SARASOTA COUNTY, FLORIDA

MONTHLY INVESTMENT REPORT

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

October 2026

Summary of Investment Strategy: The FOMC voted 10-2 at the October meeting to maintain the federal funds target rate of 3.75%-4.00%, following the September hike of 25 bps. Governor Lisa Cook and Cleveland Fed President Beth Hammack dissented, favoring another 25 bp rate hike. The Fed upgraded its assessment of economic activity from a "solid" pace to a "strong" pace, while reiterating that inflation remains elevated. The statement emphasized the need to gather more information before determining the appropriate policy stance, leaving the door open to additional tightening. Looking ahead, markets continue to price roughly one additional 25 bp hike before year-end and approximately three cumulatively by the end of 2027. Current investable U.S. Treasury yields range from 4.12% to 4.72%. October investment portfolio activity consisted of $11.4 million in return of mortgage principal and $15.0 million in redemptions and calls.

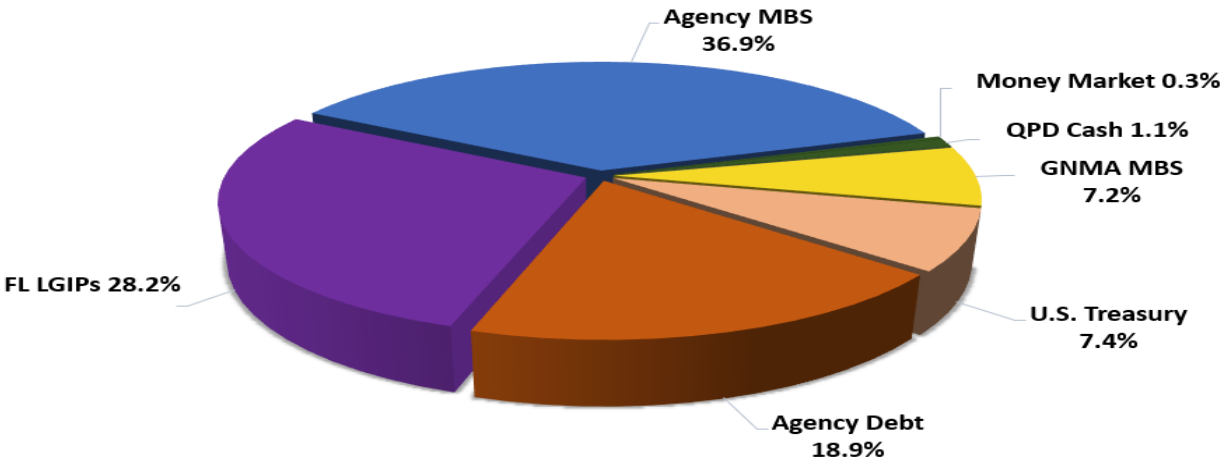
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 54.5 in September, below expectations of 55.0 and lower than prior month's value of 54.6.
- Non-Farm Payrolls increased by 29k in September, which was below expectations of 90k. August's figure was revised higher to 186k from the previously reported 162k.
- Average hourly earnings were up 3.0% YoY in September – below expectations of 3.1% and lower than last month's YoY increase of 3.1%.
- Producer prices ex-food and energy, YoY rose 5.0% in September; above expectations of 4.4% and higher than prior month's revised 4.8%.
- Retail sales ex auto and gas increased by 0.2% in September, matching expectations of 0.2% and lower than prior month's 1.1%.

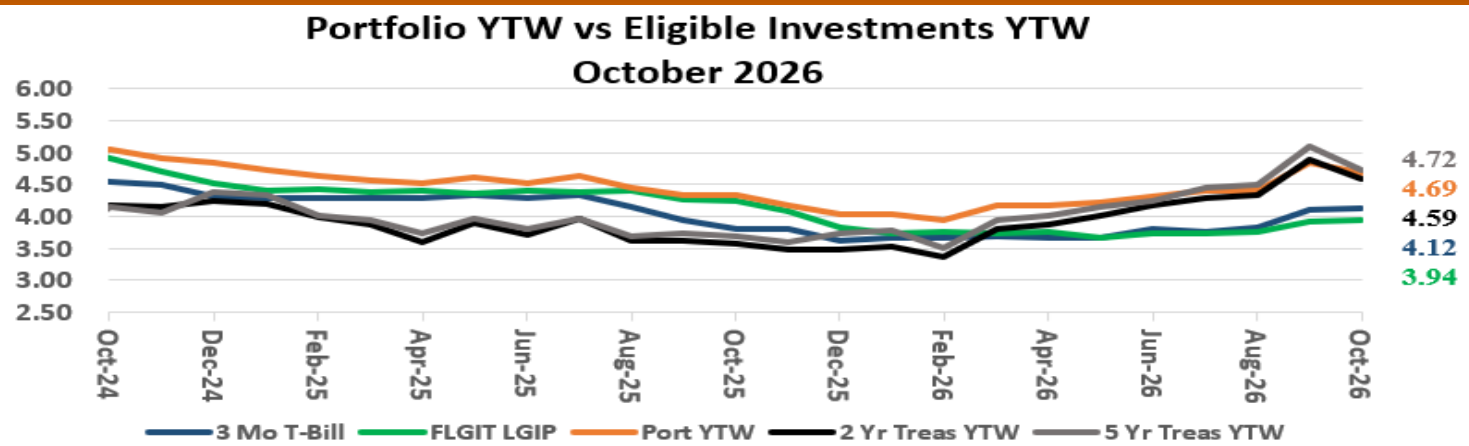
NEWS *and* EVENTS

- U.S. inflation accelerated to 3.7% in September as energy costs soared.
- Sales at U.S. retailers rose in September, but at a slower pace than in August, Commerce Department data show.
- U.S. economy grew at a 3.4% annual rate in the third quarter, marking the fastest pace in a year as business investment surged.
- Persian Gulf oil exports have surpassed prewar levels as an improvised shipping system under U.S. protection is helping tankers move oil through one of Iran's fiercest waves of attacks in the Strait of Hormuz.
- Housing starts; a gauge of new residential construction fell 5.2% in September to 1.221 million homes.
- The Fed held interest rates steady, buying time to decide whether more rate rises are needed to keep energy costs and an AI building boom from seeping into broader inflation.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	May	June	July	August	September	October
Portfolio at Cost Plus Cash	$ 1,831,700,044	$ 1,776,682,043	$ 1,731,551,434	$ 1,754,440,392	$ 1,658,582,773	$ 1,616,483,796
Yield to Worst with cash	4.21%	4.31%	4.40%	4.41%	4.83%	4.69%
Yield to Worst without cash	4.43%	4.56%	4.68%	4.69%	5.22%	5.01%
Interest Received (Cash Basis)	$ 5,608,831	$ 6,044,976	$ 8,388,989	$ 4,837,539	$ 6,007,903	$ 4,831,699
Interest Received Fiscal Year to Date						**$ 4,831,699**

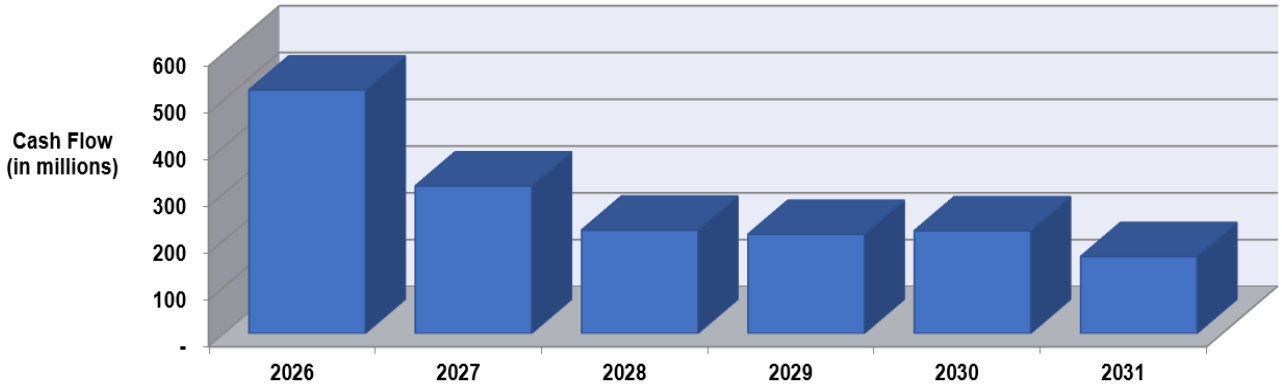
SHOCK ANALYSIS

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	$1,616,483,796	$1,616,483,796	$1,616,483,796	$1,616,483,796	$1,616,483,796
Market Value	$1,603,967,769	$1,597,824,372	$1,591,413,409	$1,584,755,768	$1,577,901,397
Change in Market Value	$12,554,360	$6,410,963	$0	($6,657,641)	($13,512,012)
Gain/(loss) BV unrealized	($12,516,027)	($18,659,424)	($25,070,387)	($31,728,028)	($38,582,399)
Market price	$99.18	$98.81	$98.43	$98.02	$97.61
Yield to Worst	4.35	4.52	4.69	4.87	5.04
WAL	1.81	1.89	1.94	2.02	2.05
Effective Duration	1.51	1.58	1.64	1.69	1.75

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 2026

Summary of Investment Strategy: The FOMC raised the federal funds rate by 25 basis points to 3.75%-4.00% at this month's meeting, marking the first rate hike since July 2023 and the first rate change since the 175 basis points of easing delivered across 2024 and 2025. The decision was unanimous, with all 12 voting members supporting the increase, reflecting the Committee's focus on achieving its dual mandate of maximum employment and price stability. As noted in the Committee's statement, "Economic activity is expanding at a solid pace. While uncertainty remains elevated, domestic spending has been resilient. Productivity growth is strong, and capital investment is robust. Job gains have kept pace with the workforce, and the unemployment rate has changed very little." Current investable U.S. Treasury yields range from 4.11% to 5.09%. September investment portfolio activity consisted of $13.1 million in return of mortgage principal and $35.0 million in redemptions and calls.

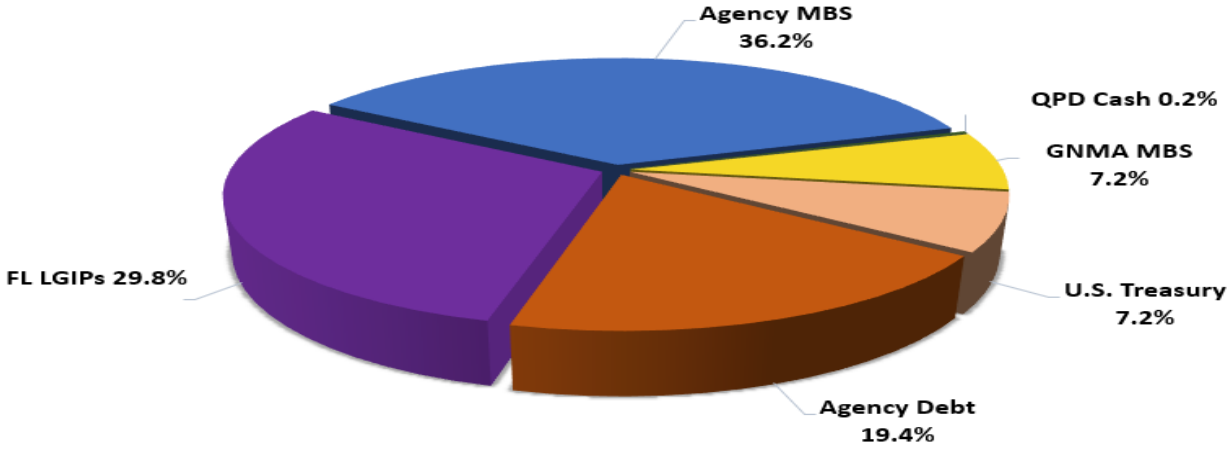
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 54.6 in August, below expectations of 55.2 and lower than prior month's value of 55.6.
- Non-Farm Payrolls increased by 162k in August, which was above expectations of 55k. July's figure was revised higher to -10k from the previously reported -23k.
- Average hourly earnings were up 3.1% YoY in August – matching expectations of 3.1% and lower than last month's YoY increase of 3.2%.
- Producer prices ex-food and energy, YoY rose 4.6% in August; matching expectations of 4.6% and higher than prior month's revised 4.3%.
- Retail sales ex auto and gas increased by 1.2% in August, higher than expectations of 0.4% and higher than prior month's -0.2%.

