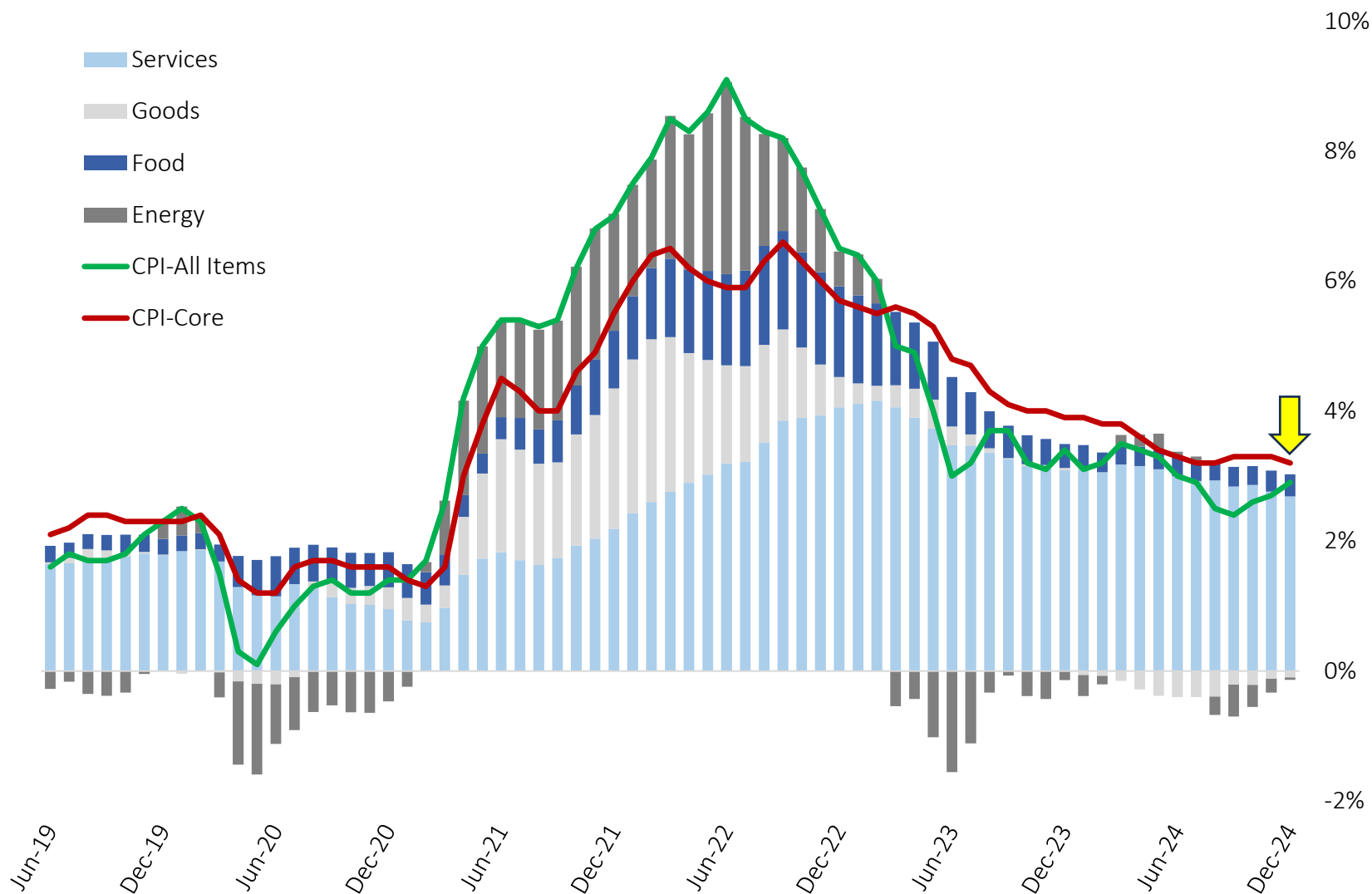


Economic Outlook and Portfolio Strategy

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Scott McIntyre, CFA | Managing Director
Scott.McIntyre@HilltopSecurities.com

