

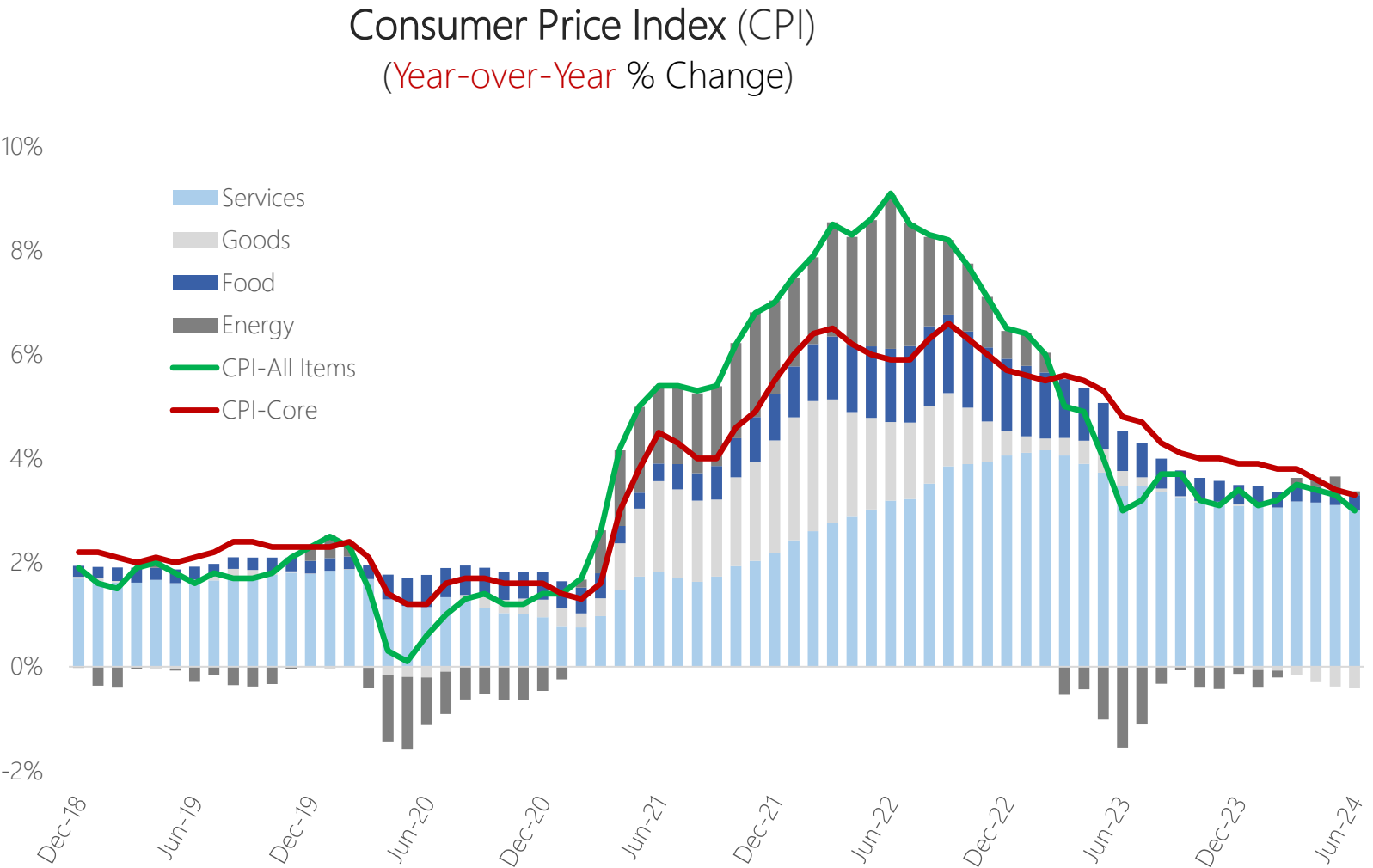


Economic Outlook and Portfolio Strategy

July 23, 2024

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- Inflationary pressure eased *significantly* in June. Bond yields are lower in response.
- The Fed *will not cut rates at the July meeting*, but if inflation continues to cooperate, rate cuts will likely begin in September.



