



Economic Outlook and Portfolio Strategy

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- Inflation seems to be decelerating *at an increasing pace*.
- The U.S. economy is holding up better than economists had expected, but economists continue to forecast a mild recession *beginning in the spring*.
- Fed officials have indicated future rate hikes will be in smaller increments. *How small is open for debate*.
- The bond market is signaling a 25 bp hike on February 1st, another 25 bps on March 22nd, with rate cuts beginning in Q4. *However, Fed officials intend to raise the overnight rate above 5% and hold it there until inflation is squashed*.
- The debt ceiling limit has been reached, setting up a political battle that threatens a (short-term) Treasury default this summer.

- U.S. Treasuries

○ 6-month	4.57%	4.68%	4.81%
○ 12-month	4.65%	4.66%	4.66%
○ 24-month	4.43%	4.27%	4.15%
○ 36-month	4.27%	4.01%	3.80%

- Florida QPD Savings

- Multiple banks at 0.12% to 4.50%

- Overnight Investment Pools

○ Fl. Prime	4.55%
○ Fl. Trust	4.20%
○ Fl. Class	4.59%
○ Fl. Safe	4.38%
○ Fl. PALM	4.50%
○ Fl. STAR	4.31%

■ Upcoming Maturities:

- 1/31/23 \$10 mm T-note @ 1.08%
- 2/6/23 \$20 mm PALM Term @ 1.03%
- 2/15/23 \$3 mm T-note @ 2.95%
- 2/28/23 \$10 mm T-note @ 0.38%
- 2/28/23 \$15 mm T-note @ 0.12%

■ Recommended Purchases

- \$20 mm Agency, June/July 2024 @ 4.50%
- \$20 mm Agency, Sept/Oct 2024 @ 4.45%
- \$20 mm Agency, Nov/Dec 2024 @ 4.30%

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

Monthly expenses to be paid from maturing securities and Florida Prime pool balance

■ Recent Investments:

- \$15 mm FHLB 10/18/23 @ ~~4.75%~~ 4.80%
- \$15 mm FHLB 11/16/23 @ ~~4.77%~~ 4.80%
- \$20 mm FHLB 9/13/24 @ ~~4.50%~~ 4.49%
- \$20 mm FHLB 12/13/24 @ ~~4.50%~~ 4.55%

- \$20 mm PALM Term 10/2/23 @ ~~4.95%~~ 5.14%

- \$15 mm FHLB 3/8/24 @ 4.92%
- \$15 mm FFCB 1/10/25 @ 4.63%
- \$15 mm FFCB @ 12/12/25 @ 4.73%
- \$15 mm FHLMC @ 1/25/26 @ 5.40%

Portfolio Snapshot (Dec 31 ...projected Jan 31)

	December 31 Portfolio			Proposed Invest / (Divest)	Projected January Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
Cash Equivalents							
Bank QPD Funds	106,316,665	11.3%	-88.7%	-	106,316,665	11.3%	-88.7%
Florida Prime	172,613,406	18.3%	-11.7%	(110,000,000)	62,613,406	6.7%	-23.3%
Other Cash Pools	16,869,809	1.8%	-22.9%	-	16,869,809	1.8%	-22.9%
Total Liquid Funds	295,799,880	31.4%		(110,000,000)	185,799,880	19.7%	
Investments							
Treasuries	351,489,845	37.4%	-62.6%	(10,000,000)	341,489,845	36.3%	-63.7%
Agencies	148,289,893	15.8%	-64.2%	120,000,000	268,289,893	28.5%	-51.5%
MBS	1,360,555	0.1%	-29.9%	-	1,360,555	0.1%	-29.9%
Fixed Term Pool (PALM)	144,127,597	15.3%	-22.9%	-	144,127,597	15.3%	-22.9%
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	-	0.0%	-25.0%	-	-	0.0%	-25.0%
Total Investments	645,267,890	68.6%		110,000,000	755,267,890	80.3%	
Total Portfolio	941,067,770	100.0%			941,067,770	100.0%	
Avg Portfolio Maturity in days (as of 12/31)	221			(Projected Jan...)	302		

Portfolio Stats 12/31/22

- Avg. maturity: 221 days
- Avg. yield: 3.27%
- Fixed/Floating: 69% / 31%
- <90 days \$394 mm

Estimated Portfolio 1/31/23

- Avg. maturity: 302 days
- Avg. yield: 3.43%
- Fixed: 80% / 20%
- <90 days \$283 mm

