



ECONOMIC OUTLOOK & PORTFOLIO REVIEW

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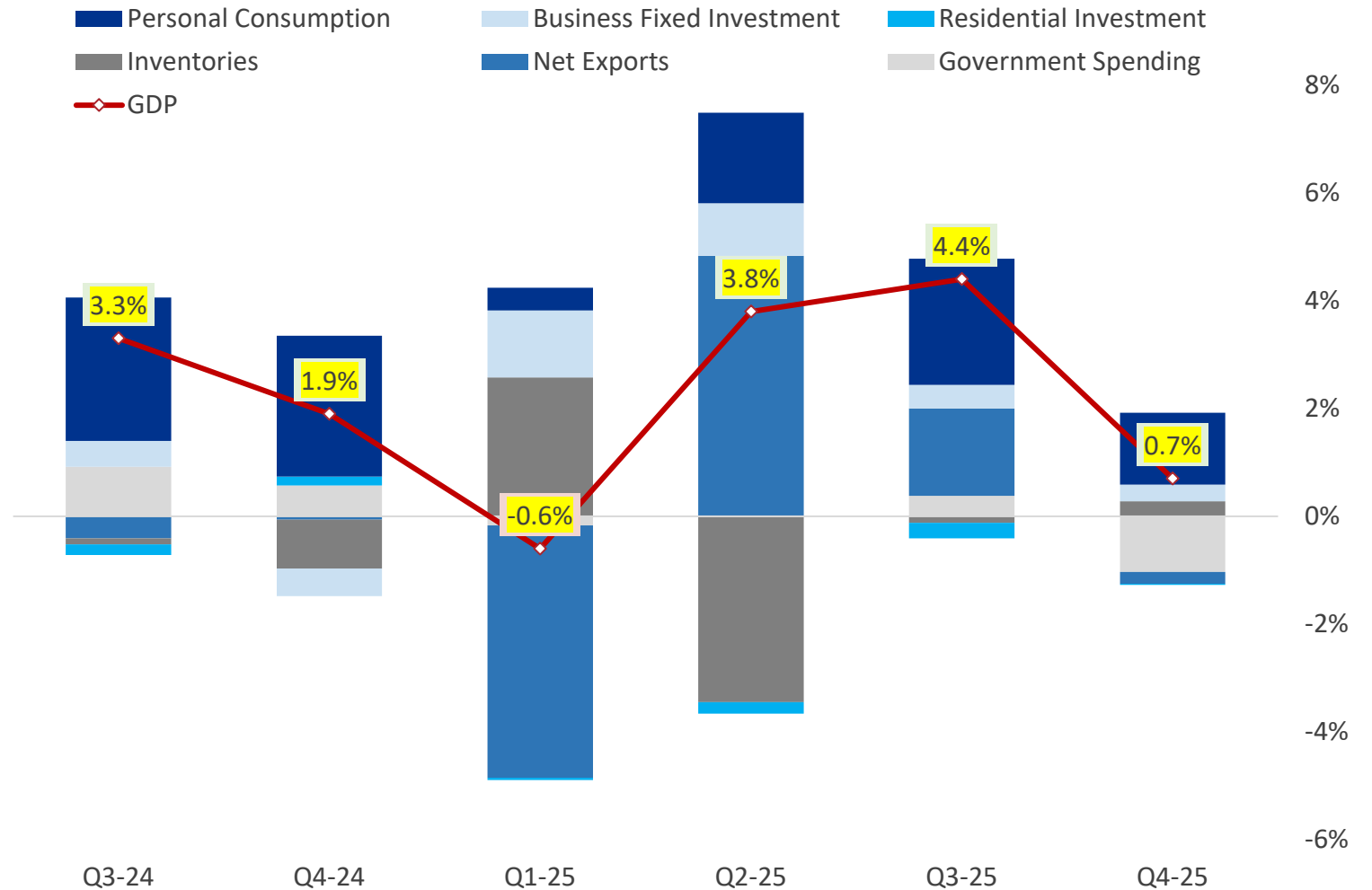
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EVENTS DRIVING THE MARKET

- Job growth appeared to pick up in January but payroll growth for all of 2025 was revised *sharply lower*, and February employment was *abysmal*.
- Inflation had declined, *driven largely by receding shelter costs*, but soaring oil prices have recently upended the narrative.
- The rapid advancement of A.I. has amplified economic uncertainty and *expanded the range of possible outcomes*.
- Lingering wildcards include the FOMC composition, the Supreme Court ruling on Fed Governor Cook, and **military conflict in the Middle East**.