Source: Bureau of Labor Statistics

Monthly Bloomberg Survey

| | | Q2 24 | Q3 24 | Q4 24 | Q1 25 | Q2 25 | Q3 25 | Q4 25 | Q1 26 | Q2 26 | Q3 26 | Q4 26 | |
|--|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| Economy | | | | | | | | | | | | | |
| | Real GDP Q-Q% SAAR | 1.90 | 1.50 | 1.50 | 1.80 | 1.90 | 2.00 | 2.00 | | | | | |
| | Unemployment Rate | 4.00 | 4.10 | 4.20 | 4.20 | 4.20 | 4.20 | 4.10 | | | | | |
| | Headline CPI (Y-O-Y) | 3.20 | 2.90 | 2.80 | 2.50 | 2.30 | 2.30 | 2.30 | | | | | |
| | Core PCE (Y-O-Y) | 2.60 | 2.60 | 2.70 | 2.40 | 2.30 | 2.20 | 2.20 | | | | | |
| Fed Funds (Upper Bound) Current = 5.50 | | | | | | | | | | | | | |
| | July Survey Median | 5.50 | 5.25 | 5.00 | 4.75 | 4.50 | 4.25 | 4.00 | 3.75 | 3.50 | 3.25 | 3.50 | |
| | June Survey Median | 5.50 | 5.25 | 5.00 | 4.75 | 4.50 | 4.25 | 4.00 | 3.75 | 3.50 | 3.25 | - | |
| | Change in Medians | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | n/a | |
| Treasury Yields 7/19/2024 | | | | | | | | | | | | | |
| | Average US 2-Year | 4.50 | 4.75 | 4.49 | 4.23 | 4.03 | 3.86 | 3.70 | 3.58 | 3.44 | 3.40 | 3.37 | 3.35 |
| | Average US 5-Year | 4.16 | 4.38 | 4.22 | 4.08 | 3.98 | 3.89 | 3.79 | 3.72 | 3.61 | 3.58 | 3.58 | 3.56 |
| | Average US 10-Year | 4.24 | 4.35 | 4.24 | 4.15 | 4.08 | 4.02 | 3.93 | 3.86 | 3.77 | 3.75 | 3.73 | 3.79 |
| | Average US 30-Year | 4.45 | 4.52 | 4.43 | 4.33 | 4.27 | 4.22 | 4.14 | 4.11 | 4.01 | 4.01 | 4.02 | 4.04 |

The US economy will expand 2.3% in 2024, 1.8% in 2025, and 2.0% in 2026 according to a survey by Bloomberg News.

- Survey of 75 economists conducted from July 12 to July 17
- Chance of a recession happening over the next 12 months is 30% according to 45 respondents, versus prior survey 30%
- Q2 2024 GDP forecast at +1.9% q/q versus prior survey +2%
- Q3 2024 GDP forecast at +1.5% q/q versus prior survey +1.6%
- 2024 CPI forecast at +3% y/y versus prior survey +3.1%
- 2025 CPI forecast unchanged at +2.4% y/y versus prior survey
- Fed funds rate upper-bound at 5.50% at July 31 meeting, current rate is 5.50%

■ U.S. Treasuries

| | | | | |
|------------|------------------|------------------|------------------|-------|
| ○ 6-month | 5.38% | 5.37% | 5.33% | 5.18% |
| ○ 12-month | 5.15% | 5.15% | 5.09% | 4.87% |
| ○ 24-month | 4.98% | 4.86% | 4.71% | 4.50% |
| ○ 36-month | 4.82% | 4.67% | 4.45% | 4.27% |

■ Florida QPD Savings

- Multiple banks at 2.60% to 5.50%

Overnight Investment Pools (7/18/24)

| | |
|-------------|-------|
| ○ Fl. Prime | 5.51% |
| ○ Fl. Trust | 5.42% |
| ○ Fl. Class | 5.40% |
| ○ Fl. Safe | 5.33% |
| ○ Fl. PALM | 5.39% |
| ○ Fl. STAR | 5.34% |

- Upcoming Maturities:

- July 26 \$20 mm FHLB @ 3.20%
- July 29 \$10 mm PALM Term @ 5.80%
- Aug 15 \$10 mm Treasury @ 2.91%
- Aug 15 \$10 mm Treasury @ 4.51%

- Recent Investments:

