



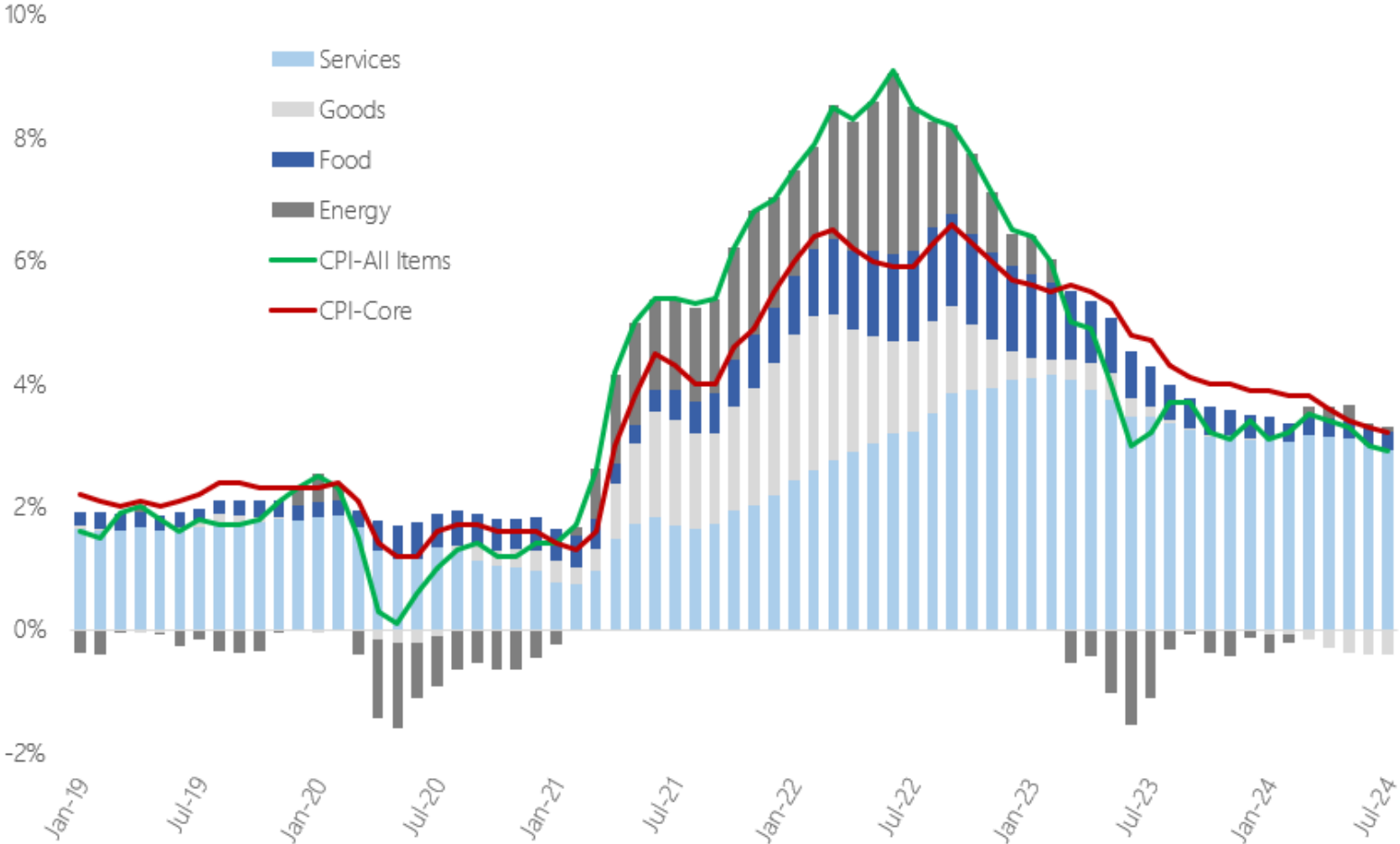
Economic Outlook and Portfolio Strategy

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- Inflation continues to (slowly) cool.
- Labor market concerns emerge.
- The economy appears to be slowing (a bit), but recession concerns are overblown.
- The Fed meets on Sept 18th. *The question is whether they cut 25 or 50...*
- Yields lower in anticipation of rate cuts. **The market has now priced in 225 basis points of future rate cuts.**

Consumer Price Index (CPI) Year-over-Year % Change



Source: Bureau of Labor Statistics

	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	1.70	1.50	1.70	1.90	2.00	2.00	2.00				
Unemployment Rate	4.30	4.40	4.30	4.30	4.30	4.20	4.30				
Headline CPI (Y-O-Y)	2.70	2.60	2.30	2.20	2.30	2.30	2.30				
Core PCE (Y-O-Y)	2.70	2.70	2.30	2.20	2.20	2.20	2.10				
Fed Funds (Upper Bound) Current = 5.50											
August Survey Median	5.25	4.75	4.25	4.00	3.75	3.50	3.50	3.25	3.25	3.25	
July Survey Median	5.25	5.00	4.75	4.50	4.25	4.00	3.75	3.50	3.25	3.50	
Change in Medians	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.25	-0.25	0.00	-0.25	
Treasury Yields 8/23/2024											
Average US 2-Year	3.93	4.10	3.90	3.71	3.54	3.38	3.27	3.14	3.14	3.21	3.21
Average US 5-Year	3.66	3.86	3.78	3.69	3.61	3.51	3.47	3.36	3.38	3.43	3.41
Average US 10-Year	3.80	3.98	3.93	3.87	3.82	3.75	3.73	3.62	3.62	3.65	3.66
Average US 30-Year	4.09	4.19	4.13	4.08	4.02	3.98	3.98	3.95	3.95	3.99	3.99

