



Quarterly Economic Update and Investment Portfolio Summary

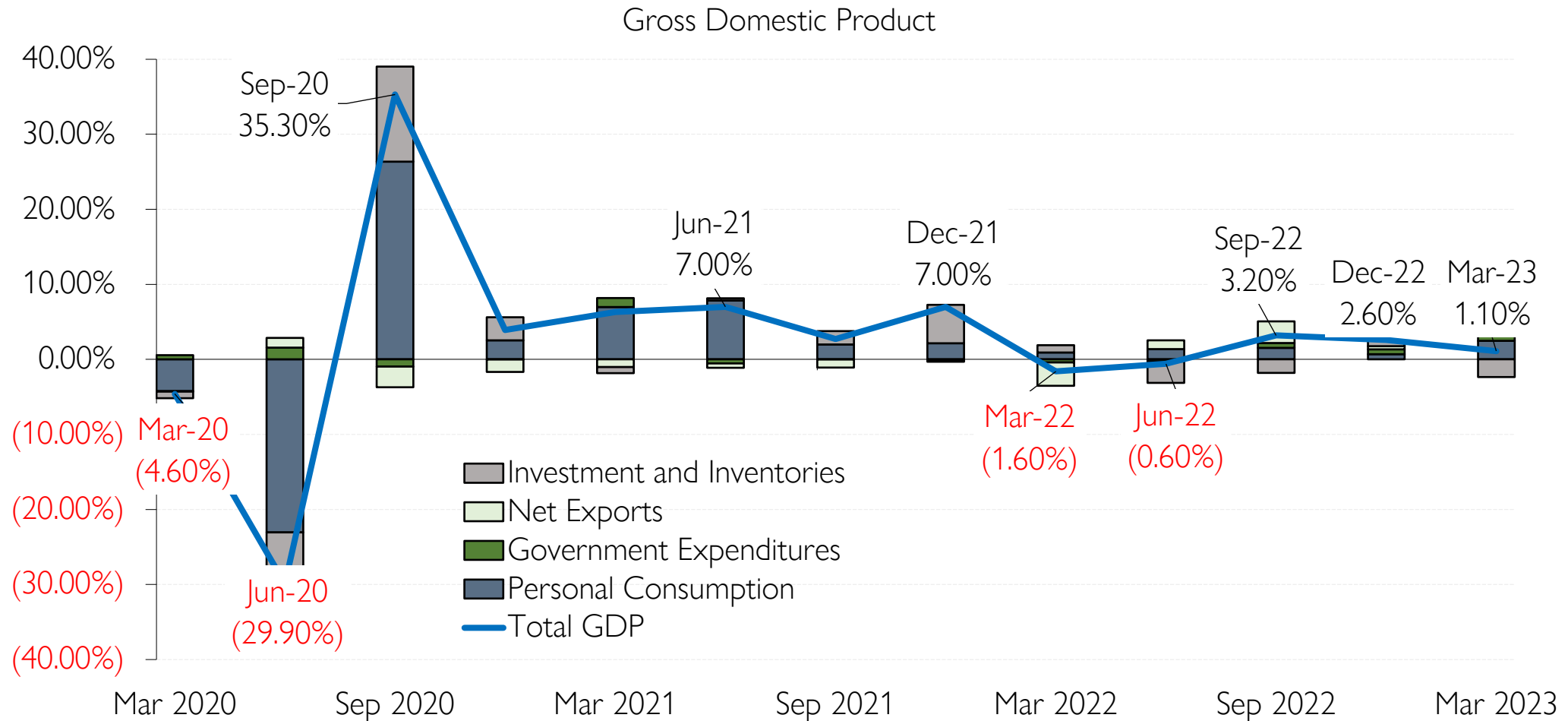
John Grady, Managing Director

Quarter End March 31, 2023



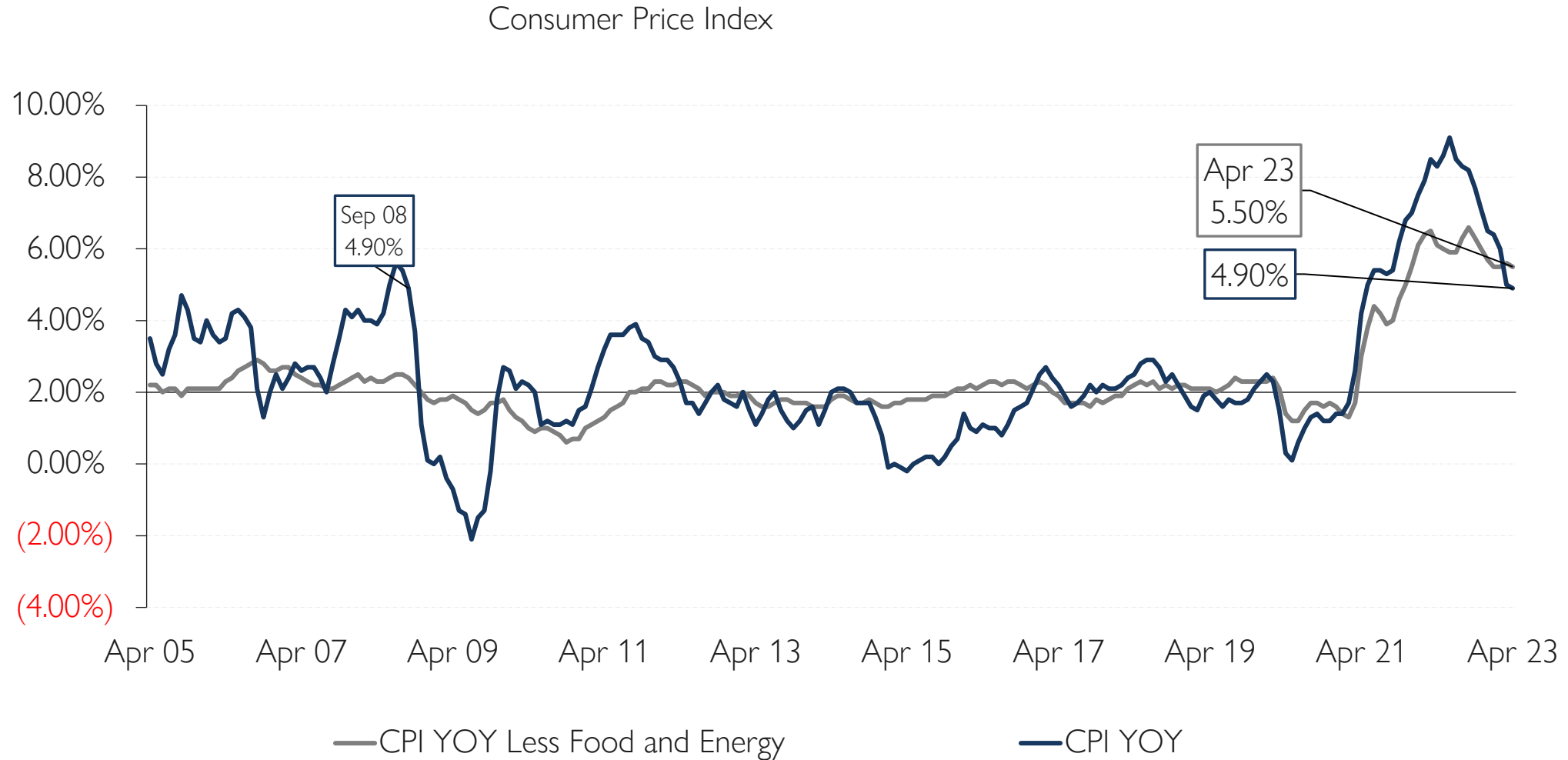
Gross Domestic Product Forecast

- First quarter GDP suggests a continued slowdown in overall economic growth. Personal consumption was the bright spot of the economy at 2.48%, the highest growth in this sector since June 2021. This was mostly offset by a contraction in Investment and Inventories of 2.34%, the third out of the last four quarters of contraction in this sector.