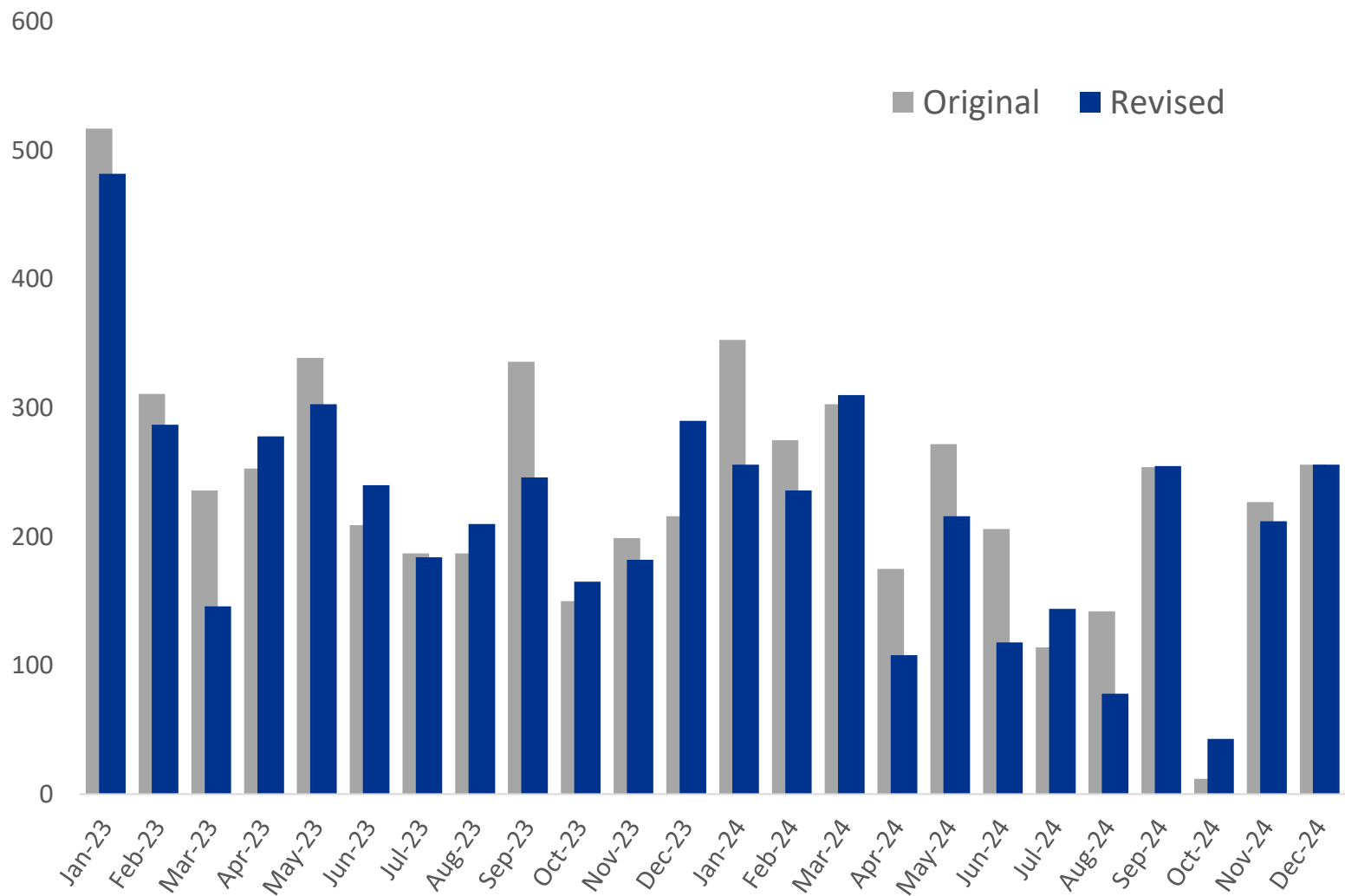
- The U.S. economy remains on solid ground with GDP near +3.0%, unemployment at 4.1% and *shelter costs moving lower*.
- The Fed cut the overnight rate on December 18th by 25 bps but signaled a *pause* at the January meeting (*tomorrow*). It is unclear when the committee will resume easing.



Energy prices drove the annual headline CPI rate to +2.9% in December, but core CPI fell to +3.2%.

Shelter costs in the December CPI report were up by "just" +4.6%, the smallest annual increase since early 2021.

Source: Bureau of Labor Statistics



The unemployment rate has fallen from 4.3% to 4.1% since July.

Payroll growth picked up in Nov/Dec.