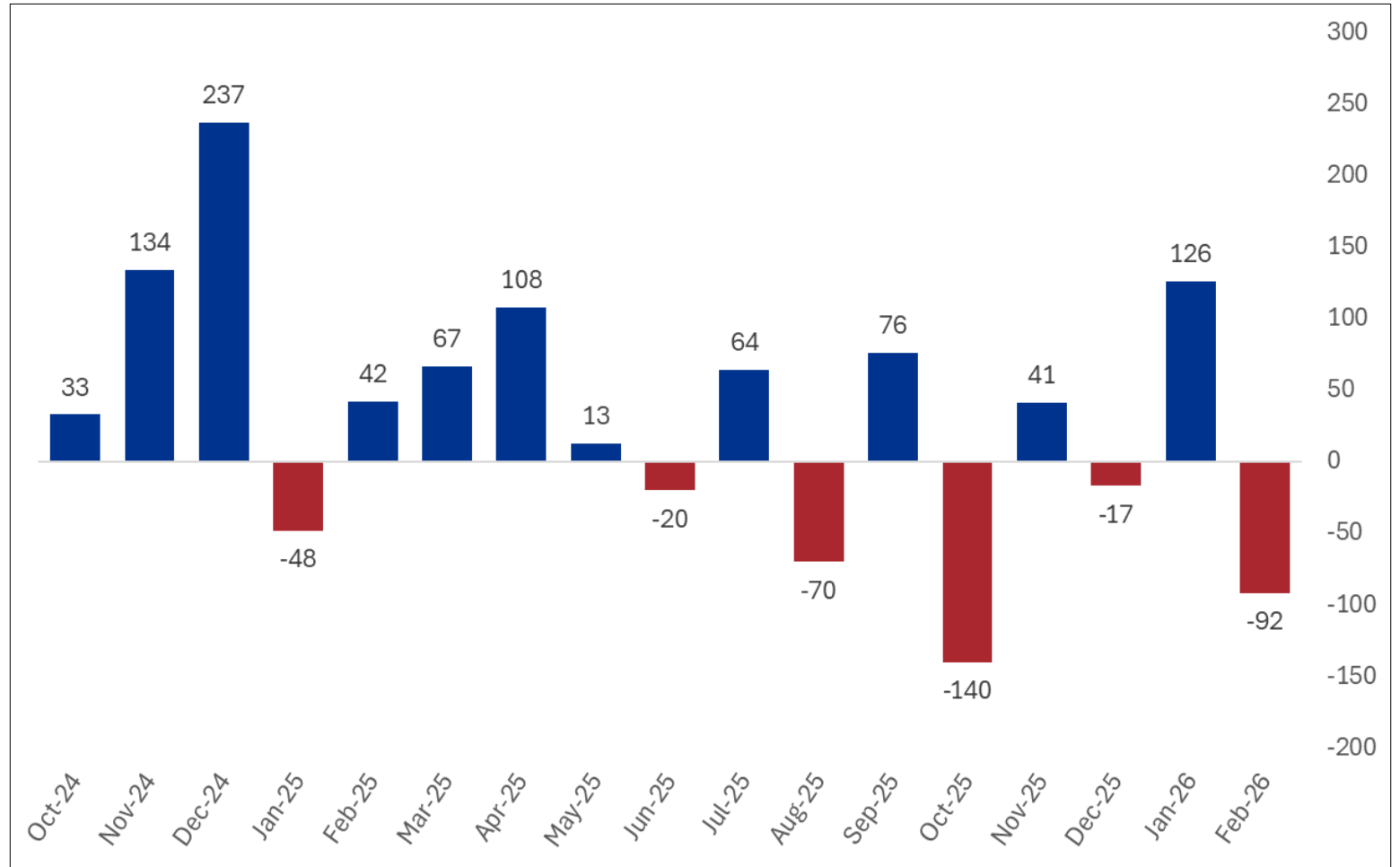
OVERALL ECONOMY GROSS DOMESTIC PRODUCT (Quarter-over-Quarter annualized percent change)

- Real GDP grew at a quarter-over-quarter, annualized rate of just +0.7% in the fourth quarter.
- Federal spending fell -5.1% during the quarter, pulling overall GDP down by 0.9 percentage points.
- For the year, GDP grew +2.1%; down from +2.8% in 2024 and +2.9% in 2023. (BEA)