CPI - Inflation

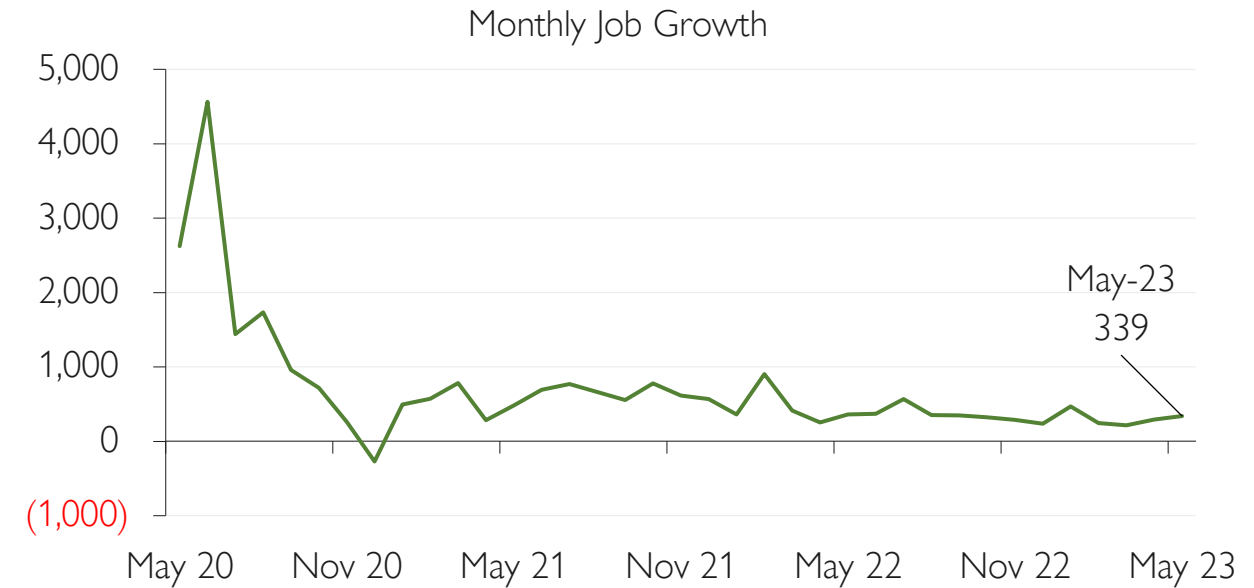
- The Consumer Price Index continued to improve, posting a 4.9% YOY increase (5.5% Core) for April 2023.



Jobs

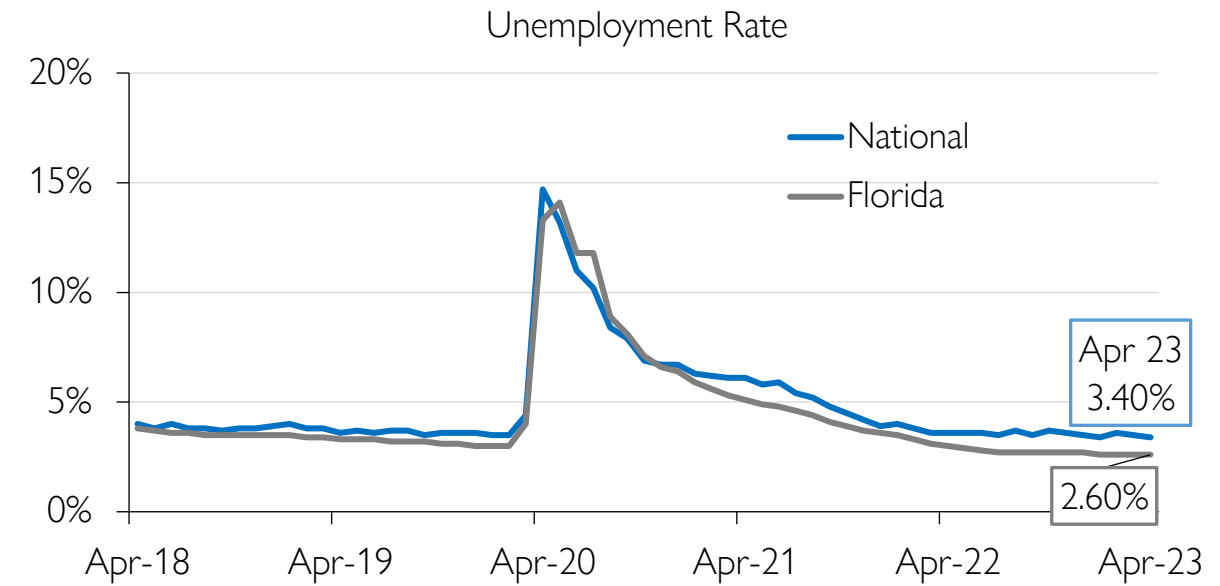
Job Growth continues into 1st Quarter

- May jobs growth of 339k jobs created was significantly more than anticipated.
- Job growth started strong in 2023 with more than 1.5mm new jobs created through May.

