



SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Prepared by Karen E. Rushing, Clerk of the Circuit Court and County Comptroller

September 2022

Summary of Investment Strategy: The Fed's messaging continues to be universally hawkish. The Fed signaled to lift rates by another 1.25 basis points before the end of the year. The Fed is pushing through a very aggressive tightening cycle with the peak of this cycle yet to be known. As a result, in the month of September the front end of the Treasury curve (6 months to 3 years) experienced rates increasing by 50 to 80 basis points. The investment strategy is to continue to keep the duration of the portfolio shorter than the benchmark (2 year treasury) until bond prices stabilize. September investment portfolio activity consisted of \$40.0 million in maturities and \$2.7 million in return of mortgage principal, adding to cash equivalents. The September impact of the additional increase in market interest rates on the investment portfolio - tax, semi-annual debt and retirement fund payments, were partially offset by proceeds from the County's bond issuance of Utility System Revenue Bonds and interest income.

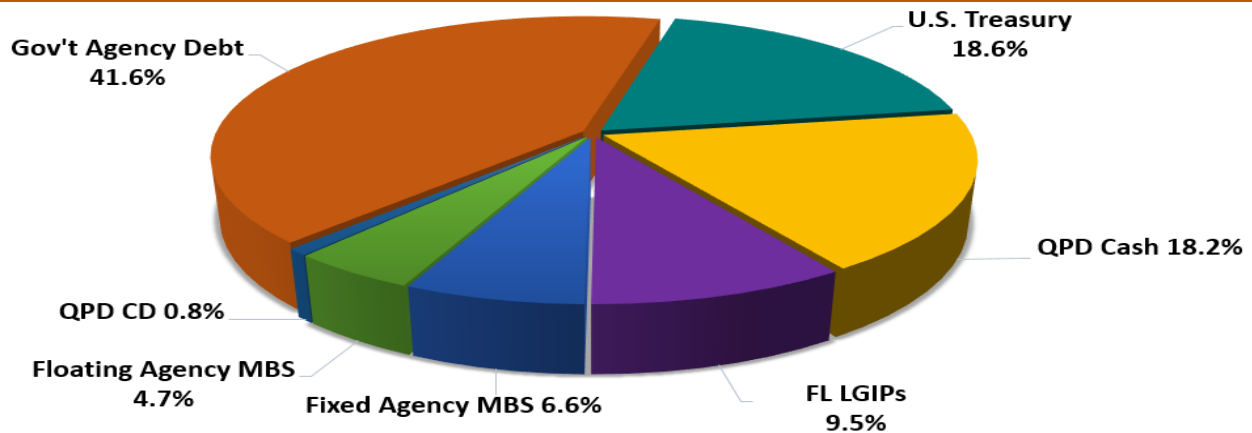
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 52.8 in August, above expectations of 51.9; matching prior month's value of 52.8.
- Non-Farm Payrolls increased by 315k in August which was above expectations of 298k. July's figure was revised lower to 526k from the previously reported 528k.
- Average hourly earnings were up 5.2% in August – lower than the market expectation of 5.3% and matching last month's increase of 5.2%.
- Producer prices ex-food and energy, YOY rose 7.3% in August; above expectations of 7.0% increase and lower than prior month's revised 7.7%.
- Retail sales ex auto and gas increased by 0.3% in August which was below expectations of 0.5% and matching prior month's revised 0.3%.

NEWS and EVENTS

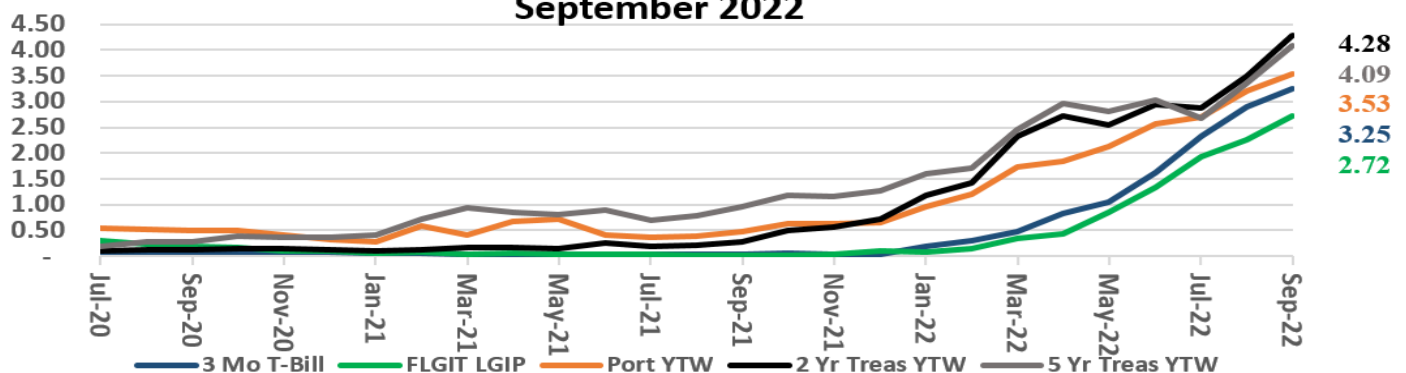
- High temperatures in the Western U.S. are hitting the produce industry, damaging crops, shrinking shipments and leaving fewer greens and fruits on market shelves.
- Mortgage rates topped 6% this month, their highest level since 2008, giving a jolt to home buyers who last year were paying less than half that.
- The U.S. dollar is in the midst of a once-in-a-generation rally this year, a surge that threatens to exacerbate the global growth slowdown and put further pressure on central banks around the world.
- Bond yields are trading at their highest levels in more than a decade, posing yet another threat to a stock market that has struggled to find its footing this year.
- Growing signs that price pressures are easing suggest that June's 9.1% increase in consumer prices will probably be the peak. But even if inflation comes down, economists see a slow pace of decline.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
September 2022**





PORTFOLIO STATISTICS

	April	May	June	July	August	September
Portfolio at Cost Plus Cash	\$ 1,344,506,786	\$ 1,334,204,599	\$ 1,368,355,157	\$ 1,347,644,666	\$ 1,321,768,637	\$ 1,360,251,996
Yield to Worst with cash	1.84%	2.13%	2.57%	2.70%	3.20%	3.53%
Yield to Worst without cash	2.25%	2.53%	2.98%	2.95%	3.45%	4.23%
Interest Received (Cash Basis)	\$ 410,866	\$ 887,742	\$ 1,215,855	\$ 970,125	\$ 1,612,018	\$ 1,756,152
Interest Received Fiscal Year to Date						\$ 10,798,432

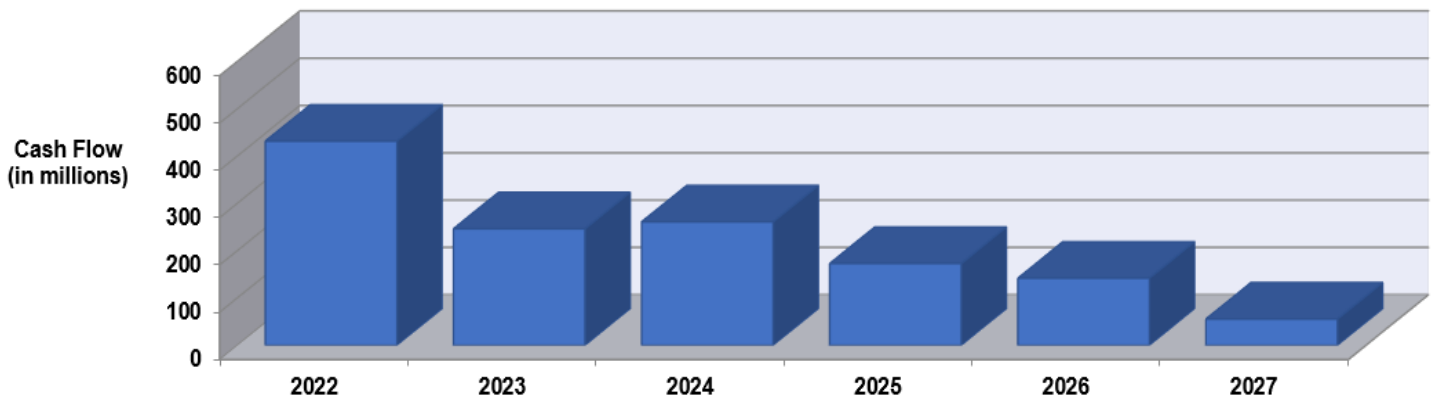
SHOCK ANALYSIS

The portfolio shock analysis is a proactive risk management tool, utilized to evaluate how Sarasota County's current portfolio would react to certain defined interest rate scenarios. This tool enables us to monitor the county's interest rate risk exposure to ensure it is aligned with the requirements of the investment policy. The table below presents the base scenario on how the portfolio is performing in the current interest rate environment.

	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,360,251,996	\$1,360,251,996	\$1,360,251,996	\$1,360,251,996	\$1,360,251,996
Market Value	\$1,298,654,050	\$1,294,164,325	\$1,291,099,301	\$1,283,903,765	\$1,279,029,039
Change in Market Value	\$7,554,749	\$3,065,024	\$0	(\$7,195,536)	(\$12,070,262)
Gain/(loss) BV unrealized	(\$61,597,946)	(\$66,087,671)	(\$69,152,695)	(\$76,348,231)	(\$81,222,957)
Market price	\$95.78	\$95.46	\$95.25	\$94.75	\$94.41
Yield to Worst	3.25	3.41	3.53	3.78	3.95
WAL	1.81	1.83	1.84	1.85	1.86
Effective Duration	1.51	1.52	1.53	1.54	1.55

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.





SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

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October 2022

Summary of Investment Strategy: The FOMC increased the funds rate for the sixth time in 2022 at their most recent meeting. In his post meeting conference Chair Powell sent a clear message to the markets not to expect a 75 bps increase each meeting, but they remain very hawkish. His one overriding message was to stop obsessing over how fast rates are rising, and start focusing on how high they get. Powell declined to say how high but the evidence in the past few months suggest the terminal rate needs to be higher than the 4.6% Fed officials wrote down in September. The market is anticipating Fed Funds rate to be 5.0% - 5.25% in Q2 2023. September investment portfolio activity consisted of \$25.0 million in maturities, \$2.5 million in return of mortgage principal, and \$10.0 million in new purchases. Purchases this month were at a discount and maturing less than 1 year, taking advantage of the income earned and a realized gain in the current fiscal year.

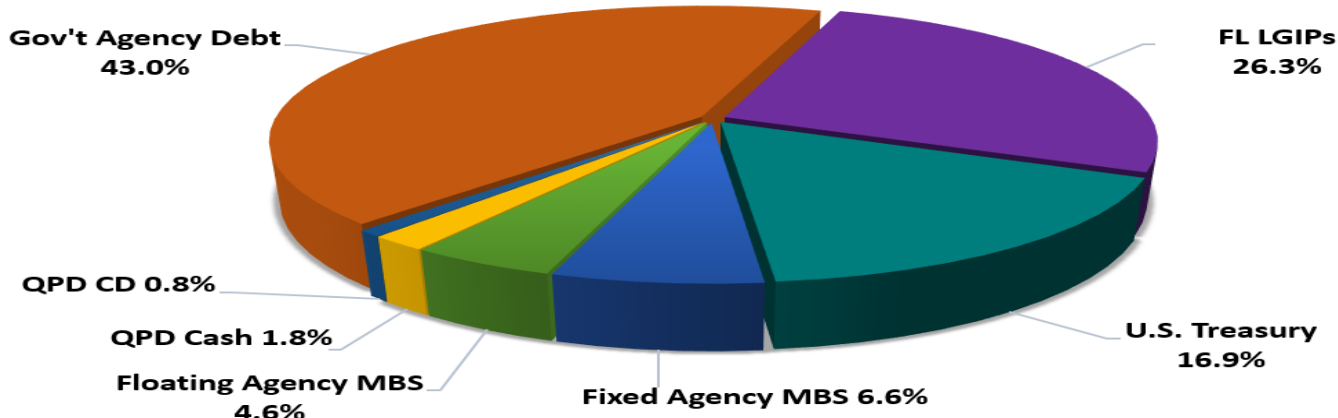
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 50.9 in September, below expectations of 52.0 and below prior month's value of 52.8.
- Non-Farm Payrolls increased by 263k in September which was above expectations of 255k. August's figure was revised lower to 292k from the previously reported 315k.
- Average hourly earnings were up 5.0% in September – matching market expectation of 5.0% but lower than last month's increase of 5.2%.
- Producer prices ex-food and energy, YOY rose 7.2% in Sept; below expectations of 7.3% increase and matching prior month's revised 7.2%.
- Retail sales ex auto and gas increased by 0.3% in September which was above expectations of 0.2% but lower than prior month's revised 0.6%.

NEWS and EVENTS

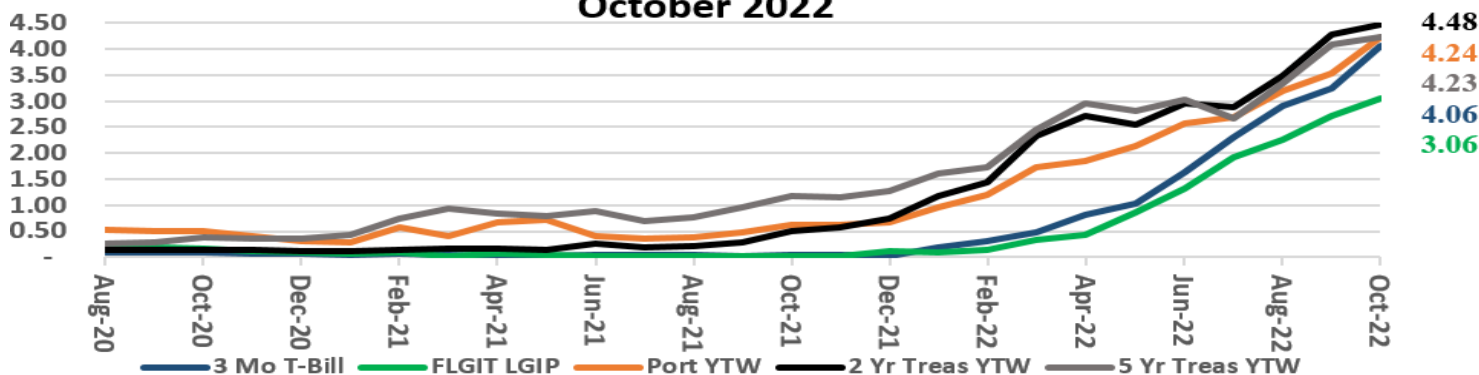
- Risks of the worldwide economic slowdown turning into a steeper slump are rising, finance officials around the globe are warning, as strong inflation, high energy costs and climbing interest rates take hold.
- Biden said he would continue tapping emergency oil reserves to blunt new shocks to global oil markets, as oil-industry groups said his policies will only worsen shortages.
- The average cost of employer health coverage for a family this year is about \$22,000, a figure similar to last year's total, according to a new survey.
- Mortgage rates topped 7% for the first time in 20 years, the latest milestone in a climb that has all but paralyzed the housing market.
- Credit card debt has returned to where it was before the pandemic with U.S. balances hitting \$916 billion in September, nearly identical to December 2019 levels.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
October 2022**





