



# SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

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

September 2025

**Summary of Investment Strategy:** The FOMC cut rates by a quarter point in September to 4.00% - 4.25%. A 125bps reduction since rates began coming down last September, but the first cut since December. Governor Miran was the only dissent. He favored cutting 50bps this month. The long pause was in response to fears of inflation stemming from the tariffs imposed in February and April this year. The FOMC median dot plot suggests two more cuts this year, one cut next year, and one in 2027. Leaving rates 100bps below their current level, at 3.0% - 3.25% when the FOMC finishes normalizing rates. Current investable U.S. Treasury yields range from 3.61% to 3.93%. September investment portfolio activity consisted of \$17.7 million in return of mortgage principal, \$84.0 million in redemptions and calls, and \$25.3 million in purchases with an average yield of 4.40% and 3.49yrs effective duration.

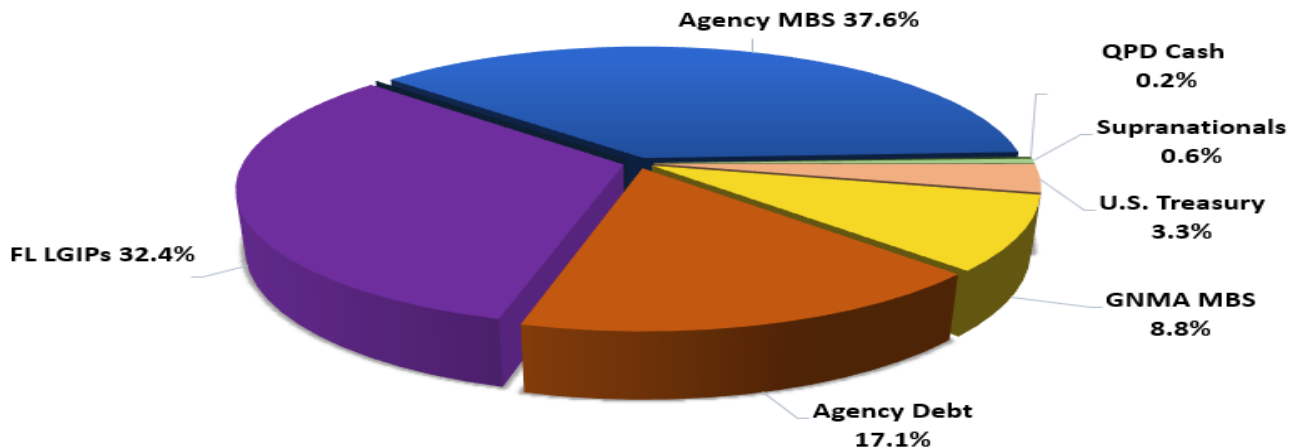
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 48.7 in August, below expectations of 49.0 and higher than prior month's value of 48.0.
- Non-Farm Payrolls increased by 22k in August which was below expectations of 75k. July's figure was revised higher to 79k from the previously reported 73k.
- Average hourly earnings were up 3.7% YoY in August – below expectations of 3.8% and lower than last month's YoY increase of 3.9%.
- Producer prices ex-food and energy, YoY rose 2.8% in August; below expectations of 3.5% and lower than prior month's revised 3.4%.
- Retail sales ex auto and gas increased by 0.7% in August; higher than expectations of 0.4% and higher than prior month's revised 0.3%.

## NEWS and EVENTS

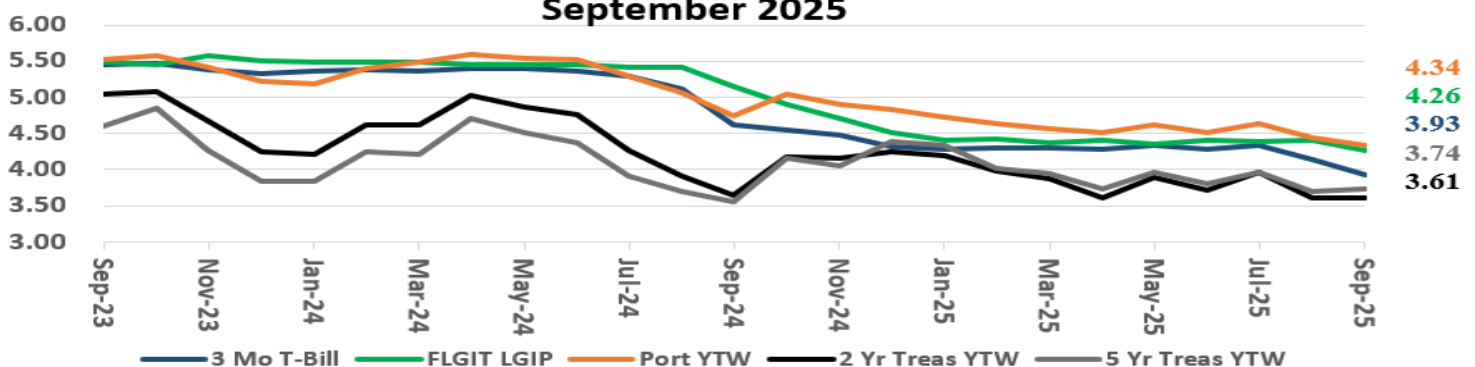
- U.S businesses face the biggest health-insurance cost increases in at least 15 years, with a 9.5% surge expected in 2026.
- Consumer's economic sentiment has slipped this month as a weaker job market and fears of persistent inflation weigh on their mood.
- The faltering labor market is pushing more Americans into part-time work and other roles they don't want, even under the surface of a low unemployment rate.
- The Federal Reserve approved a quarter-point interest rate cut, the first in nine months, with officials judging that recent labor-market softness outweighed setbacks to inflation.
- Powell said he judged the Fed's interest-rate stance as "still modestly restrictive" after this month's cut, implying more wiggle room to reduce rates this year if conditions warrant.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW  
September 2025**





## PORTFOLIO STATISTICS

	April	May	June	July	August	September
<b>Portfolio at Cost Plus Cash</b>	\$ 1,781,417,068	\$ 1,851,594,912	\$ 1,823,991,723	\$ 1,767,997,103	\$ 1,727,989,637	\$ 1,759,099,872
<b>Yield to Worst with cash</b>	4.52%	4.62%	4.52%	4.64%	4.45%	4.34%
<b>Yield to Worst without cash</b>	4.56%	4.73%	4.57%	4.73%	4.48%	4.40%
<b>Interest Received (Cash Basis)</b>	\$ 5,550,812	\$ 5,394,454.19	\$ 6,093,265	\$ 6,706,894	\$ 6,467,124	\$ 6,714,405
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 72,008,557</b>

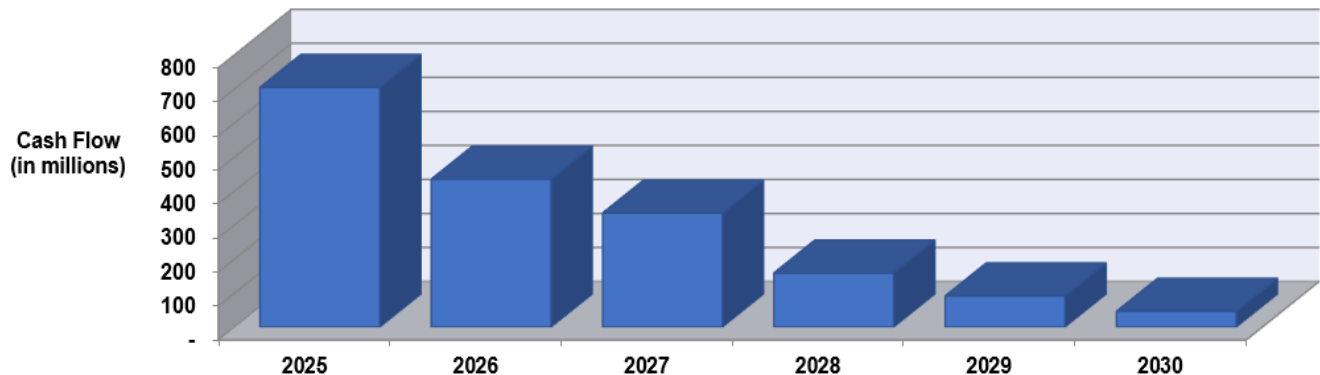
## SHOCK ANALYSIS

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
<b>Book Value plus cash</b>	\$1,759,099,872	\$1,759,099,872	\$1,759,099,872	\$1,759,099,872	\$1,759,099,872
<b>Market Value</b>	\$1,766,235,711	\$1,762,218,977	\$1,757,614,499	\$1,752,601,888	\$1,747,171,505
<b>Change in Market Value</b>	\$8,621,212	\$4,604,478	\$0	(\$5,012,611)	(\$10,442,994)
<b>Gain/(loss) BV unrealized</b>	\$7,135,839	\$3,119,105	(\$1,485,373)	(\$6,497,984)	(\$11,928,367)
<b>Market price</b>	\$100.06	\$99.84	\$99.58	\$99.30	\$99.00
<b>Yield to Worst</b>	3.76	4.05	4.34	4.61	4.87
<b>WAL</b>	1.12	1.19	1.30	1.40	1.52
<b>Effective Duration</b>	0.90	0.98	1.08	1.19	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

August 2025

**Summary of Investment Strategy:** Fed Chairman, Jay Powell, signaled a rate cut as soon as September 17, but the rest of his Jackson Hole speech was a warning. There is a declining foreign-born labor force against the backdrop of a demographically tight domestic-born labor force. For now, the labor market is in a “curious balance” where both supply and demand for workers are slowing. The US faced similar challenges in the late 1990’s and again in 2019, when the Fed allowed the economy to run despite low unemployment rates. The labor market has a way of overcoming scarcity. People who had been sidelined for years could return to the job market. The result is likely to mean rate cuts in the short term, but further cuts could come reluctantly as data supports. Current investable U.S. Treasury yields range from 3.62% to 4.14%. August investment portfolio activity consisted of \$17.8 million in return of mortgage principal, \$55.7 million in redemptions and calls. There were no purchases in August.

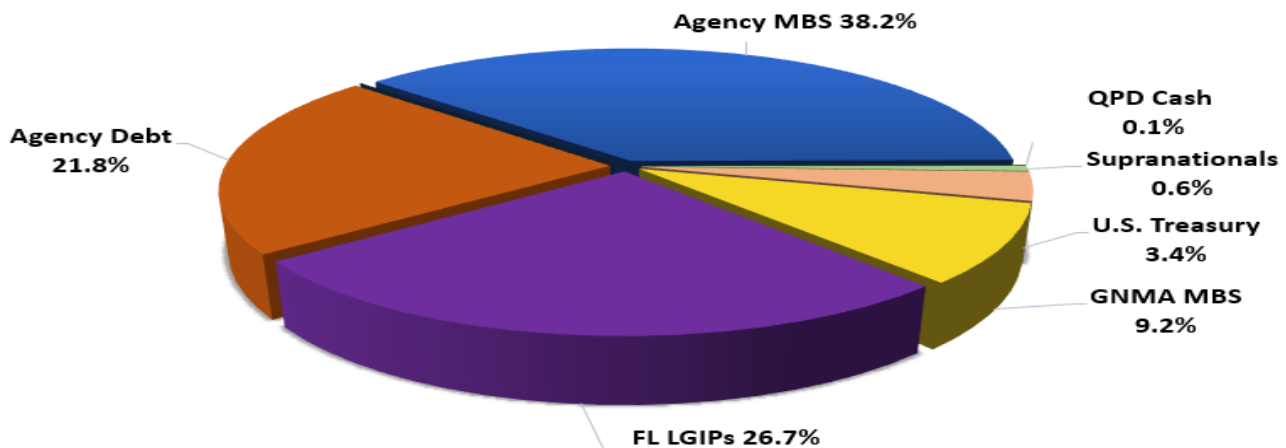
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 48.0 in July, below expectations of 49.5 and below prior month’s value of 49.0.
- Non-Farm Payrolls increased by 73k in July which was below expectations of 105k. June’s figure was revised lower to -13k from the previously reported 147k.
- Average hourly earnings were up 3.9% YoY in July – above expectations of 3.8% and higher than last month’s revised YoY increase of 3.7%.
- Producer prices ex-food and energy, YoY rose 3.7% in July; above expectations of 3.0% and higher than prior month’s 2.6%.
- Retail sales ex auto and gas increased by 0.2% in July; lower than expectations of 0.3% and lower than prior month’s revised 0.8%.