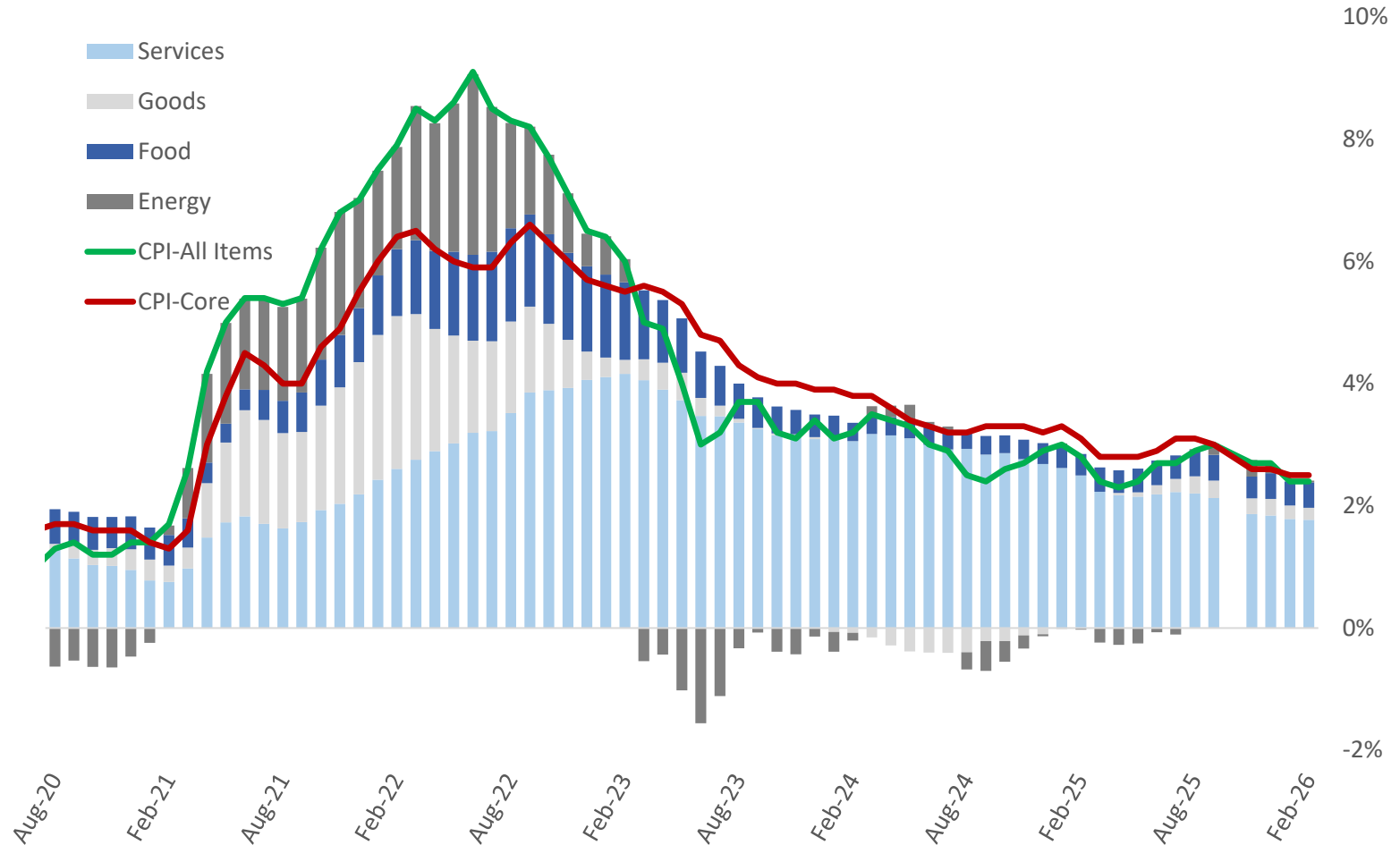
Source: Bureau of Economic Analysis

- The January employment report from the BLS showed +126k(r) increase in nonfarm payrolls (doubling forecasts).
- However, the massive annual revision lowered the average payroll gain in 2025 to just +15k, the weakest annual job growth outside of recession since 2003.
- The February employment report showed a -92k unexpected drop in nonfarm payrolls, with a -69k revision to previous months.
- February unemployment climbed from 4.3% to 4.4%, although a huge decline in the labor force participation kept it from rising further.



