



## Ocala Investment Committee Agenda - Final Tuesday, November 5, 2024

### Meeting Information

*Location*

CSO Conference Room  
201 SE 3rd St  
Ocala, FL 34471

*Time*

9:00 AM

Jay A. Musleh  
City Councilman

Peter Lee  
City Manager

Janice Mitchell  
Chief Financial Officer

Tammi Haslam  
Director of Budget  
Budget Department

Marcella Hughes  
Accounting Manager  
Finance Department

Peter Brill  
Assistant Director of Finance and  
Customer Service  
Finance Department

### WELCOME!

We are very glad you have joined us for today's meeting. If reasonable accommodations are needed for you to participate in this meeting, please call (352) 629-8229, 48 hours in advance so arrangements can be made.

### APPEALS

Any person who decides to appeal any decision of the Ocala City Council with respect to any matter considered at this meeting will need a record of the proceeding, and for such purpose, may need to ensure that a verbatim record of the proceeding is made.

1. **Call To Order**
2. **Introduction**
3. **Minutes Approval**
  - [Minutes Approval](#)
4. **Reports**
  - [PFM Asset Management](#)
  - [Sawgrass Asset Management](#)
  - [Seix Investment Advisors](#)
  - [CapTrust Asset Management](#)
5. **Overview - Internal Investment Report**
  - [Internal Investment Report](#)
6. **Other Matters**
7. **Adjournment**



# Ocala

## Legislation Text

110 SE Watula Avenue  
Ocala, FL 34471

[www.ocalafl.gov](http://www.ocalafl.gov)

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**File #:** 2025-0042

**Agenda Item #:**

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Submitted By: Karen Czechowicz

Department: Finance

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**STAFF RECOMMENDATION (Motion Ready):**  
Minutes Approval

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# Ocala Investment Committee Minutes

Tuesday, August 6, 2024

## Regular Meeting

110 SE Watula Avenue  
 Ocala, FL 34471  
 www.ocalafl.org

Emory Roberts

### 1. Call to Order

| Attendee Name   | Title  | Status  | Arrived |
|-----------------|--|---------|---------|
| Tammi Haslam    | Budget Director                                    | Present |         |
| Jay A. Musleh   | City Council Member                                | Present |         |
| Peter Brill     | Assistant Director of Finance and Customer Service | Present |         |
| Emory Roberts   | Director of Finance                                | Absent  |         |
| Marcella Hughes | Accounting Manager                                 | Present |         |
| Peter Lee       | City Manager                                       | Present |         |

Others present: David Siegel of Sawgrass was present virtually, Scott Sweeten of PFM, Kim Maichele of Seix, Mike Valone with CapTrust, Janice Mitchell CFO of the City of Ocala, Anthony Webber Fiscal Operations Supervisor of the City of Ocala, Jessica Brown Senior Accountant of the City of Ocala, and Karen Czechowicz Administrative Coordinator of the City of Ocala.

### 2. Introduction

1. Peter Brill

### 3. Minutes Approval

- a. Minutes Approval

|                  |                             |
|------------------|-----------------------------|
| <b>RESULT:</b>   | <b>ACCEPTED [UNANIMOUS]</b> |
| <b>MOVER:</b>    | Pete Lee                    |
| <b>SECONDER:</b> | Tammi Haslam                |
| <b>AYES:</b>     | Musleh, Brill, Hughes       |

### 4. Reports

- a. **Seix Investment Advisors;** Kim Maichele

#### 1. Accepted Seix Investment Advisors

Kim Maichele of Seix Investment Advisors discussed the treasury yield curves. Treasury rates increased over the second quarter with the 1–30-year area of the curve up 10-22 bps. The 2–10-year Treasury curve remains inverted by -36 bps. The Bloomberg Aggregate yield-to-worst ended in the second quarter, at 5% up from the first quarter at 4.85%, and up 4.53% compared to the fourth quarter last year. Corporate credit spreads remain tight for the second quarter.

The median Fed target rate for the end of 2024 is 5.125%, and the FOMC expectation is for one cut in 2024. Expectations for rate cuts were reduced by half to three and revised market pricing concurred with the Fed’s guidance. She provided a brief overview of the City’s portfolio. The portfolio generated a positive return for the quarter and underweight in corporate allocation at this time.

Any questions?

Jay Musleh asked about rate cuts. Ms. Maichele responded they are predicting a 50 bps decline.

Mike Valone requested more information about the 10 year. Ms. Maichele clarified the 10 year data. She anticipates rates will decrease, due to inflation.

**RESULT:**            **ACCEPTED [UNANIMOUS]**  
**MOVER:**            Jay Musleh  
**SECONDER:**        Tammi Haslam  
**AYES:**              Brill, Hughes, Lee

**b. PFM Asset Management; Scott Sweeten**

**1. Accepted PFM Asset Management**

Scott Sweeten with PFM Asset Management discussed the sector allocation and max maturity analytics. The portfolio is in compliance for the quarter, with a healthy buffer. The total market value of the portfolio is \$50,315,036.83, and the credit quality is AA. The earned interest is \$515,065, which has increased over the quarters. The total dollar return is \$501,807, and the benchmark was a positive 94 bps.

Any questions?

There were no questions from the Committee Members.

**RESULT:**            **ACCEPTED [UNANIMOUS]**  
**MOVER:**            Pete Lee  
**SECONDER:**        Jay Musleh  
**AYES:**              Haslam, Brill, Hughes

**c. Sawgrass Asset Management; David Siegel**

**1. Accepted Sawgrass Asset Management**

David Siegel of Sawgrass Asset Management discussed the portfolios performance. For the quarter, the portfolio shows positive returns and underweight in corporate bonds. The goal is to increase credit risk as spreads widen, with a focus on high-quality. He provided a brief overview of current attributes/sectors and sensitivity analysis. To note, the portfolio is in compliance for the quarter.

Any questions?

There were no questions from the Committee Members.

|                  |                             |
|------------------|-----------------------------|
| <b>RESULT:</b>   | <b>ACCEPTED [UNANIMOUS]</b> |
| <b>MOVER:</b>    | Tammi Haslam                |
| <b>SECONDER:</b> | Jay Musleh                  |
| <b>AYES:</b>     | Brill, Hughes, Lee          |

**d. CapTrust Asset Management; Mike Valone**

**1. Accepted CapTrust Asset Management**

Mike Valone with CapTrust Asset Management provided a brief overview of the market values and cash flow summary. The beginning market value is \$168,450,959 and the ending market value is \$169,849,629. The investment fee for the second quarter of 2024 is \$42,122. Investment allocations (\$323,570,757): internal accounts 46.13% and fixed income 53.87%. The City’s portfolio had a positive return of 81 bps.

Any questions?

There were no questions from the Committee Members.

|                  |                             |
|------------------|-----------------------------|
| <b>RESULT:</b>   | <b>ACCEPTED [UNANIMOUS]</b> |
| <b>MOVER:</b>    | Jay Musleh                  |
| <b>SECONDER:</b> | Pete Lee                    |
| <b>AYES:</b>     | Haslam, Brill, Hughes       |

**5. Overview - Internal Investment Report**

**1. Internal Investment Report; Peter Brill**

Peter Brill reported on the City’s investments. At this time, the City will not be borrowing cash from the investment managers. Furthermore, the City is paying debts and pension pre-payments with liquid cash.

**6. Other Matters**

Peter Brill confirmed February 2025 is the matured date with Jay Musleh.

Kim Maichele and Scott Sweeten clarified weak sectors of the market with Jay Musleh.

**7. Adjournment**



# Ocala

## Legislation Text

110 SE Watula Avenue  
Ocala, FL 34471

[www.ocalafl.gov](http://www.ocalafl.gov)

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**File #:** 2025-0038

**Agenda Item #:**

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Submitted By: Karen Czechowicz

Department: Finance

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**STAFF RECOMMENDATION (Motion Ready):**  
PFM Asset Management

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# Ocala

## Legislation Text

110 SE Watula Avenue  
Ocala, FL 34471

[www.ocalafl.gov](http://www.ocalafl.gov)

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**File #:** 2025-0039

**Agenda Item #:**

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Submitted By: Karen Czechowicz

Department: Finance

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**STAFF RECOMMENDATION (Motion Ready):**  
Sawgrass Asset Management

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## Investment Review

*November 5th, 2024*

# City of Ocala Treasury Reserve Fund

5000 Sawgrass Village Circle, Suite 32  
Ponte Vedra Beach, FL 32082  
[www.saw-grass.com](http://www.saw-grass.com)

# Portfolio Summary

## Portfolio Market Values

### Quarter

|                                    |              |
|------------------------------------|--------------|
| Beginning Market Value on 7/1/2024 | \$69,035,704 |
| Net Cash Flows                     | \$0          |
| Investment Gain/Loss               | \$2,249,081  |
| Ending Market Value on 09/30/2024  | \$71,284,785 |

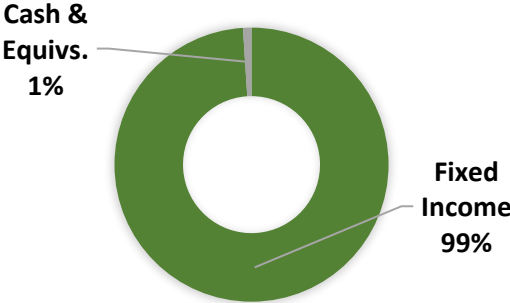
### 1 Year

|                                     |              |
|-------------------------------------|--------------|
| Beginning Market Value on 10/1/2023 | \$66,141,067 |
| Net Cash Flows                      | \$0          |
| Investment Gain/Loss                | \$5,143,718  |
| Ending Market Value on 09/30/2024   | \$71,284,785 |

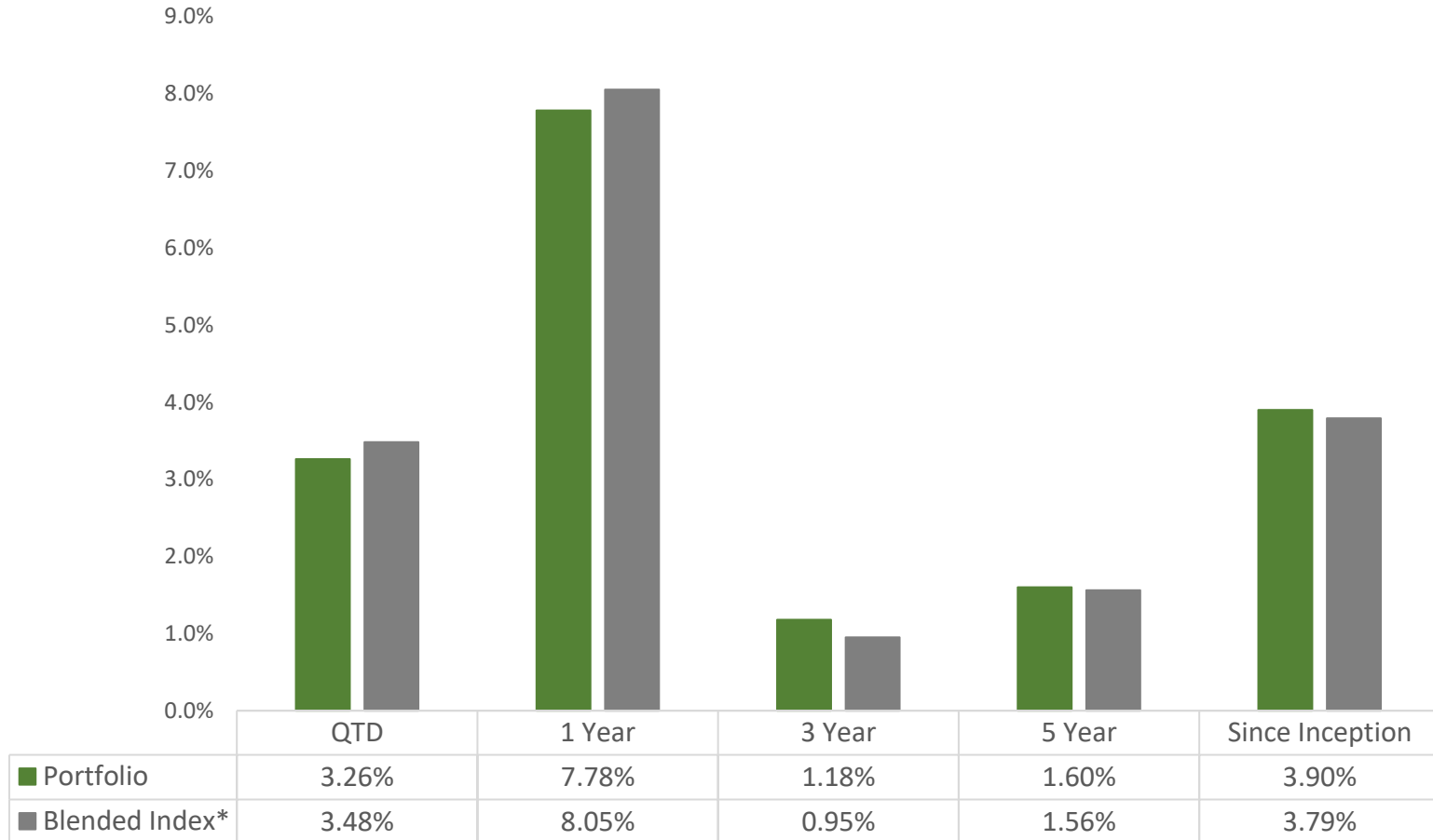
## Portfolio Summary

| Asset Class    | Market Value        | Percent of Assets |
|----------------|---------------------|-------------------|
| Fixed Income   | \$70,908,219        | 99%               |
| Cash & Equivs. | \$376,566           | 1%                |
| <b>TOTAL</b>   | <b>\$71,284,785</b> | <b>100.0%</b>     |

## Asset Allocation



**TOTAL RETURNS GROSS FOR SELECT PERIODS**  
City of Ocala Treasury Reserve Fund

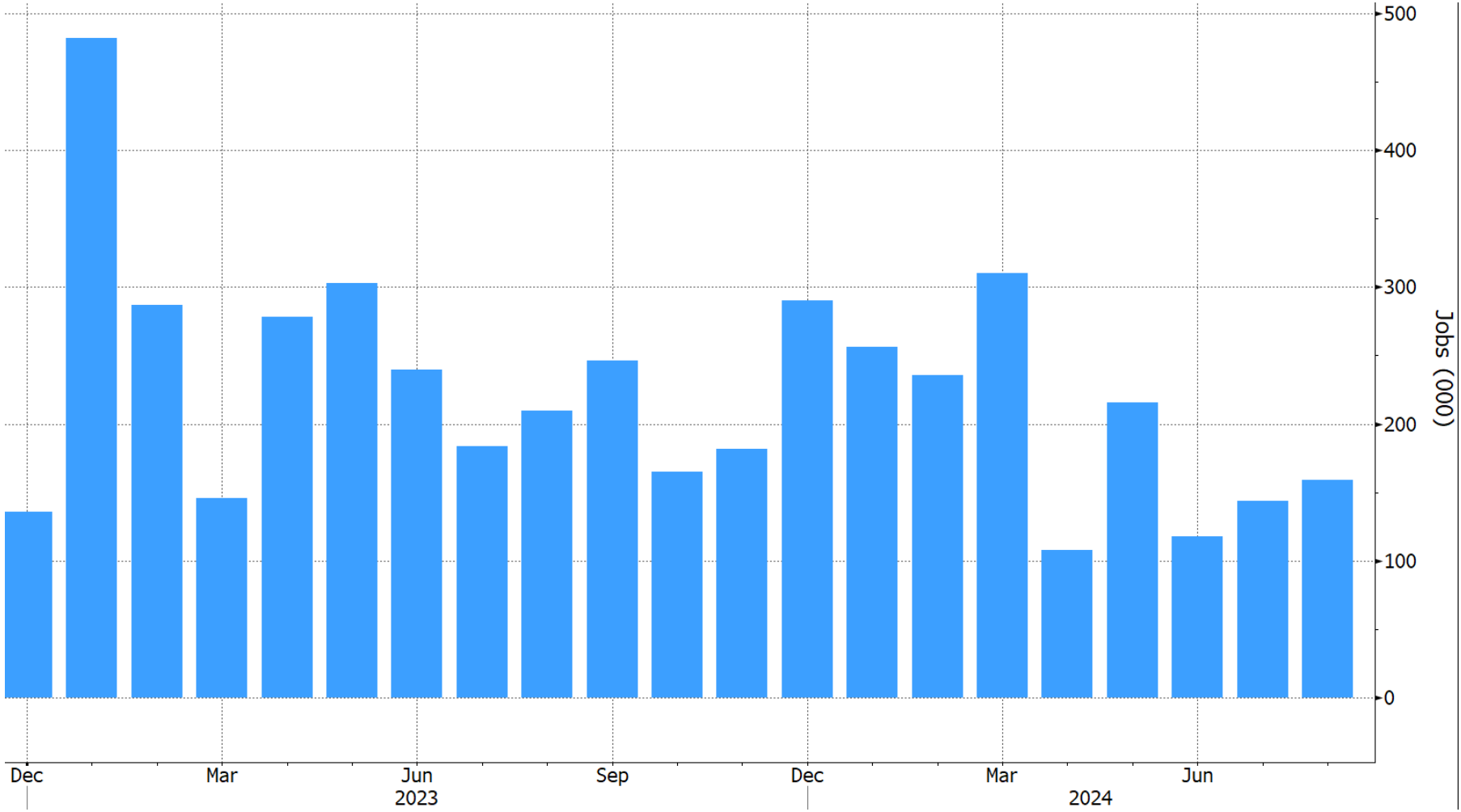


Returns for periods of one year or longer are annualized

\* ML 1-5 Year G/C as of 10/31/13; ML 1-5 Year G/C A or Better until 10/31/13; ML 1-5 Year G/C until 12/31/09; prior to 6/30/96, 75% ML 1-5 Year G/C / 25% 3-month

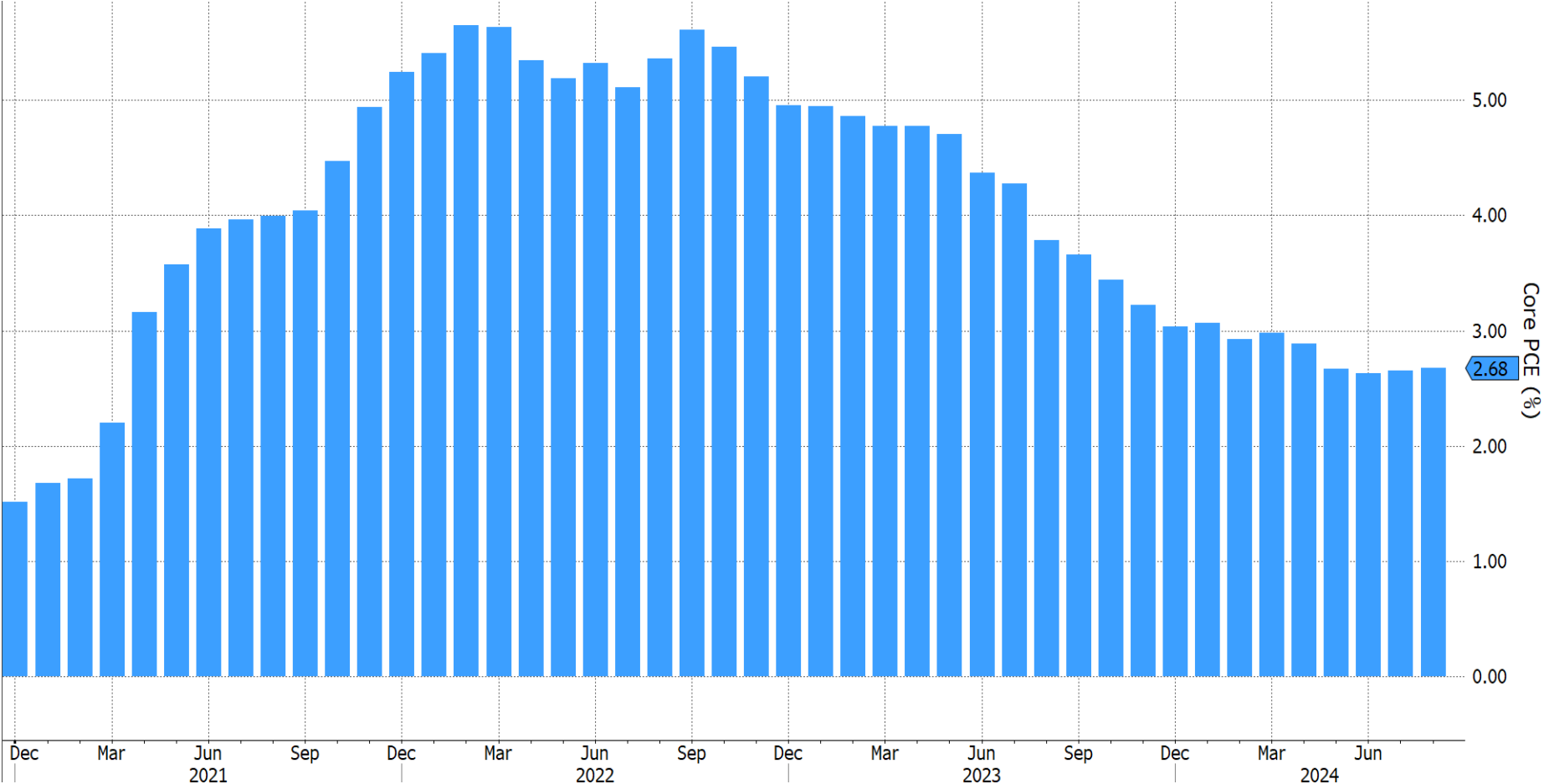
Since Inception: 04/30/98

# Job Growth Declining but Resilient



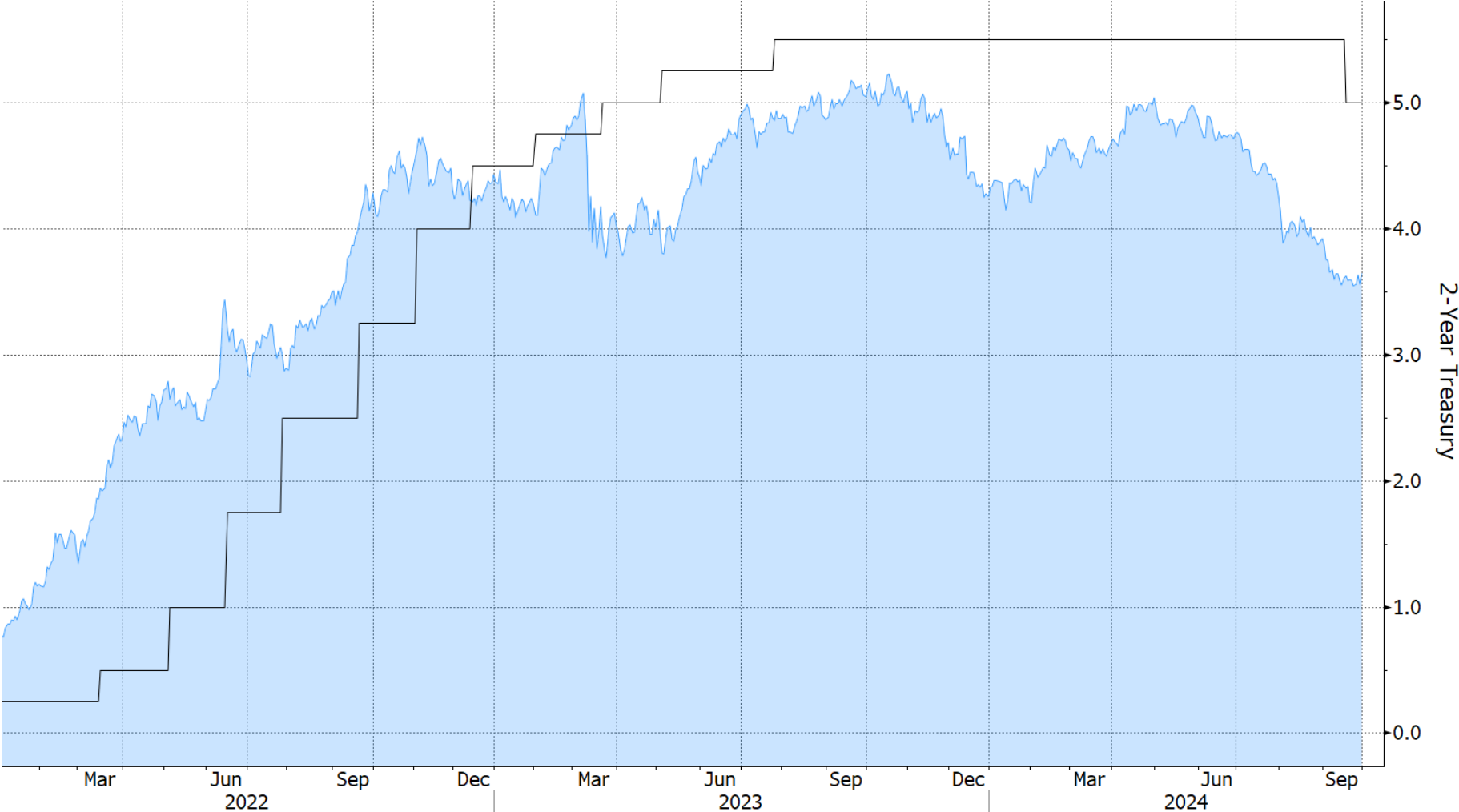
Source: Bloomberg

# Core PCE Moderating



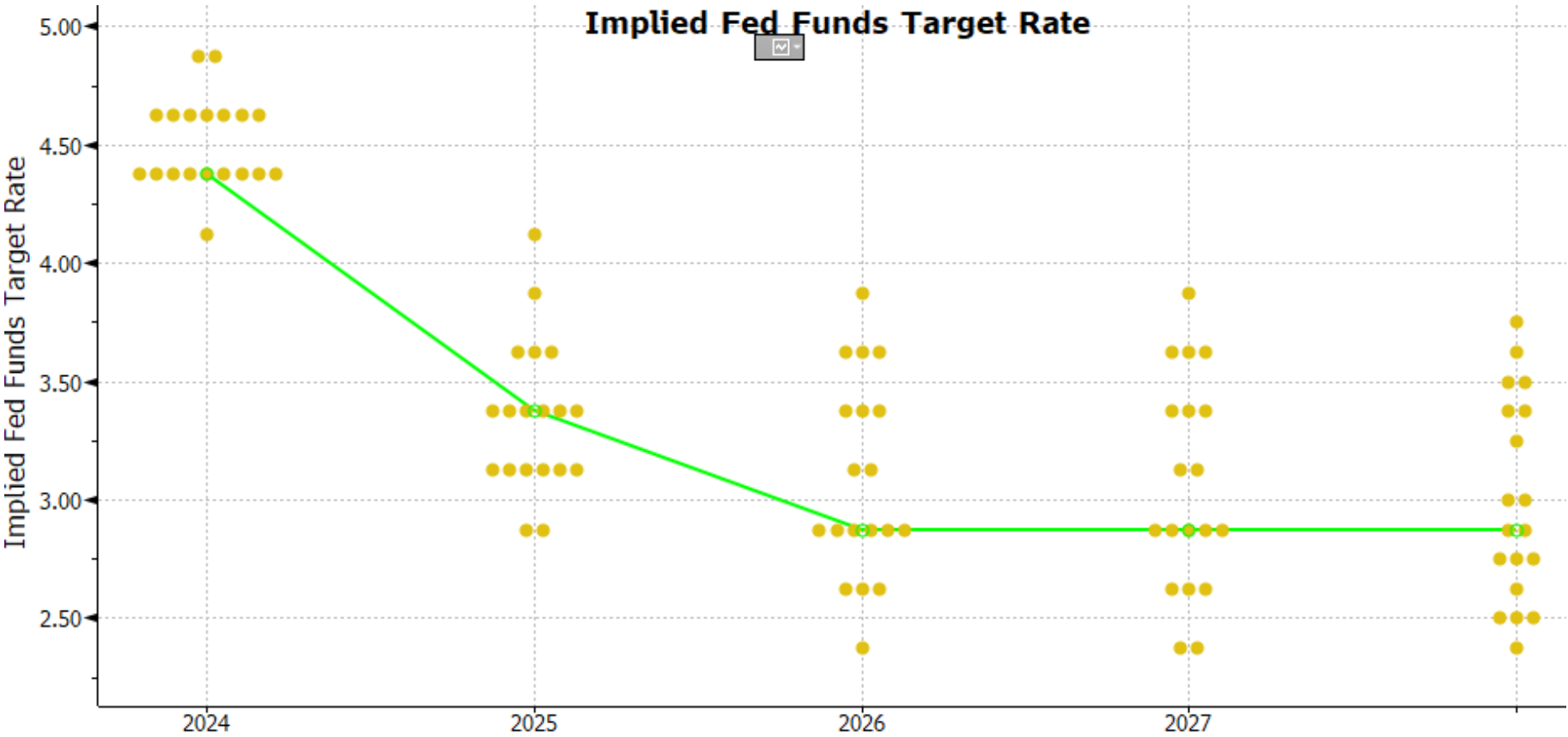
Source: Bloomberg

# 2-Year Treasury vs. Federal Funds Rate



Source: Bloomberg

# Federal Reserve Downward Path of Rates



Source: Bloomberg



# Curve Inversion Ends

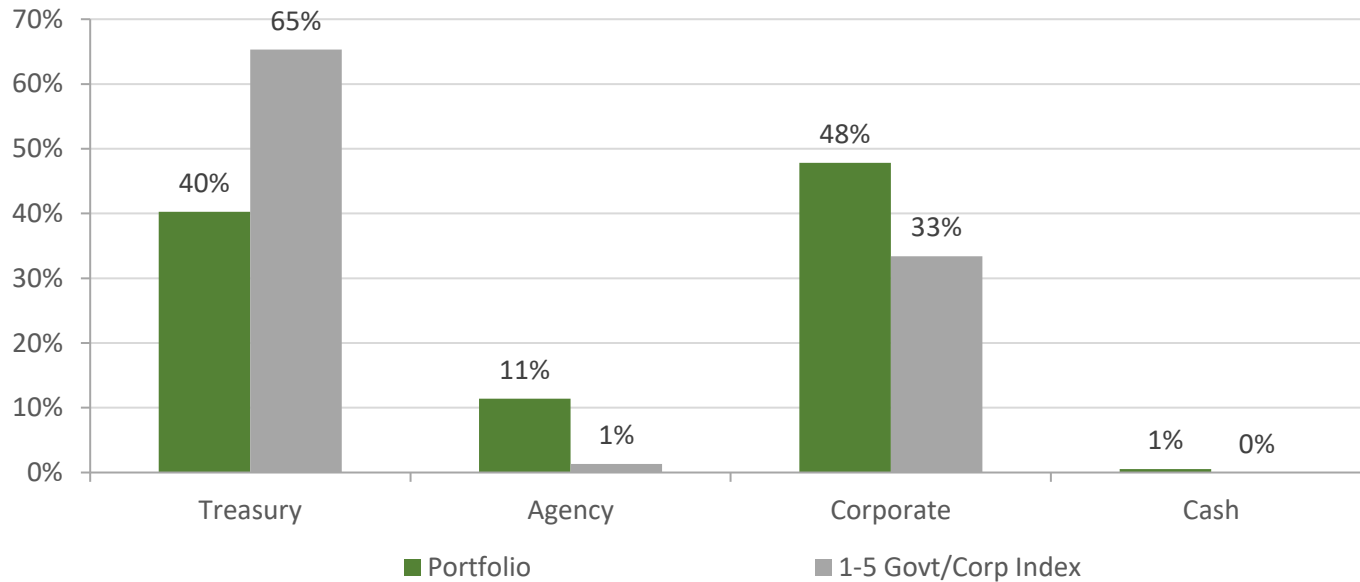


Source: Bloomberg

# Current Attributes and Sectors

City of Ocala Treasury Reserve Fund  
Attributes as of 09/30/24

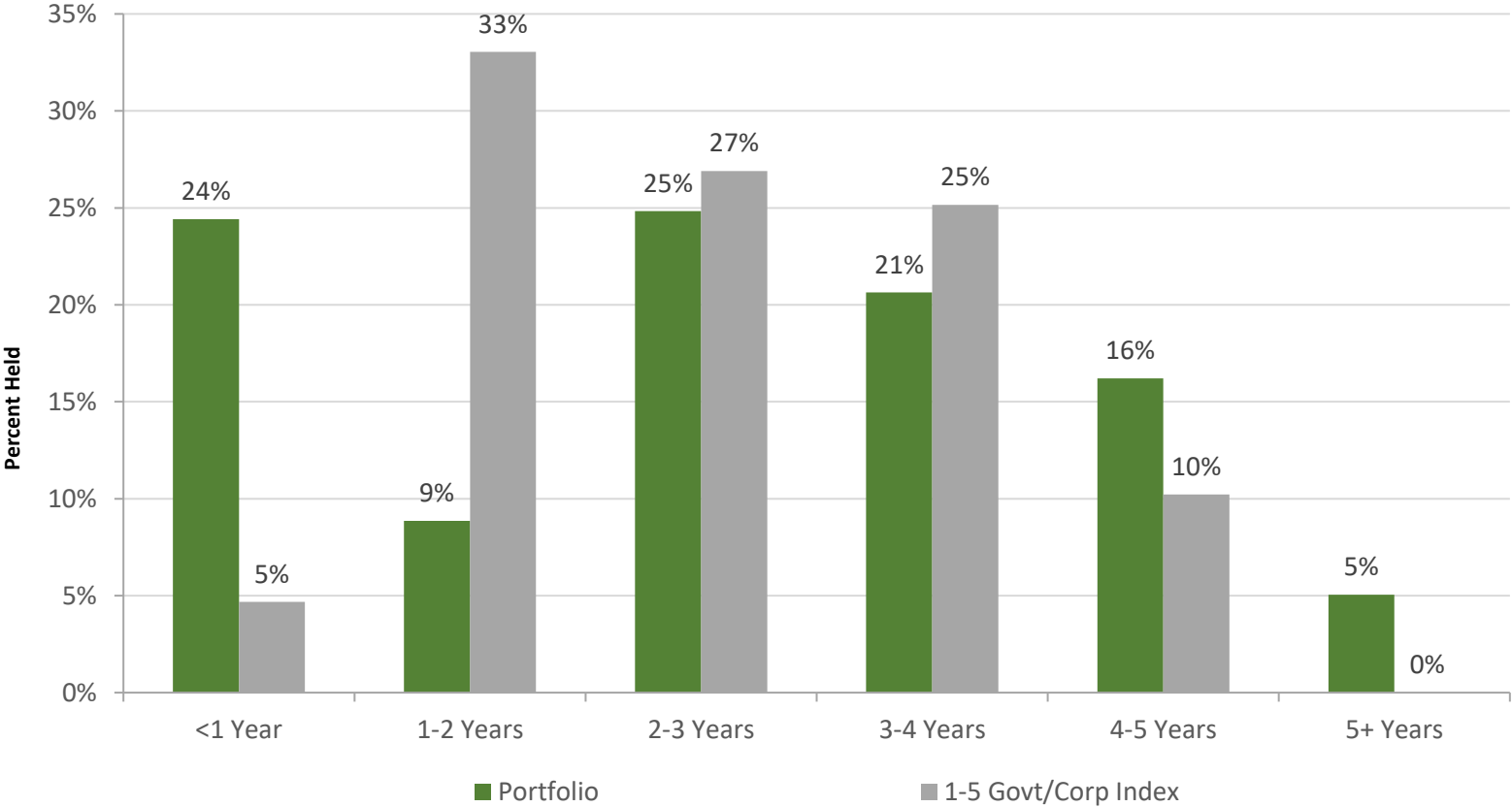
|                          | <u>Portfolio</u> | <u>1-5 Govt/Corp Index</u> |
|--------------------------|------------------|----------------------------|
| Yield to Maturity (%)    | 3.99             | 3.88                       |
| Effective Duration (Yrs) | 2.54             | 2.52                       |
| Effective Maturity (Yrs) | 2.73             | 2.73                       |
| Quality Rating           | Aa2              | Aa2                        |
| Coupon Rate              | 2.34             | 3.08                       |
| Convexity                | 0.05             | 0.04                       |



