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Monthly Investment Report

Economic Update November 30, 2023

- The market is now contending with higher long-term interest rates. But what level is appropriate? Yields on US treasury notes are showing considerable volatility, despite being significantly higher than they were mid-year (dotted green line).
- Longer-term rates not only reflect current economics but need to factor in additional uncertainty surrounding geopolitical events, inflation, employment and consumer spending, and even concerns that the US government will continue to borrow money, thereby adding to an already large fiscal deficit.
- However, in recent weeks markets have pulled down long-term rates in anticipation of rate cuts in 2024 (see next slide). The Federal Reserve remains committed to keeping rates “higher for longer”, which remains at odds with the prevailing consensus from market participants.
- The forward path for rates is primarily driven by expectations for future economic growth. Markets expect a slowdown (but not a recession necessarily), whereas central bankers see more of a “status quo” type situation.
- As recently as September, markets saw a 50/50 chance for another 25 basis point rate hike before year-end. However, the sharp rise in long-term interest rates caused concern amongst market participants, which then pushed the projections for short-term rates lower. Higher long-term rates are seen as a significant impediment to economic growth, as they affect everything from credit cards to mortgage rates.
- As of early December, markets no longer see a rate hike in 2023, and now anticipate the need for cuts beginning in March 2024 (moved up from mid-year). In other words, higher long-term interest rates have a substantial effect on the economy, possibly even more so than their short-term counterparts.
- Economists estimate that the U.S. economy needs to add 100,000 new jobs per month to maintain employment levels. In effect, we are creating more jobs than we fan fill with our existing population…
- From the US Bureau of Labor Statistics: Total nonfarm payroll employment increased by 150,000 in October. Both the unemployment rate, at 3.9 percent, and the number of unemployed persons, at 6.5 million, changed little in October. However, since their recent lows in April, these measures are up by 0.5 percentage point and 849,000, respectively.

Cash and Investment Balances

Core Investment	Balance	30 - Day Yield	Trailing 12-Month Return	Weighted Average Maturity to Reset (Days)
Cash – Bank of America*	$ 10,548,649.47	2.59%		1
Florida Prime (SBA)	$ 448,265,086.24	5.64%	5.08%	44
FLGIT - Short-Term Bond Fund	$ 512.65	4.93%	4.46%	657
FLGIT - Day to Day Fund	$ 268,136,972.09	5.48%	5.04%	29
FL-FIT Cash Pool	$ 520,656,351.97	5.57%	5.05%	58
FL-FIT Cash Pool - Utilities Revenue Improvement Bonds, Series 2023	$ 4,376.39	5.57%	5.05%	58
FL-FIT Choice - Utilities Revenue Improvement Bonds, Series 2023**	$ 29,319,447.34	5.73%		123
DBIA LT Managed Portfolio**	$ 321,659,961.25	5.25%		319
DBIA CP Ladder Managed Portfolio**	$ 153,047,040.58	5.38%		97
	Total	Weighted Average	Weighted Average	Weighted Average
TOTAL	**$ 1,751,638,397.98**	**5.48%**	**5.06%**	**103**

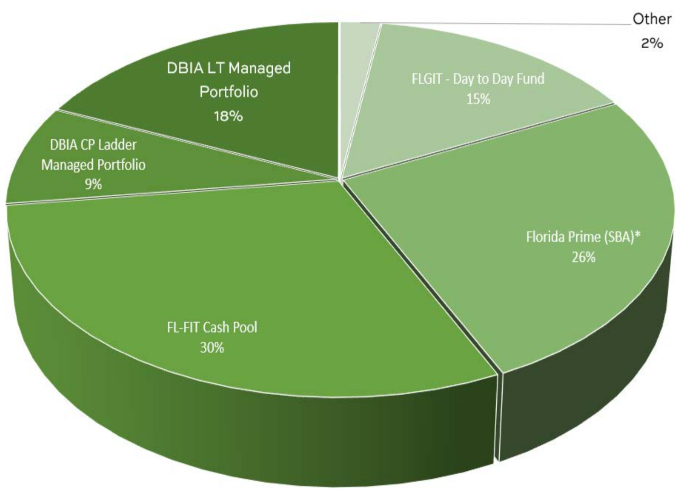
*Cash balances (Bank of America) not included in the Trailing 12-Month Return and Weighted Average Maturity to Reset (Days) weighted average.

**US Bank account ending in 010 is listed as DBIA LT Managed Portfolio (Inception Date: 3/21/2023). US Bank account ending in 000 is listed as DBIA CP Ladder Managed Portfolio (Inception Date: 8/10/2023). The balances listed are the account Book Value and the Trailing 12-Month Return rate is not included/used in the weighted average calculation for DBIA Managed Portfolios, and FL-FIT Choice.

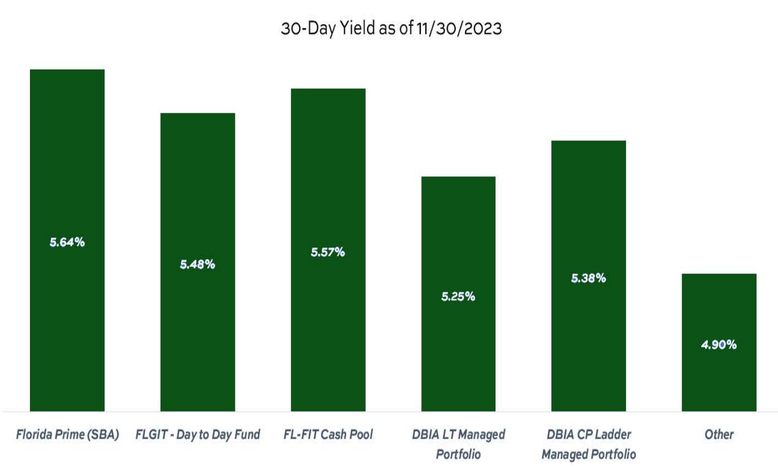
Note: Trailing 12-Month Return rate is not included/used in the weighted average calculation for DBIA LT Managed Portfolio and US Bank. Data in Gray for “Weighted Average Maturity to Reset (Days)" is from October 2023 as November 2023 is not yet available.

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



Other: Cash - Bank of America, FL-FIT Cash Pool - Utilities Revenue Improvement Bonds Series 2023, FL-FIT Choice - Utilities Revenue Improvement Bonds Series 2023, and FLGIT - Short-Term Bond Fund.