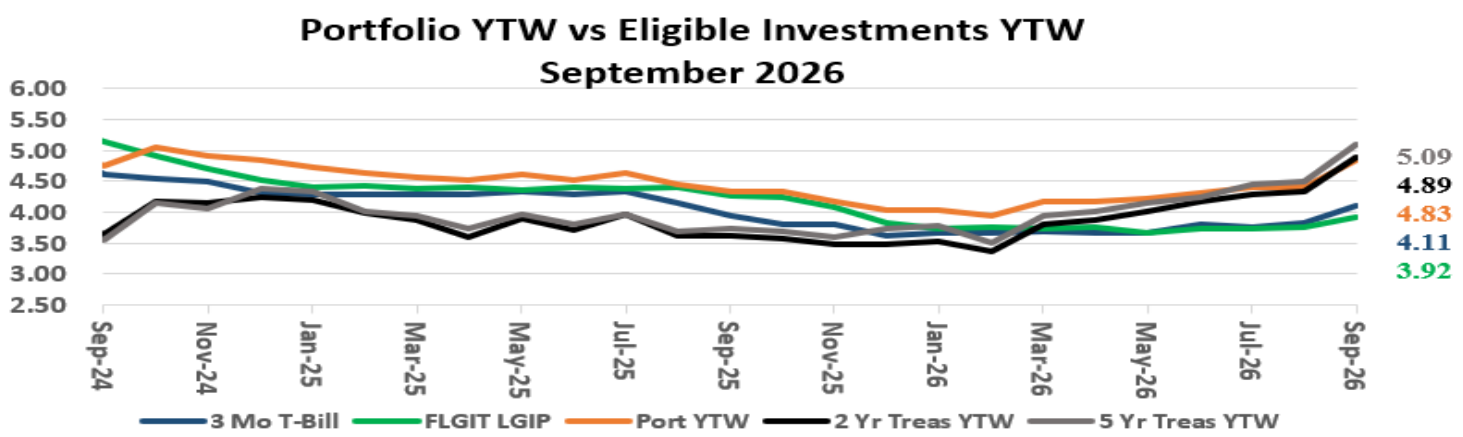
NEWS *and* EVENTS

- The Fed raised interest rates for the first time in three years, a sharp reversal that began taking back cuts it made last year and implicitly undercut the White House's insistence that inflation isn't a concern.
- OpenAI asked the U.S. government to lead an effort with other countries to develop global safety and security standards for building artificial-intelligence systems.
- Yields on U.S. Treasury's surged anew, lifted in part by a new jump in oil prices.
- The AI build-out is on track to become the biggest economic bet in U.S. history, dwarfing the investments made to fund other huge infrastructure projects like the railroads, the highway system, and the plumbing for the internet.
- New York Fed President John Williams suggest that policymakers could wait until December before raising interest rates again.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	April	May	June	July	August	September
Portfolio at Cost Plus Cash	$ 1,886,134,256	$ 1,831,700,044	$ 1,776,682,043	$ 1,731,551,434	$ 1,754,440,392	$ 1,658,582,773
Yield to Worst with cash	4.18%	4.21%	4.31%	4.40%	4.41%	4.83%
Yield to Worst without cash	4.37%	4.43%	4.56%	4.68%	4.69%	5.22%
Interest Received (Cash Basis)	$ 5,365,898	$ 5,608,831	$ 6,044,976	$ 8,388,989	$ 4,837,539	$ 6,007,903
Interest Received Fiscal Year to Date						**$ 70,957,239**

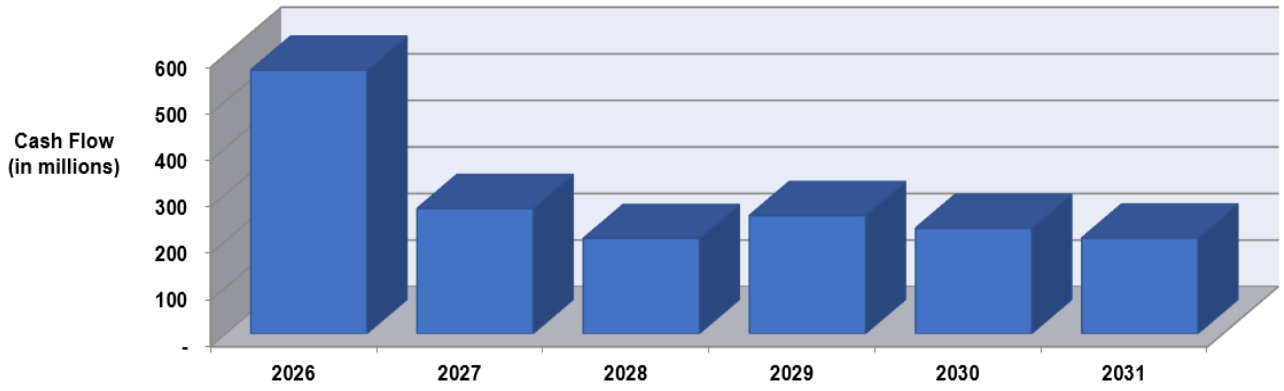
SHOCK ANALYSIS

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	$1,658,582,773	$1,658,582,773	$1,658,582,773	$1,658,582,773	$1,658,582,773
Market Value	$1,641,741,385	$1,634,752,323	$1,627,536,165	$1,620,071,447	$1,612,541,505
Change in Market Value	$14,205,220	$7,216,158	$0	($7,464,718)	($14,994,660)
Gain/(loss) BV unrealized	($16,841,388)	($23,830,450)	($31,046,608)	($38,511,326)	($46,041,268)
Market price	$98.79	$98.39	$97.96	$97.53	$97.09
Yield to Worst	4.48	4.66	4.83	5.00	5.18
WAL	1.85	1.96	2.01	2.06	2.11
Effective Duration	1.64	1.71	1.77	1.83	1.87

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 2026

Summary of Investment Strategy: Fed Chair Kevin Warsh's message at this year's Jackson Hole symposium centered on three key points, inflation is too high, current monetary policy does not appear sufficiently restrictive, and the Fed remains committed to maintaining policy discipline. Warsh, however, stopped short of pre-committing the FOMC to a September rate hike. With markets pricing roughly a 60% probability of a hike, the remaining uncertainty is centered on the incoming CPI and PPI data and whether those reports provide enough evidence to warrant a more restrictive policy stance. Current investable U.S. Treasury yields range from 3.83% to 4.50%. August investment portfolio activity consisted of $15.2 million in return of mortgage principal, $23.0 million in redemptions and calls, and $32.8 million in purchases with an average yield of 4.29% and 1.69yrs effective duration.

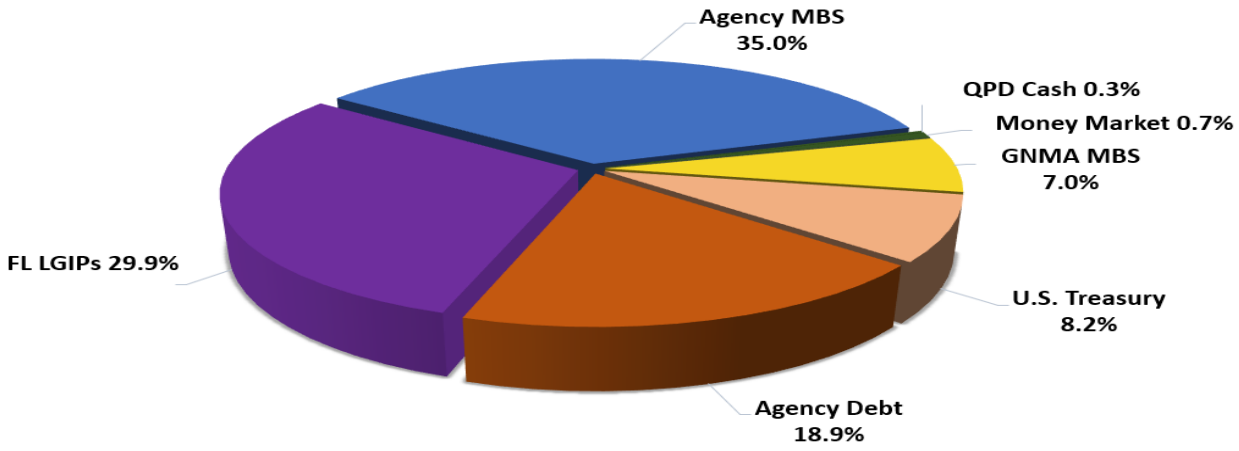
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 55.6 in July, above expectations of 53.9 and higher than prior month's value of 53.3.
- Non-Farm Payrolls decreased by -23k in July, which was below expectations of 80k. June's figure was revised lower to 20k from the previously reported 57k.
- Average hourly earnings were up 3.2% YoY in July – lower than expectations of 3.5% and lower than last month's YoY increase of 3.4%.
- Producer prices ex-food and energy, YoY rose 4.2% in July; higher than expectations of 4.1% and lower than prior month's 4.7%.
- Retail sales ex auto and gas decreased by -0.2% in July, lower than expectations of 0.3% and lower than prior month's 0.4%.

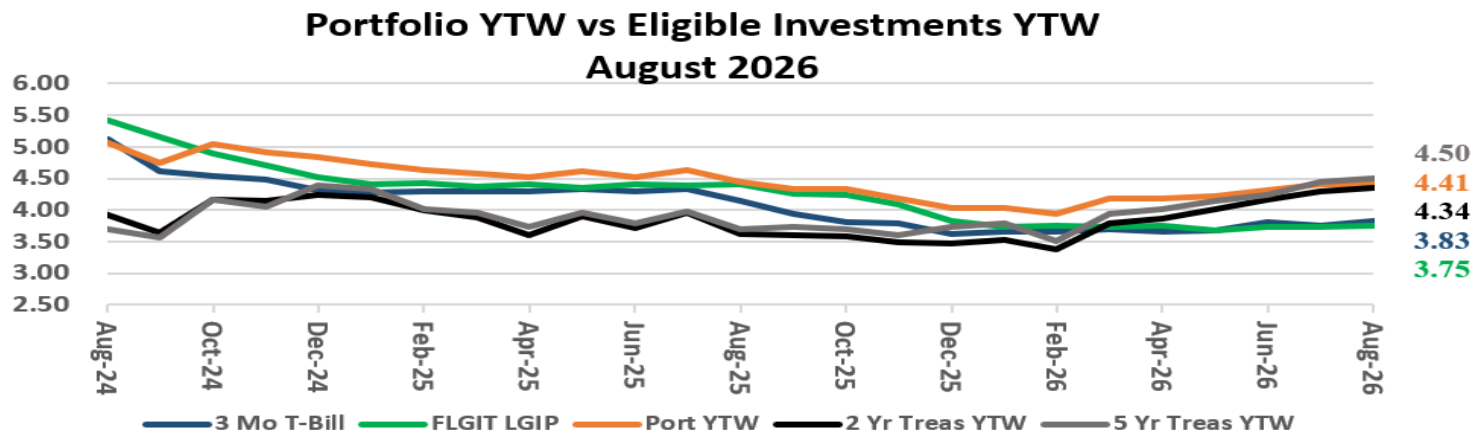
NEWS *and* EVENTS

- Gross U.S. debt surpassed $40 trillion, the Treasury Department reported, a new milestone in the country's struggle to control its finances.
- All U.S. leading economic indicators but one edged higher in July, signaling potential moderate growth ahead.
- Iran's top politicians said the country needs to focus on ending the war and shoring up its crippled economy, pushing back against more defiant publicly hard-liners.
- Profits are booming at the biggest U.S. companies, boosted among other things by tariff refunds, federal spending and red-hot AI investment. Corporate leaders say the bonanza is unlikely to slacken soon.
- Comments by Fed Chairman Kevin Warsh at the Jackson Hole policy meeting pointed toward the central bank's raising interest rates in September, which investors now think is more likely than not.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	March	April	May	June	July	August
Portfolio at Cost Plus Cash	$ 1,902,415,073	$ 1,886,134,256	$ 1,831,700,044	$ 1,776,682,043	$ 1,731,551,434	$ 1,754,440,392
Yield to Worst with cash	4.18%	4.18%	4.21%	4.31%	4.40%	4.41%
Yield to Worst without cash	4.36%	4.37%	4.43%	4.56%	4.68%	4.69%
Interest Received (Cash Basis)	$ 6,466,828	$ 5,365,898	$ 5,608,831	$ 6,044,976	$ 8,388,989	$ 4,837,539
Interest Received Fiscal Year to Date						**$ 64,949,336**

SHOCK ANALYSIS

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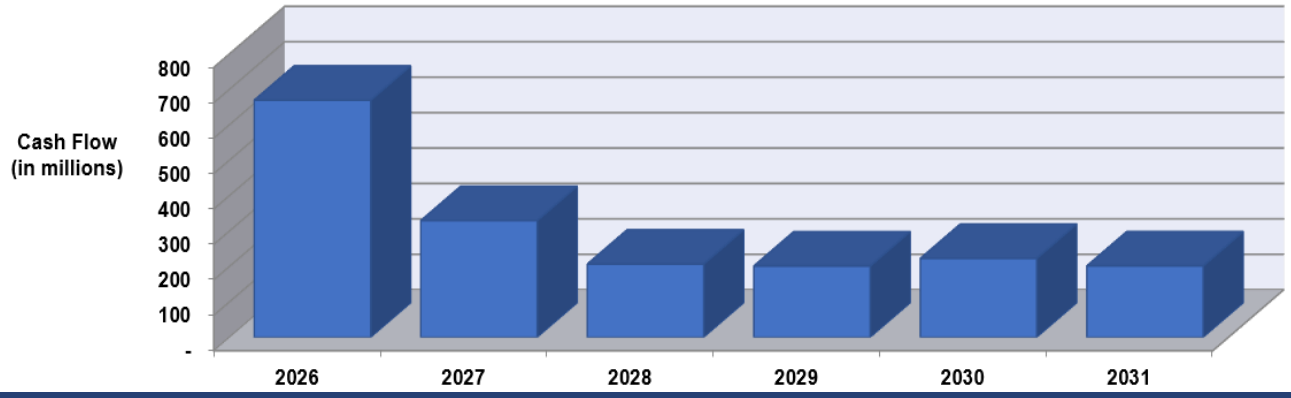
	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	$1,754,440,392	$1,754,440,392	$1,754,440,392	$1,754,440,392	$1,754,440,392
Market Value	$1,752,220,848	$1,745,579,689	$1,738,674,988	$1,731,545,186	$1,724,133,802
Change in Market Value	$13,545,860	$6,904,701	$0	($7,129,802)	($14,541,186)
Gain/(loss) BV unrealized	($2,219,544)	($8,860,703)	($15,765,404)	($22,895,206)	($30,306,590)
Market price	$99.66	$99.29	$98.90	$98.51	$98.09
Yield to Worst	4.05	4.23	4.41	4.58	4.75
WAL	1.71	1.77	1.85	1.92	2.01
Effective Duration	1.47	1.54	1.61	1.68	1.73

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 2026

Summary of Investment Strategy: The FOMC voted 9-3 this month to maintain the federal funds target range of 3.5% - 3.75%. The policy statement was essentially unchanged from the prior meeting, but three regional presidents dissented in favor of a 25bp hike. In Warsh's prepared remarks he specified four topics the committee focused on during this week's discussions: Implications of the past five years of high inflation, how recent shocks vary in their efforts on inflation and employment, if certain shocks raise prices broadly or narrowly, and monetary policy tools and strategies for achieving stable prices. Market participants are signaling expectations for a slightly more dovish Fed policy path that comes with a bit higher inflation in the long run. Current investable U.S. Treasury yields range from 3.75% to 4.45%. July investment portfolio activity consisted of $15.9 million in return of mortgage principal and $10.0 million in redemptions and calls.

