



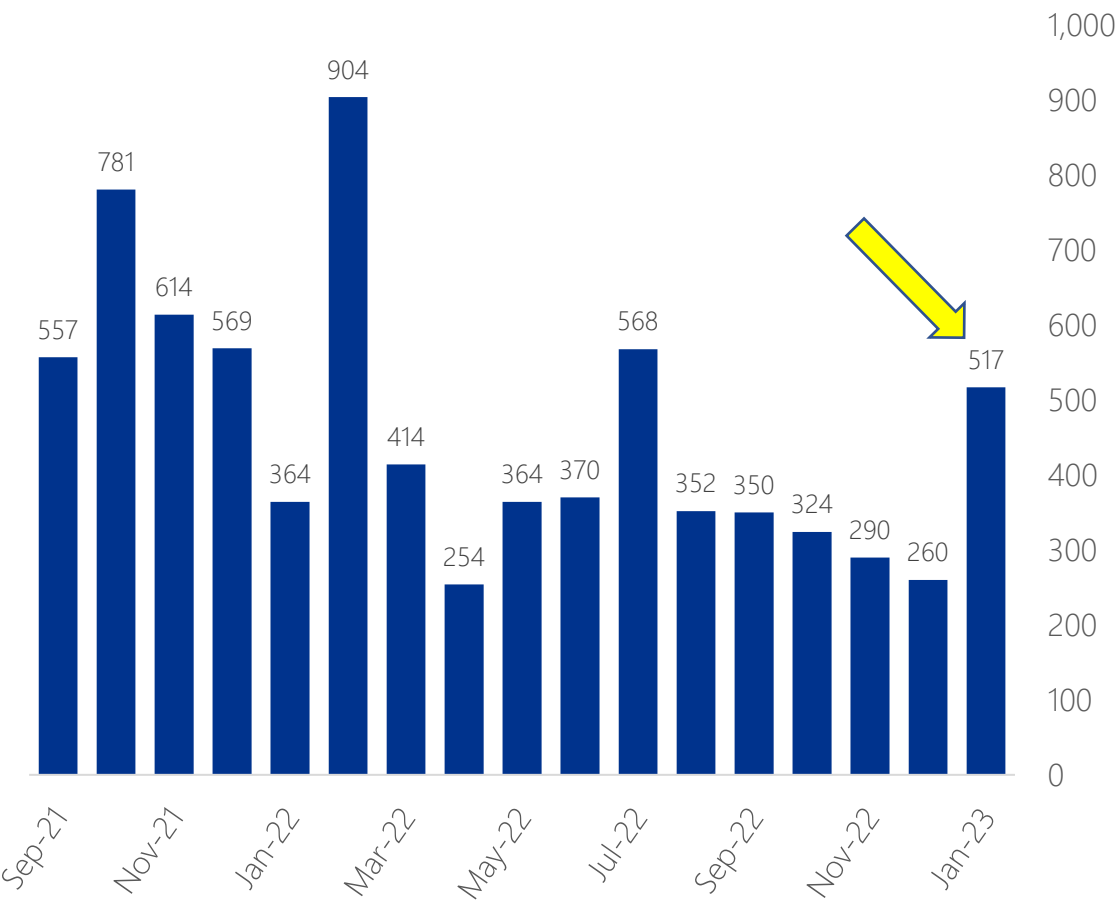
Economic Outlook and Portfolio Strategy

February 28, 2023

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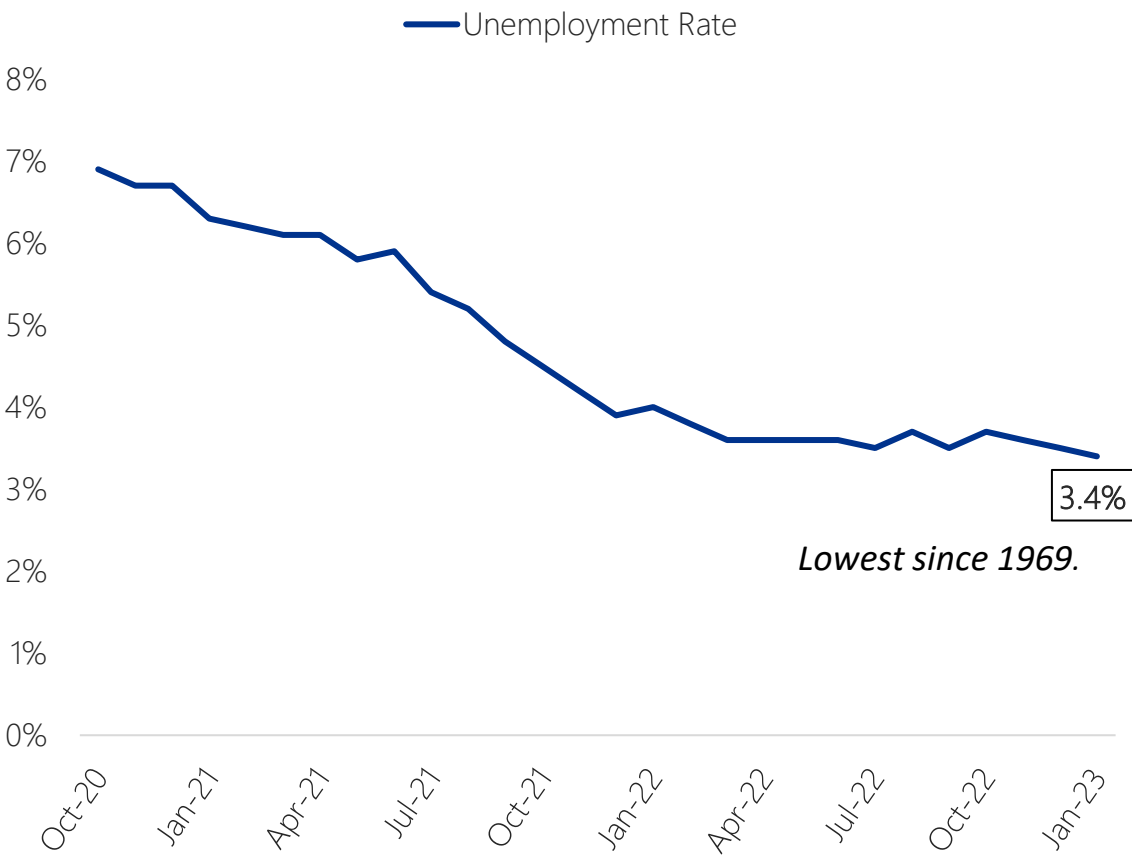
- Employment, inflation and consumer spending all unexpectedly surged in January. Seasonal adjustments likely distorted the numbers.
- Fed officials responded to the apparent hot data with increased determination to slow too-resilient growth with tighter policy.
- Before the data was released, the FOMC hiked the overnight funds target by 25 bps in February *as expected*, but the stronger data (if it continues) could mean rate hikes continue into summer.

Non-Farm Payrolls Total Change (in thousands)

