



FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

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MEMORANDUM

DATE: January 24, 2025

TO: Stephen Farmer
Deputy Chief Financial Officer

FROM: Evan Zacharia, Investment Finance Coordinator
Finance and Administrative Services Department

RE: Portfolio and Economic Summary – December 31, 2024

A handwritten signature in blue ink that reads "Evan Zacharia".

Digitally signed by Evan
Zacharia
Date: 2025.01.24
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As of December 31, 2024, the Broward County Investment Portfolio had a par value of \$7.409 billion and a Yield to Maturity of 3.77%. In comparison, the Bank of America Merrill Lynch 1-3 Year U.S. Treasury & Agency Index benchmark of 4.25% exceeded the yield on County's Portfolio by 48 basis points. The yield on the County's Portfolio has increased by 190 basis points over the last two years since December 31, 2022, and will continue to rise as upcoming maturities are reinvested at higher yields.

The Federal Open Markets Committee (FOMC) lowered the Fed Funds Rate in 25 basis point increments over two separate meetings on November 7th and December 18th, 2024. After these cuts, the Fed Funds Rate is now at 4.50%. Fed Chair Jerome Powell stated that the Committee "can be more cautious as we consider further adjustments to our rate policy" following Decembers' meeting. He went on to say that while the Fed is still "on track to continue to cut", officials would have to see more progress on inflation before making additional rate cuts. After keeping interest rates steady for a year, the Fed has cut rates by a total of 100 basis points over their last three meetings of 2024.

Inflation matched economist expectations in the U.S. in December, according to the government's Consumer Price Index (CPI) report. The CPI rose for a sixth consecutive month by 0.4% in December and rose 2.9% on a year-over-year basis. Core CPI – which excludes more volatile food and energy costs – grew 0.2% in December and grew 3.2% on a year-over-year basis. The Fed's preferred price gauge, the Personal Consumption Expenditure (PCE), grew at a slower pace than economists expected. PCE grew by 0.1% in November versus expectations of 0.2%, and on a year-over-year basis grew only 2.4% compared to the 2.5% projection.

Furthermore, according to Labor Department data from the December jobs report, 256k jobs were added in December, the most jobs added since March 2024, and exceeding economist expectations of 165k. Powell claims that the labor market remains "solid" as an average of 173k jobs have been added over the past three months. The unemployment rate fell back to 4.1% from 4.2% in November but remains low by historical standards. Average hourly earnings in December matched economists' projections on a month-over-month basis as it grew by 0.3%, while earnings on a year-over-year basis grew by 3.9%. Even though inflation remains above the Fed's 2% target, many Fed officials agree that there is little reason to consider cutting rates anytime soon based on the encouraging labor market data and continued growth in US consumer prices.

Please see the attached pages showcasing portfolio detail and key economic data as of the end of the period.



Broward County
Portfolio Management
Portfolio Summary
December 31, 2024

BROWARD COUNTY
115 S. ANDREWS AVE A430
FT LAUDERDALE, FL 33301

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	360 Equiv. YTM	365 Equiv. YTM
Money Market Accounts	143,088,173.50	143,088,173.50	143,088,173.50	1.95	1	1	4.514	4.576
Bank Account	556,803,149.91	556,803,149.91	556,803,149.91	7.61	1	1	4.142	4.200
Commercial Paper Discount	25,000,000.00	24,787,150.00	24,787,027.77	0.34	89	68	4.561	4.624
Federal Agency Coupon Securities	843,000,000.00	838,880,329.49	842,585,432.99	11.51	1,237	544	3.631	3.682
Federal Agency Coupon - Callable	1,503,375,000.00	1,475,589,585.80	1,503,373,542.02	20.54	1,568	588	2.111	2.141
Treasury Coupon Securities	3,631,900,000.00	3,539,457,628.31	3,549,060,865.61	48.48	923	642	4.187	4.245
Treasury Bills	536,636,000.00	531,447,993.55	531,217,436.61	7.26	162	85	4.514	4.577
World Bank Coupon Securities	145,000,000.00	141,616,260.75	144,262,565.65	1.97	1,735	961	3.485	3.533
Israel Bonds	25,000,000.00	24,864,733.10	25,000,000.00	0.34	801	371	5.159	5.231
Investments	7,409,802,323.41	7,276,535,004.41	7,320,178,194.06	100.00%	961	521	3.714	3.766