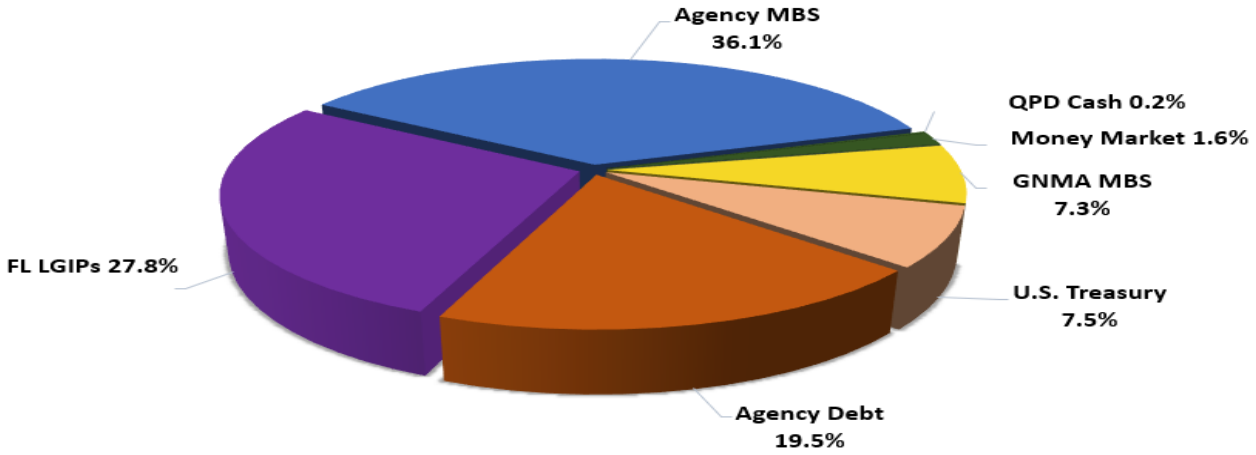
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 53.3 in June, below expectations of 53.9 and lower than prior month's value of 54.0.
- Non-Farm Payrolls increased by 57k in June, which was below expectations of 113k. May's figure was revised lower to 129k from the previously reported 172k.
- Average hourly earnings were up 3.5% YoY in June – matching expectations of 3.5% and higher than last month's YoY increase of 3.4%.
- Producer prices ex-food and energy, YoY rose 4.7% in June; lower than expectations of 5.1% and higher than prior month's revised 4.6%.
- Retail sales ex auto and gas increased by 0.4% in June, matching expectations of 0.4% and lower than prior month's revised 0.8%.

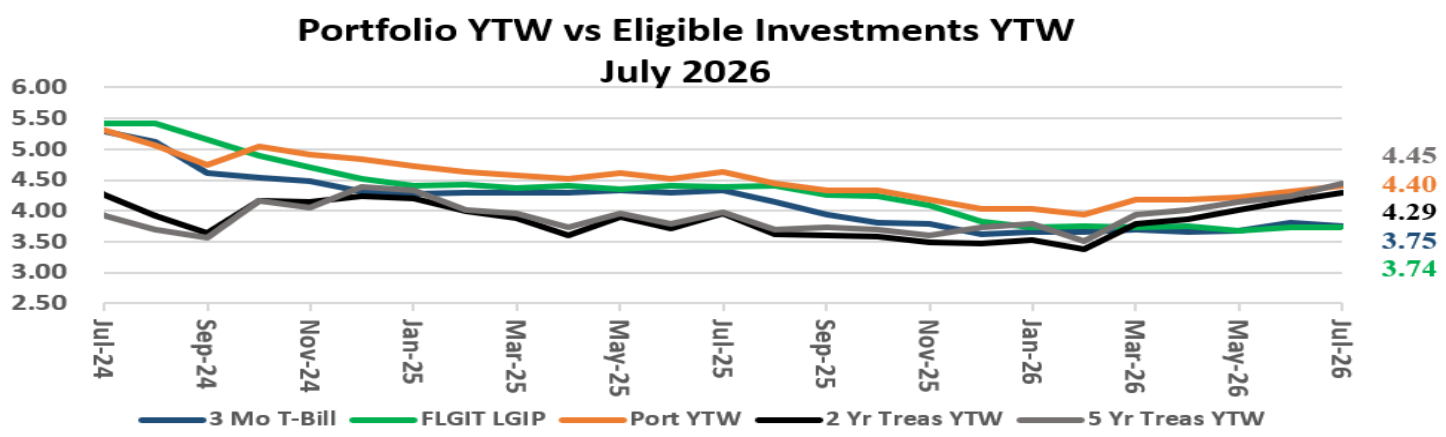
NEWS *and* EVENTS

- U.S. economic growth slowed to 1.5% in the second quarter, weighed down by strong imports to fuel the artificial-intelligence boom.
- Fed officials held interest rates steady in a range of 3.50% to 3.75% over the objections of three bank presidents who wanted an increase.
- Iran launched a surprise ballistic-missile attack on American forces in Jordan, a violent escalation that piles new pressure on Trump to renew the war in earnest.
- A shift toward more hiring is emerging across U.S. industries from railroads to tech as companies plan to add workers to meet growth goals or to seize on emerging technologies.
- The U.S. will consider applying additional tariffs to goods from the EU in response to fines the bloc has levied against U.S. tech firms.
- Mortgage rates rose to their highest level in almost a year, 30-year fixed at 6.58%, as Middle East rising tensions spurred fears of higher inflation.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	February	March	April	May	June	July
Portfolio at Cost Plus Cash	$ 1,964,599,132	$ 1,902,415,073	$ 1,886,134,256	$ 1,831,700,044	$ 1,776,682,043	$ 1,731,551,434
Yield to Worst with cash	3.94%	4.18%	4.18%	4.21%	4.31%	4.40%
Yield to Worst without cash	4.01%	4.36%	4.37%	4.43%	4.56%	4.68%
Interest Received (Cash Basis)	$ 5,602,421	$ 6,466,828	$ 5,365,898	$ 5,608,831	$ 6,044,976	$ 8,388,989
Interest Received Fiscal Year to Date						**$ 60,111,797**

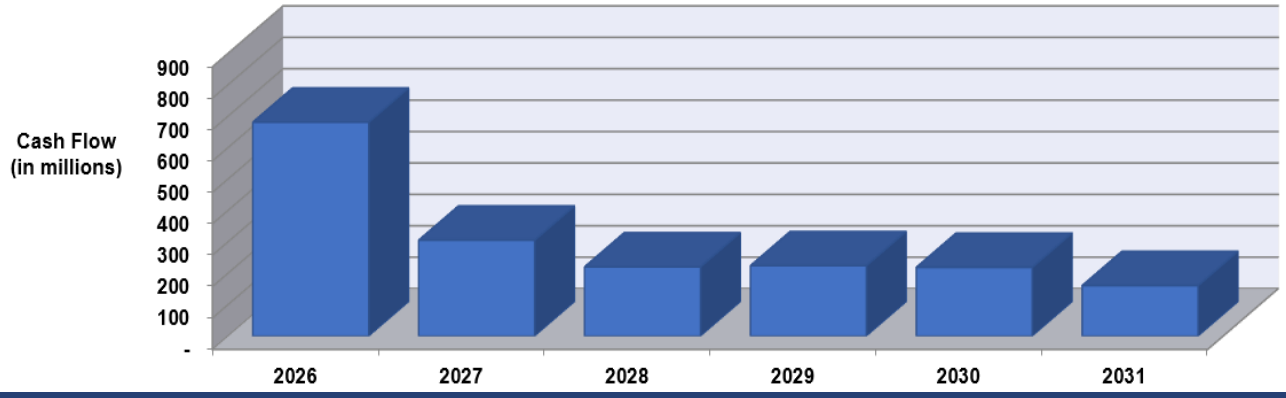
SHOCK ANALYSIS

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	$1,731,551,434	$1,731,551,434	$1,731,551,434	$1,731,551,434	$1,731,551,434
Market Value	$1,729,467,028	$1,722,844,473	$1,716,040,005	$1,708,882,739	$1,701,524,798
Change in Market Value	$13,427,023	$6,804,468	$0	($7,157,266)	($14,515,207)
Gain/(loss) BV unrealized	($2,084,406)	($8,706,961)	($15,511,429)	($22,668,695)	($30,026,636)
Market price	$99.67	$99.30	$98.91	$98.51	$98.09
Yield to Worst	4.03	4.22	4.40	4.57	4.75
WAL	1.70	1.76	1.85	1.93	1.99
Effective Duration	1.48	1.55	1.62	1.68	1.74

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 2026

Summary of Investment Strategy: Fed Chair Warsh announced the formation of five task forces that will reexamine everything the Fed does on the policy front. The task forces will review the balance sheet, communication, use of data, jobs and productivity, and inflation framework. Since Kevin Warsh was nominated as the Fed chair, real yields have risen and inflation break evens have fallen, suggesting traders are more confident in the Fed achieving its goals. Mortgage spreads over Treasuries are little changed since the start of the year, but still tighter than in any year since 2021. Fear of change is understandable, but so far there is little reason to think the changes proposed by Warsh will hurt the economy or boost interest rates and inflation. Current investable U.S. Treasury yields range from 3.81% to 4.23%. June investment portfolio activity consisted of $18.4 million in return of mortgage principal and $25.0 million in redemptions and calls.

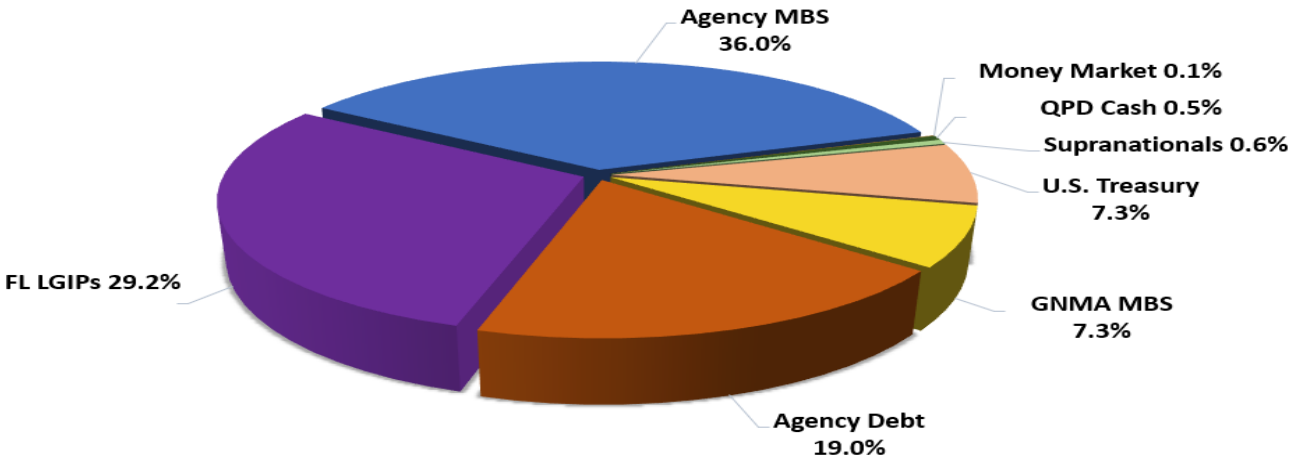
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 54.0 in May, above expectations of 53.0 and higher than prior month's value of 52.7.
- Non-Farm Payrolls increased by 172k in May which was above expectations of 88k. April's figure was revised higher to 148k from the previously reported 115k.
- Average hourly earnings were up 3.4% YoY in May – matching expectations of 3.4% and lower than last month's YoY increase of 3.6%.
- Producer prices ex-food and energy, YoY rose 4.9% in May; lower than expectations of 5.4% and matching prior month's revised 4.9%.
- Retail sales ex auto and gas increased by 0.5% in May, higher than expectations of 0.3% and matching prior month's 0.5%.

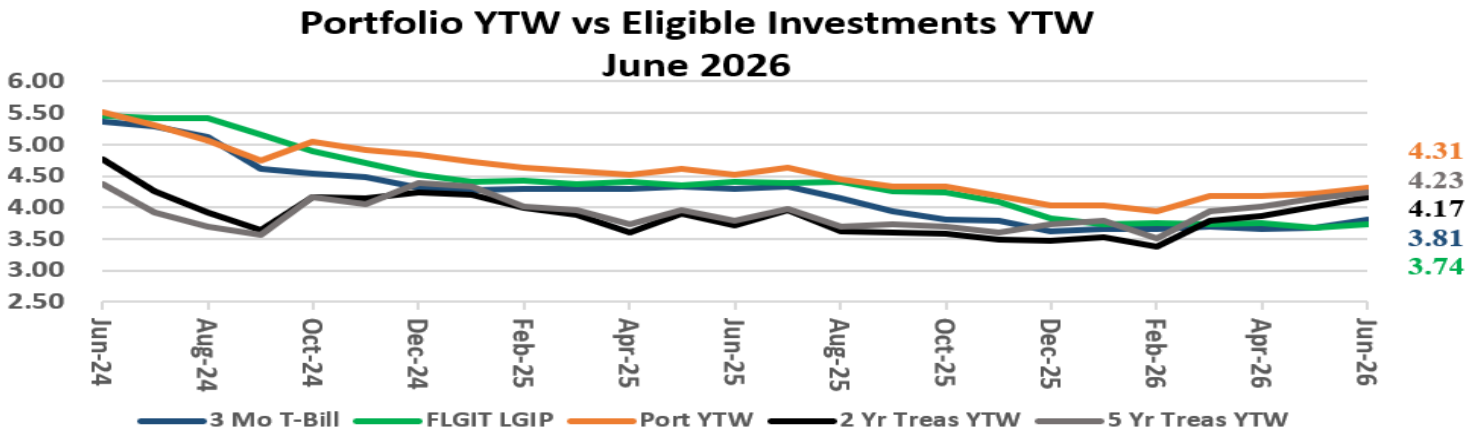
NEWS *and* EVENTS

- The U.S. and Iran have agreed to end fighting around the strait of Hormuz and resume peace talks, said officials from the U.S. and other countries. During the recent fighting, Iran asserted the exclusive right to manage traffic in the strait.
- Oil prices are on the cusp of falling back to their pre-Iran war levels, a stunning round-trip, just 11 days after a 60-day deal to reopen the Strait of Hormuz.
- The artificial-intelligence build-out is beginning to push up the prices of goods and services, leading to speculation about how long they might remain elevated.
- Fed officials signaled that their next move may be to raise interest rates, not cut them, a striking reversal at Kevin Warsh's first meeting as chairman and a sign of how sharply the inflation outlook has turned.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	January	February	March	April	May	June
Portfolio at Cost Plus Cash	$ 2,000,079,321	$ 1,964,599,132	$ 1,902,415,073	$ 1,886,134,256	$ 1,831,700,044	$ 1,776,682,043
Yield to Worst with cash	4.03%	3.94%	4.18%	4.18%	4.21%	4.31%
Yield to Worst without cash	4.16%	4.01%	4.36%	4.37%	4.43%	4.56%
Interest Received (Cash Basis)	$ 5,491,912	$ 5,602,421	$ 6,466,828	$ 5,365,898	$ 5,608,831	$ 6,044,976
Interest Received Fiscal Year to Date						**$ 51,722,807**