January 2025	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27
Economy										
Real GDP Q-Q% SAAR	2.30	2.10	2.10	2.00	1.80	1.50	1.60			
Unemployment Rate	4.30	4.30	4.30	4.20	3.90	3.80				
Headline CPI (Y-O-Y)	2.70	2.50	2.90	2.80	2.60	2.60	2.50			
Core PCE (Y-O-Y)	2.50	2.50	2.50	2.40	2.40	2.30				
Fed Funds (Upper Bound) Current = 4.50										
Jan Survey Median	4.25	4.25	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50
Dec Survey Median	4.25	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.50	n/a
Change in Medians	0.00	0.25	0.25	0.25	0.25	0.25	0.00	0.00	0.00	0.00
Treasury Yields 1/24/2025										
Average US 2-Year	4.26	4.14	4.01	3.89	3.82	3.73	3.66	3.60	3.58	3.52
Average US 5-Year	4.43	4.29	4.21	4.13	4.08	4.02	3.98	3.93	3.92	3.88
Average US 10-Year	4.63	4.47	4.42	4.36	4.34	4.27	4.22	4.20	4.17	4.13
Average US 30-Year	4.86	4.68	4.65	4.60	4.57	4.50	4.49	4.45	4.45	4.38

The US economy will expand 2.8% in 2024, 2.2% in 2025, and 2.0% in 2026 according to a survey by Bloomberg News.

- Survey of 84 economists conducted from Jan. 16 to Jan. 22
- Chance of a recession happening over the next 12 months remained at 20% versus prior survey 25%, according to 49 respondents
- Q4 2024 GDP forecast at +2.5% q/q annualized versus prior survey +2.3%
- Q1 2025 GDP forecast at +2.1% q/q annualized versus prior survey +1.9%
- 2025 CPI forecast at +2.6% y/y versus prior survey +2.5%
- Fed funds rate upper-bound seen at 4.50% at Jan. 29 meeting, current rate is 4.50%

■ U.S. Treasuries

○ 6-month	4.47%	4.45%	4.34%	4.28%
○ 12-month	3.98%	4.19%	4.17%	4.16%
○ 24-month	3.64%	3.96%	4.11%	4.25%
○ 36-month	3.52%	3.87%	4.06%	4.32%

■ Florida QPD Savings

○ Multiple banks at <u>2.50%</u> to <u>5.00%</u> <u>4.50%</u>

Overnight Investment Pools (1/23/25)

○ Fl. Prime	5.29%	5.04%	4.79%	4.54%
○ Fl. Trust	5.38%	5.02%	4.68%	4.42%
○ Fl. Class	5.32%	4.98%	4.69%	4.46%
○ Fl. Safe	5.21%	4.98%	4.64%	4.50%
○ Fl. PALM	5.35%	4.99%	4.74%	4.49%
○ Fl. STAR	5.01%	4.90%	4.63%	4.40%

■ Upcoming Maturities:

- Feb 15 Treasury \$13 mm @ 4.32%
- Feb 25 FL Palm \$10.4 mm @ 5.20%

■ Recent Investments:

- \$10 mm Treasury to April 2026 @ ~~4.17%~~ 4.27%
- \$15 mm Treasury to May 2026 @ ~~4.16%~~ 4.19%
- \$15 mm Treasury to July 2026 @ ~~4.13%~~ 4.23%
- \$10 mm Treasury to Aug 2026 @ ~~4.14%~~ 4.25%
- \$25 mm Treasury to Sept 2026 @ ~~4.13%~~ 4.17%
- \$20 mm FHLB to Oct 2026 @ ~~4.12%~~ 4.26%
- \$20 mm Treasury or Agency to April 2027 @ ~~4.09%~~ 4.20%
- \$20 mm Treasury or Agency to May 2027 @ ~~4.08%~~ 4.16%
- \$25 mm Treasury or Agency to Sept 2027 @ ~~4.07%~~ 4.15%
- \$10 mm Treasury or Agency to Oct 2027 @ ~~4.06%~~ 4.22%

■ Recommended Purchases

- \$20 mm Treasury or Agency to Aug 2027 @ 4.28%
- \$15 mm Treasury or Agency to Oct 2027 @ 4.29%
- \$10 mm Treasury or Agency to July 2028 @ 4.34%
- \$25 mm Treasury or Agency to Aug 2028 @ 4.35%
- \$25 mm Treasury or Agency to Sept 2028 @ 4.36%
- \$25 mm Treasury or Agency to Oct 2028 @ 4.37%

Monthly expenses to be paid from balances in Florida Prime pool.

Motion to implement recommendations of our financial advisor based on the report submitted today and recommend the Clerk implement said Board recommendations.