## NEWS and EVENTS

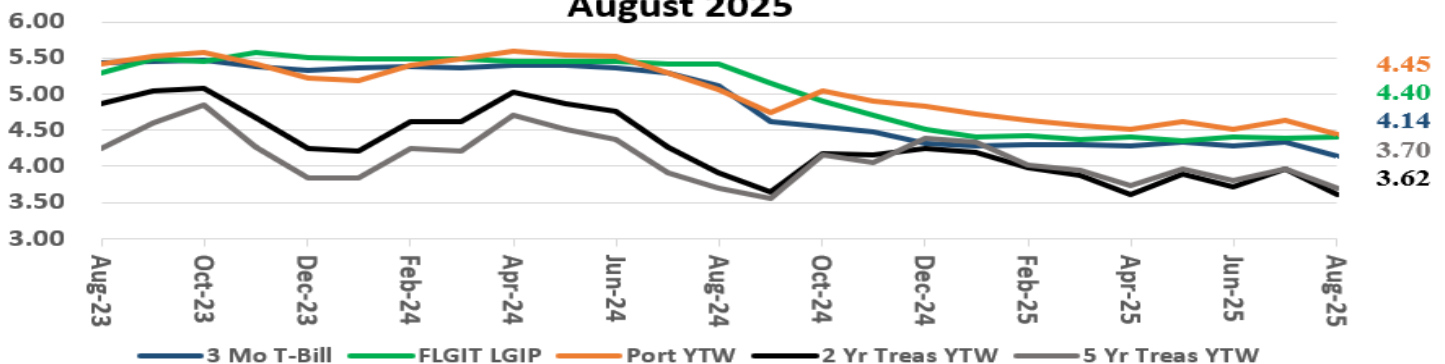
- U.S. hiring slowed sharply over the summer, with jobs figures for May and June revised downward and July’s number falling short of economists’ expectations.
- Fed Chairman Powell opened the door for interest-rate cuts next month when he said the labor market might be softening enough to rein in inflation.
- Trump told advisors that he wants to move quickly to announce a nominee to replace Lisa Cook on the Fed’s board of governors.
- The U.S. economy grew at a faster pace than previously thought in the second quarter, helped by healthy consumer outlays and spending on artificial intelligence.
- Business are readying price increases for many household staples for reasons ranging from climbing meat costs to tariffs.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW  
August 2025**





## PORTFOLIO STATISTICS

	March	April	May	June	July	August
<b>Portfolio at Cost Plus Cash</b>	\$ 1,803,852,369	\$ 1,781,417,068	\$ 1,851,594,912	\$ 1,823,991,723	\$ 1,767,997,103	\$ 1,727,989,637
<b>Yield to Worst with cash</b>	4.57%	4.52%	4.62%	4.52%	4.64%	4.45%
<b>Yield to Worst without cash</b>	4.65%	4.56%	4.73%	4.57%	4.73%	4.48%
<b>Interest Received (Cash Basis)</b>	\$ 6,164,963	\$ 5,550,812	\$ 5,394,454.19	\$ 6,093,265	\$ 6,706,894	\$ 6,467,124
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 65,294,152</b>

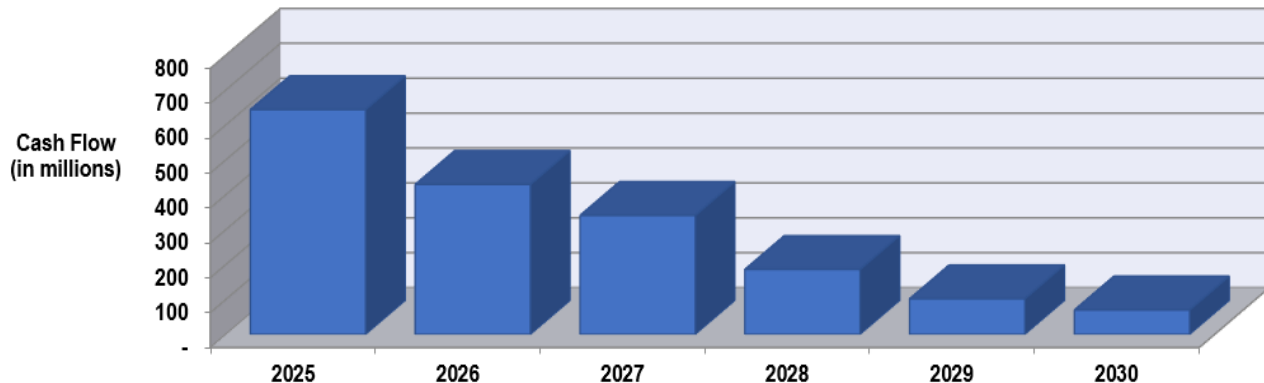
## SHOCK ANALYSIS

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
<b>Book Value plus cash</b>	\$1,727,989,637	\$1,727,989,637	\$1,727,989,637	\$1,727,989,637	\$1,727,989,637
<b>Market Value</b>	\$1,736,291,874	\$1,731,927,051	\$1,727,134,914	\$1,721,982,875	\$1,716,511,900
<b>Change in Market Value</b>	\$9,156,960	\$4,792,137	\$0	(\$5,152,039)	(\$10,623,014)
<b>Gain/(loss) BV unrealized</b>	\$8,302,237	\$3,937,414	(\$854,723)	(\$6,006,762)	(\$11,477,737)
<b>Market price</b>	\$100.14	\$99.90	\$99.63	\$99.34	\$99.04
<b>Yield to Worst</b>	3.90	4.19	4.45	4.70	4.94
<b>WAL</b>	1.32	1.44	1.54	1.65	1.77
<b>Effective Duration</b>	0.96	1.05	1.15	1.27	1.39

## 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 2025

**Summary of Investment Strategy:** The Fed left rates on hold again in July, keeping the Fed Funds rate at 4.25% - 4.50%, but it was not a unanimous decision. Board Governors, Michelle Bowman and Christopher Waller, voted in favor of an immediate rate cut. The first dual-governor dissent since 1993. The split decision highlights a live debate about timing rather than direction. Most FOMC members still prefer more evidence that inflation is moving toward their 2% target. Powell did not explicitly signal a September cut but acknowledged the double dissent, softer growth narrative, and policy remains restrictive putting a September rate cut firmly in play. Market participants are projecting two rate cuts by year end. Current investable U.S. Treasury yields range from 3.96% to 4.34%. July investment portfolio activity consisted of \$14.9 million in return of mortgage principal, \$45.0 million in redemptions and calls, and \$98.6 million in purchases with an average yield of 4.56% and 2.06yr effective duration.

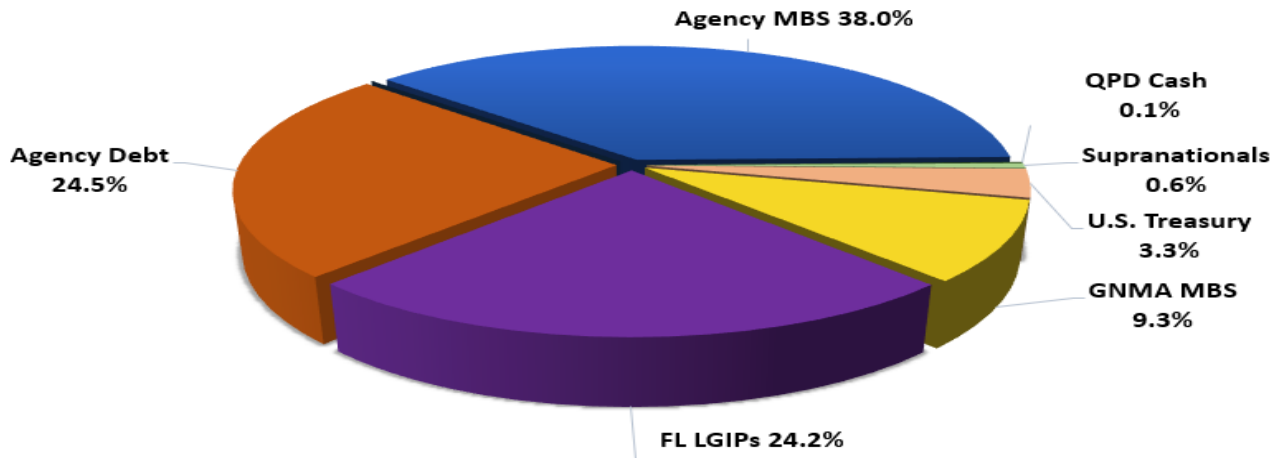
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 49.0 in June, above expectations of 48.8 and above prior month's value of 48.5.
- Non-Farm Payrolls increased by 147k in June which was above expectations of 106k. May's figure was revised lower to 19k from the previously reported 139k.
- Average hourly earnings were up 3.7% YoY in June – below expectations of 3.8% and lower than last month's revised YoY increase of 3.8%.
- Producer prices ex-food and energy, YoY rose 2.6% in June; below expectations of 2.7% and lower than prior month's revised 3.2%.
- Retail sales ex auto and gas increased by 0.6% in June; higher than expectations of 0.3% and higher than prior month's revised 0.0%.

## NEWS and EVENTS

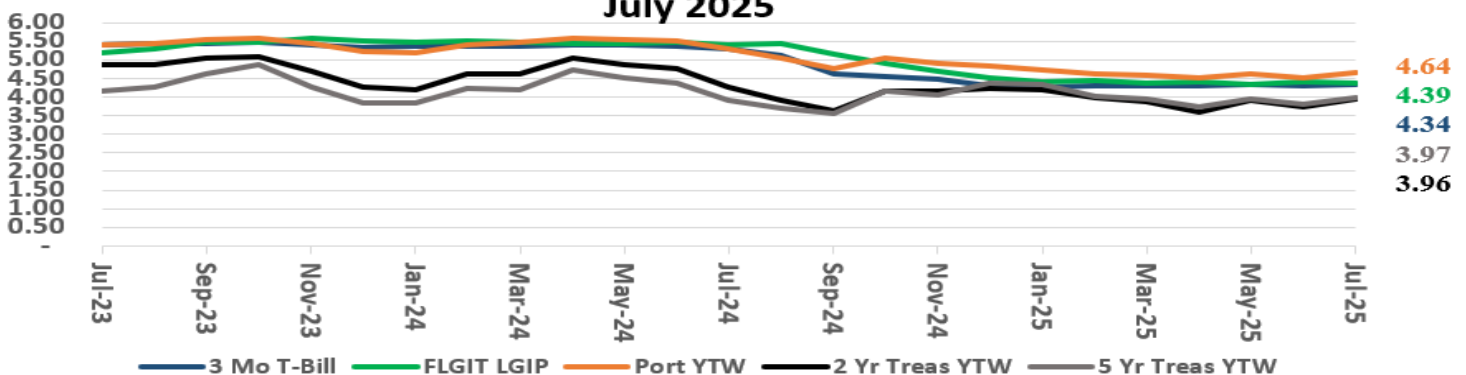
- Powell said steady economic activity gave the Fed time to study the effects that tariff increases have on prices and growth before it resumes interest-rate cuts.
- Inflation picked up in June, rising 2.7% from a year earlier, in a potential sign that companies are starting to pass the cost of tariffs to consumers.
- A record 4.8% of workers in 401(k) plans took a hardship distribution for financial emergencies last year, up from a pre-pandemic average of about 2%, according to Vanguard Group.
- The U.S. economy returned to growth in the second quarter with GDP rising at a seasonally and inflation adjusted 3% annual rate, after contracting in the first quarter.
- The Fed held rates steady for the fifth consecutive meeting but heard rare dissents from two officials seeking an immediate cut.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW  
July 2025**





## PORTFOLIO STATISTICS

	February	March	April	May	June	July
<b>Portfolio at Cost Plus Cash</b>	\$ 1,849,027,898	\$ 1,803,852,369	\$ 1,781,417,068	\$ 1,851,594,912	\$ 1,823,991,723	\$ 1,767,997,103
<b>Yield to Worst with cash</b>	4.63%	4.57%	4.52%	4.62%	4.52%	4.64%
<b>Yield to Worst without cash</b>	4.69%	4.65%	4.56%	4.73%	4.57%	4.73%
<b>Interest Received (Cash Basis)</b>	\$ 6,436,086	\$ 6,164,963	\$ 5,550,812	\$ 5,394,454.19	\$ 6,093,265	\$ 6,706,894
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 58,827,028</b>

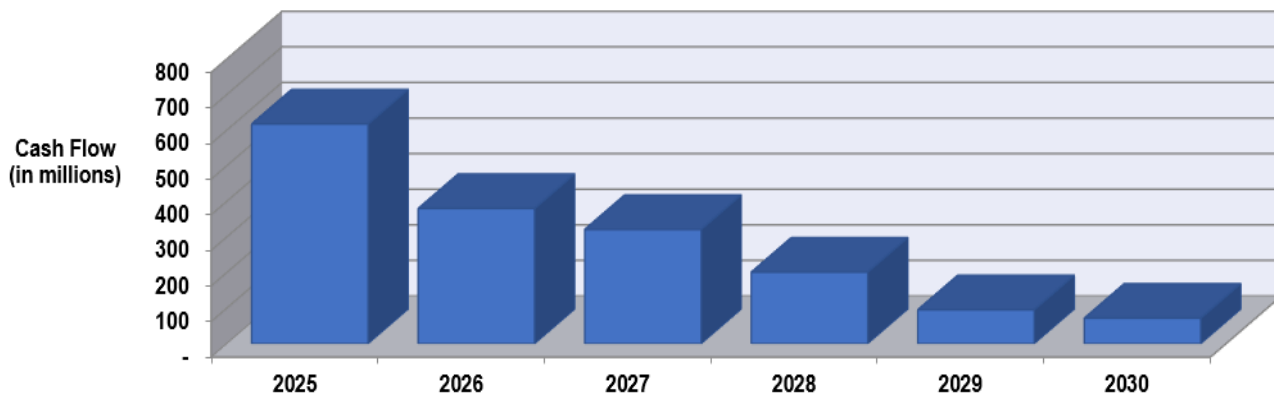
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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
<b>Book Value plus cash</b>	\$1,767,997,103	\$1,767,997,103	\$1,767,997,103	\$1,767,997,103	\$1,767,997,103
<b>Market Value</b>	\$1,772,474,947	\$1,766,809,961	\$1,760,779,524	\$1,754,513,825	\$1,747,837,771
<b>Change in Market Value</b>	\$11,695,423	\$6,030,437	\$0	(\$6,265,699)	(\$12,941,753)
<b>Gain/(loss) BV unrealized</b>	\$4,477,844	(\$1,187,142)	(\$7,217,579)	(\$13,483,278)	(\$20,159,332)
<b>Market price</b>	\$99.93	\$99.62	\$99.29	\$98.94	\$98.57
<b>Yield to Worst</b>	4.08	4.37	4.64	4.89	5.13
<b>WAL</b>	1.46	1.56	1.69	1.88	2.03
<b>Effective Duration</b>	1.20	1.30	1.41	1.53	1.65

## CASH FLOW FORECAST

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# SARASOTA COUNTY, FLORIDA MONTHLY INVESTMENT REPORT

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

June 2025

**Summary of Investment Strategy:** The Fed left rates on hold again in June, keeping the Fed Funds rate at 4.25% - 4.50%. Mostly, because the FOMC cannot forecast the impact of tariffs and want to be sure the economy is protected from the worst possible inflation implications. Consumer spending is running at a faster growth rate in the second quarter, but this revision adds fuel to the Waller-Bowman argument for cutting rates. They both note that Fed policy would still be restrictive after one cut. Hence, the Fed could cut in response to slower growth and lower inflation in recent months, without worrying about policy being inadequately restrictive if inflation heats up later this summer. Current investable U.S. Treasury yields range from 3.72% to 4.29%. June investment portfolio activity consisted of \$20.4 million in return of mortgage principal, \$53.0 million in redemptions and calls, and \$53.0 million in purchases with an average yield of 4.61% and 2.05yr effective duration.

