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## INVESTMENT REPORT

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### Objectives

City investment objectives are in order; *safety, liquidity, and income*. The City's Investment policy stipulates the type of investments and maximum percentage of portfolio permissible for each type of investment.

Investments are diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank.

Investment decisions are made with judgment and care, which persons of prudence, discretion, and intelligence exercise. Investment maturity dates are based on cash-flow needs and prevailing market conditions.

### Overview

In order to meet City expenditures and stated investment objectives, the City uses multiple liquidity tiers to match expected timeframes to the use of funds. The first liquidity tier is the Truist bank checking account, which aims to maintain a balance equal to a few months of average monthly expenses.

The second tier is with the Local Government Investment Pool, Florida Short Term Asset Reserve Governmental Fund (FL STAR). FL STAR invests entirely in US Government Treasuries and Agency bonds with a weighted average maturity of 20 days. The City expects this investment to provide fast and reliable liquidity to replenish the first liquidity tier as is necessary.

The third liquidity tier is composed of the Local Government Investment Pool, Florida Cooperative Liquid Assets Securities System (FL CLASS) and the Local Government Surplus Funds Trust Fund (Florida PRIME), administered by the State Board of Administration (SBA) of Florida as established in the State of Florida's constitution.

FL CLASS and Florida PRIME have similar investment profiles. Each invests in a diversity of investments and has an average weighted maturity of 47 and 39 days, respectively. These investments primarily consist of US Treasuries, US Agency Bonds, Asset Backed Commercial Paper, CD's, and Money-Market Mutual funds.

All City investment pools are AAA rated, the highest principal stability fund rating assigned by Standard & Poor's (S&P) Global Ratings.

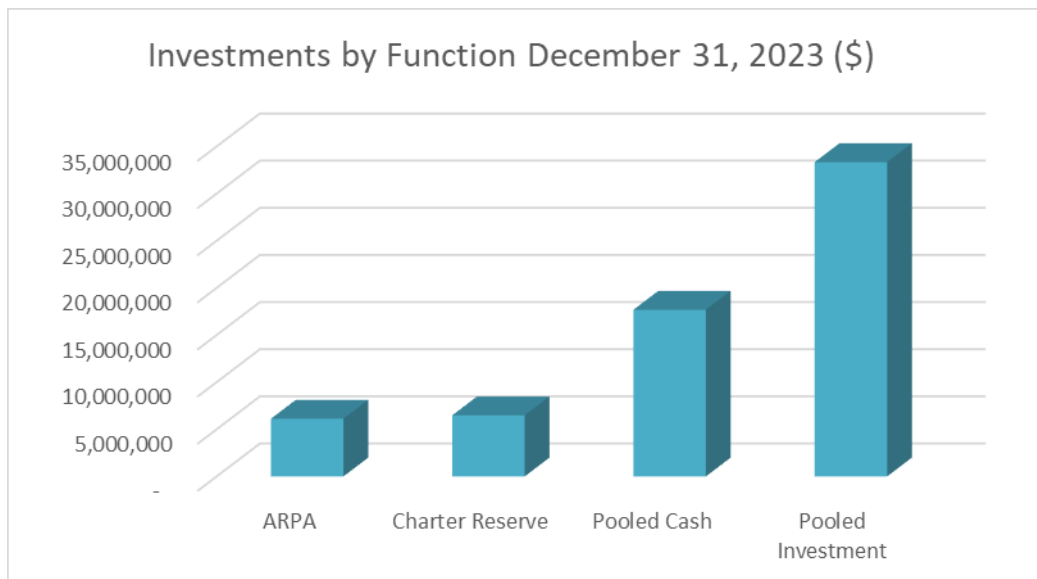
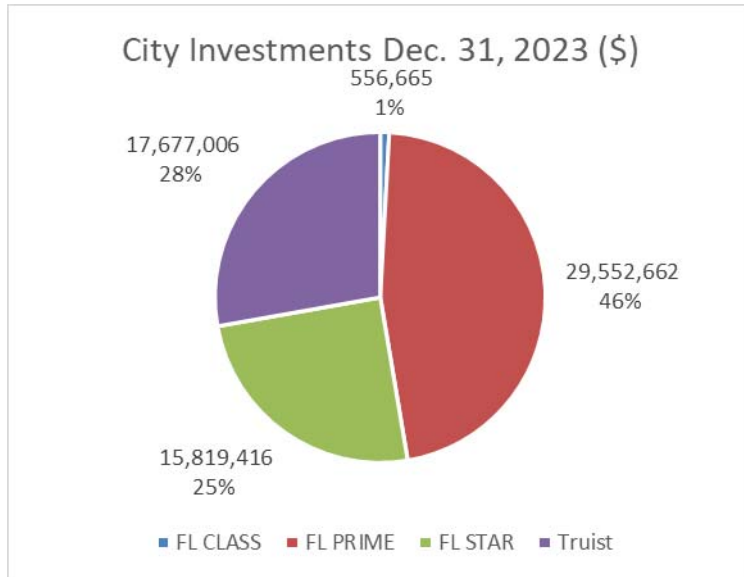
### Economic Updates

Unemployment rates have remained relatively low ending the quarter at just 3.7%. Additionally, the U.S. Consumer displayed consistent strength bolstering the economy despite higher inflation. Geopolitical tensions flared up in Israel, however the situation has somewhat stabilized.

Persistent CPI inflation trended in the right direction and was 3.7% annualized in October, 3.2% in November, and 3.1% in December. Housing and energy prices were the main drivers of inflation. The Stock market rallied on the positive economic data and there are high hopes to avoid a recession with a soft-landing scenario.

# Finance Department 1st Quarter Report | 2024

	Investment Type	Market Value	Book Value	Ending Yield	Benchmark Yield*	Earned Month End	Earned Quarter End
FL CLASS	LGIP	556,765	556,665	5.47%	5.14%	2,583	7,665
FL PRIME	LGSFTF	29,562,046	29,552,662	5.60%	5.40%	132,927	414,443
FL STAR	LGIP	15,819,700	15,819,416	5.37%	4.86%	71,866	211,926
Truist	Checking	17,677,006	17,677,006	0.75%	N/A	-	10,106
		<u>\$ 63,615,517</u>	<u>\$ 63,605,749</u>			<u>\$ 207,376</u>	<u>\$ 644,140</u>



**\* Benchmarks**

- FL CLASS    S&P US Treasury Bill 3-6 Month Index;
- FL PRIME    S&P AAA/AA Rated GIP All 30-Day Net Index;
- FL STAR    S&P 'AAAm' Money Fund Rated GIP Net 7 day Index/All.