PORTFOLIO STATISTICS

	May	June	July	August	September	October
Portfolio at Cost Plus Cash	\$ 1,334,204,599	\$ 1,368,355,157	\$ 1,347,644,666	\$ 1,321,768,637	\$ 1,360,251,996	\$ 1,340,618,409
Yield to Worst with cash	2.13%	2.57%	2.70%	3.20%	3.53%	4.24%
Yield to Worst without cash	2.53%	2.98%	2.95%	3.45%	4.23%	4.65%
Interest Received (Cash Basis)	\$ 887,742	\$ 1,215,855	\$ 970,125	\$ 1,612,018	\$ 1,756,152	\$ 1,269,406
Interest Received Fiscal Year to Date						\$ 1,269,406

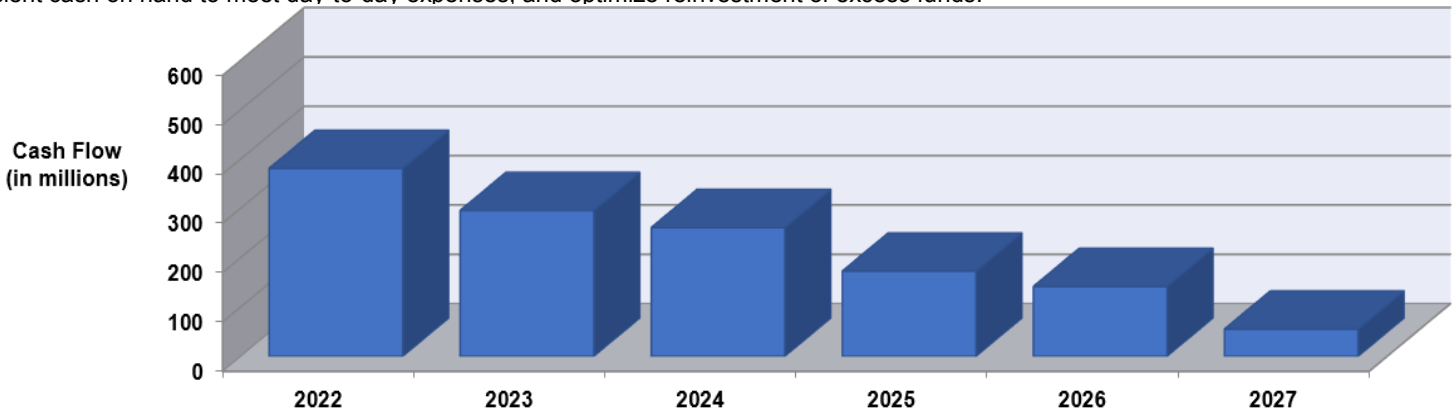
SHOCK ANALYSIS

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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,340,618,409	\$1,340,618,409	\$1,340,618,409	\$1,340,618,409	\$1,340,618,409
Market Value	\$1,276,854,294	\$1,271,513,436	\$1,267,299,455	\$1,260,702,480	\$1,255,371,162
Change in Market Value	\$9,554,839	\$4,213,981	\$0	(\$6,596,975)	(\$11,928,293)
Gain/(loss) BV unrealized	(\$63,764,116)	(\$69,104,973)	(\$73,318,954)	(\$79,915,929)	(\$85,247,248)
Market price	\$95.48	\$95.15	\$94.90	\$94.48	\$94.14
Yield to Worst	3.94	4.11	4.24	4.47	4.65
WAL	1.89	1.89	1.90	1.91	1.92
Effective Duration	1.62	1.63	1.63	1.64	1.64

CASH FLOW FORECAST

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SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

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November 2022

Summary of Investment Strategy: Everyone is talking about rate hikes but what people are thinking about more and more are rate cuts. This is evidenced by the steepest inversion of the 2yr-10yr spread since the early 1980's. The more inverted the curve, the more it implies that the market anticipates the Fed will be lowering rates below where they are in the short term. The fear of course, is that economic activity starts turning lower before price gains start to moderate, putting the Fed in the difficult position of continuing restrictive monetary policy during a recession. Current investable U.S. Treasury yields range from 3.74% to 4.32%. November investment portfolio activity consisted of \$1.9 million in return of mortgage principal, and \$48.6 million in new purchases with the average yield of 5.02% and 1.23yr maturity. The County received \$115.7 million in Ad Valorem taxes this month.

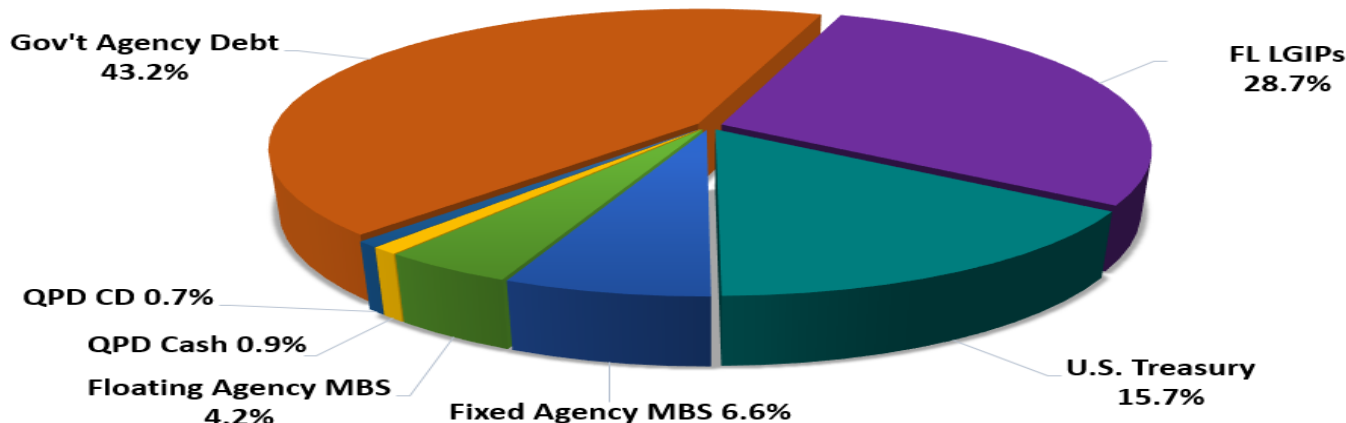
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 50.2 in October, above expectations of 50.0 but below prior month's value of 50.9.
- Non-Farm Payrolls increased by 261k in October which was above expectations of 193k. September's figure was revised higher to 269k from the previously reported 263k.
- Average hourly earnings were up 4.7% in October – matching market expectation of 4.7% but lower than last month's revised increase of 5.1%.
- Producer prices ex-food and energy, YOY rose 6.7% in October; below expectations of 7.2% increase and below prior month's revised 7.1%.
- Retail sales ex auto and gas increased by 0.9% in October which was above expectations of 0.2% and above the prior month's revised 0.6%.

NEWS and EVENTS

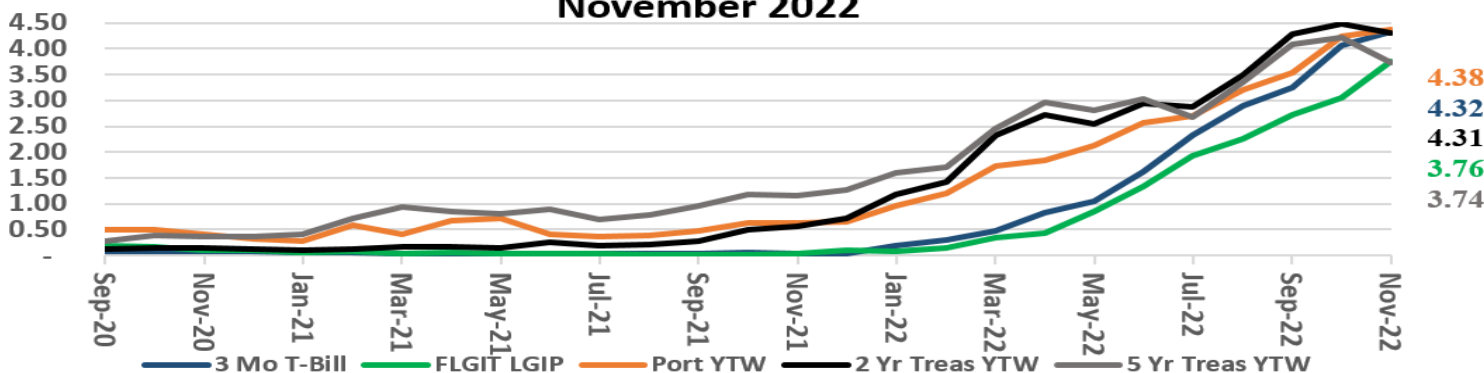
- The U.S. labor market remains strong but is showing more signs of cooling following the Fed's aggressive interest rate increases aimed at combating high inflation. Employers added a seasonally adjusted 261,000 jobs in October.
- Many shoppers are trading down to less-expensive clothing and accessories as inflation eats into their disposable income and a rocky stock market erodes their wealth.
- Investors are bracing for the possibility that second year of stubborn inflation could force the Fed to lift interest rates above levels not seen in more than 20 years.
- U.S. existing-home sales fell for a ninth straight month in October as the highest mortgage rates in more than decade pushed buyers out of the market.
- A darkening economic outlook dragged U.S. oil prices to their first close below \$80 since September.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
November 2022**





PORTFOLIO STATISTICS

	June	July	August	September	October	November
Portfolio at Cost Plus Cash	\$ 1,368,355,157	\$ 1,347,644,666	\$ 1,321,768,637	\$ 1,360,251,996	\$ 1,340,618,409	\$ 1,437,252,566
Yield to Worst with cash	2.57%	2.70%	3.20%	3.53%	4.24%	4.38%
Yield to Worst without cash	2.98%	2.95%	3.45%	4.23%	4.65%	4.57%
Interest Received (Cash Basis)	\$ 1,215,855	\$ 970,125	\$ 1,612,018	\$ 1,756,152	\$ 1,269,406	\$ 1,726,794
Interest Received Fiscal Year to Date						\$ 2,996,200

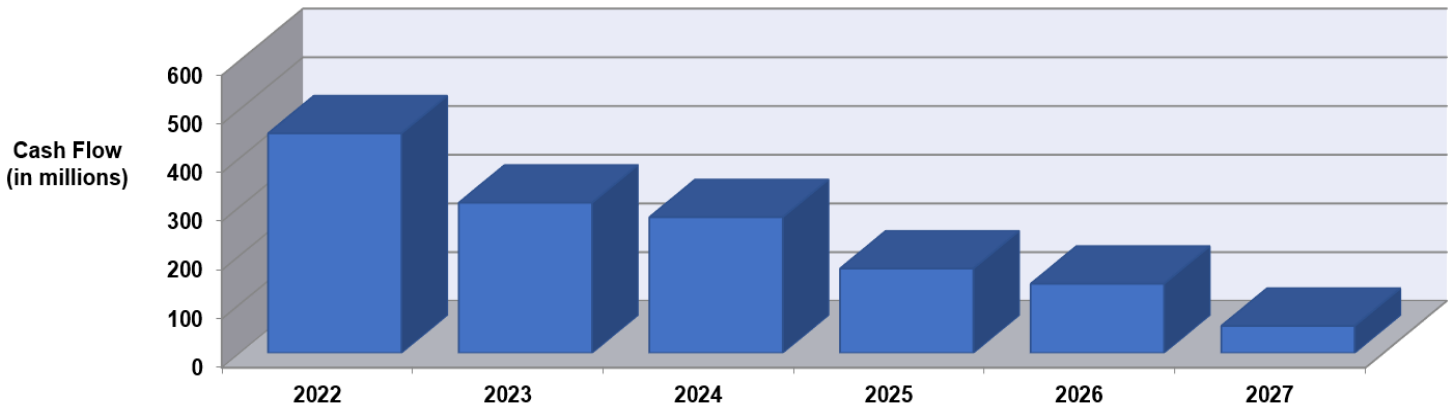
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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,437,252,566	\$1,437,252,566	\$1,437,252,566	\$1,437,252,566	\$1,437,252,566
Market Value	\$1,382,405,557	\$1,376,992,018	\$1,372,063,035	\$1,366,095,809	\$1,360,814,939
Change in Market Value	\$10,342,522	\$4,928,984	\$0	(\$5,967,226)	(\$11,248,096)
Gain/(loss) BV unrealized	(\$54,847,009)	(\$60,260,547)	(\$65,189,531)	(\$71,156,757)	(\$76,437,627)
Market price	\$96.26	\$95.95	\$95.67	\$95.31	\$95.01
Yield to Worst	4.06	4.24	4.38	4.59	4.76
WAL	1.63	1.64	1.65	1.66	1.67
Effective Duration	1.39	1.40	1.40	1.41	1.42

CASH FLOW FORECAST

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December 2022

Summary of Investment Strategy: Overall, recent data suggests an economy going sideways but there is still strength where it matters most. Third quarter GDP growth was revised from 2.9% to 3.2%, while the Atlanta Fed boosted its estimate of fourth quarter growth to 3.7%. Hopes the Federal Reserve can tame inflation without widespread job losses climbed after the latest economic releases showed robust hiring and a historically low unemployment rate paired with a cooling in wage growth, very much a goldilocks report, not too hot and not too cold. Yet, inflation remains to run much hotter than the 2% Fed target. Yields increased in December across the entire curve by a much more modest 5 to 30 basis points. Current investable U.S. Treasury yields range from 4.00% to 4.43%. December investment portfolio activity consisted of \$3.5 million in return of mortgage principal, and \$62.9 million in new purchases with the average yield of 5.07%, 1.48yr maturity, and 0.88yr effective duration. The County received \$220.5 million in Ad Valorem taxes this month.

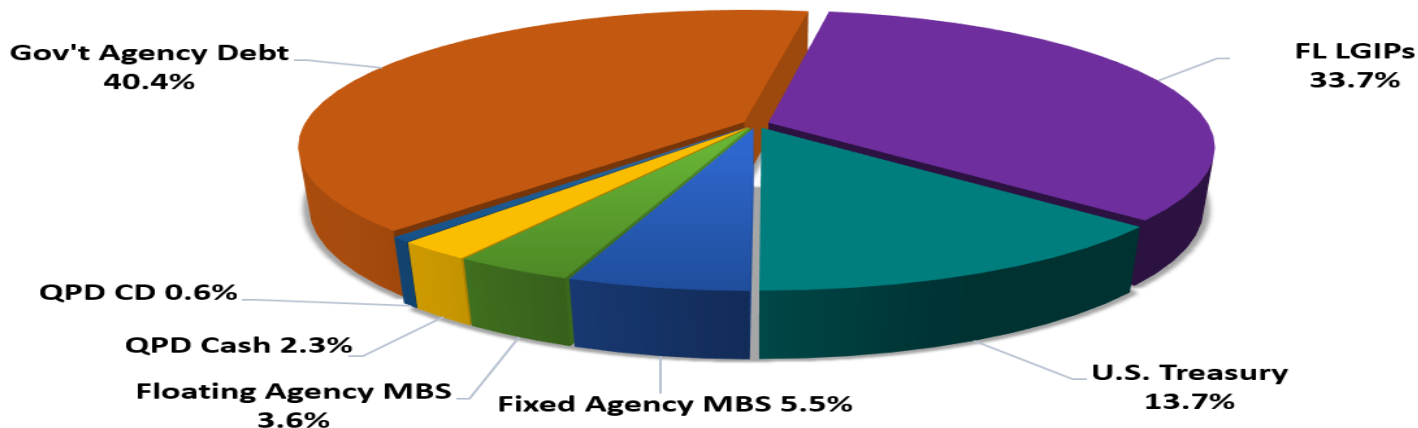
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 49.0 in November, below expectations of 49.7 and below prior month's value of 50.2.
- Non-Farm Payrolls increased by 263k in November which was above expectations of 200k. September's figure was revised higher to 263k from the previously reported 261k.
- Average hourly earnings were up 5.1% in November – above expectation of 4.6% and higher than last month's revised increase of 4.8%.
- Producer prices ex-food and energy, YOY rose 6.2% in November; below expectations of 5.9% increase and below prior month's revised 6.8%.
- Retail sales ex auto and gas decreased by -0.2% in November which was below expectations of 0.0% and below the prior month's revised 0.8%.

