



Economic Outlook and Portfolio Strategy

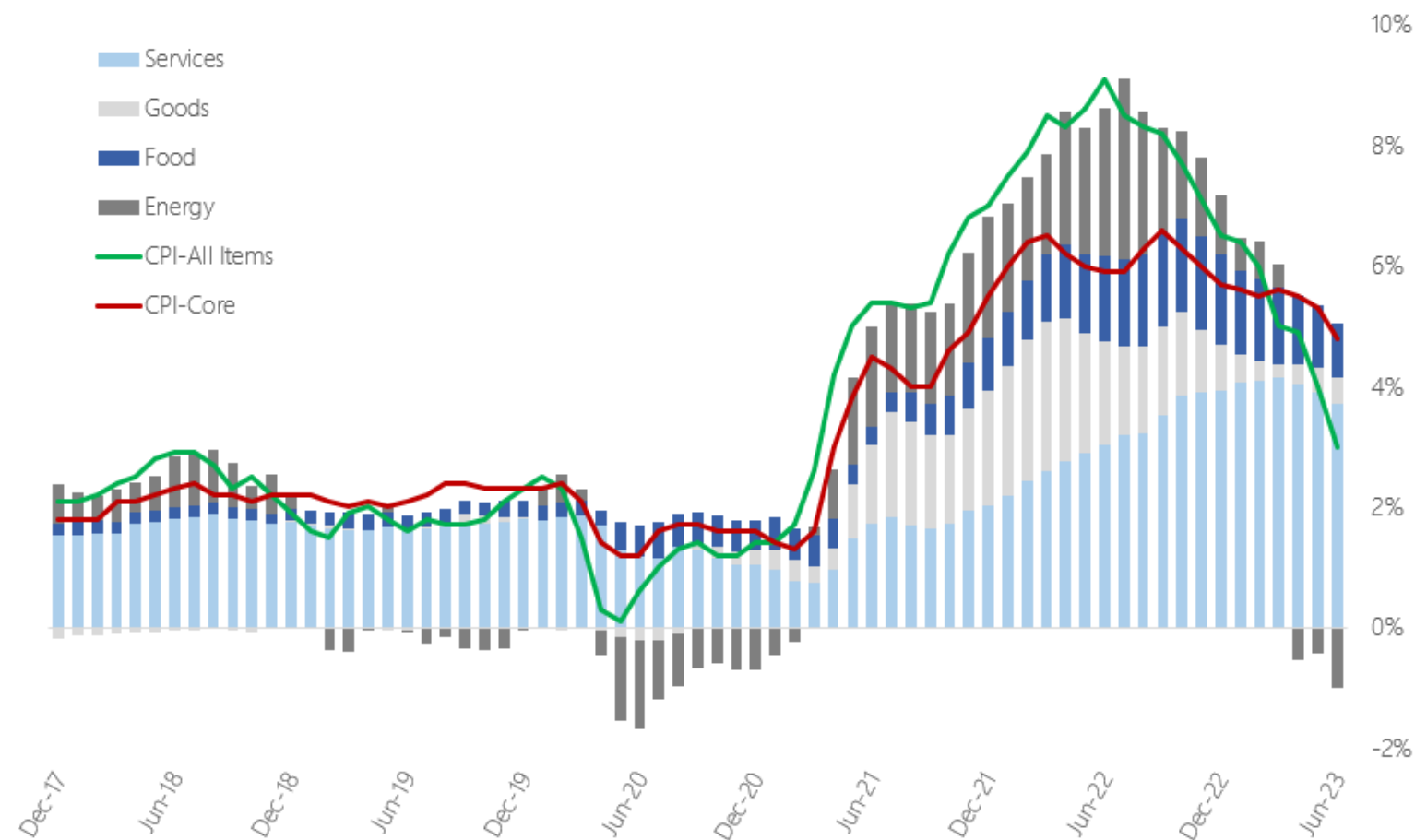
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- ✓ Florida HB3 was signed into law in May. It prohibits the consideration of environmental, social and governance (ESG) factors in investment and procurement decisions by state and local governments.
- ✓ The decisions made by Seminole County are transparent and limited to those investments permitted within written policy. All decisions focus on safety of principal, liquidity, diversification, yield, and expected future cashflows. The County does not purchase corporate bonds and does not invest in mutual funds or ETF's. As a result, ESG factors do not enter the equation.
- ✓ Proposed policy language: *As per Florida HB 3, the County will not consider environmental, social and governance (ESG) factors in its investment decision-making process.*