Source: BondEdge

# Current Duration Distribution

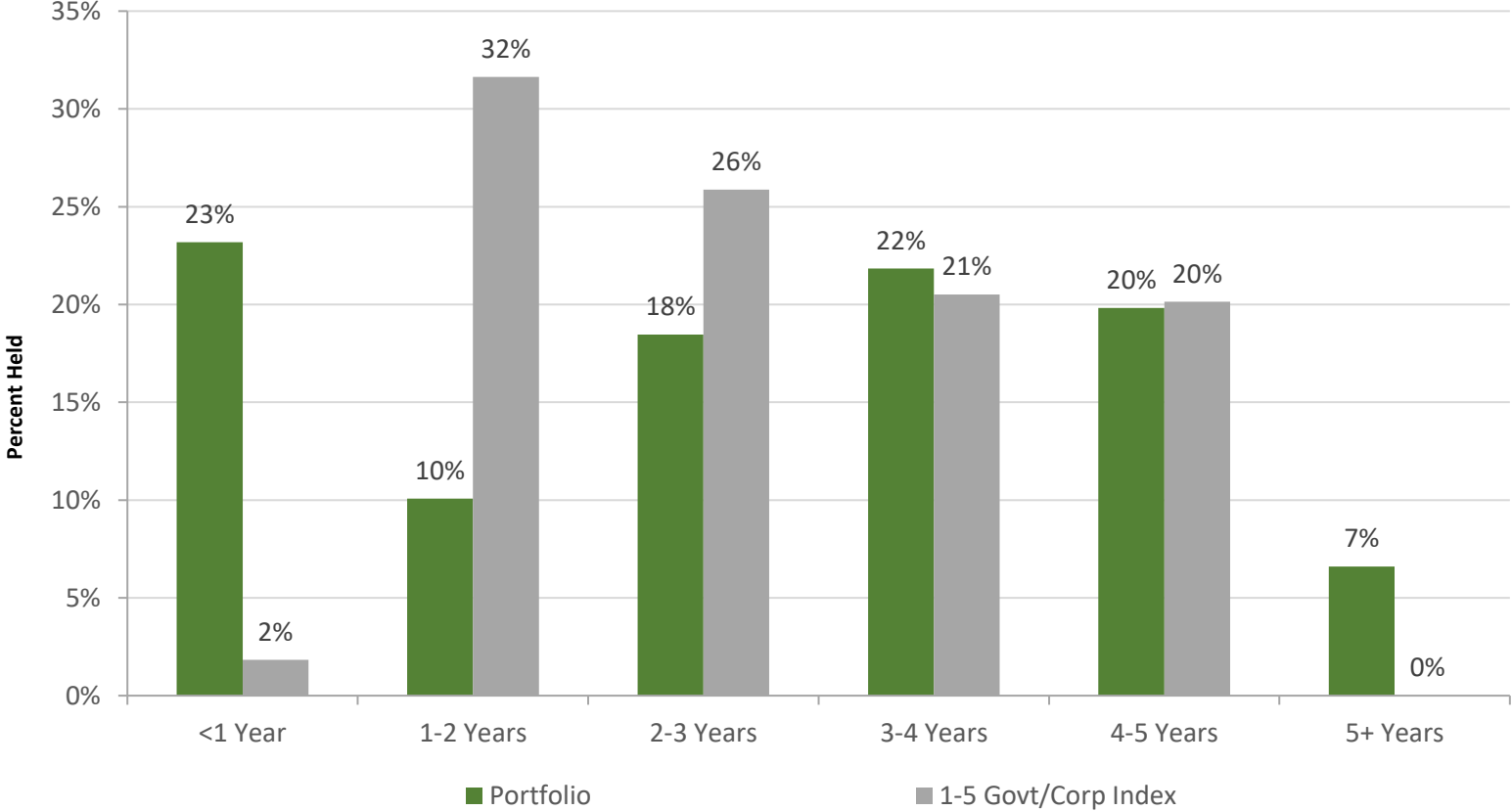
City of Ocala Treasury Reserve Fund  
Attributes as of 09/30/24



Source: BondEdge

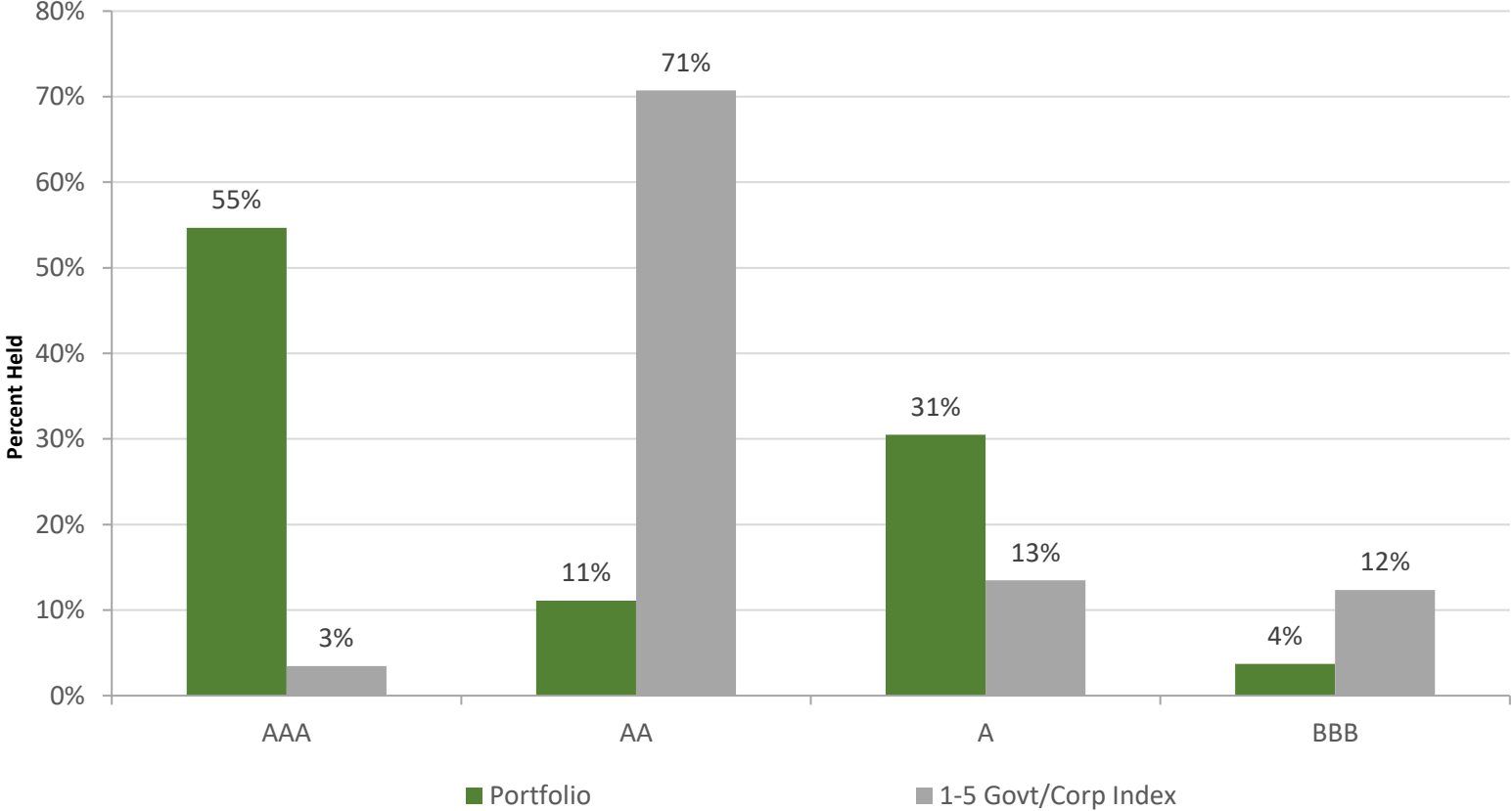
# Current Maturity Distribution

City of Ocala Treasury Reserve Fund  
Attributes as of 09/30/24



Source: BondEdge

# Current Quality Distribution



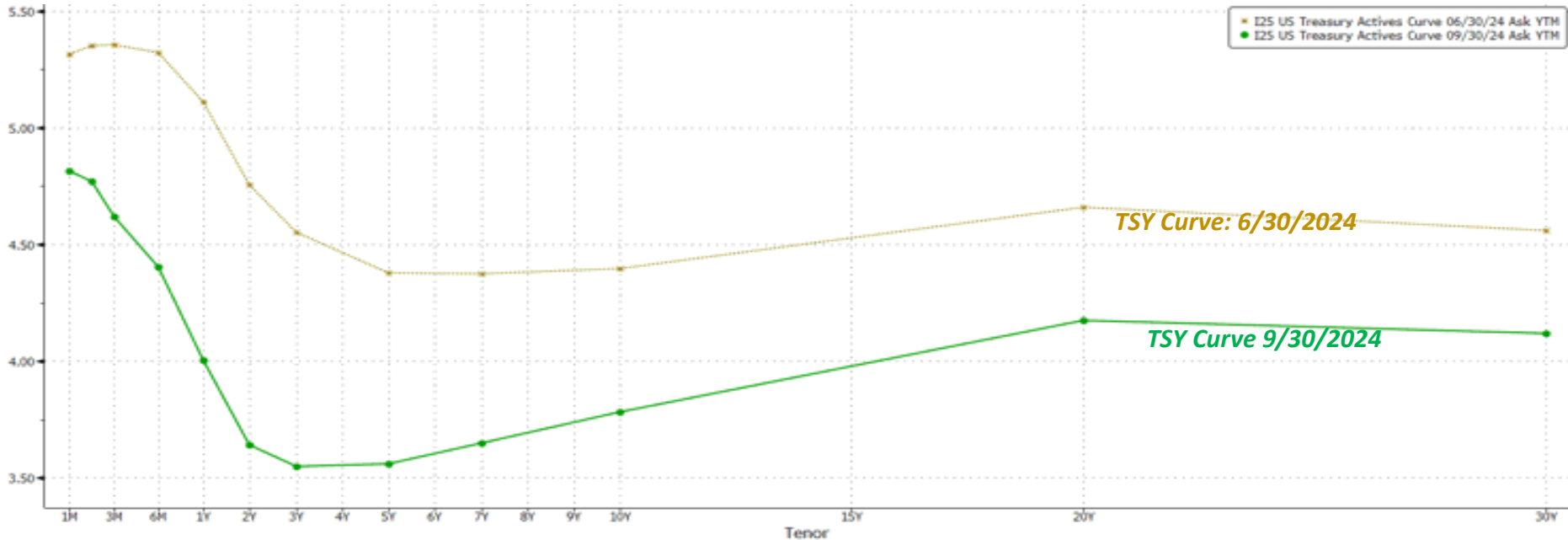
Source: BondEdge

# Treasury Curve Change: Q3 TSY Rates Lower

Interest Rate

Sector Allocation

Security Selection



| Curve Id                    | 1M    | 3M    | 2Y     | 5Y    | 10Y   | 20Y   | 30Y   |
|-----------------------------|-------|-------|--------|-------|-------|-------|-------|
| I1) I25 09/30/24            | 4.813 | 4.617 | 3.641  | 3.558 | 3.781 | 4.175 | 4.119 |
| I2) I25 06/30/24            | 5.315 | 5.355 | 4.753  | 4.377 | 4.396 | 4.660 | 4.558 |
| I3) I25 (09/30/24-06/30/24) | -50.1 | -73.8 | -111.2 | -81.8 | -61.5 | -48.5 | -43.9 |

Source: Bloomberg

# Interest Rate Risk Exposure:

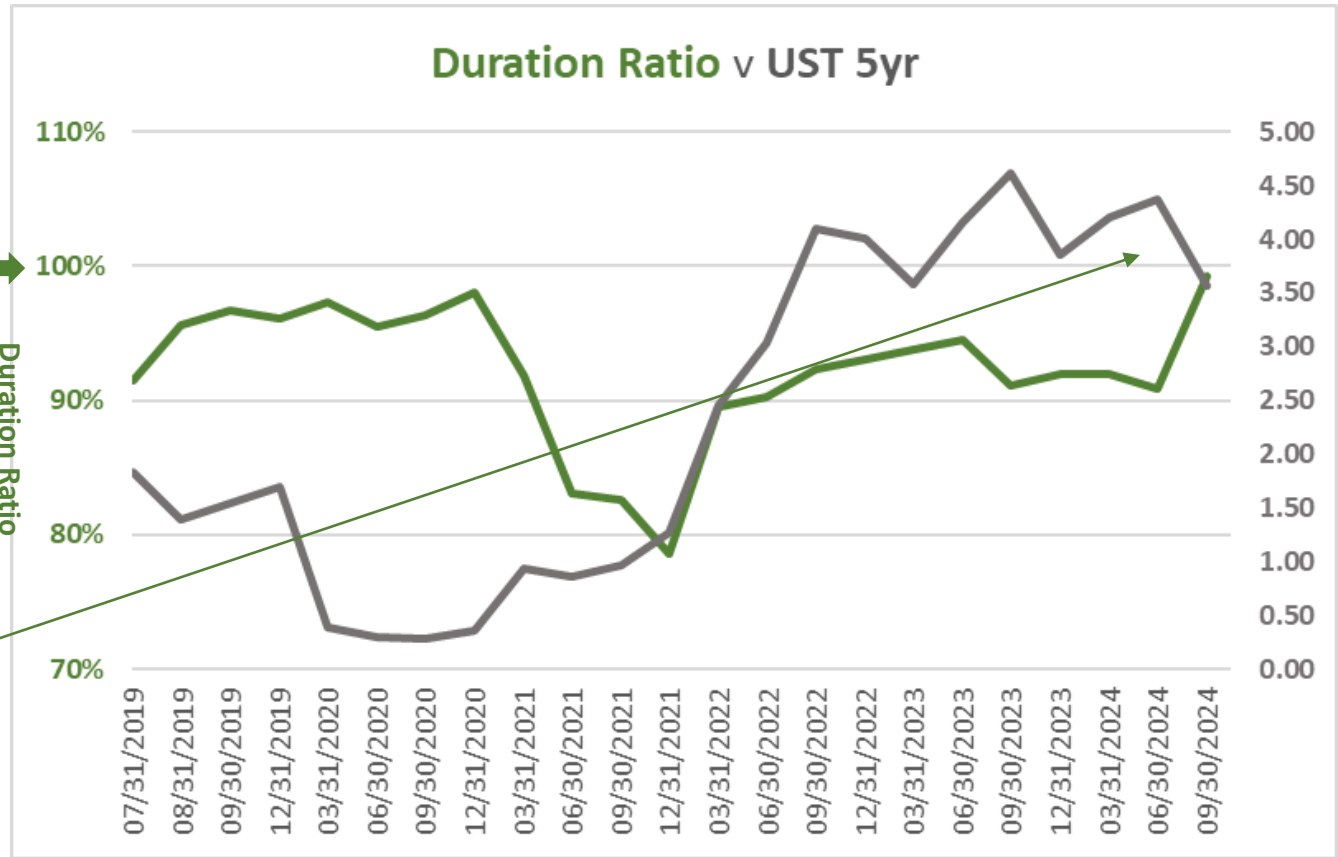
Interest Rate

Sector Allocation

Security Selection



Long >100%  
Neutral interest rate risk  
Short <100%



Given uncertainty but likely downward path of interest rates, we have become more positive on duration

Duration Ratio

UST 5 Year

Source: BondEdge, Bloomberg

# Sector Performance: Credit Spreads Outperformed

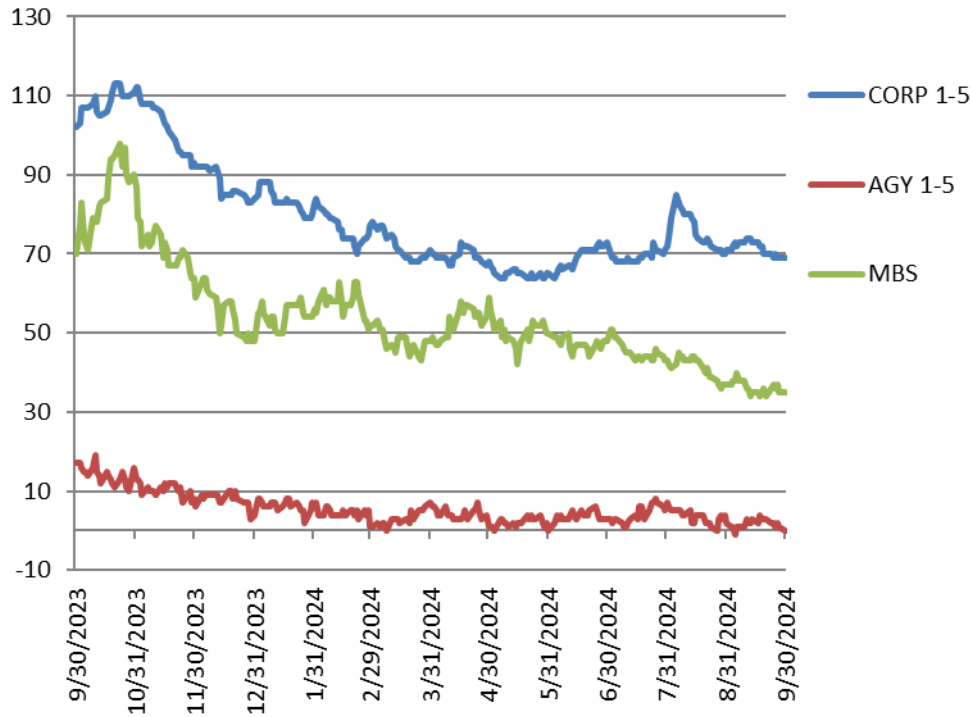
Interest Rate

Sector Allocation

Security Selection



## Spread Premium vs Treasuries



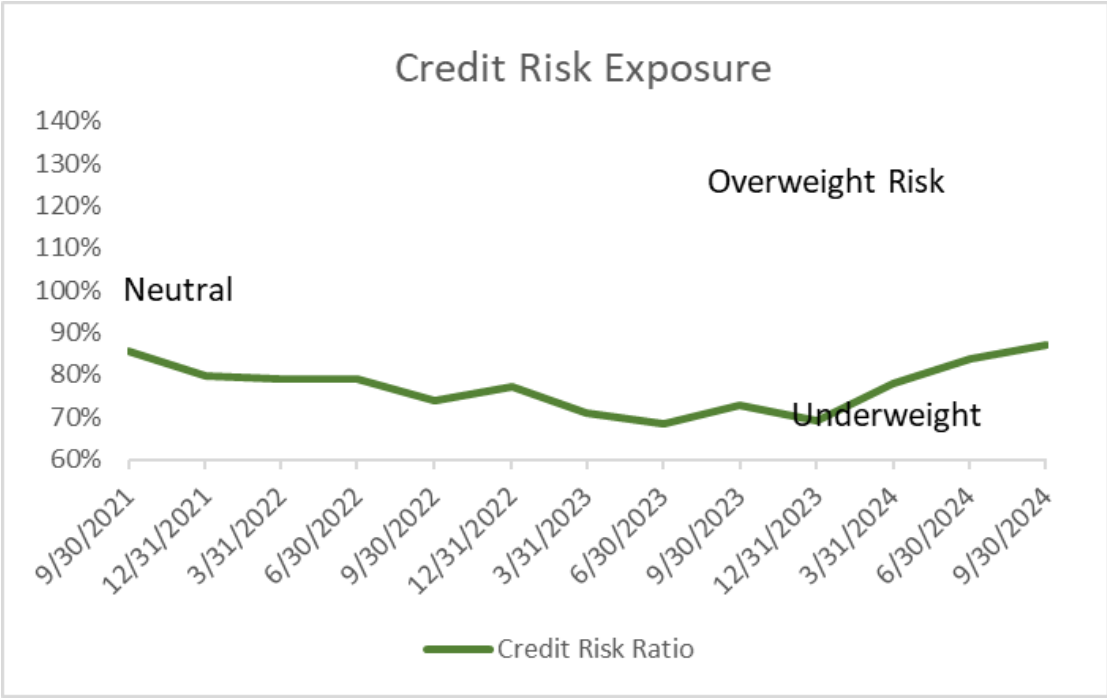
| Spread Performance (OAS in bp) |           |           |         |           |         |
|--------------------------------|-----------|-----------|---------|-----------|---------|
|                                | 9/30/2024 | 6/30/2024 | QoQ chg | 9/30/2023 | YoY Chg |
| CORP 1-5                       | 69        | 73        | -4      | 102       | -33     |
| AGY 1-5                        | 0         | 3         | -3      | 17        | -17     |
| MBS                            | 35        | 48        | -13     | 70        | -35     |

|            | QoQ chg | YoY chg |
|------------|---------|---------|
| Banks      | -8      | -51     |
| Insur      | -5      | -34     |
| Basic      | -4      | -43     |
| CapGood    | -5      | -14     |
| Energy     | 3       | -24     |
| Media      | -1      | -21     |
| Tech       | -1      | -22     |
| Util       | -9      | -31     |
| Retail     | -4      | -20     |
| Healthcare | -4      | -16     |
| Staple     | 3       | -38     |

Source: Bloomberg



# Credit Risk Exposure - Actively Managing



Source: BondEdge

# Performance Attribution

Interest Rate

Sector Allocation

Security Selection

| 6/30/24-9/30/24 | Total Return | Income Effects |         |       | Term Structure Effects |            |          | Spread Effects  |           | Residual |
|-----------------|--------------|----------------|---------|-------|------------------------|------------|----------|-----------------|-----------|----------|
|                 |              | Income         | Paydown | Amort | Roll                   | Para Total | Non-Para | Sector/ Quality | Selection |          |
| SHORT COMPOSITE | 3.22         | 0.55           | 0.00    | 0.54  | 0.02                   | 1.32       | 0.85     | 0.04            | -0.10     | 0.00     |
| BAML G/C 1-5    | 3.46         | 0.80           | 0.00    | 0.31  | -0.08                  | 1.52       | 0.93     | 0.04            | -0.02     | 0.00     |
| Difference      | -0.24        | -0.25          | 0.00    | 0.23  | 0.11                   | -0.20      | -0.09    | 0.00            | -0.08     | -0.01    |

| Portfolio Characteristics |  | Effective Duration Years |  |  |  |  |
|---------------------------|--|--------------------------|--|--|--|--|
|---------------------------|--|--------------------------|--|--|--|--|

| 6/30/2024       | YTW  | Eff Dur | Non-Para |          | Qual     |          | Mtge |  |
|-----------------|------|---------|----------|----------|----------|----------|------|--|
|                 |      |         | Dur      | Sprd Dur | Sprd Dur | Sprd Dur | Conv |  |
| SHORT COMPOSITE | 3.95 | 2.50    | 1.14     | 0.57     | 0.00     | 0.04     |      |  |
| BAML G/C 1-5    | 3.87 | 2.59    | 1.27     | 0.67     | 0.00     | 0.04     |      |  |
| Difference      | 0.08 | -0.09   | -0.13    | -0.10    | 0.00     | 0.00     |      |  |

| 6/30/2024       | YTW  | Eff Dur | Non-Para |          | Qual     |          | Mtge |  |
|-----------------|------|---------|----------|----------|----------|----------|------|--|
|                 |      |         | Dur      | Sprd Dur | Sprd Dur | Sprd Dur | Conv |  |
| SHORT COMPOSITE | 4.90 | 2.35    | 1.12     | 0.00     | 0.54     | 0.04     |      |  |
| BAML G/C 1-5    | 4.82 | 2.63    | 1.22     | 0.00     | 0.61     | 0.04     |      |  |
| Difference      | 0.07 | -0.28   | -0.10    | 0.00     | -0.07    | -0.01    |      |  |

| SAM Comments: |
|---------------|
|---------------|

## What Helped:

Roll - Carry  
Sector Allocation

## What Hurt:

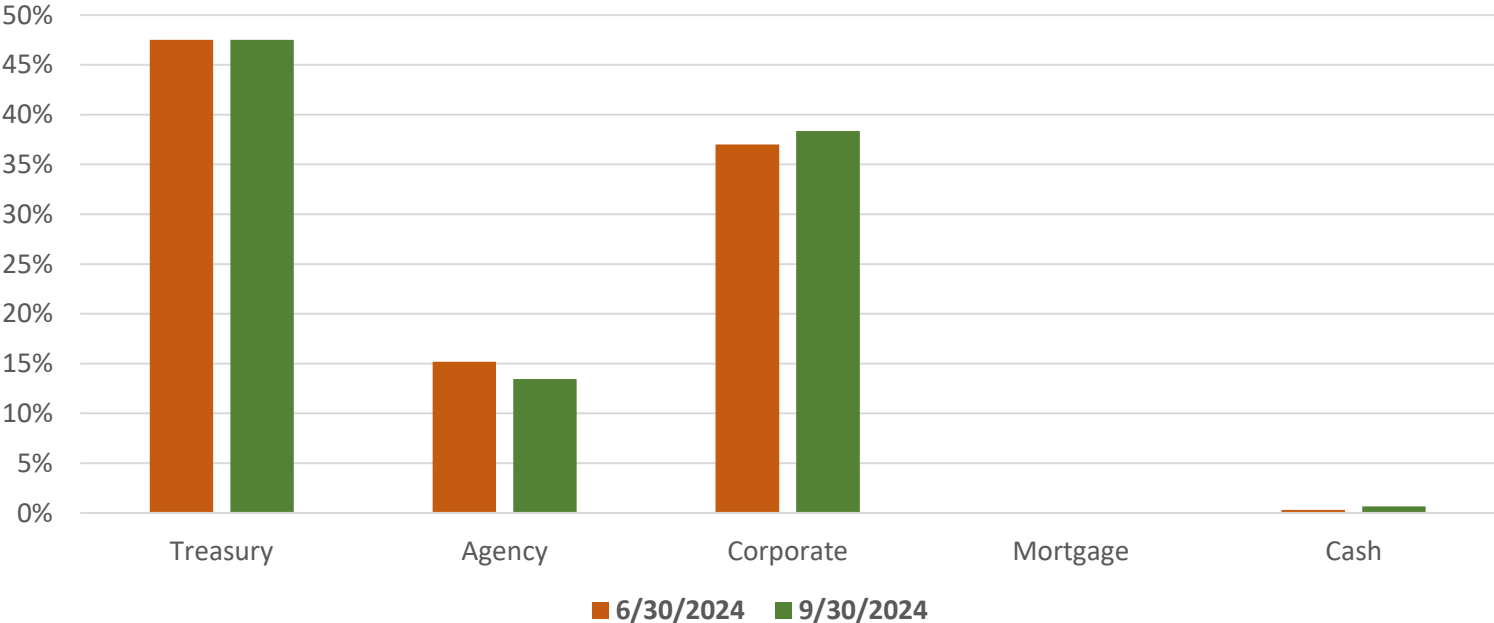
Security Selection - OW High Quality  
Duration

Source: BondEdge

# Sawgrass Short Fixed Income – Quarterly Changes

|                    | 6/30/2024 | 9/30/2024 |
|--------------------|-----------|-----------|
| Effective Duration | 2.35      | 2.50      |
| Yield              | 4.90      | 3.95      |
| Duration Ratio     | 91%       | 99%       |
| Credit Risk Ratio  | 78%       | 66%       |
| Quality            | Aa2       | Aa2       |
| Convexity          | 0.04      | 0.04      |

Sector Weight Changes



# Sensitivity Analysis – 12 Months Horizon

| Scenario #           |       | 1        | 2       | 3             | 4        | 5         | 6                 | 7                   | 8                  | 9                  | 10                  | 11                       | 12                     | 13                 |
|----------------------|-------|----------|---------|---------------|----------|-----------|-------------------|---------------------|--------------------|--------------------|---------------------|--------------------------|------------------------|--------------------|
| Scenario Description |       | TSY -100 | TSY -50 | TSY No Change | TSY + 50 | TSY + 100 | TSY Forward Curve | TSY Bull Flatteners | TSY Bull Steepener | TSY Bear Steepener | TSY Bear Flatteners | Corp 50 Tighter Parallel | Corp 50 Wider Parallel | Consensus Forecast |
| Credit Chg OAS       |       | 0        | 0       | 0             | 0        | 0         | 0                 | 0                   | 0                  | 0                  | 0                   | -50                      | +50                    | 0                  |
| 9/30/2024            | BEGIN | (bp)     | (bp)    | (bp)          | (bp)     | (bp)      | (bp)              | (bp)                | (bp)               | (bp)               | (bp)                | (bp)                     | (bp)                   | (bp)               |
| U.S. TREASURY CURVE: |       |          |         |               |          |           |                   |                     |                    |                    |                     |                          |                        |                    |
| 6 Month              | 4.33  | -100     | -50     | 0             | 50       | 100       | -108              | -5                  | -140               | 5                  | 100                 | 0                        | 0                      | -118               |
| 1 Year               | 3.95  | -100     | -50     | 0             | 50       | 100       | -69               | -5                  | -130               | 5                  | 100                 | 0                        | 0                      | -80                |
| 2 Year               | 3.65  | -100     | -50     | 0             | 50       | 100       | -35               | -10                 | -120               | 10                 | 100                 | 0                        | 0                      | -44                |
| 3 Year               | 3.57  | -100     | -50     | 0             | 50       | 100       | -21               | -10                 | -110               | 15                 | 85                  | 0                        | 0                      | -25                |
| 5 Year               | 3.58  | -100     | -50     | 0             | 50       | 100       | -11               | -25                 | -100               | 25                 | 75                  | 0                        | 0                      | -15                |
| 7 Year               | 3.68  | -100     | -50     | 0             | 50       | 100       | -8                | -35                 | -90                | 35                 | 65                  | 0                        | 0                      | -15                |
| 10 Year              | 3.76  | -100     | -50     | 0             | 50       | 100       | 4                 | -45                 | -55                | 45                 | 50                  | 0                        | 0                      | -8                 |
| 20 Year              | 4.20  | -100     | -50     | 0             | 50       | 100       | 0                 | -50                 | -45                | 50                 | 35                  | 0                        | 0                      | -20                |
| 30 Year              | 4.12  | -100     | -50     | 0             | 50       | 100       | 0                 | -65                 | -25                | 65                 | 25                  | 0                        | 0                      | -12                |
| Short                |       | 6.21     | 4.99    | 3.78          | 2.60     | 1.44      | 4.38              | 4.13                | 6.48               | 3.40               | 1.79                | 4.12                     | 3.45                   | 4.49               |
| ICE ML 1-5 G/C       |       | 6.30     | 4.99    | 3.69          | 2.42     | 1.16      | 4.39              | 4.05                | 6.58               | 3.30               | 1.46                | 4.13                     | 3.25                   | 4.53               |
| Difference           |       | -0.09    | 0.00    | 0.09          | 0.19     | 0.28      | -0.01             | 0.09                | -0.11              | 0.10               | 0.33                | -0.01                    | 0.20                   | -0.04              |

