



## ECONOMIC OUTLOOK & PORTFOLIO

JUNE 10, 2025

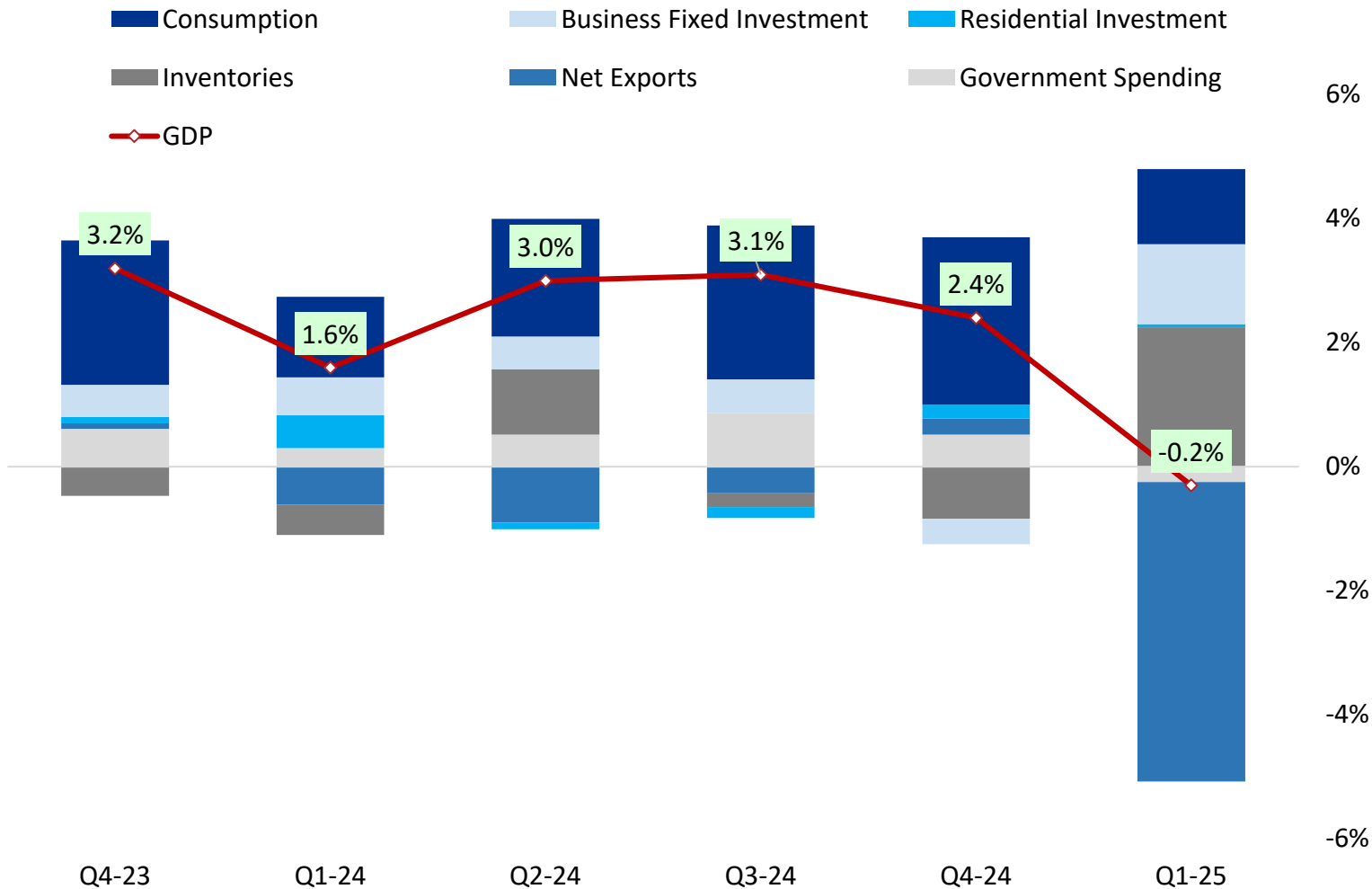
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- President Trump's reciprocal tariffs announcement on April 2nd was more severe than anticipated, while subsequent adjustments, pauses, and ultimately a court ruling (or two) have added complexity/uncertainty.
- A *negative* Q1 GDP print implies weaker growth, but the growth numbers are very difficult to interpret.
- Inflation continues to trend *lower*, and the labor market has held up reasonably well.
- Bond yields have crept a bit higher as the Fed remains on hold.
- Moody's downgrades U.S. sovereign debt rating to AA, citing "*the growing burden of financing the federal government's budget deficit and the rising cost of rolling over existing debt amid high interest rates.*"