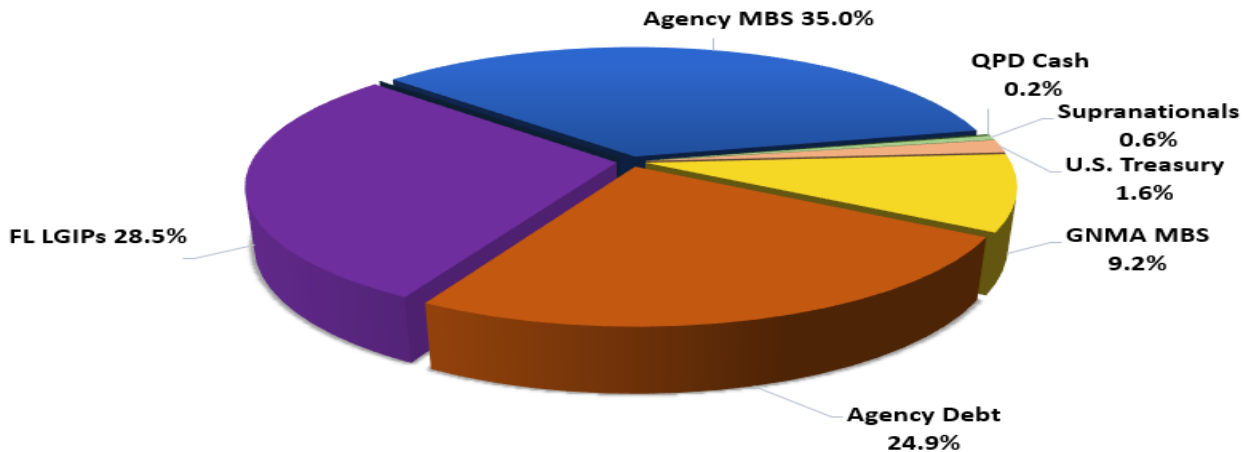
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 48.5 in May, below expectations of 49.5 and below prior month's value of 48.7.
- Non-Farm Payrolls increased by 139k in May which was above expectations of 126k. April's figure was revised lower to 158k from the previously reported 177k.
- Average hourly earnings were up 3.9% YoY in May – above expectations of 3.7% and higher than last month's revised YoY increase of 3.8%.
- Producer prices ex-food and energy, YoY rose 3.0% in May; below expectations of 3.1% and lower than prior month's revised 3.2%.
- Retail sales ex auto and gas decreased by -0.1% in May; lower than expectations of 0.3% and lower than prior month's revised 0.1%.

## NEWS and EVENTS

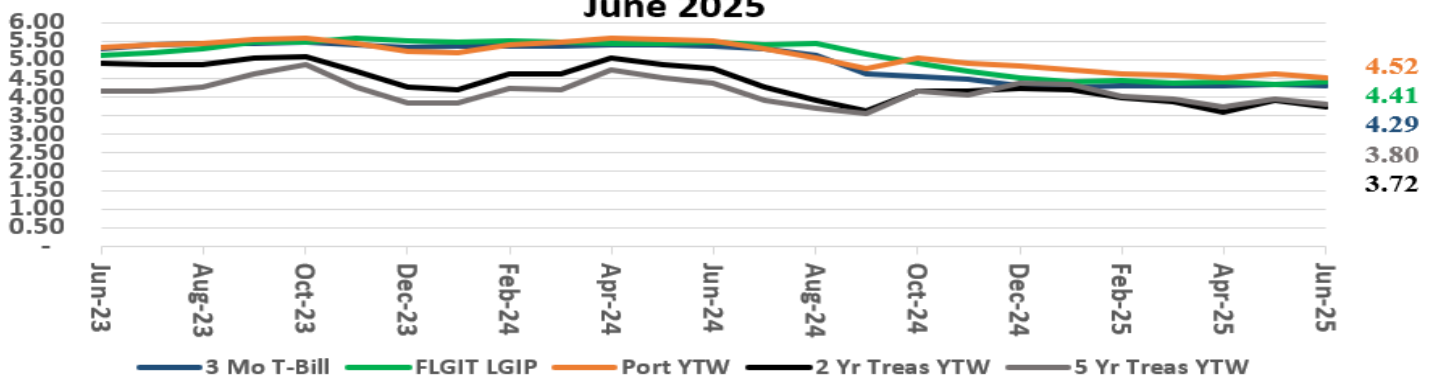
- The U.S. economy, which weathered false recession alarms in 2023 and 2024, is entering an uncomfortable summer as businesses warn that shifting trade policies are interfering with their ability to plan, leading to hiring and investment freezes.
- The U.S. housing market had nearly a half million more sellers than buyers in April, the biggest such gap on record in seasonally adjusted data going back to 2013, according to an analysis by real-estate brokerage Redfin.
- The Fed's Powell maintained his caution about interest-rate levels as the central bank continues to monitor the effects of Trump's tariffs on the economy.
- U.S. consumer confidence slipped in June, reversing an improvement in May, the Conference Board said.
- Sales of new single-family homes sank in May amid continued concerns over high mortgage costs.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW  
June 2025**





## PORTFOLIO STATISTICS

	January	February	March	April	May	June
<b>Portfolio at Cost Plus Cash</b>	\$ 1,903,231,872	\$ 1,849,027,898	\$ 1,803,852,369	\$ 1,781,417,068	\$ 1,851,594,912	\$ 1,823,991,723
<b>Yield to Worst with cash</b>	4.73%	4.63%	4.57%	4.52%	4.62%	4.52%
<b>Yield to Worst without cash</b>	4.93%	4.69%	4.65%	4.56%	4.73%	4.57%
<b>Interest Received (Cash Basis)</b>	\$ 5,732,019	\$ 6,436,086	\$ 6,164,963	\$ 5,550,812	\$ 5,394,454.19	\$ 6,093,265
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 52,120,134</b>

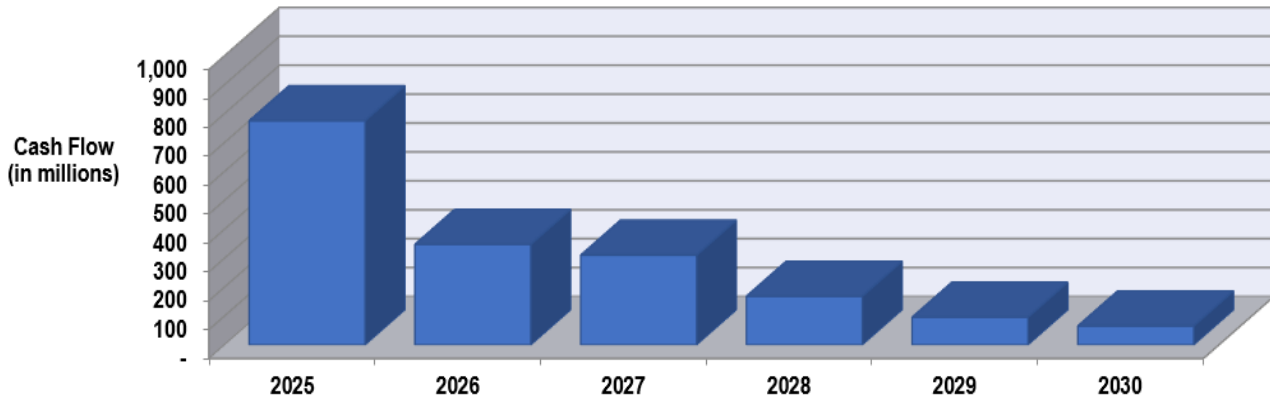
## SHOCK ANALYSIS

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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
<b>Book Value plus cash</b>	\$1,823,991,723	\$1,823,991,723	\$1,823,991,723	\$1,823,991,723	\$1,823,991,723
<b>Market Value</b>	\$1,830,635,437	\$1,825,735,221	\$1,820,436,599	\$1,814,889,877	\$1,808,922,883
<b>Change in Market Value</b>	\$10,198,838	\$5,298,622	\$0	(\$5,546,722)	(\$11,513,716)
<b>Gain/(loss) BV unrealized</b>	\$6,643,714	\$1,743,498	(\$3,555,124)	(\$9,101,846)	(\$15,068,840)
<b>Market price</b>	\$100.11	\$99.85	\$99.56	\$99.26	\$98.95
<b>Yield to Worst</b>	3.97	4.25	4.52	4.77	5.01
<b>WAL</b>	1.37	1.47	1.59	1.74	1.89
<b>Effective Duration</b>	1.04	1.13	1.22	1.33	1.45

## 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 2025

**Summary of Investment Strategy:** The FOMC's May 7<sup>th</sup> meeting delivered another pause in interest rates, keeping the Fed Funds rate at 4.25% - 4.50%, matching market consensus. The latest Summary of Economic Projections (SEP) from March remains unchanged, forecasting 50 basis points of cuts in 2025. Markets have aligned with the FOMC projections, with Fed Funds futures pricing 50 basis points of cuts by year end, split between September and October as the likely start. Current investable U.S. Treasury yields range from 3.90% to 4.33%. May investment portfolio activity consisted of \$22.4 million in return of mortgage principal, \$55.0 million in redemptions and calls, and \$44.1 million in purchases with an average yield of 5.24% and 2.29yr effective duration. The County received \$9.6 million in Ad Valorem taxes this month and \$65.4 million in bond proceeds.

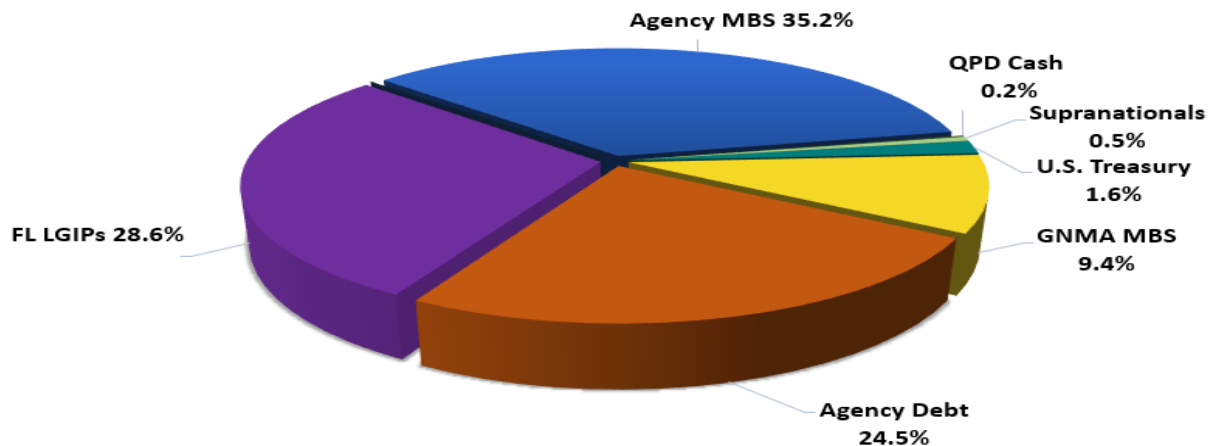
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 48.7 in April, above expectations of 47.9 and below prior month's value of 49.0.
- Non-Farm Payrolls increased by 177k in April which was above expectations of 138k. March's figure was revised lower to 120k from the previously reported 228k.
- Average hourly earnings were up 3.8% YoY in April – below expectations of 3.9% and lower than last month's revised YoY increase of 3.9%.
- Producer prices ex-food and energy, YoY rose 3.1% in April; matching expectations of 3.1% and lower than prior month's revised 4.0%.
- Retail sales ex auto and gas increased by 0.2% in April; lower than expectations of 0.3% and lower than prior month's revised 1.1%.