Source: BondEdge

# Portfolio Holdings

City of Ocala Treasury Reserve Fund  
Holdings As Of 09/30/2024

| Security  | Quantity     | Unit Cost | Total Cost   | Price  | Market Value | Pct of Assets |
|---|--------------|-----------|--------------|--------|--------------|---------------|
| <b>Corporate Bonds</b>                                  |              |           |              |        |              |               |
| STATE STR CORP SR GBL NT 20251101 2.354%                | 890,000.00   | 105.09    | 935,309.90   | 99.74  | 887,703.80   | 1.3           |
| PNC BK N A PITTSBURGH PA DISC FR . 20250601 3.250%      | 100,000.00   | 110.96    | 110,957.00   | 99.12  | 99,119.00    | 0.1           |
| AMAZON COM INC SR GBL NT. 20250603 0.800%               | 410,000.00   | 99.96     | 409,840.10   | 97.65  | 400,369.10   | 0.6           |
| CATERPILLAR FINL SVCS MTNS BE FR . 20241108 2.150%      | 1,080,000.00 | 106.06    | 1,145,495.40 | 99.70  | 1,076,706.00 | 1.5           |
| CHEVRON USA INC GBL NT . 20250812 0.687%                | 1,660,000.00 | 98.73     | 1,638,912.50 | 96.95  | 1,609,403.20 | 2.3           |
| CITIGROUP INC SR GBL NT 20241030 0.776%                 | 325,000.00   | 100.27    | 325,887.25   | 100.05 | 325,152.75   | 0.5           |
| DISNEY WALT CO SR GBL NT 20250324 3.350%                | 750,000.00   | 110.03    | 825,225.00   | 99.38  | 745,380.00   | 1.1           |
| EBAY INC. SR GBL NT. 20250311 1.900%                    | 1,740,000.00 | 103.70    | 1,804,360.60 | 98.70  | 1,717,327.80 | 2.4           |
| NIKE INC SR GBL NT. 20250327 2.400%                     | 1,050,000.00 | 103.47    | 1,086,462.00 | 99.02  | 1,039,668.00 | 1.5           |
| M CO SR GBL NT 20250415 2.650%                          | 1,410,000.00 | 106.23    | 1,497,868.80 | 98.89  | 1,394,334.90 | 2.0           |
| AMAZON COM INC SR GBL NT 20260512 1.000%                | 320,000.00   | 99.57     | 318,617.60   | 95.61  | 305,958.40   | 0.4           |
| APPLE INC SR GBL NT 20250511 1.125%                     | 100,000.00   | 100.55    | 100,554.00   | 97.98  | 97,977.00    | 0.1           |
| CATERPILLAR FINL SVCS MTNS BE FR . 20250515 1.450%      | 710,000.00   | 102.15    | 725,279.20   | 98.18  | 697,049.60   | 1.0           |
| GOLDMAN SACHS GROUP INC VR - 20260515 6.550%            | 1,660,000.00 | 101.22    | 1,680,268.60 | 100.56 | 1,669,329.20 | 2.4           |
| INTERCONTINENTAL EXCHANGE INC GBL NT . 20250523 3.650%  | 340,000.00   | 99.89     | 339,626.00   | 99.38  | 337,881.80   | 0.5           |
| VIRGINIA ELEC n PWR CO SR GBL -B NT 20270515 3.750%     | 675,000.00   | 99.69     | 672,894.00   | 99.23  | 669,795.75   | 0.9           |
| INTERNATIONAL BUSINESS MACHS SR GBL NT. 20270209 2.200% | 500,000.00   | 99.99     | 499,930.00   | 95.76  | 478,815.00   | 0.7           |

# Portfolio Holdings

City of Ocala Treasury Reserve Fund  
Holdings As Of 09/30/2024

| Security  | Quantity     | Unit Cost | Total Cost   | Price  | Market Value | Pct of Assets |
|---|--------------|-----------|--------------|--------|--------------|---------------|
| FLORIDA PWR n LT CO M GLBL BD 20290615 5.150%       | 1,170,000.00 | 100.54    | 1,176,353.10 | 104.31 | 1,220,427.00 | 1.7           |
| JOHNSON n JOHNSON SR GLBL NT. 20290601 4.800%       | 800,000.00   | 99.88     | 799,032.00   | 104.08 | 832,616.00   | 1.2           |
| PNC FINL SVCS GROUP INC SR GLBL NT 20300514 5.492%  | 1,310,000.00 | 100.19    | 1,312,476.80 | 104.50 | 1,368,910.70 | 1.9           |
| BRISTOL-MYERS SQUIBB CO SR GLBL NT. 20290222 4.900% | 1,430,000.00 | 100.03    | 1,430,386.10 | 103.37 | 1,478,176.70 | 2.1           |
| HONEYWELL INTL INC SR GLBL NT. 20300201 4.700%      | 1,070,000.00 | 99.91     | 1,069,079.80 | 102.76 | 1,099,574.80 | 1.6           |
| DISNEY WALT CO SR GLBL NT 20290901 2.000%           | 125,000.00   | 90.02     | 112,522.50   | 90.90  | 113,630.00   | 0.2           |
| ELI LILLY n CO GLBL NT . 20270814 4.150%            | 580,000.00   | 99.92     | 579,530.20   | 100.93 | 585,417.20   | 0.8           |
| HOME DEPOT INC SR GLBL NT. 20290415 4.900%          | 1,010,000.00 | 100.61    | 1,016,190.50 | 103.60 | 1,046,339.80 | 1.5           |
| MORGAN STANLEY FR . 20270120 3.625%                 | 1,200,000.00 | 96.78     | 1,161,390.00 | 99.10  | 1,189,176.00 | 1.7           |
| TEXAS INSTRS INC SR GLBL NT. 20290208 4.600%        | 1,100,000.00 | 100.15    | 1,101,694.00 | 102.59 | 1,128,512.00 | 1.6           |
| ABBVIE INC GLBL NT . 20270315 4.800%                | 1,300,000.00 | 99.86     | 1,298,167.00 | 101.94 | 1,325,207.00 | 1.9           |
| JOHN DEERE CAPITAL CORPORATION FR . 20280714 4.950% | 910,000.00   | 99.85     | 908,644.10   | 103.32 | 940,202.90   | 1.3           |
| INTEL CORP SR GLBL NT. 20260519 2.600%              | 950,000.00   | 94.07     | 893,684.00   | 97.04  | 921,861.00   | 1.3           |
| ELI LILLY n CO SR GLBL NT 20260227 5.000%           | 510,000.00   | 99.84     | 509,158.50   | 100.02 | 510,112.20   | 0.7           |
| FLORIDA PWR n LT CO M GLBL BD 20280401 5.050%       | 470,000.00   | 99.87     | 469,389.00   | 103.21 | 485,072.90   | 0.7           |
| US BANCORP FR . 20260722 2.375%                     | 1,300,000.00 | 94.00     | 1,221,987.00 | 97.29  | 1,264,757.00 | 1.8           |
| MASTERCARD INCORPORATED SR GLBL NT 20280309 4.875%  | 420,000.00   | 99.90     | 419,592.60   | 103.30 | 433,868.40   | 0.6           |

# Portfolio Holdings

City of Ocala Treasury Reserve Fund  
Holdings As Of 09/30/2024

| Security  | Quantity     | Unit Cost | Total Cost   | Price  | Market Value | Pct of Assets |
|---|--------------|-----------|--------------|--------|--------------|---------------|
| APPLE INC SR GBL NT 20280510 4.000%               | 820,000.00   | 99.81     | 818,417.40   | 101.09 | 828,970.80   | 1.2           |
| LAUDER ESTEE COS INC SR GBL NT 20280515 4.375%    | 525,000.00   | 99.90     | 524,459.25   | 101.19 | 531,252.75   | 0.7           |
| PNC FINL SVCS GROUP INC SR GBL NT 20270126 4.758% | 150,000.00   | 100.00    | 150,000.00   | 100.36 | 150,543.00   | 0.2           |
| HOME DEPOT INC SR GBL NT 20250915 4.000%          | 880,000.00   | 99.96     | 879,683.20   | 99.84  | 878,556.80   | 1.2           |
| AMAZON COM INC SR GBL NT. 20270413 3.300%         | 1,250,000.00 | 97.46     | 1,218,287.50 | 98.72  | 1,234,037.50 | 1.7           |
| UNITEDHEALTH GROUP INC SR GBL NT 20280215 5.250%  | 670,000.00   | 99.96     | 669,718.60   | 104.07 | 697,248.90   | 1.0           |
| <b>Cash Currency</b>                              |              |           |              |        |              |               |
| US DOLLARS  | 376,565.76   | 1.00      | 376,565.76   | 1.00   | 376,565.76   | 0.5           |
| <b>Government Bonds (US)</b>                      |              |           |              |        |              |               |
| FEDERAL HOME LOAN BANKS CONS BD . 20260224 0.750% | 675,000.00   | 100.00    | 675,000.00   | 95.62  | 645,448.50   | 0.9           |
| FEDERAL FARM CR BKS CONS BD . 20250722 0.690%     | 2,110,000.00 | 99.96     | 2,109,179.01 | 97.14  | 2,049,590.70 | 2.9           |
| FEDERAL FARM CR BKS CONS BD . 20241209 0.920%     | 740,000.00   | 99.99     | 739,955.60   | 99.26  | 734,546.20   | 1.0           |
| FEDERAL HOME LN MTG CORP CALL . 20250528 0.750%   | 700,000.00   | 100.00    | 700,000.00   | 97.74  | 684,201.00   | 1.0           |
| FEDERAL HOME LOAN BANKS CONS BD 20260429 3.000%   | 1,000,000.00 | 100.00    | 1,000,000.00 | 98.94  | 989,370.00   | 1.4           |
| FEDERAL FARM CR BKS CONS BD . 20251124 0.600%     | 1,500,000.00 | 99.93     | 1,498,875.00 | 96.47  | 1,447,020.00 | 2.0           |
| FEDERAL HOME LN MTG CORP CALL . 20261028 0.800%   | 1,640,000.00 | 89.77     | 1,472,244.40 | 94.17  | 1,544,453.60 | 2.2           |
| UNITED STATES TREAS NTS . 20290731 2.625%         | 2,540,000.00 | 93.44     | 2,373,351.56 | 95.77  | 2,432,558.00 | 3.4           |
| UNITED STATES TREAS NTS . 20280630 1.250%         | 3,200,000.00 | 87.00     | 2,784,156.25 | 91.88  | 2,940,256.00 | 4.1           |
| <b>Treasury Note</b>                              |              |           |              |        |              |               |
| UNITED STATES TREAS NTS . 20270930 0.375%         | 5,000,000.00 | 85.14     | 4,256,835.94 | 90.99  | 4,549,600.00 | 6.4           |

# Portfolio Holdings

City of Ocala Treasury Reserve Fund  
Holdings As Of 09/30/2024

| Security                                  | Quantity     | Unit Cost | Total Cost             | Price | Market Value           | Pct of Assets |
|---|--------------|-----------|------------------------|-------|------------------------|---------------|
| UNITED STATES TREAS NTS . 20270630 0.500% | 2,430,000.00 | 89.07     | 2,164,388.95           | 92.00 | 2,235,600.00           | 3.2           |
| UNITED STATES TREAS NTS . 20300215 1.500% | 4,000,000.00 | 89.65     | 3,585,898.43           | 89.79 | 3,591,720.00           | 5.1           |
| UNITED STATES TREAS NTS . 20290515 2.375% | 4,600,000.00 | 89.39     | 4,112,164.06           | 94.91 | 4,365,676.00           | 6.2           |
| UNITED STATES TREAS NTS . 20270430 0.500% | 4,150,000.00 | 88.97     | 3,692,298.83           | 92.46 | 3,836,965.50           | 5.4           |
| UNITED STATES TREAS NTS . 20260831 1.375% | 575,000.00   | 99.40     | 571,527.24             | 95.81 | 550,878.75             | 0.8           |
| UNITED STATES TREAS NTS . 20280131 0.750% | 4,500,000.00 | 87.09     | 3,918,964.85           | 91.18 | 4,103,100.00           | 5.8           |
| Accrued Income                            |              |           |                        |       | 390,792.48             | 0.5           |
| <b>TOTAL PORTFOLIO</b>                    |              |           | <b>\$69,888,736.98</b> |       | <b>\$71,284,785.14</b> |               |



## Ratings Guidelines

|                       | Policy   | Current   | Within Policy? |
|-----------------------|----------|-----------|----------------|
| Corporate Bonds       | BBB/Baa2 | Baa1/BBB+ | Yes            |
| CMO, Mortgage and ABS | AAA      | AAA       | Yes            |
| Eurodollar Securities | BBB      | N/A       | Yes            |
| Yankee Securities     | BBB      | N/A       | Yes            |

## Maturity Limitations

|                                 | Policy    | Current | Within Policy? |
|---------------------------------|-----------|---------|----------------|
| Effective Maturity Per Security | <10 years | 5.417   | Yes            |
| Portfolio Duration              | 50%/120%  | 101%    | Yes            |
| Portfolio Effective Maturity    | <5 years  | 2.81    | Yes            |

## Sector Allocations

|   | Minimum | Maximum | Current % | Within Policy? |
|---|---------|---------|-----------|----------------|
| US Treasury and Federal Agencies          | 35%     | None    | 58.9%     | Yes            |
| Corporate Debt Obligations                | None    | 50%     | 39.2%     | Yes            |
| Mortgage/Asset Backed Securities          | None    | 10%     | 0.0%      | Yes            |
| Municipal Securities                      | None    | 20%     | 0.0%      | Yes            |
| Certificates of Deposit                   | None    | 20%     | 0.0%      | Yes            |
| Repurchase Agreements                     | None    | 25%     | 0.0%      | Yes            |
| Local Government Surplus Funds/Trust Fund | None    | 25%     | 0.0%      | Yes            |
| Money Market/Trust                        | None    | 30%     | 1.0%      | Yes            |



# Ocala

## Legislation Text

110 SE Watula Avenue  
Ocala, FL 34471

[www.ocalafl.gov](http://www.ocalafl.gov)

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**File #:** 2025-0040

**Agenda Item #:**

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Submitted By: Karen Czechowicz

Department: Finance

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**STAFF RECOMMENDATION (Motion Ready):**  
Seix Investment Advisors

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INVESTMENT REVIEW

# CITY OF OCALA TREASURY INVESTMENT FUND

For the Period Ended September 30, 2024



**Kim C. Maichle, CFA**  
Managing Director, Senior Investment Manager  
Seix Investment Advisors  
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- Market Review & Economic Outlook
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# MARKET REVIEW & ECONOMIC OUTLOOK

# 3Q 2024 INVESTMENT GRADE MARKET REVIEW & ECONOMIC OUTLOOK

## RATE MOVE DRIVES ROBUST TOTAL RETURNS

Following persistently higher rates over the first half of 2024, **the third quarter ushered in a powerful shift to lower rates.** The driving force was easing, an eagerly anticipated pivot in September from the U.S. Federal Reserve (Fed).

Softer economic data in July set the stage early and got the quarter off to a solid start. Given the disappointment around inflation over the first half of the year, a market-friendly Consumer Price Index (CPI) update on July 11th offered evidence that the short-term trajectory had shifted and was moving in the right direction. **Having spiked to 4.5% in March, the three-month annualized core inflation rate declined to 2.1% through June.** On the heels of a less robust employment report, **inflation data added fuel to the Treasury market rally.** In tandem, the short-term rates market began pricing in a more aggressive Fed easing cycle.

The July 31st Federal Open Market Committee (FOMC) meeting offered confirmation: Chair Powell stated that a discussion of rate cuts was likely on the table at their next meeting. **The July move in rates generated strong total returns across all sectors of the investment grade bond market,** essentially setting the tone for the entire quarter. The overall shift in Treasury yields for 3Q can be seen below:

|         | 6/28/24 | 9/30/24 | 3Q24                 |
|---------|---------|---------|----------------------|
|         | (%)     | (%)     | (basis points - bps) |
| 2 Year  | 4.76    | 3.64    | -1.12                |
| 5 Year  | 4.38    | 3.56    | -0.82                |
| 10 Year | 4.40    | 3.78    | -0.62                |
| 30 Year | 4.56    | 4.12    | -0.44                |

Source: Bloomberg

August offered an interesting, albeit brief, period of volatility for markets right out of the gates. A weak employment report on August 2nd reignited fears that the U.S. economy could be headed for a more severe slowdown. Many worried that the Fed was behind the curve, having kept rates too high for too long. This disappointing release dovetailed with a rate hike from the Bank of Japan (BoJ) on July 31st that lent further steam to an already strong Japanese yen. Expectations for a Fed pivot to cutting rates alongside the BoJ hiking rates saw the yen rise +6.8% in July. This served to exaggerate the fears around central bank divergence and how much further the yen could advance.

As the last central bank to hike rates, the BoJ had created a backdrop where the yen was exceptionally weak for several years as it held rates near zero. The weak Japanese currency had been used to finance risk-taking across other higher yielding currencies. In market parlance, this was the “yen carry trade.”

The shifting backdrop saw the yen begin to appreciate in 3Q, disadvantaging any investor who financed a risk position by selling yen. **Market pundits and strategists will never agree on the magnitude, but the yen carry trade began to unwind. This put many different risk markets under pressure,** and the global sell-off in stock markets on August 5th serves as the easiest exhibit for what ensued. Very briefly, the VIX—a popular stock market metric for volatility—spiked to levels last seen in March 2020. Intraday, the S&P 500® Index declined over 5%, before managing to close down only 3%. There was even chatter in the market that the Fed might have to ease before their next scheduled meeting in September.

**Remarkably, the risk market sell-off abated as quickly as it materialized.** Over the course of the first full week in August, the S&P 500 managed to recoup most of that 3% loss and went on to record another positive total return for the month.

**The fundamental economy did not fall off a cliff,** as intimated by the jobless claims report on August 8th, a robust retail sales report the following week, and yet another CPI update that offered evidence of further moderation in core inflation. Chair Powell delivered a market-friendly message at the annual Jackson Hole Economic Symposium on August 23rd. He announced that the time had come for policy to adjust, solidifying a September rate cut. In addition, Powell emphasized a focus on the labor market rather than inflation, stating that the Fed does not seek or welcome any further cooling in labor market conditions.

**September saw rates decline further,** and debate over the ultimate size of the first rate cut dominated market commentary right up until the meeting on September 18th, when the Fed delivered an aggressive rate cut of 50 basis points (bps). Clearly, the Fed proved as willing as the market to look through core inflation data and stay focused on the labor market.

# 3Q 2024 INVESTMENT GRADE MARKET REVIEW & ECONOMIC OUTLOOK

## 3Q24 TOTAL/EXCESS RETURN SUMMARY

Using Bloomberg index data, 3Q 2024 total returns were fairly robust for the Bloomberg Aggregate Bond Index (Agg) and the primary spread sectors (Corporates and RMBS), given the precipitous decline in Treasury yields.

| Total Returns                                 | 3Q24 (%) | YTD (%) |
|---|----------|---------|
| Aggregate                                     | 5.20     | 4.45    |
| Investment Grade (IG) Corporate               | 5.84     | 5.32    |
| Residential Mortgage-Backed Securities (RMBS) | 5.53     | 4.50    |
| Commercial Mortgage-Backed Securities (CMBS)  | 4.65     | 6.25    |
| Asset-Backed Securities (ABS)                 | 3.35     | 5.07    |

The Agg has now generated a positive total return for five consecutive months, bringing its total return since the end of April to +7.99%. Even the pure Treasury index over that interval generated a total return of +7.34%. **Bonds are definitely back!**

It could be fair to say that with the pricing of significant rate cuts over the next 15 months or so, the easy money in bonds has already been made. With a 4.23% yield, the Agg still offers a solid coupon clip, however, for income-oriented investors.

Excess returns were solid but, unspectacular for all primary investment grade spread sectors. Both corporate credit and RMBS produced near-equal excess returns, while the smaller CMBS and ABS sectors generated more modest excesses. For some historical context, the +165 bps the credit sector generated year-to-date already surpassed the trailing 20-year average annual excess of +118 bps. Similarly, the RMBS excess of +52 bps bested its 20-year average of +23 bps.

| Excess Returns                                | 3Q24 (bps) | YTD (bps) |
|---|------------|-----------|
| Investment Grade (IG) Corporate               | +77        | +165      |
| Residential Mortgage-Backed Securities (RMBS) | +78        | +52       |
| Commercial Mortgage-Backed Securities (CMBS)  | +36        | +215      |
| Asset-Backed Securities (ABS)                 | +15        | +89       |

Within IG corporate credit there was little distinction across the ratings spectrum. Lower-quality BBB rated risk and higher-quality single A risk generated +74 bps and +79 bps of excess return, respectively. The robust supply backdrop in corporate credit seen over the first half of the year persisted in 3Q, with September's supply actually setting a record for that calendar month and year-to-date issuance about 28% higher than the comparable period in 2023..

RMBS rebounded from a more challenging first half of the year to generate a solid quarter of excess return. There was greater dispersion across the coupon stack, with conventional 4% coupons performing the best in excess terms, followed by the lower coupon segment. The higher coupon sector was challenged, but that is not atypical given the aggressive move lower in rates over the quarter. The overall spread change for the production coupon was considerably tighter.

- Perfect current coupon (PCC), a generic spread proxy for the "production" coupon, tightened -30 bps to +118 bps

CMBS/ABS both generated modest positive excess returns in the third quarter at +36/+15 bps, respectively. Similar to the corporate sector, ABS sector performance is admirable, given a robust supply backdrop seen over the first nine months of 2024.

**CMBS performance remains impressive amidst the still-challenged backdrop for the commercial real estate (CRE) market.** The move to lower rates over the quarter and the belief in an aggressive Fed rate-cutting cycle offers the potential for a friendlier refinancing environment going forward. Many sectors within CRE remain challenged. The office sector, in particular, will likely continue to underperform as many older, less attractive properties approach their refinancing window. Remember, CMBS and ABS are small sectors within the Agg (~2% total in market value terms) and so typically contribute less to overall excess returns for strategies benchmarked to that index.

**"Plus" sectors offered another quarter of outperformance in both total and excess returns.**

- High yield delivered a 3Q total return of +5.28% and excess return of +172 bps
- High yield total return year-to-date was +8.00%
- Emerging markets debt (EMD) delivered a 3Q total return of +5.71% and excess return of +107 bps
- EMD total return year-to-date was +8.17%

# 3Q 2024 INVESTMENT GRADE MARKET REVIEW & ECONOMIC OUTLOOK

## MISPLACED EMPHASIS ON THE FED TARGET RATE

Having given ample warning that a pivot and rate cut were forthcoming, **the Fed's formal return to lowering rates in September was no surprise.** The only element of surprise was the magnitude. Typically, the Fed does its best to telegraph its intent so as to not surprise the market. In this instance, the Fed went into its traditional blackout period (no communication regarding policy for the ten days leading up to each meeting) without guiding the market definitively towards 25 or 50 bps.

There was no shortage of ink wasted on this unique setup, and articles that came out during the blackout period were thought to be the Fed potentially using the financial press to signal intent. Despite the Fed's effort to emphasize that 50 bps was not going to be a consistently aggressive cadence, the market immediately began pricing in a front-loaded easing cycle. This is not the first time the market took it upon itself to get ahead of the Fed and it certainly won't be the last.

Since the Fed reached the terminal rate for this cycle back in July 2023, the market has debated the degree of restrictiveness represented by a 5.50% Fed target rate. Some assumption about a neutral policy setting is required to make that assessment, and guidance around the neutral rate has been cloudy of late.

**The neutral rate published quarterly with the Fed's "dot chart" has been inching up, but the most recent estimate still has it just below 3%. If that is the case, it's reasonable to conclude Fed policy has been and remains fairly restrictive.** However, if the neutral rate is higher, then the policy setting is less restrictive.

Herein lies the rub. Considering the overall performance of the economy since the Fed began raising rates, perhaps the neutral rate is well above 3%. This debate is quite topical, with pundits and economists loudly arguing points. Perhaps the focus on the target rate alone is misguided. **As the Fed repeatedly emphasized, they are focused on the totality of the economic data to guide policy. As such, the market would be wise to focus more on broader financial conditions rather than just the target rate.**

## YIELD CURVE DISINVERSION

**The yield curve steepened considerably over the third quarter in a bullish fashion.** Shorter maturity Treasury note yields declined more than longer maturity Treasury notes and bonds. This is a very typical pattern investors expect when the Fed cuts rates. It also ended a record inversion between two-year and 10-year Treasury notes.

The inversion began back in July 2022. Since then, **the 10-year Treasury yield fell as much as 100+ bps below the two-year Treasury yield on multiple occasions.** This historic inversion was one of many indicators that kept investors wary of an imminent slowdown or recession, as a yield curve inversion has essentially preceded every prior recession. **Entering 3Q, this two-year/10-year curve was still inverted by 36 bps, but it ended the quarter at +14 bps—with a positive slope.**

The degree to which the yield curve continues to normalize will depend in part on the rate cuts the Fed ultimately delivers. Using the assumption of no landing or a soft landing, the curve would likely stay positively sloped, but may be slow to steepen. The trailing 10-year average for this curve is around +50 bps, while a trailing 20-year average is around +100 bps. **Should the fundamental economic backdrop slow more than anticipated, the Fed might cut rates more aggressively.** In that case, the curve would bullishly steepen again, to look more like it has in the past. Conversely, **should the Fed fail to respond to a new inflation scare, the curve could return to a steeper long-term average,** a bear steepening, where longer maturity Treasury yields rise more than shorter term yields. This latter outcome could prove to be even more challenging to risk assets.

## LOOKING FORWARD

**As the fourth quarter gets underway, a much stronger-than-expected employment report is refocusing the market on economic resilience. It's important, however, not to extrapolate a positive outcome prematurely from this single data point.** Data dependency has been the Fed's guiding force this year. Each passing month of fundamental economic data has informed policy decisions. Given that backdrop, **considerable volatility has sprung up around important data releases.** It's safe to say this seemingly hyper-dependency on data will persist over the balance of 2024.

**Overall, risk markets remain well-supported, and the attractiveness of all-in investment grade yields persists.** The robust total returns seen over the most recent quarter will not likely repeat (outside of a considerable economic slowdown that challenges the expansion, reasserts the fear of imminent recession, and drives Treasury yields considerably lower). **The Agg ended the quarter with a 4.23% yield, so even a coupon clip offers a return many investors remain comfortable with at this point in the cycle.** It's worth noting that for the decade preceding the Fed raising rates in March 2022, the Agg only offered an average yield of 2.25%. Putting the income back in fixed income has certainly made a difference.



# 3Q 2024 INVESTMENT GRADE MARKET REVIEW & ECONOMIC OUTLOOK

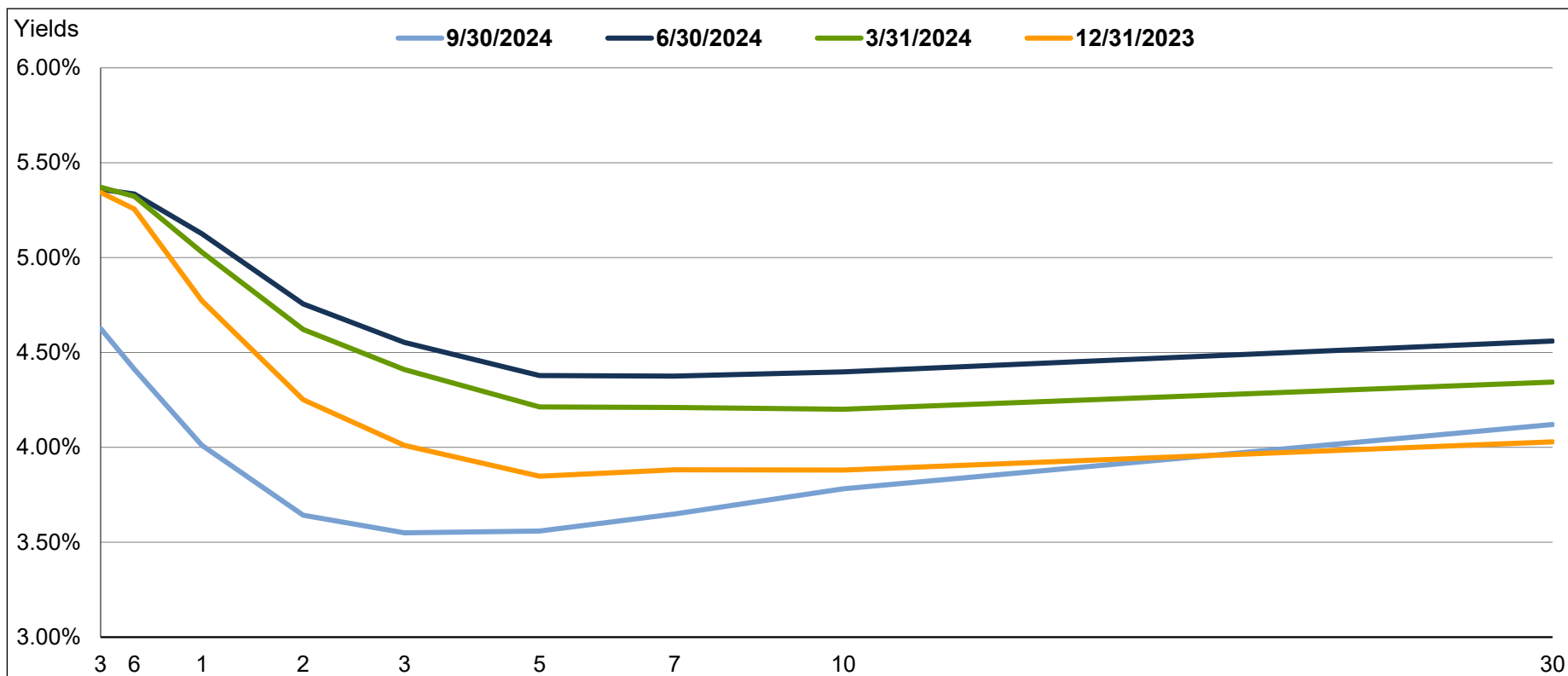
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**Credit spreads were slightly tighter over the quarter and managed to generate positive excess returns each month.** The agency RMBS market rebounded in 3Q after underperforming over the first half of the year. Excess return from RMBS has been sporadic at best, and the sector still offers good relative value going forward. Overall, the absolute level of spreads for investment grade corporates remain below historical averages. Adjusted for leverage, spreads are not far from record tight. As such, the spread on offer fails to adequately compensate for risk, and a more defensive risk posture seems appropriate.

As much as the Fed wants to move on from the inflation side of their dual mandate, ignoring the incoming data is not recommended. The core PCE deflator was still +2.7% year-over-year against the Fed's 2% price stability target through August. Core inflation, as measured by the Fed's preferred personal consumption expenditures (PCE) deflator, is unlikely to improve considerably through year-end, given the base effects of low comparables from the end of 2023.

