



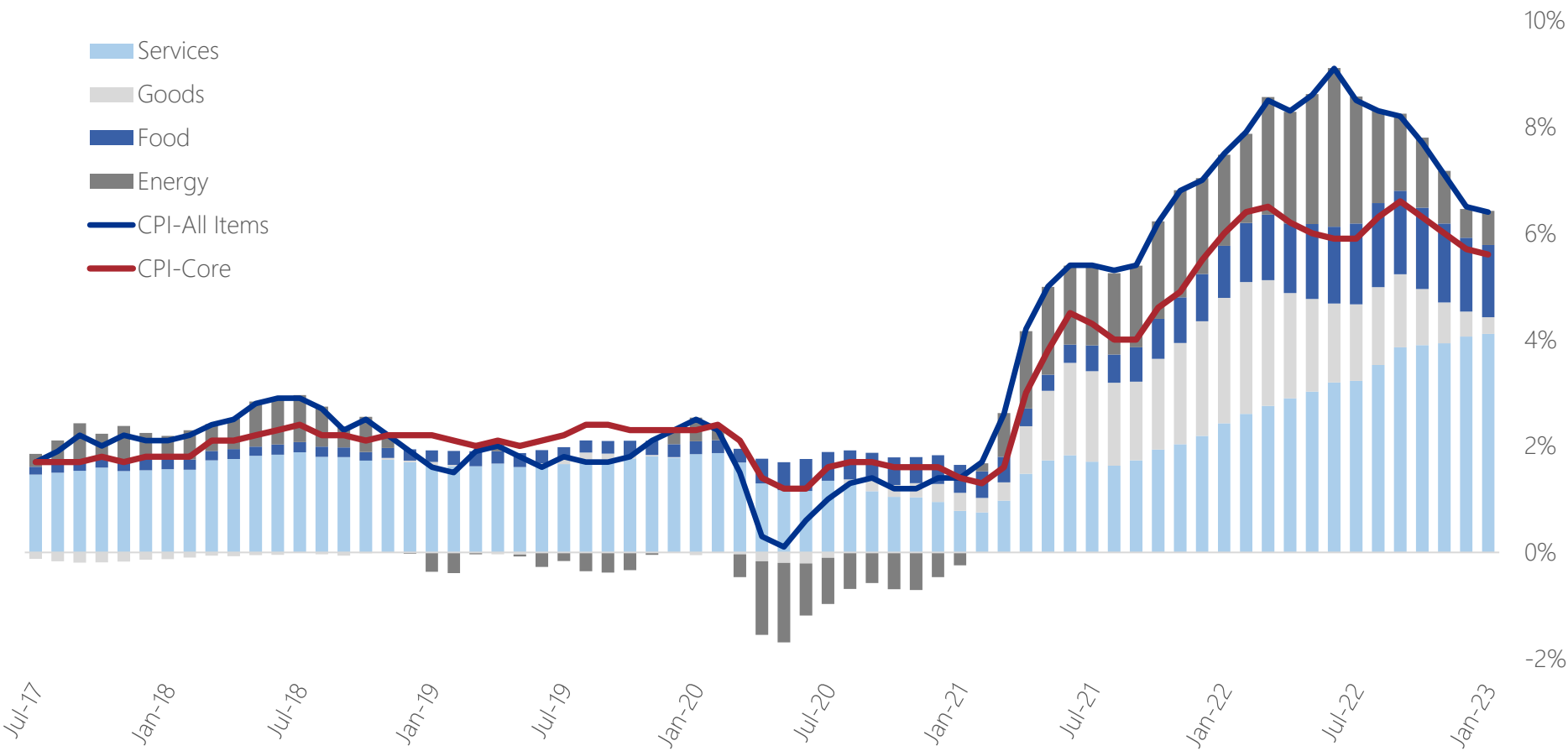
Economic Outlook and Portfolio Strategy

March 28, 2023

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- **Unexpected Bank Collapse Sparks Panic and Challenges Fed Resolve**
Silicon Valley Bank (SVB) suddenly *breaks*, as mass withdrawals force liquidation of underwater Treasury portfolio.
- **Fed Hikes Anyway**
Last Wednesday, Fed officials raised the overnight target by another quarter point but opened the door to a pause.
- **Bond Yields Plunge; Volatility Rises Sharply**
The bond market is signaling a 50% chance of one more 25 bp hike on May 3rd, with multiple rate