- ✓ Fed announcement is *tomorrow* ...a 25 bp increase is expected
- ✓ Much of the recent economic data has been stronger than expected, but there are still hurdles ahead.
- ✓ Bond yields have risen beyond forecasts as supply flooded the bond market ...yields have settled back down after soft inflation releases

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



Source: Bureau of Labor Statistics

- U.S. Treasuries

○ 6-month	4.96%	5.35%	5.37%	5.46%
○ 12-month	4.69%	5.05%	5.21%	5.30%
○ 24-month	4.18%	4.33%	4.69%	4.85%
○ 36-month	3.90%	4.00%	4.27%	4.44%

- Florida QPD Savings

- Multiple banks at 0.65% to 5.25%

- Overnight Investment Pools

○ Fl. Prime	5.29%
○ Fl. Trust	5.14%
○ Fl. Class	5.28%
○ Fl. Safe	5.26%
○ Fl. PALM	5.25%
○ Fl. STAR	5.25%

■ Upcoming Maturities:

- 7/31/23 \$10 mm T-note @ **0.99%**
- 7/31/23 \$15 mm T-note @ **0.55%**
- 8/31/23 \$15 mm T-note @ **1.03%**
- 8/31/23 \$15 mm T-note @ **0.58%**
- 8/31/23 \$15 mm T-note @ **2.16%**

■ Recent Investments:

- \$10 mm PALM term 6/28/24 @ 5.98%
- \$10 mm FHLB 8/28/25 @ ~~4.55%~~ 5.14%

■ Recommended Purchases *

- \$10 mm PALM term 7/24 @ 5.80%*
- \$10 mm Treasury/Agency 7/25 @ 4.95%*

* Actual yields may be higher or low on purchase date.

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 balance in Florida Prime pool

Portfolio Snapshot (June 30 ...projected July 31)

	June 30 Portfolio			Proposed Invest / (Divest)	Projected July Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
Cash Equivalents							
Bank QPD Funds	108,905,725	13.2%	-86.8%	-	108,905,725	13.2%	-86.8%
Florida Prime	39,177,393	4.8%	-25.2%	5,000,000	44,177,393	5.4%	-24.6%
Other Cash Pools	17,175,859	2.1%	-25.8%	-	17,175,859	2.1%	-24.6%
Total Liquid Funds	165,258,977	20.1%		5,000,000	170,258,977	20.7%	
Investments							
Treasuries	247,753,438	30.1%	-69.9%	(25,000,000)	222,753,438	27.0%	-73.0%
Agencies	309,904,648	37.6%	-42.4%	10,000,000	319,904,648	38.8%	-41.2%
MBS	1,196,859	0.1%	-29.9%	-	1,196,859	0.1%	-29.9%
Fixed Term Pool (PALM)	100,040,327	12.1%	-25.8%	10,000,000	110,040,327	13.4%	-24.6%
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	-	0.0%	-25.0%	-	-	0.0%	-25.0%
Total Investments	658,895,272	79.9%		(5,000,000)	653,895,272	79.3%	
Total Portfolio	824,154,249	100.0%			824,154,249	100.0%	
Avg Portfolio Maturity in days (as of 6/30)	278				(Projected July...)	288	

Portfolio by Maturity

	Current			Proposed *	
	Portfolio %	WA Yield		Portfolio %	WA Yield
Less than 90 days	29.7%	3.90%		37.0%	4.50%
3 - 12 months	39.4%	4.30%		32.1%	4.10%
Beyond 12 months	30.9%	4.46%		30.9%	4.62%
Total	100.0%	4.23%		100.0%	4.41%

* Proposed portfolio %.