## NEWS and EVENTS

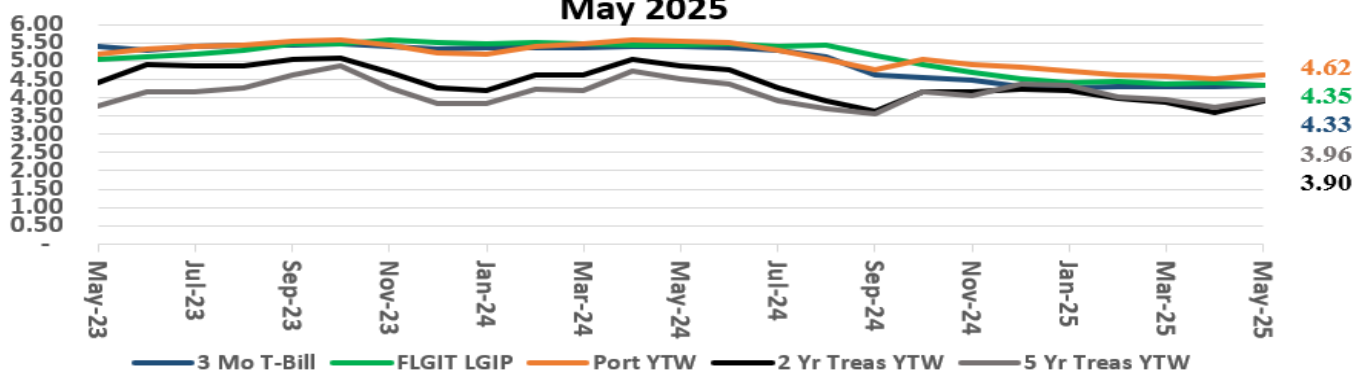
- The U.S. economy contracted in the first three months of 2025, as businesses rushed to stock up on imports ahead of the Trump administration's tariffs and consumer spending slowed.
- The Fed warned that tariffs were raising risks of higher unemployment and higher inflation when officials unanimously agreed to hold interest rates steady.
- Investors sold U.S. government bonds and the dollar after Moody's stripped the U.S. of its last triple-A credit rating, citing large budget deficits and rising interest costs.
- Consumer sentiment jumped this month, partially reversing months of survey data that showed increasing pessimism as fears of high tariffs set in.
- The Fed's preferred gauge of consumer prices ticked up slightly in April, lowering the 12-month inflation rate.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW  
May 2025**





## PORTFOLIO STATISTICS

	December	January	February	March	April	May
<b>Portfolio at Cost Plus Cash</b>	\$ 1,861,258,485	\$ 1,903,231,872	\$ 1,849,027,898	\$ 1,803,852,369	\$ 1,781,417,068	\$ 1,851,594,912
<b>Yield to Worst with cash</b>	4.83%	4.73%	4.63%	4.57%	4.52%	4.62%
<b>Yield to Worst without cash</b>	4.96%	4.93%	4.69%	4.65%	4.56%	4.73%
<b>Interest Received (Cash Basis)</b>	\$ 6,556,626	\$ 5,732,019	\$ 6,436,086	\$ 6,164,963	\$ 5,550,812	\$ 5,394,454.19
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 46,026,869</b>

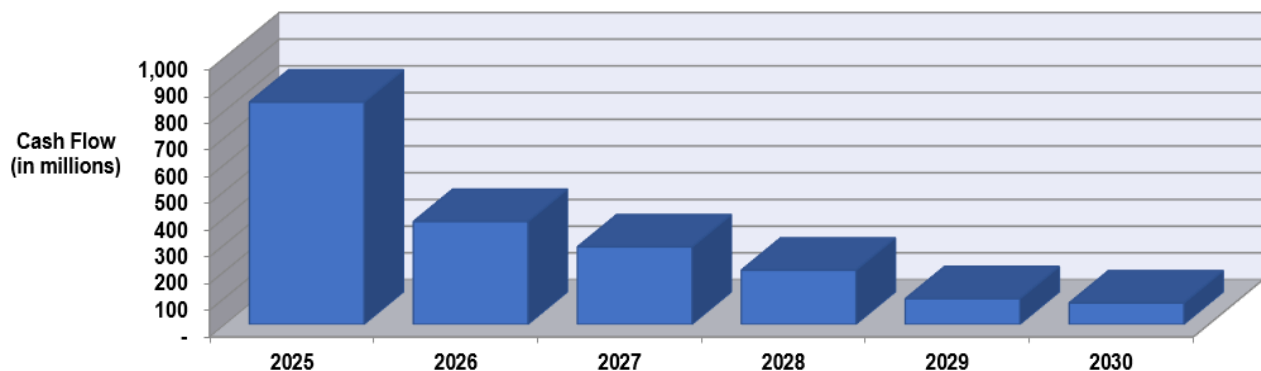
## SHOCK ANALYSIS

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
<b>Book Value plus cash</b>	\$1,851,594,912	\$1,851,594,912	\$1,851,594,912	\$1,851,594,912	\$1,851,594,912
<b>Market Value</b>	\$1,853,678,529	\$1,849,052,896	\$1,843,603,291	\$1,838,173,638	\$1,831,684,839
<b>Change in Market Value</b>	\$10,075,238	\$5,449,605	\$0	(\$5,429,652)	(\$11,918,452)
<b>Gain/(loss) BV unrealized</b>	\$2,083,617	(\$2,542,016)	(\$7,991,621)	(\$13,421,273)	(\$19,910,073)
<b>Market price</b>	\$99.87	\$99.63	\$99.34	\$99.06	\$98.71
<b>Yield to Worst</b>	4.08	4.36	4.62	4.91	5.12
<b>WAL</b>	1.26	1.37	1.67	1.68	1.90
<b>Effective Duration</b>	1.00	1.10	1.23	1.34	1.46

## 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 2025

**Summary of Investment Strategy:** Job gains remain solid and the unemployment rate remains low with inflation still above the FOMC's 2% target which will continue to shape the Fed's policy stance. The Fed is likely to be more focused on full employment in particular if the reciprocal tariffs come back on and the unemployment rate ticks up. Fed Governor Waller said, "I would expect more rate cuts once we start seeing some serious deterioration in the labor market. I'm willing to look through whatever tariff price effects there are and I'm not going to overreact to any increases in inflation that may be attributable to the tariffs." Current investable U.S. Treasury yields range from 3.60% to 4.29%. April investment portfolio activity consisted of \$17.3 million in return of mortgage principal, \$34.4 million in redemptions and calls, and \$39.8 million in purchases with an average yield of 4.97% and 2.39yr effective duration. The County received \$20.2 million in Ad Valorem taxes this month.

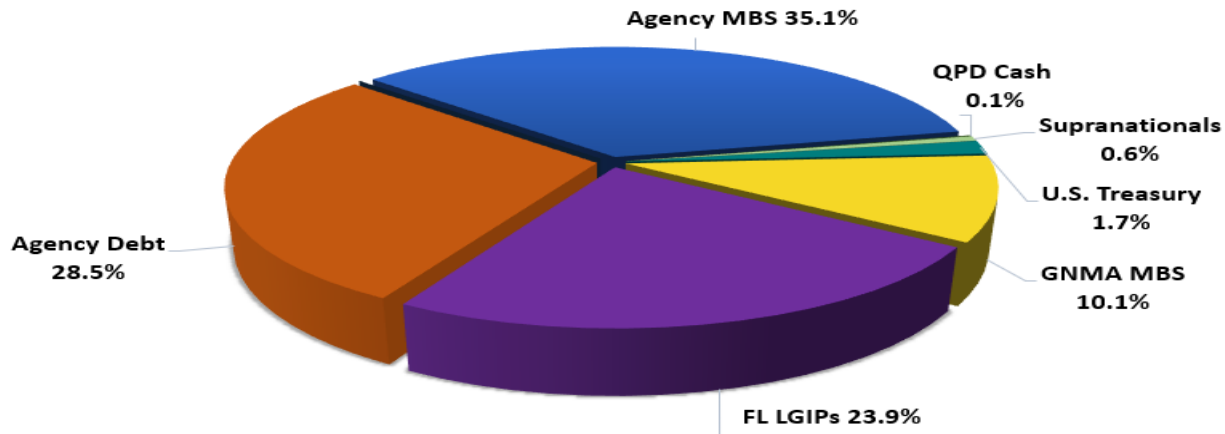
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 49.0 in March, below expectations of 49.5 and below prior month's value of 50.3.
- Non-Farm Payrolls increased by 228k in March which was below expectations of 140k. February's figure was revised lower to 102k from the previously reported 151k.
- Average hourly earnings were up 3.8% YoY in March – below expectations of 4.0% and lower than last month's revised YoY increase of 3.9%.
- Producer prices ex-food and energy, YoY rose 3.3% in March; below expectations of 3.6% and lower than prior month's revised 3.5%.
- Retail sales ex auto and gas increased by 0.8% in March; higher than expectations of 0.6% and higher than prior month's revised 0.5%.

## NEWS and EVENTS

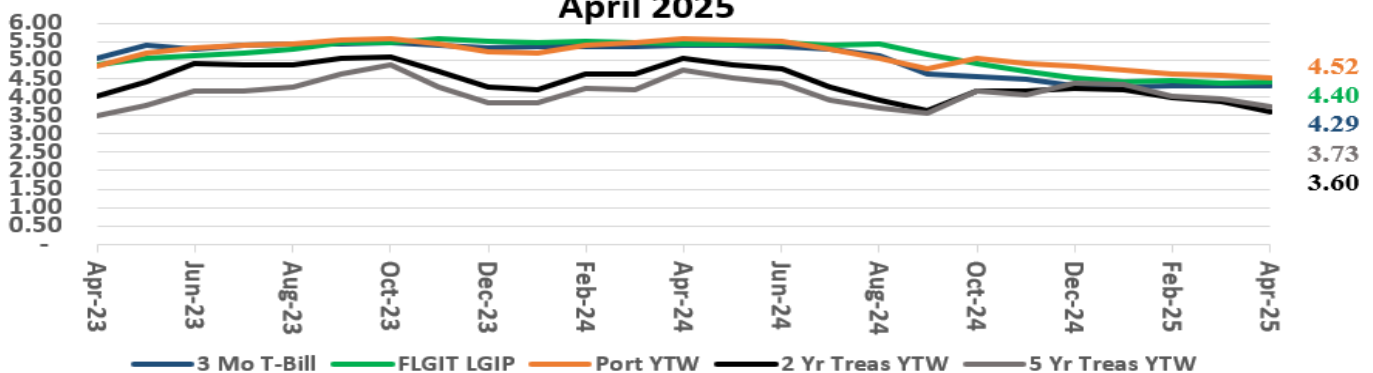
- Fed officials highlighted the risks of longer-lasting inflationary pressures from tariffs when they agreed to hold interest rates steady at their meeting last month.
- Volatility in Treasury markets and weakness in the dollar have raised fears of capital flight that would undermine American financial primacy.
- The global economy is poised to slow in a new era of high tariffs and U.S. prospects are among those set to take a hit, the IMF said.
- Sales of existing homes in March had their biggest monthly declines in more than two years after mounting economic uncertainty roiled the housing market at the start of the critical spring selling season.
- The biggest U.S. retailers have so far held the line on price increases, but some chief executives have warned that the status quo can't last indefinitely.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

Portfolio YTW vs Eligible Investments YTW  
April 2025





## PORTFOLIO STATISTICS

	November	December	January	February	March	April
<b>Portfolio at Cost Plus Cash</b>	\$ 1,683,181,728	\$ 1,861,258,485	\$ 1,903,231,872	\$ 1,849,027,898	\$ 1,803,852,369	\$ 1,781,417,068
<b>Yield to Worst with cash</b>	4.91%	4.83%	4.73%	4.63%	4.57%	4.52%
<b>Yield to Worst without cash</b>	4.97%	4.96%	4.93%	4.69%	4.65%	4.56%
<b>Interest Received (Cash Basis)</b>	\$ 4,862,294	\$ 6,556,626	\$ 5,732,019	\$ 6,436,086	\$ 6,164,963	\$ 5,550,812
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 40,632,414</b>

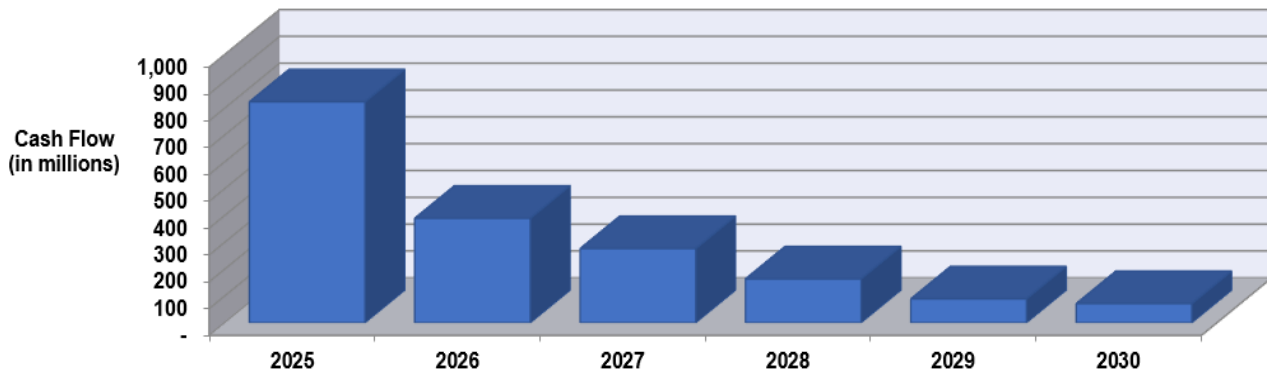
## SHOCK ANALYSIS

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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
<b>Book Value plus cash</b>	\$1,781,417,068	\$1,781,417,068	\$1,781,417,068	\$1,781,417,068	\$1,781,417,068
<b>Market Value</b>	\$1,786,354,528	\$1,782,160,458	\$1,777,348,692	\$1,772,300,310	\$1,766,632,312
<b>Change in Market Value</b>	\$9,005,836	\$4,811,766	\$0	(\$5,048,382)	(\$10,716,380)
<b>Gain/(loss) BV unrealized</b>	\$4,937,460	\$743,390	(\$4,068,376)	(\$9,116,758)	(\$14,784,756)
<b>Market price</b>	\$100.04	\$99.81	\$99.55	\$99.27	\$98.96
<b>Yield to Worst</b>	4.01	4.27	4.52	4.77	5.00
<b>WAL</b>	1.30	1.40	1.65	1.78	1.94
<b>Effective Duration</b>	0.96	1.04	1.16	1.26	1.39

## 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 2025

**Summary of Investment Strategy:** The Fed, once again, held rates steady at this month's FOMC meeting, 4.25% - 4.50%. President Trump unveiled reciprocal tariffs and they were bigger than many had expected. The base is a 10% tariff on all imported goods. With additional tariffs being imposed based on a ratio of the trade gap with individual countries to the total trade with those countries. The aim is to address trade imbalances. Canada and Mexico appear to be big winners as no additional tariffs will be imposed on them. Current investable U.S. Treasury yields range from 3.88% to 4.29%. March investment portfolio activity consisted of \$12.9 million in return of mortgage principal, \$25.0 million in redemptions and calls, and \$71.7 million in purchases with an average yield of 5.03% and 1.84yr effective duration. The County received \$9.9 million in Ad Valorem taxes this month.