Source: Bureau of Labor Statistics

- The overall consumer price index (CPI) rose by just +0.3% in February and +2.4% year-over-year. *The annual rate of consumer inflation has fallen significantly since September, when the headline reached +3.0%.*
- Core CPI, which excludes food and energy prices, climbed +0.2% in February, and the annual core rate held at +2.5%, *the lowest since March 2021.*
- Shelter costs have gradually declined over the past three years and are the primary reason why consumer inflation has eased.
- However, the Fed focuses on PCE, which is running about a half point higher.
- **Sharply higher oil prices promise the inflation rate will rise in March and April.**



Source: Bureau of Labor Statistics

BOND YIELDS – 2 YEAR TREASURY NOTE YIELD



Source: Bloomberg

CURRENT INVESTMENT OPTIONS

U.S. Treasuries

○ 6-month	3.68%	3.63%	3.62%	3.74%
○ 12-month	3.59%	3.52%	3.50%	3.81%
○ 24-month	3.56%	3.60%	3.48%	3.92%
○ 36-month	3.58%	3.67%	3.50%	3.93%

Overnight Investment Pools (3/19/26)

○ Fl. Prime	4.11%	3.91%	3.86%	3.85%
○ Fl. Trust	4.08%	3.73%	3.75%	3.74%
○ Fl. Class	3.97%	3.78%	3.77%	3.71%
○ Fl. Safe	3.95%	3.72%	3.74%	3.69%
○ Fl. STAR	3.93%	3.71%	3.70%	3.65%

Florida QPD Savings

- Multiple banks at 2.25% to 3.75%

NOTES AND RECOMMENDATIONS

- Upcoming Maturities:

- April 10 - \$11.3 mm PALM @ 4.30%
- April 30 - \$10 mm US Treasury FHLB @ 4.34%

- Recent Transactions

- \$11 mm PALM term to Feb 2027 @ 3.65%
- \$10 mm PALM term to March 2027 @ 3.79%

- Recommended Purchases

The County is fully invested at this time.

Expenses to be paid from Florida Prime

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

PORTFOLIO SNAPSHOT (FEBRUARY 28, 2026...PROJECTED MARCH)

	February 28 Portfolio			Proposed Invest / (Divest)	Projected March Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
Cash Equivalents							
Bank QPD Funds	63,095,385	6.5%	-93.5%	-	63,095,385	6.5%	-93.5%
Florida Prime	80,540,634	8.3%	-21.7%	-	80,540,634	8.3%	-21.7%
Other Cash Pools	23,721,541	2.5%	-23.8%	-	23,721,541	2.5%	-22.8%
Total Liquid Funds	167,357,560	17.3%		-	167,357,560	17.3%	
Investments							
Treasuries	372,159,550	38.6%	-61.4%	-	372,159,550	38.6%	-61.4%
Agencies	155,328,543	16.1%	-63.9%	(10,000,000)	145,328,543	15.1%	-64.9%
MBS	672,186	0.1%	-29.9%	-	672,186	0.1%	-29.9%
Fixed Term Pool (PALM)	132,594,375	13.7%	-23.8%	10,000,000	142,594,375	14.8%	-22.8%
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	136,611,961	14.2%	-10.8%	-	136,611,961	14.2%	-10.8%
Total Investments	797,366,615	82.7%		-	797,366,615	82.7%	
Total Portfolio	964,724,175	100.0%			964,724,175	100.0%	

Avg Portfolio Maturity in days (as of 2/28) 368 (Projected March...) 375

Portfolio Stats 2/28/26

- Avg. maturity: 368 days
- Avg. yield: 3.99%
- Fixed/Floating: 83% / 17%
- <90 days \$229 mm