Portfolio Stats 6/30/23

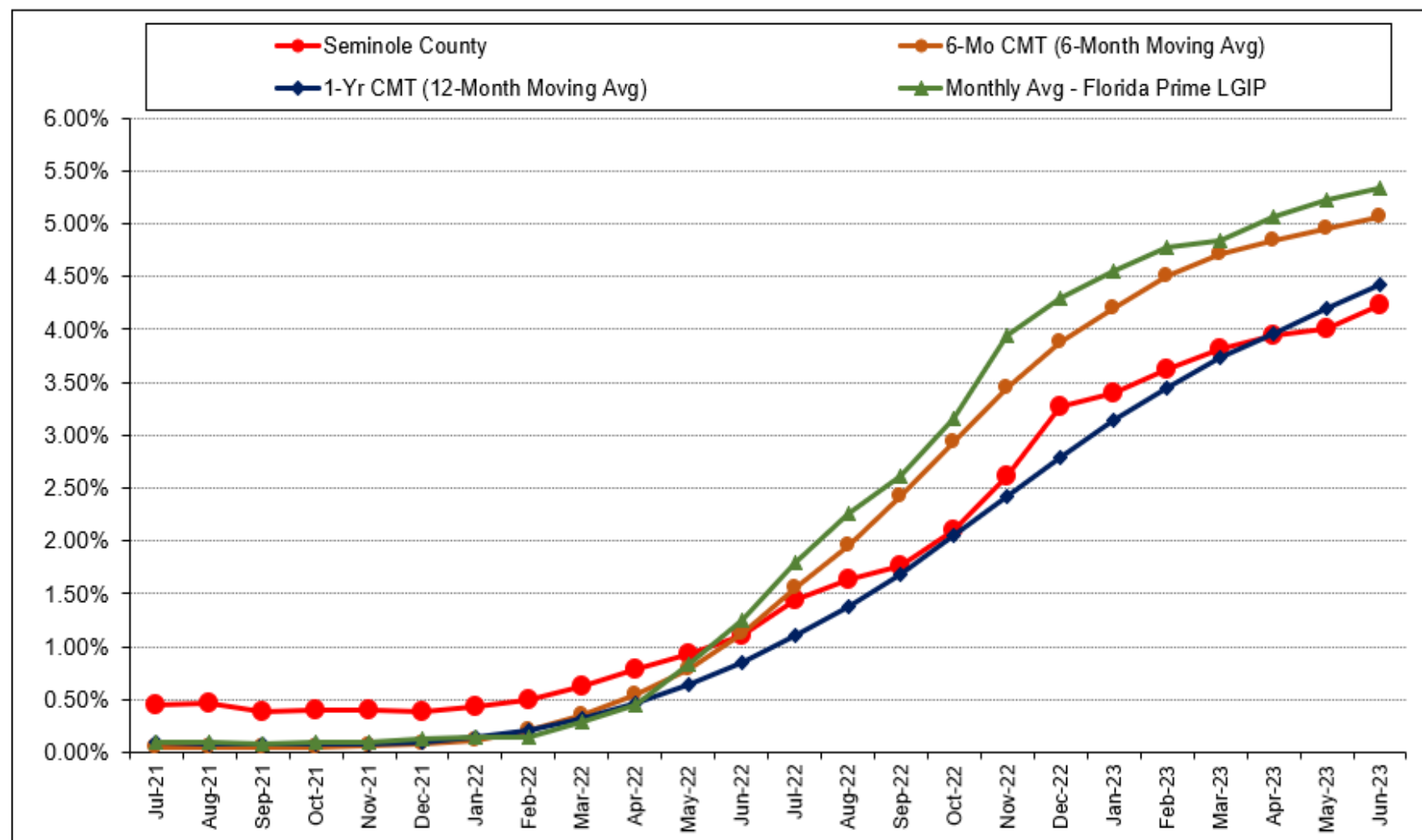
- Avg. maturity: 278 days
- Avg. yield: 4.23%
- Fixed/Floating: 80% / 20%
- <90 days \$244 mm

Estimated Portfolio 7/31/23

- Avg. maturity: 288 days
- Avg. yield: 4.41%
- Fixed/Floating: 79% / 21%
- <90 days \$305 mm

Benchmark Comparison 6/30/2023

	Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP
Jul-21	0.45%	0.05%	0.09%	0.09%
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%



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