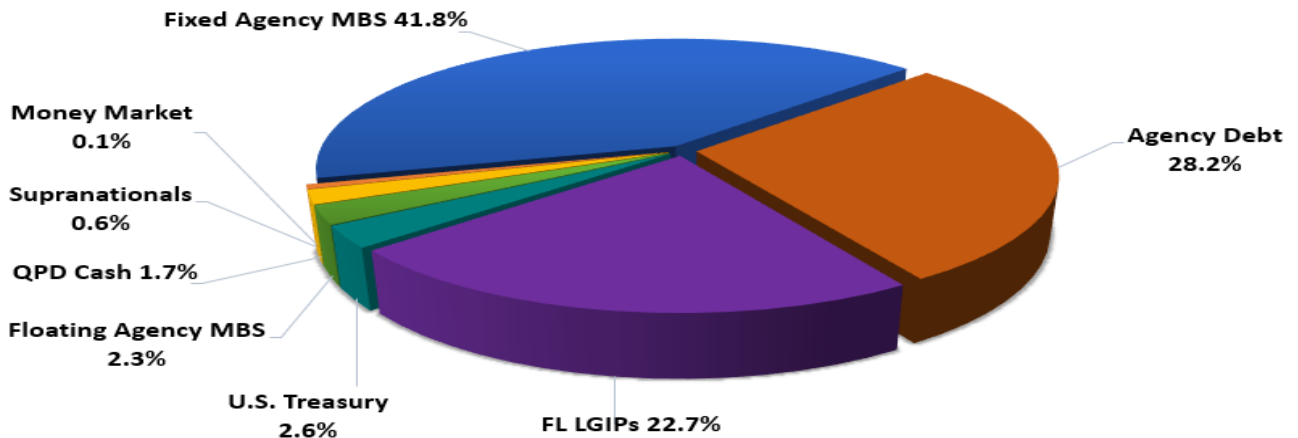
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 50.3 in February, below expectations of 50.7 and below prior month's value of 50.9.
- Non-Farm Payrolls increased by 151k in February which was below expectations of 160k. January's figure was revised lower to 111k from the previously reported 143k.
- Average hourly earnings were up 4.0% YoY in February – below expectations of 4.1% and higher than last month's YoY increase of 3.9%.
- Producer prices ex-food and energy, YoY rose 3.4% in February; below expectations of 3.5% and lower than prior month's revised 3.8%.
- Retail sales ex auto and gas increased by 0.5% in February; higher than expectations of 0.4% and higher than prior month's revised -0.8%.

## NEWS and EVENTS

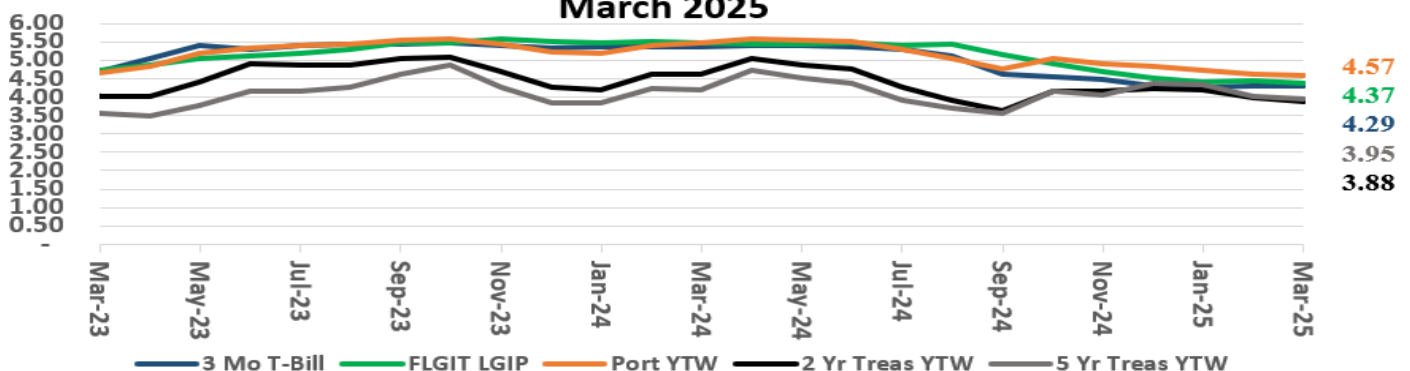
- The U.S. continued to generate jobs at a steady pace in February, adding a seasonally adjusted 151,000 positions, but there were warning signs that the labor market could weaken.
- Rattled by the threat of trade restrictions and a slowing economy, some investors are turning to dividend paying stocks in a move to defend portfolio values.
- The Fed extended its wait-and-see posture on interest rates while marking up its forecasts for inflation and cutting its outlook for growth this year.
- A key consumer survey showed a fall in household sentiment in March, adding to evidence that people are taking a more negative view of the economy.
- Gross domestic product grew at a slightly faster pace in the last three months of 2024 than previously estimated, the Commerce Department said.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW  
March 2025**





## PORTFOLIO STATISTICS

	October	November	December	January	February	March
<b>Portfolio at Cost Plus Cash</b>	\$ 1,599,587,480	\$ 1,683,181,728	\$ 1,861,258,485	\$ 1,903,231,872	\$ 1,849,027,898	\$ 1,803,852,369
<b>Yield to Worst with cash</b>	5.04%	4.91%	4.83%	4.73%	4.63%	4.57%
<b>Yield to Worst without cash</b>	5.08%	4.97%	4.96%	4.93%	4.69%	4.65%
<b>Interest Received (Cash Basis)</b>	\$ 5,329,614	\$ 4,862,294	\$ 6,556,626	\$ 5,732,019	\$ 6,436,086	\$ 6,164,963
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 35,081,603</b>

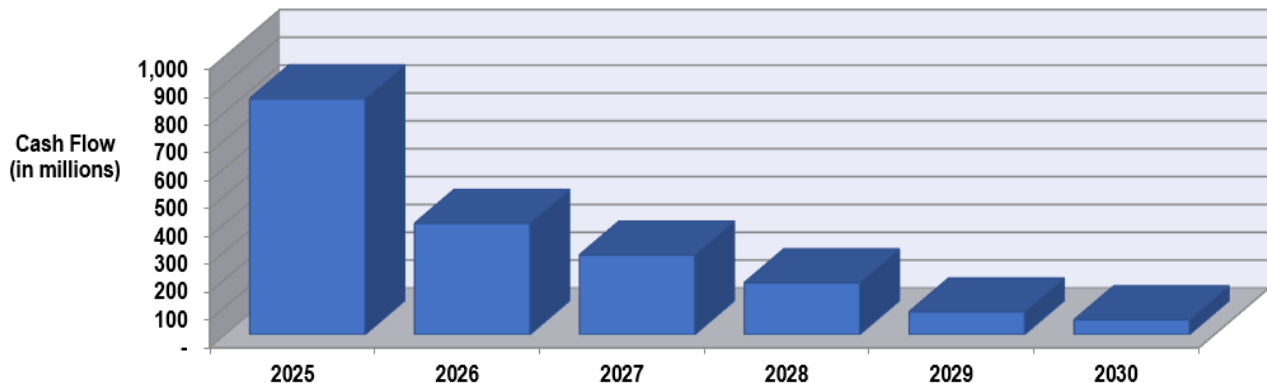
## SHOCK ANALYSIS

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
<b>Book Value plus cash</b>	\$1,803,852,369	\$1,803,852,369	\$1,803,852,369	\$1,803,852,369	\$1,803,852,369
<b>Market Value</b>	\$1,804,229,126	\$1,800,076,328	\$1,795,593,402	\$1,790,583,522	\$1,784,550,818
<b>Change in Market Value</b>	\$8,635,724	\$4,482,925	\$0	(\$5,009,880)	(\$11,042,584)
<b>Gain/(loss) BV unrealized</b>	\$376,757	(\$3,776,041)	(\$8,258,967)	(\$13,268,847)	(\$19,301,551)
<b>Market price</b>	\$99.80	\$99.58	\$99.34	\$99.07	\$98.74
<b>Yield to Worst</b>	4.19	4.39	4.57	4.79	4.99
<b>WAL</b>	1.22	1.31	1.59	1.66	1.81
<b>Effective Duration</b>	0.94	1.02	1.16	1.26	1.38

## 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 2025

**Summary of Investment Strategy:** Newly imposed tariffs on key imports have introduced fresh cost pressures for businesses. While the full economic impact remains uncertain, early indicators suggest some pass-through to consumer prices. While policy rates remain elevated, the FOMC continue to evaluate if conditions warrant holding rates steady for an extended period. Market participants anticipate potential rate cuts later in the year contingent on continued disinflation and stable economic growth. Current investable U.S. Treasury yields range from 3.99% to 4.29%. February investment portfolio activity consisted of \$12.9 million in return of mortgage principal, \$90.0 million in redemptions and calls, and \$123.7 million in purchases with an average yield of 5.08% and 1.75yr effective duration. The County received \$20.3 million in Ad Valorem taxes this month and \$459.9 million this fiscal year.

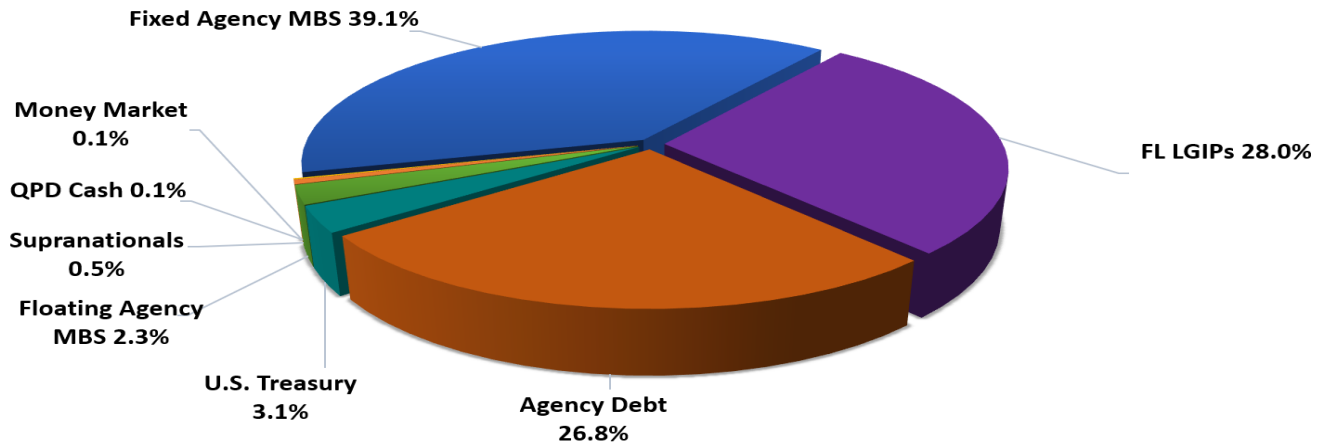
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 50.9 in January, above expectations of 50.0 and above prior month's value of 49.2.
- Non-Farm Payrolls increased by 143k in January which was below expectations of 175k. December's figure was revised higher to 307k from the previously reported 256k.
- Average hourly earnings were up 4.1% YoY in January – above expectations of 3.8% and matching last month's YoY increase of 4.1%.
- Producer prices ex-food and energy, YoY rose 3.6% in January; above expectations of 3.3% and lower than prior month's revised 3.7%.
- Retail sales ex auto and gas decreased by -0.5% in January; lower than expectations of 0.3% and lower than prior month's 0.5%.