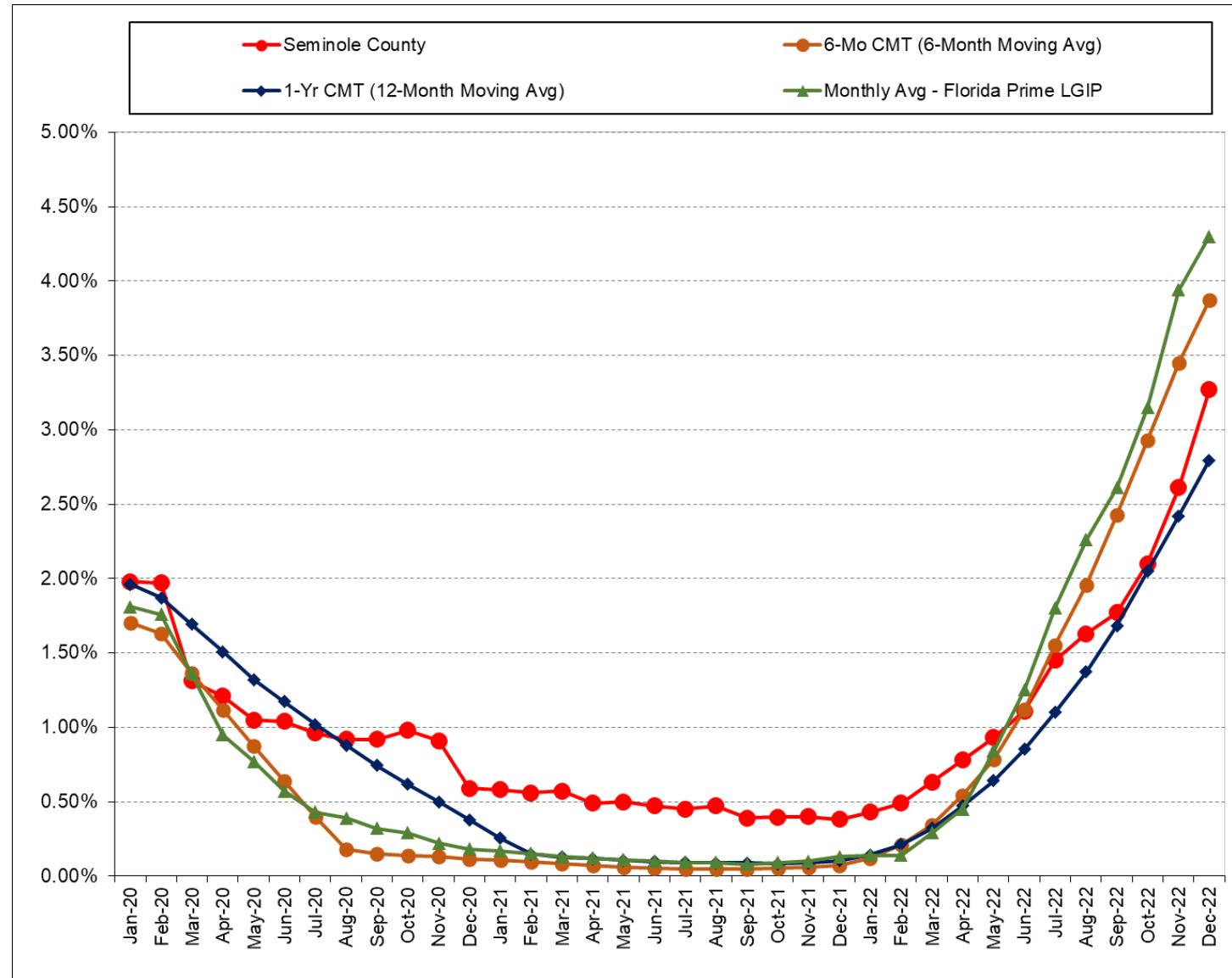
Portfolio by Maturity

	Current		Proposed *	
	Portfolio %	WA Yield	Portfolio %	WA Yield
Less than 90 days	41.8%	3.58%	30.2%	3.63%
3 - 12 months	32.5%	2.57%	31.5%	3.15%
Beyond 12 months	25.6%	3.68%	38.4%	4.01%
Total	100.0%	3.27%	100.0%	3.43%

* Proposed portfolio %.

Benchmark Comparison 12/31/2022

Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP
Jan-20	1.98%	1.96%	1.81%
Feb-20	1.97%	1.87%	1.76%
Mar-20	1.31%	1.69%	1.36%
Apr-20	1.21%	1.51%	0.95%
May-20	1.05%	1.32%	0.77%
Jun-20	1.04%	1.17%	0.57%
Jul-20	0.96%	1.02%	0.43%
Aug-20	0.92%	0.88%	0.39%
Sep-20	0.92%	0.74%	0.32%
Oct-20	0.98%	0.62%	0.29%
Nov-20	0.91%	0.50%	0.22%
Dec-20	0.59%	0.38%	0.18%
Jan-21	0.58%	0.26%	0.17%
Feb-21	0.56%	0.15%	0.15%
Mar-21	0.57%	0.13%	0.13%
Apr-21	0.49%	0.07%	0.12%
May-21	0.50%	0.11%	0.11%
Jun-21	0.47%	0.10%	0.10%
Jul-21	0.45%	0.09%	0.09%
Aug-21	0.47%	0.09%	0.09%
Sep-21	0.39%	0.09%	0.08%
Oct-21	0.40%	0.08%	0.09%
Nov-21	0.40%	0.09%	0.10%
Dec-21	0.38%	0.10%	0.13%
Jan-22	0.43%	0.14%	0.14%
Feb-22	0.49%	0.21%	0.14%
Mar-22	0.63%	0.32%	0.29%
Apr-22	0.78%	0.47%	0.45%
May-22	0.93%	0.64%	0.84%
Jun-22	1.11%	0.85%	1.25%
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%



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