Many analysts have talked about the difficulty of the "last mile" of the inflation fight, and the Fed has seemingly set sights solely on the labor market for policy going forward. **Should inflation prove as sticky as some fear, monetary policy could look out of sync. The market would then have to reassess the outright level of rates, as well as the shape of the yield curve.**

# TREASURY YIELD CURVES



| Period     | 3 Month | 6 Month | 1 Year | 2 Year | 3 Year | 5 Year | 7 Year | 10 year | 30 Year |
|------------|---------|---------|--------|--------|--------|--------|--------|---------|---------|
| 9/30/2024  | 4.627   | 4.412   | 4.011  | 3.642  | 3.550  | 3.559  | 3.649  | 3.782   | 4.120   |
| 6/30/2024  | 5.360   | 5.335   | 5.126  | 4.756  | 4.553  | 4.378  | 4.376  | 4.398   | 4.560   |
| 3/31/2024  | 5.371   | 5.323   | 5.029  | 4.621  | 4.410  | 4.213  | 4.210  | 4.201   | 4.344   |
| 12/31/2023 | 5.344   | 5.256   | 4.773  | 4.251  | 4.010  | 3.848  | 3.882  | 3.880   | 4.029   |

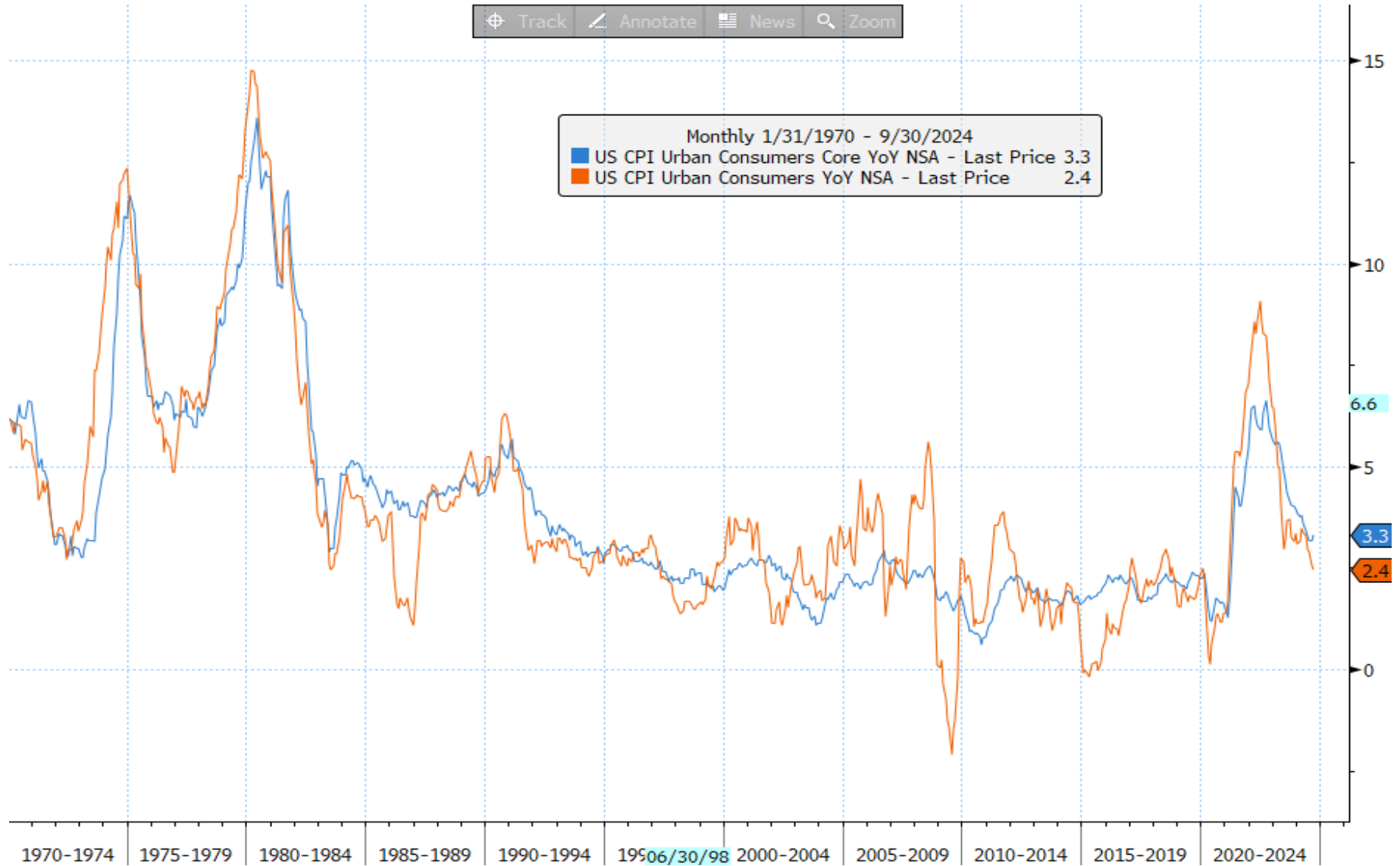
- Following persistently higher rates over the first half of 2024, the third quarter ushered in a powerful shift to lower rates.
- The yield curve steepened considerably over the third quarter in a bullish fashion.
- Shorter maturity Treasury note yields declined more than longer maturity Treasury notes ending a record inversion between two-year and 10-year Treasury notes.
- Entering 3Q, the two-year/10-year curve was still inverted by 36 bps but ended the quarter at +14 bps – with a positive slope.

# INFLATION OVERVIEW

January 31, 1970 – September 30, 2024

## Consumer Price Index

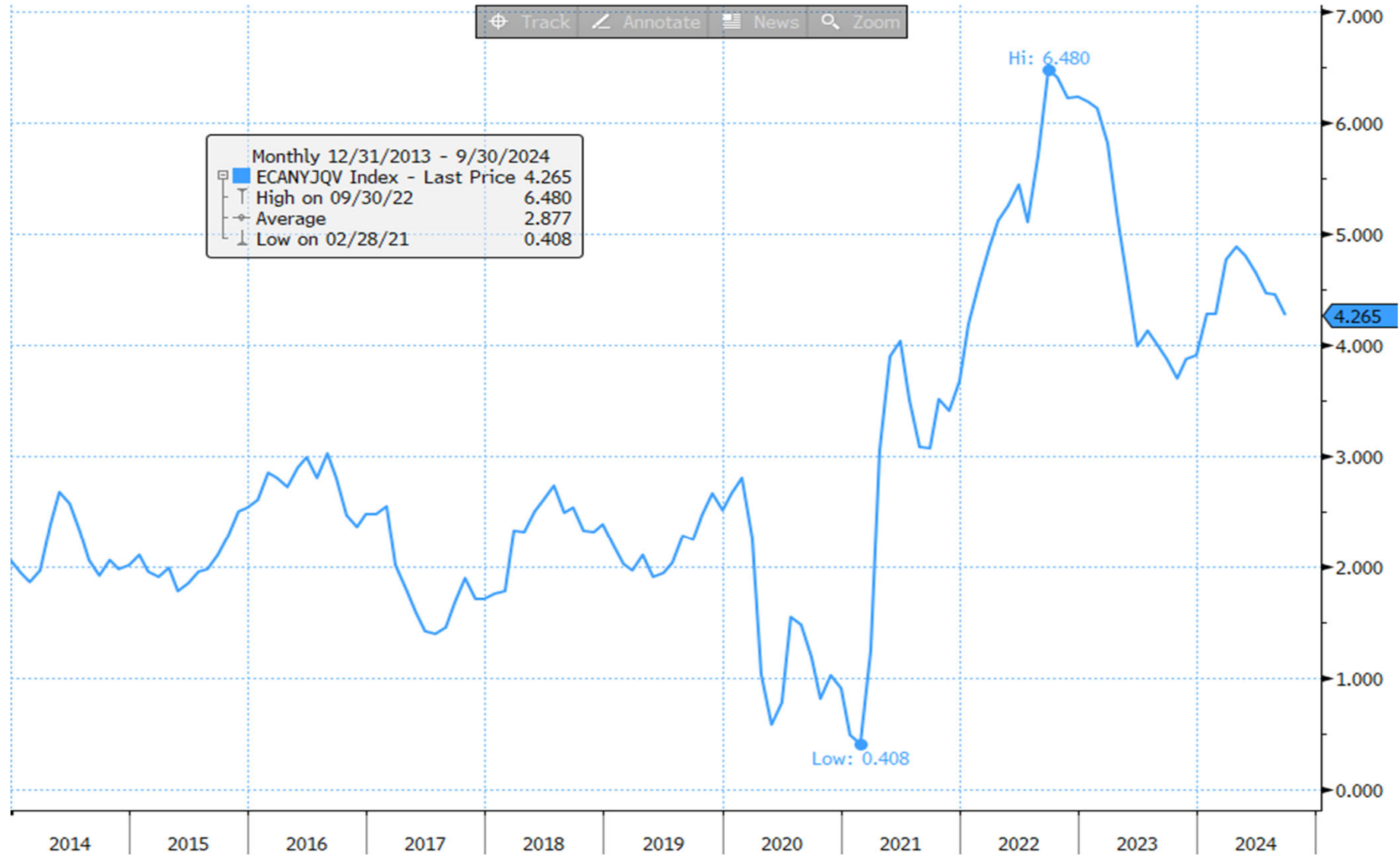
Headline & Core Y-O-Y



# INFLATION OVERVIEW

December 31, 2013 – September 30, 2024

## CPI Supercore Y-O-Y Core Services ex Rent/OER



# INFLATION OVERVIEW

December 31, 2013 – August 31, 2024

## PCE Supercore Y-O-Y Core Services ex Housing



| Inflation Metric Summary                      |            |
|---|------------|
| PCE (headline)                                | 2.2        |
| PCE (core)                                    | 2.7        |
| CPI (headline)                                | 2.4        |
| CPI (core)                                    | 3.3        |
| Dallas Fed Trimmed Mean One Year PCE (1yr)    | 2.7        |
| Dallas Fed Trimmed Mean Six Months (annlzd)   | 2.3        |
| Cleveland Fed 16% Trimmed Mean CPI (YOY)      | 3.2        |
| Cleveland Fed Median CPI (YOY)                | 4.1        |
| Atlanta Fed Sticky CPI (12mos)                | 4.0        |
| Atlanta Fed Core Sticky CPI (12mos)           | 4.0        |
| <b>Average</b>                                | <b>3.1</b> |
| NY Fed 3yr Inflation Expectation              | 2.7        |
| Univ of Michigan 1yr Inflation Expectation    | 2.9        |
| Univ of Michigan 5-10yr Inflation Expectation | 3.0        |
| Conference Board 12mos Inflation Expectation  | 5.2        |
| <b>Average</b>                                | <b>3.4</b> |

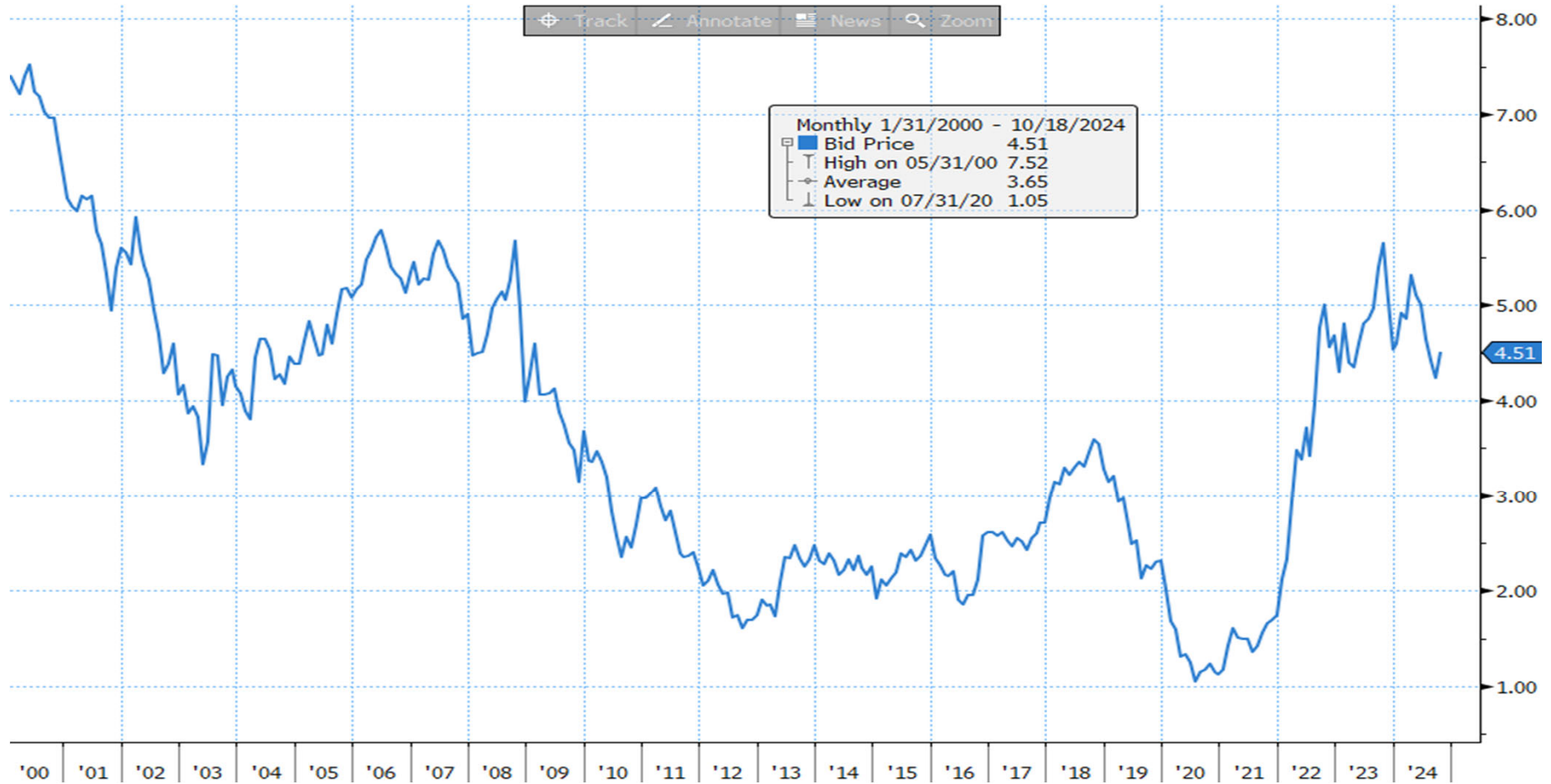
# MACRO OVERVIEW

January 3, 2022 – October 18, 2024

## 10YR Real & Breakeven Change



## Bloomberg Aggregate Index YTW Back to the "Old Normal"

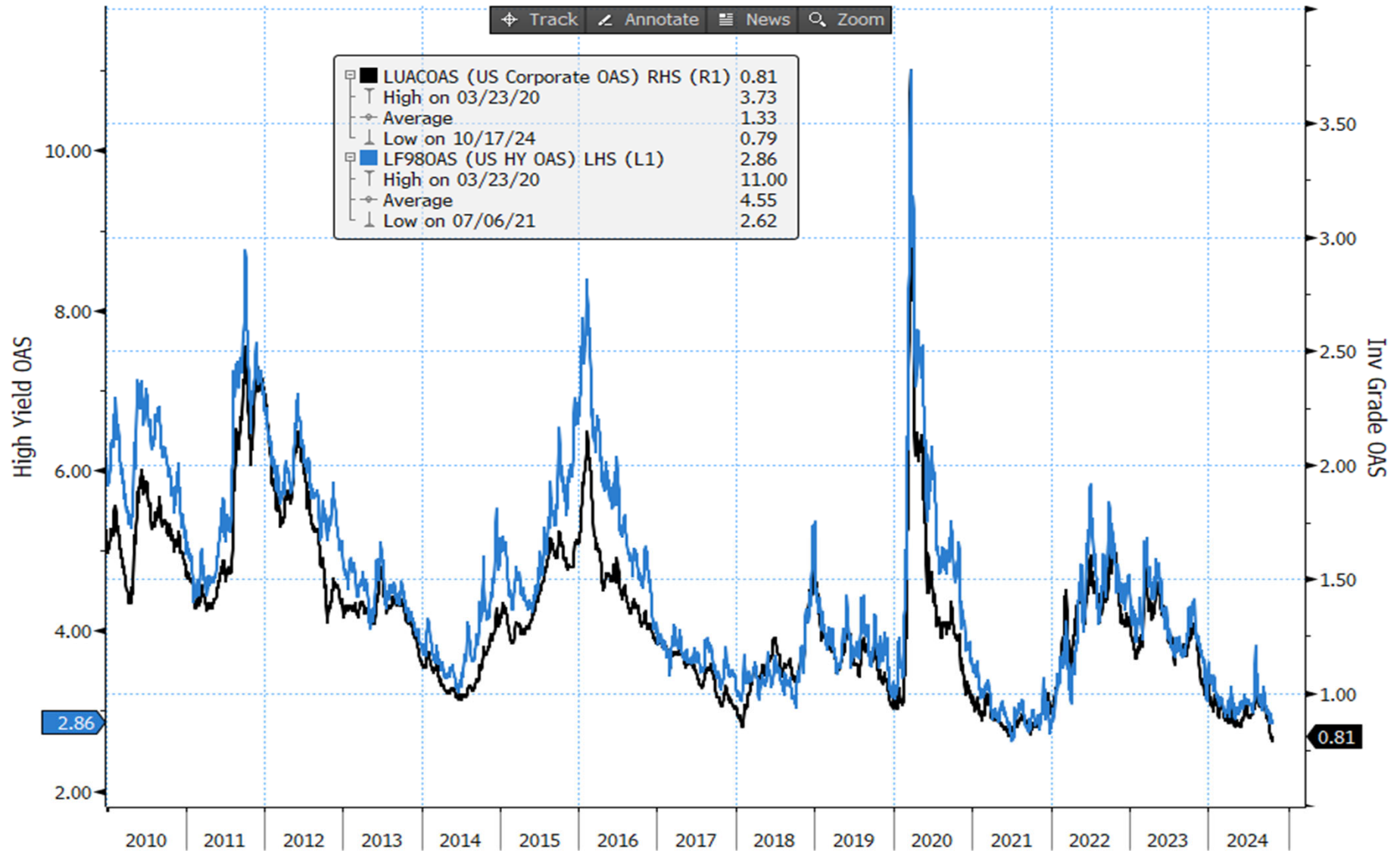


- The Aggregate ended the quarter with a 4.23% yield, so even a coupon clip offers a return many investors remain comfortable with at this point in the cycle.
- It's worth noting that for the decade preceding the Fed raising rates in March 2022, the Aggregate only offered an average yield of 2.25%.



# Corporate Credit Spreads

## Bloomberg IG/HY OAS Remain Tight



# FEDERAL RESERVE'S OPEN MARKET COMMITTEE

## US Federal Funds Target Interest Rate History

As of 9/18/2024

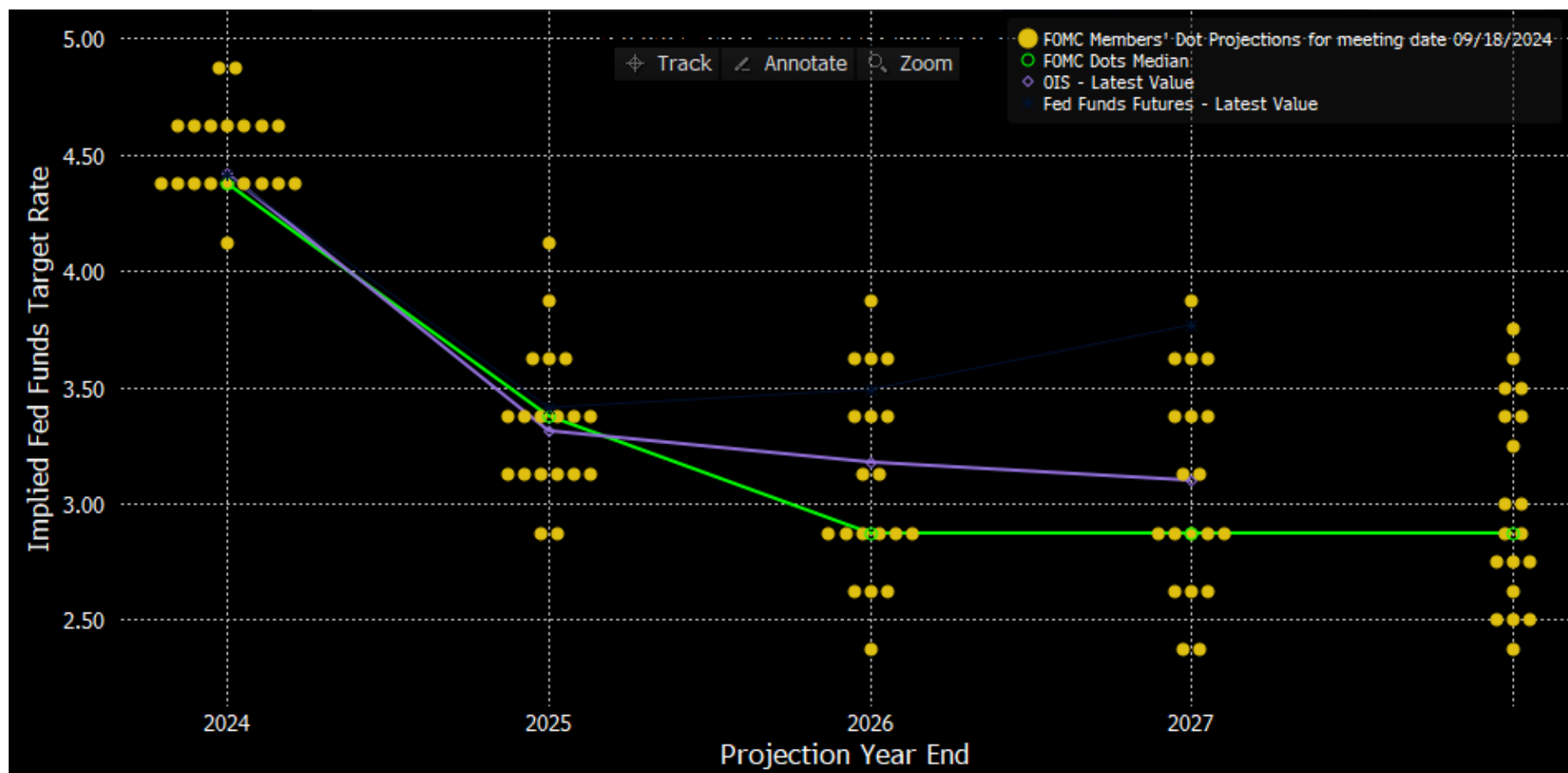
| Date       | Target      | BN Survey   | Survey vs Actual | Direction  | Change | Discount | Vote |
|------------|-------------|-------------|------------------|------------|--------|----------|------|
| 09/18/24 * | 4.75%-5.00% | 5.00%-5.25% | Surprise         | Easing     | -0.50% | 5.00%    | 11-1 |
| 07/31/24   | 5.25%-5.50% | 5.25%-5.50% | Expected         | None       | None   | 5.50%    | 12-0 |
| 06/12/24 * | 5.25%-5.50% | 5.25%-5.50% | Expected         | None       | None   | 5.50%    | 12-0 |
| 05/01/24   | 5.25%-5.50% | 5.25%-5.50% | Expected         | None       | None   | 5.50%    | 12-0 |
| 03/20/24 * | 5.25%-5.50% | 5.25%-5.50% | Expected         | None       | None   | 5.50%    | 12-0 |
| 01/31/24   | 5.25%-5.50% | 5.25%-5.50% | Expected         | None       | None   | 5.50%    | 12-0 |
| 12/13/23 * | 5.25%-5.50% | 5.25%-5.50% | Expected         | None       | None   | 5.50%    | 12-0 |
| 11/01/23   | 5.25%-5.50% | 5.25%-5.50% | Expected         | None       | None   | 5.50%    | 12-0 |
| 09/20/23 * | 5.25%-5.50% | 5.25%-5.50% | Expected         | None       | None   | 5.50%    | 12-0 |
| 07/26/23   | 5.25%-5.50% | 5.25%-5.50% | Expected         | Tightening | 0.25%  | 5.50%    | 11-0 |
| 06/14/23 * | 5.00%-5.25% | 5.00%-5.25% | Expected         | None       | None   | 5.25%    | 11-0 |
| 05/03/23   | 5.00%-5.25% | 5.00%-5.25% | Expected         | Tightening | 0.25%  | 5.25%    | 11-0 |
| 03/22/23 * | 4.75%-5.00% | 4.75%-5.00% | Expected         | Tightening | 0.25%  | 5.00%    | 11-0 |
| 02/01/23   | 4.50%-4.75% | 4.50%-4.75% | Expected         | Tightening | 0.25%  | 4.75%    | 12-0 |
| 12/14/22 * | 4.25%-4.50% | 4.25%-4.50% | Expected         | Tightening | 0.50%  | 4.50%    | 12-0 |
| 11/02/22   | 3.75%-4.00% | 3.75%-4.00% | Expected         | Tightening | 0.75%  | 4.00%    | 12-0 |
| 09/21/22 * | 3.00%-3.25% | 3.00%-3.25% | Expected         | Tightening | 0.75%  | 3.25%    | 12-0 |
| 07/27/22   | 2.25%-2.50% | 2.25%-2.50% | Expected         | Tightening | 0.75%  | 2.50%    | 12-0 |
| 06/15/22 * | 1.50%-1.75% | 1.25%-1.50% | Surprise         | Tightening | 0.75%  | 1.75%    | 10-1 |
| 05/04/22   | 0.75%-1.00% | 0.75%-1.00% | Expected         | Tightening | 0.50%  | 1.00%    | 9-0  |
| 03/16/22 * | 0.25%-0.50% | 0.25%-0.50% | Expected         | Tightening | 0.25%  | 0.50%    | 8-1  |
| 01/26/22   | 0.00%-0.25% | 0.00%-0.25% | Expected         | None       | None   | 0.25%    | 9-0  |
| 12/15/21 * | 0.00%-0.25% | 0.00%-0.25% | Expected         | None       | None   | 0.25%    | 11-0 |
| 11/03/21   | 0.00%-0.25% | 0.00%-0.25% | Expected         | None       | None   | 0.25%    | 11-0 |
| 09/22/21 * | 0.00%-0.25% | 0.00%-0.25% | Expected         | None       | None   | 0.25%    | 11-0 |

- Having given ample warning that a pivot and rate cut were forthcoming, the Fed's formal return to lowering rates in September was no surprise.
- The only element of surprise was the magnitude – 50 bps.

The FOMC Vote column refers to votes for and against the decision.

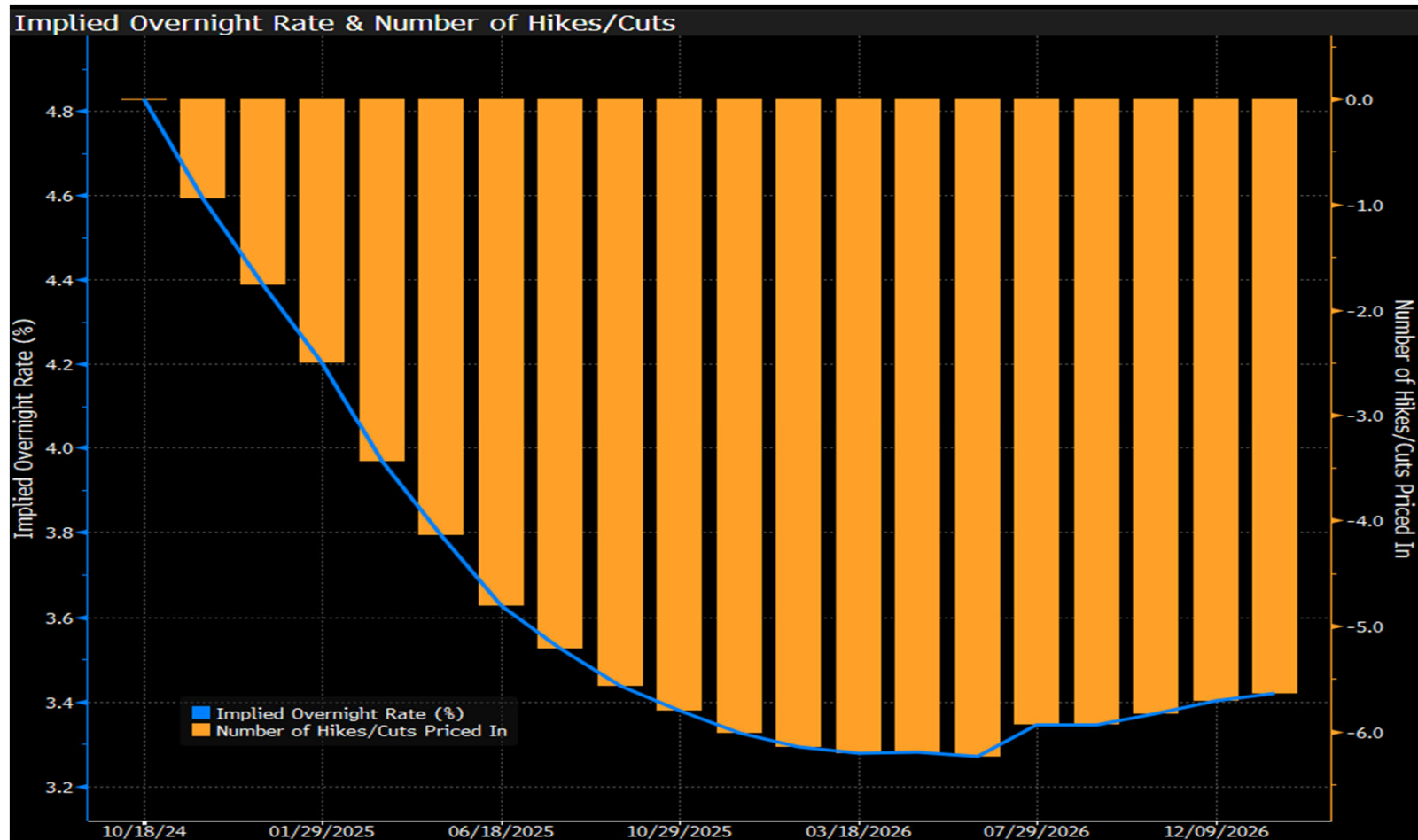
NOTE: (\*) Meeting with Economic Projections and a press conference by the Chair. The discount rate was changed to the primary credit rate on Jan. 9, 2003.

Source: Bloomberg



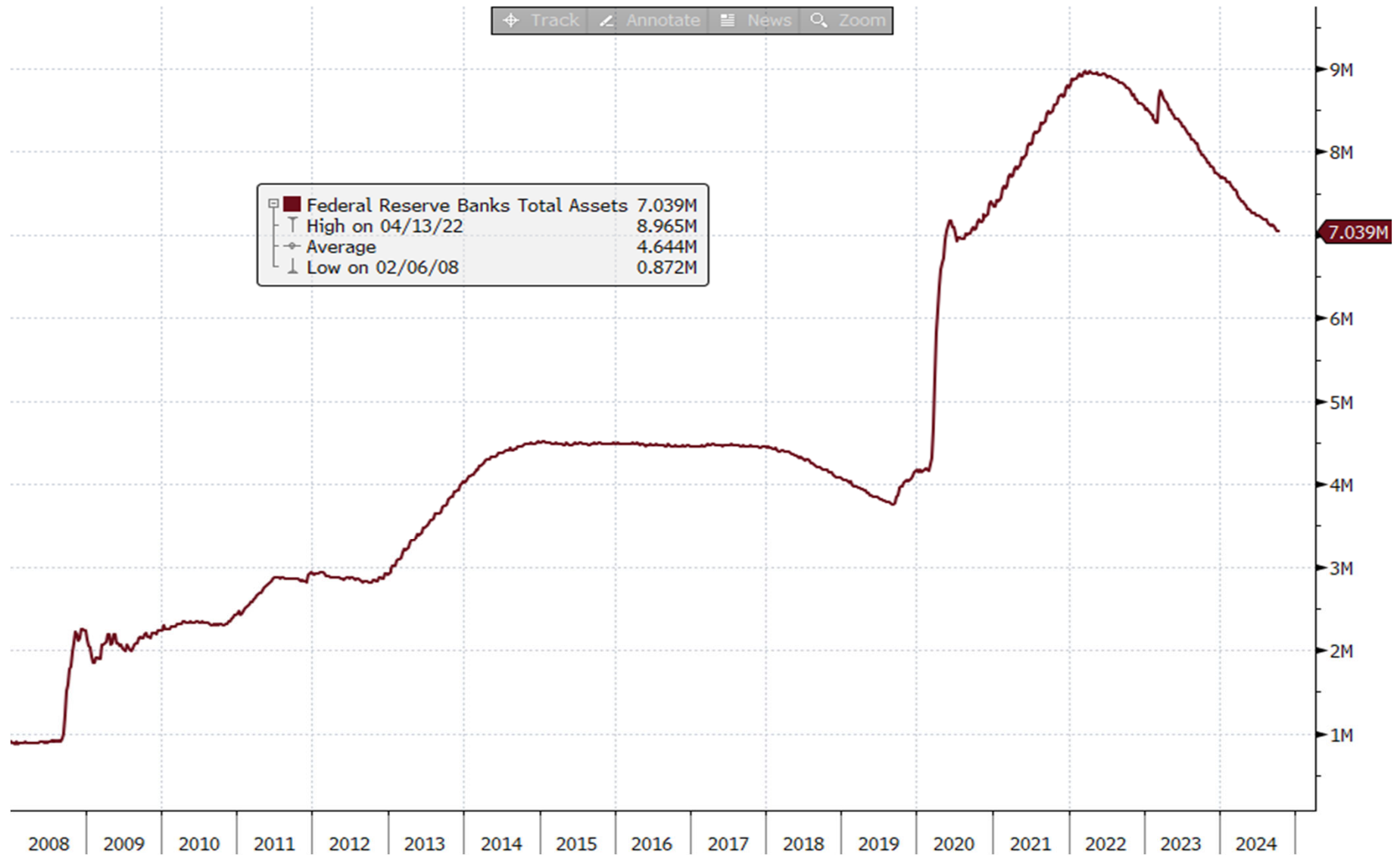
- The median Fed target rate for the end of 2024 is 4.375% (implying a 4.25% - 4.50% target rate range).
- The FOMC expectation is for 50 bps more of easing in 2024.
- The median Fed target rate for 2025 is 3.375% down from 4.125%, and the target rate expectation for 2026 is 2.875% down from 3.125%.