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



- Q1 GDP was negative for the first time in three years; however, trade and inventories severely distorted the picture. *We're not entering recession.*

Source: Bureau of Economic Analysis

# BOND YIELDS – 2 YEAR TREASURY NOTE YIELD



May 2025	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	
Economy											
Real GDP Q-Q% SAAR	1.30	0.80	1.30	1.50	1.80	1.90	2.00				
Unemployment Rate	4.30	4.40	4.60	4.60	4.50	4.50	4.40				
Headline CPI (Y-O-Y)	2.70	3.20	3.40	3.20	3.00	2.70	2.60				
Core PCE (Y-O-Y)	2.80	3.20	3.30	3.10	2.90	2.50	2.40				
Fed Funds (Upper Bound) Current = 4.50											
May Survey Median	4.50	4.25	4.00	3.75	3.50	3.50	3.50	3.25	3.25	3.25	
Apr Survey Median	4.50	4.25	4.00	3.75	3.50	3.50	3.50	3.25	3.25	3.25	
Change in Medians	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Treasury Yields 5/23/2025											
Average US 2-Year	3.97	3.91	3.78	3.63	3.58	3.53	3.46	3.46	3.43	3.5	3.49
Average US 5-Year	4.07	4.02	3.93	3.86	3.84	3.80	3.72	3.74	3.68	3.74	3.75
Average US 10-Year	4.51	4.37	4.30	4.25	4.20	4.17	4.09	4.14	4.04	4.07	4.06
Average US 30-Year	5.04	4.83	4.73	4.64	4.61	4.57	4.52	4.54	4.45	4.51	4.5

The US economy will expand 1.3% in 2025, 1.5% in 2026, and 1.9% in 2027 according to a survey by Bloomberg News.

- Survey of 86 economists conducted from May 16 to May 21
- Chance of a recession happening over the next 12 months is 40% versus prior survey 45%, according to 46 respondents

## CURRENT INVESTMENT CHOICES

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### U.S. Treasuries

○ 6-month	<del>4.34%</del>	<del>4.21%</del>	<del>4.18%</del>	4.29%
○ 12-month	<del>4.17%</del>	<del>4.03%</del>	<del>3.94%</del>	4.14%
○ 24-month	<del>4.21%</del>	<del>3.92%</del>	<del>3.77%</del>	4.01%
○ 36-month	<del>4.20%</del>	<del>3.90%</del>	<del>3.77%</del>	4.00%

### Overnight Investment Pools (6/4/25)

○ Fl. Prime	<del>4.52%</del>	<del>4.49%</del>	<del>4.51%</del>	4.44%
○ Fl. Trust	<del>4.46%</del>	<del>4.41%</del>	<del>4.42%</del>	4.39%
○ Fl. Class	<del>4.44%</del>	<del>4.37%</del>	<del>4.40%</del>	4.35%
○ Fl. Safe	<del>4.44%</del>	<del>4.39%</del>	<del>4.36%</del>	4.31%
○ Fl. STAR	<del>4.38%</del>	<del>4.34%</del>	<del>4.36%</del>	4.28%

### Florida QPD Savings

- Multiple banks at 2.50% to 4.50%

## NOTES AND RECOMMENDATIONS

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### ■ Upcoming Maturities:

- 6/9 \$12 mm Farmer Mac @ 4.60%
- 6/9 \$11 mm PALM @ 4.52%
- 6/18 \$11 mm PALM @ 5.30%
- 7/1 \$10 mm Farmer Mac @ 5.13%
- 7/10 \$11 mm PALM @ 5.02%

### ■ Recent Transactions

- Reinvested \$15mm PALM 12 months @ 4.30%

### ■ Recommended Purchases

- \$10mm Treasury or agency May 2028 @ 4.00%
- \$10mm PALM (reinvest) 12 months @ 4.30% \*

\* Subject to cash flow limitations at time of roll.

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

# PORTFOLIO SNAPSHOT (MAY 31, 2025...PROJECTED JUNE)

	May 31 Portfolio			Proposed Invest / (Divest)	Projected June Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
<b>Cash Equivalents</b>							
Bank QPD Funds	61,267,420	6.9%	-93.1%	-	61,267,420	6.9%	-93.1%
Florida Prime	21,663,508	2.4%	-27.6%	24,000,000	45,663,508	5.1%	-24.9%
Other Cash Pools	19,156,042	2.2%	-23.0%	-	19,156,042	2.2%	-24.3%
<b>Total Liquid Funds</b>	102,086,970	11.5%		24,000,000	126,086,970	14.2%	

## Investments

Treasuries	278,400,250	31.3%	-68.7%	-	278,400,250	31.3%	-68.7%
Agencies	320,454,381	36.1%	-43.9%	(12,000,000)	308,454,381	34.7%	-45.3%
MBS	840,948	0.1%	-29.9%	-	840,948	0.1%	-29.9%
Fixed Term Pool (PALM)	131,923,097	14.9%	-23.0%	(12,000,000)	119,923,097	13.5%	-24.3%
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	54,340,807	6.1%	-18.9%	-	54,340,807	6.1%	-18.9%
<b>Total Investments</b>	785,959,483	88.5%		(24,000,000)	761,959,483	85.8%	

## Total Portfolio

888,046,453	100.0%
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Avg Portfolio Maturity in days (as of 5/31)

411

(Projected June ...)

435

## Portfolio by Maturity

	Current	
	Portfolio %	WA Yield
Less than 90 days	24.4%	4.66%
3 - 12 months	27.6%	4.46%
Beyond 12 months	48.0%	4.24%
<b>Total</b>	100.0%	4.40%

	Proposed *	
	Portfolio %	WA Yield
Less than 90 days	27.5%	4.53%
3 - 12 months	30.2%	4.51%
Beyond 12 months	42.3%	4.20%
<b>Total</b>	100.0%	4.38%

\* Proposed portfolio %.

## Portfolio Stats

4/30/25

- Avg. maturity: 428 days
- Avg. yield: 4.43%
- Fixed/Floating: 88% / 12%
- <90 days \$215mm

## Portfolio Stats

5/31/25

- Avg. maturity: 411 days
- Avg. yield: 4.40%
- Fixed/Floating: 89% / 11%
- <90 days \$216mm