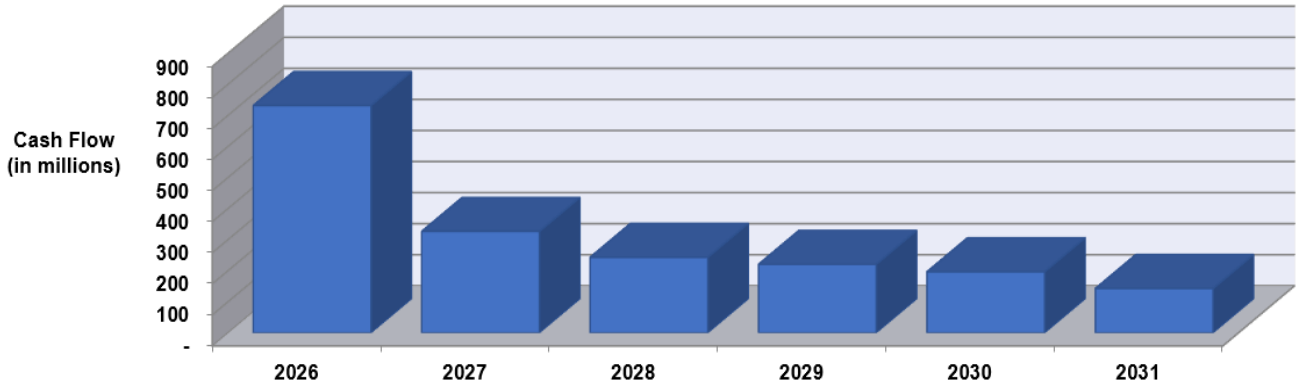
SHOCK ANALYSIS

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	$1,776,682,043	$1,776,682,043	$1,776,682,043	$1,776,682,043	$1,776,682,043
Market Value	$1,778,608,801	$1,771,995,418	$1,765,135,945	$1,758,091,119	$1,750,672,475
Change in Market Value	$13,472,856	$6,859,473	$0	($7,044,826)	($14,463,470)
Gain/(loss) BV unrealized	$1,926,758	($4,686,625)	($11,546,098)	($18,590,924)	($26,009,568)
Market price	$99.89	$99.53	$99.15	$98.77	$98.36
Yield to Worst	3.77	4.05	4.31	4.56	4.81
WAL	1.63	1.72	1.79	1.86	1.93
Effective Duration	1.44	1.50	1.57	1.64	1.70

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 2026

Summary of Investment Strategy: The FOMC is shifting away from easing language in the Fed minutes statement. With a majority of the FOMC warning the Fed will have to consider a rate hike if inflation continues to run persistently above their 2% goal. Most members are worried inflation will take longer to drop to 2% than previously expected. U.S. Treasury yields are pushing higher in part because long-term inflation expectations are rising. The immediate effect is that inflation risks stay elevated, continuing to support a "higher-for-longer" rates environment and likely keeping volatility elevated across rates. Markets have shifted as investors reprice inflation risks, Federal Reserve expectations, fiscal deficit concerns, and ongoing Middle East tensions. Current investable U.S. Treasury yields range from 3.67% to 4.14%. May investment portfolio activity consisted of $22.5 million in return of mortgage principal and $10.0 million in redemptions and calls.

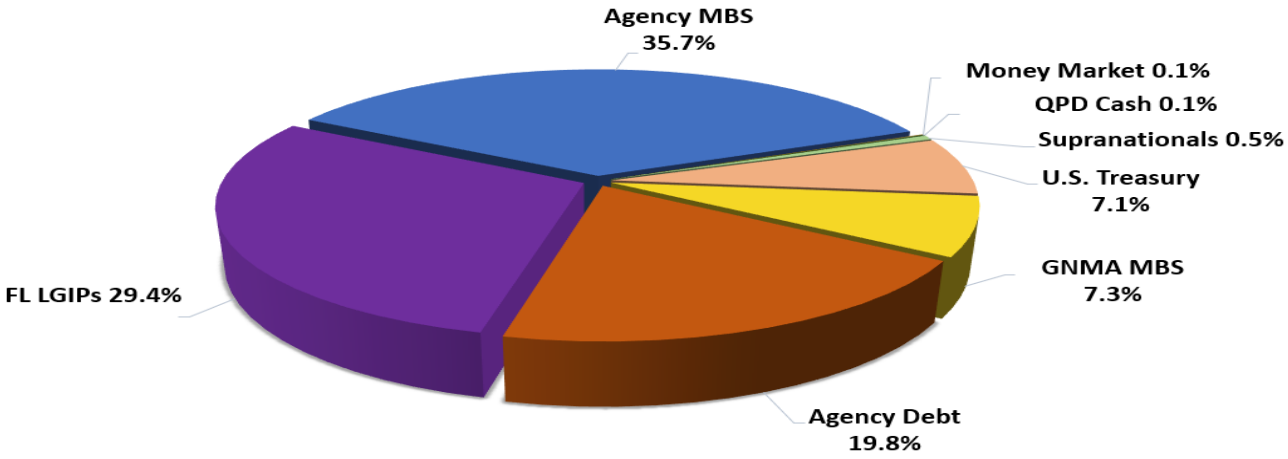
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 52.7 in April, below expectations of 53.2 and matching prior month's value of 52.7.
- Non-Farm Payrolls increased by 115k in April which was above expectations of 65k. March's figure was revised higher to 185k from the previously reported 178k.
- Average hourly earnings were up 3.6% YoY in April – lower than expectations of 3.8% and higher than last month's YoY increase of 3.4%.
- Producer prices ex-food and energy, YoY rose 5.2% in April; higher than expectations of 4.3% and higher than prior month's revised 4.0%.
- Retail sales ex auto and gas increased by 0.5% in April, higher than expectations of 0.3% and lower than prior month's revised 0.7%.

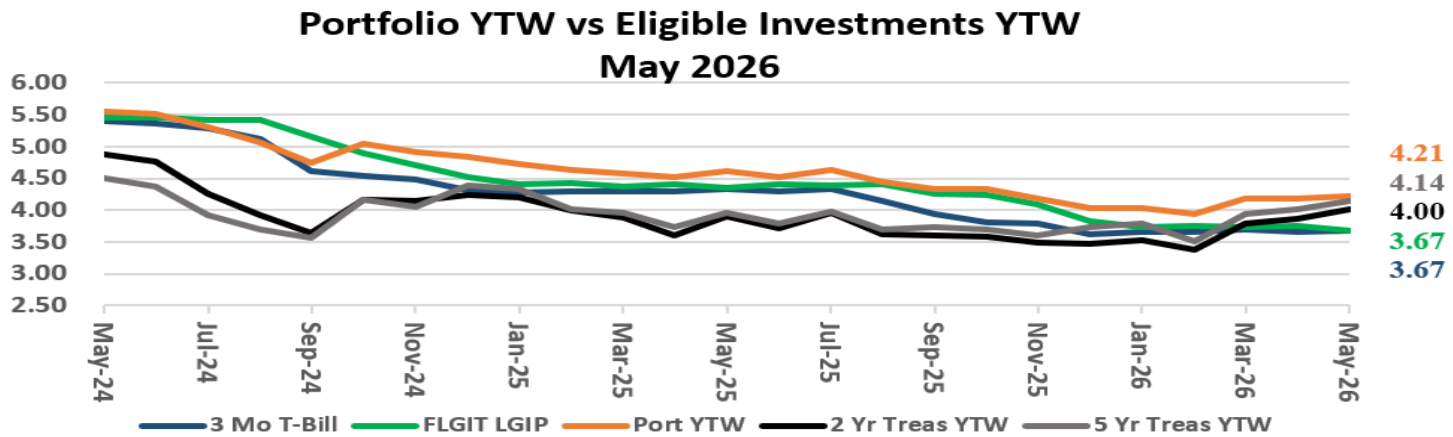
NEWS *and* EVENTS

- The oil shock from the Iran war has widened a divide in the economy, forcing consumers to spend billions of dollars more on gasoline.
- Business activity in the U.S. grew at a steady pace in May, while slowing in Europe and Asia as energy costs have risen.
- Kevin Warsh was sworn in as the next Fed Chair, with President Trump again pressing the case for lower rates even as he said he wanted the central bank's new leader to operate independently.
- Progress toward a deal to end the war with Iran slowed as the two sides dug in over references to the country's nuclear program and financial relief for Tehran, mediators said.
- This summer is expected to be the worst for teen employment since 1948, as accelerating inflation and higher fuel prices squeeze the businesses that typically hire them.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	December	January	February	March	April	May
Portfolio at Cost Plus Cash	$ 2,049,899,797	$ 2,000,079,321	$ 1,964,599,132	$ 1,902,415,073	$ 1,886,134,256	$ 1,831,700,044
Yield to Worst with cash	4.04%	4.03%	3.94%	4.18%	4.18%	4.21%
Yield to Worst without cash	4.20%	4.16%	4.01%	4.36%	4.37%	4.43%
Interest Received (Cash Basis)	$ 6,053,213	$ 5,491,912	$ 5,602,421	$ 6,466,828	$ 5,365,898	$ 5,608,831
Interest Received Fiscal Year to Date						**$ 45,677,832**

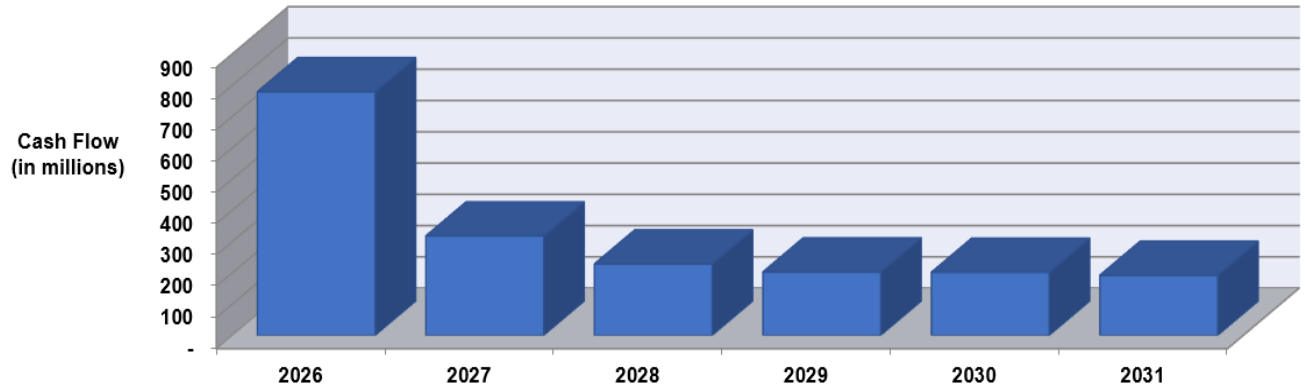
SHOCK ANALYSIS

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	$1,831,700,044	$1,831,700,044	$1,831,700,044	$1,831,700,044	$1,831,700,044
Market Value	$1,836,859,376	$1,829,794,709	$1,822,487,818	$1,814,982,779	$1,807,293,141
Change in Market Value	$14,371,558	$7,306,891	$0	($7,505,039)	($15,194,677)
Gain/(loss) BV unrealized	$5,159,332	($1,905,335)	($9,212,226)	($16,717,265)	($24,406,903)
Market price	$100.07	$99.70	$99.31	$98.91	$98.50
Yield to Worst	3.83	4.03	4.21	4.39	4.56
WAL	1.72	1.81	1.89	1.95	2.04
Effective Duration	1.47	1.54	1.61	1.69	1.75

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 2026

Summary of Investment Strategy: The Federal Reserve left interest rates unchanged at 3.50%-3.75%, but deep divisions emerged among officials over the future policy direction amid heightened geopolitical uncertainty from the Middle East conflict. Four Fed officials dissented, marking the first time since October 1992 that four members voted against an FOMC decision. Market participants reacted hawkishly, short-term Treasury yields rose, the US dollar strengthened, and participants increased bets on potential future rate hikes. Inflation remains above the Fed's 2% target, while hiring has slowed to near zero, raising the risk of stagflation conditions with both inflation pressure and rising unemployment risk. Current investable U.S. Treasury yields range from 3.66% to 4.01%. April investment portfolio activity consisted of $33.3 million in return of mortgage principal and $15.0 million in redemptions and calls.

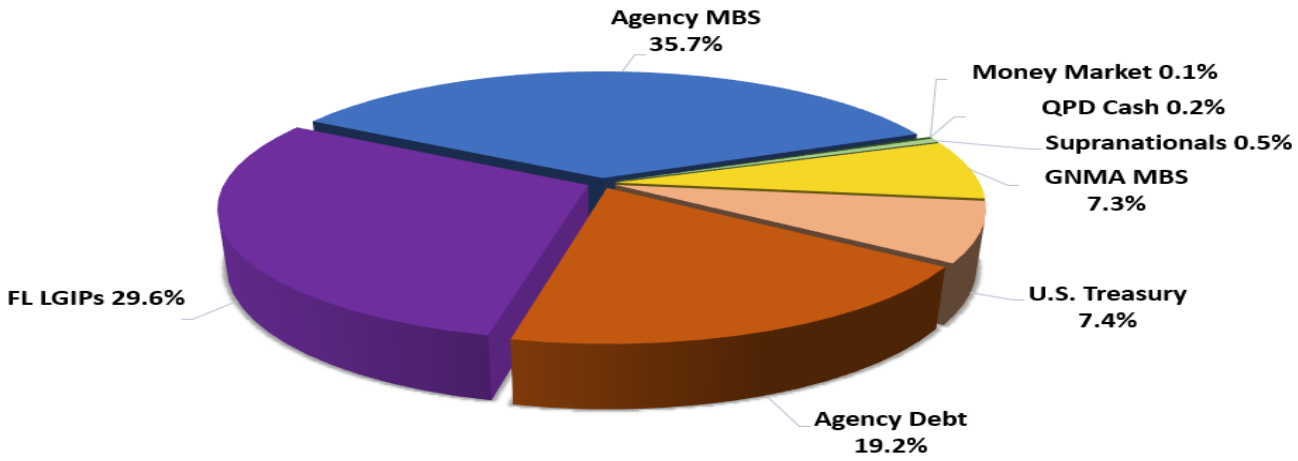
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 52.7 in March, above expectations of 52.3 and higher than prior month's value of 52.4.
- Non-Farm Payrolls increased by 178k in March which was above expectations of 65k. February's figure was revised lower to -133k from the previously reported -92k.
- Average hourly earnings were up 3.5% YoY in March – lower than expectations of 3.7% and lower than last month's YoY increase of 3.8%.
- Producer prices ex-food and energy, YoY rose 3.8% in March; below expectations of 4.1% and matching prior month's revised 3.8%.
- Retail sales ex auto and gas increased by 0.6% in March, higher than expectations of 0.3% and matching prior month's revised 0.6%.

