

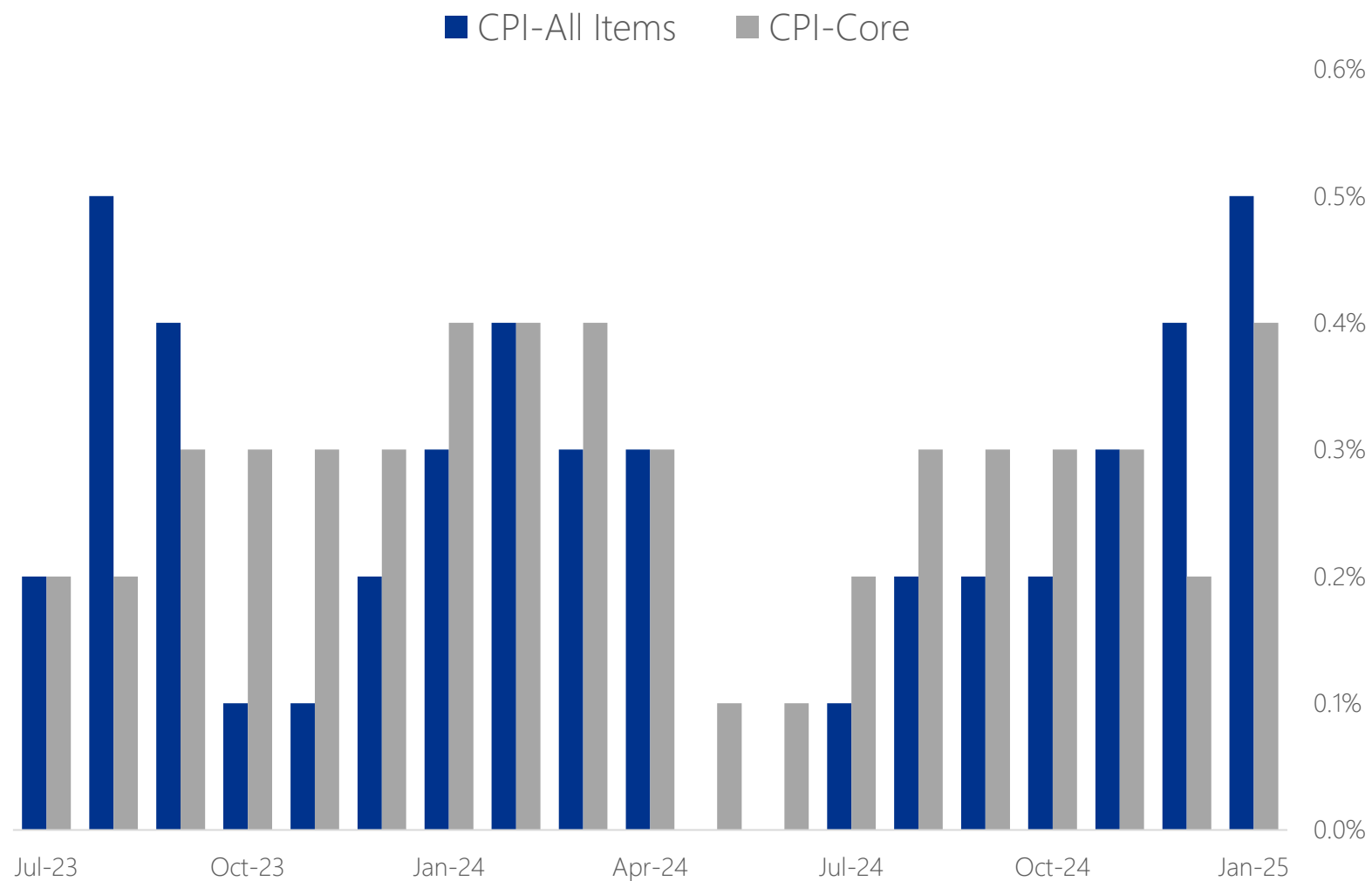


Economic Outlook and Portfolio Strategy
February 25, 2025

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- The Fed held steady at the January meeting. The committee is unlikely to resume cuts before May at the earliest.
- Tariff discussions are center stage ...and currently unpredictable.
- Inflation is still trending sideways. Trade outcome will determine direction.