Portfolio Snapshot (December 31, 2024, ...projected Jan 31, 2025)

	Dec 31 Portfolio			Proposed Invest / (Divest)	Projected Jan Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
Cash Equivalents							
Bank QPD Funds	60,160,712	5.9%	-94.1%	-	60,160,712	5.9%	-94.1%
Florida Prime	204,984,780	20.1%	-9.9%	(105,000,000)	99,984,780	9.8%	-20.2%
Other Cash Pools	18,808,857	1.8%	-24.4%	-	18,808,857	1.8%	-24.4%
Total Liquid Funds	283,954,349	27.9%		(105,000,000)	178,954,349	17.6%	
Investments							
Treasuries	190,952,368	18.8%	-81.2%	120,000,000	310,952,368	30.5%	-69.5%
Agencies	348,951,806	34.3%	-45.7%	(15,000,000)	333,951,806	32.8%	-47.2%
MBS	966,327	0.1%	-29.9%	-	966,327	0.1%	-29.9%
Fixed Term Pool (PALM)	140,333,542	13.8%	-24.4%	-	140,333,542	13.8%	-24.4%
Repos	-	0.0%	0.0%	-	-	0.0%	0.0%
Munis	-	0.0%	-20.0%	-	-	0.0%	-20.0%
Corporates	-	0.0%	-10.0%	-	-	0.0%	-10.0%
Commercial Paper	-	0.0%	-20.0%	-	-	0.0%	-20.0%
CDs	53,210,261	5.2%	-19.8%	-	53,210,261	5.2%	-19.8%
Total Investments	734,414,304	72.1%		105,000,000	839,414,304	82.4%	
Total Portfolio	1,018,368,653	100.0%			1,018,368,653	100.0%	
Avg Portfolio Maturity in days (as of 12/31)	311				(Projected Jan...)	450	

Portfolio by Maturity	Current	
	Portfolio %	WA Yield
Less than 90 days	35.8%	4.73%
3 - 12 months	33.0%	4.69%
Beyond 12 months	31.3%	4.24%
Total	100.0%	4.56%

Proposed *	
Portfolio %	WA Yield
24.0%	4.75%
33.0%	4.69%
43.1%	4.27%
100.0%	4.52%

* Proposed portfolio %.

Portfolio Stats 12/31/24

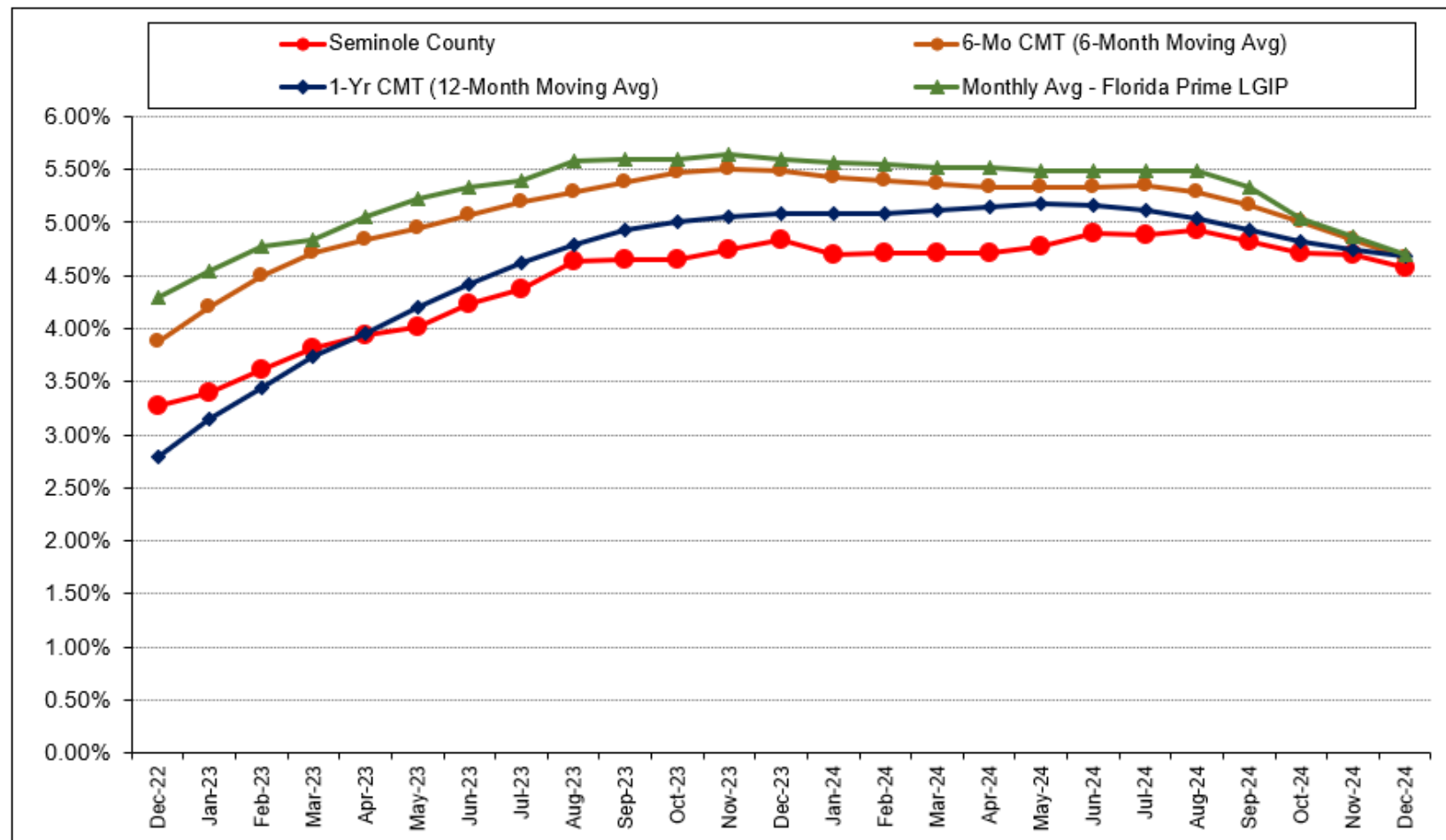
- Avg. maturity: 311 days
- Avg. yield: 4.56%
- Fixed/Floating: 72% / 28%
- <90 days \$364 mm