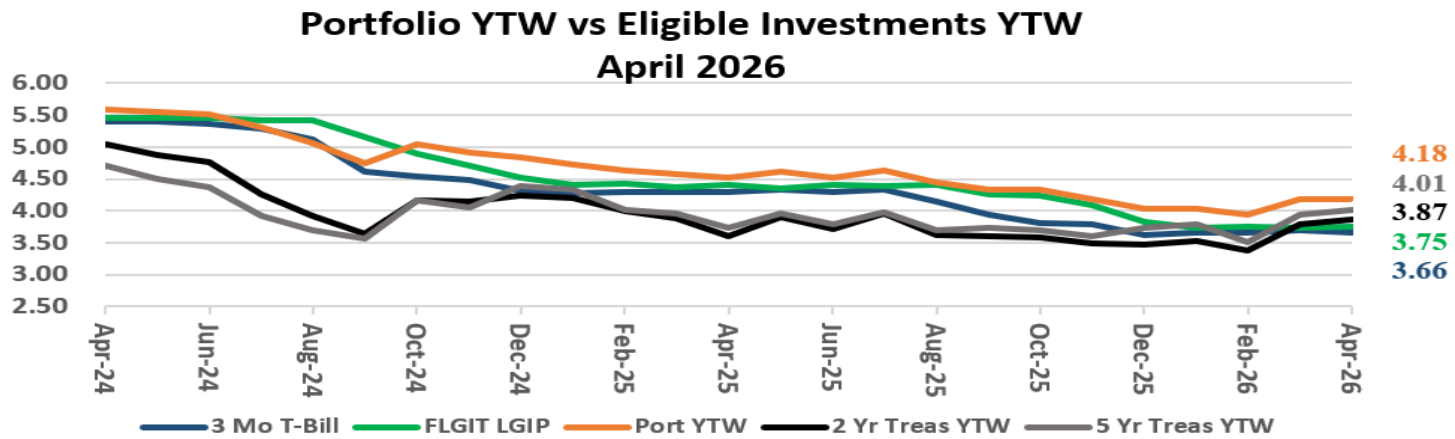
NEWS *and* EVENTS

- Trump's choice to lead the Fed, Kevin Warsh, told senators he would chart a sharp departure from the central bank's approach while working to assure lawmakers he would maintain institutional independence from a president who has spoken out for looser monetary policy.
- The U.A.E said it would leave OPEC, dealing a blow to the oil cartel as the war in Iran shakes up alliances and investment priorities among the world's top producers.
- U.S. military operations in Iran have so far cost taxpayers roughly $25 billion, a top Defense Department official told lawmakers, and that number is likely to grow.
- The Fed's Powell said he would stay on the central bank's board after his chairmanship ends to defend the institution from what he called unprecedented legal attacks from the administration.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	November	December	January	February	March	April
Portfolio at Cost Plus Cash	$ 1,775,147,376	$ 2,049,899,797	$ 2,000,079,321	$ 1,964,599,132	$ 1,902,415,073	$ 1,886,134,256
Yield to Worst with cash	4.18%	4.04%	4.03%	3.94%	4.18%	4.18%
Yield to Worst without cash	4.27%	4.20%	4.16%	4.01%	4.36%	4.37%
Interest Received (Cash Basis)	$ 5,412,675	$ 6,053,213	$ 5,491,912	$ 5,602,421	$ 6,466,828	$ 5,365,898
Interest Received Fiscal Year to Date						**$ 40,069,000**

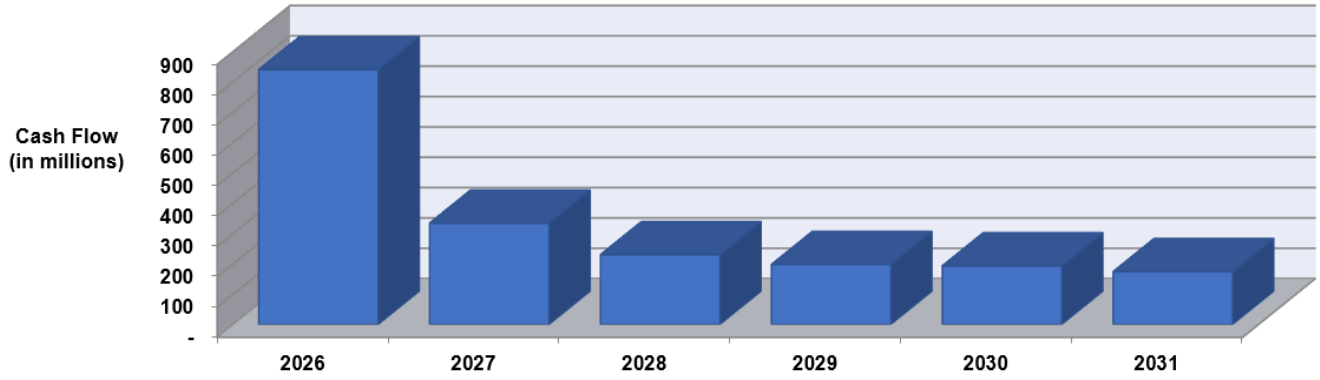
SHOCK ANALYSIS

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	$1,886,134,256	$1,886,134,256	$1,886,134,256	$1,886,134,256	$1,886,134,256
Market Value	$1,893,017,125	$1,886,109,974	$1,878,709,109	$1,871,078,730	$1,863,160,561
Change in Market Value	$14,308,016	$7,400,865	$0	($7,630,379)	($15,548,548)
Gain/(loss) BV unrealized	$6,882,869	($24,282)	($7,425,147)	($15,055,526)	($22,973,695)
Market price	$100.16	$99.80	$99.42	$99.02	$98.61
Yield to Worst	3.78	3.98	4.18	4.37	4.54
WAL	1.66	1.73	1.83	1.89	1.98
Effective Duration	1.46	1.52	1.59	1.67	1.74

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 2026

Summary of Investment Strategy: The Federal Reserve voted 11-1 at this month's meeting to leave rates unchanged at 3.50% - 3.75%. Governor Stephen Miran was the only dissent, voting in favor of a 25bps cut. Fed Governor Austan Goolsbee said the Fed will not cut rates again until inflation is materially lower. Geopolitical risks and the conflict in Iran continue to influence markets which are bracing for no rate cuts in the near term and a prolonged period of elevated inflation driven by energy. Oil prices now exceed $100/barrel for the first time since the Russian invasion of Ukraine in 2022. Current investable U.S. Treasury yields range from 3.69% to 3.94%. March investment portfolio activity consisted of $28.5 million in return of mortgage principal, $32.3 million in redemptions and calls, and $20.0 million in purchases with an average yield of 3.90% and 2.73yrs effective duration.

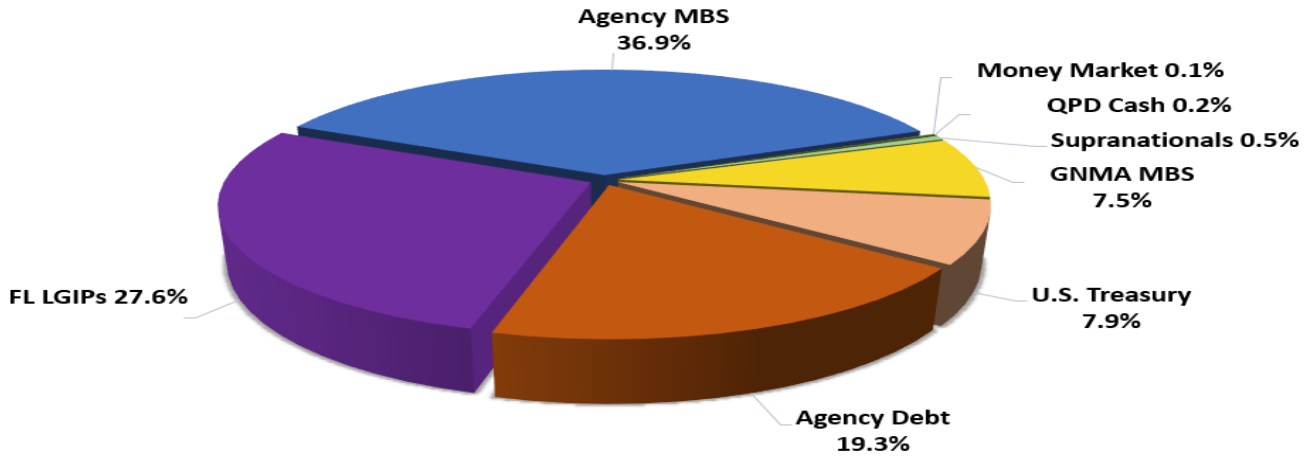
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 52.4 in February, above expectations of 51.5 and lower than prior month's value of 52.6.
- Non-Farm Payrolls decreased by -92k in February which was below expectations of 55k. January's figure was revised higher to 160k from the previously reported 130k.
- Average hourly earnings were up 3.8% YoY in February – higher than expectations of 3.7% and higher than last month's YoY increase of 3.7%.
- Producer prices ex-food and energy, YoY rose 3.9% in February; above expectations of 3.7% and higher than prior month's revised 3.5%.
- Retail sales ex auto and gas increased by 0.4% in February, higher than expectations of 0.3% and higher than prior month's 0.2%.

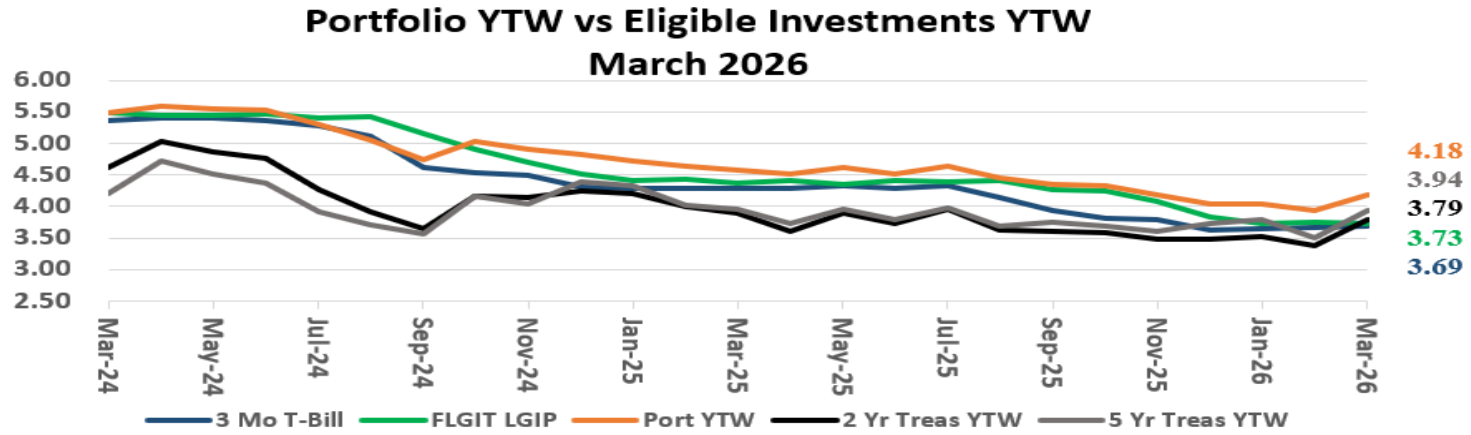
NEWS *and* EVENTS

- Analysts forecast long-lasting upheaval in the oil markets and higher prices as a result of war-related disruption to gulf energy supplies.
- The prospects of a diplomatic deal ending the war between the U.S. and Iran looks dim but Middle East veterans say there is a pathway for an agreement if the two sides want to engage.
- Mortgage rates rose for the fourth straight week to the highest level since September, threatening to chill the start of spring home-buying season.
- About a year into the full-blown trade war between the U.S. and China, trade between the world's two largest economies has plunged to levels not seen in decades.
- Jerome Powell said the Fed is inclined to hold interest rates steady and look past the energy shock from the war in Iran but will monitor price movements that could shift public expectations about the path of inflation.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	October	November	December	January	February	March
Portfolio at Cost Plus Cash	$ 1,693,588,931	$ 1,775,147,376	$ 2,049,899,797	$ 2,000,079,321	$ 1,964,599,132	$ 1,902,415,073
Yield to Worst with cash	4.33%	4.18%	4.04%	4.03%	3.94%	4.18%
Yield to Worst without cash	4.38%	4.27%	4.20%	4.16%	4.01%	4.36%
Interest Received (Cash Basis)	$ 5,676,053	$ 5,412,675	$ 6,053,213	$ 5,491,912	$ 5,602,421	$ 6,466,828
Interest Received Fiscal Year to Date						**$ 34,703,103**

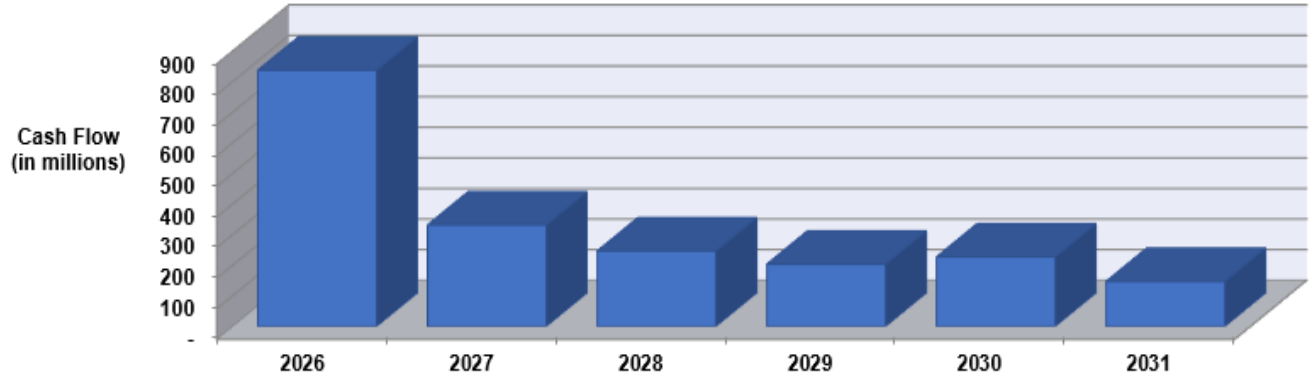
SHOCK ANALYSIS

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	$1,902,415,073	$1,902,415,073	$1,902,415,073	$1,902,415,073	$1,902,415,073
Market Value	$1,910,577,318	$1,903,156,081	$1,895,575,085	$1,887,624,361	$1,879,496,685
Change in Market Value	$15,002,233	$7,580,996	$0	($7,950,724)	($16,078,400)
Gain/(loss) BV unrealized	$8,162,245	$741,008	($6,839,988)	($14,790,712)	($22,918,388)
Market price	$100.23	$99.84	$99.45	$99.05	$98.63
Yield to Worst	3.64	3.92	4.18	4.43	4.68
WAL	1.75	1.82	1.90	1.98	2.08
Effective Duration	1.50	1.56	1.63	1.71	1.79

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 2026

Summary of Investment Strategy: Conventional Fed thinking is that inflation comes from labor shortages. Non-labor constraints can cause a one-time price bump, but not inflation. However, Fed Governor Lisa Cook warns inflation could come from strong growth despite a weak labor market in an AI driven economy, "If AI continues to raise productivity, economic growth could remain strong, even as churn in the labor market leads to an increase in unemployment. In a productivity boom such as this, a rise in unemployment may not indicate increased slack. As such, our normal demand-side monetary policy may not be able to ameliorate an AI-caused unemployment spell without also increasing inflationary pressure." Current investable U.S. Treasury yields range from 3.37% to 3.66%. February investment portfolio activity consisted of $24.4 million in return of mortgage principal, $76.0 million in redemptions and calls, and $146.9 million in purchases with an average yield of 3.91% and 2.70yrs effective duration.