NEWS and EVENTS

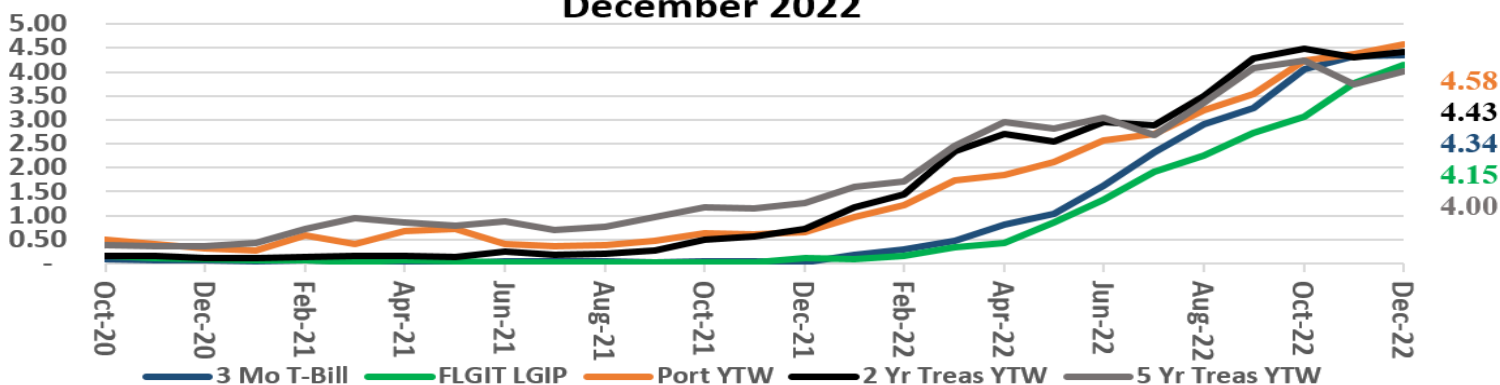
- The Fed's new regulatory chief signaled plans to beef up big-bank capital requirements, potentially revisiting rules that were eased during the Trump administration.
- The strong jobs report keeps the Fed on track to raise rates by a half percentage point at its next meeting and underscores the risk that officials will raise rates above 5% in the first half of 2023.
- During the wildest year for global markets since 2008, individual investors have been doubling down on stocks while many professionals appear to have bailed out.
- U.S. existing-home sales slid in November for a 10th straight month, extending a records streak of declines as high mortgage rates and homes prices push many buyers out of the market.
- The U.S economy showed fresh signs of slowing late this year as consumer spending and business demand softened and inflation eased.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
December 2022**





PORTFOLIO STATISTICS

	July	August	September	October	November	December
Portfolio at Cost Plus Cash	\$ 1,347,644,666	\$ 1,321,768,637	\$ 1,360,251,996	\$ 1,340,618,409	\$ 1,437,252,566	\$ 1,637,410,709
Yield to Worst with cash	2.70%	3.20%	3.53%	4.24%	4.38%	4.58%
Yield to Worst without cash	2.95%	3.45%	4.23%	4.65%	4.57%	4.68%
Interest Received (Cash Basis)	\$ 970,125	\$ 1,612,018	\$ 1,756,152	\$ 1,269,406	\$ 1,726,794	\$ 2,521,858
Interest Received Fiscal Year to Date						\$ 5,518,058

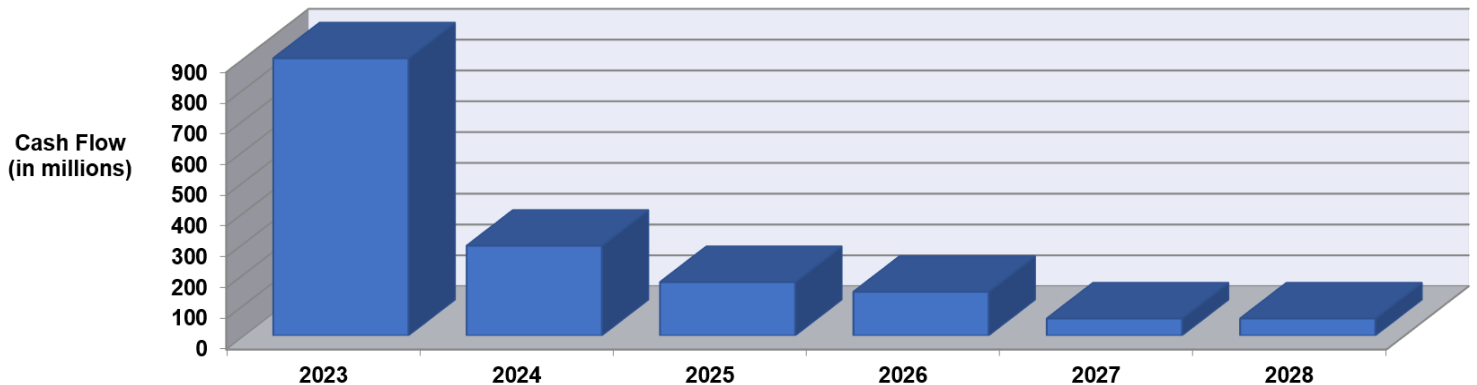
SHOCK ANALYSIS

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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,637,410,709	\$1,637,410,709	\$1,637,410,709	\$1,637,410,709	\$1,637,410,709
Market Value	\$1,581,359,998	\$1,576,777,061	\$1,573,021,672	\$1,567,055,391	\$1,562,574,222
Change in Market Value	\$8,338,326	\$3,755,389	\$0	(\$5,966,282)	(\$10,447,450)
Gain/(loss) BV unrealized	(\$56,050,711)	(\$60,633,648)	(\$64,389,037)	(\$70,355,318)	(\$74,836,487)
Market price	\$96.75	\$96.54	\$96.28	\$95.89	\$95.58
Yield to Worst	4.32	4.46	4.58	4.79	4.92
WAL	1.40	1.42	1.42	1.44	1.46
Effective Duration	1.18	1.19	1.20	1.21	1.22

CASH FLOW FORECAST

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January 2023

Summary of Investment Strategy: This year the Fed has shifted from aggressive to cautious, swiftly downshifting from 4 consecutive 75bps rate increases. Given this pivot market participants now see the Fed as unlikely to hike to 6% but hiking to 5% is still very likely. And hiking rates to 5.5% before considering a pause is going to depend on the Q1 data. Fed Chair Powell said, "if given the choice between tightening too much and tightening too little, I would tighten too much, because it is easier to reverse. If the Fed does not tighten enough and inflation reasserts itself, that is the biggest mistake a central banker can make". Current investable U.S. Treasury yields range from 3.62% to 4.64%. December investment portfolio activity consisted of \$1.9 million in return of mortgage principal, \$35.0 million in maturities, and \$114.8 million in new purchases with an average yield of 5.1%, 0.96yr maturity, and 0.61yr effective duration. The County received \$28.7 million in Ad Valorem taxes this month.

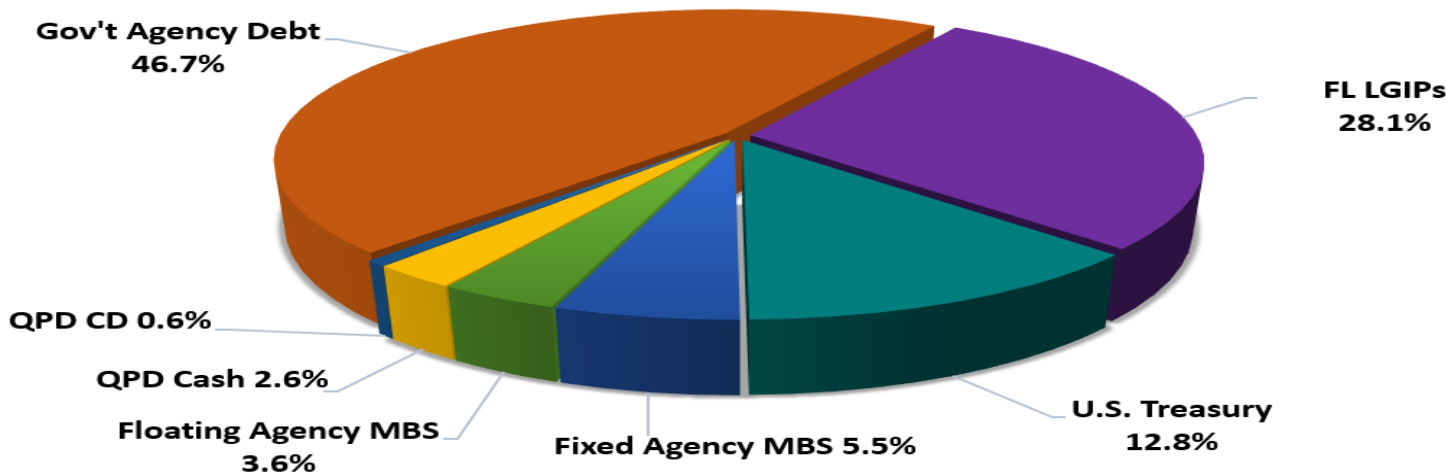
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 48.4 in December, below expectations of 48.5 and below prior month's value of 49.0.
- Non-Farm Payrolls increased by 223k in December which was above expectations of 205k. November's figure was revised higher to 290k from the previously reported 263k.
- Average hourly earnings were up 4.6% in December – below expectation of 5.0% and below than last month's revised increase of 5.0%.
- Producer prices ex-food and energy, YOY rose 5.5% in December; below expectations of 5.6% increase and below prior month's revised 6.2%.
- Retail sales ex auto and gas decreased by -0.7% in December which was below expectations of 0.0% and below the prior month's revised -0.5%.

NEWS and EVENTS

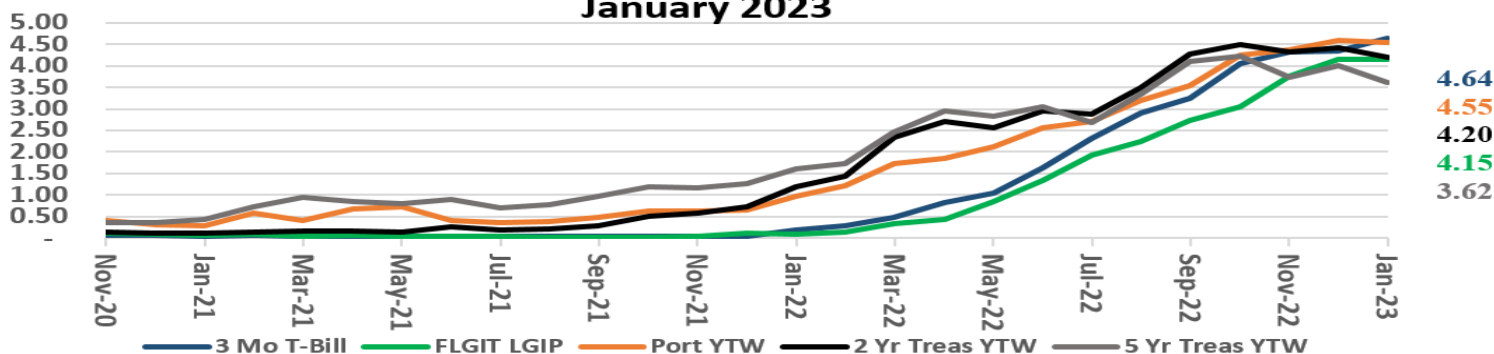
- Yellen called on Congress to raise the debt ceiling as soon as possible, warning that the government could become unable to pay its bills after early June.
- The Fed's Brainard said the recent decline in inflation was an important development that could raise questions over the extent to which the central bank needs to cool down the labor market to bring down inflation.
- Existing home sales in the U.S. declined again last month, wrapping up the weakest year for sales activity since 2014. Sales in December were down 34% from a year earlier.
- U.S. business reported further decline in activity in January while the Eurozone saw a modest pickup, according to new surveys.
- The labor market broadly improved across the U.S. last year, with every state adding jobs in 2022, but the pace of gains varied widely.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
January 2023**





PORTFOLIO STATISTICS

	August	September	October	November	December	January
Portfolio at Cost Plus Cash	\$ 1,321,768,637	\$ 1,360,251,996	\$ 1,340,618,409	\$ 1,437,252,566	\$ 1,637,410,709	\$ 1,631,832,201
Yield to Worst with cash	3.20%	3.53%	4.24%	4.38%	4.58%	4.55%
Yield to Worst without cash	3.45%	4.23%	4.65%	4.57%	4.68%	4.55%
Interest Received (Cash Basis)	\$ 1,612,018	\$ 1,756,152	\$ 1,269,406	\$ 1,726,794	\$ 2,521,858	\$ 2,528,197
Interest Received Fiscal Year to Date						\$ 8,046,256

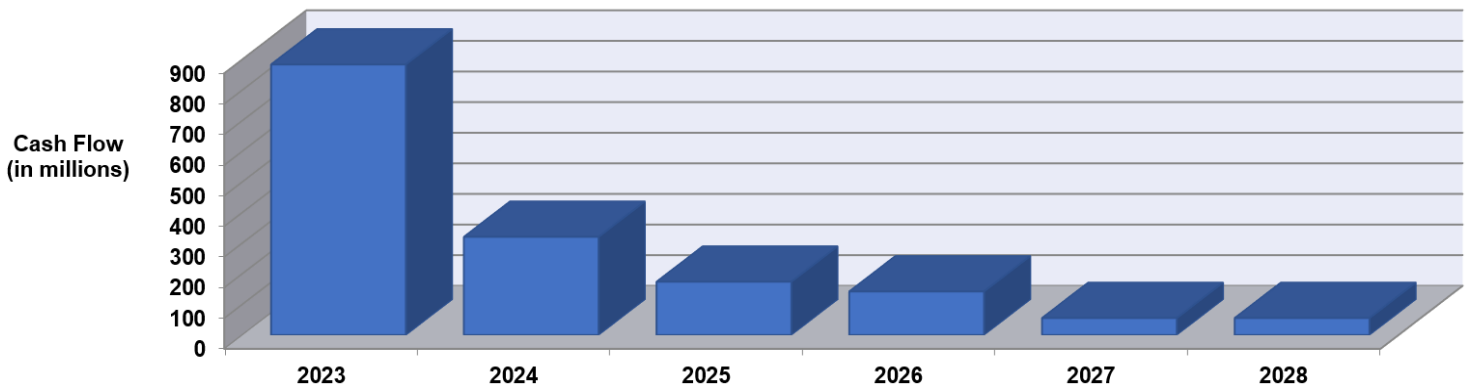
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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,631,832,201	\$1,631,832,201	\$1,631,832,201	\$1,631,832,201	\$1,631,832,201
Market Value	\$1,584,561,558	\$1,579,489,836	\$1,574,373,955	\$1,568,350,378	\$1,563,388,447
Change in Market Value	\$10,187,603	\$5,115,881	\$0	(\$6,023,577)	(\$10,985,508)
Gain/(loss) BV unrealized	(\$47,270,643)	(\$52,342,365)	(\$57,458,246)	(\$63,481,823)	(\$68,443,754)
Market price	\$97.18	\$96.88	\$96.58	\$96.22	\$95.94
Yield to Worst	4.26	4.41	4.55	4.77	4.91
WAL	1.38	1.41	1.42	1.44	1.45
Effective Duration	1.19	1.20	1.22	1.22	1.24

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.





SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Prepared by Karen E. Rushing, Clerk of the Circuit Court and County Comptroller

February 2023

Summary of Investment Strategy: “Don’t fight the Fed” is one of the most hallowed commandments in financial markets. And yet, the Fed and the markets have continued to go at each other to impose their view of what needs to happen with interest rates and their views seem to be highly divergent at the moment. If markets continue to fight the Fed and push yields on the 10-year Treasury down, the Fed will be forced to continue to increase interest rates to try to cool down the economy while risk sending the US economy into a deeper recession than what some are expecting. Current investable U.S. Treasury yields range from 4.18% to 4.82%. January investment portfolio activity consisted of \$1.8 million in return of mortgage principal, \$35.7 million in maturities, and \$140.8 million in new purchases with an average yield of 5.13%, 0.98yr maturity, and 0.88yr effective duration. The County received \$17.3 million in Ad Valorem taxes this month.

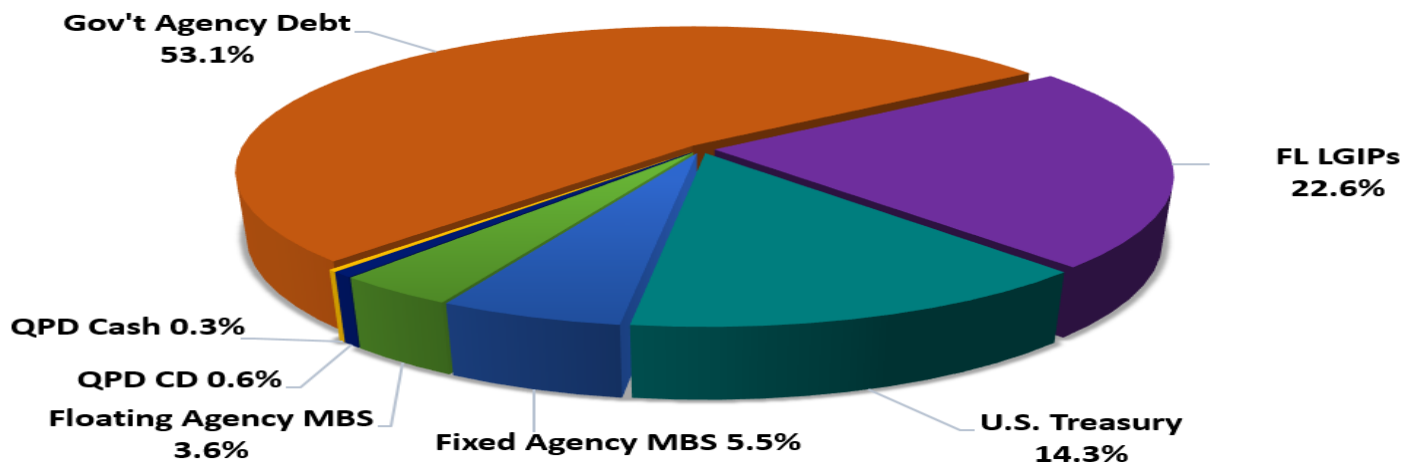
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 47.4 in January, below expectations of 48.0 and below prior month’s value of 48.4.
- Non-Farm Payrolls increased by 517k in January which was above expectations of 189k. December’s figure was revised higher to 260k from the previously reported 223k.
- Average hourly earnings were up 4.4% in January – above expectation of 4.3% and below than last month’s revised increase of 4.8%.
- Producer prices ex-food and energy, YOY rose 5.4% in January; above expectations of 4.9% increase and below prior month’s revised 5.8%.
- Retail sales ex auto and gas increased by 2.6% in January which was above expectations of 0.9% and above the prior month’s revised -0.4%.

NEWS and EVENTS

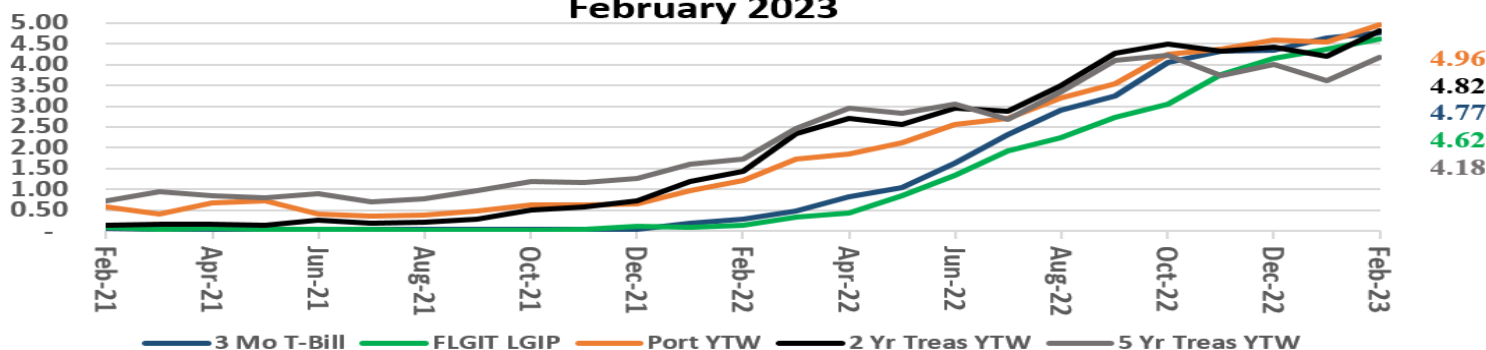
- The consumer roared back last month with a 3% increase in retail spending that was the largest monthly gain in nearly two years, adding to evidence that the U.S. economy growth picked up at the start of 2023.
- The U.S. could become unable to pay all of its bills on time sometime between July and September, the CBO estimated, giving lawmakers several months to reach an agreement on lifting the debt limit and avoiding a default.
- The number of big office landlords defaulting on their loans is rising, fresh evidence that more developers believe that remote and hybrid work habits have permanently impaired the office market
- Fed minutes showed that most officials thought a slower pace of rate increases provided the best way to manage the risks of raising them too much or too little, but also revealed that some were concerned about stopping or slowing their inflation-fighting campaign too soon.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
February 2023**





PORTFOLIO STATISTICS

	September	October	November	December	January	February
Portfolio at Cost Plus Cash	\$ 1,360,251,996	\$ 1,340,618,409	\$ 1,437,252,566	\$ 1,637,410,709	\$ 1,631,832,201	\$ 1,603,479,769
Yield to Worst with cash	3.53%	4.24%	4.38%	4.58%	4.55%	4.96%
Yield to Worst without cash	4.23%	4.65%	4.57%	4.68%	4.55%	5.03%
Interest Received (Cash Basis)	\$ 1,756,152	\$ 1,269,406	\$ 1,726,794	\$ 2,521,858	\$ 2,528,197	\$ 2,486,782
Interest Received Fiscal Year to Date						\$ 10,533,038

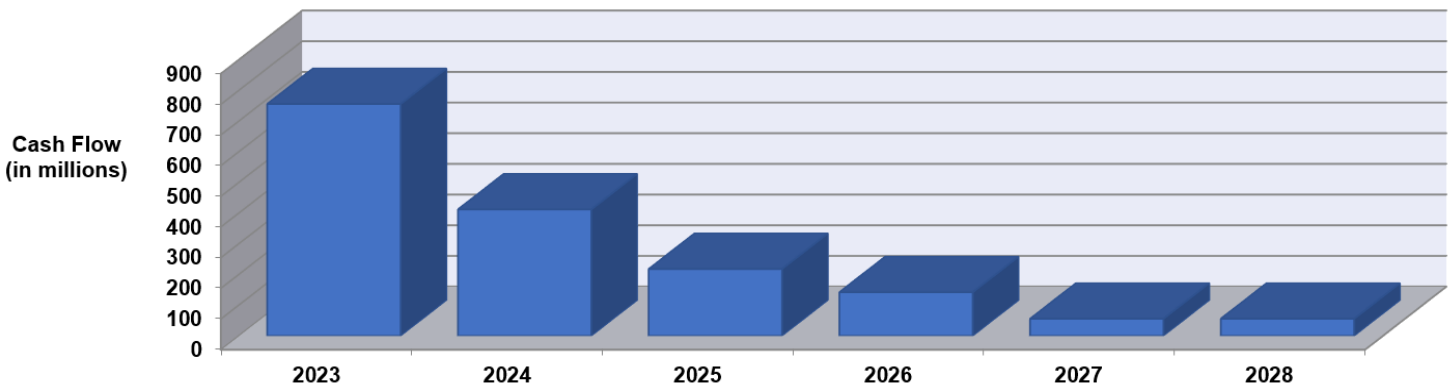
SHOCK ANALYSIS

The portfolio shock analysis is a proactive risk management tool, utilized to evaluate how Sarasota County's current portfolio would react to certain defined interest rate scenarios. This tool enables us to monitor the county's interest rate risk exposure to ensure it is aligned with the requirements of the investment policy. The table below presents the base scenario on how the portfolio is performing in the current interest rate environment.

	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,603,479,769	\$1,603,479,769	\$1,603,479,769	\$1,603,479,769	\$1,603,479,769
Market Value	\$1,546,928,010	\$1,542,210,734	\$1,538,522,723	\$1,531,843,126	\$1,527,359,791
Change in Market Value	\$8,405,287	\$3,688,011	\$0	(\$6,679,598)	(\$11,162,932)
Gain/(loss) BV unrealized	(\$56,551,759)	(\$61,269,035)	(\$64,957,046)	(\$71,636,643)	(\$76,119,978)
Market price	\$96.46	\$96.18	\$95.96	\$95.57	\$95.30
Yield to Worst	4.66	4.83	4.96	5.23	5.39
WAL	1.49	1.51	1.55	1.55	1.56
Effective Duration	1.25	1.27	1.29	1.31	1.33

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.





SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Prepared by Karen E. Rushing, Clerk of the Circuit Court and County Comptroller

March 2023

Summary of Investment Strategy: Community banks are front and center as they struggle to reassure customers their money is safe and prevent deposits from flowing out to money market accounts and the biggest banks. The two primary risks are a credit crunch and small business vulnerability. A credit crunch could ensue if deposit outflows are big and sustained, because it is more expensive for banks to make loans if their deposit base is smaller and they have to borrow funding. Moreover, small businesses lean on community and regional banks for their service. The Fed and regulators are looking to implement rules from the 2010 Dodd Frank Act to discourage excessive risk taking by these banks. Current investable U.S. Treasury yields range from 3.57% to 4.69%. March investment portfolio activity consisted of \$1.9 million in return of mortgage principal, \$50.0 million in maturities, and \$91.1 million in new purchases with an average yield of 5.04%, 1.34yr maturity, and 1.2yr effective duration.

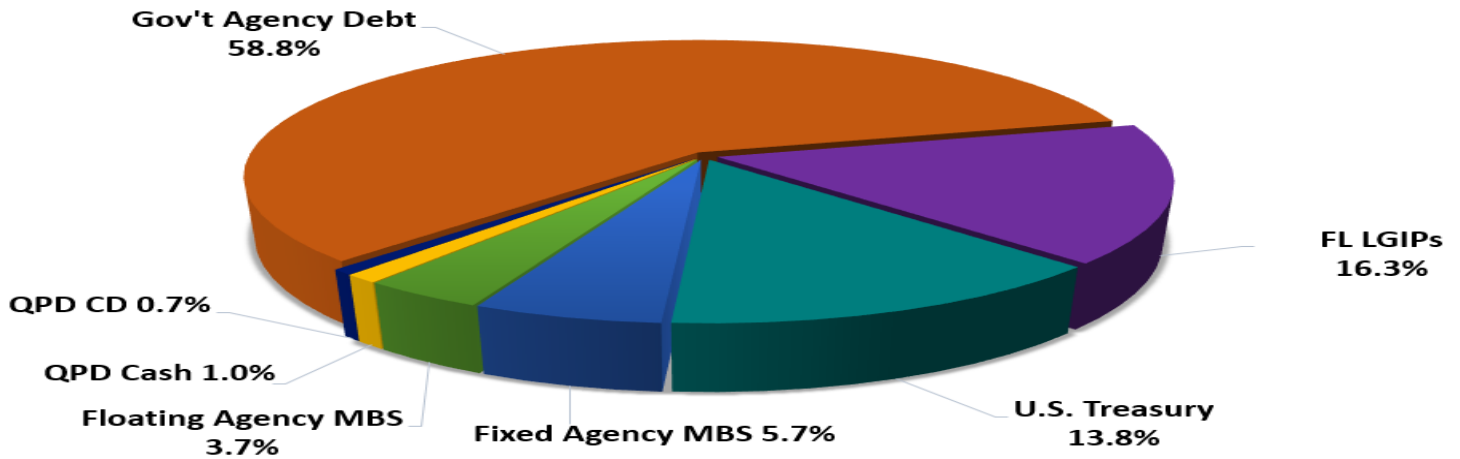
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 47.7 in February, below expectations of 48.0 and above prior month's value of 47.4.
- Non-Farm Payrolls increased by 311k in February which was above expectations of 225k. January's figure was revised lower to 472k from the previously reported 517k.
- Average hourly earnings were up 4.6% in February – below expectation of 4.7% and above than last month's increase of 4.4%.
- Producer prices ex-food and energy, YOY rose 4.4% in February; below expectations of 5.2% increase and below prior month's revised 5.0%.
- Retail sales ex auto and gas increased by 0.0% in February which was above expectations of -0.2% and below the prior month's revised 2.8%.