Cash and Accrued Interest		4,430,367.76	4,430,367.76					
Accrued Interest at Purchase			4,430,367.76					
Subtotal			4,430,367.76					
Total Cash and Investments	7,409,802,323.41	7,280,965,372.17	7,324,608,561.82		961	521	3.714	3.766

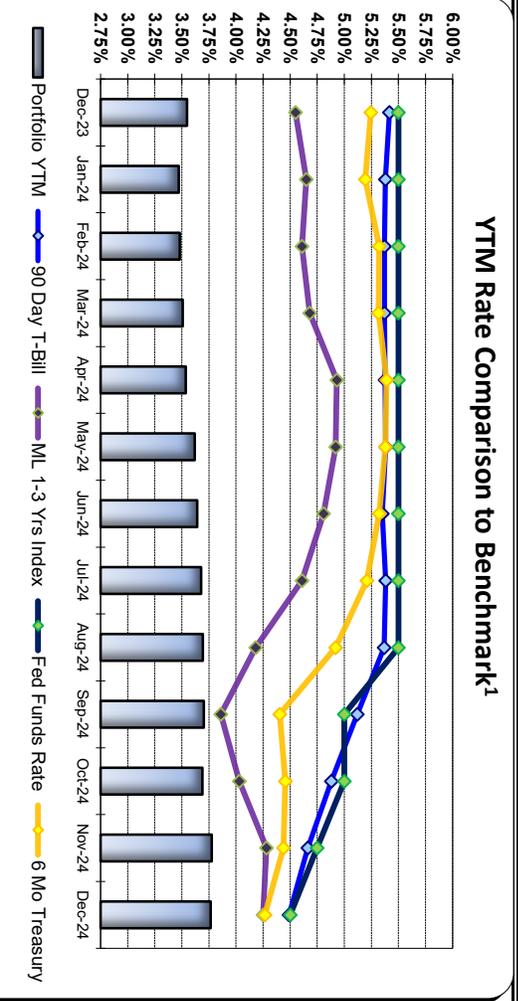
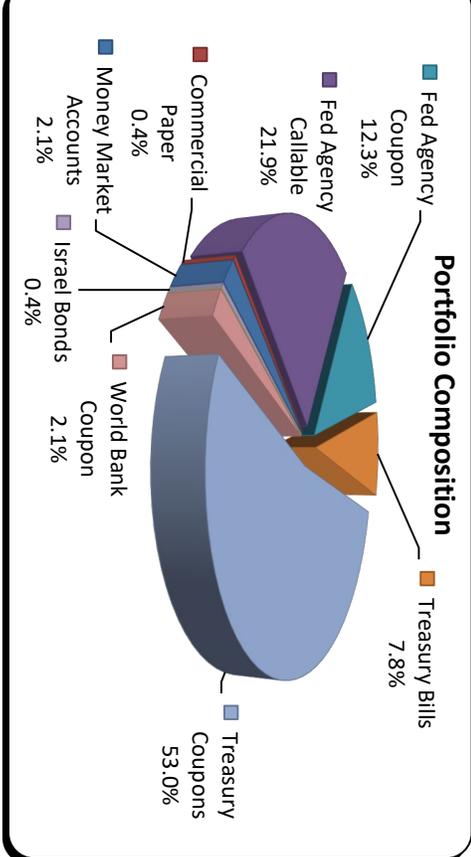
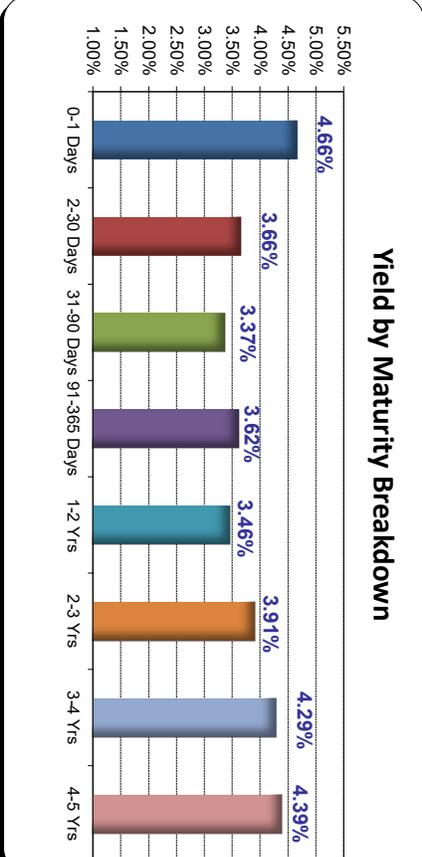
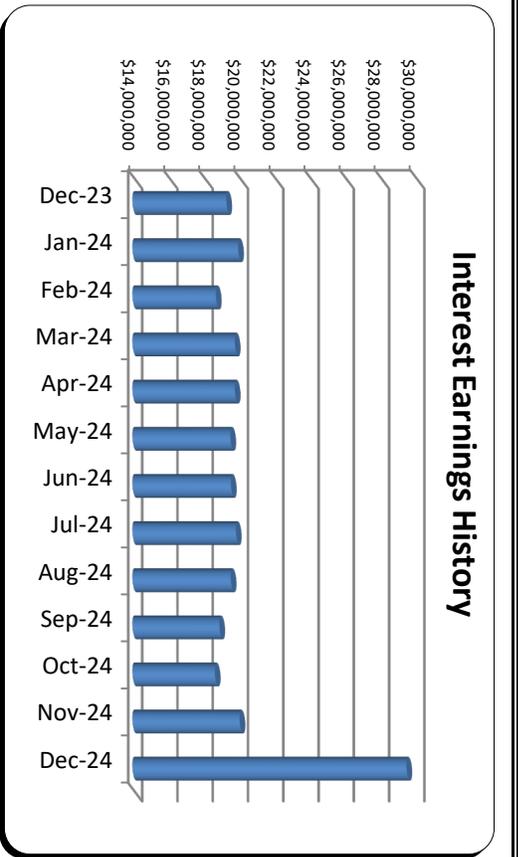
	December 31 Month Ending	Fiscal Year To Date
Total Earnings	29,542,453.40	69,176,705.33
Current Year	29,542,453.40	69,176,705.33
Average Daily Balance	8,834,182,538.37	7,127,181,043.42
Effective Rate of Return	3.94%	3.85%