Consumer Price Index (CPI) (month-over-month % change)



Source: Bureau of Labor Statistics

February 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	2.10	2.00	2.00	2.00	2.00	2.00	1.60				
Unemployment Rate	4.20	4.20	4.20	4.20	4.20	4.20					
Headline CPI (Y-O-Y)	2.60	2.50	2.70	2.60	2.50	2.50	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											
Feb Survey Median	4.50	4.50	4.25	4.00	4.00	3.75	3.75	3.50	3.50	3.50	
Jan Survey Median	4.25	4.25	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	
Change in Medians	0.25	0.25	0.25	0.00	0.25	0.00	0.25	0.00	0.00	0.00	
Treasury Yields 2/21/2025											
Average US 2-Year	4.24	4.14	4.01	3.89	3.82	3.73	3.66	3.60	3.58	3.52	3.53
Average US 5-Year	4.30	4.29	4.21	4.13	4.08	4.02	3.98	3.93	3.92	3.88	3.87
Average US 10-Year	4.46	4.47	4.42	4.36	4.34	4.27	4.22	4.20	4.17	4.13	4.12
Average US 30-Year	4.70	4.68	4.65	4.60	4.57	4.50	4.49	4.45	4.45	4.38	4.37

The US economy will expand 2.3% in 2025, 2.0% in 2026, and 2.0% in 2027 according to a survey by Bloomberg News.

- Survey of 91 economists conducted from Feb. 13 to Feb. 19
- Chance of a recession happening over the next 12 months is 25% versus prior survey 20%, according to 46 respondents
- Q1 2025 GDP forecast at +2.2% q/q annualized versus prior survey +2.1%
- Q2 2025 GDP forecast unchanged at +2.0% q/q annualized versus prior survey
- 2025 CPI forecast at +2.9% y/y versus prior survey +2.6%
- 2026 CPI forecast at +2.6% y/y versus prior survey +2.5%
- Fed funds rate upper-bound seen at 4.50% at Mar. 19 meeting, current rate is 4.50%

- U.S. Treasuries

○ 6-month	4.45%	4.34%	4.28%	4.34%
○ 12-month	4.19%	4.17%	4.16%	4.17%
○ 24-month	3.96%	4.11%	4.25%	4.21%
○ 36-month	3.87%	4.06%	4.32%	4.20%

- Florida QPD Savings

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

- Overnight Investment Pools (2/20/25)

○ Fl. Prime	5.04%	4.79%	4.54%	4.52%
○ Fl. Trust	5.02%	4.68%	4.42%	4.46%
○ Fl. Class	4.98%	4.69%	4.46%	4.44%
○ Fl. Safe	4.98%	4.64%	4.50%	4.44%
○ Fl. PALM	4.99%	4.74%	4.49%	4.48%
○ Fl. STAR	4.90%	4.63%	4.40%	4.38%

■ Upcoming Maturities:

- \$10mm PALM Term, Feb 25 @ 5.20%
- \$25mm Centennial Bk CD, March 11 @ 5.38%
- \$15mm FHLB, March 14 @ 5.04%

■ Recent Investments:

- \$20mm Treasury *Aug 2027* @ ~~4.28%~~ 4.25%
- \$15mm Treasury *Oct 2027* @ ~~4.29%~~ 4.15%
- \$10mm Treasury *July 2028* @ ~~4.34%~~ 4.22%
- \$25mm Treasury *Aug 2028* @ ~~4.35%~~ 4.25%
- \$25mm Treasury *Sept 2028* @ ~~4.36%~~ 4.27%
- \$25mm Treasury *Oct 2028* @ ~~4.37%~~ 4.29%

■ **Recommended Purchases** (*roll only*)

- \$10mm – check 12 month roll rate
- \$25mm – check rate(s) for roll

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 (January 31, 2025, ...projected Feb 28, 2025)

	January 31 Portfolio			Proposed Invest / (Divest)	Projected Feb Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
Cash Equivalents							
Bank QPD Funds	60,387,002	6.0%	-94.0%	-	60,387,002	6.0%	-94.0%
Florida Prime	95,752,652	9.5%	-20.5%	13,000,000	108,752,652	10.8%	-19.2%
Other Cash Pools	18,880,578	1.9%	-24.1%	-	18,880,578	1.9%	-24.1%
Total Liquid Funds	175,020,232	17.4%		13,000,000	188,020,232	18.7%	
Investments							
Treasuries	300,686,500	29.9%	-70.1%	(13,000,000)	287,686,500	28.6%	-71.4%
Agencies	334,366,786	33.3%	-46.7%	-	334,366,786	33.3%	-46.7%
MBS	952,570	0.1%	-29.9%	-	952,570	0.1%	-29.9%
Fixed Term Pool (PALM)	140,883,117	14.0%	-24.1%	-	140,883,117	14.0%	-24.1%
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	53,451,181	5.3%	-19.7%	-	53,451,181	5.3%	-19.7%
Total Investments	830,340,154	82.6%		(13,000,000)	817,340,154	81.3%	
Total Portfolio	1,005,360,386	100.0%			1,005,360,386	100.0%	

Avg Portfolio Maturity in days (as of 1/31) **428**

(Projected Feb...) **411**

Portfolio by Maturity	Current	
	Portfolio %	WA Yield
Less than 90 days	23.9%	4.67%
3 - 12 months	33.5%	4.69%
Beyond 12 months	42.6%	4.24%
Total	100.0%	4.49%