NEWS and EVENTS

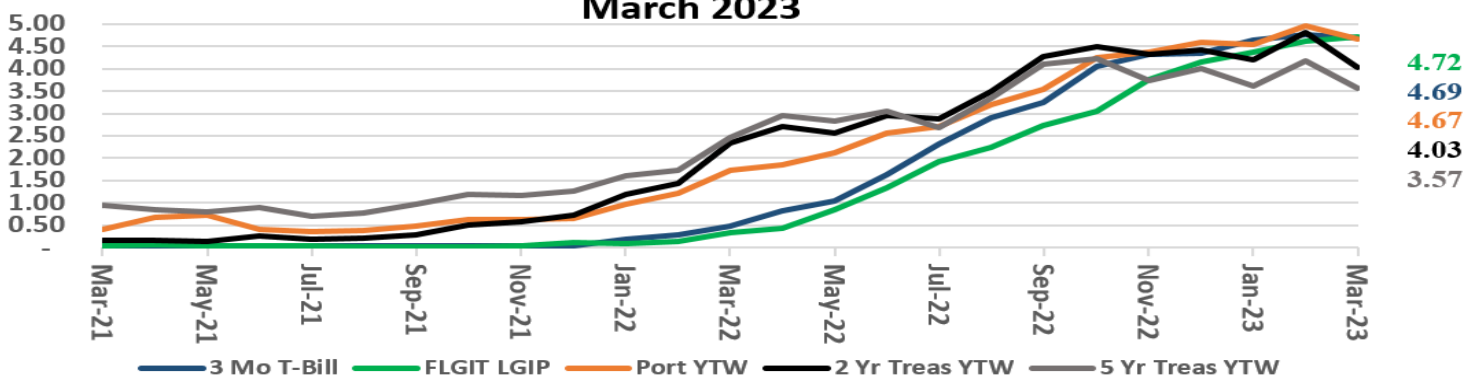
- Consumers pulled back on purchases of apparel and electronics in recent months while continuing to spend on groceries and other necessities, according to some of the largest retailers.
- Inflation eased in February but remained stubbornly high, presenting a challenge for the Fed as it confronts how to slow the economy with higher rates at the same time it moves to stem banking problems.
- More investors anticipate that the Federal Reserve's rate-increase cycle could be over due to the broader financial turmoil from the failure of two U.S. regional banks.
- The Fed approved another quarter-percentage point interest rate increase but signaled that banking-system turmoil might end its rate-rise campaign sooner than seemed likely two weeks ago.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
March 2023**





PORTFOLIO STATISTICS

	October	November	December	January	February	March
Portfolio at Cost Plus Cash	\$ 1,340,618,409	\$ 1,437,252,566	\$ 1,637,410,709	\$ 1,631,832,201	\$ 1,603,479,769	\$ 1,551,321,998
Yield to Worst with cash	4.24%	4.38%	4.58%	4.55%	4.96%	4.67%
Yield to Worst without cash	4.65%	4.57%	4.68%	4.55%	5.03%	4.66%
Interest Received (Cash Basis)	\$ 1,269,406	\$ 1,726,794	\$ 2,521,858	\$ 2,528,197	\$ 2,486,782	\$ 2,346,841
Interest Received Fiscal Year to Date						\$ 12,879,879

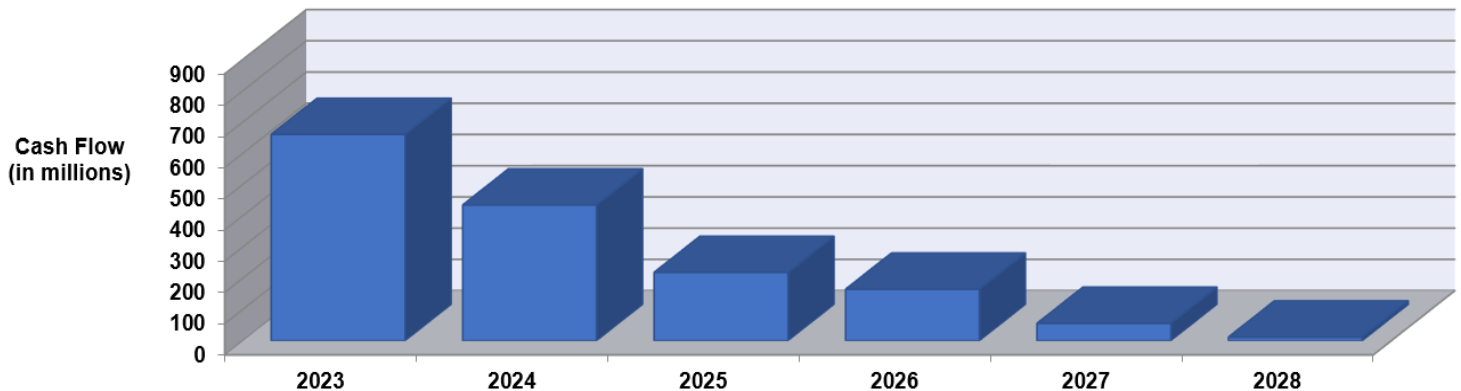
SHOCK ANALYSIS

The portfolio shock analysis is a proactive risk management tool, utilized to evaluate how Sarasota County's current portfolio would react to certain defined interest rate scenarios. This tool enables us to monitor the county's interest rate risk exposure to ensure it is aligned with the requirements of the investment policy. The table below presents the base scenario on how the portfolio is performing in the current interest rate environment.

	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,551,321,998	\$1,551,321,998	\$1,551,321,998	\$1,551,321,998	\$1,551,321,998
Market Value	\$1,509,751,002	\$1,505,078,467	\$1,499,955,500	\$1,494,640,171	\$1,489,814,243
Change in Market Value	\$9,795,502	\$5,122,967	\$0	(\$5,315,329)	(\$10,141,257)
Gain/(loss) BV unrealized	(\$41,570,996)	(\$46,243,531)	(\$51,366,498)	(\$56,681,827)	(\$61,507,755)
Market price	\$97.17	\$96.88	\$96.57	\$96.24	\$95.94
Yield to Worst	4.32	4.49	4.67	4.92	5.10
WAL	1.54	1.57	1.61	1.60	1.62
Effective Duration	1.30	1.31	1.33	1.34	1.37

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.





SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Prepared by Karen E. Rushing, Clerk of the Circuit Court and County Comptroller

April 2023

Summary of Investment Strategy: With uncertainty high and economic data mixed, the Fed opted for a 25 basis point rate hike but softened their language about possible future hikes. The Fed's statement removed the phrase "in order to attain a stance of monetary policy that is sufficiently restrictive." Thus, implying the fed funds is at a level that is currently sufficiently restrictive. Powell acknowledged that the change in guidance is meaningful, but the decision on whether to pause on additional rate hikes will be made at the June meeting. Markets have been pricing in near term rate cuts as these restrictive measures are more reflective with the economic data. Current investable U.S. Treasury yields range from 3.48% to 5.03%. April investment portfolio activity consisted of \$1.7 million in return of mortgage principal, \$14.7 million in sales, \$5.0 million in redemptions, and \$39.7 million in new purchases with an average yield of 5.0%, 1.22yr maturity, and 1.05yr effective duration.

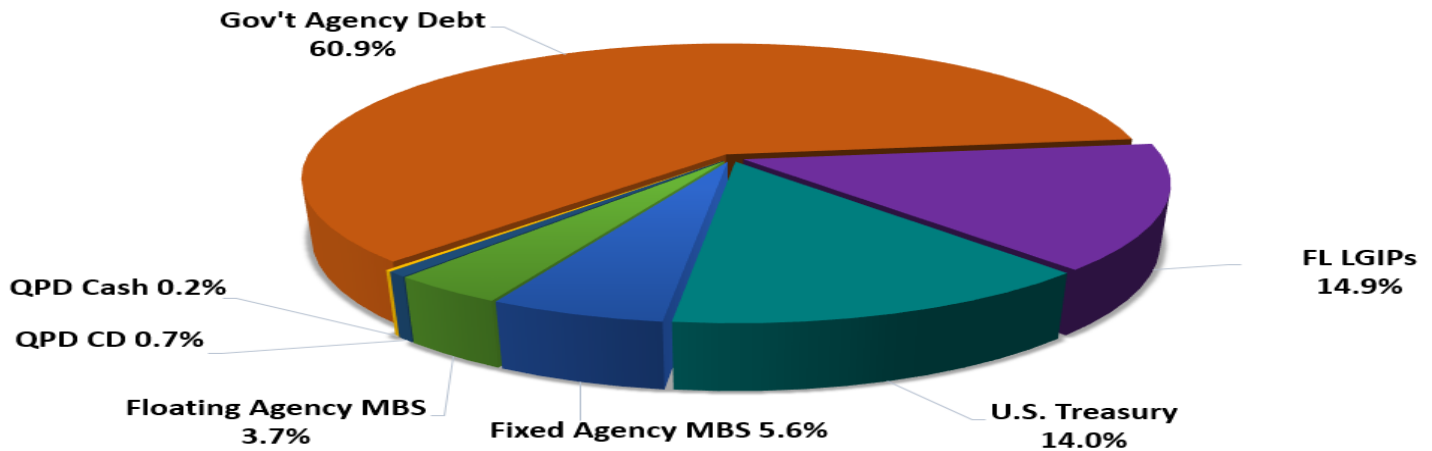
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 46.3 in March, below expectations of 47.5 and below prior month's value of 47.7.
- Non-Farm Payrolls increased by 236k in March which was above expectations of 230k. February's figure was revised higher to 326k from the previously reported 311k.
- Average hourly earnings were up 4.2% in March – below expectation of 4.3% and below last month's increase of 4.6%.
- Producer prices ex-food and energy, YOY rose 3.4% in March; matching expectations of 3.4% increase and below prior month's revised 4.8%.
- Retail sales ex auto and gas increased by -0.3% in March which was above expectations of -0.6% and higher than prior month's revised -0.5%.

NEWS and EVENTS

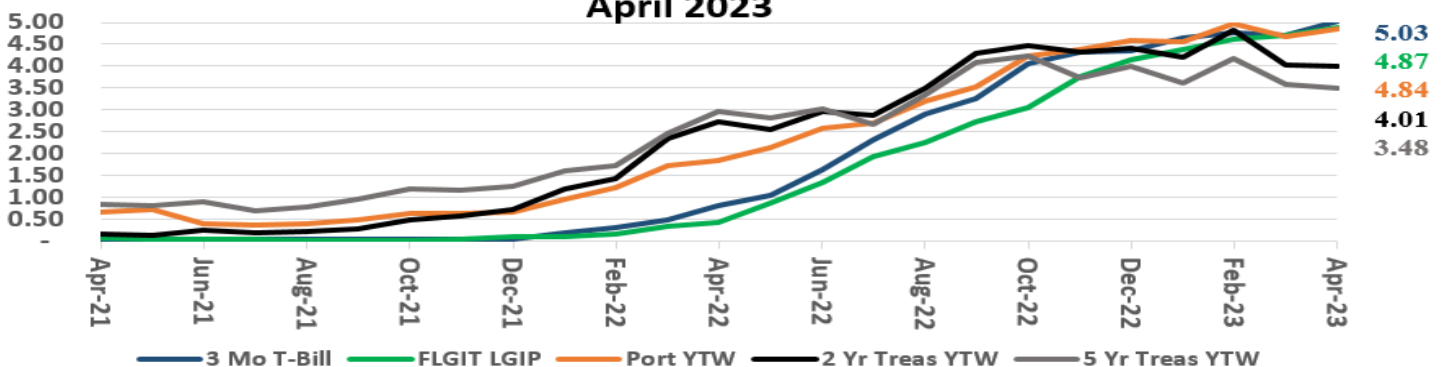
- The red-hot labor market cooled some in March, with hiring gains moderating and wage growth easing as more workers sought jobs.
- Tighter bank lending after the failure of two midsize American banks will slow U.S economic growth this year, the IMF estimated, saying rising rates pose a threat to the global financial system.
- Home sales fell across the U.S. in March, marking a sluggish start to the crucial spring selling season as higher mortgage rates squashed momentum from February.
- Moody's downgraded 11 regional lenders, suggesting that higher interest rates and recent bank failures have ushered in greater instability.
- U.S. economic growth slipped in the first quarter amid still-high inflation and rising interest rates, adding to worries about a possible recession later this year. GDP rose at a 1.1% annual rate.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
April 2023**





PORTFOLIO STATISTICS

	November	December	January	February	March	April
Portfolio at Cost Plus Cash	\$ 1,437,252,566	\$ 1,637,410,709	\$ 1,631,832,201	\$ 1,603,479,769	\$ 1,551,321,998	\$ 1,533,815,054
Yield to Worst with cash	4.38%	4.58%	4.55%	4.96%	4.67%	4.84%
Yield to Worst without cash	4.57%	4.68%	4.55%	5.03%	4.66%	4.82%
Interest Received (Cash Basis)	\$ 1,726,794	\$ 2,521,858	\$ 2,528,197	\$ 2,486,782	\$ 2,346,841	\$ 1,289,731
Interest Received Fiscal Year to Date						\$ 14,169,610

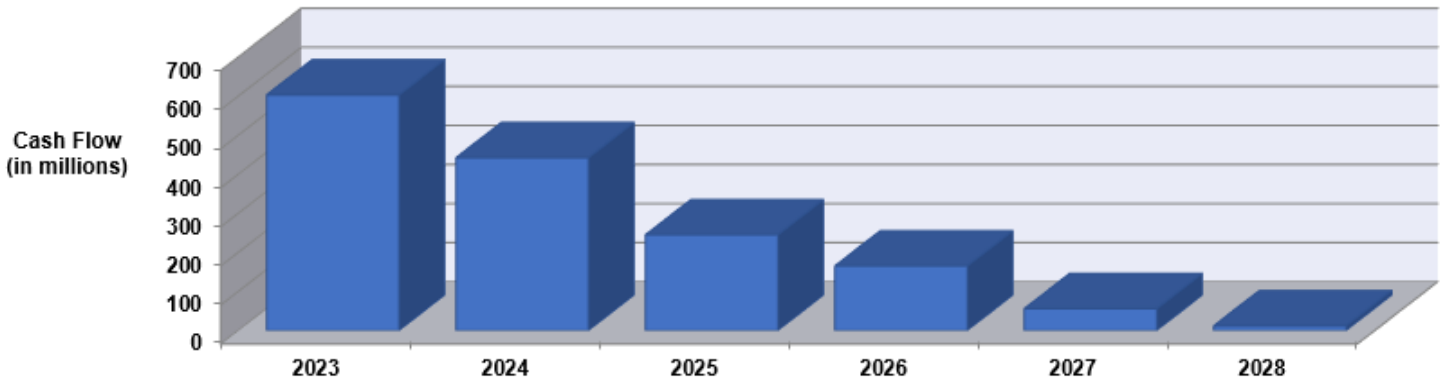
SHOCK ANALYSIS

The portfolio shock analysis is a proactive risk management tool, utilized to evaluate how Sarasota County's current portfolio would react to certain defined interest rate scenarios. This tool enables us to monitor the county's interest rate risk exposure to ensure it is aligned with the requirements of the investment policy. The table below presents the base scenario on how the portfolio is performing in the current interest rate environment.

	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,533,815,054	\$1,533,815,054	\$1,533,815,054	\$1,533,815,054	\$1,533,815,054
Market Value	\$1,493,981,739	\$1,489,442,813	\$1,483,846,153	\$1,479,416,063	\$1,474,834,097
Change in Market Value	\$10,135,586	\$5,596,660	\$0	(\$4,430,090)	(\$9,012,056)
Gain/(loss) BV unrealized	(\$39,833,315)	(\$44,372,241)	(\$49,968,901)	(\$54,398,991)	(\$58,980,957)
Market price	\$97.27	\$96.99	\$96.64	\$96.37	\$96.08
Yield to Worst	4.46	4.64	4.84	5.07	5.25
WAL	1.53	1.55	1.59	1.58	1.59
Effective Duration	1.26	1.27	1.29	1.30	1.33

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.





SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Prepared by Karen E. Rushing, Clerk of the Circuit Court and County Comptroller

May 2023

Summary of Investment Strategy: The economy averted a crises when President Joe Biden signed legislation to extend the nation's borrowing capacity for two years. Attention is back on the Fed's June meeting, beginning June 13th, when they will decide to continue hiking or take a pause. This will likely come down to a game-time decision as the CPI report is due out on the first day of the FOMC meeting. If CPI proves hotter than expected, it could push the small majority of policymakers in favor of a 'hawkish pause' to join those favoring another rate hike. Markets will also be facing a tsunami of new Treasury borrowing now that the debt limit has been raised which could add bond volatility. Current investable U.S. Treasury yields range from 3.75% to 5.39%. May investment portfolio activity consisted of \$2.9 million in return of mortgage principal, \$19.8 million in sales, \$10.0 million in redemptions, and \$109.3 million in new purchases with an average yield of 5.18%, 1.88yr maturity, and 1.35yr effective duration.

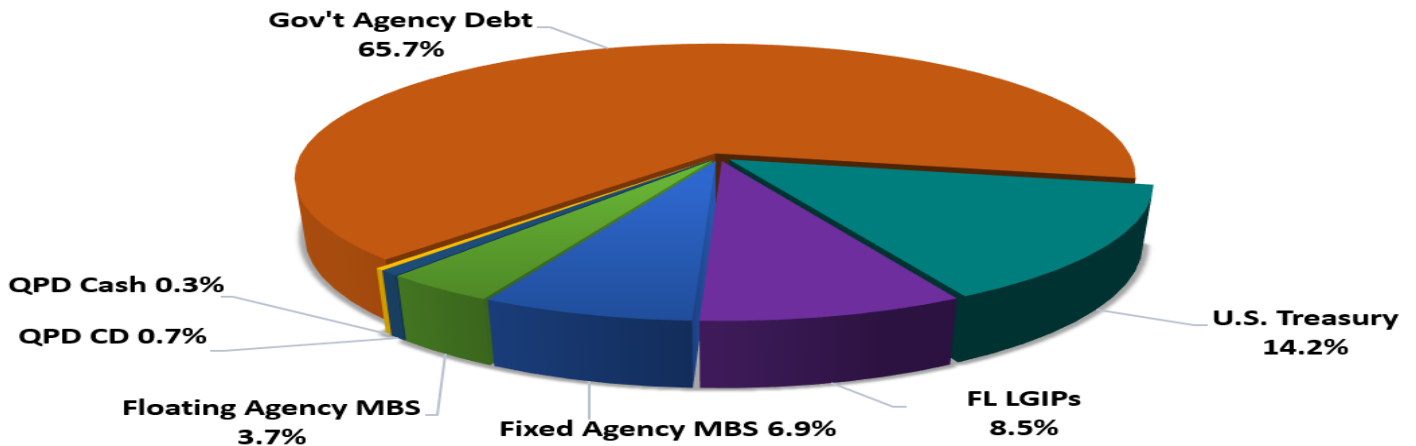
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 47.1 in April, above expectations of 46.8 and prior month's value of 46.3.
- Non-Farm Payrolls increased by 253k in April which was above expectations of 185k. March's figure was revised lower to 217k from the previously reported 236k.
- Average hourly earnings were up 4.4% in April – above expectation of 4.2% and above last month's revised increase of 4.3%.
- Producer prices ex-food and energy, YOY rose 3.2% in April; below expectations of 3.3% increase and below prior month's 3.4%.
- Retail sales ex auto and gas increased by 0.6% in April which was above expectations of 0.2% and higher than prior month's revised -0.5%.

NEWS and EVENTS

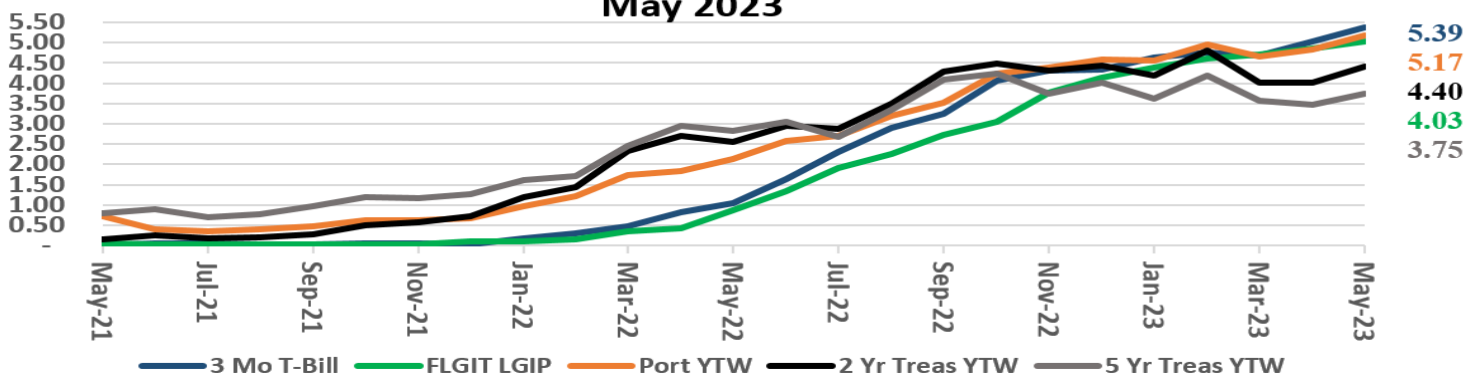
- The WHO declared an end to the Covid-19 emergency, signaling that one of the most deadly and economically devastating pandemics in modern history is receding as the disease that caused it becomes a routine illness.
- Employers across the economy cranked out jobs last month, despite high-profile companies recently cutting staff, Employment held up in tech, finance, construction and manufacturing and expanded in fields such as restaurants and hospitals.
- Home prices fell in more parts of the U.S. than they have in over a decade during the first quarter, when nearly a third of metro areas posted annual price declines.
- Fed officials agreed unanimously to lift interest rates at their meeting this month but split on whether they would need to raise them in June, with some ready to pause, minutes of the May meeting show.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
May 2023**





PORTFOLIO STATISTICS

	December	January	February	March	April	May
Portfolio at Cost Plus Cash	\$ 1,637,410,709	\$ 1,631,832,201	\$ 1,603,479,769	\$ 1,551,321,998	\$ 1,533,815,054	\$ 1,515,267,287
Yield to Worst with cash	4.58%	4.55%	4.96%	4.67%	4.84%	5.17%
Yield to Worst without cash	4.68%	4.55%	5.03%	4.66%	4.82%	5.17%
Interest Received (Cash Basis)	\$ 2,521,858	\$ 2,528,197	\$ 2,486,782	\$ 2,346,841	\$ 1,289,731	\$ 2,102,525
Interest Received Fiscal Year to Date						\$ 16,272,135

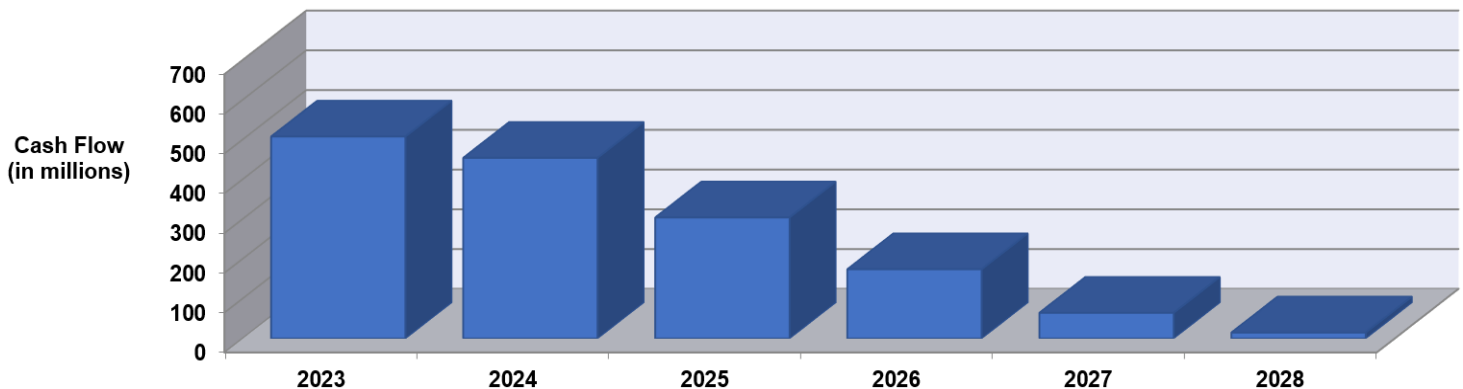
SHOCK ANALYSIS

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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,515,267,287	\$1,515,267,287	\$1,515,267,287	\$1,515,267,287	\$1,515,267,287
Market Value	\$1,471,511,041	\$1,466,964,623	\$1,462,570,003	\$1,456,844,338	\$1,452,612,236
Change in Market Value	\$8,941,038	\$4,394,619	\$0	(\$5,725,665)	(\$9,957,768)
Gain/(loss) BV unrealized	(\$43,756,246)	(\$48,302,665)	(\$52,697,284)	(\$58,422,949)	(\$62,655,052)
Market price	\$96.97	\$96.68	\$96.41	\$96.04	\$95.78
Yield to Worst	4.83	5.03	5.17	5.52	5.69
WAL	1.61	1.65	1.70	1.69	1.71
Effective Duration	1.25	1.27	1.30	1.30	1.34

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.





SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Prepared by Karen E. Rushing, Clerk of the Circuit Court and County Comptroller

June 2023

Summary of Investment Strategy: The Fed left rates unchanged at this month's FOMC meeting, but everything from the statement to the Summary of Economic Projections and press conference indicated higher rates are coming, with a hike likely in July and another in September. Before the meeting, FOMC participants explained the decision to pause was in deference to tightening bank credit – the FOMC wants more information about how much it is tightening, but in his press conference, Powell explained it was really about pace, suggesting he thinks it's appropriate to tighten at successive meetings now that rates are at least modestly restrictive. Current investable U.S. Treasury yields range from 4.16% to 5.28%. May investment portfolio activity consisted of \$2.7 million in return of mortgage principal, \$30.0 million in redemptions, and \$14.7 million in new purchases with an average yield of 5.48%.

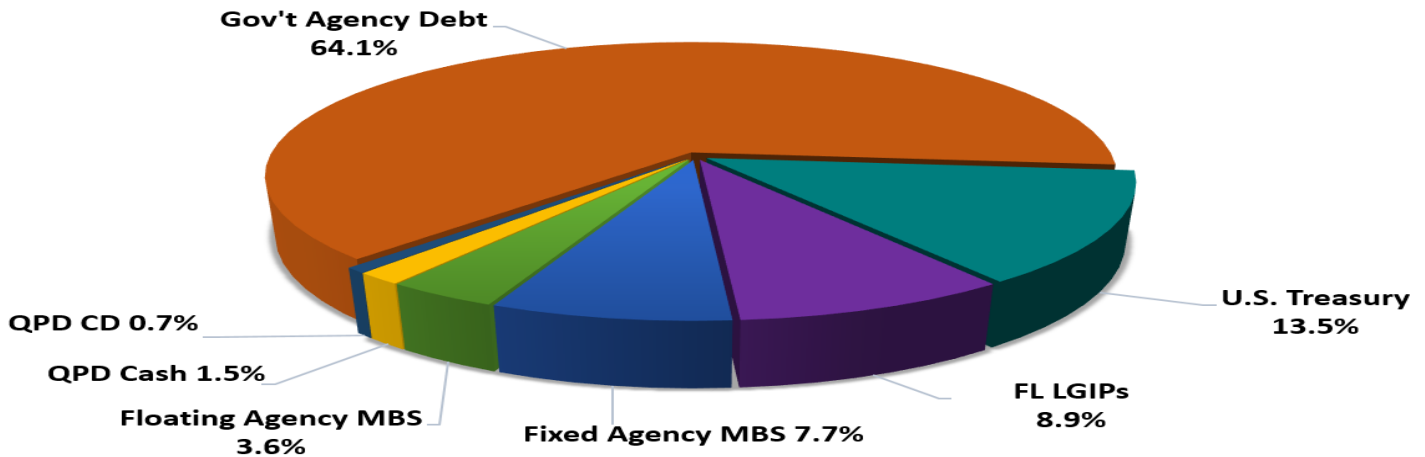
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 46.9 in May, below expectations of 47.0 and below prior month's value of 47.1.
- Non-Farm Payrolls increased by 339k in May which was above expectations of 195k. April's figure was revised lower to 217k from the previously reported 253k.
- Average hourly earnings were up 4.3% in May – below expectation of 4.4% and below last month's increase of 4.4%.
- Producer prices ex-food and energy, YOY rose 2.8% in May; below expectations of 2.9% increase and below prior month's revised 3.1%.
- Retail sales ex auto and gas increased by 0.4% in May which was above expectations of 0.2% but lower than prior month's revised 0.5%.

NEWS and EVENTS

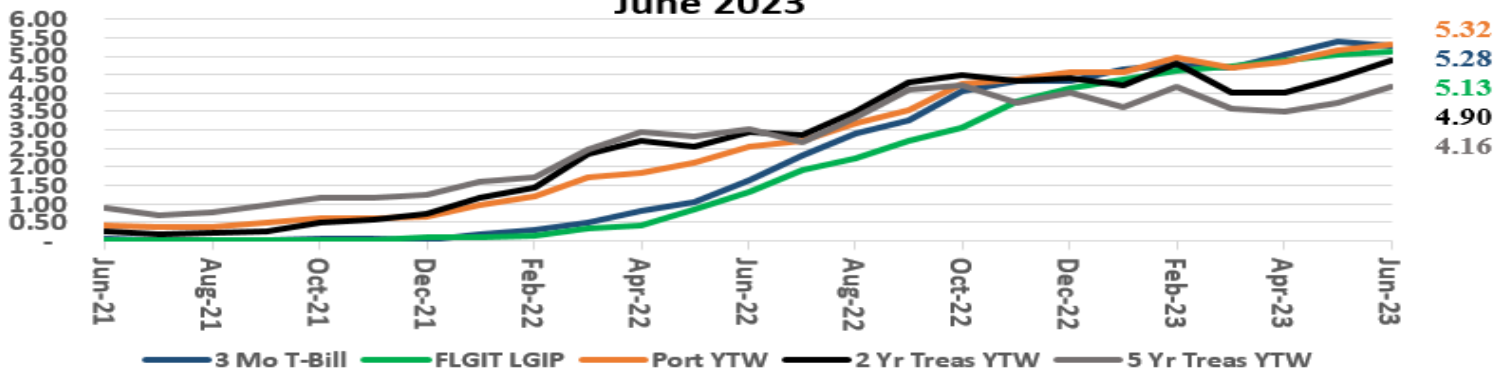
- Investors are bracing for a flood of more than \$1 trillion of Treasury bills in the wake of the debt-ceiling fight, potentially sparking a new bout of volatility in financial markets.
- Insurers are pulling back on homeowners' policies in vulnerable areas nationally out of fear of floods, storms and fires made worse by climate change and soaring costs of rebuilding.
- Federal Reserve officials agreed to hold interest rates steady after 10 consecutive increases but signaled that they were prepared to raise rates next month if the economy and inflation don't cool more.
- Treasury Secretary Yellen said that more banks would probably seek to merge this year as higher interest rates and recent banking turmoil are making it more expensive for them to hang on to depositors.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
June 2023**