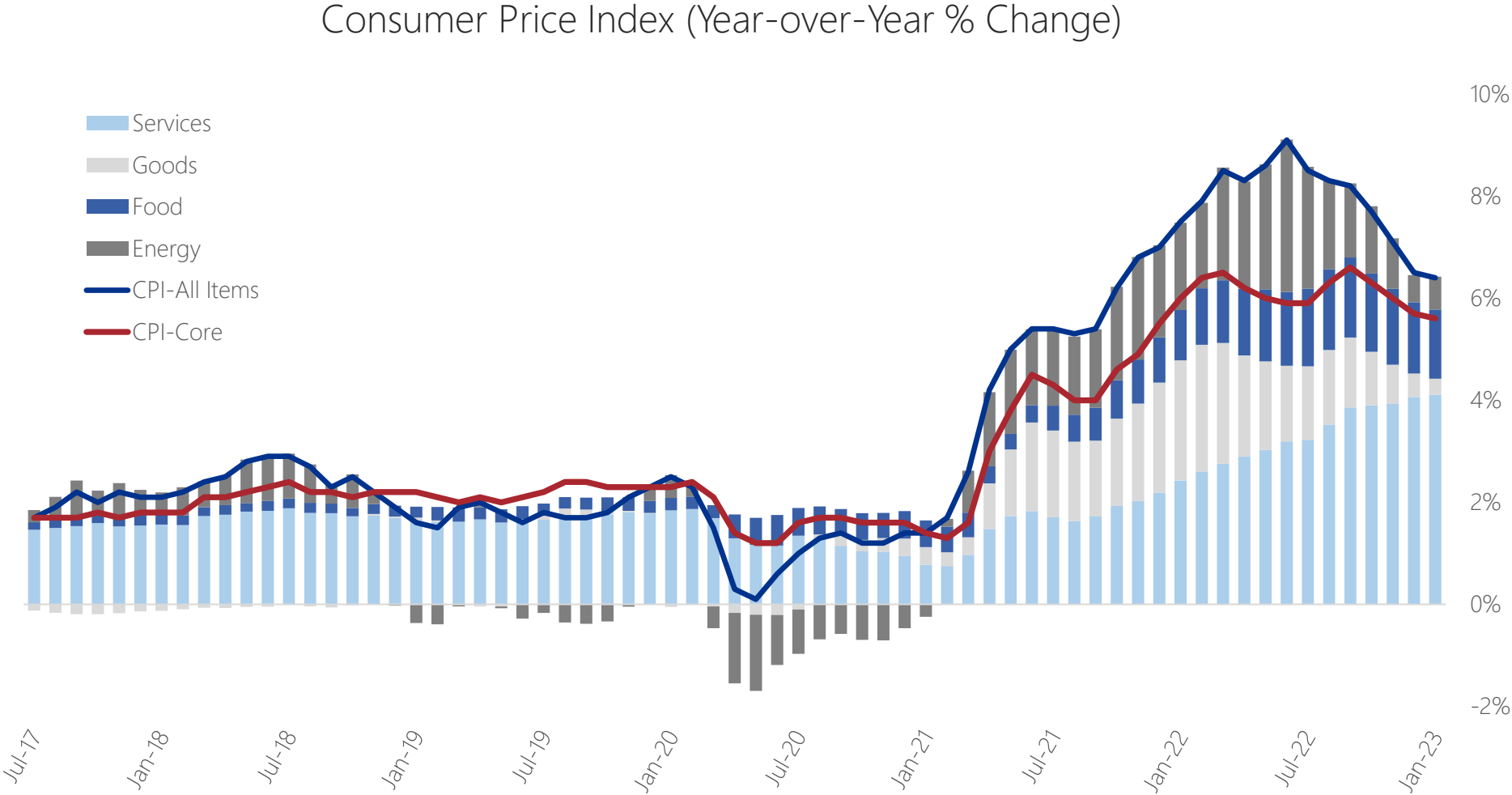


Source: Bureau of Labor Statistics

Unemployment Rate

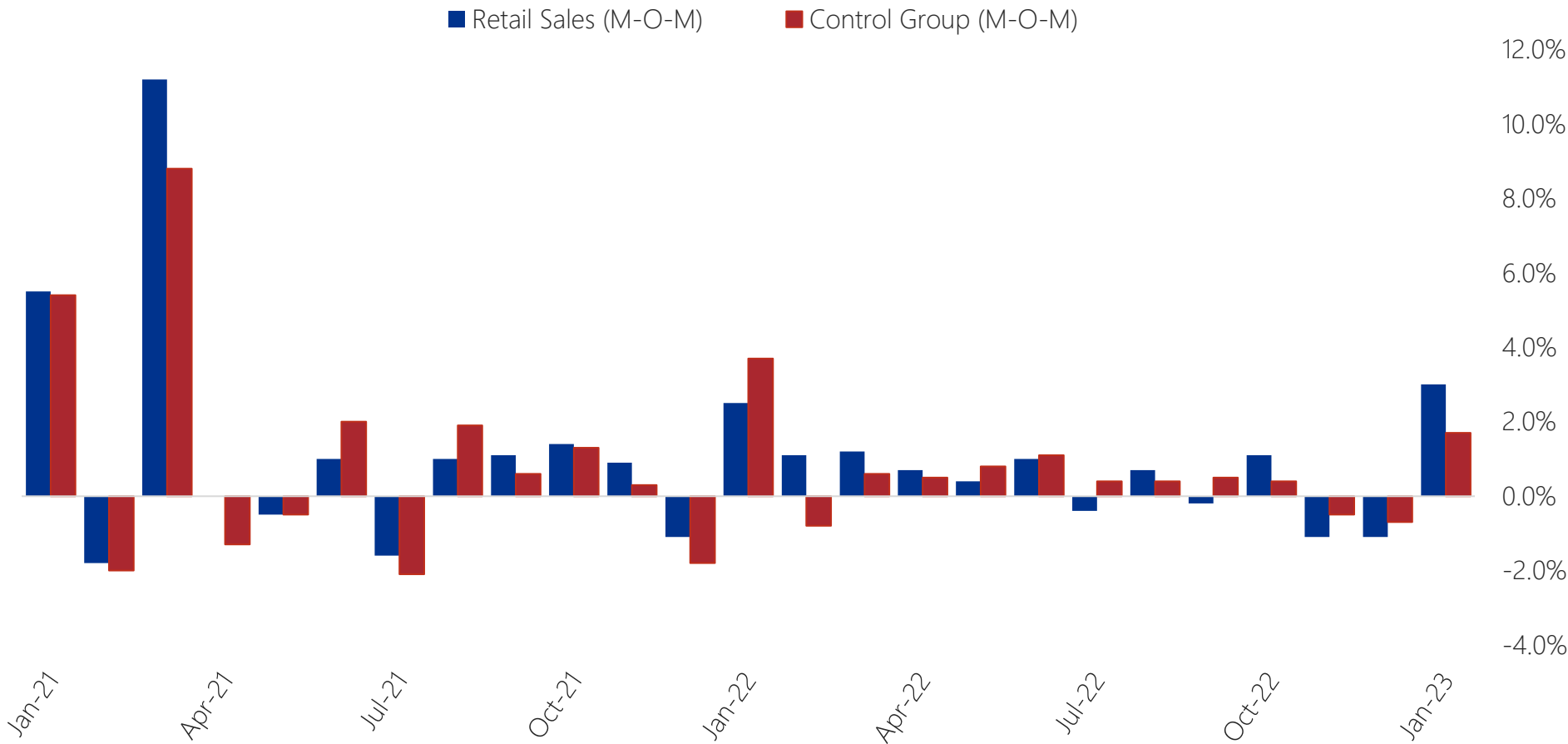


Source: Bureau of Labor Statistics



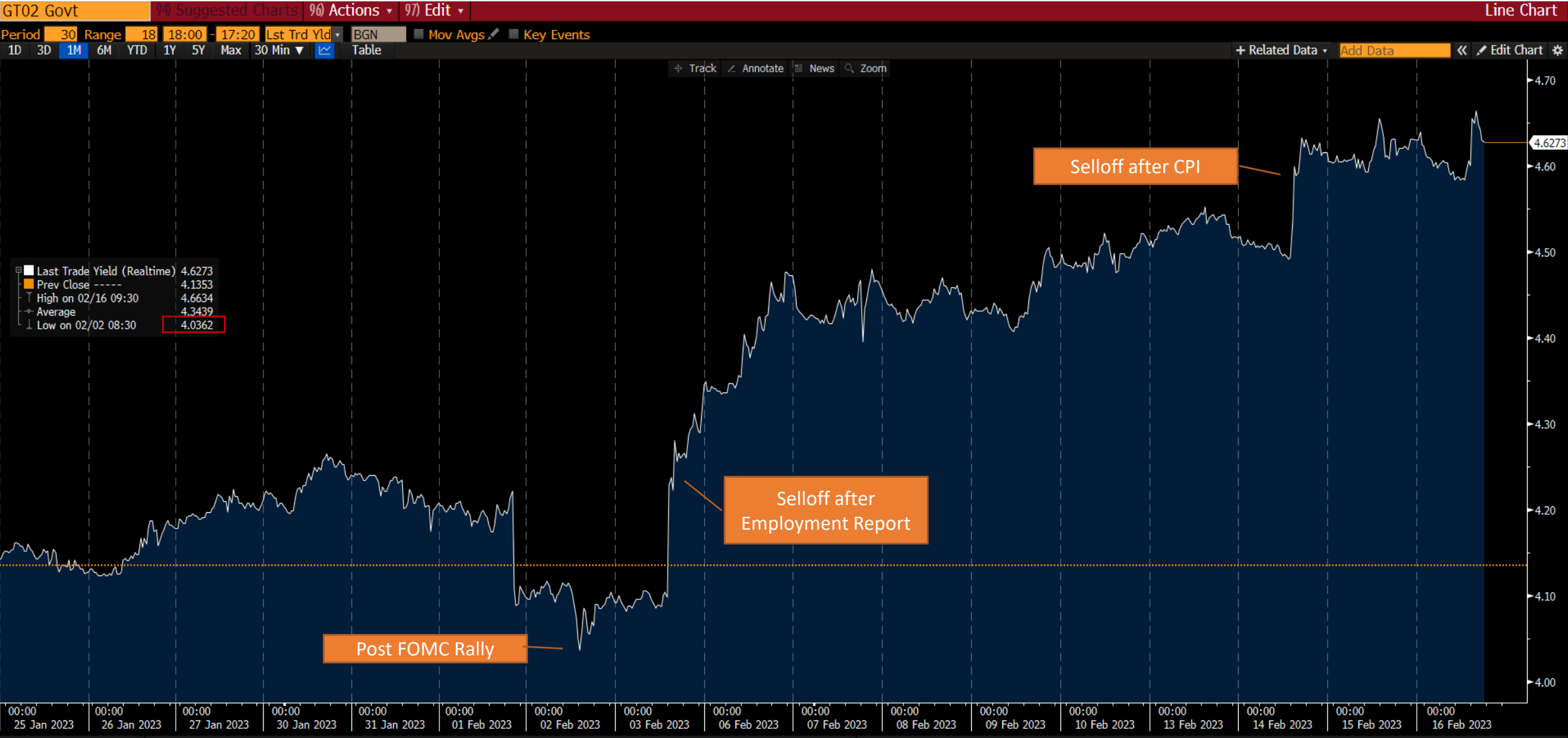
Source: Bureau of Labor Statistics

Retail Sales (Month-over-Month Percent Change)



Source: US Census Bureau

2-Year Treasury Intraday Yields



Source: Bloomberg

- U.S. Treasuries

○ 6-month	4.68%	4.81%	5.09%
○ 12-month	4.66%	4.66%	5.04%
○ 24-month	4.27%	4.15%	4.80%
○ 36-month	4.01%	3.80%	4.53%