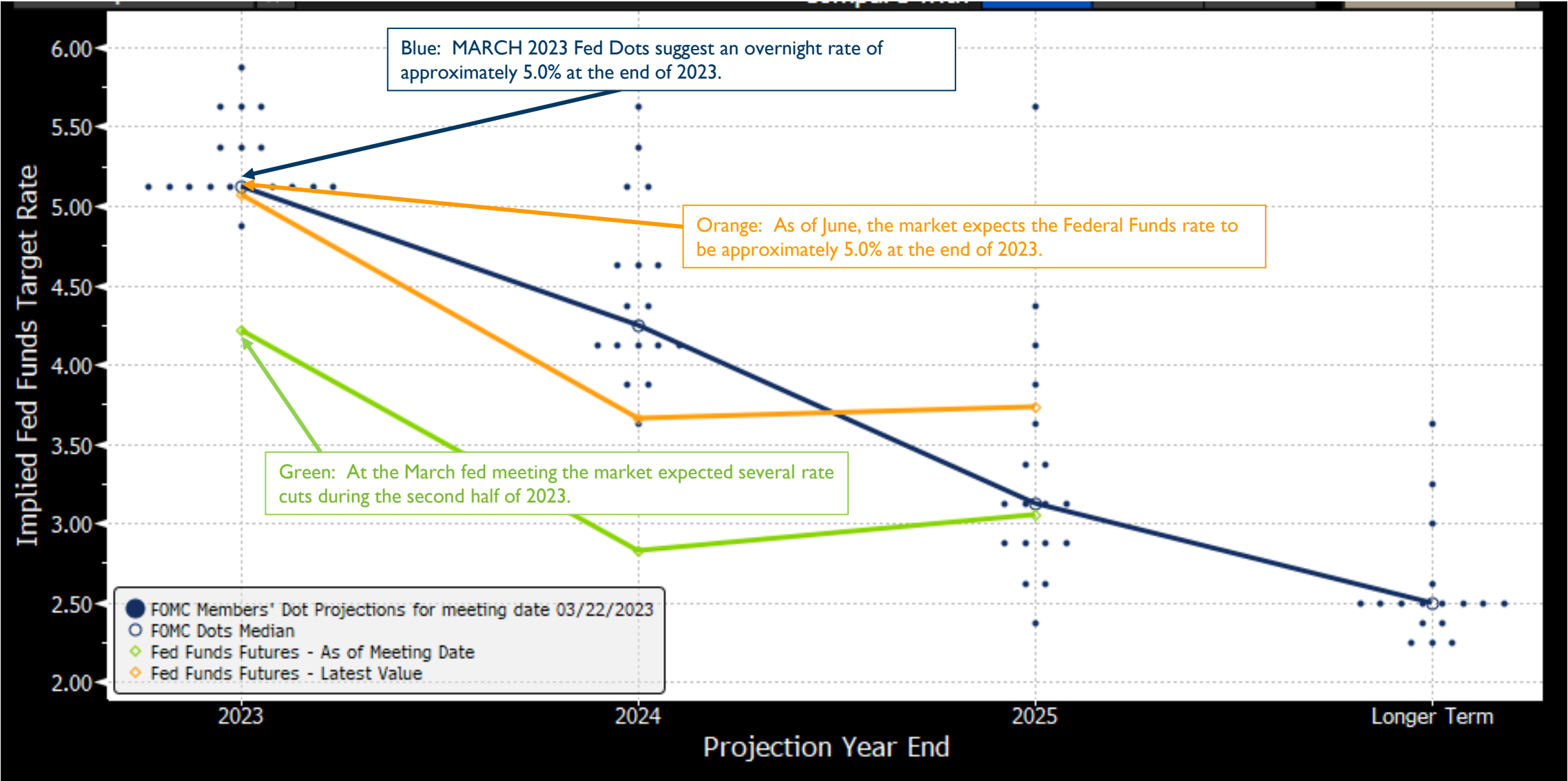


Unemployment Levels Remain Low

- The national unemployment rate remained near a 50 year low at 3.4% in April, a 0.1% improvement over March unemployment.
- Unemployment for persons with a Bachelor degree or higher was 2.0%, compared to 4.8% for individuals with without a high school diploma.