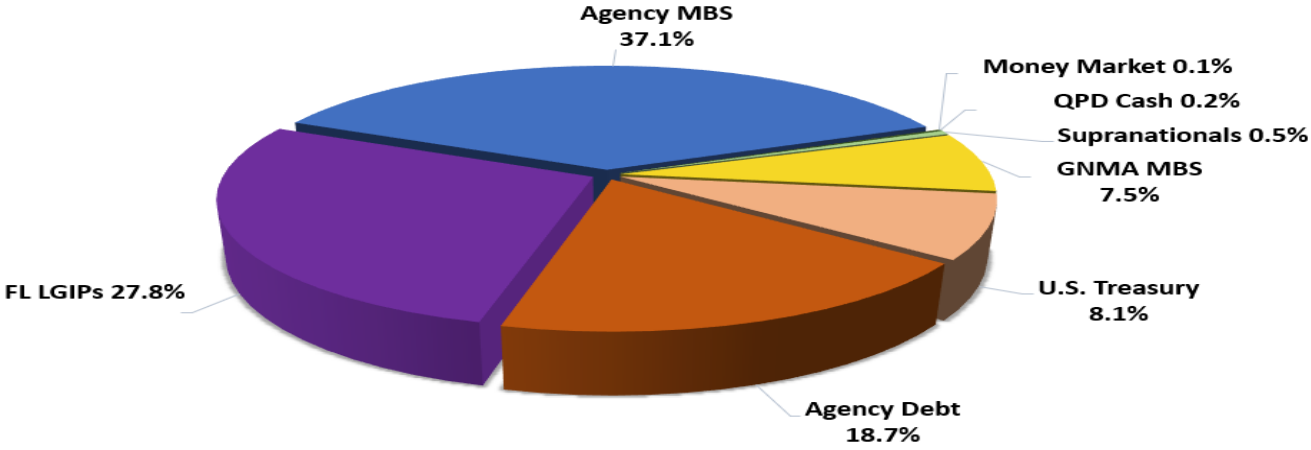
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 52.6 in January, above expectations of 48.5 and higher than prior month's value of 47.9.
- Non-Farm Payrolls increased by 130k in January which was above expectations of 65k. December's figure was revised lower to 48k from the previously reported 50k.
- Average hourly earnings were up 3.7% YoY in January – meeting expectations of 3.7% and meeting than last month's YoY increase of 3.7%.
- Producer prices ex-food and energy, YoY rose 3.6% in January; above expectations of 3.0% and higher than prior month's 3.3%.
- Retail sales ex auto and gas delayed due to the Government shutdown.

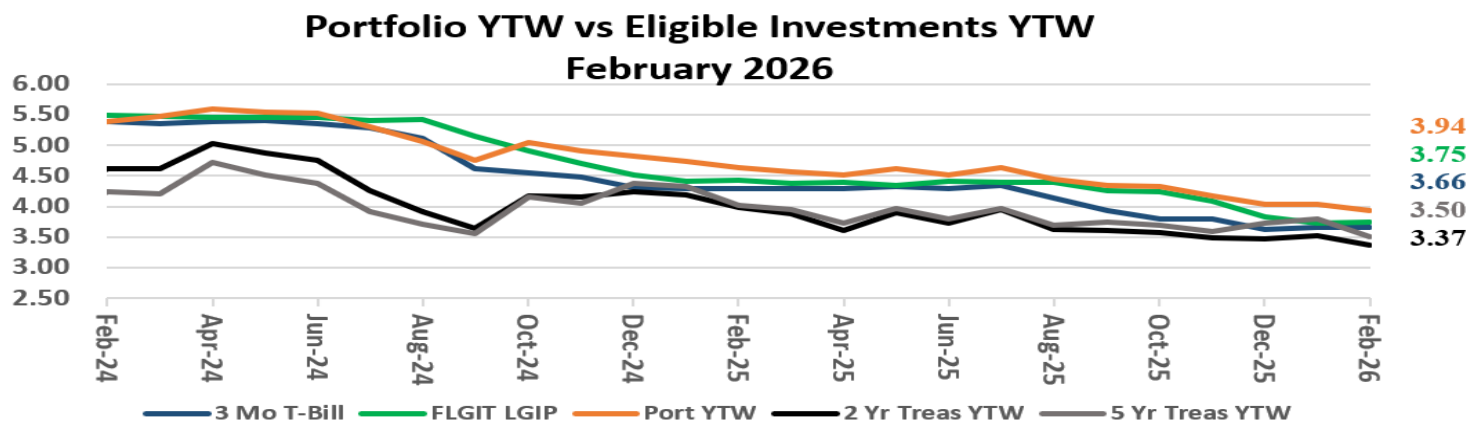
NEWS *and* EVENTS

- U.S. manufacturing is in retreat, with fewer people working in the sector than at any point since the Covid-19 pandemic ended.
- Fed officials signaled little appetite for reducing interest rates at their meeting last month, with most indicating they wanted to see further progress on inflation before considering more cuts, minutes show.
- The surge in demand for data centers and nuclear power to keep them running is stressing the global uranium supply, raising concerns about a potential shortage of fuel for reactors.
- President Trump's global tariffs are illegal, the Supreme Court ruled, in a stinging repudiation of a signature White House initiative.
- Mortgage rates fell below 6% for the first time in more than three years, welcome news for house hunters bound for the spring home-buying season.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	September	October	November	December	January	February
Portfolio at Cost Plus Cash	$ 1,759,099,872	$ 1,693,588,931	$ 1,775,147,376	$ 2,049,899,797	$ 2,000,079,321	$ 1,964,599,132
Yield to Worst with cash	4.34%	4.33%	4.18%	4.04%	4.03%	3.94%
Yield to Worst without cash	4.40%	4.38%	4.27%	4.20%	4.16%	4.01%
Interest Received (Cash Basis)	$ 6,714,405	$ 5,676,053	$ 5,412,675	$ 6,053,213	$ 5,491,912	$ 5,602,421
Interest Received Fiscal Year to Date						**$ 28,236,274**

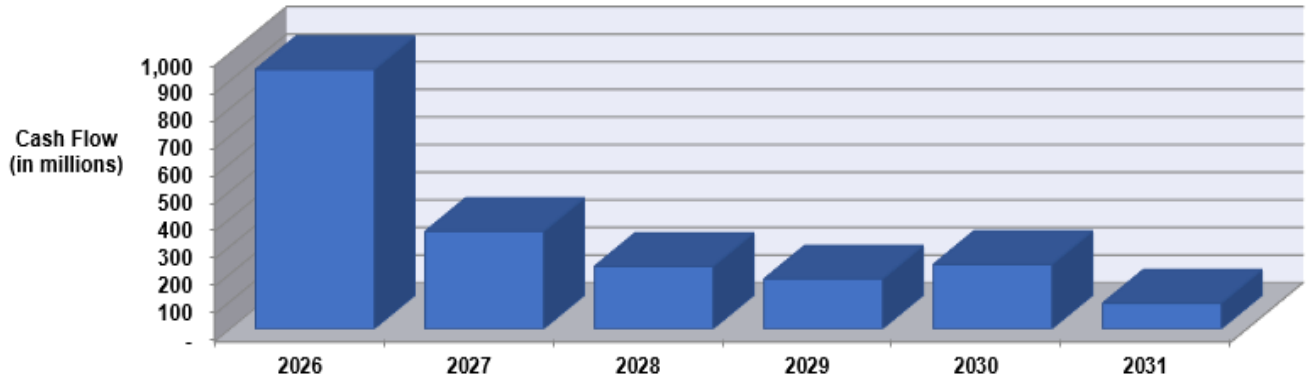
SHOCK ANALYSIS

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	$1,964,599,132	$1,964,599,132	$1,964,599,132	$1,964,599,132	$1,964,599,132
Market Value	$1,981,730,870	$1,974,937,514	$1,967,808,816	$1,960,276,518	$1,952,422,604
Change in Market Value	$13,922,054	$7,128,698	$0	($7,532,298)	($15,386,212)
Gain/(loss) BV unrealized	$17,131,738	$10,338,382	$3,209,684	($4,322,614)	($12,176,528)
Market price	$100.67	$100.33	$99.97	$99.59	$99.19
Yield to Worst	3.40	3.67	3.94	4.21	4.46
WAL	1.63	1.69	1.76	1.84	1.92
Effective Duration	1.39	1.44	1.50	1.57	1.65

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

January 2026

Summary of Investment Strategy: Kevin Warsh was nominated to replace Fed Chair Powell and lead the Federal Reserve. He previously served a partial term as governor in 2006-2011, a period spanning the worst years of the Great Financial Crisis. Warsh has reinvented himself in terms of policy, advocating lower interest rates and a critic of the Fed's ample reserves, arguing that a more aggressive reduction in the balance sheet would make room for more aggressive rate cuts. If appointed and confirmed, Warsh's brash style may make it difficult to rally consensus from the rest of the FOMC. Current investable U.S. Treasury yields range from 3.52% to 3.79%. January investment portfolio activity consisted of $29.4 million in return of mortgage principal, $15.0 million in redemptions and calls, and $208.9 million in purchases with an average yield of 4.07% and 3.47yrs effective duration. The County received $20.0 million in Ad Valorem taxes this month.

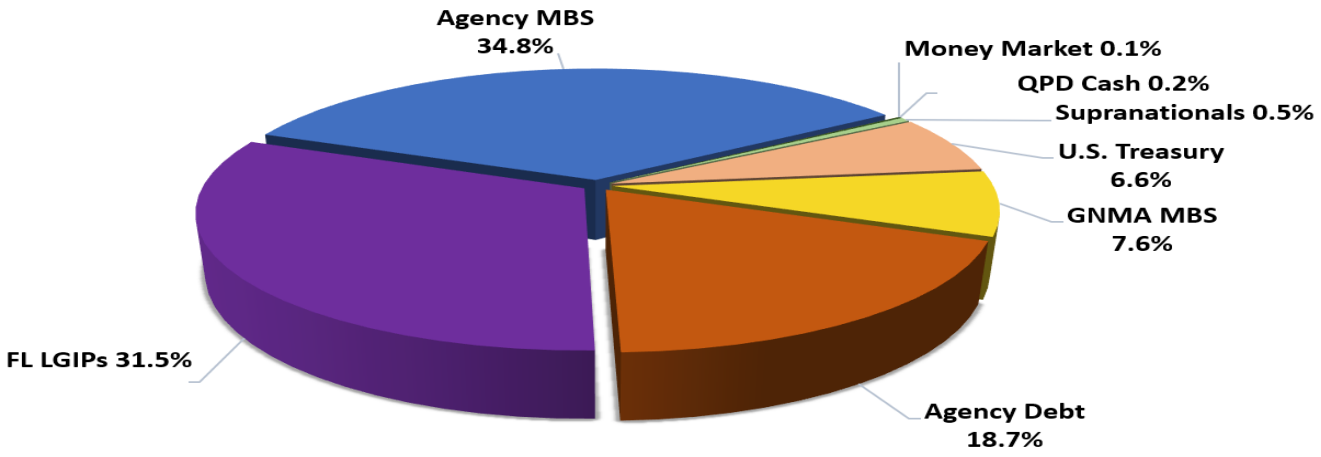
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 47.9 in December, below expectations of 48.4 and lower than prior month's revised value of 48.0.
- Non-Farm Payrolls increased by 50k in December which was below expectations of 70k. November's figure was revised lower to 56k from the previously reported 64k.
- Average hourly earnings were up 3.8% YoY in December – above expectations of 3.6% and higher than last month's YoY increase of 3.6%.
- Producer prices ex-food and energy, YoY rose 3.3% in December; above expectations of 2.9% and higher than prior month's revised 3.1%.
- Retail sales ex auto and gas delayed due to the Government shutdown.