cuts beginning in July. However, Fed officials intend to hold the overnight rate above 5% until inflation is squashed, which they expect won't be until 2024.
- **Inflation is Decelerating, but Pace of Decline has Slowed**
Overall inflation for February in at +0.4% for the month and +6.0% year-over-year after the annual rate peaked at +9.1% last June. It's still 17 straight months with headline inflation at or above +6.0%...

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



Source: Bureau of Labor Statistics

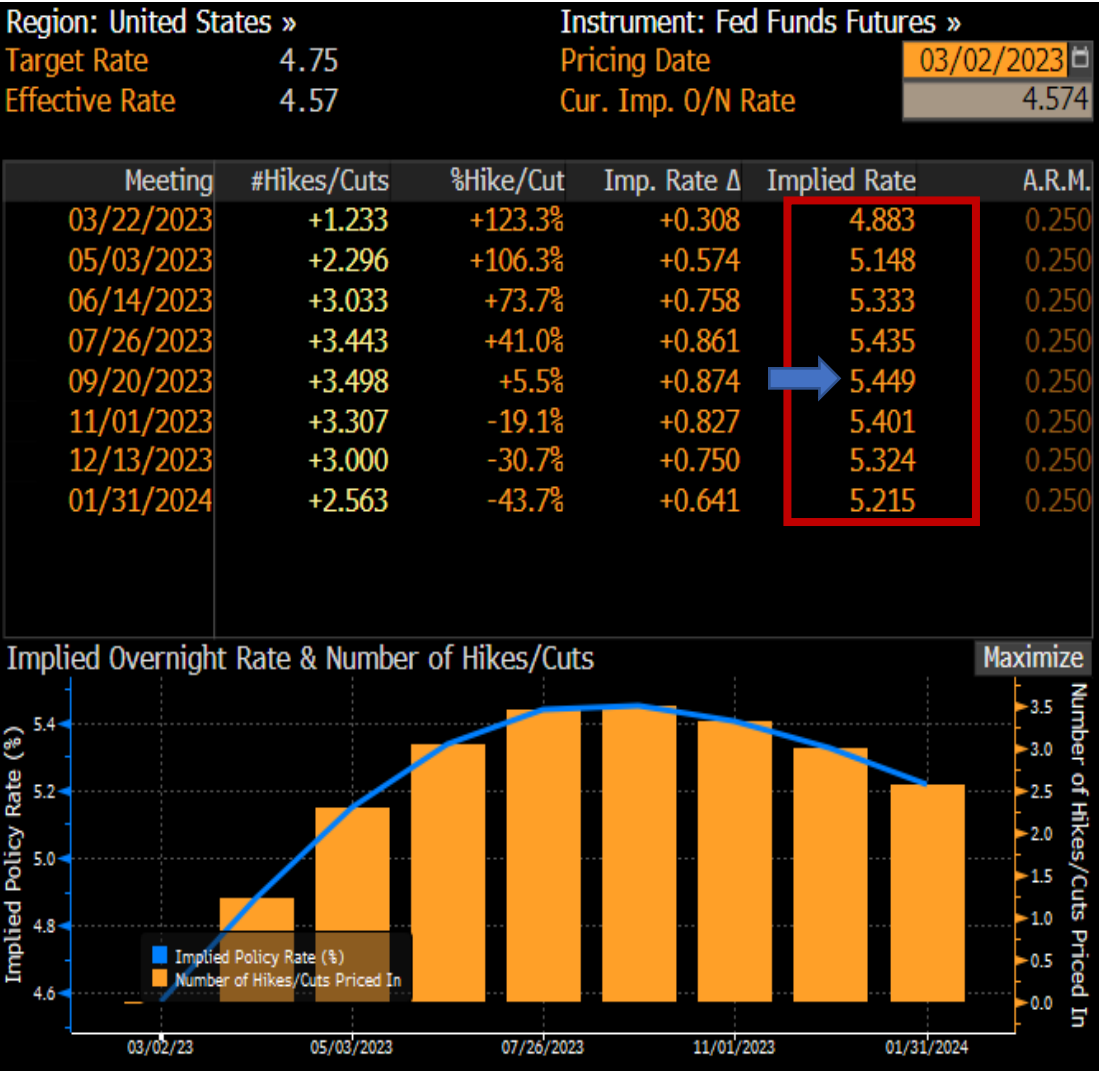
2-Year Treasury Intraday Yields from (March 1 to March 22)