- Florida QPD Savings

- Multiple banks at 0.55% to 4.75%

- Overnight Investment Pools

○ Fl. Prime	4.77%
○ Fl. Trust	4.58%
○ Fl. Class	4.76%
○ Fl. Safe	4.71%
○ Fl. PALM	4.74%
○ Fl. STAR	4.57%

February Bloomberg Survey of Economists Results

	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Economy								
Real GDP Q-Q% SAAR	0.40	-0.50	-0.20	0.60	1.30	1.80		
Unemployment Rate	3.50	3.80	4.20	4.50	4.70	4.70		
Headline CPI Y-O-Y	5.80	4.10	3.50	3.10	2.80	2.60		
Fed Funds (Upper Bound) Current = 4.75								
Feb. Survey Median	5.00	5.25	5.25	5.25	4.75	4.25	3.75	3.50
Jan. Survey Median	5.00	5.00	5.00	5.00	4.38	4.00	3.50	3.25
Change in Medians	0.00	0.25	0.25	0.25	0.37	0.25	0.25	0.25
Treasury Yields 2/22/2023								
Average US 2-Year	4.67	4.45	4.37	4.17	3.89	3.64	3.41	3.17
Average US 5-Year	4.13	3.88	3.85	3.73	3.56	3.43	3.31	3.20
Average US 10-Year	3.91	3.67	3.66	3.61	3.49	3.39	3.31	3.23
Average US 30-Year	3.93	3.79	3.82	3.78	3.70	3.61	3.55	3.52

The US economy will expand 0.8% in 2023, 1.3% in 2024 and 2.0% in 2025, according to a survey by Bloomberg News.