The US economy will expand 2.5% in 2024, 1.7% in 2025, and 2.0% in 2026 according to a survey by Bloomberg News.

- Survey of 67 economists conducted from Aug. 16 to Aug. 21
- Chance of a recession happening over the next 12 months is 31.5% versus prior survey 30%, according to 42 respondents
- Q3 2024 GDP forecast at +1.7% q/q versus prior survey +1.5%
- Q4 2024 GDP forecast at +1.5% q/q versus prior survey +1.5%
- 2024 CPI forecast at +2.9% y/y versus prior survey +3.0%
- 2025 CPI forecast at +2.3% y/y versus prior survey +2.4%
- Fed funds rate upper-bound at 5.25% at Sept. 18 meeting, current rate is 5.50%

- U.S. Treasuries

○ 6-month	5.37%	5.33%	5.18%	4.88%
○ 12-month	5.15%	5.09%	4.87%	4.36%
○ 24-month	4.86%	4.71%	4.50%	3.90%
○ 36-month	4.67%	4.45%	4.27%	3.72%

- Florida QPD Savings

- Multiple banks at 2.60% to 5.50%

- Overnight Investment Pools (8/22/24)

○ Fl. Prime	5.47%
○ Fl. Trust	5.42%
○ Fl. Class	5.36%
○ Fl. Safe	5.35%
○ Fl. PALM	5.37%
○ Fl. STAR	5.30%

- Upcoming Maturities:

- Sept 13 FHLB \$20 mm @ 4.49%
- Sept 13 FHLB \$20 mm @ 4.56%
- Sept 15 Treasury \$10 mm @ 2.91%
- Sept 16 Fl Palm \$10.5 mm @ 5.95%

- Recent Investments:

\$10.6mm PALM reinvest 7/10/25 @ 5.02% (est. 5.20%)

- **Recommended Purchases**

Hold until September.

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)

	July 31 Portfolio			Proposed Invest / (Divest)	Projected August Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
Cash Equivalents							
Bank QPD Funds	58,920,347	7.1%	-92.9%	-	58,920,347	7.1%	-92.9%
Florida Prime	44,612,039	5.4%	-24.6%	23,000,000	67,612,039	8.2%	-21.8%
Other Cash Pools	18,233,739	2.2%	-20.7%	-	18,233,739	2.2%	-20.7%
Total Liquid Funds	121,766,125	14.8%		23,000,000	144,766,125	17.5%	
Investments							
Treasuries	68,349,097	8.3%	-91.7%	(23,000,000)	45,349,097	5.5%	-94.5%
Agencies	441,365,603	53.5%	-26.5%	-	441,365,603	53.5%	-26.5%
MBS	1,050,825	0.1%	-29.9%	-	1,050,825	0.1%	-29.9%
Fixed Term Pool (PALM)	140,617,429	17.0%	-20.7%	-	140,617,429	17.0%	-20.7%
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	52,038,156	6.3%	-18.7%	-	52,038,156	6.3%	-18.7%
Total Investments	703,421,110	85.2%		(23,000,000)	680,421,110	82.5%	
Total Portfolio	825,187,235	100.0%			825,187,235	100.0%	

Avg Portfolio Maturity in days (as of 7/30)

297

(Projected Aug...)

287

Portfolio by Maturity

	Current		Proposed *	
	Portfolio %	WA Yield	Portfolio %	WA Yield
Less than 90 days	31.7%	5.09%	34.5%	5.21%
3 - 12 months	32.1%	4.95%	35.3%	4.92%
Beyond 12 months	36.2%	4.65%	30.2%	4.62%
Total	100.0%	4.88%	100.0%	4.93%

* Proposed portfolio %.