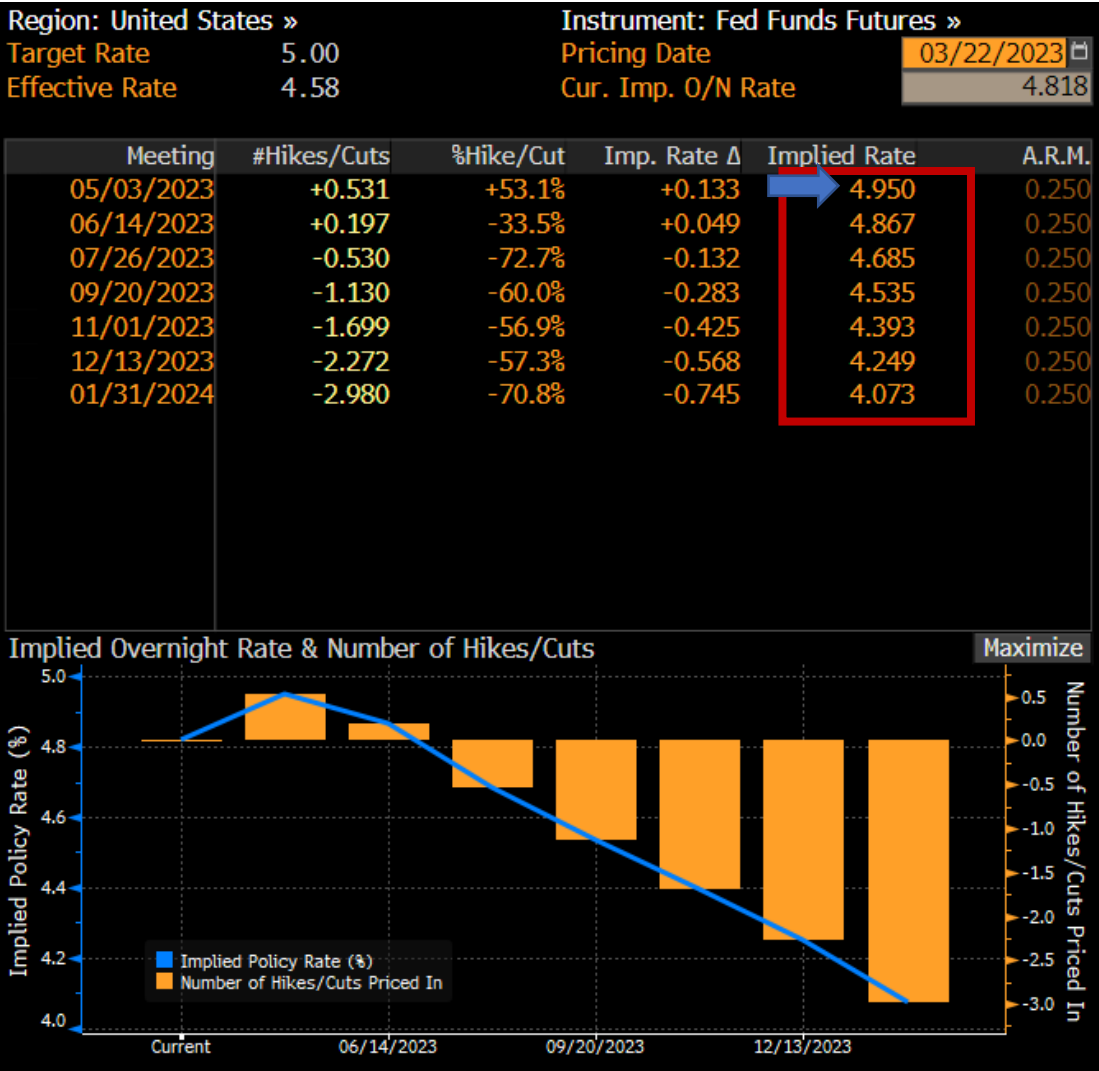
Source: Bloomberg

Implied Fed Funds Rate – (3/2/2023 and 3/22/2023)

3/2/2023



3/22/2023



Source: Bloomberg

- U.S. Treasuries

○ 6-month	4.81%	5.09%	4.78%
○ 12-month	4.66%	5.04%	4.41%
○ 24-month	4.15%	4.80%	3.92%
○ 36-month	3.80%	4.53%	3.71%

- Florida QPD Savings

- Multiple banks at 0.75% to 5.00%

- 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%

■ Upcoming Maturities:

- 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%
- 5/13/23 \$10 mm FL PALM @ 5.14%
- 5/31/23 \$8 mm FHLB @ 4.66%
- 5/31/23 \$20 mm T-note @ 1.71%

■ Recommended Purchases *

- \$20 mm FL PALM roll-over @ 4.90%

* *Extreme market volatility may present an opportunity. Otherwise, maturing note proceeds in March will add to liquidity balance.*

■ Recent Investments:

- \$15 mm FHLB 5/15/25 @ ~~5.15%~~ 5.05%

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 (February 28 ...projected March 31)

	February 28 Portfolio			Proposed Invest / (Divest)	Projected March Portfolio		
	Allocation	Current %	Policy Limit Deviation		Allocation	Proposed %	Policy Limit Deviation
