



Economic Outlook and Portfolio Strategy

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- The Fed cut *the overnight rate* by 50 bps last week. The new dot plot indicates two additional cuts this year and four in 2025.
- *Yields continue to fall.* After the Fed move, the bond market is now pricing in three additional moves this year and another five in 2025.
- The two-year Treasury note yield has fallen 150 bps since the beginning of May. *Every time the two-year has fallen this far below the overnight funds rate, a recession has followed* (WSJ).
- Inflation has cooled and job growth has slowed, but there is little indicating recession will follow. (Q3 *GDPNow* +3.0% as of Sept 17)

- U.S. Treasuries

○ 6-month	5.33%	5.18%	4.88%	4.47%
○ 12-month	5.09%	4.87%	4.36%	3.98%
○ 24-month	4.71%	4.50%	3.90%	3.64%
○ 36-month	4.45%	4.27%	3.72%	3.52%

- Florida QPD Savings

○ Multiple banks at <u>2.60%</u> to 5.50% <u>5.00%</u>

- Overnight Investment Pools (9/19/24)

○ Fl. Prime	5.46%	5.29%
○ Fl. Trust	5.41%	5.38%
○ Fl. Class	5.36%	5.32%
○ Fl. Safe	5.30%	5.21%
○ Fl. PALM	5.36%	5.35%
○ Fl. STAR	5.31%	5.01%

- **Upcoming Maturities:**

- *Sept 27 FL Palm* *\$10 mm @ 5.24%*
- *Sept 30 FHLB* *\$15 mm @ 5.30%*
- *Oct 3 FL Palm* *\$10 mm @ 5.24%*
- *Oct 9 FL Palm* *\$20.6 mm @ 5.40%*

- **Recent Investments:**

Rollover \$10.6mm PALM reinvest 9/16/25 @ 4.08%

- **Recommended Purchases**

- \$10 mm Treasury or agency June 2027 @ 3.54%*
- \$10 mm Treasury or agency August 2027 @ 3.53%*
- \$10 mm Treasury or agency Sept 2027 @ 3.52%*
- \$10 mm PALM (roll) Sept 2025 @ 4.00%*

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 (August ...projected September 30, 2024)

	August 31 Portfolio			Proposed Invest / (Divest)	Projected Sept Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
Cash Equivalents							
Bank QPD Funds	59,187,800	7.0%	-93.0%	-	59,187,800	7.0%	-93.0%
Florida Prime	79,909,868	9.5%	-20.5%	35,000,000	114,909,868	13.7%	-16.3%
Other Cash Pools	18,300,224	2.2%	-21.0%	-	18,300,224	2.2%	-21.0%
Total Liquid Funds	157,397,892	18.7%		35,000,000	192,397,892	22.9%	
Investments							
Treasuries	45,588,248	5.4%	-94.6%	20,000,000	65,588,248	7.8%	-92.2%
Agencies	442,907,558	52.7%	-27.3%	(55,000,000)	387,907,558	46.2%	-33.8%
MBS	1,044,917	0.1%	-29.9%	-	1,044,917	0.1%	-29.9%
Fixed Term Pool (PALM)	141,235,536	16.8%	-21.0%	-	141,235,536	16.8%	-21.0%
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	52,273,530	6.2%	-18.8%	-	52,273,530	6.2%	-18.8%
Total Investments	683,049,789	81.3%		(35,000,000)	648,049,789	77.1%	
Total Portfolio	840,447,681	100.0%			840,447,681	100.0%	
Avg Portfolio Maturity in days (as of 8/31)	267			(Projected Sept...)	300		

Portfolio Stats 8/31/24

- Avg. maturity: 267 days
- Avg. yield: 4.93%
- Fixed/Floating: 81% / 19%
- <90 days \$298 mm

Estimated Portfolio 9/30/24

- Avg. maturity: 300 days
- Avg. yield: 4.81%
- Fixed/Floating: 77% / 23%
- <90 days \$299 mm