## Market Pricing of Rate Cuts Has Moderated



- At the beginning of the year, markets were pricing approximately six rate cuts for 2024, with those cuts starting as early as the Fed's March 20, 2024 meeting.
- Entering the second quarter, expectations for rate cuts were reduced by half to three and revised market pricing concurred with the Fed's guidance offered via the dot chart as of March 20, 2024.
- Pricing of rate cuts as of October 2024 now reflects one 25 bps rate cut almost fully priced in for November and another 25 bps rate cut almost fully priced in for December.

## Federal Reserve Balance Sheet Lower QT Pace Slows Reduction



## Goldman Sachs FCI

### Broad Financial Conditions Modestly Easier in 2024

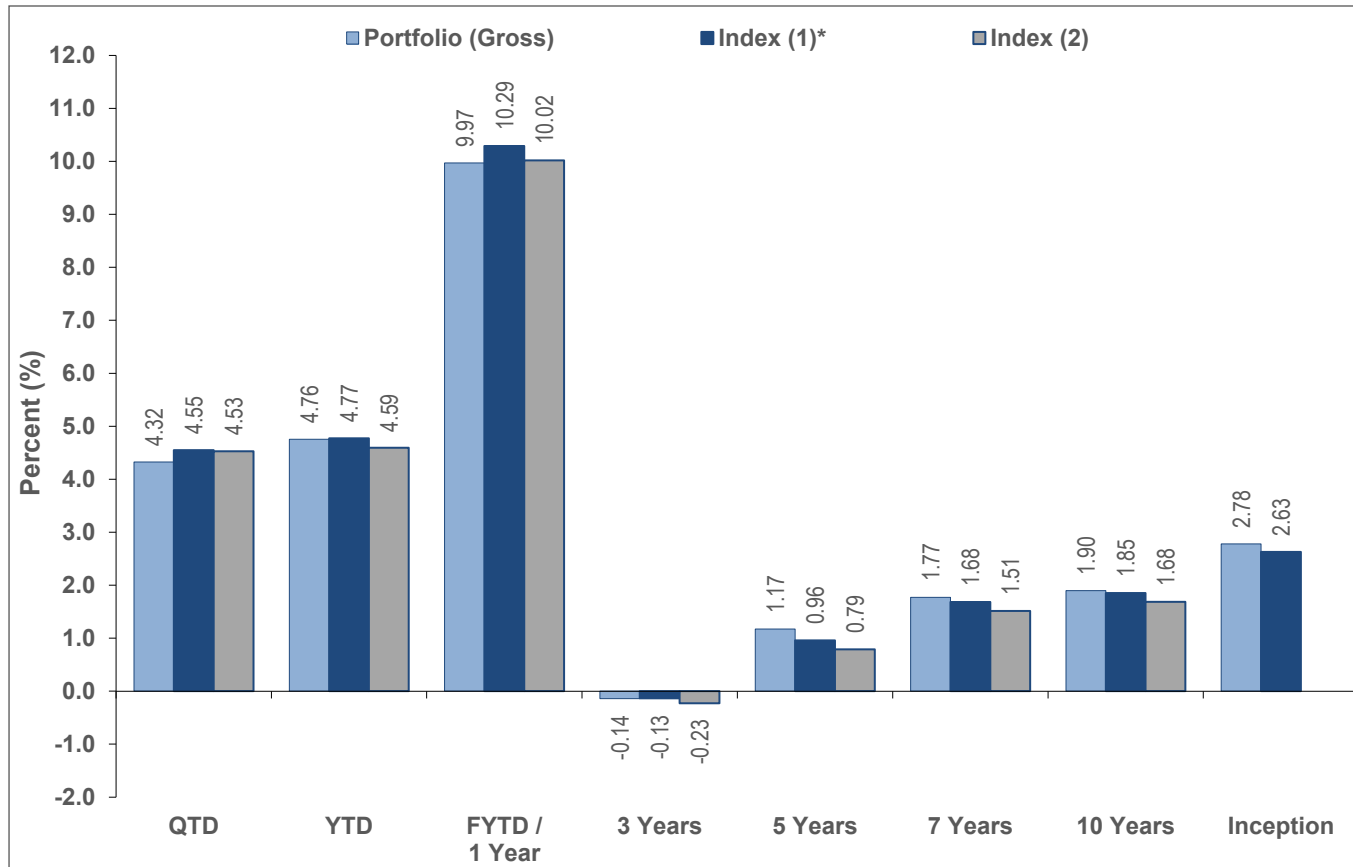


# PORTFOLIO REVIEW

# CITY OF OCALA TREASURY INVESTMENT FUND

## Portfolio Performance & Characteristics

As of 9/30/2024



| Portfolio Characteristics   |            |           |
|-----------------------------|------------|-----------|
|                             | Portfolio  | Index (1) |
| Market Value (\$)           | 52,401,767 |           |
| Yield-to-Worst (%)          | 4.25       | 4.14      |
| Yield-to-Maturity (%)       | 4.25       | 4.15      |
| Effective Duration (yrs)    | 4.16       | 4.12      |
| Coupon (%)                  | 4.00       | 3.35      |
| Weighted Average Life (yrs) | 5.20       | 4.69      |
| Average Credit Quality      | Aa2        | Aa2       |
| Number of Holdings          | 125        | 8,730     |

| Performance - Gross (%)       |           |            |
|-------------------------------|-----------|------------|
|                               | Portfolio | Index (1)* |
| Performance (QTD)             | 4.32      | 4.55       |
| Performance (YTD)             | 4.76      | 4.77       |
| Performance (FYTD)            | 9.97      | 10.29      |
| Performance (1 Year)          | 9.97      | 10.29      |
| Performance (3 Years)         | -0.14     | -0.13      |
| Performance (5 Years)         | 1.17      | 0.96       |
| Performance (7 Years)         | 1.77      | 1.68       |
| Performance (10 Years)        | 1.90      | 1.85       |
| Performance (Since Inception) | 2.78      | 2.63       |

| Calendar Year Returns (%) |      |       |       |      |      |      |      |      |      |      |
|---------------------------|------|-------|-------|------|------|------|------|------|------|------|
|                           | 2023 | 2022  | 2021  | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Gross                     | 5.01 | -9.00 | -1.24 | 6.85 | 6.18 | 0.99 | 1.82 | 2.14 | 1.15 | 3.84 |
| Index (1)*                | 5.11 | -9.11 | -1.29 | 5.63 | 6.79 | 0.92 | 2.26 | 2.01 | 1.25 | 4.12 |
| Index (2)                 | 4.76 | -8.91 | -1.41 | 5.31 | 6.13 | 1.14 | 1.89 | 1.57 | 1.39 | 4.02 |

Account Inception: June 30, 2003

Fiscal Year End: September 30<sup>th</sup>

Index (1)\*: ICE BofA 1-10 Yr Corporate, Government & Mortgage Index (D5A0)

\*Blended Index: ICE BofA 1-5 Yr AAA-A Corporate & Government Index (BV10) from inception to 5/31/2011; ICE BofA 1-10 Yr AAA-A Corp/Gov/Mtg Index (D510) from 6/1/2011 to 10/31/2013; ICE BofA 1-10 Yr Corporate, Government & Mortgage Index (D5A0) from 11/1/13 to present.

Index (2): ICE BofA 1-10 Yr AAA-A Corporate, Government & Mortgage Index (D510); (Inception performance comparison is excluded since portfolio was managed to a 1-5 year mandate prior to 6/1/2011.)

Source: Virtus Business Application Manager (VBAM), ICE BofA

Periods greater than one year are annualized. Performance is gross of management fees. Past performance is not indicative of future results.





# CITY OF OCALA TREASURY INVESTMENT FUND

## Portfolio Distributions

As of 9/30/2024

| Sector Distribution (% Mkt Val)  |           |       |
|----------------------------------|-----------|-------|
|                                  | Portfolio | Index |
| U.S. Treasury                    | 39.86     | 43.53 |
| Government Related               | 0.00      | 5.85  |
| Inv Grade Corporate - Financial  | 5.38      | 9.18  |
| Inv Grade Corporate - Industrial | 9.17      | 10.87 |
| Inv Grade Corporate - Utility    | 0.27      | 1.54  |
| Securitized - ABS                | 3.49      | 0.02  |
| Securitized - CMBS               | 2.15      | 0.00  |
| Securitized - Covered            | 0.00      | 0.17  |
| Securitized - RMBS               | 38.97     | 26.23 |
| Other                            | 0.00      | 2.61  |
| Cash                             | 0.70      | 0.00  |

| Ratings Distribution (% Mkt Val) |           |       |
|----------------------------------|-----------|-------|
|                                  | Portfolio | Index |
| Aaa                              | 4.55      | 2.38  |
| Aa                               | 81.24     | 75.91 |
| A                                | 9.06      | 10.43 |
| Baa                              | 4.46      | 11.19 |
| Ba                               | 0.00      | 0.08  |
| Not Rated                        | 0.00      | 0.01  |
| Cash & Equivalents               | 0.70      | 0.00  |

| Maturity Distribution (% Mkt Val) |           |       |
|-----------------------------------|-----------|-------|
|                                   | Portfolio | Index |
| Under 1 Year                      | 7.70      | 0.78  |
| 1-2 Years                         | 2.59      | 16.46 |
| 2-3 Years                         | 22.49     | 14.82 |
| 3-5 Years                         | 17.30     | 25.67 |
| 5-7 Years                         | 21.46     | 19.00 |
| 7-10 Years                        | 26.41     | 23.26 |
| Over 10 Years                     | 2.06      | 0.00  |

| Top 10 Issuers (% Mkt Val) |           |       |
|----------------------------|-----------|-------|
|                            | Portfolio | Index |
| United States              | 39.86     | 43.73 |
| Fannie Mae                 | 18.35     | 0.15  |
| Freddie Mac                | 15.85     | 21.12 |
| Ginnie Mae                 | 5.88      | 7.89  |
| Jp Morgan Chase & Co       | 1.12      | 0.50  |
| American Express Co        | 1.04      | 0.10  |
| Abbvie Inc                 | 1.04      | 0.09  |
| Wells Fargo Company        | 0.90      | 0.31  |
| At&T Corp                  | 0.89      | 0.13  |
| Apple Inc                  | 0.83      | 0.14  |

| Top 10 Industries (% Mkt Val) |           |       |
|-------------------------------|-----------|-------|
|                               | Portfolio | Index |
| Treasury                      | 39.86     | 43.53 |
| Agency Fixed Rate             | 38.97     | 26.23 |
| Financial Institutions        | 5.38      | 9.18  |
| Consumer Non-Cyclical         | 3.21      | 2.60  |
| Credit Card                   | 2.07      | 0.00  |
| Energy                        | 1.94      | 1.30  |
| Agency CMBS                   | 1.10      | 0.00  |
| Non Agency CMBS               | 1.06      | 0.00  |
| Technology                    | 0.91      | 1.68  |
| Stranded Cost Utility         | 0.90      | 0.02  |

| Duration Distribution (% Mkt Val) |           |       |
|-----------------------------------|-----------|-------|
|                                   | Portfolio | Index |
| Under 1 Year                      | 7.70      | 2.08  |
| 1-2 Years                         | 9.18      | 18.69 |
| 2-3 Years                         | 18.53     | 15.74 |
| 3-5 Years                         | 30.57     | 26.63 |
| 5-7 Years                         | 20.71     | 26.41 |
| 7-10 Years                        | 13.30     | 10.45 |

Index: ICE BofA 1-10 Yr Corporate, Government & Mortgage Index (D5A0)

Source: Virtus Business Application Manager (VBAM), ICE BofA

Components may not add to total due to rounding.

Portfolio characteristics, sector analysis, and holdings may change at any time without notice. Seix utilizes a proprietary analytics system for Portfolios and Indices, you may notice slight changes in characteristics, yields and/or durations. You are urged to compare the information regarding your account contained in this report to the information in the account statements provided by the custodian for this account.

# CITY OF OCALA TREASURY INVESTMENT FUND

Compliance Monitor

As of 9/30/2024

| PORTFOLIO LIMITATIONS                           | POLICY             | CURRENT  | WITHIN POLICY? |
|---|--------------------|----------|----------------|
| Portfolio Effective Duration                    | >50% BM, < 120% BM | 4.16     | Yes            |
| Minimum Credit Quality (Moody's/S&P)            | Baa2/BBB           | Baa3/BBB | Yes            |
| MBS/ABS Minimum Quality (Moody's/S&P)           | A/A                | Aaa/AA+  | Yes            |
| CMOs Backed by Govt. Agency                     | US Agency-backed   | N/A      | Yes            |
| Yankee Securities Minimum Quality (Moody's/S&P) | Baa2/BBB           | N/A      | Yes            |

| SECTOR ALLOCATIONS               | MINIMUM | MAXIMUM | CURRENT PERCENTAGE | WITHIN POLICY? |
|----------------------------------|---------|---------|--------------------|----------------|
| Treasury/TIPS                    | 0%      | 100%    | 39.9%              | Yes            |
| Government Related               | 0%      | 100%    | 0.0%               | Yes            |
| Corporate Debt Obligations       | 0%      | 50%     | 14.8%              | Yes            |
| Mortgage/Asset Backed Securities | 0%      | 50%     | 44.6%              | Yes            |
| Municipal Securities             | 0%      | 20%     | 0.0%               | Yes            |
| Certificates of Deposit          | 0%      | 20%     | 0.0%               | Yes            |
| Repurchase Agreements            | 0%      | 25%     | 0.0%               | Yes            |
| Money Market Mutual/Trust        | 0%      | 30%     | 0.7%               | Yes            |
|                                  |         |         | 100.0%             |                |

Source: Virtus Business Application Manager (VBAM)

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# PORTFOLIO STRATEGY

## Fundamentals

- Debt leverage continues to be near historical high levels and is likely to continue to be elevated in coming quarters. In addition, interest costs have risen, and debt-service coverage declined.
- Most investment grade companies still have ample liquidity positions they could use to de-leverage.
- Most investment grade companies don't face large near-term debt maturities.

## Technicals

- The narrative of a “soft landing” and “goldilocks” environment for many investors continues, with the Fed expected to continue its rate cutting throughout the next several quarters.
- Corporate debt demand from yield-buyers, coupled with M&A funding needs, have resulted in continued healthy IG new issuance.
- Support from continued demand from yield-buyers offsetting reticence from total-return buyers to add to corporate bond positions at currently very tight spread levels.
- Costs from hurricanes Helene and Milton may put some pressure on corporate spreads near term as insurance companies may refrain from buying and or outright sell paper.
- Foreign demand for U.S. Credit facing headwinds from high hedging costs and rising global yields.

## Valuations

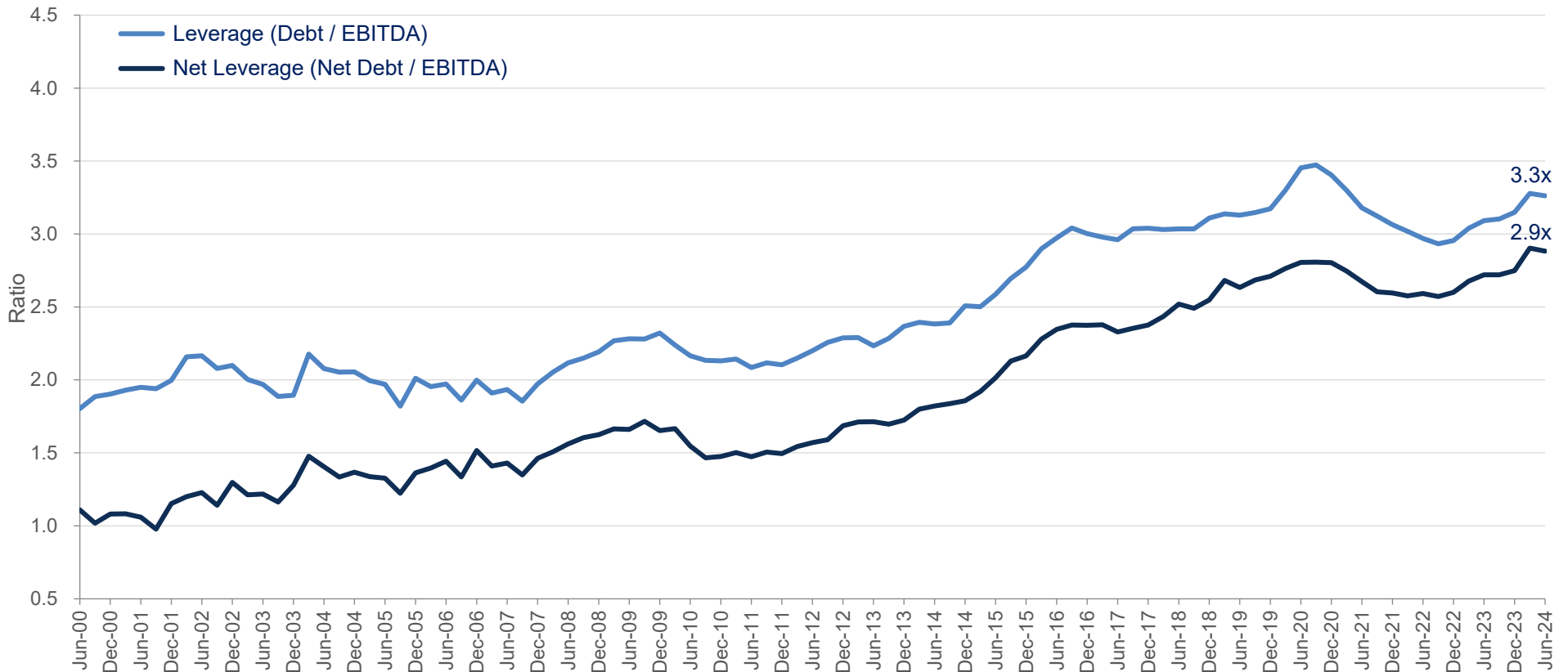
- Valuations as at 9/30/24 were tight relative to the 1-year, 5-year, and 10-year historical averages.
- Corporate bond option-adjusted spread level at 89bps as of 9/30/24 was tight of the 1-year average of 98bps, the 5-year average of 118bps, and the 10-year average of 122bps.
- Leverage-adjusted corporate (Ex-Financials) spread level of 27 bps per unit of leverage, as at 9/30/24\* is at near record tight levels. The current level is also tight to the 3-year average of 37bps; the 1-year average of 32bps, the 5-year average of 38bps; and the 10-year average of 42bps.
- The current level also is well inside the 58bps long-term mean.

# CORPORATE - FUNDAMENTALS

Leverage Remains Near All-Time High

As of 6/30/2024

## Leverage (JULI Index Ex-Financials)



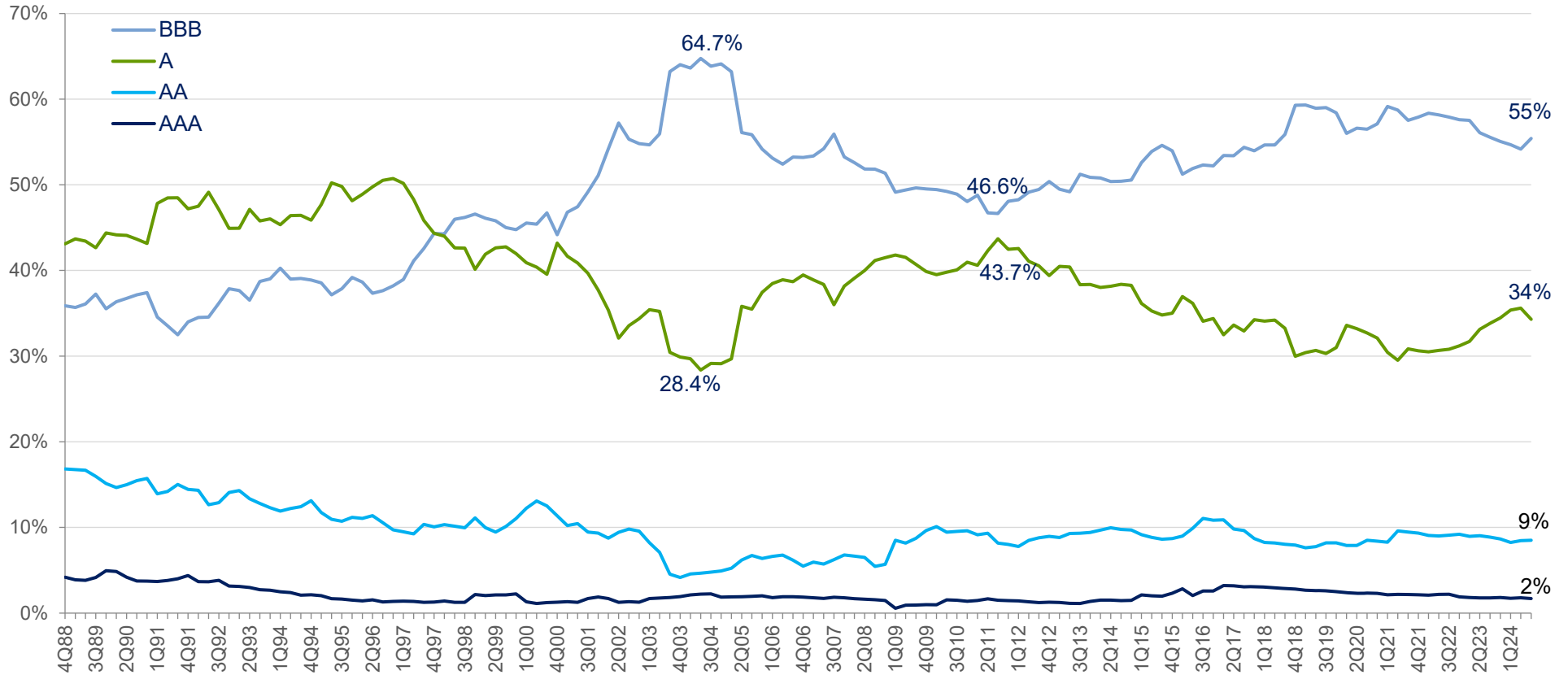
|                    | LAST           | MIN            | MAX            | MEAN | STDDEV |
|--------------------|----------------|----------------|----------------|------|--------|
| Debt/EBITDA        | 3.3<br>6/30/24 | 1.8<br>9/30/05 | 3.5<br>9/30/20 | 2.5  | 0.5    |
| Net<br>Debt/EBITDA | 2.9<br>6/30/24 | 1.0<br>9/30/05 | 2.9<br>3/31/24 | 1.9  | 0.6    |

# CORPORATE - FUNDAMENTALS

Quality of Investment Grade Corporate Markets Has Deteriorated

As of 9/30/2024

**Bloomberg IG Corp Ex Financials Ratings Migration (Amount Outstanding %)**



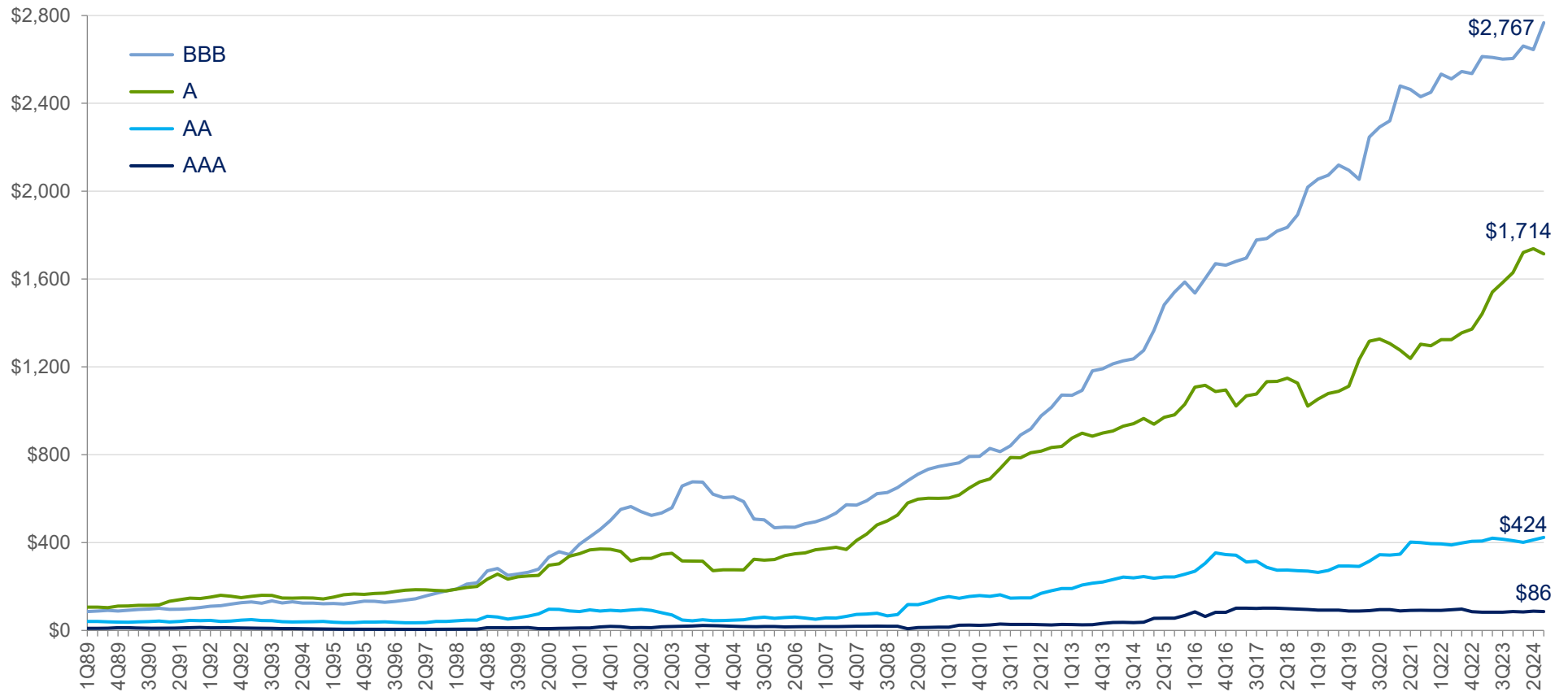
|      | BBB   |      | A     |      | AA    |      | AAA  |      |
|------|-------|------|-------|------|-------|------|------|------|
| Last | 55.4% |      | 34.3% |      | 8.5%  |      | 1.7% |      |
| Max  | 64.7% | 2Q04 | 50.7% | 4Q96 | 16.8% | 4Q88 | 5.0% | 4Q89 |
| Min  | 32.5% | 3Q91 | 28.4% | 2Q04 | 4.2%  | 4Q03 | 0.6% | 1Q09 |

# CORPORATE - FUNDAMENTALS

Growth in BBB Debt Far Exceeds other Categories

As of 9/30/2024

**Bloomberg IG Corp Ex Financials Ratings Migration (Amount Outstanding \$bn)**



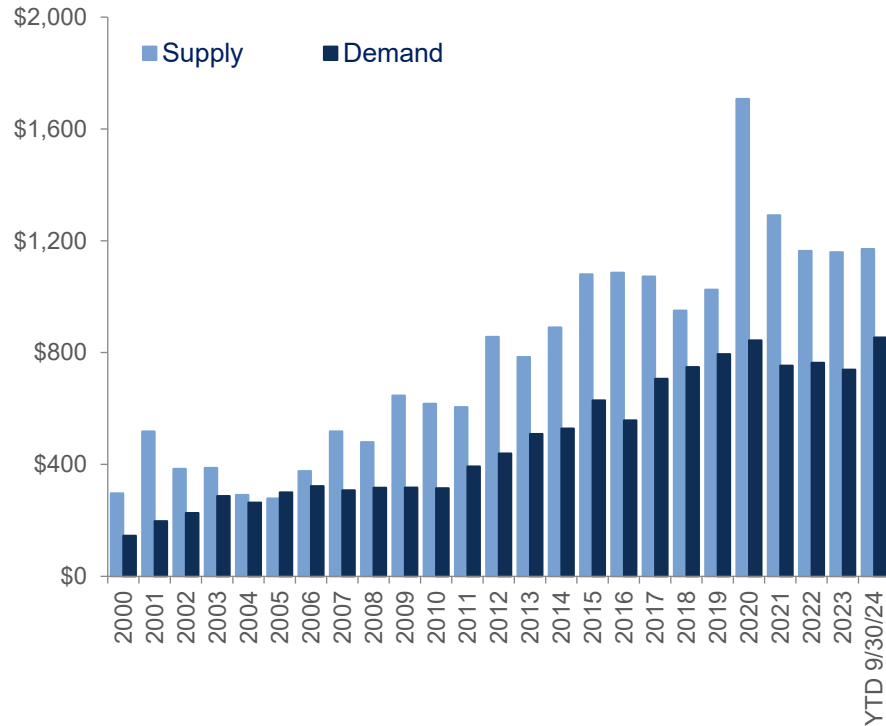
|      | BBB     |      | A       |      | AA    |      | AAA   |      | Total   |      |
|------|---------|------|---------|------|-------|------|-------|------|---------|------|
| Last | \$2,767 |      | \$1,714 |      | \$424 |      | \$86  |      | \$4,992 |      |
| Max  | \$2,767 | 3Q24 | \$1,738 | 2Q24 | \$424 | 3Q23 | \$102 | 4Q17 | \$4,992 | 3Q24 |
| Min  | \$86    | 1Q89 | \$104   | 3Q89 | \$35  | 2Q97 | \$5   | 4Q97 | \$242   | 1Q89 |

# CORPORATE - TECHNICALS

## Corporate Bond Issuance to Normalize

As of 9/30/2024

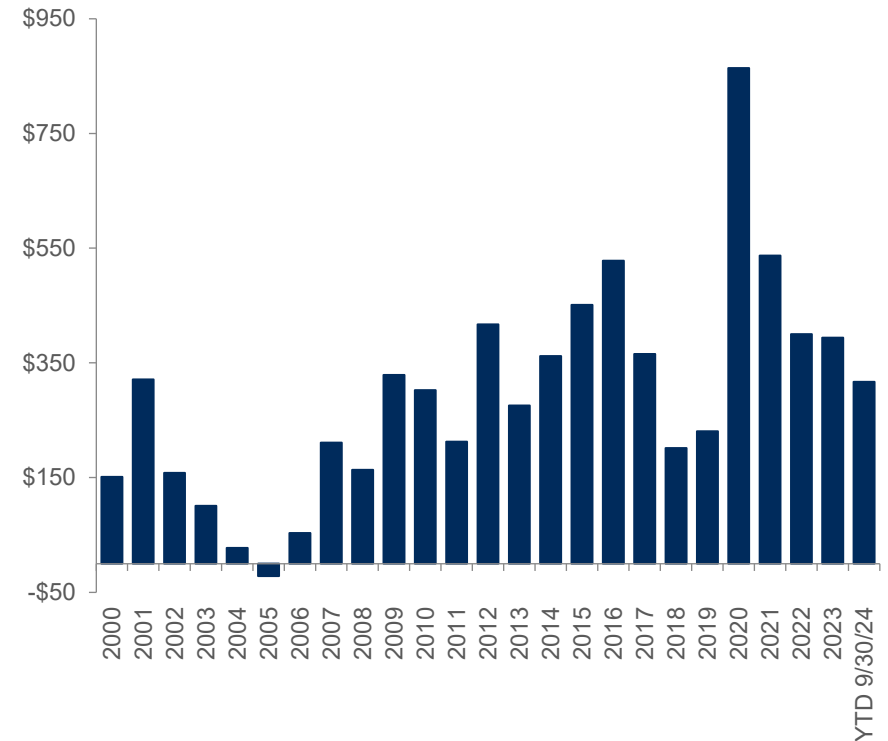
### Supply vs. Demand (\$bn)



|                | LAST               | MIN           | MAX              | MEAN  | STDDEV |
|----------------|--------------------|---------------|------------------|-------|--------|
| <b>Supply</b>  | \$1,159<br>9/30/24 | \$278<br>2005 | \$1,707<br>2020  | \$785 | \$378  |
| <b>Demand*</b> | \$854<br>9/30/24   | \$145<br>2000 | \$854<br>9/30/24 | \$490 | \$229  |