PORTFOLIO STATISTICS

	January	February	March	April	May	June
Portfolio at Cost Plus Cash	\$ 1,631,832,201	\$ 1,603,479,769	\$ 1,551,321,998	\$ 1,533,815,054	\$ 1,515,267,287	\$ 1,519,427,798
Yield to Worst with cash	4.55%	4.96%	4.67%	4.84%	5.17%	5.32%
Yield to Worst without cash	4.55%	5.03%	4.66%	4.82%	5.17%	5.36%
Interest Received (Cash Basis)	\$ 2,528,197	\$ 2,486,782	\$ 2,346,841	\$ 1,289,731	\$ 2,102,525	\$ 3,082,935
Interest Received Fiscal Year to Date						\$ 19,355,070

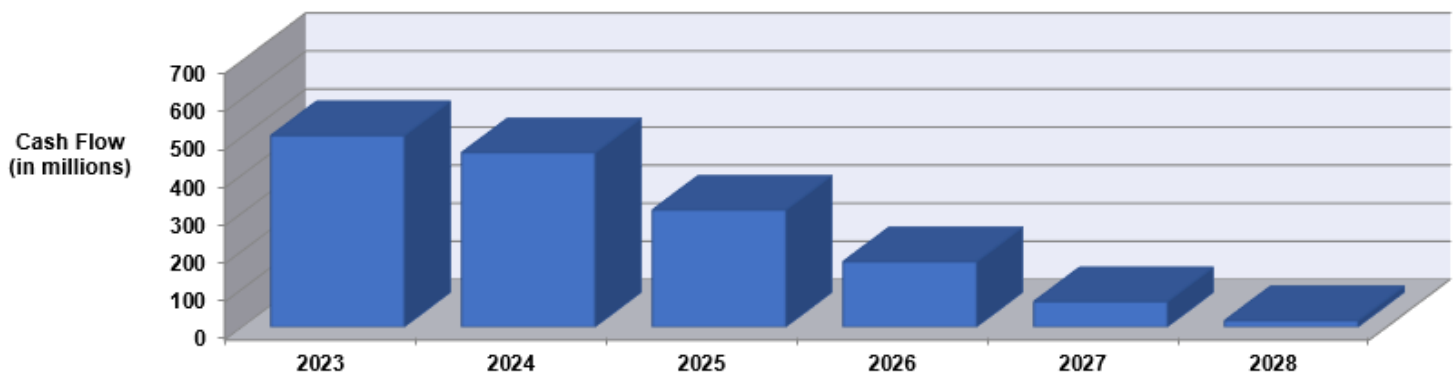
SHOCK ANALYSIS

The portfolio shock analysis is a proactive risk management tool, utilized to evaluate how Sarasota County's current portfolio would react to certain defined interest rate scenarios. This tool enables us to monitor the county's interest rate risk exposure to ensure it is aligned with the requirements of the investment policy. The table below presents the base scenario on how the portfolio is performing in the current interest rate environment.

	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,519,427,798	\$1,519,427,798	\$1,519,427,798	\$1,519,427,798	\$1,519,427,798
Market Value	\$1,471,353,600	\$1,466,976,413	\$1,463,043,417	\$1,457,225,853	\$1,453,115,174
Change in Market Value	\$8,310,184	\$3,932,996	\$0	(\$5,817,564)	(\$9,928,243)
Gain/(loss) BV unrealized	(\$48,074,198)	(\$52,451,385)	(\$56,384,381)	(\$62,201,945)	(\$66,312,624)
Market price	\$96.73	\$96.46	\$96.22	\$95.85	\$95.60
Yield to Worst	4.98	5.16	5.32	5.62	5.80
WAL	1.55	1.58	1.63	1.64	1.66
Effective Duration	1.21	1.24	1.26	1.28	1.30

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.





SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Prepared by Karen E. Rushing, Clerk of the Circuit Court and County Comptroller

July 2023

Summary of Investment Strategy: The FOMC raised the federal funds rate by 25 basis points to a 22-year high of 5.25%-5.50%. The next Fed meeting isn't until September 19th so there's time to assess inflation and target projections before the next decision. Fitch downgraded US Treasury debt one notch, from AAA to AA+. The decision came two months after a warning issued during the debt ceiling fight. The debt ceiling was resolved, of course, and less painfully than many expected. Nevertheless, the agency cited a lack of fiscal discipline evident in tax cuts, new spending initiatives, economic shocks, and repeated political gridlock. Current investable U.S. Treasury yields range from 4.18% to 5.40%. July investment portfolio activity consisted of \$2.4 million in return of mortgage principal, \$20.0 million in redemptions, and \$15.0 million in new purchases with an average yield of 5.64%.

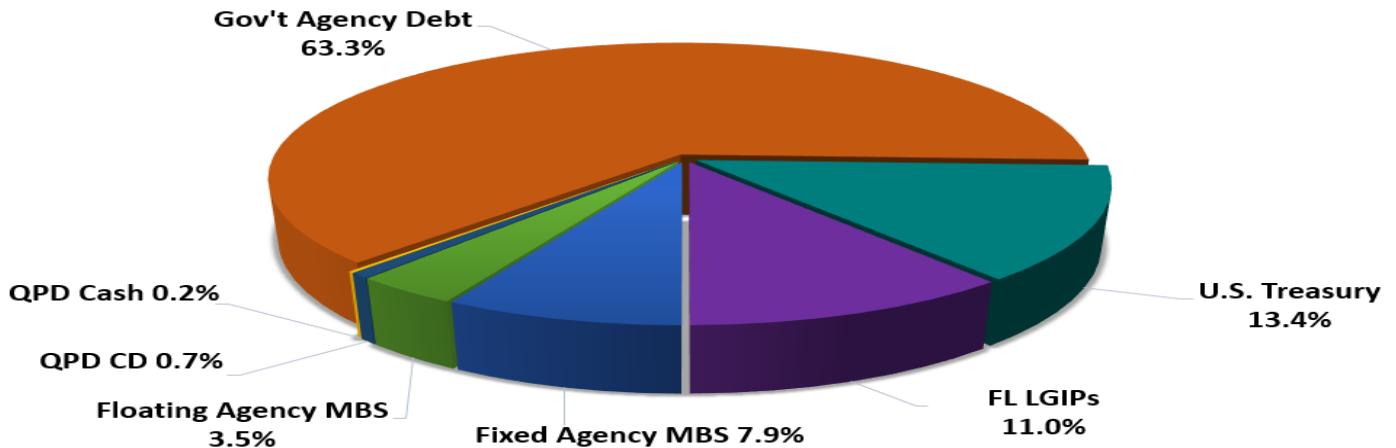
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 46.0 in June, below expectations of 47.1 and below prior month's value of 46.9.
- Non-Farm Payrolls increased by 209k in June which was below expectations of 230k. May's figure was revised lower to 281k from the previously reported 339k.
- Average hourly earnings were up 4.4% in June – above expectation of 4.2% and above last month's increase of 4.3%.
- Producer prices ex-food and energy, YOY rose 2.4% in June; below expectations of 2.6% increase and below prior month's revised 2.6%.
- Retail sales ex auto and gas increased by 0.3% in June which matched expectations of 0.3% but lower than prior month's revised 0.5%.

NEWS and EVENTS

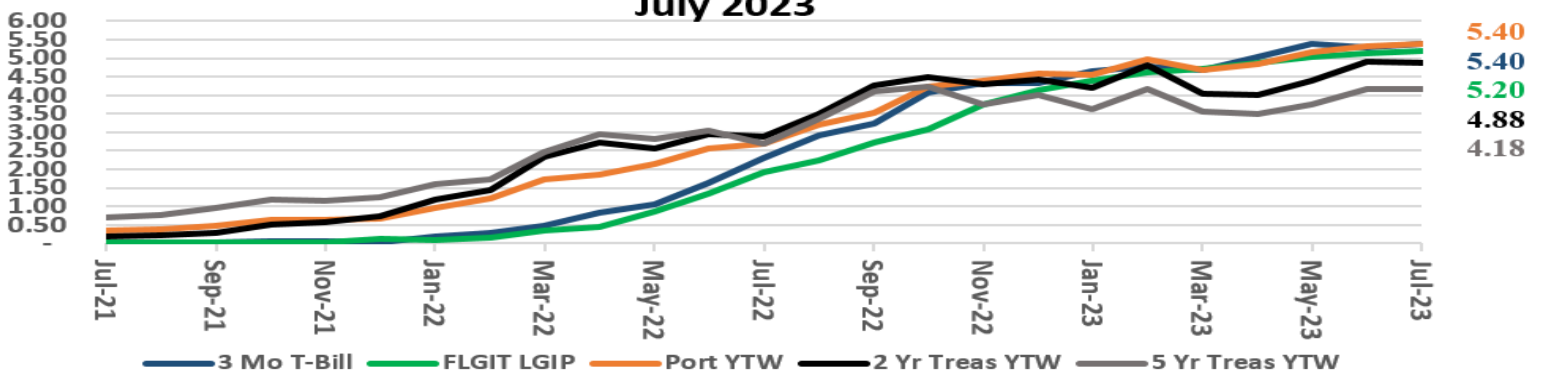
- U.S. new-vehicle sales rose an estimated 13% during the first half of the year, a pace far ahead of industry forecasts as car buyers shake off concerns about rising interest rates and inflationary pressures.
- The surge in U.S. workers quitting their jobs has abated since peaking during the pandemic, another sign that the nation's labor market is cooling from ultra-hot levels as the Federal Reserve raises interest rates.
- The Fed resumed lifting rates with a quarter-point increase that will bring them to a 22-year high, Powell said it was too soon to tell whether the hike would conclude a series of increases aimed at cooling the economy and bringing down inflation.
- Faster economic growth in the U.S. this spring raises the prospect of a longer post pandemic expansion despite the Fed pushing interest rates higher, GDP grew at a 2.4% annual rate in the second quarter, beating forecasts.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
July 2023**





PORTFOLIO STATISTICS

	February	March	April	May	June	July
Portfolio at Cost Plus Cash	\$ 1,603,479,769	\$ 1,551,321,998	\$ 1,533,815,054	\$ 1,515,267,287	\$ 1,519,427,798	\$ 1,524,104,062
Yield to Worst with cash	4.96%	4.67%	4.84%	5.17%	5.32%	5.40%
Yield to Worst without cash	5.03%	4.66%	4.82%	5.17%	5.36%	5.41%
Interest Received (Cash Basis)	\$ 2,486,782	\$ 2,346,841	\$ 1,289,731	\$ 2,102,525	\$ 3,082,935	\$ 2,817,139
Interest Received Fiscal Year to Date						\$ 22,172,208

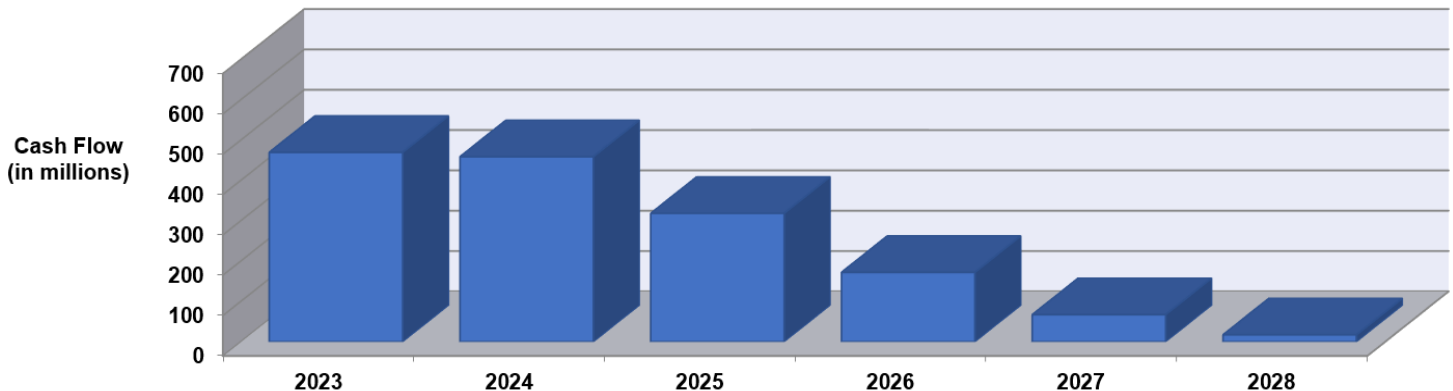
SHOCK ANALYSIS

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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,524,104,062	\$1,524,104,062	\$1,524,104,062	\$1,524,104,062	\$1,524,104,062
Market Value	\$1,478,958,665	\$1,474,764,473	\$1,470,077,224	\$1,465,441,018	\$1,461,237,370
Change in Market Value	\$8,881,441	\$4,687,249	\$0	(\$4,636,206)	(\$8,839,854)
Gain/(loss) BV unrealized	(\$45,145,397)	(\$49,339,589)	(\$54,026,838)	(\$58,663,044)	(\$62,866,692)
Market price	\$96.92	\$96.67	\$96.38	\$96.09	\$95.83
Yield to Worst	5.03	5.22	5.40	5.66	5.85
WAL	1.49	1.53	1.58	1.59	1.62
Effective Duration	1.15	1.18	1.21	1.22	1.25

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.





SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Prepared by Karen E. Rushing, Clerk of the Circuit Court and County Comptroller

August 2023

Summary of Investment Strategy: Jay Powell's speech at this year's Jackson Hole Economic Symposium suggested the Fed might hike rates again given the recent acceleration of economic activity, but also noted the Fed is wary that lags in policy changes could mean there is already significant restraint in the system from the tightening so far, beyond that, he said the Fed will keep rates high for a considerable period. Boston Fed President Susan Collins nicely summarized the mood at the FOMC, "this phase of our policy cycle requires patience, and holistic data assessment, while we stay the course," she explained. "While we may be near, or even at the peak for policy rates, further tightening could be warranted, depending on the incoming data." Current investable U.S. Treasury yields range from 4.25% to 5.44%. August investment portfolio activity consisted of \$2.3 million in return of mortgage principal, \$75.0 million in redemptions, and \$16.2 million in new purchases with an average yield of 5.46%.

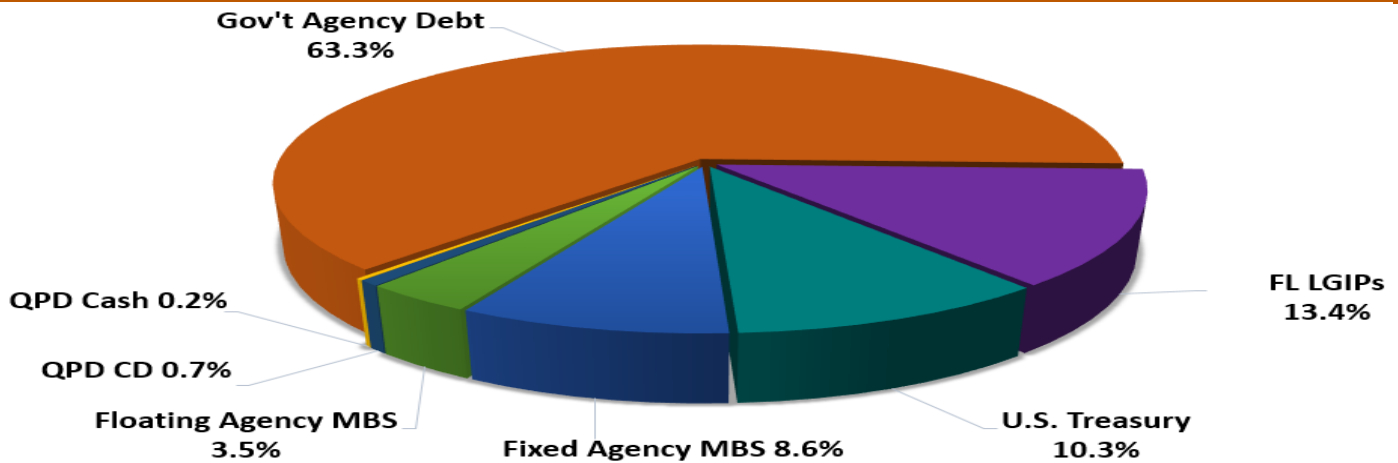
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 46.4 in July, below expectations of 46.9 and below prior month's value of 46.0.
- Non-Farm Payrolls increased by 187k in July which was below expectations of 200k. June's figure was revised lower to 105k from the previously reported 209k.
- Average hourly earnings were up 4.4% in July – above expectation of 4.2% which matched last month's increase of 4.4%.
- Producer prices ex-food and energy, YOY rose 2.4% in July; higher than expectations of 2.3% increase and matching prior month's 2.4%.
- Retail sales ex auto and gas increased by 1.0% in July; higher than expectations of 0.4% and higher than prior month's revised 0.4%.