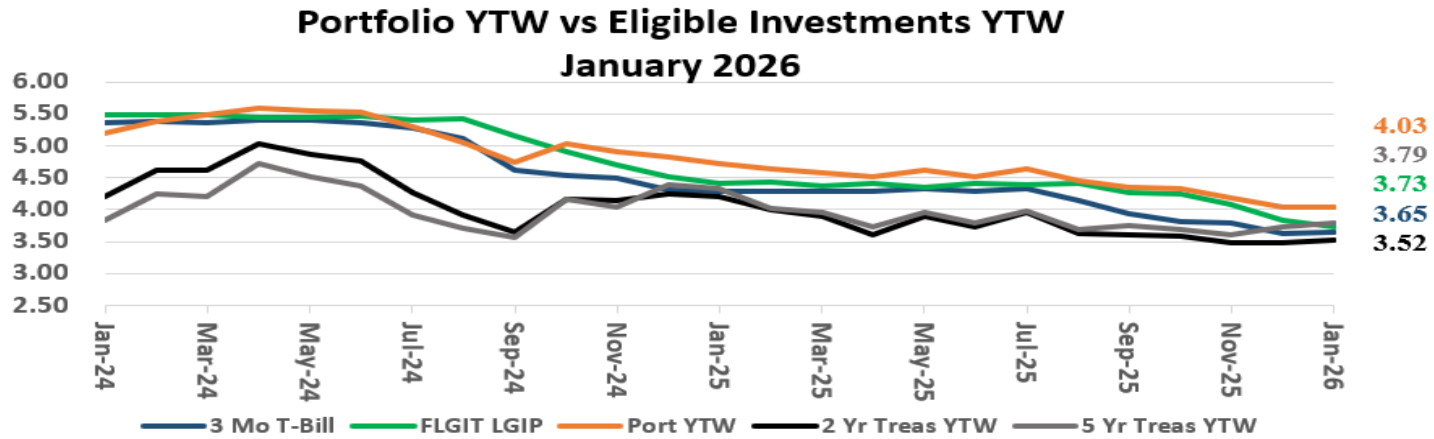
NEWS *and* EVENTS

- Trump said Fannie Mae and Freddie Mac would buy $200 billion in mortgage bonds, part of a broader effort by the president to address a sharp rise in the cost to own a home.
- Inflation remained relatively contained at the close of 2025 despite turbulence from tariffs, giving the Fed some leeway as it weighs the threat of price pressures against a cooling labor market.
- The number of homes going under contract in the U.S. slipped unexpectedly in December, according to a National Association of Realtors index.
- Consumers felt a bit better about the economy in January as sentiment improved from near-historical lows reached late last year.
- The Fed entered a new holding pattern on interest rates and signaled little urgency to resume cuts after contentious reductions at officials' three previous meetings.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	August	September	October	November	December	January
Portfolio at Cost Plus Cash	$ 1,727,989,637	$ 1,759,099,872	$ 1,693,588,931	$ 1,775,147,376	$ 2,049,899,797	$ 2,000,079,321
Yield to Worst with cash	4.45%	4.34%	4.33%	4.18%	4.04%	4.03%
Yield to Worst without cash	4.48%	4.40%	4.38%	4.27%	4.20%	4.16%
Interest Received (Cash Basis)	$ 6,467,124	$ 6,714,405	$ 5,676,053	$ 5,412,675	$ 6,053,213	$ 5,491,912
Interest Received Fiscal Year to Date						**$ 22,633,854**

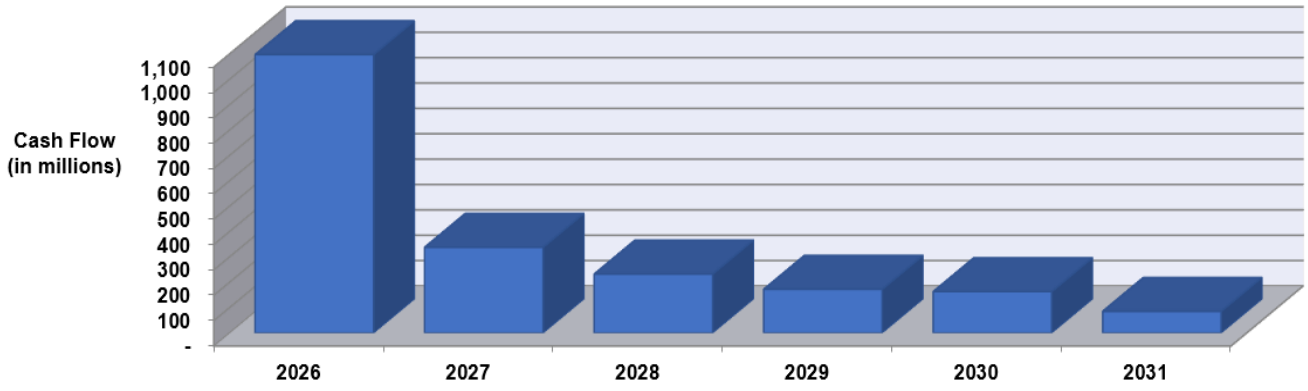
SHOCK ANALYSIS

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	$2,000,079,321	$2,000,079,321	$2,000,079,321	$2,000,079,321	$2,000,079,321
Market Value	$2,011,578,035	$2,005,438,026	$1,998,736,236	$1,991,511,964	$1,983,993,778
Change in Market Value	$12,841,799	$6,701,790	$0	($7,224,272)	($14,742,458)
Gain/(loss) BV unrealized	$11,498,714	$5,358,705	($1,343,085)	($8,567,357)	($16,085,543)
Market price	$100.37	$100.07	$99.74	$99.39	$99.02
Yield to Worst	3.63	3.83	4.03	4.23	4.40
WAL	1.44	1.50	1.59	1.68	1.75
Effective Duration	1.24	1.30	1.37	1.46	1.54

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

December 2025

Summary of Investment Strategy: The Federal Reserve voted 9-3 at their December meeting to cut interest rates by a quarter point to 3.50% – 3.75%. Marking the third consecutive cut in 2025. Primarily to support a softening labor market despite persistent inflation. The Fed is committed to data-dependence as it weighs the timing and pace of potential cuts. Market participants point to a pause in early 2026 due to mixed signals on the economy. The FOMC "Dot Plot" showed a wide range of projections, with some expecting more cuts, others fewer, and some members expect no cuts at all in 2026. Current investable U.S. Treasury yields range from 3.47% to 3.73%. December investment portfolio activity consisted of $31.0 million in return of mortgage principal, $44.1 million in redemptions and calls, and $89.3 million in purchases with an average yield of 3.95% and 3.43yrs effective duration. The County received $340.8 million in Ad Valorem taxes this month.

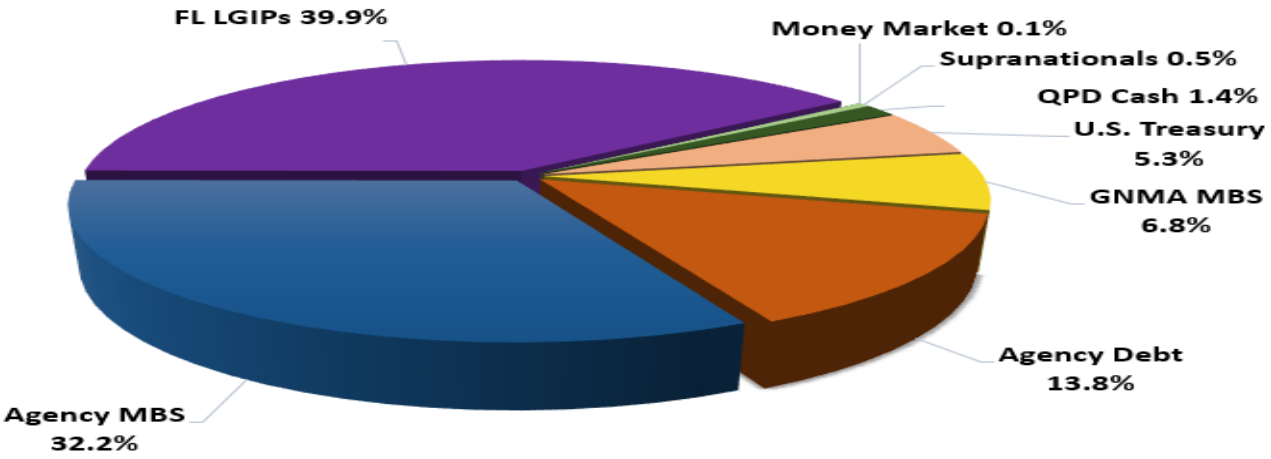
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 48.2 in November, below expectations of 49.0 and lower than prior month's value of 48.7.
- Non-Farm Payrolls increased by 64k in November which was above expectations of 50k. October's figure was revised lower to -173k from the previously reported -105k.
- Average hourly earnings were up 3.5% YoY in November – below expectations of 3.6% and lower than last month's YoY increase of 3.7%.
- Producer prices ex-food and energy, delayed due to government shutdown.
- Retail sales ex auto and gas delayed due to government shutdown.

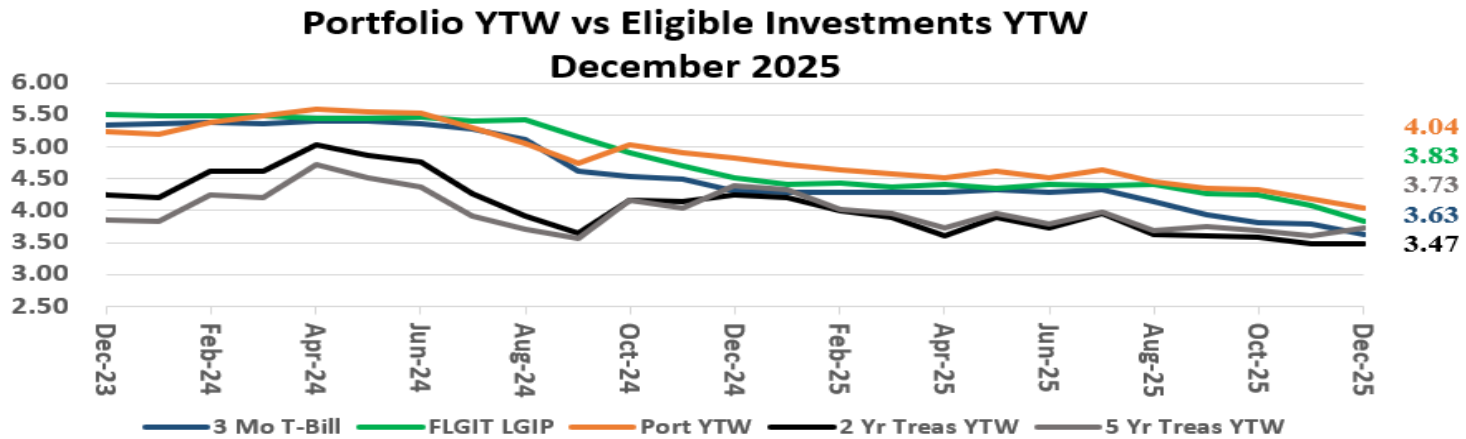
NEWS *and* EVENTS

- Economists warned that uncertainty about the accuracy of inflation figures may linger after November's numbers were clouded by sketchy data collection.
- Mortgage rates have fallen to their lowest level in a year, but millions of homeowners are still locked into ultralow home-loan rates they are loath to give them up.
- Robust spending by U.S. consumers drove greater than expected economic expansion in the third quarter, and the strongest growth rate in two years.
- The number of homes going under contract in the U.S. rose for a fourth-consecutive month in November, with the strongest performance observed in the West Region.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	July	August	September	October	November	December
Portfolio at Cost Plus Cash	$ 1,767,997,103	$ 1,727,989,637	$ 1,759,099,872	$ 1,693,588,931	$ 1,775,147,376	$ 2,049,899,797
Yield to Worst with cash	4.64%	4.45%	4.34%	4.33%	4.18%	4.04%
Yield to Worst without cash	4.73%	4.48%	4.40%	4.38%	4.27%	4.20%
Interest Received (Cash Basis)	$ 6,706,894	$ 6,467,124	$ 6,714,405	$ 5,676,053	$ 5,412,675	$ 6,053,213
Interest Received Fiscal Year to Date						**$ 17,141,942**

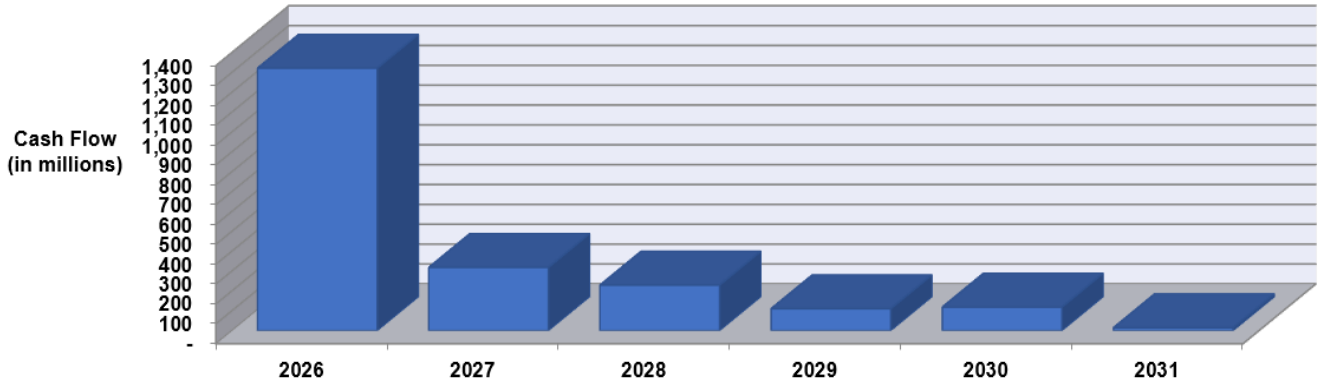
SHOCK ANALYSIS

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	$2,049,899,797	$2,049,899,797	$2,049,899,797	$2,049,899,797	$2,049,899,797
Market Value	$2,058,450,347	$2,053,773,045	$2,048,467,215	$2,042,759,343	$2,036,721,892
Change in Market Value	$9,983,132	$5,305,830	$0	($5,707,872)	($11,745,323)
Gain/(loss) BV unrealized	$8,550,550	$3,873,248	($1,432,582)	($7,140,454)	($13,177,905)
Market price	$100.21	$99.99	$99.74	$99.46	$99.18
Yield to Worst	3.68	3.86	4.04	4.21	4.36
WAL	1.10	1.16	1.24	1.33	1.40
Effective Duration	0.92	0.98	1.05	1.14	1.23

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

November 2025

Summary of Investment Strategy: The FOMC did not meet in November, but it is likely the Fed will reduce rates further by 25 bps before year end. Governor Chris Waller, who is in the running to replace Jerome Powell as Fed Chair, called for another rate cut at the December meeting, "With underlying inflation close to the FOMC's target and evidence of a weak labor market, I support cutting the committee's policy rate by another 25 basis points. My focus is on the labor market, and after months of weakening, it is unlikely that the delayed September jobs report or any other data in the next few weeks would change my view that another cut is in order". Current investable U.S. Treasury yields range from 3.49% to 3.80%. November investment portfolio activity consisted of $40.9 million in return of mortgage principal, $40.0 million in redemptions and calls, and $57.7 million in purchases with an average yield of 4.09% and 3.62yrs effective duration.