\* Represents redemptions and 75% of coupon

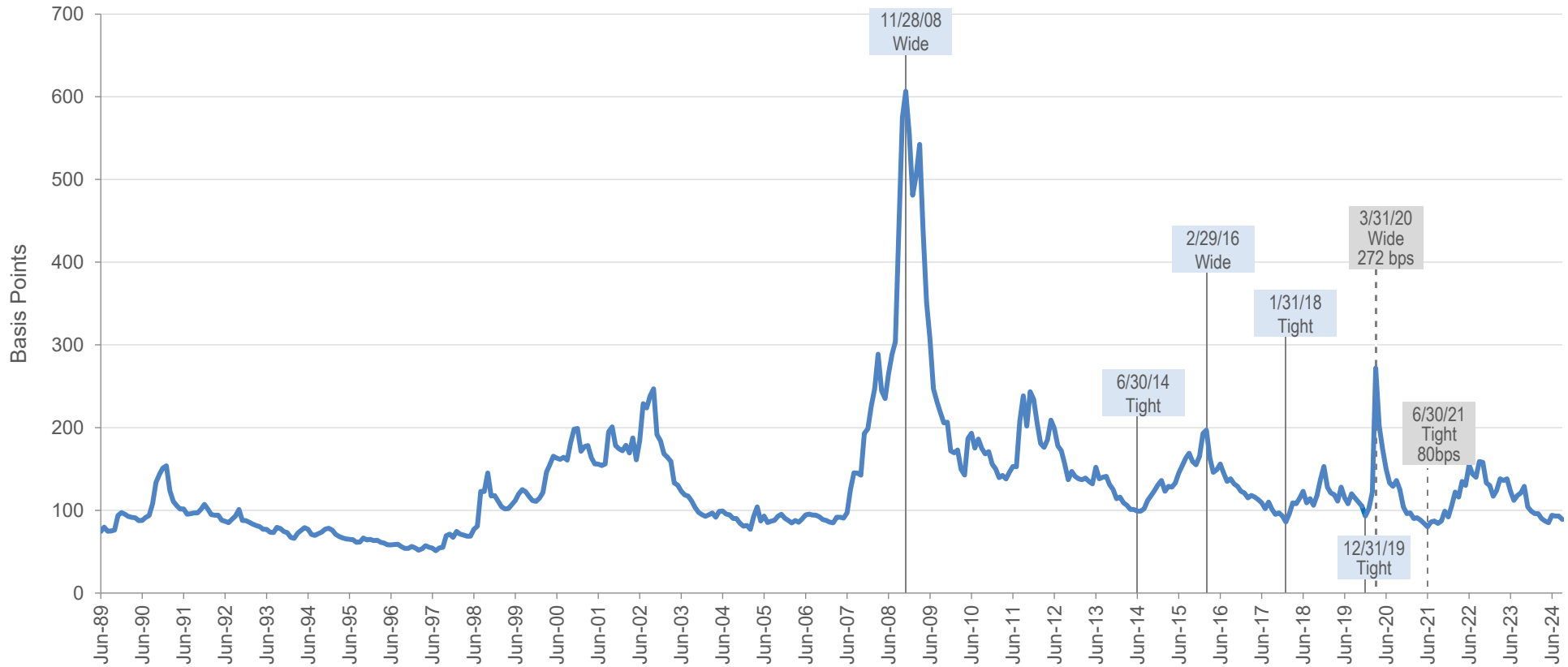
### New Issuance Net Supply (\$bn)



|                   | LAST             | MIN           | MAX           | MEAN  | STDDEV |
|-------------------|------------------|---------------|---------------|-------|--------|
| <b>Net Supply</b> | \$317<br>9/30/24 | -\$22<br>2005 | \$864<br>2020 | \$294 | \$189  |

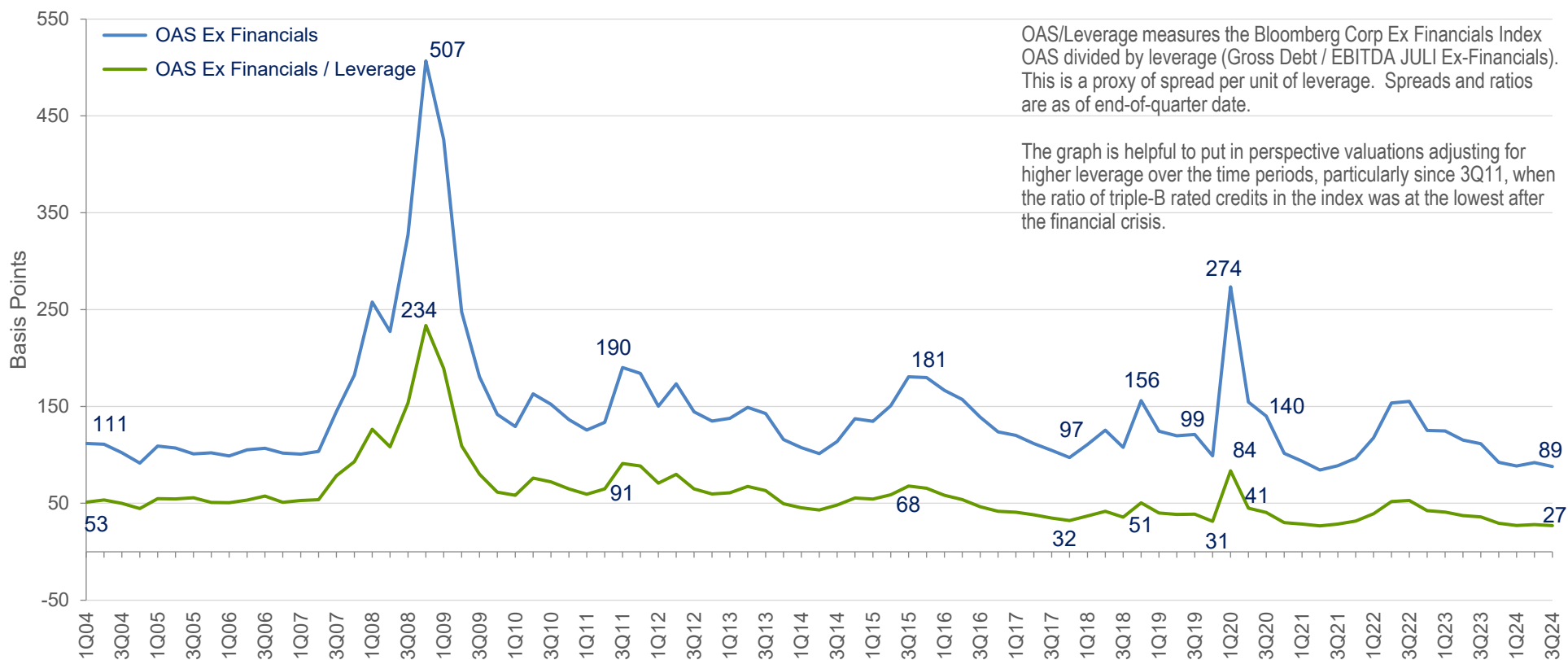


## Bloomberg Corporate Bond Index Option-Adjusted Spreads



| LAST    | MIN     | MAX      | MEAN    | STDDEV |
|---------|---------|----------|---------|--------|
| 89 bps  | 51 bps  | 607 bps  | 130 bps | 73 bps |
| 9/30/24 | 7/31/97 | 11/28/08 |         |        |

### Bloomberg IG Corp Ex Financials Index Spread Per Unit of Leverage



|                              | 4Q19 | 3/23/20* | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | 2Q24 | 3Q24** | 1Q04 – 2Q24 |      |      |
|------------------------------|------|----------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|-------------|------|------|
|                              |      |          |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |        | MIN         | MAX  | MEAN |
| OAS Ex Financials            | 99   | 371      | 274  | 155  | 140  | 102  | 93   | 84   | 89   | 97   | 118  | 154  | 155  | 125  | 125  | 115  | 111  | 92   | 88   | 92   | 89     | 84          | 507  | 143  |
|                              |      |          |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |        | 2Q21        | 4Q08 |      |
| OAS Ex Financials / Leverage | 31   | 124      | 83   | 45   | 40   | 30   | 28   | 26   | 28   | 31   | 39   | 52   | 53   | 42   | 41   | 37   | 36   | 29   | 27   | 28   | 27     | 27          | 234  | 59   |
|                              |      |          |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |        | 2Q21        | 4Q08 |      |

\*Calculated using 1Q20 leverage

\*\*Calculated using 2Q24 leverage

Source: JPMorgan, Bloomberg

## Market Technicals

- MBS spreads were mixed but overall, slightly wider during September
- Specified pool pay-ups were generally slightly higher
- Purchase mortgage applications remain low as the supply of homes for sale remains low; but applications picked up a bit as mortgage rates came down as the market priced in more Fed rate cuts
- Mortgage rates declined 27 bp to 6.08%

## RMBS

- MBS spreads widened slightly in September, with GSE exposure posting flat to slightly positive excess returns while GNMA exposure was solidly negative
- Current coupon spread decreased 11 bp in September, ending the month at +116 bp/10s
- “Story bonds” (loan balance, seasoning, LTV, FICO, new issue, etc.) pay-ups were slightly higher with rates declining

## CMBS

- CMBS spreads were slightly tighter in September as the Fed pivot to rate cuts continued to ease some property refinancing concerns
- Single A rated and longer duration CMBS were the better performers

# SECURITIZED OUTLOOK

## Freddie 30 Year Homeowner Mortgage Rate

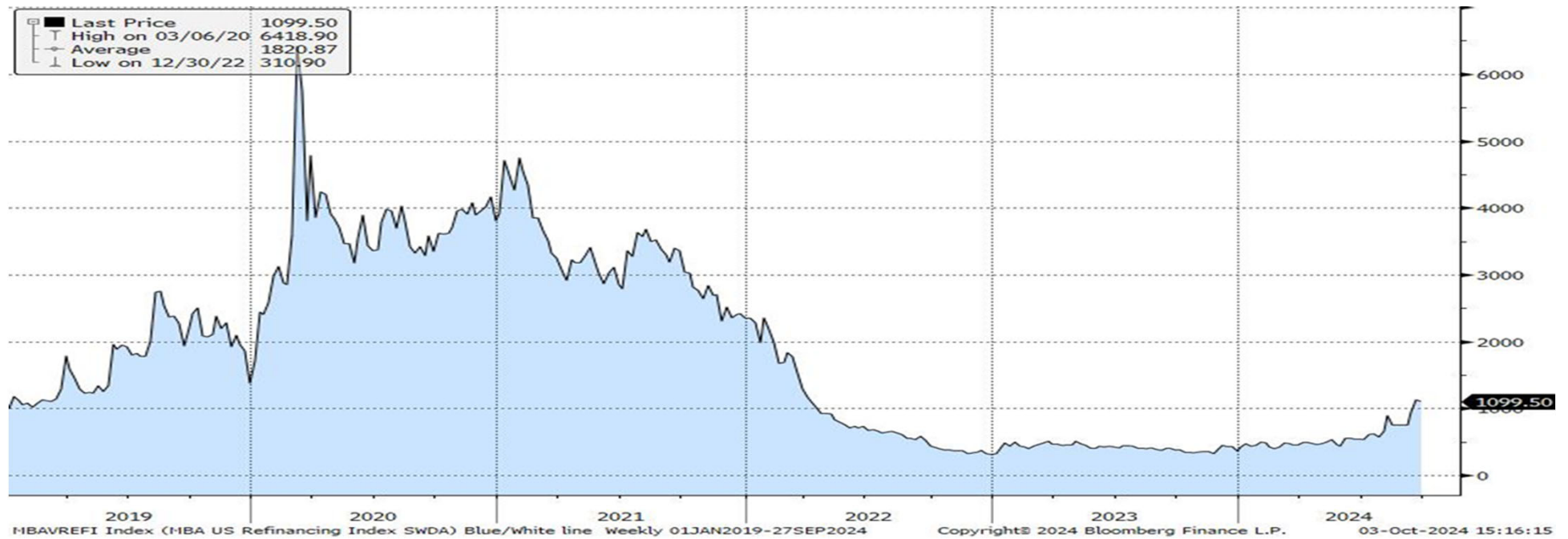
As of 9/26/2024



# SECURITIZED OUTLOOK

## MBA REFI Index

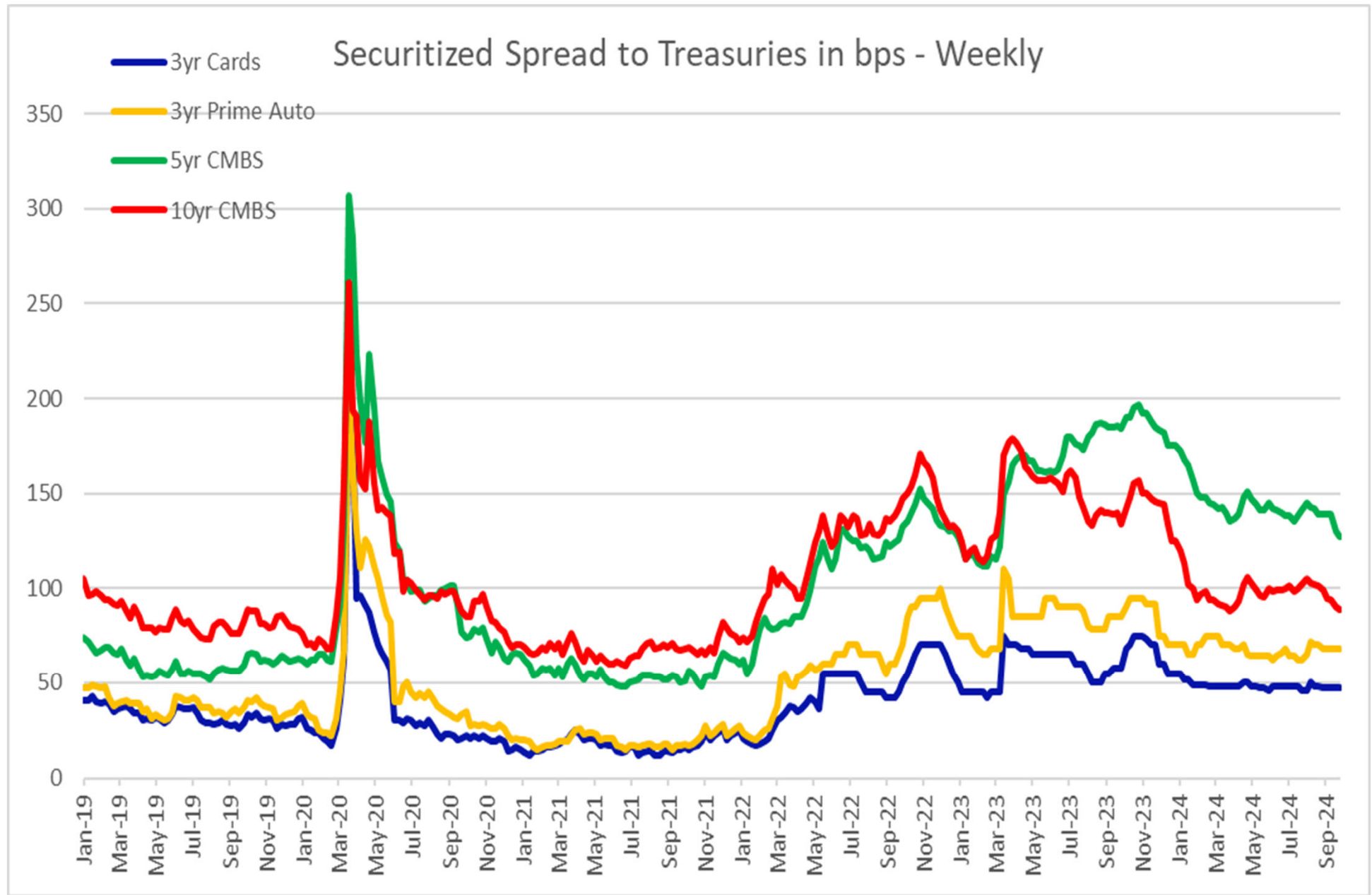
As of 9/27/2024



# SECURITIZED OUTLOOK

Securitized Sub-Sector Relative Value

As of 9/30/2024



# GOVERNMENT RELATED OUTLOOK & STRATEGY

- 2s/10s steepened ~ 16 bp in September, ending the long tenured inversion and 14 bp of positive curve slope as the market prices in a more aggressive rate cut cycle; market pricing anticipates three more rate cuts in 2024, implying at least one additional 50 bp cut at one of the final two FOMC meetings this year
- 2s/10s over a trailing 10-year period has averaged +52 bp with a range of -108 bp (7/3/23) to +190 bp (10/28/14)
- As the FOMC finally cuts rates, the market continues to debate whether this cycle will be a mid-cycle recalibration (soft landing) or a full easing cycle to offset a more pronounced economic slowdown (hard landing)
- Curve volatility will remain elevated as the market reacts to evolving economic data and FOMC guidance/action while fiscal profligacy comes into focus as the election cycle heats up; pace of QT stands at a reduced \$60 bn/month

- Government related sector offers an OAS of +47 bps, which is fair over one, three and ten years
- Since 2004, OAS has ranged from +30 bps to +190 bps

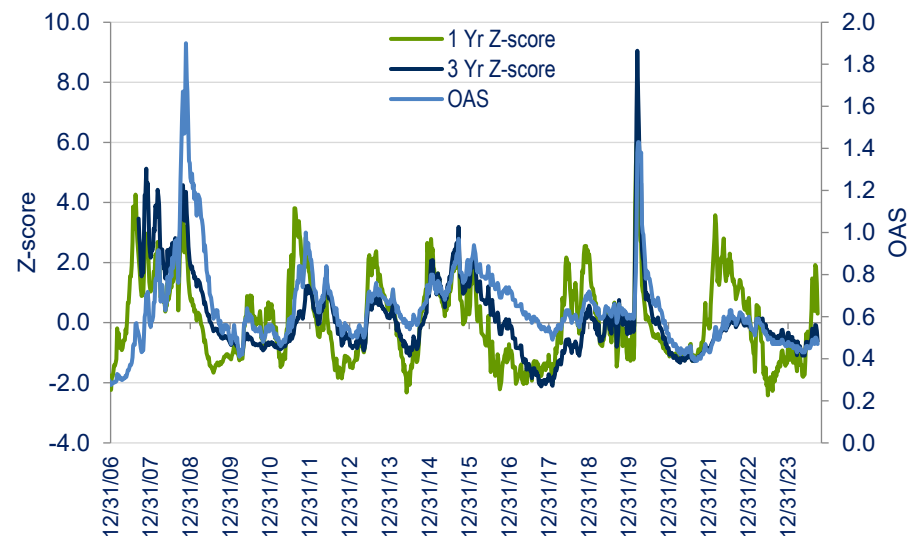
## Current Government Related Strategy

- Remain underweight as other IG sectors offer greater relative value

## Historical Yield Curve

|         | 12/29/23 | 9/30/24 | Change |
|---------|----------|---------|--------|
| 3 Month | 5.34     | 4.63    | -0.71  |
| 6 Month | 5.26     | 4.41    | -0.85  |
| 1 Year  | 4.77     | 4.01    | -0.76  |
| 2 Year  | 4.25     | 3.64    | -0.61  |
| 3 Year  | 4.01     | 3.55    | -0.46  |
| 5 Year  | 3.85     | 3.56    | -0.29  |
| 7 Year  | 3.88     | 3.65    | -0.23  |
| 10 Year | 3.88     | 3.78    | -0.10  |
| 30 Year | 4.03     | 4.12    | +0.09  |

## Government Related OAS/Z-Scores



## Index Comparisons

|                           | OAS SINCE INDEX INCEPTION* |                   |         | OAS AVERAGES   |                 |                         |
|---------------------------|----------------------------|-------------------|---------|----------------|-----------------|-------------------------|
|                           | High                       | Low               | 9/30/24 | 5 Year Average | 10 Year Average | Average Since Inception |
| <b>Corporate Bond</b>     | 607 bps<br>(11/08)         | 51 bps<br>(7/97)  | 89 bps  | 117 bps        | 122 bps         | 130 bps                 |
| <b>AAA CMBS</b>           | 1273 bps<br>(11/08)        | 48 bps<br>(1/18)  | 79 bps  | 83 bps         | 76 bps          | 140 bps                 |
| <b>MBS</b>                | 176 bps<br>(3/89)          | -5 bps<br>(7/10)  | 42 bps  | 45 bps         | 36 bps          | 58 bps                  |
| <b>Gov't Related</b>      | 173 bps<br>(11/08)         | 16 bps<br>(11/96) | 47 bps  | 55 bps         | 62 bps          | 54 bps                  |
| <b>High Yield</b>         | 1833 bps<br>(11/08)        | 235 bps<br>(9/97) | 295 bps | 397 bps        | 420 bps         | 487 bps                 |
| <b>BB High Yield</b>      | 1278 bps<br>(11/08)        | 130 bps<br>(6/97) | 180 bps | 271 bps        | 279 bps         | 328 bps                 |
| <b>B High Yield</b>       | 1742 bps<br>(11/08)        | 228 bps<br>(5/07) | 285 bps | 415 bps        | 426 bps         | 488 bps                 |
| <b>Leveraged Loans **</b> | 1799 bps<br>(12/08)        | 230 bps<br>(2/07) | 498 bps | 545 bps        | 516 bps         | 473 bps                 |

\*Month end OAS data. Bloomberg Indices are used for all of the above except for Leveraged Loans which are represented by the CS Leveraged Loan Index. High Yield Index, BB High Yield Index, and B High Yield Index OAS data from 1/31/94, Leveraged Loan Index Inception 1/31/92, Corporate Bond Index Inception 6/30/89, MBS Index Inception 8/31/88, Gov't Related Index Inception 1/31/94, AAA CMBS Index Inception 7/31/99. \*\* Leveraged Loan Discount Margin (3-year life).  
 Spread vs. TSY for all others.  
 Source: Bloomberg, Credit Suisse



# APPENDIX

## Key Facts

- Founded in 1992
- A division of Virtus Fixed Income Advisers, LLC (“VFIA”), an SEC registered investment adviser
- Headquartered in Park Ridge, NJ with offices in Atlanta, GA and Orlando, FL

## Organizational Characteristics

- Institutional fixed income boutique
- Performance oriented, risk focused and collaborative culture
- Seasoned fixed income professionals
- Sound, transparent, and repeatable investment philosophy and process



## Assets Under Management

Total Assets  
**\$13.1 Billion<sup>1</sup>**

Investment Grade  
**\$5.1**

Leveraged Finance  
**\$8.0<sup>1</sup>**

Signatory of:



## Strategies

- Investment Grade Fixed Income (Taxable & Tax-Exempt)
- High Yield Bonds & Leveraged Loans
- CLOs

**74** <sup>1</sup>Includes the AUM of two private funds managed by Seix CLO Management, which shares staff with Seix. Components may not add to total due to rounding.

# CITY OF OCALA TREASURY INVESTMENT FUND

## Fixed Income Holdings

As of 9/30/2024

| Sector / Issuer Name              | Cusip     | Quantity     | Coupon | Maturity Date | Moody Rating | S&P Rating | Fitch Rating | Current Price | Total Market Value | Accrued Income | Yield To Mat | Mod Dur | Current Yield | Avg Life | % of Mkt Val |
|-----------------------------------|-----------|--------------|--------|---------------|--------------|------------|--------------|---------------|--------------------|----------------|--------------|---------|---------------|----------|--------------|
| <b>CASH EQUIVALENT</b>            |           |              |        |               |              |            |              |               |                    |                |              |         |               |          |              |
| CASH EQUIVALENT                   | 999991AY8 | 365,077.63   | 0.000  | 11/09/2024    | Aaa          | AAA        | AAA          | 100.000       | 365,077.63         | 0.00           | 4.86         | 0.00    | 4.86          | 0.00     | 0.70         |
| <b>Treasury Bonds &amp; Notes</b> |           |              |        |               |              |            |              |               |                    |                |              |         |               |          |              |
| US TREASURY N/B                   | 91282CAM3 | 2,988,000.00 | 0.250  | 09/30/2025    | Aaa          | AA+        | AA+          | 96.391        | 2,880,172.41       | 20.53          | 3.99         | 0.98    | 0.26          | 1.00     | 5.50         |
| US TREASURY N/B                   | 91282CHB0 | 377,000.00   | 3.625  | 05/15/2026    | Aaa          | AA+        | AA+          | 99.840        | 381,558.19         | 5,161.98       | 3.72         | 1.54    | 3.63          | 1.62     | 0.73         |
| US TREASURY N/B                   | 91282CJC6 | 1,845,000.00 | 4.625  | 10/15/2026    | Aaa          | AA+        | AA+          | 101.883       | 1,919,139.47       | 39,401.59      | 3.65         | 1.89    | 4.54          | 2.04     | 3.66         |
| US TREASURY N/B                   | 91282CKE0 | 4,695,000.00 | 4.250  | 03/15/2027    | Aaa          | AA+        | AA+          | 101.543       | 4,776,261.73       | 8,819.34       | 3.58         | 2.31    | 4.19          | 2.45     | 9.11         |
| US TREASURY N/B                   | 91282CKZ3 | 2,324,000.00 | 4.375  | 07/15/2027    | Aaa          | AA+        | AA+          | 102.094       | 2,394,209.43       | 21,550.68      | 3.57         | 2.58    | 4.29          | 2.79     | 4.57         |
| US TREASURY N/B                   | 91282CJR3 | 918,000.00   | 3.750  | 12/31/2028    | Aaa          | AA+        | AA+          | 100.672       | 932,867.61         | 8,699.80       | 3.58         | 3.86    | 3.72          | 4.25     | 1.78         |
| US TREASURY N/B                   | 91282CKX8 | 3,068,000.00 | 4.250  | 06/30/2029    | Aaa          | AA+        | AA+          | 102.922       | 3,190,594.95       | 32,951.82      | 3.57         | 4.23    | 4.13          | 4.74     | 6.09         |
| US TREASURY N/B                   | 91282CLF6 | 4,361,000.00 | 3.875  | 08/15/2034    | Aaa          | AA+        | AA+          | 100.703       | 4,413,246.08       | 21,582.80      | 3.79         | 8.14    | 3.85          | 9.87     | 8.42         |
| <b>Finance</b>                    |           |              |        |               |              |            |              |               |                    |                |              |         |               |          |              |
| AMERICAN EXPRESS CO               | 025816DL0 | 90,000.00    | 6.338  | 10/30/2026    | A2           | BBB+       | A            | 101.985       | 94,178.92          | 2,392.60       | 4.42         | 1.01    | 6.21          | 1.08     | 0.18         |
| BANK OF AMERICA CORP              | 06051GJZ3 | 300,000.00   | 2.087  | 06/14/2029    | A1           | A-         | AA-          | 92.345        | 278,897.34         | 1,860.91       | 4.35         | 3.48    | 2.26          | 3.70     | 0.53         |
| BANK OF AMERICA CORP              | 06051GKD0 | 60,000.00    | 2.572  | 10/20/2032    | A1           | A-         | AA-          | 87.684        | 53,300.25          | 690.15         | 4.65         | 6.24    | 2.93          | 7.05     | 0.10         |
| BANK OF NY MELLON CORP            | 06406RBJ5 | 169,000.00   | 4.414  | 07/24/2026    | A1           | A          | AA-          | 99.825        | 170,092.05         | 1,388.33       | 5.49         | 0.78    | 4.42          | 0.81     | 0.32         |
| CITIGROUP INC                     | 172967LD1 | 184,000.00   | 3.887  | 01/10/2028    | A3           | BBB+       | A            | 98.995        | 183,760.62         | 1,609.22       | 4.36         | 2.13    | 3.93          | 2.28     | 0.35         |
| GOLDMAN SACHS GROUP INC           | 38141GYG3 | 229,000.00   | 1.542  | 09/10/2027    | A2           | BBB+       | A            | 94.772        | 217,232.73         | 205.99         | 4.37         | 1.89    | 1.63          | 1.94     | 0.41         |
| HARTFORD FINL SVCS GRP            | 416515BE3 | 217,000.00   | 2.800  | 08/19/2029    | Baa1         | BBB+       | NR           | 93.246        | 203,052.09         | 708.87         | 4.38         | 4.41    | 3.00          | 4.88     | 0.39         |
| JPMORGAN CHASE & CO               | 46647PCB0 | 449,000.00   | 1.578  | 04/22/2027    | A1           | A-         | AA-          | 95.797        | 433,257.51         | 3,129.31       | 4.36         | 1.51    | 1.65          | 1.56     | 0.83         |
| JPMORGAN CHASE & CO               | 46647PDR4 | 145,000.00   | 5.350  | 06/01/2034    | A1           | A-         | AA-          | 104.642       | 154,316.05         | 2,585.83       | 4.69         | 6.83    | 5.11          | 8.67     | 0.29         |
| MORGAN STANLEY                    | 61747YEB7 | 228,000.00   | 5.703  | 01/22/2025    | A1           | A-         | A+           | 100.006       | 230,653.07         | 2,638.71       | 5.27         | 0.05    | 5.70          | 0.31     | 0.44         |
| MORGAN STANLEY                    | 61746BEF9 | 173,000.00   | 3.625  | 01/20/2027    | A1           | A-         | A+           | 99.098        | 172,677.00         | 1,236.83       | 4.06         | 2.17    | 3.66          | 2.30     | 0.33         |
| PNC FINANCIAL SERVICES            | 693475BT1 | 112,000.00   | 6.615  | 10/20/2027    | A3           | A-         | A            | 104.507       | 120,361.46         | 3,313.38       | 4.30         | 1.86    | 6.33          | 2.05     | 0.23         |
| PNC FINANCIAL SERVICES            | 693475BX2 | 87,000.00    | 5.492  | 05/14/2030    | A3           | A-         | A            | 104.497       | 92,730.56          | 1,818.31       | 4.41         | 3.99    | 5.26          | 4.62     | 0.18         |
| US BANCORP                        | 91159HJQ4 | 63,000.00    | 5.384  | 01/23/2030    | A3           | A          | A            | 103.851       | 66,066.65          | 640.70         | 4.41         | 3.79    | 5.18          | 4.31     | 0.13         |
| WELLS FARGO & COMPANY             | 95000U3C5 | 160,000.00   | 4.540  | 08/15/2026    | A1           | BBB+       | A+           | 99.826        | 160,649.19         | 928.18         | 5.63         | 0.84    | 4.55          | 0.87     | 0.31         |
| WELLS FARGO & COMPANY             | 95000U2V4 | 136,000.00   | 3.526  | 03/24/2028    | A1           | BBB+       | A+           | 98.106        | 133,517.95         | 93.24          | 4.34         | 2.34    | 3.59          | 2.48     | 0.25         |
| WELLS FARGO & COMPANY             | 95000U2U6 | 62,000.00    | 3.350  | 03/02/2033    | A1           | BBB+       | A+           | 91.418        | 56,846.20          | 167.31         | 4.73         | 6.44    | 3.66          | 7.42     | 0.11         |
| <b>Industrial</b>                 |           |              |        |               |              |            |              |               |                    |                |              |         |               |          |              |
| ABBVIE INC                        | 00287YBF5 | 406,000.00   | 4.250  | 11/14/2028    | A3           | A-         | NR           | 101.087       | 416,980.26         | 6,566.49       | 3.97         | 3.58    | 4.20          | 3.87     | 0.80         |
| ABBVIE INC                        | 00287YBX6 | 131,000.00   | 3.200  | 11/21/2029    | A3           | A-         | NR           | 95.630        | 126,789.35         | 1,513.78       | 4.16         | 4.55    | 3.35          | 5.14     | 0.24         |
| AIR PRODUCTS CHEMICALS            | 009158BF2 | 186,000.00   | 4.800  | 03/03/2033    | A2           | A          | NR           | 103.297       | 192,827.49         | 694.40         | 4.32         | 6.81    | 4.65          | 8.17     | 0.37         |
| AMGEN INC                         | 031162DR8 | 235,000.00   | 5.250  | 03/02/2033    | Baa1         | BBB+       | BBB          | 104.108       | 245,646.56         | 993.85         | 4.66         | 6.69    | 5.04          | 8.17     | 0.47         |
| APPLE INC                         | 037833DU1 | 487,000.00   | 1.650  | 05/11/2030    | Aaa          | AA+        | NR           | 88.744        | 435,310.09         | 3,124.92       | 3.92         | 5.19    | 1.86          | 5.61     | 0.83         |
| AT&T INC                          | 00206RKG6 | 504,000.00   | 1.650  | 02/01/2028    | Baa2         | BBB        | BBB+         | 92.185        | 466,000.79         | 1,386.00       | 4.19         | 3.16    | 1.79          | 3.34     | 0.89         |
| BOARDWALK PIPELINES LP            | 096630AH1 | 53,000.00    | 3.400  | 02/15/2031    | Baa2         | BBB-       | BBB          | 91.850        | 48,910.98          | 230.26         | 4.91         | 5.55    | 3.70          | 6.38     | 0.09         |
| BORGWARNER INC                    | 099724AQ9 | 87,000.00    | 5.400  | 08/15/2034    | Baa1         | BBB        | BBB+         | 102.101       | 89,415.41          | 587.25         | 5.13         | 7.51    | 5.29          | 9.62     | 0.17         |
| BP CAP MARKETS AMERICA            | 10373QBU3 | 228,000.00   | 4.812  | 02/13/2033    | A1           | A-         | A+           | 101.337       | 232,512.09         | 1,462.85       | 4.62         | 6.73    | 4.75          | 8.12     | 0.44         |

Source: Virtus Business Application Manager (VBAM)

Portfolio characteristics, sector analysis, and holdings may change at any time without notice. You are urged to compare the information regarding your account contained in this report to the information in the account statements provided by the custodian for this account.