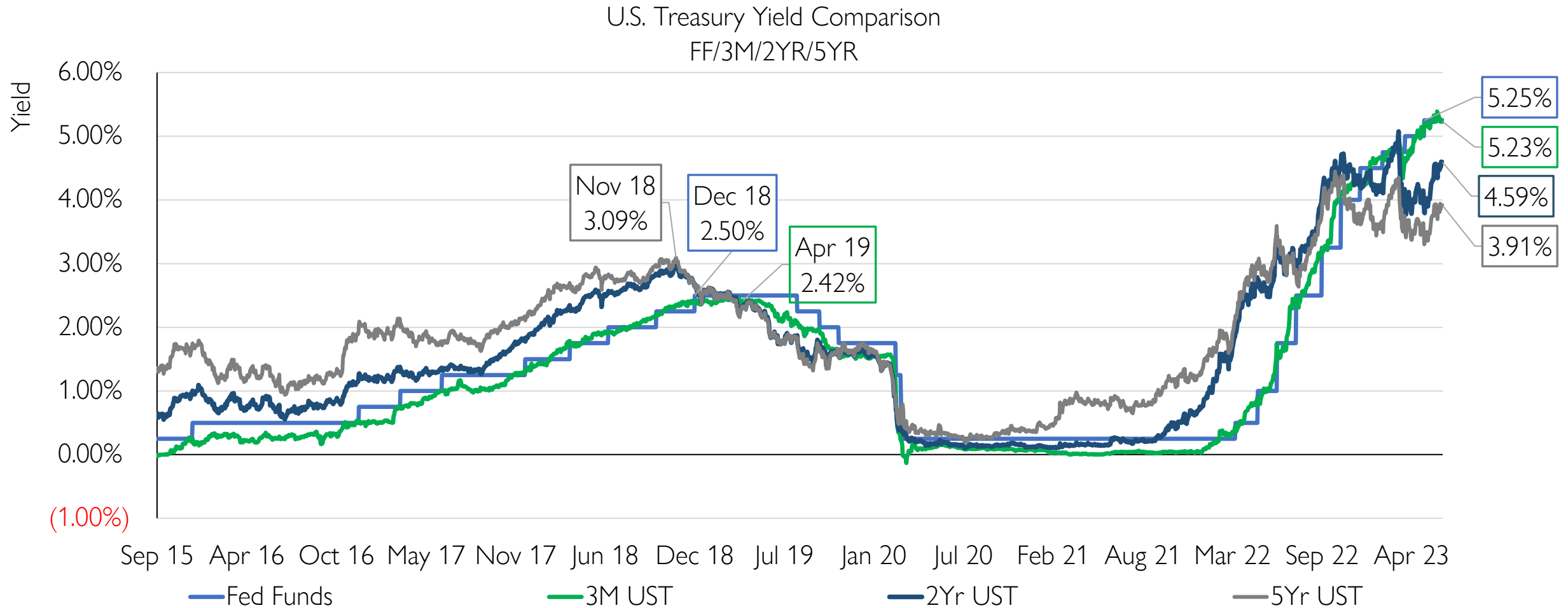


FOMC Dot Plot –March 2023 vs. Fed Funds Futures March/June 2023



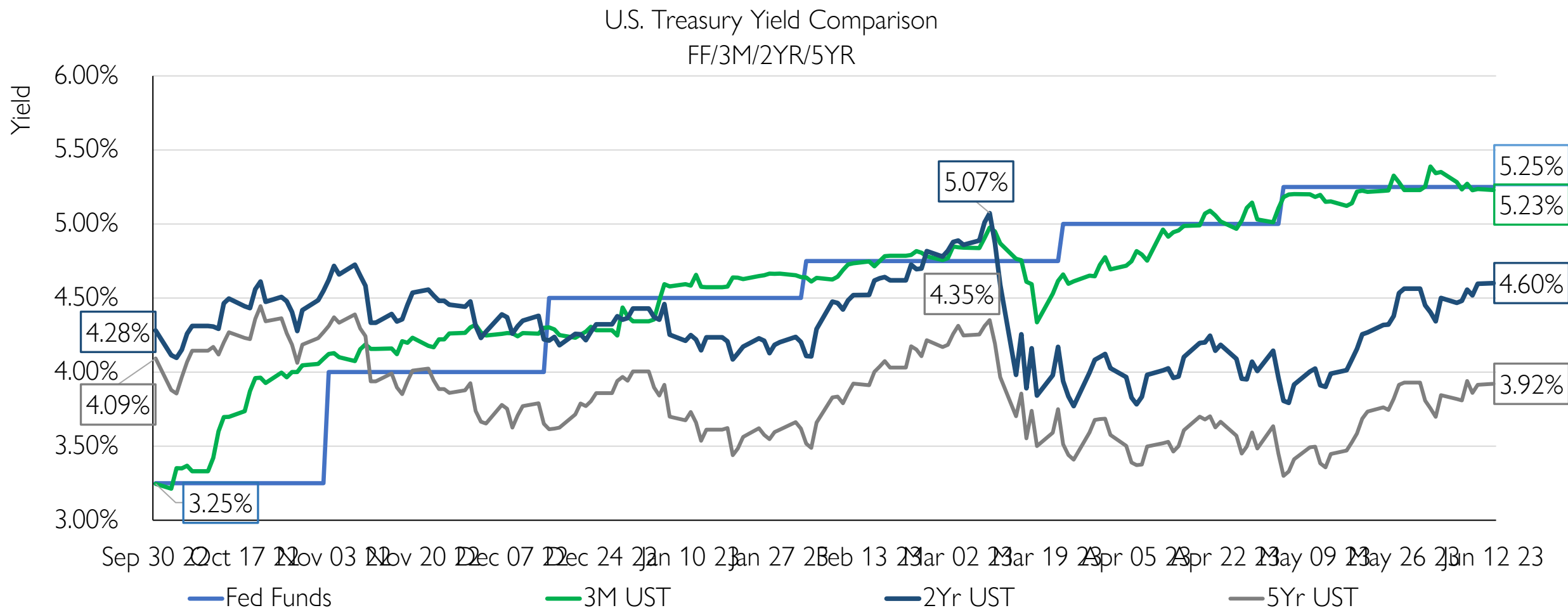
Longer Term Rates Lower Than Federal Funds Rate