- Survey of 66 economists conducted from Feb. 14 to Feb. 20
- Chance of a recession happening over the next 12 months is 60%, according to 42 respondents
- Q1 2023 GDP forecast at +0.5% q/q versus prior survey +0%
- Q2 2023 GDP forecast at -0.5% q/q versus prior survey -0.6%
- 2023 CPI forecast at +4% y/y versus prior survey +3.7%
- 2024 CPI forecast at +2.5% y/y versus prior survey +2.5%
- Fed funds rate upper-bound at 5.00% at Mar. 22 meeting, current rate is 4.75%

■ Upcoming Maturities:

- 2/28/23 \$10 mm T-note @ 0.38% (*to Prime*)
- 2/28/23 \$15 mm T-note @ 0.12% (*reinvest*)
- 3/31/23 \$20 mm T-note @ 1.56%
- 4/05/23 \$20 mm FL PALM @ 2.12%
- 4/30/23 \$10 mm T-note @ 0.45%

■ Recommended Purchases

- \$15 mm Agency, July 2024 @ 5.15%

■ *Recent Investments:*

- \$19.5mm FHLB 6/14/24 @ ~~4.50%~~ 4.71%
- \$20 mm FHLB 9/13/24 @ ~~4.45%~~ 4.56%
- \$20 mm FHLMC 12/30/24 @ ~~4.30%~~ 4.52%
- \$20 mm FL PALM @ 10/30/23 @ ~~4.95%~~ 5.24%

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

Portfolio Snapshot (January 31 ...projected Feb 28)

	January 31 Portfolio			Proposed Invest / (Divest)	Projected February Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
Cash Equivalents							
Bank QPD Funds	106,722,839	11.8%	-88.2%	-	106,722,839	11.8%	-88.2%
Florida Prime	24,244,661	2.7%	-27.3%	10,000,000	34,244,661	3.8%	-26.2%
Other Cash Pools	16,949,130	1.9%	-22.1%	-	16,949,130	1.9%	-22.1%
Total Liquid Funds	147,916,630	16.4%		10,000,000	157,916,630	17.5%	
Investments							
Treasuries	342,710,471	37.9%	-62.1%	(25,000,000)	317,710,471	35.2%	-64.8%
Agencies	266,876,343	29.5%	-50.5%	15,000,000	281,876,343	31.2%	-48.8%
MBS	1,354,355	0.1%	-29.9%	-	1,354,355	0.1%	-29.9%
Fixed Term Pool (PALM)	144,576,513	16.0%	-22.1%	-	144,576,513	16.0%	-22.1%
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	-	0.0%	-25.0%	-	-	0.0%	-25.0%
Total Investments	755,517,681	83.6%		(10,000,000)	745,517,681	82.5%	
Total Portfolio	903,434,311	100.0%			903,434,311	100.0%	
Avg Portfolio Maturity in days (as of 1/31)	307				(Projected Feb...)	309	

Portfolio by Maturity

	Current	
	Portfolio %	WA Yield
Less than 90 days	27.2%	3.13%
3 - 12 months	32.9%	2.84%
Beyond 12 months	39.9%	4.04%
Total	100.0%	3.40%

	Proposed *	
	Portfolio %	WA Yield
Less than 90 days	27.5%	3.84%
3 - 12 months	34.6%	3.17%
Beyond 12 months	37.9%	4.00%
Total	100.0%	3.67%

* Proposed portfolio %.