# CITY OF OCALA TREASURY INVESTMENT FUND

## Fixed Income Holdings

As of 9/30/2024

| Sector / Issuer Name          | Cusip     | Quantity   | Coupon | Maturity Date | Moody Rating | S&P Rating | Fitch Rating | Current Price | Total Market Value | Accrued Income | Yield To Mat | Mod Dur | Current Yield | Avg Life | % of Mkt Val |
|-------------------------------|-----------|------------|--------|---------------|--------------|------------|--------------|---------------|--------------------|----------------|--------------|---------|---------------|----------|--------------|
| <b>Industrial - continued</b> |           |            |        |               |              |            |              |               |                    |                |              |         |               |          |              |
| FISERV INC                    | 337738BD9 | 42,000.00  | 5.450  | 03/02/2028    | Baa2         | BBB        | NR           | 103.745       | 43,757.43          | 184.39         | 4.26         | 3.04    | 5.25          | 3.34     | 0.08         |
| GENERAL MOTORS FINL CO        | 37045XER3 | 73,000.00  | 5.750  | 02/08/2031    | Baa2         | BBB        | BBB          | 103.394       | 76,095.63          | 617.97         | 5.12         | 5.19    | 5.56          | 6.19     | 0.15         |
| INGERSOLL RAND INC            | 45687VAB2 | 90,000.00  | 5.700  | 08/14/2033    | Baa2         | BBB        | BBB          | 107.142       | 97,097.25          | 669.75         | 4.71         | 6.87    | 5.32          | 8.62     | 0.19         |
| KIMBERLY-CLARK CORP           | 494368CE1 | 156,000.00 | 4.500  | 02/16/2033    | A2           | A          | NR           | 101.823       | 159,721.28         | 877.50         | 4.23         | 6.84    | 4.42          | 8.13     | 0.30         |
| MARATHON PETROLEUM CORP       | 56585ABH4 | 156,000.00 | 4.700  | 05/01/2025    | Baa2         | BBB        | BBB          | 99.873        | 158,856.72         | 3,055.00       | 4.92         | 0.51    | 4.71          | 0.58     | 0.30         |
| NEWMONT CORP                  | 651639AY2 | 189,000.00 | 2.250  | 10/01/2030    | Baa1         | BBB+       | A-           | 89.585        | 171,441.44         | 2,126.25       | 4.24         | 5.47    | 2.51          | 6.00     | 0.33         |
| OWENS CORNING                 | 690742AP6 | 178,000.00 | 5.700  | 06/15/2034    | Baa1         | BBB        | BBB          | 106.161       | 192,375.89         | 3,410.18       | 4.89         | 7.28    | 5.37          | 9.45     | 0.37         |
| PFIZER INVESTMENT ENTER       | 716973AE2 | 291,000.00 | 4.750  | 05/19/2033    | A2           | A          | NR           | 101.930       | 301,683.98         | 5,068.25       | 4.46         | 6.86    | 4.66          | 8.39     | 0.58         |
| PHILIP MORRIS INTL INC        | 718172DG1 | 146,000.00 | 4.875  | 02/13/2029    | A2           | A-         | A            | 102.528       | 150,640.05         | 949.00         | 4.24         | 3.84    | 4.75          | 4.28     | 0.29         |
| PHILIP MORRIS INTL INC        | 718172DB2 | 268,000.00 | 5.375  | 02/15/2033    | A2           | A-         | A            | 104.584       | 282,125.48         | 1,840.64       | 4.71         | 6.62    | 5.14          | 8.12     | 0.54         |
| PIONEER NATURAL RESOURCE      | 723787AQ0 | 281,000.00 | 1.900  | 08/15/2030    | NA           | AA-        | AA           | 87.673        | 247,042.83         | 682.21         | 4.30         | 5.40    | 2.17          | 5.87     | 0.47         |
| TARGA RESOURCES CORP          | 87612GAA9 | 83,000.00  | 4.200  | 02/01/2033    | Baa3         | BBB        | BBB          | 94.689        | 79,173.06          | 581.00         | 4.99         | 6.82    | 4.44          | 8.34     | 0.15         |
| TRANSCONT GAS PIPE LINE       | 893574AP8 | 266,000.00 | 3.250  | 05/15/2030    | Baa1         | BBB        | BBB+         | 93.660        | 252,401.86         | 3,265.89       | 4.54         | 4.93    | 3.47          | 5.62     | 0.48         |
| UNITED AIR 2020-1 A PTT       | 90931GAA7 | 63,371.17  | 5.875  | 10/15/2027    | Aa3          | A+         | NR           | 102.042       | 65,451.21          | 785.98         | 4.77         | 1.82    | 5.76          | 2.01     | 0.12         |
| UNITED AIR 2020-1 B PTT       | 90932VAA3 | 71,868.00  | 4.875  | 01/15/2026    | Baa1         | A-         | NR           | 99.095        | 71,957.21          | 739.64         | 5.92         | 0.88    | 4.92          | 0.94     | 0.14         |
| UNITED PARCEL SERVICE         | 911312BZ8 | 195,000.00 | 4.875  | 03/03/2033    | A2           | A          | NR           | 103.475       | 202,515.89         | 739.38         | 4.38         | 6.79    | 4.71          | 8.17     | 0.39         |
| <b>Utility</b>                |           |            |        |               |              |            |              |               |                    |                |              |         |               |          |              |
| SOUTHERN CO                   | 842587DE4 | 142,000.00 | 3.700  | 04/30/2030    | Baa1         | BBB+       | BBB+         | 96.651        | 139,447.59         | 2,203.76       | 4.38         | 4.82    | 3.83          | 5.58     | 0.27         |
| <b>RMBS Pools</b>             |           |            |        |               |              |            |              |               |                    |                |              |         |               |          |              |
| FG A95259                     | 312943ZY2 | 155,685.34 | 4.000  | 12/01/2040    | Aaa          | AA+        | AA+          | 98.244        | 153,469.83         | 518.95         | 4.37         | 4.66    | 4.07          | 5.86     | 0.29         |
| FG C91725                     | 3128P74J9 | 269,444.12 | 3.500  | 09/01/2033    | Aaa          | AA+        | AA+          | 97.934        | 264,663.71         | 785.88         | 4.17         | 3.05    | 3.57          | 3.38     | 0.51         |
| FG G60019                     | 31335AAU2 | 53,661.83  | 4.500  | 03/01/2044    | Aaa          | AA+        | AA+          | 100.390       | 54,072.40          | 201.23         | 4.43         | 4.74    | 4.48          | 6.57     | 0.10         |
| FG Q53881                     | 3132XWJ36 | 64,810.47  | 4.500  | 01/01/2048    | Aaa          | AA+        | AA+          | 99.889        | 64,981.41          | 243.04         | 4.53         | 5.48    | 4.51          | 7.39     | 0.12         |
| FG V81283                     | 3132L6M81 | 34,216.52  | 4.000  | 07/01/2044    | Aaa          | AA+        | AA+          | 97.934        | 33,623.63          | 114.06         | 4.38         | 5.09    | 4.08          | 6.91     | 0.06         |
| FN AB3692                     | 31417AC64 | 131,946.50 | 4.000  | 10/01/2041    | Aaa          | AA+        | AA+          | 97.642        | 129,274.68         | 439.82         | 4.42         | 5.33    | 4.10          | 6.70     | 0.25         |
| FN AB3878                     | 31417AJY6 | 142,189.35 | 4.000  | 11/01/2041    | Aaa          | AA+        | AA+          | 97.601        | 139,251.60         | 473.96         | 4.43         | 5.34    | 4.10          | 6.71     | 0.27         |
| FN AB5924                     | 31417CSN6 | 228,593.55 | 3.000  | 08/01/2042    | Aaa          | AA+        | AA+          | 91.624        | 210,017.65         | 571.48         | 4.46         | 5.91    | 3.27          | 7.10     | 0.40         |
| FN AL7497                     | 3138EQKK7 | 78,287.59  | 3.500  | 09/01/2040    | Aaa          | AA+        | AA+          | 95.055        | 74,644.72          | 228.34         | 4.56         | 4.58    | 3.68          | 5.51     | 0.14         |
| FN AS2037                     | 3138WBHP3 | 48,026.80  | 4.500  | 03/01/2044    | Aaa          | AA+        | AA+          | 100.280       | 48,341.43          | 180.10         | 4.43         | 4.72    | 4.49          | 6.70     | 0.09         |
| FN BN4542                     | 3140JMBL5 | 22,893.07  | 4.500  | 02/01/2049    | Aaa          | AA+        | AA+          | 98.594        | 22,657.02          | 85.85          | 4.73         | 5.37    | 4.56          | 7.71     | 0.04         |
| FN BO1351                     | 3140JVQD7 | 15,679.47  | 4.000  | 08/01/2049    | Aaa          | AA+        | AA+          | 97.460        | 15,333.44          | 52.26          | 4.45         | 5.29    | 4.10          | 7.07     | 0.03         |
| FN BT7914                     | 3140LWYL5 | 408,119.87 | 5.000  | 10/01/2052    | Aaa          | AA+        | AA+          | 100.477       | 411,766.82         | 1,700.50       | 4.88         | 4.19    | 4.98          | 6.15     | 0.79         |
| FN BW3311                     | 3140MUV9  | 451,251.28 | 4.500  | 07/01/2052    | Aaa          | AA+        | AA+          | 98.998        | 448,420.75         | 1,692.19       | 4.66         | 5.07    | 4.55          | 7.61     | 0.86         |
| FN BY6934                     | 3140NPV49 | 159,524.03 | 5.500  | 09/01/2053    | Aaa          | AA+        | AA+          | 101.496       | 162,642.43         | 731.15         | 4.99         | 2.72    | 5.42          | 3.98     | 0.31         |
| FN BY8494                     | 3140NRNL6 | 412,227.95 | 5.500  | 08/01/2053    | Aaa          | AA+        | AA+          | 101.832       | 421,669.58         | 1,889.38       | 5.04         | 3.50    | 5.40          | 5.33     | 0.80         |
| FN CA4166                     | 3140QBTY4 | 376,999.81 | 3.500  | 09/01/2049    | Aaa          | AA+        | AA+          | 93.498        | 353,585.87         | 1,099.58       | 4.44         | 7.00    | 3.74          | 9.25     | 0.67         |
| FN CB0998                     | 3140QLDC7 | 601,649.47 | 3.000  | 07/01/2051    | Aaa          | AA+        | AA+          | 89.764        | 541,571.68         | 1,504.12       | 4.35         | 7.96    | 3.34          | 10.37    | 1.03         |
| FN CB3110                     | 3140QNN40 | 301,588.28 | 2.500  | 03/01/2047    | Aaa          | AA+        | AA+          | 86.946        | 262,846.78         | 628.31         | 4.73         | 6.64    | 2.88          | 7.62     | 0.50         |
| FN CB3630                     | 3140QPA80 | 583,278.52 | 4.000  | 05/01/2052    | Aaa          | AA+        | AA+          | 96.188        | 562,990.20         | 1,944.26       | 4.63         | 5.97    | 4.16          | 7.97     | 1.07         |

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# CITY OF OCALA TREASURY INVESTMENT FUND

## Fixed Income Holdings

As of 9/30/2024

| Sector / Issuer Name          | Cusip     | Quantity     | Coupon | Maturity Date | Moody Rating | S&P Rating | Fitch Rating | Current Price | Total Market Value | Accrued Income | Yield To Mat | Mod Dur | Current Yield | Avg Life | % of Mkt Val |
|-------------------------------|-----------|--------------|--------|---------------|--------------|------------|--------------|---------------|--------------------|----------------|--------------|---------|---------------|----------|--------------|
| <b>RMBS Pools - continued</b> |           |              |        |               |              |            |              |               |                    |                |              |         |               |          |              |
| FN CB3875                     | 3140QPJV0 | 330,554.42   | 3.500  | 06/01/2047    | Aaa          | AA+        | AA+          | 93.376        | 309,621.12         | 964.12         | 4.66         | 5.74    | 3.75          | 7.34     | 0.59         |
| FN CB4451                     | 3140QP5M5 | 109,149.77   | 4.000  | 08/01/2042    | Aaa          | AA+        | AA+          | 97.521        | 106,808.24         | 363.83         | 4.52         | 4.62    | 4.10          | 5.54     | 0.20         |
| FN CB7240                     | 3140QTB7J | 380,440.92   | 6.000  | 10/01/2053    | Aaa          | AA+        | AA+          | 102.986       | 393,704.92         | 1,902.20       | 4.86         | 1.97    | 5.83          | 3.32     | 0.75         |
| FN FS0143                     | 3140XFER8 | 246,858.67   | 2.500  | 01/01/2047    | Aaa          | AA+        | AA+          | 87.475        | 216,454.35         | 514.29         | 4.69         | 6.45    | 2.86          | 7.38     | 0.41         |
| FN FS1644                     | 3140XGZJ1 | 582,836.13   | 3.000  | 04/01/2042    | Aaa          | AA+        | AA+          | 93.173        | 544,504.94         | 1,457.09       | 4.29         | 5.42    | 3.22          | 6.42     | 1.04         |
| FN FS2249                     | 3140XHQB6 | 363,011.39   | 5.000  | 06/01/2052    | Aaa          | AA+        | AA+          | 100.377       | 365,891.78         | 1,512.55       | 4.92         | 4.61    | 4.98          | 7.07     | 0.70         |
| FN FS2692                     | 3140XH7E1 | 413,224.56   | 5.000  | 08/01/2052    | Aaa          | AA+        | AA+          | 100.442       | 416,773.53         | 1,721.77       | 4.90         | 4.31    | 4.98          | 6.49     | 0.80         |
| FN FS2826                     | 3140XJD83 | 225,377.56   | 4.000  | 09/01/2042    | Aaa          | AA+        | AA+          | 97.893        | 221,379.40         | 751.26         | 4.43         | 4.68    | 4.09          | 5.70     | 0.42         |
| FN FS2873                     | 3140XJFP3 | 1,220,968.39 | 3.500  | 08/01/2042    | Aaa          | AA+        | AA+          | 95.791        | 1,173,141.91       | 3,561.16       | 4.30         | 5.17    | 3.65          | 6.28     | 2.24         |
| FN FS3262                     | 3140XJTU7 | 354,526.31   | 4.000  | 10/01/2046    | Aaa          | AA+        | AA+          | 98.260        | 349,538.77         | 1,181.75       | 4.34         | 4.61    | 4.07          | 5.81     | 0.67         |
| FN FS3386                     | 3140XJXQ1 | 359,132.81   | 3.500  | 05/01/2038    | Aaa          | AA+        | AA+          | 96.839        | 348,828.23         | 1,047.47       | 4.28         | 3.99    | 3.61          | 4.55     | 0.67         |
| FN FS3658                     | 3140XKB41 | 315,999.80   | 5.000  | 01/01/2053    | Aaa          | AA+        | AA+          | 100.410       | 318,613.31         | 1,316.67       | 4.90         | 3.96    | 4.98          | 6.38     | 0.61         |
| FN FS3687                     | 3140XKCZ1 | 329,696.86   | 5.000  | 11/01/2052    | Aaa          | AA+        | AA+          | 100.277       | 331,982.27         | 1,373.74       | 4.97         | 6.45    | 4.99          | 10.44    | 0.63         |
| FN MA4696                     | 31418EGE4 | 142,693.16   | 3.500  | 08/01/2042    | Aaa          | AA+        | AA+          | 96.032        | 137,447.96         | 416.19         | 4.23         | 5.17    | 3.64          | 6.49     | 0.26         |
| FR QE1443                     | 3133BAS85 | 254,099.54   | 4.000  | 05/01/2052    | Aaa          | AA+        | AA+          | 96.547        | 246,172.85         | 847.00         | 4.55         | 6.03    | 4.14          | 8.32     | 0.47         |
| FR QE1985                     | 3133BBF20 | 176,480.55   | 4.500  | 05/01/2052    | Aaa          | AA+        | AA+          | 99.152        | 175,645.86         | 661.80         | 4.62         | 6.53    | 4.54          | 9.77     | 0.34         |
| FR QE2366                     | 3133BBTX7 | 68,333.12    | 5.000  | 05/01/2052    | Aaa          | AA+        | AA+          | 100.740       | 69,123.38          | 284.72         | 4.85         | 4.66    | 4.96          | 7.06     | 0.13         |
| FR QE4826                     | 3133BELF8 | 438,429.45   | 4.500  | 07/01/2052    | Aaa          | AA+        | AA+          | 98.419        | 433,143.14         | 1,644.11       | 4.76         | 5.08    | 4.57          | 7.72     | 0.83         |
| FR QE9908                     | 3133BLAH0 | 155,914.73   | 5.500  | 09/01/2052    | Aaa          | AA+        | AA+          | 101.806       | 159,444.63         | 714.61         | 5.02         | 3.62    | 5.40          | 5.02     | 0.30         |
| FR QF4847                     | 3133BSL42 | 604,224.56   | 5.500  | 12/01/2052    | Aaa          | AA+        | AA+          | 101.191       | 614,187.96         | 2,769.36       | 5.16         | 3.17    | 5.44          | 4.72     | 1.17         |
| FR QF8190                     | 3133BWC35 | 171,900.78   | 6.000  | 02/01/2053    | Aaa          | AA+        | AA+          | 103.079       | 178,053.04         | 859.50         | 5.16         | 3.20    | 5.82          | 4.88     | 0.34         |
| FR QF8551                     | 3133BWQC0 | 93,502.41    | 5.500  | 03/01/2053    | Aaa          | AA+        | AA+          | 101.597       | 95,424.20          | 428.55         | 4.91         | 2.05    | 5.41          | 3.65     | 0.18         |
| FR QF8817                     | 3133BWYN7 | 207,882.65   | 6.000  | 03/01/2053    | Aaa          | AA+        | AA+          | 102.230       | 213,558.86         | 1,039.41       | 5.45         | 3.36    | 5.87          | 5.34     | 0.41         |
| FR RA2579                     | 3133KH2L9 | 1,394,619.42 | 3.000  | 05/01/2050    | Aaa          | AA+        | AA+          | 90.366        | 1,263,744.51       | 3,486.55       | 4.42         | 7.07    | 3.32          | 8.99     | 2.41         |
| FR RA8188                     | 3133KQCZ7 | 279,161.48   | 4.500  | 11/01/2052    | Aaa          | AA+        | AA+          | 98.425        | 275,811.69         | 1,046.86       | 4.76         | 5.04    | 4.57          | 7.86     | 0.53         |
| FR RA8285                     | 3133KQF27 | 476,559.15   | 4.500  | 10/01/2047    | Aaa          | AA+        | AA+          | 98.797        | 472,613.91         | 1,787.10       | 4.71         | 4.53    | 4.55          | 7.14     | 0.90         |
| FR RJ0194                     | 3142GQGC0 | 661,778.20   | 6.000  | 11/01/2053    | Aaa          | AA+        | AA+          | 102.756       | 683,327.08         | 3,308.89       | 4.73         | 1.54    | 5.84          | 2.74     | 1.30         |
| FR SD1618                     | 3132DNYP2 | 833,770.37   | 5.000  | 09/01/2052    | Aaa          | AA+        | AA+          | 100.201       | 838,920.25         | 3,474.04       | 4.94         | 4.01    | 4.99          | 6.17     | 1.60         |
| FR SD2317                     | 3132DPSE9 | 708,258.37   | 6.000  | 01/01/2053    | Aaa          | AA+        | AA+          | 102.441       | 729,091.62         | 3,541.29       | 5.06         | 2.23    | 5.86          | 3.38     | 1.39         |
| FR SD2526                     | 3132DPYX0 | 397,206.69   | 4.000  | 08/01/2049    | Aaa          | AA+        | AA+          | 96.723        | 385,514.39         | 1,324.02       | 4.49         | 6.36    | 4.14          | 8.78     | 0.74         |
| FR SD5272                     | 3132DS2D3 | 778,678.55   | 6.000  | 05/01/2054    | Aaa          | AA+        | AA+          | 103.720       | 811,538.24         | 3,893.39       | 5.15         | 3.83    | 5.78          | 5.85     | 1.55         |
| FR SI2061                     | 3133USJE2 | 95,087.30    | 3.500  | 09/01/2050    | Aaa          | AA+        | AA+          | 93.374        | 89,063.74          | 277.34         | 4.45         | 7.06    | 3.75          | 9.38     | 0.17         |
| G2 787186                     | 3622AC2T6 | 445,337.74   | 6.000  | 10/20/2053    | Aaa          | AA+        | AA+          | 102.413       | 458,720.88         | 2,228.69       | 5.48         | 4.17    | 5.86          | 6.16     | 0.88         |
| G2 787394                     | 3622ADC71 | 701,539.49   | 5.500  | 05/20/2054    | Aaa          | AA+        | AA+          | 102.212       | 720,274.14         | 3,215.39       | 5.05         | 4.41    | 5.38          | 6.47     | 1.37         |
| G2 CR3025                     | 3618AHLE5 | 184,246.97   | 5.500  | 12/20/2052    | Aaa          | AA+        | AA+          | 102.174       | 189,096.13         | 844.47         | 5.05         | 4.48    | 5.38          | 6.37     | 0.36         |
| G2 CR9210                     | 3618AQGT8 | 144,623.18   | 5.500  | 01/20/2053    | Aaa          | AA+        | AA+          | 101.057       | 146,815.17         | 662.86         | 5.24         | 3.63    | 5.44          | 5.51     | 0.28         |
| G2 CS5391                     | 3618AX7C0 | 162,004.14   | 6.000  | 01/20/2053    | Aaa          | AA+        | AA+          | 102.706       | 167,198.33         | 810.02         | 5.33         | 3.65    | 5.84          | 5.37     | 0.32         |
| G2 CS5448                     | 3618AYBR0 | 239,920.92   | 6.000  | 01/20/2053    | Aaa          | AA+        | AA+          | 102.706       | 247,613.31         | 1,199.60       | 5.31         | 3.51    | 5.84          | 5.17     | 0.47         |
| G2 CS7736                     | 3618B1SZ5 | 273,288.46   | 6.000  | 04/20/2053    | Aaa          | AA+        | AA+          | 102.847       | 282,434.74         | 1,366.44       | 5.26         | 3.12    | 5.83          | 5.18     | 0.54         |
| GN 783745                     | 3622AZES7 | 691,965.04   | 3.500  | 03/15/2043    | Aaa          | AA+        | AA+          | 95.467        | 662,614.27         | 2,018.23       | 4.21         | 6.52    | 3.67          | 8.06     | 1.26         |
| GN CO1904                     | 3617FDDH3 | 196,920.71   | 5.000  | 08/15/2052    | Aaa          | AA+        | AA+          | 103.132       | 203,908.07         | 820.50         | 4.65         | 7.28    | 4.85          | 11.87    | 0.39         |

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# CITY OF OCALA TREASURY INVESTMENT FUND

## Fixed Income Holdings

As of 9/30/2024

| Sector / Issuer Name     | Cusip     | Quantity             | Coupon       | Maturity Date   | Moody Rating | S&P Rating | Fitch Rating | Current Price | Total Market Value   | Accrued Income    | Yield To Mat | Mod Dur     | Current Yield | Avg Life    | % of Mkt Val  |
|--------------------------|-----------|----------------------|--------------|-----------------|--------------|------------|--------------|---------------|----------------------|-------------------|--------------|-------------|---------------|-------------|---------------|
| <b>CMBS</b>              |           |                      |              |                 |              |            |              |               |                      |                   |              |             |               |             |               |
| FN BL7779                | 3140J0UD0 | 670,000.00           | 1.460        | 08/01/2030      | Aaa          | AA+        | AA+          | 85.806        | 574,954.48           | 54.34             | 4.22         | 5.53        | 1.70          | 5.90        | 1.10          |
| GSMS 2019-GC40 AAB       | 36257HBQ8 | 446,230.12           | 3.040        | 07/10/2052      | NA           | AAA        | AAA          | 96.540        | 431,920.42           | 1,130.45          | 4.36         | 2.18        | 3.15          | 2.35        | 0.82          |
| WFCM 2021-C59 ASB        | 95003CAD2 | 130,000.00           | 2.298        | 04/15/2054      | NA           | AAA        | AAA          | 93.078        | 121,250.23           | 248.95            | 4.19         | 3.16        | 2.47          | 3.39        | 0.23          |
| <b>ABS</b>               |           |                      |              |                 |              |            |              |               |                      |                   |              |             |               |             |               |
| AMXCA 2023-3 A           | 02582JKD1 | 225,000.00           | 5.230        | 09/15/2028      | NA           | AAA        | AAA          | 102.300       | 230,697.96           | 523.00            | 4.09         | 1.82        | 5.11          | 1.96        | 0.44          |
| AMXCA 2024-2 A           | 02582JKF6 | 210,000.00           | 5.240        | 04/15/2031      | NA           | AAA        | AAA          | 105.022       | 221,035.29           | 489.07            | 4.05         | 3.98        | 4.99          | 4.54        | 0.42          |
| COMET 2024-A1 A          | 14041NGE5 | 370,000.00           | 3.920        | 09/17/2029      | NA           | AAA        | AAA          | 99.894        | 369,889.49           | 282.02            | 3.99         | 2.74        | 3.92          | 2.96        | 0.71          |
| CONSUMERS 23 SECURE FUND | 21071BAB1 | 90,000.00            | 5.210        | 09/01/2030      | Aaa          | AAA        | NR           | 104.120       | 94,098.77            | 390.75            | 4.17         | 3.82        | 5.00          | 4.32        | 0.18          |
| PG&E WILDFIRE RECOVERY   | 693342AB3 | 180,000.00           | 4.263        | 06/01/2036      | Aaa          | AAA        | NR           | 97.348        | 177,784.11           | 2,557.80          | 4.63         | 7.02        | 4.38          | 8.67        | 0.34          |
| PSNH 2018-1 A3           | 69363PAC4 | 100,000.00           | 3.814        | 02/01/2035      | Aaa          | AAA        | AAA          | 96.970        | 97,605.56            | 635.67            | 4.37         | 4.61        | 3.93          | 5.24        | 0.19          |
| SIGECO SECURITIZATION I  | 82655KAA9 | 99,811.53            | 5.026        | 11/15/2036      | Aaa          | AAA        | NR           | 102.153       | 103,855.19           | 1,895.13          | 4.62         | 5.24        | 4.92          | 6.50        | 0.20          |
| SYNIT 2024-A1 A          | 87166PAM3 | 255,000.00           | 5.040        | 03/15/2030      | NA           | AAA        | AAA          | 101.946       | 260,533.02           | 571.20            | 4.27         | 2.26        | 4.94          | 2.46        | 0.50          |
| VZMT 2023-7 A1A          | 92348KCD3 | 265,000.00           | 5.670        | 11/20/2029      | NA           | AAA        | AAA          | 103.101       | 273,676.79           | 459.11            | 4.19         | 1.98        | 5.50          | 2.14        | 0.52          |
| <b>Total</b>             |           | <b>52,605,036.99</b> | <b>3.998</b> | <b>12.9 Yrs</b> | <b>Aaa</b>   | <b>AA</b>  | <b>AA+</b>   | <b>99.243</b> | <b>52,401,767.02</b> | <b>294,913.78</b> | <b>4.25</b>  | <b>4.16</b> | <b>4.03</b>   | <b>5.20</b> | <b>100.00</b> |

Source: Virtus Business Application Manager (VBAM)

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# Ocala

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**File #:** 2025-0044

**Agenda Item #:**

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Submitted By: Karen Czechowicz

Department: Finance

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**STAFF RECOMMENDATION (Motion Ready):**  
CapTrust Asset Management

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CITY OF OCALA  
3RD QUARTER, 2024

**QUARTERLY REVIEW**

**CAPTRUST**  
400 N. Tampa Street, Suite 1800  
Tampa, FL 33602

Our mission is to enrich the lives of our clients, colleagues and communities through sound financial advice, integrity, and a commitment to service beyond expectation.

# ASSET CLASS RETURNS

Period Ending 9.30.24 | Q3 24

| 2011                              | 2012                             | 2013                             | 2014                             | 2015                             | 2016                            | 2017                             | 2018                              | 2019                             | 2020                            | 2021                             | 2022                              | 2023                             | Q3 2024                         |
|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|-----------------------------------|----------------------------------|---------------------------------|----------------------------------|-----------------------------------|----------------------------------|---------------------------------|
| Fixed Income<br>7.84%             | Mid-Cap Value<br>18.51%          | Small-Cap Growth<br>43.30%       | Mid-Cap Value<br>14.75%          | Large-Cap Growth<br>5.67%        | Small-Cap Value<br>31.74%       | Large-Cap Growth<br>30.21%       | Cash<br>1.87%                     | Large-Cap Growth<br>36.39%       | Large-Cap Growth<br>38.49%      | Mid-Cap Value<br>28.34%          | Cash<br>1.46%                     | Large-Cap Growth<br>42.68%       | Small-Cap Value<br>10.15%       |
| Large-Cap Growth<br>2.64%         | Small-Cap Value<br>18.05%        | Mid-Cap Growth<br>35.74%         | Large-Cap Value<br>13.45%        | Fixed Income<br>0.55%            | Mid-Cap Value<br>20.00%         | Mid-Cap Growth<br>25.27%         | Fixed Income<br>0.01%             | Mid-Cap Growth<br>35.47%         | Mid-Cap Growth<br>35.59%        | Small-Cap Value<br>28.27%        | Large-Cap Value<br>-7.54%         | Mid-Cap Growth<br>25.87%         | Mid-Cap Value<br>10.08%         |
| Large-Cap Value<br>0.39%          | International Equities<br>17.32% | Small-Cap Value<br>34.52%        | Large-Cap Growth<br>13.05%       | Cash<br>0.05%                    | Large-Cap Value<br>17.34%       | International Equities<br>25.03% | Large-Cap Growth<br>-1.51%        | Small-Cap Growth<br>28.48%       | Small-Cap Growth<br>34.63%      | Large-Cap Growth<br>27.60%       | Mid-Cap Value<br>-12.03%          | International Equities<br>18.24% | Large-Cap Value<br>9.43%        |
| Cash<br>0.10%                     | Large-Cap Value<br>17.51%        | Large-Cap Growth<br>33.48%       | Mid-Cap Growth<br>11.90%         | Mid-Cap Growth<br>-0.20%         | Small-Cap Growth<br>11.32%      | Small-Cap Growth<br>22.17%       | Mid-Cap Growth<br>-4.75%          | Mid-Cap Value<br>27.06%          | International Equities<br>7.82% | Large-Cap Value<br>25.16%        | Fixed Income<br>-13.01%           | Small-Cap Growth<br>18.66%       | Small-Cap Growth<br>8.41%       |
| Mid-Cap Value<br>-1.38%           | Mid-Cap Growth<br>15.81%         | Mid-Cap Value<br>33.46%          | Fixed Income<br>5.97%            | International Equities<br>-0.81% | Mid-Cap Growth<br>7.33%         | Large-Cap Value<br>13.66%        | Large-Cap Value<br>-8.27%         | Large-Cap Value<br>26.54%        | Fixed Income<br>7.51%           | Mid-Cap Growth<br>12.73%         | International Equities<br>-14.45% | Small-Cap Value<br>14.65%        | International Equities<br>7.26% |
| Mid-Cap Growth<br>-1.65%          | Large-Cap Growth<br>15.26%       | Large-Cap Value<br>32.53%        | Small-Cap Growth<br>5.60%        | Small-Cap Growth<br>-1.38%       | Large-Cap Growth<br>7.08%       | Mid-Cap Value<br>13.34%          | Small-Cap Growth<br>-9.31%        | International Equities<br>22.01% | Mid-Cap Value<br>4.96%          | International Equities<br>11.26% | Small-Cap Value<br>-14.48%        | Mid-Cap Value<br>12.71%          | Mid-Cap Growth<br>6.54%         |
| Small-Cap Growth<br>-2.91%        | Small-Cap Growth<br>14.59%       | International Equities<br>22.78% | Small-Cap Value<br>4.22%         | Large-Cap Value<br>-3.83%        | Fixed Income<br>2.65%           | Small-Cap Value<br>7.84%         | Mid-Cap Value<br>-12.29%          | Small-Cap Value<br>22.39%        | Small-Cap Value<br>4.63%        | Small-Cap Growth<br>2.83%        | Small-Cap Growth<br>-26.36%       | Large-Cap Value<br>11.46%        | Fixed Income<br>5.20%           |
| Small-Cap Value<br>-5.50%         | Fixed Income<br>4.22%            | Cash<br>0.07%                    | Cash<br>0.03%                    | Mid-Cap Value<br>-4.78%          | International Equities<br>1.00% | Fixed Income<br>3.54%            | Small-Cap Value<br>-12.86%        | Fixed Income<br>8.72%            | Large-Cap Value<br>2.80%        | Cash<br>0.05%                    | Mid-Cap Growth<br>-26.72%         | Fixed Income<br>5.53%            | Large-Cap Growth<br>3.19%       |
| International Equities<br>-12.14% | Cash<br>0.11%                    | Fixed Income<br>-2.02%           | International Equities<br>-4.90% | Small-Cap Value<br>-7.47%        | Cash<br>0.33%                   | Cash<br>0.86%                    | International Equities<br>-13.79% | Cash<br>2.28%                    | Cash<br>0.67%                   | Fixed Income<br>-1.54%           | Large-Cap Growth<br>-29.14%       | Cash<br>5.01%                    | Cash<br>1.37%                   |

Source: Markov Processes, Inc., Bloomberg, Mobius

- Small-Cap Value Stocks (Russell 2000 Value)
- Large-Cap Value Stocks (Russell 1000 Value)
- International Equities (MSCI EAFE)
- Small-Cap Growth Stocks (Russell 2000 Growth)
- Mid-Cap Growth Stocks (Russell Mid-Cap Growth)
- Fixed Income (Bloomberg U.S. Aggregate Bond)
- Large-Cap Growth Stocks (Russell 1000 Growth)
- Mid-Cap Value Stocks (Russell Mid-Cap Value)
- Cash (Merrill Lynch 3-Month Treasury Bill)

The information contained in this report is from sources believed to be reliable but is not warranted by CAPTRUST to be accurate or complete.