Diversification by Investment per Investment Policy:
 US Treasuries/Agencies - 100% Maximum
 Commercial Paper - 25% Maximum
 World Bank Securities - 15% Maximum

George Tablack, CPA, Chief Financial Officer

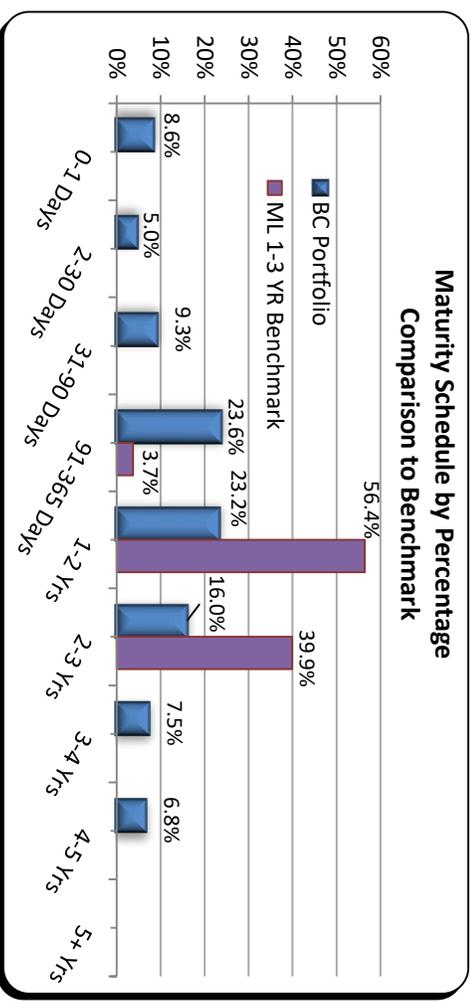
Reporting period 12/01/2024-12/31/2024

Quarterly Portfolio Analysis - December 31, 2024



Key Economic Data:

	Dec-24	Dec-23	% change
Fed Funds Rate	4.50%	5.50%	-18.2%
Rolling 90 Day T-Bill-AVG	4.31%	5.39%	-20.0%
Prime Rate	7.50%	8.50%	-11.8%
DJIA	42,544	37,690	12.9%
Crude Oil	71.72	71.65	0.1%
Gold (\$/oz)	2,625	2,063	27.2%
10 Year Treasury Note	4.57%	3.88%	17.8%
Total Portfolio Yield	3.77%	3.55%	6.1%
ML 1-3 Yr Yield	4.25%	4.55%	-6.6%



¹Investment Policy determined benchmark is ML 1 to 3 Yrs Index.