Portfolio Stats 3/31/26

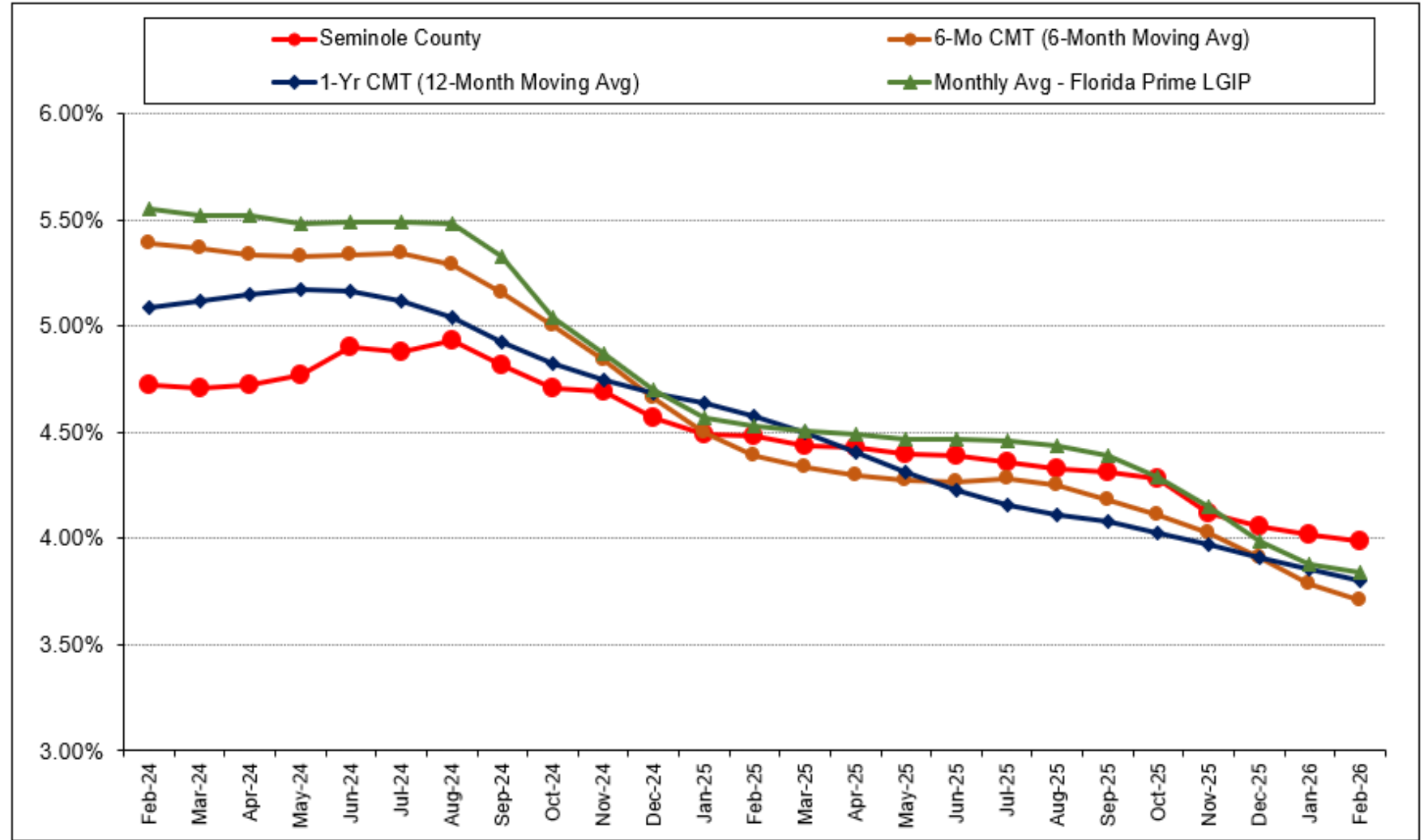
- Avg. maturity: 375 days
- Avg. yield: 3.99%
- Fixed/Floating: 83% / 17%
- <90 days \$277 mm

	Current		Proposed *	
	Portfolio %	WA Yield	Portfolio %	WA Yield
Less than 90 days	23.8%	3.91%	28.7%	3.98%
3 - 12 months	28.1%	4.18%	28.1%	4.15%
Beyond 12 months	48.2%	3.93%	43.2%	3.88%
Total	100.0%	3.99%	100.0%	3.99%

* Proposed portfolio %.

BENCHMARK COMPARISON 2/28/2026

	Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP
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%
Feb-25	4.48%	4.39%	4.58%	4.53%
Mar-25	4.44%	4.34%	4.50%	4.51%
Apr-25	4.43%	4.30%	4.40%	4.49%
May-25	4.40%	4.28%	4.31%	4.47%
Jun-25	4.39%	4.27%	4.23%	4.47%
Jul-25	4.36%	4.28%	4.16%	4.46%
Aug-25	4.33%	4.25%	4.11%	4.44%
Sep-25	4.31%	4.18%	4.08%	4.39%
Oct-25	4.28%	4.11%	4.03%	4.29%
Nov-25	4.12%	4.02%	3.97%	4.15%
Dec-25	4.06%	3.91%	3.91%	3.99%
Jan-26	4.02%	3.79%	3.86%	3.88%
Feb-26	3.99%	3.71%	3.80%	3.84%



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