Cash Equivalents							
Bank QPD Funds	107,104,805	12.2%	-87.8%	-	107,104,805	12.2%	-87.8%
Florida Prime	29,356,191	3.4%	-26.6%	5,000,000	34,356,191	3.9%	-26.1%
Other Cash Pools	18,024,820	2.1%	-22.0%	-	18,024,820	2.1%	-22.0%
Total Liquid Funds	154,485,816	17.6%		5,000,000	159,485,816	18.2%	
Investments							
Treasuries	314,408,748	35.9%	-64.1%	(20,000,000)	294,408,748	33.6%	-66.4%
Agencies	265,662,970	30.3%	-49.7%	15,000,000	280,662,970	32.1%	-47.9%
MBS	1,331,955	0.2%	-29.8%	-	1,331,955	0.2%	-29.8%
Fixed Term Pool (PALM)	139,808,873	16.0%	-22.0%	-	139,808,873	16.0%	-22.0%
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	721,212,546	82.4%		(5,000,000)	716,212,546	81.8%	
Total Portfolio	875,698,362	100.0%			875,698,362	100.0%	
Avg Portfolio Maturity in days (as of 2/28)	296				(Projected Mar...)	309	

Portfolio by Maturity

	Current	
	Portfolio %	WA Yield
Less than 90 days	27.7%	3.81%
3 - 12 months	36.2%	3.14%
Beyond 12 months	36.1%	3.96%
Total	100.0%	3.62%

	Proposed *	
	Portfolio %	WA Yield
	36.7%	3.72%
	28.3%	3.44%
	35.0%	4.00%
Total	100.0%	3.74%

* Proposed portfolio %.