\$10.5mm PALM Term reinvest 6/28/25 @ 5.30%

\$10mm Farmer Mac 7/1/25 @ 5.13% (est. 5.10%)

\$15mm Farmer Mac 6/1/26 @ 4.83% (est. 4.75%)

- **Recommended Purchases**

(Reinvestment) \$10mm PALM Term @ 5.20%

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 (June 30 ...projected July 31, 2024)

| | June 30 Portfolio | | | Proposed Invest / (Divest) | Projected July Portfolio | | |
|---------------------------|-------------------|-----------|---------------------------|-------------------------------|--------------------------|------------|---------------------------|
| | Allocation | Current % | Policy Limit Deviation | | Allocation | Proposed % | Policy Limit Deviation |
| Cash Equivalents | | | | | | | |
| Bank QPD Funds | 58,641,296 | 6.7% | -93.3% | - | 58,641,296 | 6.7% | -93.3% |
| Florida Prime | 99,346,522 | 11.4% | -18.6% | (15,500,000) | 83,846,522 | 9.6% | -20.4% |
| Other Cash Pools | 28,918,075 | 3.3% | -21.8% | - | 28,918,075 | 3.3% | -20.6% |
| Total Liquid Funds | 186,905,893 | 21.5% | | (15,500,000) | 171,405,893 | 19.7% | |
| Investments | | | | | | | |
| Treasuries | 68,031,660 | 7.8% | -92.2% | - | 68,031,660 | 7.8% | -92.2% |
| Agencies | 434,239,959 | 49.8% | -30.2% | 5,000,000 | 439,239,959 | 50.4% | -29.6% |
| MBS | 1,051,057 | 0.1% | -29.9% | - | 1,051,057 | 0.1% | -29.9% |
| Fixed Term Pool (PALM) | 129,228,463 | 14.8% | -21.8% | 10,500,000 | 139,728,463 | 16.0% | -20.6% |
| 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 | 51,811,367 | 5.9% | -19.1% | - | 51,811,367 | 5.9% | -19.1% |
| Total Investments | 684,362,506 | 78.5% | | 15,500,000 | 699,862,506 | 80.3% | |
| Total Portfolio | 871,268,399 | 100.0% | | | 871,268,399 | 100.0% | |

Avg Portfolio Maturity in days (as of 6/30)

281

(Projected July...)

315

Portfolio by Maturity

| | Current | |
|-------------------|-------------|----------|
| | Portfolio % | WA Yield |
| Less than 90 days | 37.4% | 5.03% |
| 3 - 12 months | 29.1% | 4.97% |
| Beyond 12 months | 33.5% | 4.69% |
| Total | 100.0% | 4.90% |

| | Proposed * | |
|-------------------|-------------|----------|
| | Portfolio % | WA Yield |
| Less than 90 days | 35.6% | 5.11% |
| 3 - 12 months | 29.2% | 4.95% |
| Beyond 12 months | 35.2% | 4.70% |
| Total | 100.0% | 4.92% |

* Proposed portfolio %.

Portfolio Stats 6/30/24

- Avg. maturity: 281 days
- Avg. yield: 4.90%
- Fixed/Floating: 78% / 22%
- <90 days \$326 mm