## NEWS and EVENTS

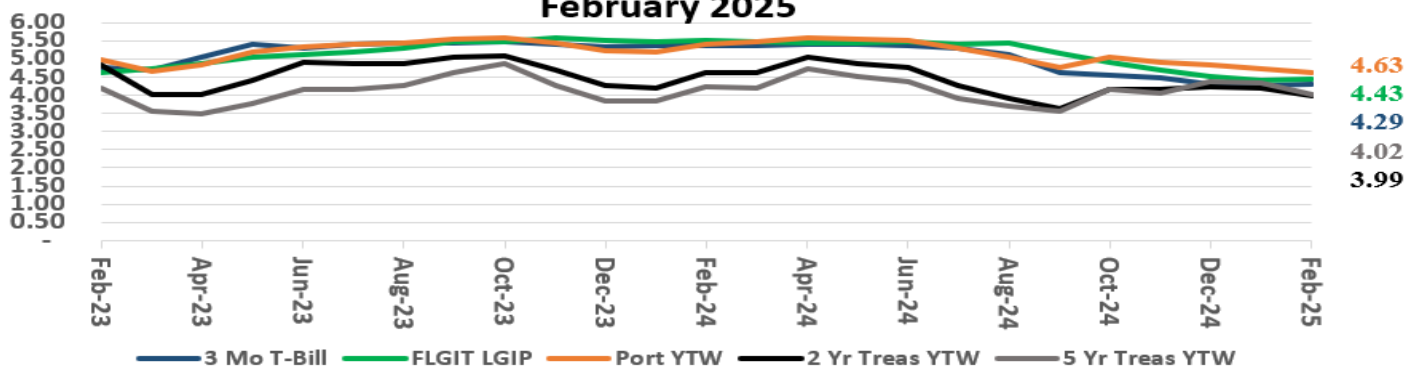
- Consumer prices rose briskly in January, extending a recent pattern of price increases at the start of the year that likely derails the prospect of the Fed cutting interest rates anytime soon.
- Fed officials were broadly comfortable with their decision to hold interest rates steady at their meeting last month and appeared in no hurry to modify that stance, minutes show.
- A group of leading indicators gauging the strength of the U.S. economy weakened at the start of the year, reflecting an uncertain outlook at the start of Trump's term.
- Confidence among U.S. consumers registered the largest monthly decline in more than three years in February.
- A gauge of the number of homes going under contract in the U.S. fell to its lowest level on record in January amid high prices and mortgage rates.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW  
February 2025**





## PORTFOLIO STATISTICS

	September	October	November	December	January	February
<b>Portfolio at Cost Plus Cash</b>	\$ 1,639,689,387	\$ 1,599,587,480	\$ 1,683,181,728	\$ 1,861,258,485	\$ 1,903,231,872	\$ 1,849,027,898
<b>Yield to Worst with cash</b>	4.75%	5.04%	4.91%	4.83%	4.73%	4.63%
<b>Yield to Worst without cash</b>	4.70%	5.08%	4.97%	4.96%	4.93%	4.69%
<b>Interest Received (Cash Basis)</b>	\$ 6,696,621	\$ 5,329,614	\$ 4,862,294	\$ 6,556,626	\$ 5,732,019	\$ 6,436,086
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 28,916,640</b>

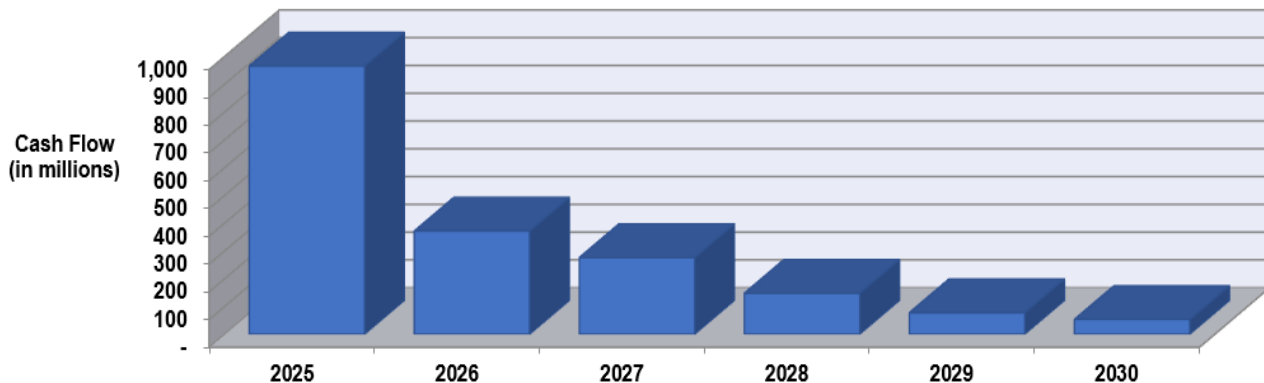
## SHOCK ANALYSIS

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
<b>Book Value plus cash</b>	\$1,849,027,898	\$1,849,027,898	\$1,849,027,898	\$1,849,027,898	\$1,849,027,898
<b>Market Value</b>	\$1,848,021,279	\$1,843,794,343	\$1,839,111,555	\$1,833,778,255	\$1,828,123,684
<b>Change in Market Value</b>	\$8,909,724	\$4,682,788	\$0	(\$5,333,300)	(\$10,987,871)
<b>Gain/(loss) BV unrealized</b>	(\$1,006,619)	(\$5,233,555)	(\$9,916,343)	(\$15,249,643)	(\$20,904,214)
<b>Market price</b>	\$99.75	\$99.53	\$99.28	\$99.00	\$98.70
<b>Yield to Worst</b>	4.25	4.45	4.63	4.82	4.97
<b>WAL</b>	1.16	1.23	1.42	1.50	1.63
<b>Effective Duration</b>	0.95	1.02	1.13	1.23	1.35

## 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 2025

**Summary of Investment Strategy:** The Fed held rates steady at this month's FOMC meeting, 4.25% - 4.50%. Guidance offered at the press conference posed a policy choice going forward this year between keeping rates restrictive in case the economy overheats or cutting further if inflation continues to drop. Powell did not mention rate hikes. The consensus estimate of 2.6% for Q4 GDP now looks a little too strong, but the consumer spending consensus at 2.3% is on the weak side as December sales were solid. Current investable U.S. Treasury yields range from 4.20% to 4.33%. January investment portfolio activity consisted of \$12.5 million in return of mortgage principal, \$29.8 million in redemptions and calls, and \$83.8 million in purchases with an average yield of 5.27% and 1.95yr effective duration. The County received \$95.8 million in Ad Valorem taxes this month.

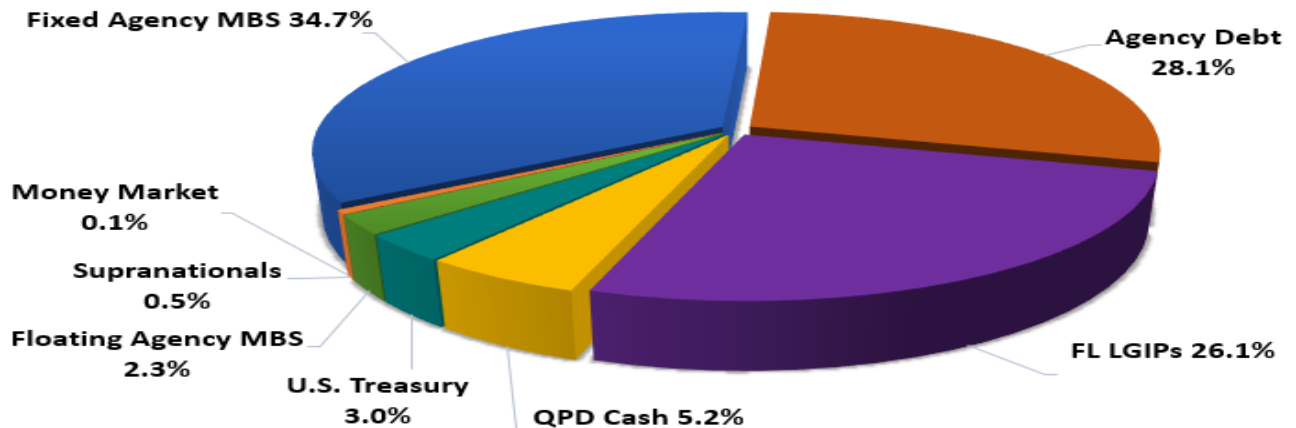
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 49.3 in December, above expectations of 48.2 and above prior month's value of 48.4.
- Non-Farm Payrolls increased by 256k in December which was above expectations of 165k. November's figure was revised lower to 212k from the previously reported 227k.
- Average hourly earnings were up 3.9% YoY in December – below expectations of 4.0% and lower than last month's YoY increase of 4.0%.
- Producer prices ex-food and energy, YoY rose 3.5% in December; below expectations of 3.8% and matching prior month's revised 3.5%.
- Retail sales ex auto and gas increased by 0.3% in December; lower than expectations of 0.4% and higher than prior month's 0.2%.

## NEWS and EVENTS

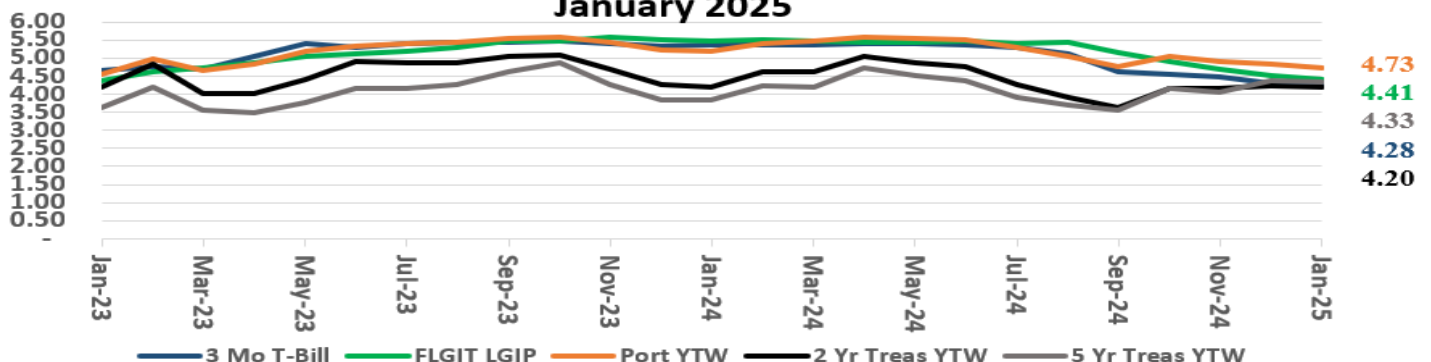
- Prices charged by American producers for their goods and services rose by a softer than expected 0.2% in December.
- The U.S. government is constrained by its debt limit, the Treasury Department said, prompting measures to keep America's bills paid.
- U.S. existing-home sales fell in 2024 to the lowest level since 1995, the second straight year of anemic sales because of stubbornly high mortgage rates.
- The Fed refrained from another interest-rate cut, entering a monitoring phase as it tries to determine whether and how much more to lower rates from a recent two-decade high.
- U.S. GDP grew 2.5% last year, slower than the 3.2% growth in 2023 but still at a sturdy pace, as a strong labor market helped power consumers' spending in the fourth quarter.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

**Portfolio YTW vs Eligible Investments YTW  
January 2025**





## PORTFOLIO STATISTICS

	August	September	October	November	December	January
<b>Portfolio at Cost Plus Cash</b>	\$ 1,755,065,842	\$ 1,639,689,387	\$ 1,599,587,480	\$ 1,683,181,728	\$ 1,861,258,485	\$ 1,903,231,872
<b>Yield to Worst with cash</b>	5.06%	4.75%	5.04%	4.91%	4.83%	4.73%
<b>Yield to Worst without cash</b>	5.00%	4.70%	5.08%	4.97%	4.96%	4.93%
<b>Interest Received (Cash Basis)</b>	\$ 6,577,990	\$ 6,696,621	\$ 5,329,614	\$ 4,862,294	\$ 6,556,626	\$ 5,732,019
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 22,480,553</b>

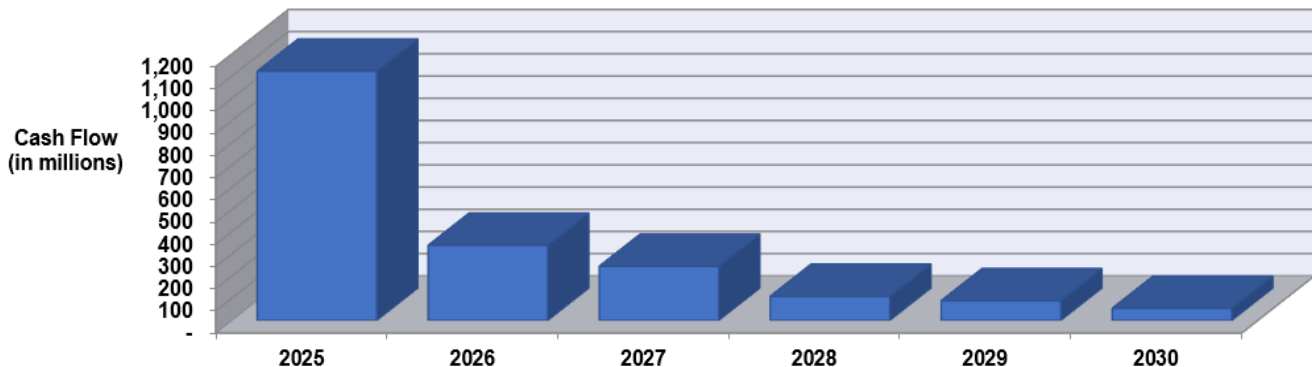
## SHOCK ANALYSIS

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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
<b>Book Value plus cash</b>	\$1,903,231,872	\$1,903,231,872	\$1,903,231,872	\$1,903,231,872	\$1,903,231,872
<b>Market Value</b>	\$1,896,466,939	\$1,891,751,114	\$1,886,239,493	\$1,880,402,422	\$1,874,308,703
<b>Change in Market Value</b>	\$10,227,446	\$5,511,621	\$0	(\$5,837,071)	(\$11,930,790)
<b>Gain/(loss) BV unrealized</b>	(\$6,764,933)	(\$11,480,758)	(\$16,992,379)	(\$22,829,450)	(\$28,923,169)
<b>Market price</b>	\$99.48	\$99.24	\$98.96	\$98.66	\$98.35
<b>Yield to Worst</b>	4.35	4.54	4.73	4.91	5.07
<b>WAL</b>	1.24	1.35	1.56	1.65	1.80
<b>Effective Duration</b>	1.00	1.08	1.17	1.27	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

December 2024

**Summary of Investment Strategy:** The FOMC cut rates by a quarter point in December to 4.25% - 4.50%. The only change to the Fed statement at this meeting was “in considering the extent and time of” additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. This addition opens the possibility of skipped meetings with the FOMC consensus with 10 members favoring just 2 cuts in 2025. This change was largely due to higher expected inflation forecasts. Current investable U.S. Treasury yields range from 4.24% to 4.38%. December investment portfolio activity consisted of \$14.0 million in return of mortgage principal, \$88.2 million in redemptions and calls, and \$78.3 million in purchases with an average yield of 4.79% and 1.89yr effective duration. The County received \$222.2 million in Ad Valorem taxes this month.