Portfolio Stats 2/28/23

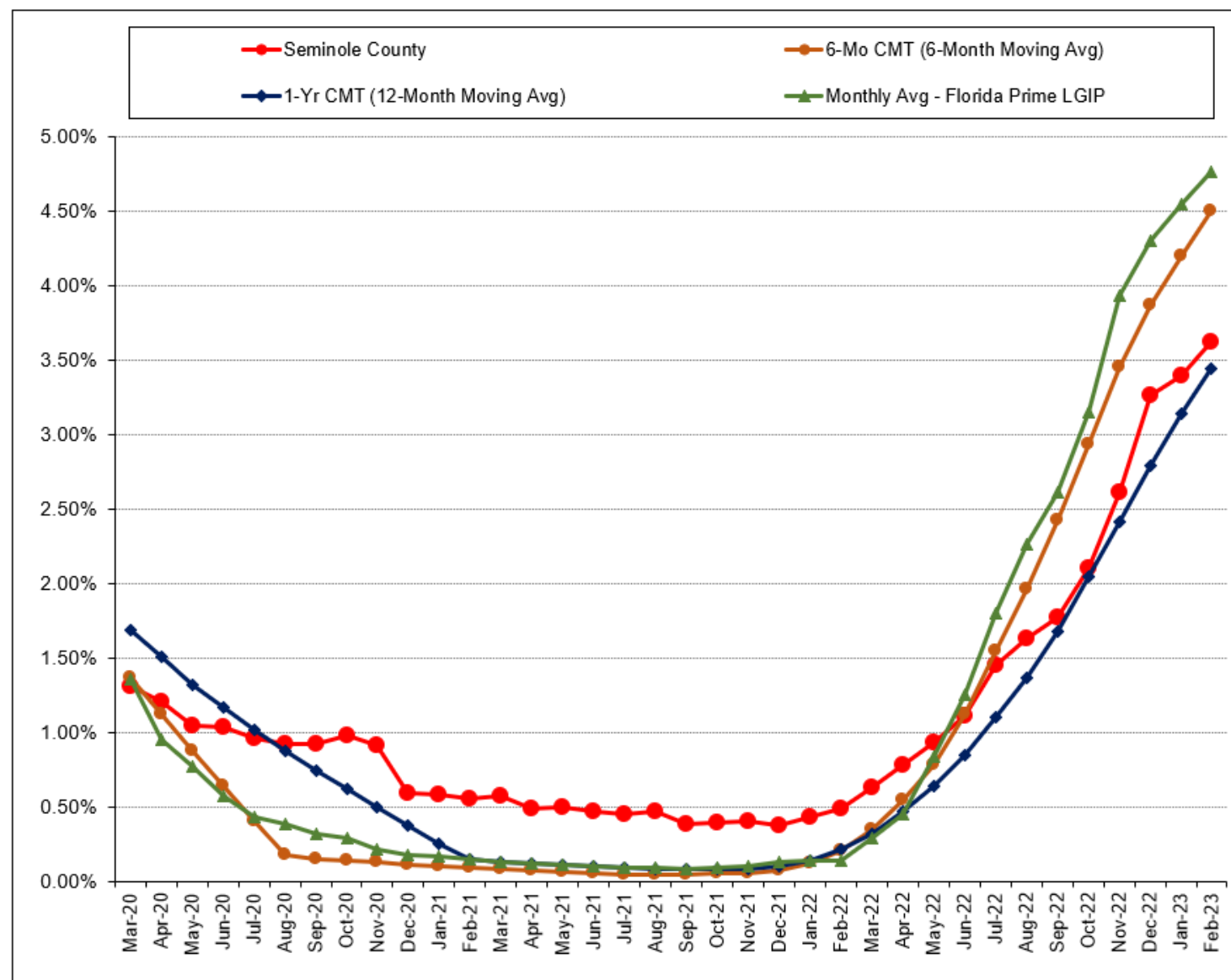
- Avg. maturity: 296 days
- Avg. yield: 3.62%
- Fixed/Floating: 82% / 18%
- <90 days \$243 mm

Estimated Portfolio 3/31/23

- Avg. maturity: 292 days
- Avg. yield: 3.74%
- Fixed/Floating: 82% / 18%
- <90 days \$301 mm

Benchmark Comparison 2/28/2023

	Seminole County	6-Mo CMT (6-Month Moving Avg)	1-Yr CMT (12-Month Moving Avg)	Monthly Avg - Florida Prime LGIP
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%
Feb-23	3.62%	4.50%	3.45%	4.77%



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