



**Angelina "Angel" Colonnese**  
 Clerk of the Circuit Court & Comptroller  
 Manatee County

## Monthly Investment Report

### Economic Update March 31, 2023

- On Wednesday, March 22nd the Federal Reserve raised rates by another 25 basis points. Markets were unsure if the central bank would hike rates after the regional banking turmoil earlier in the month.
- The central bank remains committed to lowering inflation to their 2% target and indicated that further hikes may be necessary depending on how CPI and employment data arrive in the coming months.
- The federal funds rate, the rate at which banks can borrow and lend excess reserves to one another, now sits at ~4.82%, the highest level since before the financial crisis.
- Forecasts are shifting with recent commentary from the central bank on March 22nd. Although most economists expect some sort of recession in late 2023, it appears the consensus is for higher interest rates into Q3.
- The market is now pricing in a terminal rate of ~5%, a decline since February, as markets continue to wrestle with stubbornly high inflation and the regional banking issues in early March.
- However, the central bank itself does NOT see a cut in 2023 being likely and fully expect to keep rates "higher for longer", likely into 2024.
- At the beginning of the year, markets expected the rising rate cycle to be done by June. This is now

### Cash and Investment Balances

Core Investment	Balance	30 - Day Yield	Trailing 12-Month Return	Weighted Average Maturity to Reset (Days)
Cash – Bank of America*	\$ 30,223,691.20			
Florida Prime (SBA)	\$ 693,213,103.83	4.84%	2.86%	25
FLGIT - Short-Term Bond Fund	\$ 499.62	4.09%	-1.09%	697
FLGIT - Day to Day Fund	\$ 258,992,787.19	4.67%	2.62%	42
FL-FIT Cash Pool	\$ 502,522,825.65	4.80%	2.75%	15
LT Portfolio**	\$ 289,104,970.67	0.49%		350
	<b>Total</b>	<b>Weighted Average</b>	<b>Weighted Average</b>	<b>Weighted Average</b>
<b>TOTAL</b>	<b>\$ 1,774,057,878.16</b>	<b>4.08%</b>	<b>4.25%</b>	<b>79</b>

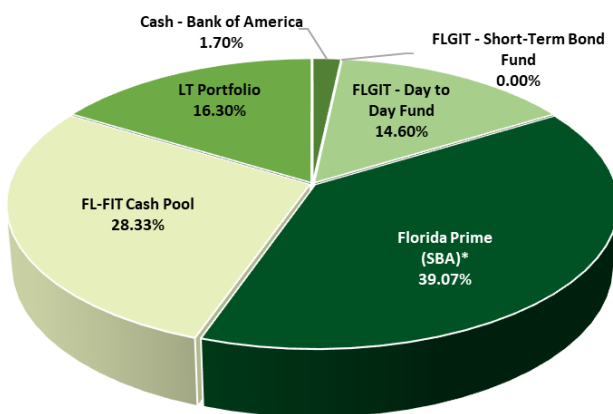
\*Cash balances (Bank of America) not included in the weighted average.

\*\*US Bank account is listed as LT Portfolio. The average yield is stated per bank statement instead of 30-Day Yield and Trailing 12-Month Average rate is not included/used in the Weighted Average calculation.

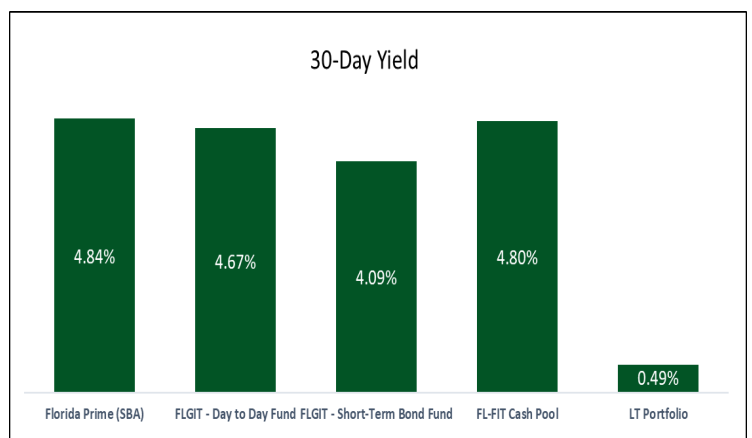
Note: Data in Gray for "30 - Day Yield, Trailing 12 - Month Return, and Weighted Average Maturity to Reset (Days)" is from February 2023 as March 2023 is not yet available.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Pools may be lower or higher than the performance quoted.

### Portfolio Allocations



### Portfolio Yield



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