



Monthly Investment Report

Economic Update May 31, 2024

- When will the Fed begin cutting rates, and by how much? Is inflation headed back to the target level of 2%, or is there some work still to be done? These are the two major questions to be answered in 2024. As of early June, it appears inflation has continued to flatline as economic growth provides mixed signals.
- Longer-term rates not only reflect current economics but need to factor in additional uncertainty surrounding geopolitical events, inflation, employment, consumer spending, and concerns that the US government will continue to borrow money, thereby adding to an already large fiscal deficit.
- Since the start of the year, interest rates have risen, primarily driven by positive economic data and expectations of delayed rate cuts. The Fed acknowledges the next move is unlikely to be a rate hike, but remains committed to its data dependency, aka "wait and see". Market expectations have adjusted accordingly.
- On May 1st, 2024, Federal Reserve policymakers opted to keep rates unchanged, maintaining the target rate at 5.25%-5.50%. Fed Chair Jerome Powell noted a "lack of further progress" on inflation. Despite recent market speculation, Powell emphasized that a rate hike remains unlikely, despite ongoing robust economic indicators.
- A growing number of Fed officials have begun signaling the possibility of maintaining higher interest rates for an extended period, with expectations of a longer-run policy rate potentially reaching 3%.
- Market sentiment has experienced a significant shift in rate cut expectations. In January, investors were pricing in over five 25-basis point cuts. However, current market consensus suggests only one rate cut by December, marking a notable departure from the initial expectation of five cuts at the year's outset.
- Initial jobless claims continue to remain very low, coming in at 219k for the week ending May 25th, up just 3k from the prior weeks revised level of 216k. Initial jobless claims have remained low for quite some time now, not exceeding ~260k since early 2022.
- Although continuing unemployment claims rose off of historically low levels from late 2022 through the first half of 2023, they have since leveled off for almost a year now. Continuing claims for the week ending May 18th came in at 1,791k, increasing 4k from the prior week's revised level.

Cash and Investment Balances

Core Investment	Balance	30 - Day Yield	Trailing 12-Month Return	Weighted Average Maturity to Reset (Days)
Cash – Bank of America*	\$ 10,684,190.87	2.59%	N/A	1
Florida Prime (SBA)	\$ 588,195,134.21	5.48%	5.42%	45
FLGIT - Short-Term Bond Fund	\$ 525.11	4.69%	4.83%	684
FLGIT - Day to Day Fund	\$ 275,564,460.51	5.44%	5.53%	22
FL-FIT Cash Pool	\$ 535,191,971.46	5.45%	5.46%	65
FL-FIT Cash Pool - Utilities Revenue Improvement Bonds, Series 2023	\$ 30,156,771.36	5.45%	5.46%	65
DBIA LT Managed Portfolio**	\$ 325,673,448.56	5.31%	N/A	381
DBIA CP Ladder Managed Portfolio**	\$ 408,968,391.93	5.17%	N/A	236
	Total	Weighted Average	Weighted Average	Weighted Average
	TOTAL \$ 2,174,434,894.01	5.37%	5.46%	134

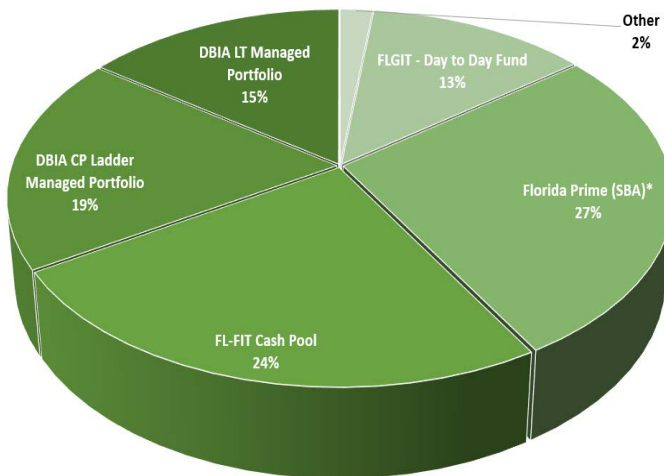
*Cash balances (Bank of America) not included in the Trailing 12-Month Return and Weighted Average Maturity to Reset (Days) weighted average.

**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.

Trailing 12-Month Return rate is not included/used in the weighted average calculation for DBIA LT Managed Portfolio and US Bank.

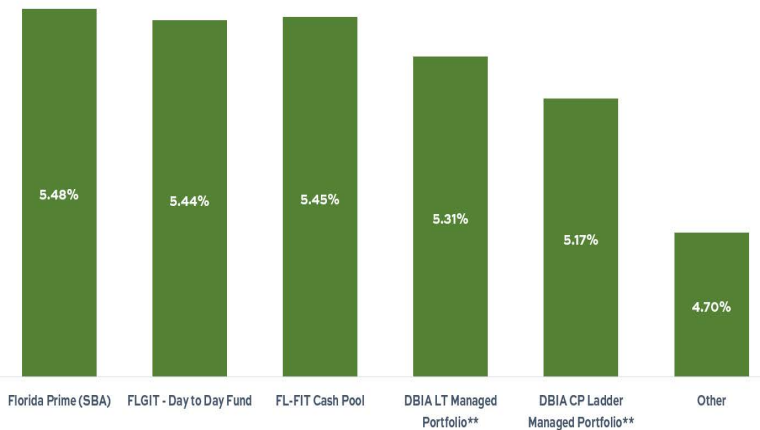
The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Pools may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

Portfolio Allocations



Portfolio Yield

30-Day Yield as of 5/31/2024



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

The Monthly Investment Report is for informational purposes only. This report is prepared by Deep Blue Investment Advisors ("Deep Blue"). Deep Blue makes no representation or warranty, expressed or implied, regarding the accuracy or completeness of the information contained herein. The report is not meant as a solicitation of any investment offered by Deep Blue or its affiliates. To the extent permitted by applicable law, no member of the Deep Blue Team and/or Florida Fixed Income Trust or any officer, employee, or associate accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents, including for negligence. The views expressed within this report constitute Deep Blue's perspective at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, and economic trends are based upon current opinion as of the date of issue and are also subject to change. LGIP investments are not available for sale to the general public and only to certain qualified entities.