Portfolio by Maturity	Proposed *	
	Portfolio %	WA Yield
Less than 90 days	27.8%	4.69%
3 - 12 months	29.6%	4.64%
Beyond 12 months	42.6%	4.24%
Total	100.0%	4.48%

* Proposed portfolio %

Portfolio Stats **1/31/25**

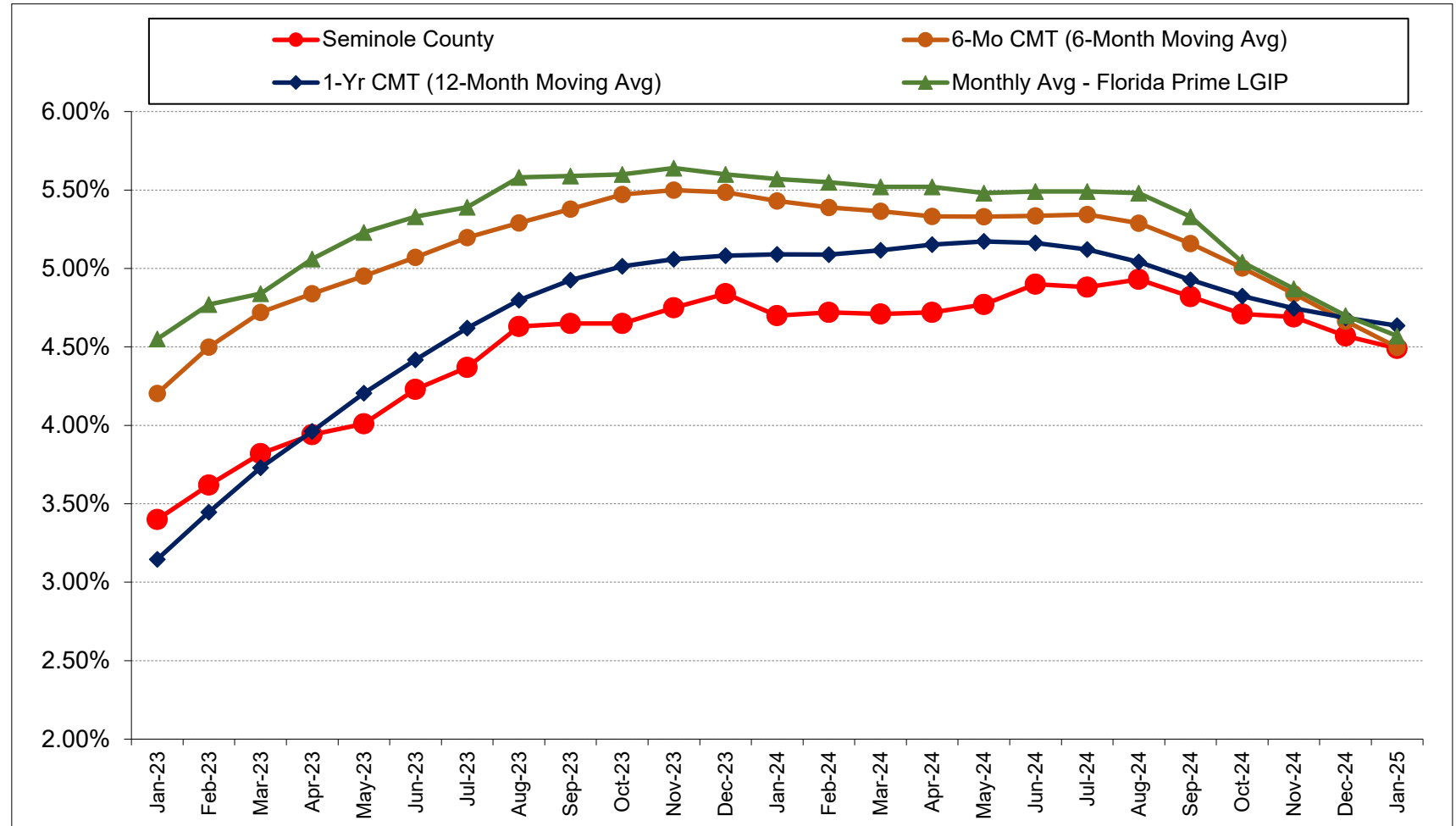
- Avg. maturity: 428 days
- Avg. yield: 4.49%
- Fixed/Floating: 83% / 17%
- <90 days \$240mm

Portfolio Stats **2/28/25**

- Avg. maturity: 411 days
- Avg. yield: 4.48%
- Fixed/Floating: 81% / 19%
- <90 days \$279mm

Benchmark Comparison 1/31/2025

Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP	
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%
Jan-25	4.49%	4.50%	4.64%	4.57%



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