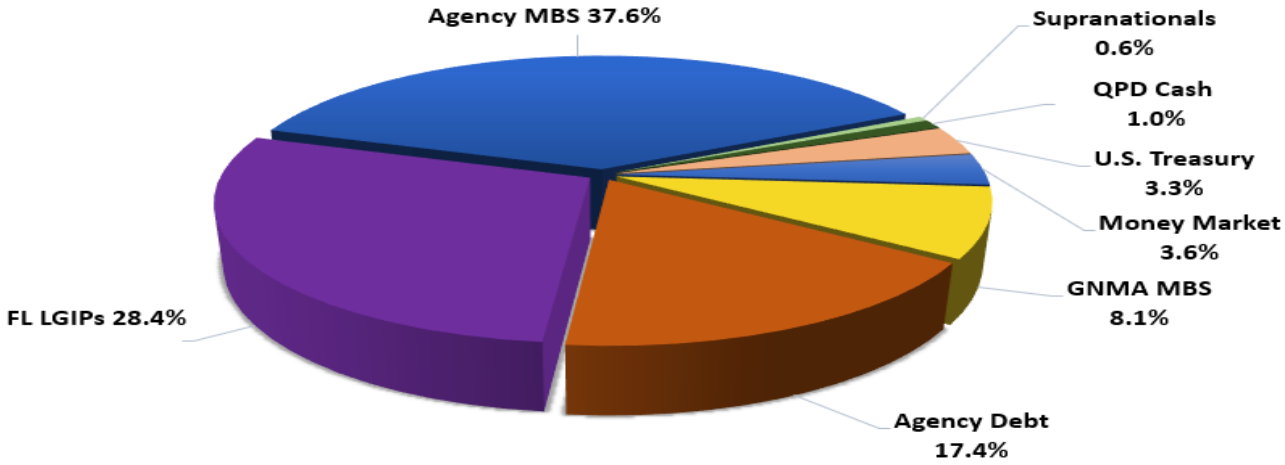
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 48.7 in October, below expectations of 49.5 and lower than prior month's value of 49.1.
- Non-Farm Payrolls – not available.
- Average hourly earnings – not available.
- Producer prices ex-food and energy – not available.
- Retail sales ex auto and gas – not available.
- ISM Services Index – not available.

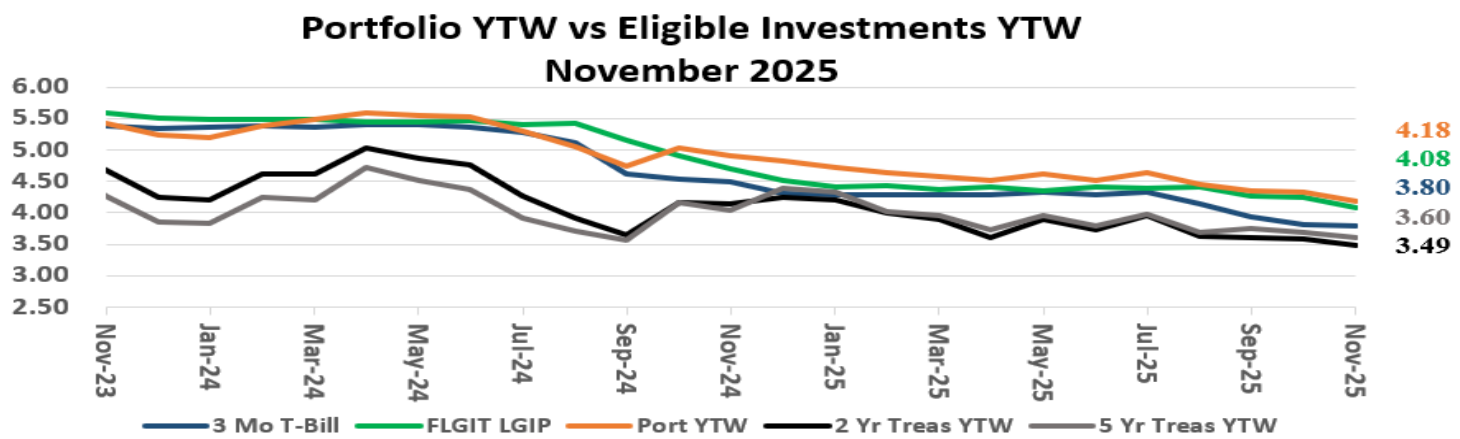
NEWS *and* EVENTS

- The path for interest-rate cuts has been clouded by an emerging split within the central bank with little precedent during Fed Chair Jerome Powell's nearly eight-year tenure.
- Government reports on inflation and the labor market for October are likely never to be released, the White House press secretary said.
- The bond market is on pace for its strongest year since 2020, returning 6.7% in one widely tracked index, as the Fed pursues lower interest rates and inflation pressure continues to moderate.
- The emerging recovery in the U.S. office market is strikingly uneven, leaving many buildings, neighborhoods and cities behind.
- The U.S. labor market defied expectations in September adding 119,000 jobs, but the unemployment rate rose slightly to 4.4%, the highest level in four years.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	June	July	August	September	October	November
Portfolio at Cost Plus Cash	$ 1,823,991,723	$ 1,767,997,103	$ 1,727,989,637	$ 1,759,099,872	$ 1,693,588,931	$ 1,775,147,376
Yield to Worst with cash	4.52%	4.64%	4.45%	4.34%	4.33%	4.18%
Yield to Worst without cash	4.57%	4.73%	4.48%	4.40%	4.38%	4.27%
Interest Received (Cash Basis)	$ 6,093,265	$ 6,706,894	$ 6,467,124	$ 6,714,405	$ 5,676,053	$ 5,412,675
Interest Received Fiscal Year to Date						**$ 11,088,728**

SHOCK ANALYSIS

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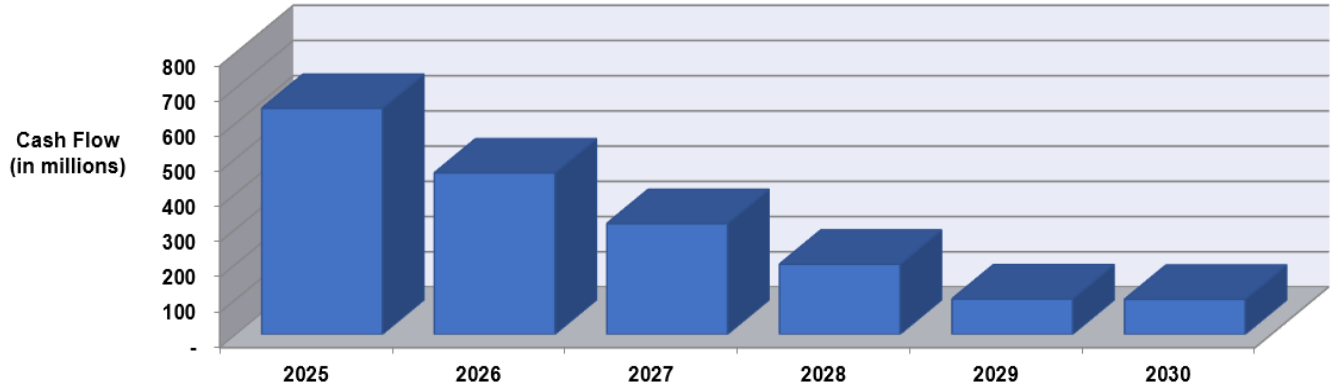
	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
Book Value plus cash	$1,775,147,376	$1,775,147,376	$1,775,147,376	$1,775,147,376	$1,775,147,376
Market Value	$1,782,508,719	$1,778,209,338	$1,773,612,024	$1,768,149,829	$1,762,635,884
Change in Market Value	$8,896,695	$4,597,314	$0	($5,462,195)	($10,976,140)
Gain/(loss) BV unrealized	$7,361,343	$3,061,962	($1,535,352)	($6,997,547)	($12,511,492)
Market price	$100.20	$99.97	$99.70	$99.41	$99.11
Yield to Worst	3.61	3.89	4.18	4.44	4.69
WAL	1.21	1.29	1.39	1.48	1.57
Effective Duration	0.97	1.03	1.11	1.21	1.31

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

October 2025

Summary of Investment Strategy: The FOMC cut rates by a quarter point in October to 3.75% - 4.00%. A 150bps reduction since September 2024 and the second consecutive cut. Jerome Powell's press conference and the market reaction was more focused on the December meeting as Powell warned a rate cut in December is "far from a foregone conclusion". The Fed is also ending Quantitative Tightening (QT) on December 1st. All Treasury proceeds will be reinvested in like securities. But MBS and Agency's will be reinvested in T-bills. The result will be a balance sheet mostly invested in Treasuries with a shorter average duration. Current investable U.S. Treasury yields range from 3.57% to 3.80%. October investment portfolio activity consisted of $24.7 million in return of mortgage principal, $24.0 million in redemptions and calls, and $72.6 million in purchases with an average yield of 4.29% and 3.26yrs effective duration.

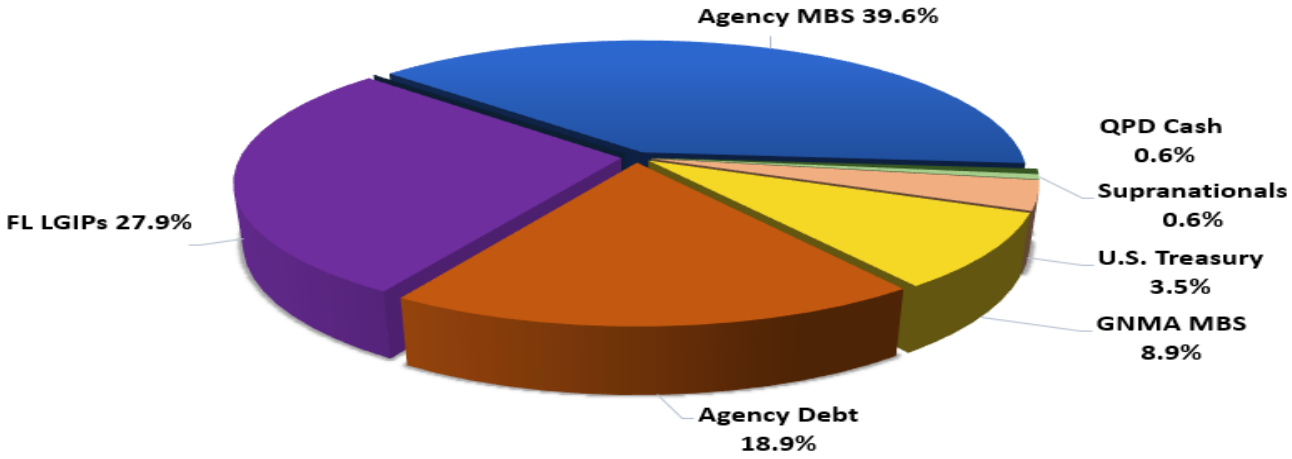
KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 49.1 in September, above expectations of 49.0 and higher than prior month's value of 48.7.
- Non-Farm Payrolls - Delayed by Government Shutdown.
- Average hourly earnings - Delayed by Government Shutdown.
- Producer prices ex-food and energy – Delayed by Government Shutdown.
- Retail sales ex auto and gas – Delayed by Government Shutdown.
- ISM Services Index – Delayed by Government Shutdown.

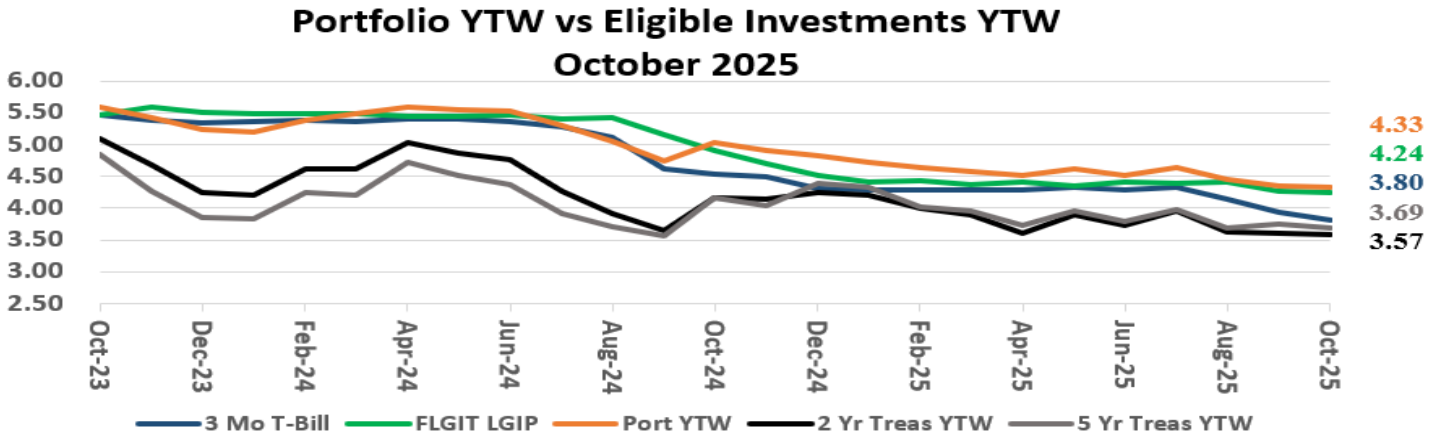
NEWS *and* EVENTS

- Strong earnings are easing investors' anxiety about the U.S. economy's health, helping to lead the market higher.
- Home sales rose in September to a seven-month high after buyers seized on declining mortgage rates.
- Annual inflation heated up slightly in September, but not as much as economists expected, giving the Fed a clear path for widely expected rate cuts in the remainder of 2025.
- The Nation's largest federal workers union called for Congress to end the shutdown, putting new pressure on Senate Democrats who have repeatedly blocked a Republican measure to reopen the government.
- The Fed lowered interest rates at its second consecutive meeting but Chair Jerome Powell cast doubt on expectations of a further rate cut in 2025.

PORTFOLIO COMPOSITION



YIELD COMPARISON



PORTFOLIO STATISTICS

	May	June	July	August	September	October
Portfolio at Cost Plus Cash	$ 1,851,594,912	$ 1,823,991,723	$ 1,767,997,103	$ 1,727,989,637	$ 1,759,099,872	$ 1,693,588,931
Yield to Worst with cash	4.62%	4.52%	4.64%	4.45%	4.34%	4.33%
Yield to Worst without cash	4.73%	4.57%	4.73%	4.48%	4.40%	4.38%
Interest Received (Cash Basis)	$ 5,394,454.19	$ 6,093,265	$ 6,706,894	$ 6,467,124	$ 6,714,405	$ 5,676,053
Interest Received Fiscal Year to Date						**$ 5,676,053**

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	$1,693,588,931	$1,693,588,931	$1,693,588,931	$1,693,588,931	$1,693,588,931
Market Value	$1,698,065,265	$1,693,898,920	$1,689,230,570	$1,683,691,052	$1,678,040,935
Change in Market Value	$8,834,695	$4,668,350	$0	($5,539,518)	($11,189,635)
Gain/(loss) BV unrealized	$4,476,334	$309,989	($4,358,361)	($9,897,879)	($15,547,996)
Market price	$100.05	$99.81	$99.53	$99.22	$98.90
Yield to Worst	3.76	4.04	4.33	4.61	4.86
WAL	1.21	1.28	1.38	1.50	1.60
Effective Duration	1.01	1.08	1.18	1.29	1.41

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.