- U.S. Treasuries with maturities longer than 3 Months and longer are yielding lower than the Federal Funds over night rate, although interest rates have rebounded following the banking crisis in early March. The Federal Funds rate is 2X the peak of December 2018.



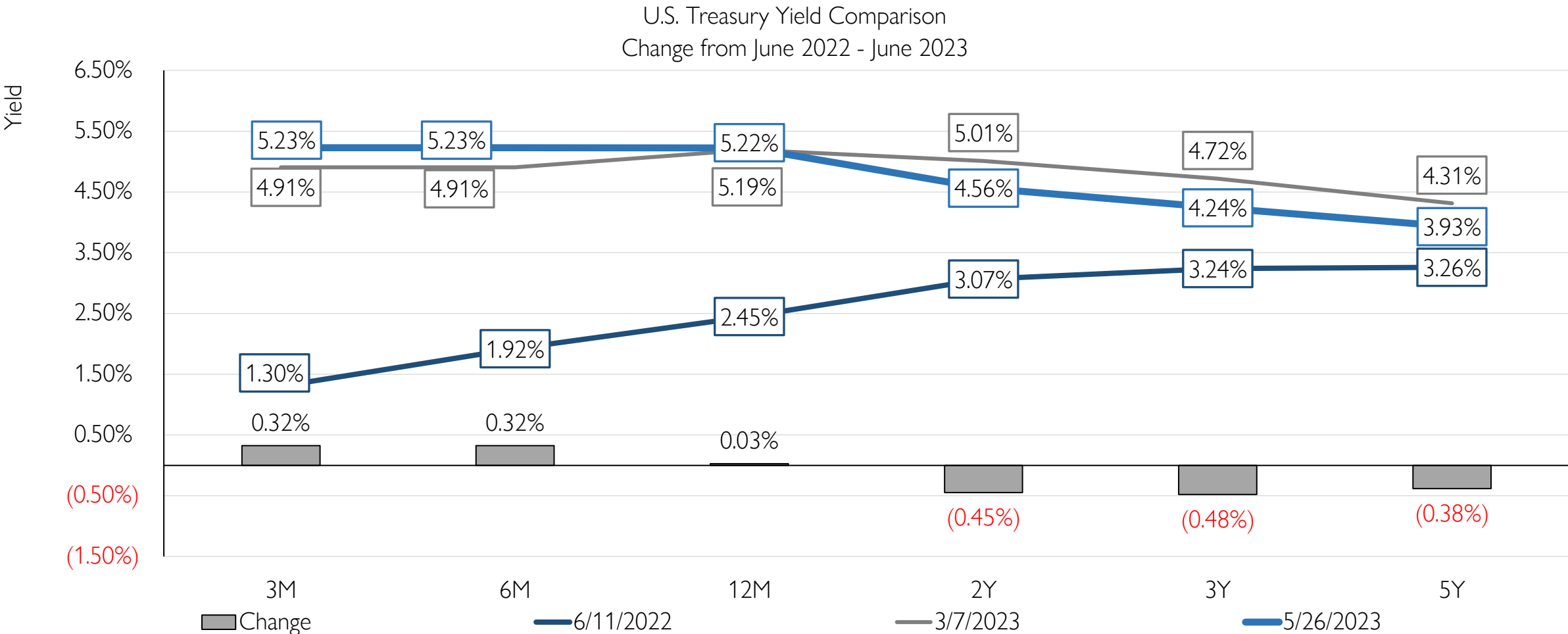
Significant Volatility in Fixed Income

- After falling from November through the end of January, persistent inflationary indicators sent yields higher in February. In March, the Silicon Valley and the fear of additional bank failures and widespread concern of the stability of the global banking system pushed rates lower as investors sought a safe haven, although rates have rebounded from March lows.