Portfolio Stats 1/31/23

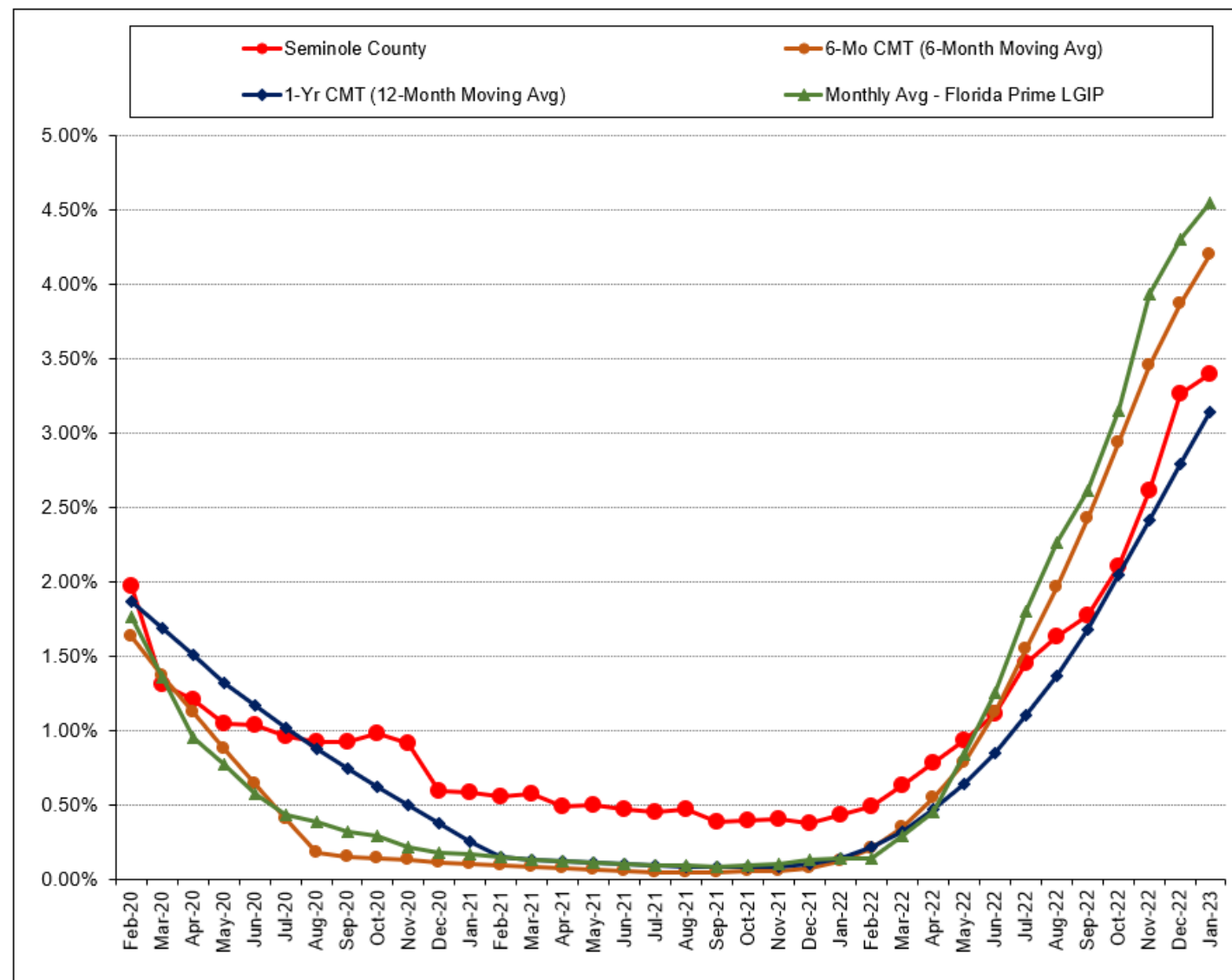
- Avg. maturity: 307 days
- Avg. yield: 3.40%
- Fixed/Floating: 84% / 16%
- <90 days \$246 mm

Estimated Portfolio 2/28/23

- Avg. maturity: 309 days
- Avg. yield: 3.66%
- Fixed/Floating: 82% / 18%
- <90 days \$249 mm

Benchmark Comparison 1/31/2023

	Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP
Feb-20	1.97%	1.63%	1.87%	1.76%
Mar-20	1.31%	1.37%	1.69%	1.36%
Apr-20	1.21%	1.12%	1.51%	0.95%
May-20	1.05%	0.88%	1.32%	0.77%
Jun-20	1.04%	0.64%	1.17%	0.57%
Jul-20	0.96%	0.40%	1.02%	0.43%
Aug-20	0.92%	0.18%	0.88%	0.39%
Sep-20	0.92%	0.15%	0.74%	0.32%
Oct-20	0.98%	0.14%	0.62%	0.29%
Nov-20	0.91%	0.13%	0.50%	0.22%
Dec-20	0.59%	0.12%	0.38%	0.18%
Jan-21	0.58%	0.11%	0.26%	0.17%
Feb-21	0.56%	0.10%	0.15%	0.15%
Mar-21	0.57%	0.09%	0.13%	0.13%
Apr-21	0.49%	0.07%	0.12%	0.12%
May-21	0.50%	0.06%	0.11%	0.11%
Jun-21	0.47%	0.05%	0.10%	0.10%
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%



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