NEWS and EVENTS

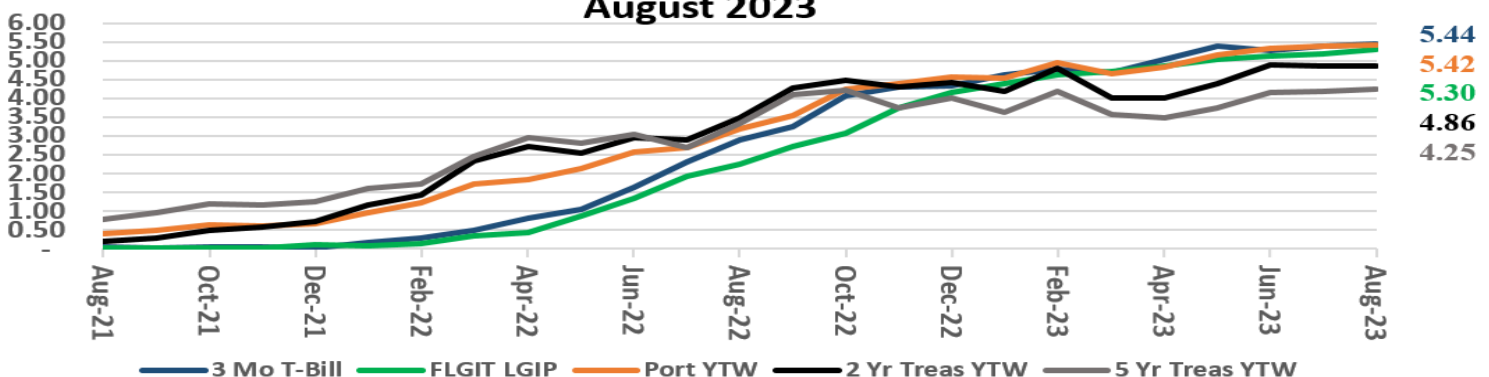
- Americans boosted their retail spending last month as the fastest pace since the start of the year, as consumers continue to bolster the resilient U.S. economy.
- The yield on the 10-year U.S. Treasury note hit a 15-year high, threatening steeper costs for many borrowers and raising concern on Wall Street about the potential fallout in the stock, bond and housing markets.
- Surging prices of new and used cars have become a burden on many consumers, with rates of severe delinquency for auto loans at their highest level since 2006.
- Mortgage rates pushed to a 22-year high this week with the average 30-year fixed mortgage hitting 7.23%, making it tougher for the housing market to emerge from its stark slowdown.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
August 2023**





PORTFOLIO STATISTICS

	March	April	May	June	July	August
Portfolio at Cost Plus Cash	\$ 1,551,321,998	\$ 1,533,815,054	\$ 1,515,267,287	\$ 1,519,427,798	\$ 1,524,104,062	\$ 1,495,881,781
Yield to Worst with cash	4.67%	4.84%	5.17%	5.32%	5.40%	5.42%
Yield to Worst without cash	4.66%	4.82%	5.17%	5.36%	5.41%	5.42%
Interest Received (Cash Basis)	\$ 2,346,841	\$ 1,289,731	\$ 2,102,525	\$ 3,082,935	\$ 2,817,139	\$ 4,483,955
Interest Received Fiscal Year to Date						\$ 26,656,163

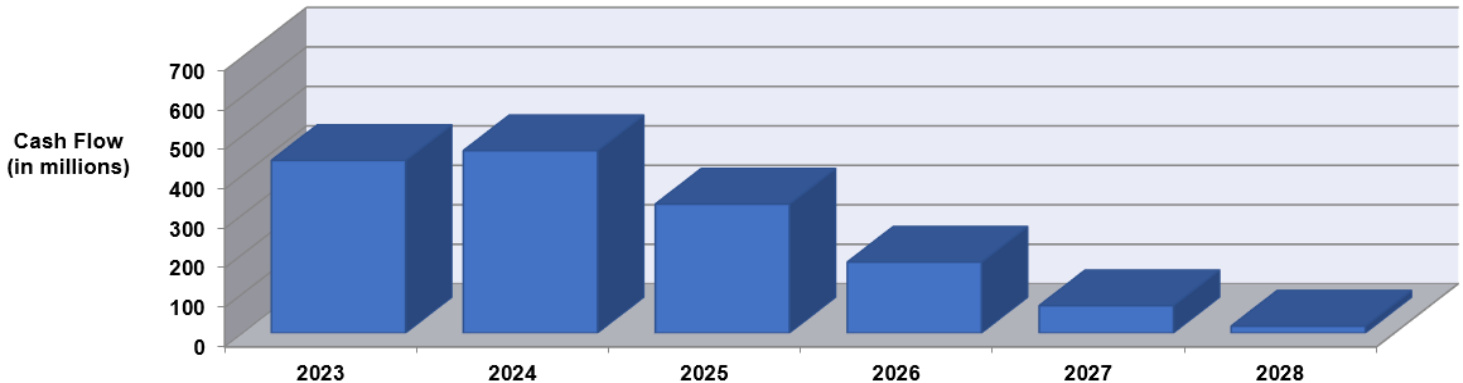
SHOCK ANALYSIS

The portfolio shock analysis is a proactive risk management tool, utilized to evaluate how Sarasota County's current portfolio would react to certain defined interest rate scenarios. This tool enables us to monitor the county's interest rate risk exposure to ensure it is aligned with the requirements of the investment policy. The table below presents the base scenario on how the portfolio is performing in the current interest rate environment.

	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,495,881,781	\$1,495,881,781	\$1,495,881,781	\$1,495,881,781	\$1,495,881,781
Market Value	\$1,452,038,020	\$1,448,040,959	\$1,444,509,536	\$1,438,660,849	\$1,434,886,308
Change in Market Value	\$7,528,484	\$3,531,423	\$0	(\$5,848,687)	(\$9,623,228)
Gain/(loss) BV unrealized	(\$43,843,761)	(\$47,840,821)	(\$51,372,245)	(\$57,220,932)	(\$60,995,472)
Market price	\$96.95	\$96.70	\$96.48	\$96.10	\$95.86
Yield to Worst	5.12	5.28	5.42	5.74	5.91
WAL	1.48	1.52	1.58	1.59	1.60
Effective Duration	1.14	1.17	1.20	1.21	1.24

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.





SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

Prepared by Karen E. Rushing, Clerk of the Circuit Court and County Comptroller

September 2023

Summary of Investment Strategy: The U.S House of Representatives passed a 45-day continuing resolution bill to keep the Government operating. The House subsequently and successfully voted to vacate the Speaker of the House, Kevin McCarthy, increasing volatility across the markets as a government shutdown becomes nearly unavoidable ahead of the new November 17th deadline. The U.S. economy has remained resilient but the growth outlook appears to be faltering with many headwinds emerging. Domestically, the United Auto Workers union continues their week's long strike against the 3 largest automakers. Internationally, there are growing concerns for long-lasting military conflicts on multiple fronts. Current investable U.S. Treasury yields range from 4.61% to 5.45%. September investment portfolio activity consisted of \$2.2 million in return of mortgage principal and \$82.0 million in redemptions and maturities.

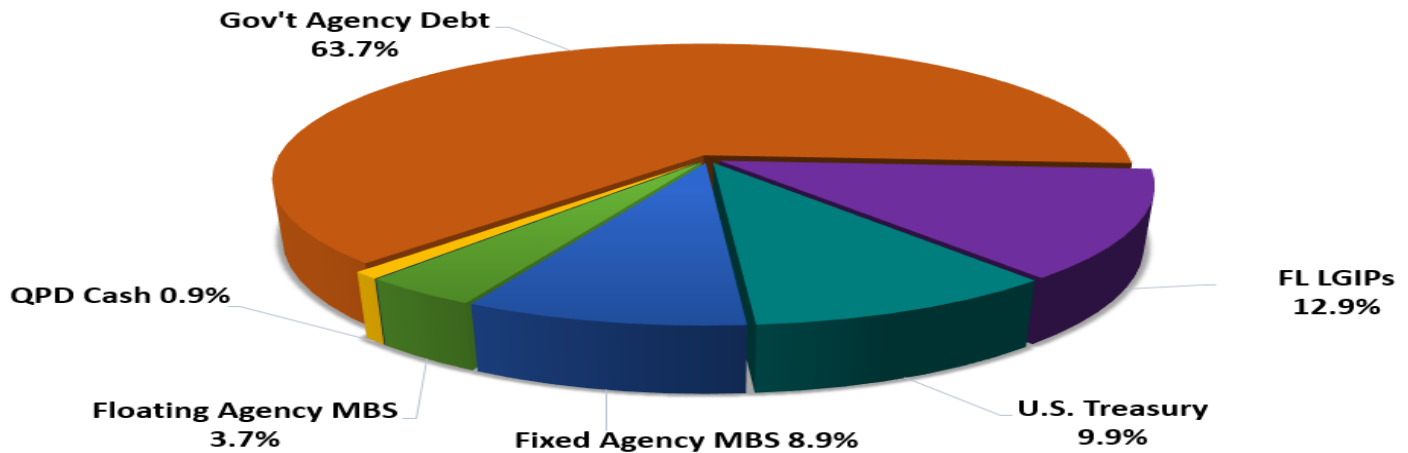
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 47.6 in August, above expectations of 47.0 and above prior month's value of 46.4.
- Non-Farm Payrolls increased by 187k in August which was above expectations of 170k. July's figure was revised higher to 236k from the previously reported 187k.
- Average hourly earnings were up 4.3% in August – matching expectation of 4.3% and matching last month's revised increase of 4.3%.
- Producer prices ex-food and energy, YOY rose 2.2% in August; matching expectations of 2.2% increase and below prior month's 2.4%.
- Retail sales ex auto and gas increased by 0.2% in August; higher than expectations of -0.1% but lower than prior month's revised 0.7%.

NEWS and EVENTS

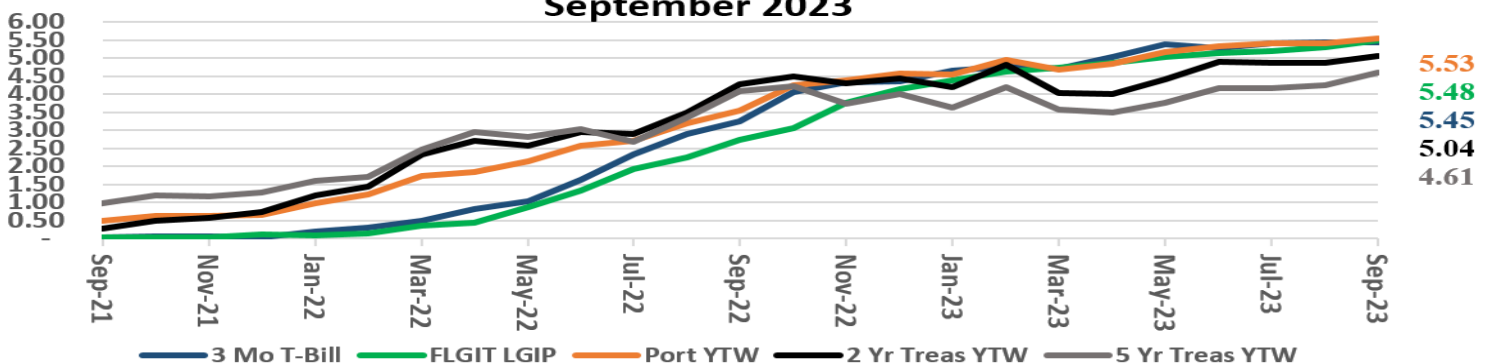
- The U.S. labor market is cooling, with companies hiring more slowly and reducing job postings as higher rates weigh on economic demand.
- The restart of student loan payments could divert up to \$100 billion from Americans' pockets over the coming year, leaving consumers squeezed and some of the nations' largest retailers fearing a spending slowdown.
- Fed officials voted to hold interest rates steady at a 22- year high and revealed a divide over whether they should raise rates once more this year, with most leaning toward another increase.
- The highest bond yields in more than a decade prompted another stock-market selloff. The 10-year Treasury yield settled at 4.48%, the highest since 2007.
- Underlying inflation cooled notably this summer, with price pressures moderating for a third consecutive month in August.

PORTFOLIO COMPOSITION



YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW
September 2023**





PORTFOLIO STATISTICS

	April	May	June	July	August	September
Portfolio at Cost Plus Cash	\$ 1,533,815,054	\$ 1,515,267,287	\$ 1,519,427,798	\$ 1,524,104,062	\$ 1,495,881,781	\$ 1,400,081,625
Yield to Worst with cash	4.84%	5.17%	5.32%	5.40%	5.42%	5.53%
Yield to Worst without cash	4.82%	5.17%	5.36%	5.41%	5.42%	5.55%
Interest Received (Cash Basis)	\$ 1,289,731	\$ 2,102,525	\$ 3,082,935	\$ 2,817,139	\$ 4,483,955	\$ 2,985,242
Interest Received Fiscal Year to Date						\$ 29,641,405

SHOCK ANALYSIS

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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	\$1,400,081,625	\$1,400,081,625	\$1,400,081,625	\$1,400,081,625	\$1,400,081,625
Market Value	\$1,354,786,206	\$1,350,873,996	\$1,347,399,543	\$1,342,150,815	\$1,338,313,273
Change in Market Value	\$7,386,663	\$3,474,453	\$0	(\$5,248,728)	(\$9,086,270)
Gain/(loss) BV unrealized	(\$45,295,419)	(\$49,207,629)	(\$52,682,082)	(\$57,930,810)	(\$61,768,352)
Market price	\$96.68	\$96.42	\$96.19	\$95.83	\$95.58
Yield to Worst	5.14	5.35	5.53	5.89	6.11
WAL	1.50	1.55	1.59	1.60	1.61
Effective Duration	1.17	1.20	1.22	1.25	1.27

CASH FLOW FORECAST

The cash flow forecast chart is a graphical representation of the annual projected cash flows of the County's investment portfolio resulting from expected investment maturities, calls and mortgage prepayments. Policy guidelines allow for adjustable mortgages that have longer maturities since the coupon changes based on interest rate movements. This management tool is utilized to evaluate portfolio liquidity, to make sure there is sufficient cash on hand to meet day-to-day expenses, and optimize reinvestment of excess funds.