Banking System Concerns Result in Dramatic Rate Decline

- U.S. Treasury rates have plummeted in March as investors moved into U.S. Treasury bonds over banking system concerns and expectations of slower economic growth. Yields have rebounded from the initial lows following the SVB crisis.



Quarterly Investment Report for Period Ended March 31, 2023



Hernando County BOCC Aggregate
20 N Main Street
Brooksville, FL 34601

Public Trust Advisors
201 E. Pine Street, Suite 750
Orlando, Florida 32801

Hernando County BOCC Aggregate Summary as of March 31, 2023

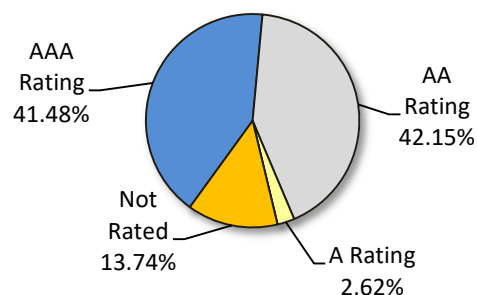
Hernando County BOCC Aggregate	March 31, 2023 Portfolio Balance
Historical Cost	\$ 487,851,178.83
Book Value	\$ 487,943,939.73
Accrued Interest	1,010,054.53
Book Value Plus Accrued	\$ 488,953,994.26
Net Unrealized Gain/Loss	(3,238,124.61)
Market Value Plus Accrued⁽¹⁾	\$ 485,715,869.65
Net Pending Transactions	968.06
Market Value Plus Accrued Net⁽¹⁾	\$ 485,716,837.71

Hernando County BOCC Aggregate	Earned Interest Income Fiscal Year to Date
Earned Interest Income	\$ 5,835,657.45

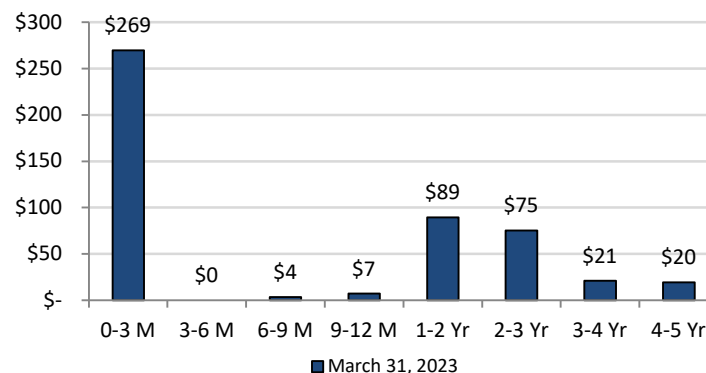
Portfolio Characteristic	March 31, 2023 Ending Balance
Book Yield Gross	3.63%
Market Yield Gross	4.29%
Duration	0.96 Years
Weighted Effective Maturity	1.01 Years
Weighted Final Maturity	1.01 Years

Hernando County BOCC Aggregate	Investment Policy Compliance
Security Distribution	YES
Maturity Distribution	YES
Rating Distribution	YES

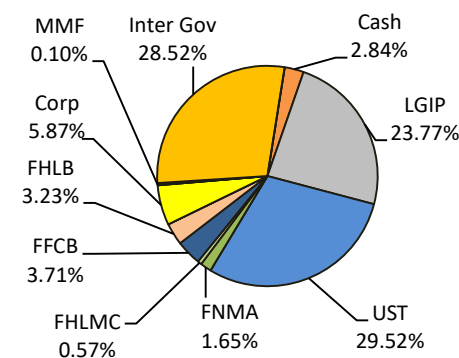
Portfolio Allocation By
Standard and Poor's Rating