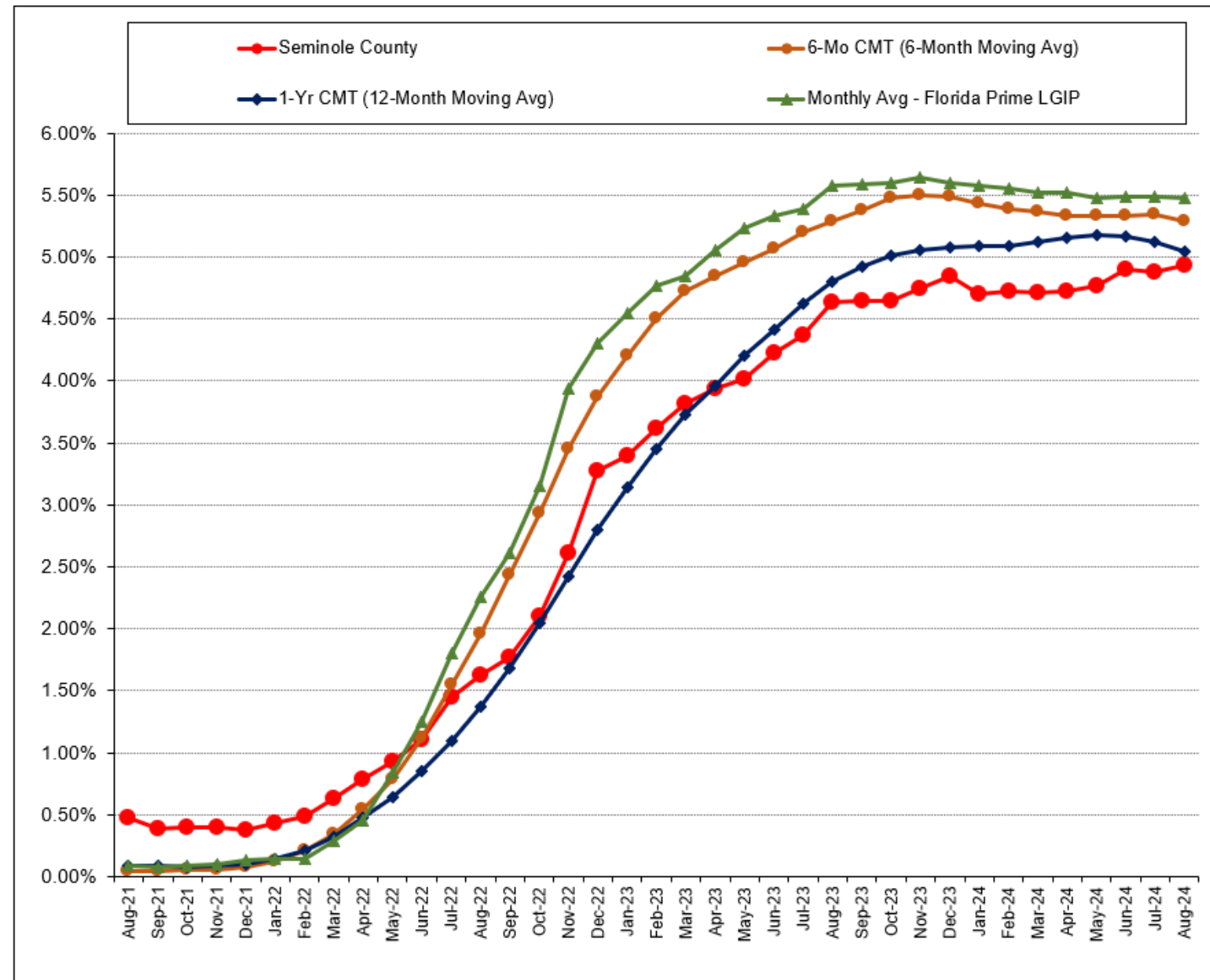
Portfolio by Maturity

	Current		Proposed *	
	Portfolio %	WA Yield	Portfolio %	WA Yield
Less than 90 days	35.4%	5.22%	35.5%	5.02%
3 - 12 months	34.8%	4.92%	32.8%	4.86%
Beyond 12 months	29.8%	4.62%	31.6%	4.51%
Total	100.0%	4.93%	100.0%	4.81%

* Proposed portfolio %.

Benchmark Comparison 8/31/2024

	Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP
Aug-21	0.47%	0.05%	0.09%	0.09%
Sep-21	0.39%	0.05%	0.09%	0.08%
Oct-21	0.40%	0.05%	0.08%	0.09%
Nov-21	0.40%	0.06%	0.09%	0.10%
Dec-21	0.38%	0.07%	0.10%	0.13%
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%
Jul-24	4.88%	5.34%	5.12%	5.49%
Aug-24	4.93%	5.29%	5.04%	5.48%



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