## Portfolio Stats

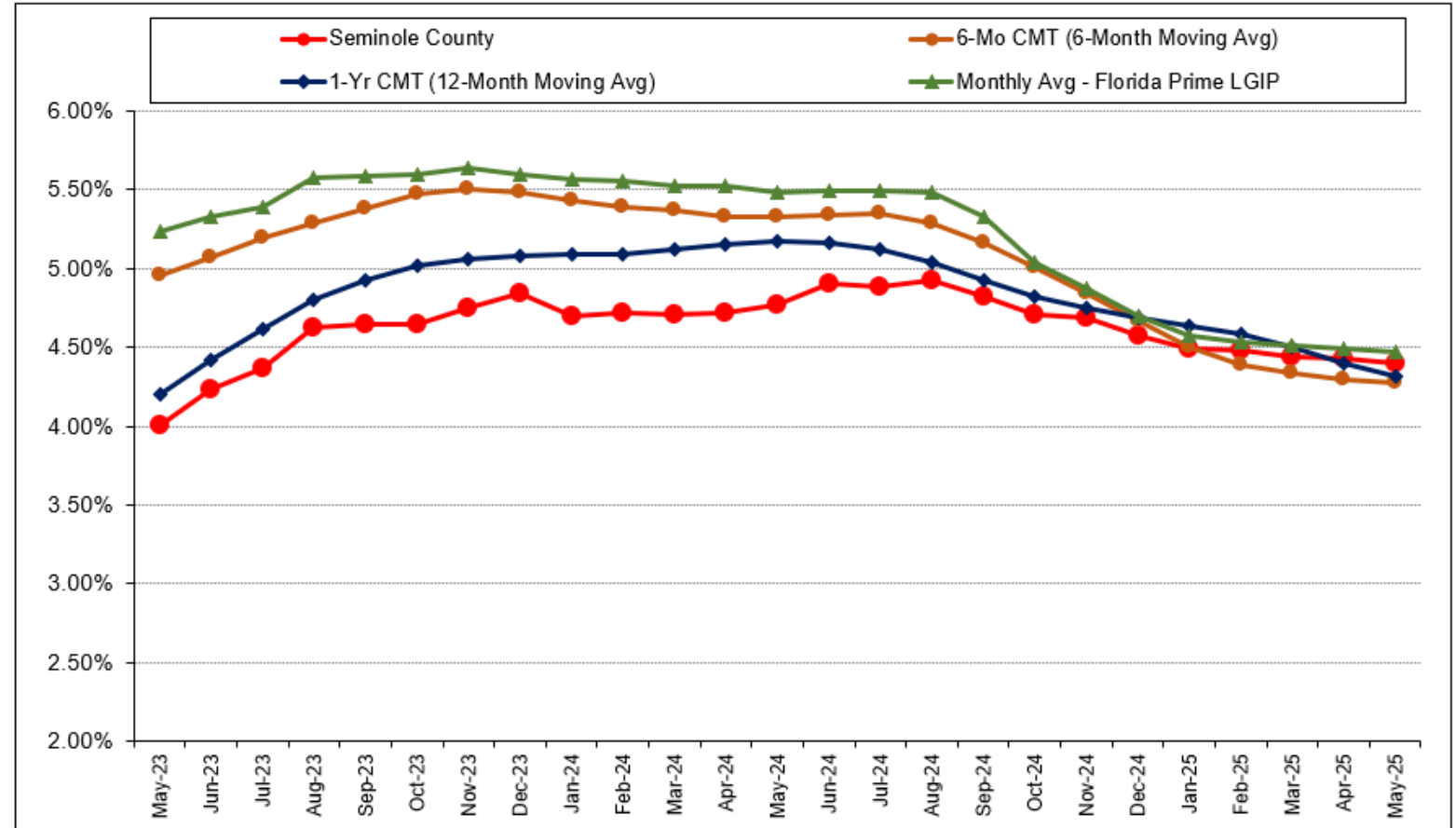
6/30/25

- Avg. maturity: 435 days
- Avg. yield: 4.38%
- Fixed/Floating: 88% / 12%
- <90 days \$243mm



# BENCHMARK COMPARISON 5/31/2025

	Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP
May-23	4.01%	4.95%	4.21%	5.23%
Jun-23	4.23%	5.07%	4.42%	5.33%
Jul-23	4.37%	5.20%	4.62%	5.39%
Aug-23	4.63%	5.29%	4.80%	5.58%
Sep-23	4.65%	5.38%	4.93%	5.59%
Oct-23	4.65%	5.47%	5.01%	5.60%
Nov-23	4.75%	5.50%	5.06%	5.64%
Dec-23	4.84%	5.49%	5.08%	5.60%
Jan-24	4.70%	5.43%	5.09%	5.57%
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%



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