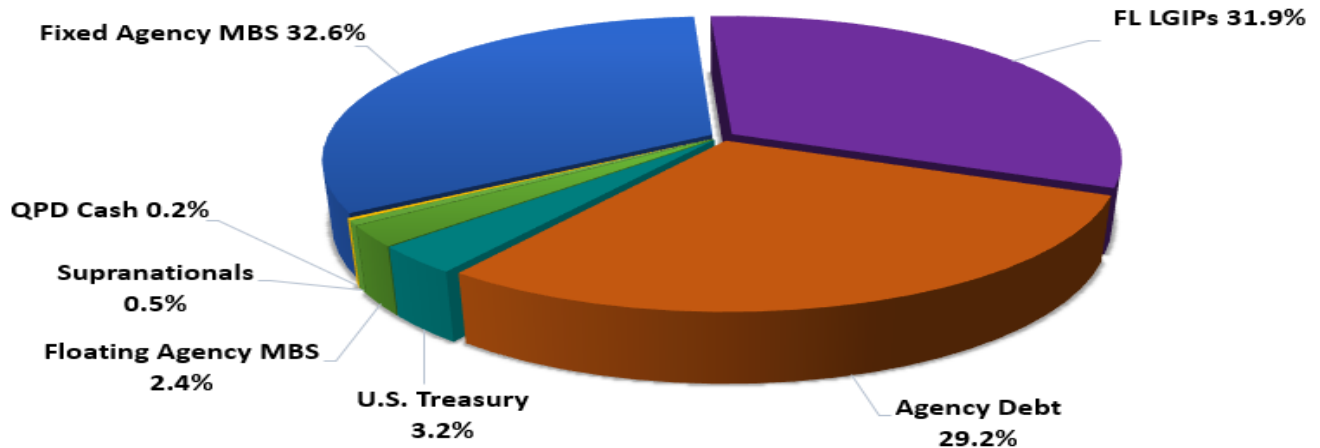
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 48.4 in November, above expectations of 47.5 and above prior month's value of 46.5.
- Non-Farm Payrolls increased by 227k in November which was above expectations of 220k. October's figure was revised higher to 36k from the previously reported 12k.
- Average hourly earnings were up 4.0% YoY in November – above expectations of 3.9% and matching last month's YoY increase of 4.0%.
- Producer prices ex-food and energy, YoY rose 3.4% in November; above expectations of 3.2% and matching prior month's revised 3.4%.
- Retail sales ex auto and gas increased by 0.2% in November; lower than expectations of 0.4% and matching prior month's revised 0.2%.

## NEWS and EVENTS

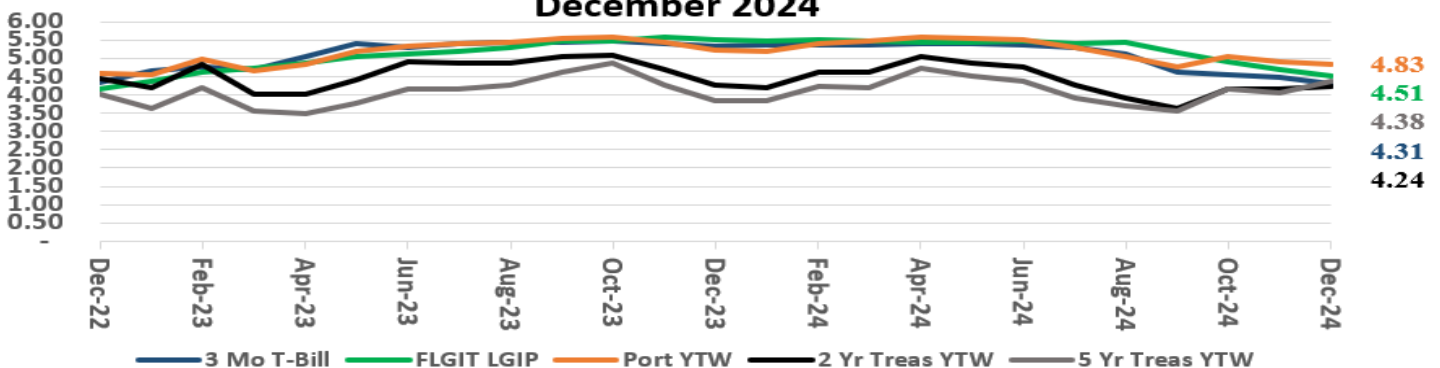
- The Fed's Powell said the state of the economy permits the central bank to be more cautious as it tries to find an interest-rate level that neither spurs nor slows growth.
- The U.S. economy grew more than initially estimated in the third quarter, expending a solid stretch of economic expansion.
- Confidence among American consumers dropped unexpectedly this month, with expectations growing bleaker for the economic situation in the new year.
- Holiday purchases showed a split in consumer spending with gains mostly driven by higher-income households while lower-income Americans were squeezed by higher prices.
- Initial jobless claims declined last week, showing the economy has still avoided a big surge in layoffs in the home stretch of 2024.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

Portfolio YTW vs Eligible Investments YTW  
December 2024





## PORTFOLIO STATISTICS

	July	August	September	October	November	December
<b>Portfolio at Cost Plus Cash</b>	\$ 1,780,668,217	\$ 1,755,065,842	\$ 1,639,689,387	\$ 1,599,587,480	\$ 1,683,181,728	\$ 1,861,258,485
<b>Yield to Worst with cash</b>	5.30%	5.06%	4.75%	5.04%	4.91%	4.83%
<b>Yield to Worst without cash</b>	5.29%	5.00%	4.70%	5.08%	4.97%	4.96%
<b>Interest Received (Cash Basis)</b>	\$ 6,032,399	\$ 6,577,990	\$ 6,696,621	\$ 5,329,614	\$ 4,862,294	\$ 6,556,626
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 16,748,534</b>

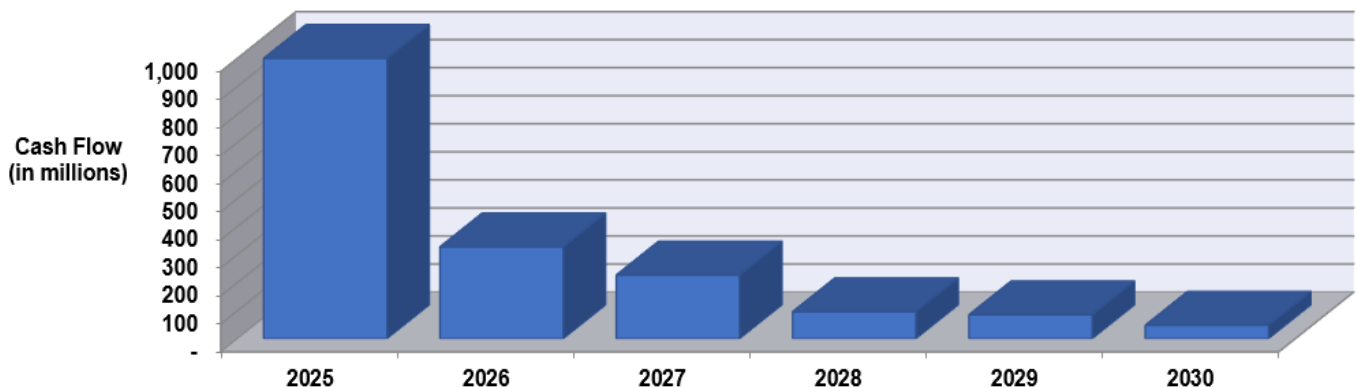
## SHOCK ANALYSIS

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
<b>Book Value plus cash</b>	\$1,861,258,485	\$1,861,258,485	\$1,861,258,485	\$1,861,258,485	\$1,861,258,485
<b>Market Value</b>	\$1,851,076,683	\$1,846,456,782	\$1,841,197,186	\$1,835,497,432	\$1,829,386,763
<b>Change in Market Value</b>	\$9,879,497	\$5,259,596	\$0	(\$5,699,754)	(\$11,810,423)
<b>Gain/(loss) BV unrealized</b>	(\$10,181,802)	(\$14,801,703)	(\$20,061,299)	(\$25,761,053)	(\$31,871,722)
<b>Market price</b>	\$99.29	\$99.05	\$98.79	\$98.48	\$98.16
<b>Yield to Worst</b>	4.47	4.66	4.83	5.02	5.18
<b>WAL</b>	1.21	1.32	1.51	1.64	1.78
<b>Effective Duration</b>	1.01	1.09	1.18	1.26	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

November 2024

**Summary of Investment Strategy:** The Fed's Chair Powell spoke to business leaders in Dallas saying, "The economy is not sending any signals that we need to be in a hurry to lower rates. The strength we are currently seeing in the economy gives us the ability to approach our decisions carefully." Fed President Susan Collins echoed these words, adding; "a December rate cut is no sure thing." Market participants expect the Fed to cut again in December then likely skip the January meeting as officials assess the effect of the policy-easing moves so far. Current investable U.S. Treasury yields range from 4.05% to 4.49%. November investment portfolio activity consisted of \$23.5 million in return of mortgage principal, \$24.0 million in redemptions and calls, and \$49.9 million in purchases with an average yield of 5.01% and 2.69yr effective duration. The County received \$118.7 million in Ad Valorem taxes this month.

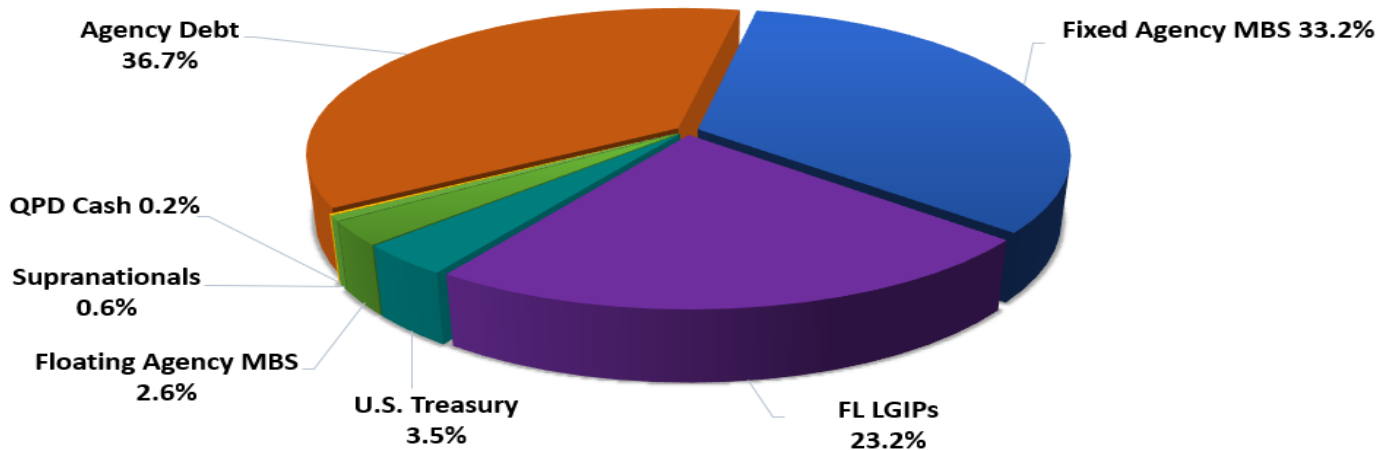
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 46.5 in October, below expectations of 47.6 and below prior month's value of 47.2.
- Non-Farm Payrolls increased by 12k in October which was below expectations of 100k. September's figure was revised higher to 255k from the previously reported 254k.
- Average hourly earnings were up 4.0% YoY in October – matching expectations of 4.0% and higher than last month's YoY increase of 3.9%.
- Producer prices ex-food and energy, YoY rose 3.1% in October; above expectations of 3.0% and higher than prior month's revised 2.9%.
- Retail sales ex auto and gas increased by 0.1% in October; lower than expectations of 0.3% and lower than prior month's revised 1.2%.