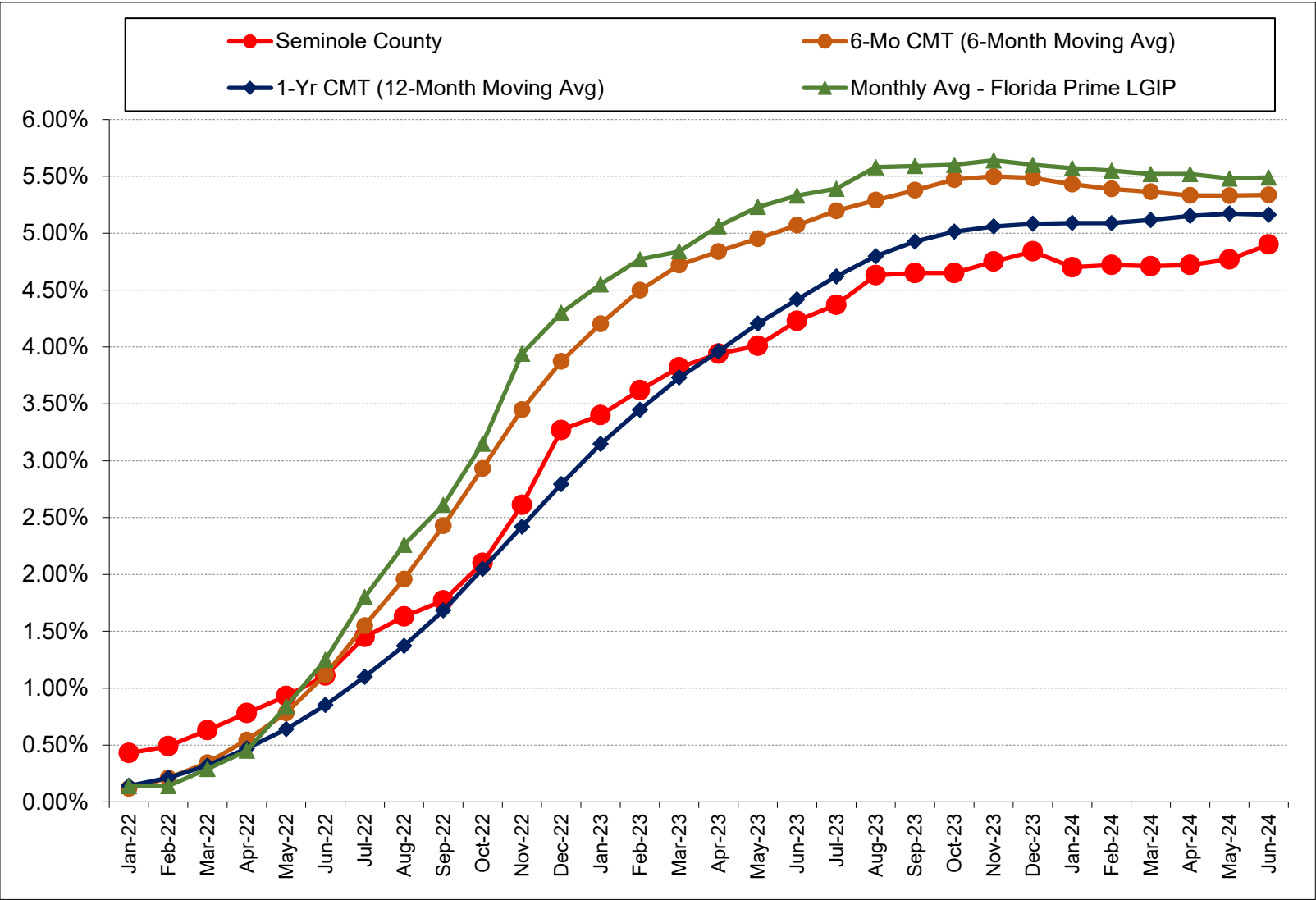
Estimated Portfolio 7/31/24

- Avg. maturity: 315 days
- Avg. yield: 4.92%
- Fixed/Floating: 80% / 20%
- <90 days \$310 mm

Benchmark Comparison 6/30/2024



| | Seminole County | 6-Mo CMT (6- Month Moving Avg) | 1-Yr CMT (12- Month Moving Avg) | Monthly Avg - Florida Prime LGIP |
|--------|--------------------|--|---|--|
| Jan-22 | 0.43% | 0.12% | 0.14% | 0.14% |
| Feb-22 | 0.49% | 0.21% | 0.21% | 0.14% |
| Mar-22 | 0.63% | 0.35% | 0.32% | 0.29% |
| Apr-22 | 0.78% | 0.54% | 0.47% | 0.45% |
| May-22 | 0.93% | 0.78% | 0.64% | 0.84% |
| Jun-22 | 1.11% | 1.12% | 0.85% | 1.25% |
| Jul-22 | 1.45% | 1.55% | 1.10% | 1.80% |
| Aug-22 | 1.63% | 1.96% | 1.37% | 2.26% |
| Sep-22 | 1.77% | 2.43% | 1.68% | 2.61% |
| Oct-22 | 2.10% | 2.93% | 2.05% | 3.15% |
| Nov-22 | 2.61% | 3.45% | 2.42% | 3.94% |
| 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% |



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