Portfolio Stats 1/31/25

- Avg. maturity: 450 days
- Avg. yield: 4.52%
- Fixed/Floating: 82% / 18%
- <90 days \$244 mm

Benchmark Comparison 12/31/2024

	Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP
Dec-22	3.27%	3.87%	2.79%	4.30%
Jan-23	3.40%	4.20%	3.15%	4.55%
Feb-23	3.62%	4.50%	3.45%	4.77%
Mar-23	3.82%	4.72%	3.73%	4.84%
Apr-23	3.94%	4.84%	3.96%	5.06%
May-23	4.01%	4.95%	4.21%	5.23%
Jun-23	4.23%	5.07%	4.42%	5.33%
Jul-23	4.37%	5.20%	4.62%	5.39%
Aug-23	4.63%	5.29%	4.80%	5.58%
Sep-23	4.65%	5.38%	4.93%	5.59%
Oct-23	4.65%	5.47%	5.01%	5.60%
Nov-23	4.75%	5.50%	5.06%	5.64%
Dec-23	4.84%	5.49%	5.08%	5.60%
Jan-24	4.70%	5.43%	5.09%	5.57%
Feb-24	4.72%	5.39%	5.09%	5.55%
Mar-24	4.71%	5.36%	5.12%	5.52%
Apr-24	4.72%	5.33%	5.15%	5.52%
May-24	4.77%	5.33%	5.17%	5.48%
Jun-24	4.90%	5.34%	5.16%	5.49%
Jul-24	4.88%	5.34%	5.12%	5.49%
Aug-24	4.93%	5.29%	5.04%	5.48%
Sep-24	4.82%	5.16%	4.93%	5.33%
Oct-24	4.71%	5.00%	4.82%	5.04%
Nov-24	4.69%	4.84%	4.75%	4.87%
Dec-24	4.57%	4.66%	4.69%	4.70%



Contacts

Scott McIntyre | Managing Director
Scott.McIntyre@HilltopSecurities.com

Greg Warner | Managing Director
Greg.Warner@HilltopSecurities.com

Dan Grant | Portfolio Manager
Dan.Grant@HilltopSecurities.com

Andrea Cash | Portfolio Manager
Andrea.Cash@HilltopSecurities.com

Alexis Correa | Investment Analyst
Alexis.Correa@HilltopSecurities.com

Matthew Gomez | Investment Analyst
Matthew.Gomez@HilltopSecurities.com

2700 Via Fortuna, Suite 410
Austin, Texas 78746
512.481.2009
HilltopSecurities.com

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