Portfolio Stats 7/31/24

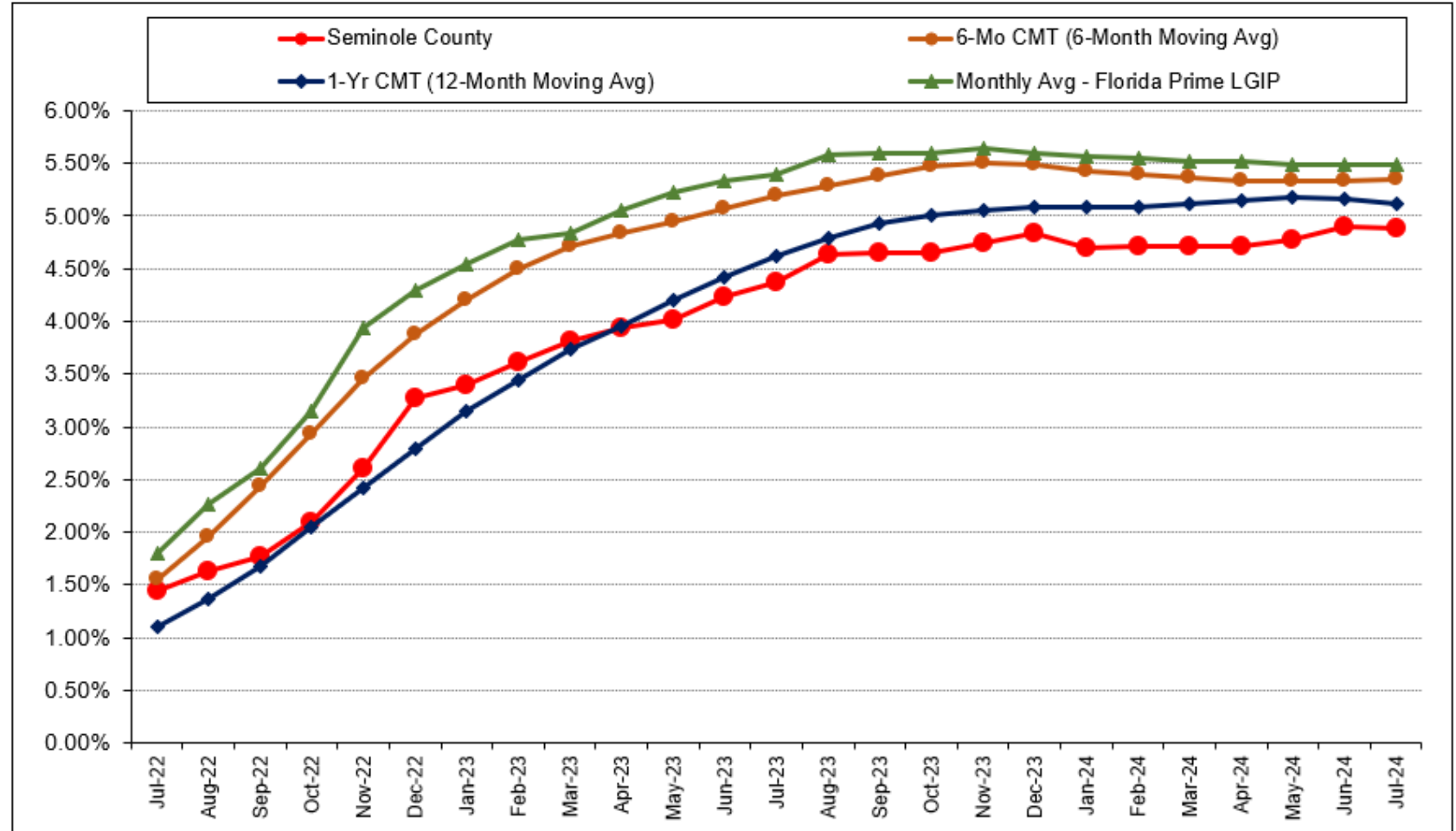
- Avg. maturity: 297 days
- Avg. yield: 4.88%
- Fixed/Floating: 85% / 15%
- <90 days \$261 mm

Estimated Portfolio 8/31/24

- Avg. maturity: 287 days
- Avg. yield: 4.93%
- Fixed/Floating: 83% / 17%
- <90 days \$285 mm

Benchmark Comparison 7/31/2024

Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP
Jul-22	1.45%	1.10%	1.80%
Aug-22	1.63%	1.37%	2.26%
Sep-22	1.77%	1.68%	2.61%
Oct-22	2.10%	2.05%	3.15%
Nov-22	2.61%	2.42%	3.94%
Dec-22	3.27%	2.79%	4.30%
Jan-23	3.40%	3.15%	4.55%
Feb-23	3.62%	3.45%	4.77%
Mar-23	3.82%	3.73%	4.84%
Apr-23	3.94%	3.96%	5.06%
May-23	4.01%	4.21%	5.23%
Jun-23	4.23%	4.42%	5.33%
Jul-23	4.37%	4.62%	5.39%
Aug-23	4.63%	4.80%	5.58%
Sep-23	4.65%	4.93%	5.59%
Oct-23	4.65%	5.01%	5.60%
Nov-23	4.75%	5.06%	5.64%
Dec-23	4.84%	5.08%	5.60%
Jan-24	4.70%	5.09%	5.57%
Feb-24	4.72%	5.09%	5.55%
Mar-24	4.71%	5.12%	5.52%
Apr-24	4.72%	5.15%	5.52%
May-24	4.77%	5.17%	5.48%
Jun-24	4.90%	5.16%	5.49%
Jul-24	4.88%	5.12%	5.49%



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