## NEWS and EVENTS

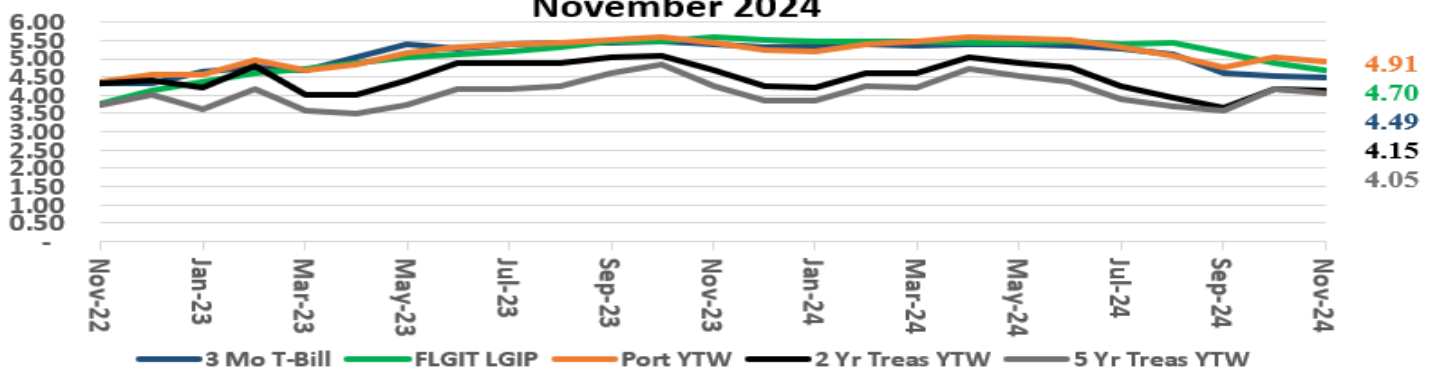
- The Fed approved a quarter-point interest rate cut but signaled a little more uncertainty over how quickly it would continue lowering rates as it seeks to prevent large rate increases of the prior 2 ½ years from unnecessarily slowing the economy.
- Trump's return to the White House injects new volatility into ties between the U.S. and China, threatening to transform a tense relationship into something less predictable and more confrontational.
- Consumer prices edged up in October after having recorded the slowest rate of growth in 3 ½ years in the previous month, a sign of how inflation continues to move lower on an uneven and bumpy path.
- The Fed's Powell said recent signs of economic health would allow the central bank to take its time in deciding how quickly to continue reducing interest rates.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

Portfolio YTW vs Eligible Investments YTW  
November 2024





## PORTFOLIO STATISTICS

	June	July	August	September	October	November
<b>Portfolio at Cost Plus Cash</b>	\$ 1,800,751,451	\$ 1,780,668,217	\$ 1,755,065,842	\$ 1,639,689,387	\$ 1,599,587,480	\$ 1,683,181,728
<b>Yield to Worst with cash</b>	5.52%	5.30%	5.06%	4.75%	5.04%	4.91%
<b>Yield to Worst without cash</b>	5.55%	5.29%	5.00%	4.70%	5.08%	4.97%
<b>Interest Received (Cash Basis)</b>	\$ 7,688,766	\$ 6,032,399	\$ 6,577,990	\$ 6,696,621	\$ 5,329,614	\$ 4,862,294
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 10,191,909</b>

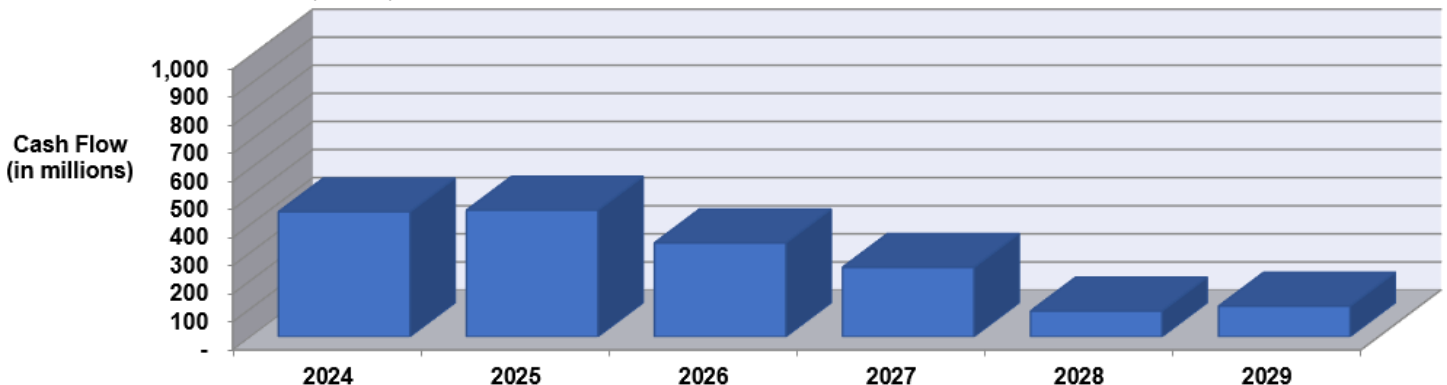
## SHOCK ANALYSIS

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
<b>Book Value plus cash</b>	\$1,683,181,728	\$1,683,181,728	\$1,683,181,728	\$1,683,181,728	\$1,683,181,728
<b>Market Value</b>	\$1,674,098,863	\$1,668,989,443	\$1,663,727,028	\$1,658,376,499	\$1,652,802,808
<b>Change in Market Value</b>	\$10,371,835	\$5,262,415	\$0	(\$5,350,529)	(\$10,924,220)
<b>Gain/(loss) BV unrealized</b>	(\$9,082,865)	(\$14,192,285)	(\$19,454,700)	(\$24,805,229)	(\$30,378,920)
<b>Market price</b>	\$99.30	\$99.01	\$98.70	\$98.39	\$98.07
<b>Yield to Worst</b>	4.41	4.67	4.91	5.15	5.37
<b>WAL</b>	1.57	1.66	1.76	1.88	1.99
<b>Effective Duration</b>	1.20	1.25	1.31	1.38	1.45

## 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 2024

**Summary of Investment Strategy:** The FOMC cut rates by 25 bps at their most recent meeting, a decision unchanged because of the election results. The Fed will remain on the policy path it was already on prior to the election outcome. Since they were already on a path to cut rates twice more, they will more than likely stick to that path. Any deviation from the dots is more likely to occur next year. A negative storm-affected employment report is more of a blind spot than anything else. It is like a month without an employment release, meaning the Fed is almost certain to stick to their course and ignore the negatively impacted storm-related jobs data. Current investable U.S. Treasury yields range from 4.16% to 4.54%. October investment portfolio activity consisted of \$15.7 million in return of mortgage principal, \$68.0 million in redemptions and calls, and \$24.6 million in purchases with an average yield of 5.26% and 2.92yr effective duration.

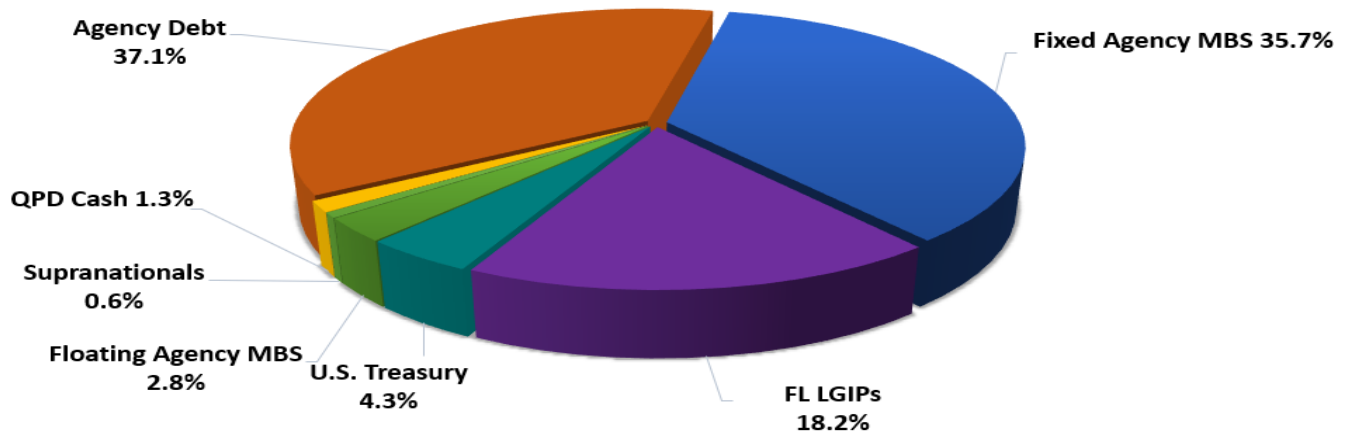
## KEY ECONOMIC INDICATORS

- ISM Manufacturing came in at 47.2 in September, below expectations of 47.5 and matching prior month's value of 47.2.
- Non-Farm Payrolls increased by 254k in September which was above expectations of 150k. August's figure was revised lower to 78k from the previously reported 142k.
- Average hourly earnings were up 4.0% YoY in September – above expectations of 3.8% and higher than last month's YoY increase of 3.9%.
- Producer prices ex-food and energy, YOY rose 2.8% in September; above expectations of 2.6% and higher than prior month's revised 2.6%.
- Retail sales ex auto and gas increased by 0.7% in September; higher than expectations of 0.3% and higher than prior month's revised 0.3%.

## NEWS and EVENTS

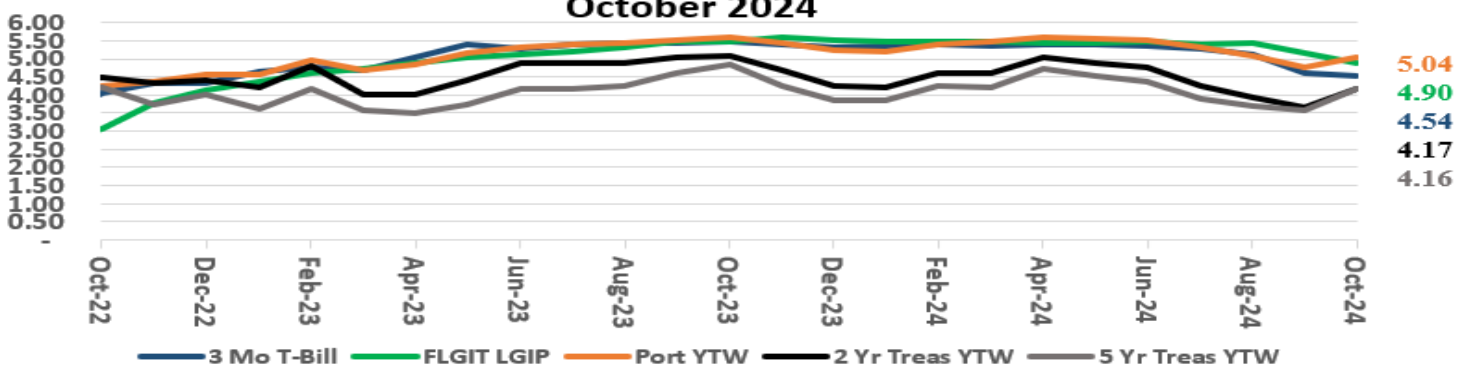
- U.S. inflation eased to a new three-year low but is cooling more slowly than expected, new data showed in what is the last reading of the consumer-price index before Election Day.
- The U.S. is increasingly pulling ahead of the world's advanced economies, with a surge of investment paying off in higher productivity and wages, the IMF reported.
- Consumer sentiment in the U.S. this month improved at the steepest pace in more than three years, as confidence grew in the economy and personal incomes.
- The U.S. economy continued its recent strong stretch this summer as hefty consumer and government spending helped lift GDP by 2.8% annual rate in the third quarter.

## PORTFOLIO COMPOSITION



## YIELD COMPARISON

Portfolio YTW vs Eligible Investments YTW  
October 2024





## PORTFOLIO STATISTICS

	May	June	July	August	September	October
<b>Portfolio at Cost Plus Cash</b>	\$ 1,813,853,224	\$ 1,800,751,451	\$ 1,780,668,217	\$ 1,755,065,842	\$ 1,639,689,387	\$ 1,599,587,480
<b>Yield to Worst with cash</b>	5.54%	5.52%	5.30%	5.06%	4.75%	5.04%
<b>Yield to Worst without cash</b>	5.59%	5.55%	5.29%	5.00%	4.70%	5.08%
<b>Interest Received (Cash Basis)</b>	\$ 6,167,019	\$ 7,688,766	\$ 6,032,399	\$ 6,577,990	\$ 6,696,621	\$ 5,329,614
<b>Interest Received Fiscal Year to Date</b>						<b>\$ 5,329,614</b>

## SHOCK ANALYSIS

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	Down 50 Basis Points	Down 25 Basis Points	Base	Up 25 Basis Points	Up 50 Basis Points
<b>Book Value plus cash</b>	\$1,599,587,480	\$1,599,587,480	\$1,599,587,480	\$1,599,587,480	\$1,599,587,480
<b>Market Value</b>	\$1,587,801,277	\$1,582,455,947	\$1,576,800,669	\$1,570,870,894	\$1,564,790,662
<b>Change in Market Value</b>	\$11,000,608	\$5,655,278	\$0	(\$5,929,774)	(\$12,010,007)
<b>Gain/(loss) BV unrealized</b>	(\$11,786,203)	(\$17,131,534)	(\$22,786,812)	(\$28,716,586)	(\$34,796,819)
<b>Market price</b>	\$99.12	\$98.79	\$98.45	\$98.08	\$97.71
<b>Yield to Worst</b>	4.50	4.77	5.04	5.29	5.53
<b>WAL</b>	1.57	1.65	1.75	1.86	1.98
<b>Effective Duration</b>	1.32	1.38	1.45	1.52	1.59

## 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.