Maturity Distribution Comparison



Ending Portfolio Allocation

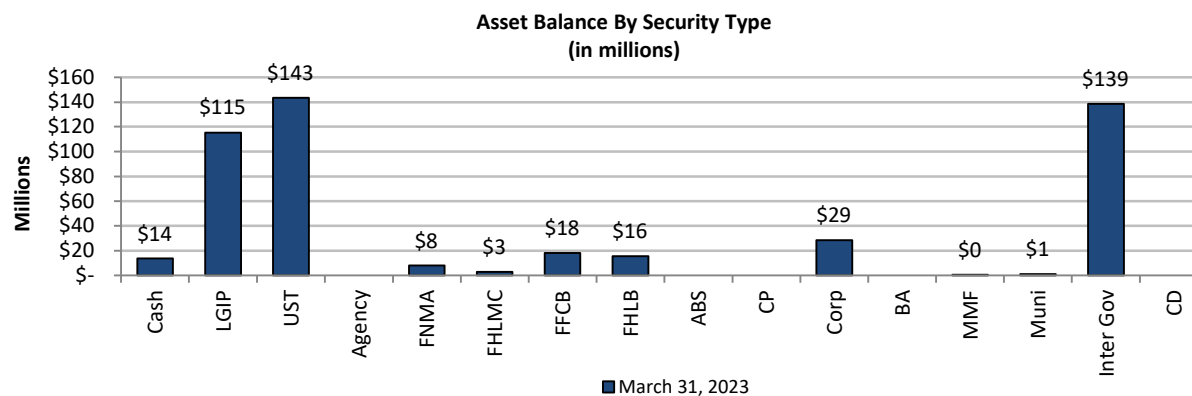


(1) Payables represent amounts due to settle security transactions that have been executed but have not settled as of period end. The funds used to settle these trades may come from a variety of sources including cash within the portfolio, proceeds from future security transactions including maturities and sales, or other sources including money market funds. For reporting purposes, a payable is created for over-period settlements which are reflected in the detailed holdings.

(2) Market Value Plus Accrued Net represents the market value of the portfolio net payables and receivables from transactions that settle in the following reporting period.

Hernando County BOCC Aggregate Market Value Basis Security Distribution as of March 31, 2023

Security Distribution	March 31, 2023 Portfolio Balance	Portfolio Allocation	Book Yield	Permitted by Policy*	Compliant
Cash	\$ 13,803,183.18	2.84%	0.00%	100.00%	YES
LGIP	115,432,594.78	23.77%	4.37%	50.00%	YES
U.S. Treasury Notes	143,362,488.94	29.52%	2.56%	80.00%	YES
U.S. Agency Notes	-	0.00%	0.00%	25.00%	YES
FNMA	8,030,312.70	1.65%	3.18%	40.00%	YES
FHLMC	2,778,214.44	0.57%	1.38%	40.00%	YES
FFCB	18,025,690.02	3.71%	3.45%	40.00%	YES
FHLB	15,670,853.20	3.23%	3.68%	40.00%	YES
Fed Instrumentality Subtotal	\$ 44,505,070.36	9.16%	3.35%	80.00%	YES
Asset Backed Securities	-	0.00%	0.00%	25.00%	YES
Commercial Paper	-	0.00%	0.00%	25.00%	YES
Corporate Notes	28,532,970.20	5.87%	2.43%	25.00%	YES
Bankers Acceptances	-	0.00%	0.00%	15.00%	YES
Money Market Funds	495,848.02	0.10%	4.67%	100.00%	YES
Municipal Bonds	1,080,867.96	0.22%	3.86%	20.00%	YES
FLCLASS	138,502,846.21	28.52%	4.82%	50.00%	YES
Certificates of Deposit	-	0.00%	0.00%	40.00%	YES
Total Portfolio Market Value	\$ 485,715,869.65	100.00%	3.63%		



*Permitted allocation based on aggregate assets as defined within the investment policy.

A Disciplined Approach to the Investment Program

Investment Strategy and Maturity Structure

- The County has a diversified investment program that is disciplined with regard to asset allocation and maturity structure.
- The 1-3 and 1-5 year portfolios are designed for assets identified as core/reserves.
- The portfolio are managed in accordance with the County's primary investment objectives of Safety, Liquidity and Yield.
- Each investment decision is made with consideration to the characteristics of entire portfolio, including asset allocation, maturity, and absolute and relative value compared to U.S. Treasury securities.
- Our approved issuer list for Corporate and Municipal investments are reviewed and approved by our independent credit research team.
- In addition to our semi-annual presentations to the Board of County Commissioners, we meet with the Clerk, Finance Director and Clerk Finance team for formal investment reviews on a quarterly basis.
- The County's investment program is compliant with the Investment Policy Statement as well as Florida State Statutes that govern the investment of public funds.

Additional Disclosure

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. Please review the contents of this statement carefully. Should you have any questions regarding the information presented, calculation methodology, investment portfolio or security detail, or any other facet of your statement, please feel free to contact us.

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Past performance is not an indication of future performance.

Beginning and Ending Balances based on Market Value plus Accrued Interest on a Trade Date basis.

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