# INDEX PERFORMANCE

Period Ending 9.30.24 | Q3 24

| INDEXES                                | Q3 2024 | YTD    | 2023   | 2022    | 2021   | 2020   | 2019   | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS |
|--|---------|--------|--------|---------|--------|--------|--------|--------|---------|---------|----------|
| 90-Day U.S. Treasury                   | 1.37%   | 4.03%  | 5.01%  | 1.46%   | 0.05%  | 0.67%  | 2.28%  | 5.46%  | 3.49%   | 2.32%   | 1.65%    |
| Bloomberg Government 1-3 Year          | 2.89%   | 4.13%  | 4.32%  | -3.81%  | -0.60% | 3.14%  | 3.59%  | 6.78%  | 1.28%   | 1.49%   | 1.41%    |
| Bloomberg Intermediate Govt            | 3.95%   | 4.19%  | 4.30%  | -7.73%  | -1.69% | 5.73%  | 5.20%  | 8.33%  | -0.10%  | 0.83%   | 1.50%    |
| Bloomberg Muni Bond                    | 2.71%   | 2.30%  | 6.40%  | -8.53%  | 1.52%  | 5.21%  | 7.54%  | 10.37% | 0.09%   | 1.38%   | 2.51%    |
| Bloomberg Intermediate Govt/Credit     | 4.17%   | 4.68%  | 5.24%  | -8.23%  | -1.44% | 6.43%  | 6.80%  | 9.45%  | 0.17%   | 1.26%   | 1.96%    |
| Bloomberg Intermediate Credit          | 4.58%   | 5.55%  | 6.94%  | -9.10%  | -1.03% | 7.08%  | 9.52%  | 11.46% | 0.67%   | 1.89%   | 2.67%    |
| Bloomberg Aggregate Bond               | 5.20%   | 4.45%  | 5.53%  | -13.01% | -1.54% | 7.51%  | 8.72%  | 11.57% | -1.39%  | 0.33%   | 1.84%    |
| Bloomberg Corporate IG Bond            | 5.84%   | 5.32%  | 8.52%  | -15.76% | -1.04% | 9.89%  | 14.54% | 14.28% | -1.18%  | 1.16%   | 2.92%    |
| Bloomberg High Yield                   | 5.28%   | 8.00%  | 13.44% | -11.19% | 5.28%  | 7.11%  | 14.32% | 15.74% | 3.10%   | 4.71%   | 5.04%    |
| Bloomberg Global Aggregate             | 6.98%   | 3.60%  | 5.72%  | -16.25% | -4.71% | 9.20%  | 6.84%  | 11.99% | -3.06%  | -0.83%  | 0.57%    |
| Bloomberg U.S. Long Corporate          | 8.21%   | 4.53%  | 10.93% | -25.62% | -1.13% | 13.94% | 23.89% | 19.18% | -4.35%  | -0.31%  | 3.25%    |
| S&P 500                                | 5.89%   | 22.08% | 26.29% | -18.11% | 28.71% | 18.40% | 31.49% | 36.35% | 11.91%  | 15.96%  | 13.37%   |
| Dow Jones Industrial Average           | 8.72%   | 13.93% | 16.18% | -6.86%  | 20.95% | 9.72%  | 25.34% | 28.85% | 9.97%   | 11.77%  | 12.02%   |
| NASDAQ Composite                       | 2.57%   | 21.17% | 43.42% | -33.10% | 21.39% | 43.64% | 35.23% | 37.60% | 7.97%   | 17.83%  | 14.99%   |
| Russell 1000 Value                     | 9.43%   | 16.68% | 11.46% | -7.54%  | 25.16% | 2.80%  | 26.54% | 27.76% | 9.02%   | 10.68%  | 9.22%    |
| Russell 1000                           | 6.08%   | 21.18% | 26.53% | -19.13% | 26.45% | 20.96% | 31.43% | 35.68% | 10.83%  | 15.62%  | 13.09%   |
| Russell 1000 Growth                    | 3.19%   | 24.55% | 42.68% | -29.14% | 27.60% | 38.49% | 36.39% | 42.19% | 12.02%  | 19.72%  | 16.51%   |
| Russell Mid-Cap Value Index            | 10.08%  | 15.08% | 12.71% | -12.03% | 28.34% | 4.96%  | 27.06% | 29.01% | 7.39%   | 10.32%  | 8.93%    |
| Russell Mid-Cap Index                  | 9.21%   | 14.63% | 17.23% | -17.32% | 22.58% | 17.10% | 30.54% | 29.33% | 5.75%   | 11.28%  | 10.18%   |
| Russell Mid-Cap Growth Index           | 6.54%   | 12.91% | 25.87% | -26.72% | 12.73% | 35.59% | 35.47% | 29.33% | 2.32%   | 11.47%  | 11.29%   |
| MSCI EAFE                              | 7.26%   | 12.99% | 18.24% | -14.45% | 11.26% | 7.82%  | 22.01% | 24.77% | 5.48%   | 8.19%   | 5.70%    |
| MSCI ACWI ex U.S.                      | 8.06%   | 14.21% | 15.62% | -16.00% | 7.82%  | 10.65% | 21.51% | 25.35% | 4.14%   | 7.58%   | 5.21%    |
| Russell 2000 Value                     | 10.15%  | 9.22%  | 14.65% | -14.48% | 28.27% | 4.63%  | 22.39% | 25.88% | 3.77%   | 9.28%   | 8.22%    |
| Russell 2000                           | 9.27%   | 11.17% | 16.93% | -20.44% | 14.82% | 19.96% | 25.52% | 26.76% | 1.84%   | 9.38%   | 8.78%    |
| Russell 2000 Growth                    | 8.41%   | 13.22% | 18.66% | -26.36% | 2.83%  | 34.63% | 28.48% | 27.66% | -0.35%  | 8.81%   | 8.94%    |
| MSCI Emerging Markets                  | 8.72%   | 16.86% | 9.83%  | -20.09% | -2.54% | 18.31% | 18.44% | 26.05% | 0.40%   | 5.74%   | 4.02%    |
| FTSE Nareit All Equity REITs Index     | 16.79%  | 14.23% | 11.36% | -24.95% | 41.30% | -5.12% | 28.66% | 34.77% | 3.51%   | 5.08%   | 8.03%    |
| HFRX Absolute Return Index             | 1.22%   | 4.04%  | 2.95%  | 0.85%   | 2.10%  | 2.72%  | 4.37%  | 5.43%  | 2.70%   | 2.84%   | 2.19%    |
| Consumer Price Index (Inflation)       | 0.52%   | 1.93%  | 3.32%  | 6.41%   | 7.18%  | 1.30%  | 2.32%  | 2.41%  | 4.74%   | 4.17%   | 2.85%    |
| BLENDING BENCHMARKS                    | Q3 2024 | YTD    | 2023   | 2022    | 2021   | 2020   | 2019   | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS |
| 25% S&P 500/5% MSCI EAFE/70% BB Agg    | 5.47%   | 9.11%  | 11.12% | -14.11% | 6.10%  | 10.85% | 14.93% | 18.08% | 2.32%   | 4.70%   | 5.04%    |
| 30% S&P 500/10% MSCI EAFE/60% BB Agg   | 5.61%   | 10.41% | 12.79% | -14.40% | 8.22%  | 11.51% | 16.73% | 19.95% | 3.35%   | 5.91%   | 5.84%    |
| 35% S&P 500/15% MSCI EAFE/50% BB Agg   | 5.75%   | 11.72% | 14.46% | -14.71% | 10.36% | 12.11% | 18.54% | 21.85% | 4.37%   | 7.10%   | 6.62%    |
| 40% S&P 500/20% MSCI EAFE/40% BB Agg   | 5.89%   | 13.04% | 16.16% | -15.04% | 12.54% | 12.65% | 20.35% | 23.77% | 5.39%   | 8.28%   | 7.39%    |
| 45% S&P 500/25% MSCI EAFE/30% BB Agg   | 6.03%   | 14.37% | 17.86% | -15.39% | 14.74% | 13.13% | 22.17% | 25.71% | 6.40%   | 9.45%   | 8.15%    |
| 60% S&P 500/40% Bloomberg Barclays Agg | 5.61%   | 14.80% | 17.67% | -15.79% | 15.86% | 14.73% | 22.18% | 25.98% | 6.63%   | 9.78%   | 8.89%    |

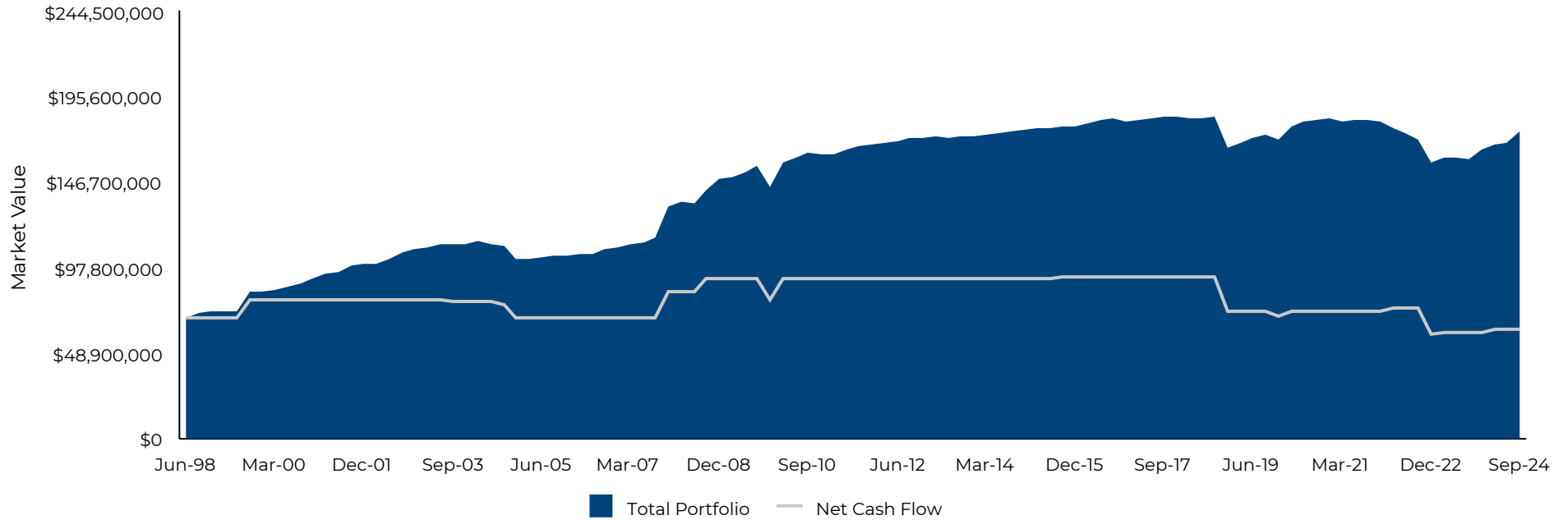
Sources: Morningstar Direct, MPI. The opinions expressed in this report are subject to change without notice. This material has been prepared or is distributed solely for informational purposes and is not a solicitation or an offer to buy any security or to participate in any investment strategy. The performance data quoted represents past performance and does not guarantee future results. Index averages are provided for comparison purposes only. The information and statistics in this report are from sources believed to be reliable but are not guaranteed to be accurate or complete. CAPTRUST is an investment adviser registered under the Investment Advisers Act of 1940.

# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio

## MARKET VALUES & CASH FLOW SUMMARY



|                        | Last 3 Months | FYTD          | FY2023        | FY2022        | FY2021        | Since Inception | Inception Date |
|------------------------|---------------|---------------|---------------|---------------|---------------|-----------------|----------------|
| Total Portfolio        |               |               |               |               |               |                 | 07/01/1998     |
| Beginning Market Value | \$169,849,629 | \$160,389,984 | \$171,631,790 | \$182,761,565 | \$182,902,110 | \$69,757,606    |                |
| Net Flows              | \$37,536      | \$2,146,116   | -\$14,861,005 | \$2,150,969   | \$154,844     | -\$7,112,345    |                |
| Gain/Loss              | \$5,856,249   | \$13,207,314  | \$3,619,198   | -\$13,280,744 | -\$295,389    | \$113,098,153   |                |
| Ending Market Value    | \$175,743,414 | \$175,743,414 | \$160,389,984 | \$171,631,790 | \$182,761,565 | \$175,743,414   |                |

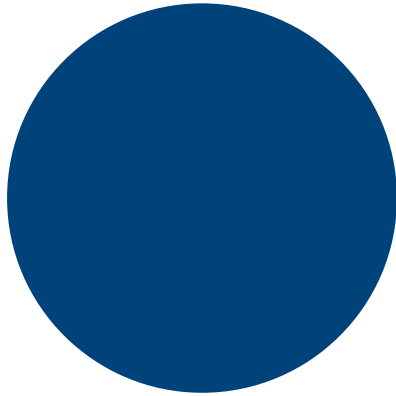
The summary has been compiled using data from sources believed to be reliable but is not guaranteed to be accurate or complete. Please refer to the official custodial account statement for verification. For Institutional Use Only. Fiscal Year ending September.

# ASSET ALLOCATION SUMMARY

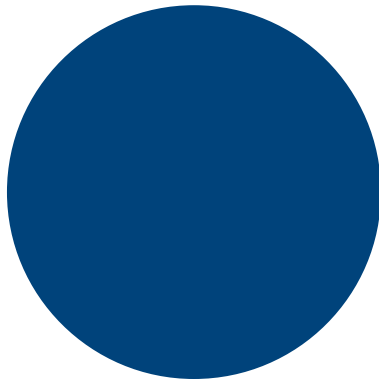
Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio

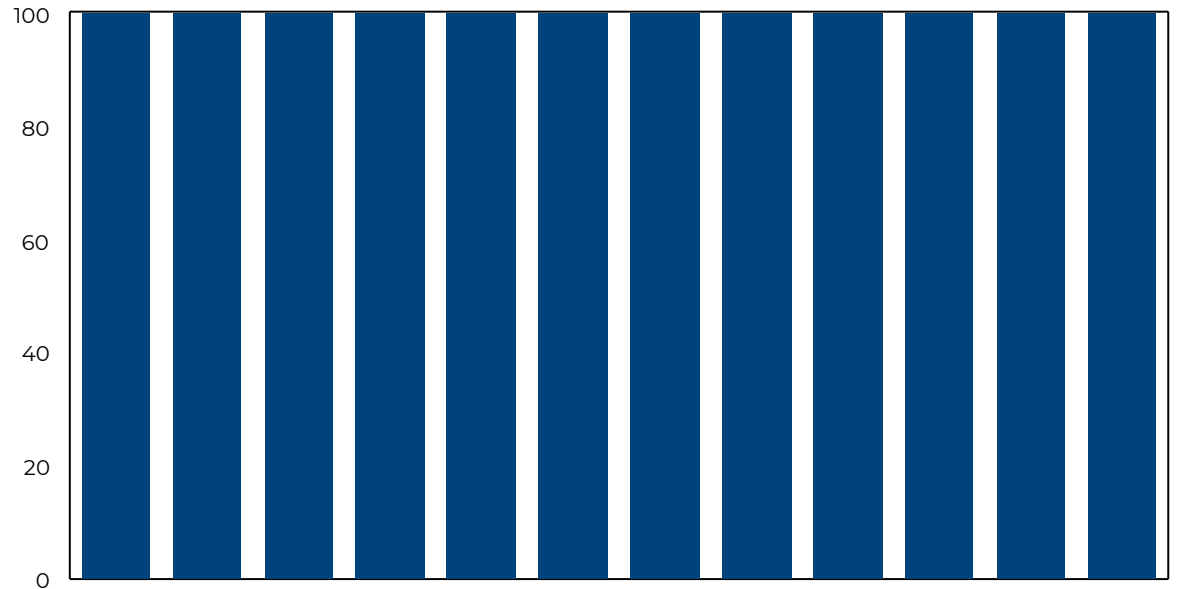
## ACTUAL ALLOCATION



## TARGET ALLOCATION



## HISTORIC ALLOCATION TREND



## QUARTERLY HISTORIC ALLOCATION TREND

|                    | 12 21 (%) | 03 22 (%) | 06 22 (%) | 09 22 (%) | 12 22 (%) | 03 23 (%) | 06 23 (%) | 09 23 (%) | 12 23 (%) | 03 24 (%) | 06 24 (%) | 09 24 (%) |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Fixed Income | 100.00    | 100.00    | 100.00    | 100.00    | 100.00    | 100.00    | 100.00    | 100.00    | 100.00    | 100.00    | 100.00    | 100.00    |

## ASSET REBALANCING ANALYSIS

| Asset Class        | Asset Allocation (%) | Target Allocation (%) | (+/-) Variance (%) |
|--------------------|----------------------|-----------------------|--------------------|
| Total Fixed Income | 100.00               | 100.00                | 0.00               |

The summary has been compiled using data from sources believed to be reliable but is not guaranteed to be accurate or complete. For Institutional Use Only.

# ASSET ALLOCATION DETAIL

Period Ending 9.30.24 | Q3 24

## City of Ocala Treasury Investment Portfolio

| MANAGER NAME              | CASH      | INVESTED      | CASH (%) | TOTAL         | TARGET (%) | ACTUAL (%) | VARIANCE (%) |
|---------------------------|-----------|---------------|----------|---------------|------------|------------|--------------|
| PFM Group                 | \$36,303  | \$52,000,387  | 0.07     | \$52,036,690  | -          | 29.61      | -            |
| Sawgrass Asset Management | \$377,101 | \$70,924,500  | 0.53     | \$71,301,601  | -          | 40.57      | -            |
| SEIX Investment Advisors  | \$367,338 | \$52,037,785  | 0.70     | \$52,405,123  | -          | 29.82      | -            |
| Total Fixed Income        | \$780,741 | \$174,962,672 | 0.44     | \$175,743,414 | 100.00     | 100.00     | 0.00         |
| Total Portfolio           | \$780,741 | \$174,962,672 | 0.44     | \$175,743,414 | 100.00     | 100.00     | 0.00         |

Information and statistics have been provided by the custodian and are not guaranteed to be accurate or complete. This is not a substitute for the official custodial account statement; please refer to the custodial statement for verification.

# INVESTMENT FEES

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio

| 4Q16 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 10,983        |
| Sawgrass Asset Management | \$        | 15,582        |
| SEIX Investment Advisors  | \$        | 11,915        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>44,105</b> |

| 1Q17 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 11,059        |
| Sawgrass Asset Management | \$        | 15,637        |
| SEIX Investment Advisors  | \$        | 11,980        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>44,302</b> |

| 2Q17 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 11,098        |
| Sawgrass Asset Management | \$        | 15,679        |
| SEIX Investment Advisors  | \$        | 12,075        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>44,477</b> |

| 3Q17 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 11,136        |
| Sawgrass Asset Management | \$        | 15,534        |
| SEIX Investment Advisors  | \$        | 12,151        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>44,446</b> |

| 4Q17 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 11,124        |
| Sawgrass Asset Management | \$        | 15,704        |
| SEIX Investment Advisors  | \$        | 12,131        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>44,583</b> |

| 1Q18 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 11,102        |
| Sawgrass Asset Management | \$        | 15,671        |
| SEIX Investment Advisors  | \$        | 12,007        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>44,405</b> |

| 2Q18 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 11,143        |
| Sawgrass Asset Management | \$        | 15,695        |
| SEIX Investment Advisors  | \$        | 12,015        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>44,478</b> |

| 3Q18 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 11,154        |
| Sawgrass Asset Management | \$        | 15,738        |
| SEIX Investment Advisors  | \$        | 12,022        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>44,540</b> |

| 4Q18 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 10,484        |
| Sawgrass Asset Management | \$        | 14,710        |
| SEIX Investment Advisors  | \$        | 10,715        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>41,535</b> |





# INVESTMENT FEES

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio

| 1Q19 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 10,611        |
| Sawgrass Asset Management | \$ 14,842        |
| SEIX Investment Advisors  | \$ 10,933        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 42,011</b> |

| 2Q19 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 10,753        |
| Sawgrass Asset Management | \$ 14,999        |
| SEIX Investment Advisors  | \$ 11,192        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 42,569</b> |

| 3Q19 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 10,829        |
| Sawgrass Asset Management | \$ 15,067        |
| SEIX Investment Advisors  | \$ 11,338        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 42,859</b> |

| 4Q19 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 10,687        |
| Sawgrass Asset Management | \$ 14,994        |
| SEIX Investment Advisors  | \$ 11,160        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 42,467</b> |

| 1Q20 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,033        |
| Sawgrass Asset Management | \$ 15,307        |
| SEIX Investment Advisors  | \$ 11,795        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 43,761</b> |

| 2Q20 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,182        |
| Sawgrass Asset Management | \$ 15,467        |
| SEIX Investment Advisors  | \$ 12,019        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 44,294</b> |

| 3Q20 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,224        |
| Sawgrass Asset Management | \$ 15,507        |
| SEIX Investment Advisors  | \$ 12,091        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 44,447</b> |

| 4Q20 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,232        |
| Sawgrass Asset Management | \$ 15,515        |
| SEIX Investment Advisors  | \$ 12,150        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 44,523</b> |

| 1Q21 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,133        |
| Sawgrass Asset Management | \$ 15,449        |
| SEIX Investment Advisors  | \$ 11,945        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 44,152</b> |



# INVESTMENT FEES

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio

| 2Q21 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,235        |
| Sawgrass Asset Management | \$ 15,449        |
| SEIX Investment Advisors  | \$ 11,945        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 44,253</b> |

| 3Q21 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,244        |
| Sawgrass Asset Management | \$ 15,484        |
| SEIX Investment Advisors  | \$ 12,063        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 44,416</b> |

| 4Q21 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,187        |
| Sawgrass Asset Management | \$ 15,421        |
| SEIX Investment Advisors  | \$ 12,000        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 44,233</b> |

| 1Q22 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,340        |
| Sawgrass Asset Management | \$ 15,171        |
| SEIX Investment Advisors  | \$ 11,491        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 43,628</b> |

| 2Q22 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,275        |
| Sawgrass Asset Management | \$ 15,066        |
| SEIX Investment Advisors  | \$ 11,183        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 43,150</b> |

| 3Q22 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 11,151        |
| Sawgrass Asset Management | \$ 14,891        |
| SEIX Investment Advisors  | \$ 10,792        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 42,459</b> |

| 4Q22 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 10,237        |
| Sawgrass Asset Management | \$ 14,349        |
| SEIX Investment Advisors  | \$ 9,829         |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 40,039</b> |

| 1Q23 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 10,377        |
| Sawgrass Asset Management | \$ 14,505        |
| SEIX Investment Advisors  | \$ 10,088        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 40,594</b> |

| 2Q23 INVESTMENT FEES      |                  |
|---------------------------|------------------|
| PFM Group                 | \$ 10,372        |
| Sawgrass Asset Management | \$ 14,459        |
| SEIX Investment Advisors  | \$ 10,015        |
| CAPTRUST Advisors         | \$ 5,625         |
| <b>TOTAL FEES</b>         | <b>\$ 40,470</b> |



# INVESTMENT FEES

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio

| 3Q23 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 10,454        |
| Sawgrass Asset Management | \$        | 14,481        |
| SEIX Investment Advisors  | \$        | 9,832         |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>40,391</b> |

| 4Q23 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 10,711        |
| Sawgrass Asset Management | \$        | 14,740        |
| SEIX Investment Advisors  | \$        | 10,321        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>41,396</b> |

| 1Q24 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 10,814        |
| Sawgrass Asset Management | \$        | 14,762        |
| SEIX Investment Advisors  | \$        | 10,736        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>41,937</b> |

| 2Q24 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 10,865        |
| Sawgrass Asset Management | \$        | 14,830        |
| SEIX Investment Advisors  | \$        | 10,802        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>42,122</b> |

| 3Q24 INVESTMENT FEES      |           |               |
|---------------------------|-----------|---------------|
| PFM Group                 | \$        | 11,157        |
| Sawgrass Asset Management | \$        | 15,112        |
| SEIX Investment Advisors  | \$        | 11,267        |
| CAPTRUST Advisors         | \$        | 5,625         |
| <b>TOTAL FEES</b>         | <b>\$</b> | <b>43,161</b> |



# INVESTMENT ALLOCATIONS

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio

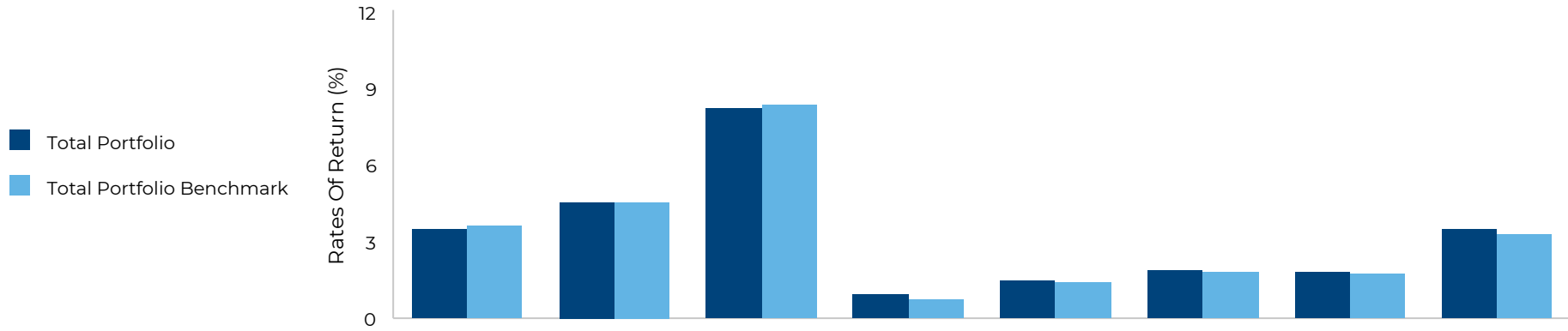
## INVESTMENT ALLOCATIONS



| INVESTMENT                 | MARKET VALUE          | ACTUAL (%)  |
|----------------------------|-----------------------|-------------|
| Fixed Income               | \$ 175,743,414        | 52.75%      |
| PFM Group                  | \$ 52,036,690         | 15.62%      |
| Sawgrass Asset Management  | \$ 71,301,601         | 21.40%      |
| SEIX Investment Advisors   | \$ 52,405,123         | 15.73%      |
| Internal Accounts          | \$ 157,426,910        | 47.25%      |
| Florida Prime              | \$ 50,262,994         | 15.09%      |
| Florida Fixed Income Trust | \$ 50,373,022         | 15.12%      |
| Florida SAFE               | \$ 14,759,241         | 4.43%       |
| Truist Checking Account    | \$ 42,031,654         | 12.62%      |
| <b>TOTAL</b>               | <b>\$ 333,170,323</b> | <b>100%</b> |

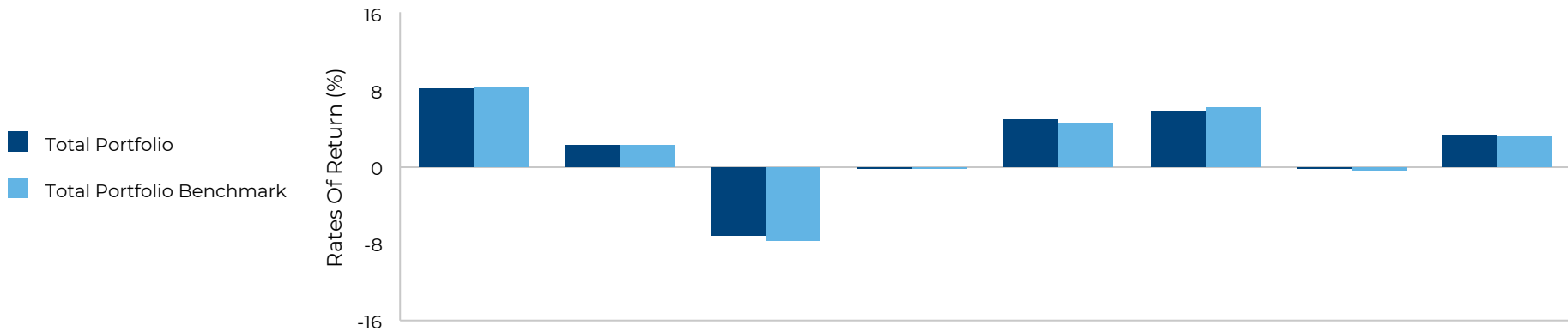
City of Ocala Treasury Investment Portfolio

**TOTAL PORTFOLIO TRAILING PERFORMANCE**



|                           | Last 3 Months | CYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception |
|---------------------------|---------------|------|--------|---------|---------|---------|----------|-----------|
| Total Portfolio           | 3.45          | 4.51 | 8.17   | 0.90    | 1.50    | 1.86    | 1.77     | 3.44      |
| Total Portfolio Benchmark | 3.61          | 4.52 | 8.35   | 0.76    | 1.38    | 1.79    | 1.71     | 3.27      |

**TOTAL PORTFOLIO FISCAL YEAR PERFORMANCE**



|                           | FYTD | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 | FY2018 | Inception |
|---------------------------|------|--------|--------|--------|--------|--------|--------|-----------|
| Total Portfolio           | 8.17 | 2.33   | -7.20  | -0.13  | 4.99   | 5.83   | -0.15  | 3.44      |
| Total Portfolio Benchmark | 8.35 | 2.30   | -7.72  | -0.02  | 4.70   | 6.14   | -0.37  | 3.27      |

Performance returns over one-year are annualized. For important details regarding benchmarks, please refer the slides entitled "Total Fund Policy Benchmark Summary" in this presentation. Fiscal Year ending September.

# INVESTMENT RETURNS | FISCAL YEAR MANAGER RESULTS

Period Ending 9.30.24 | Q3 24

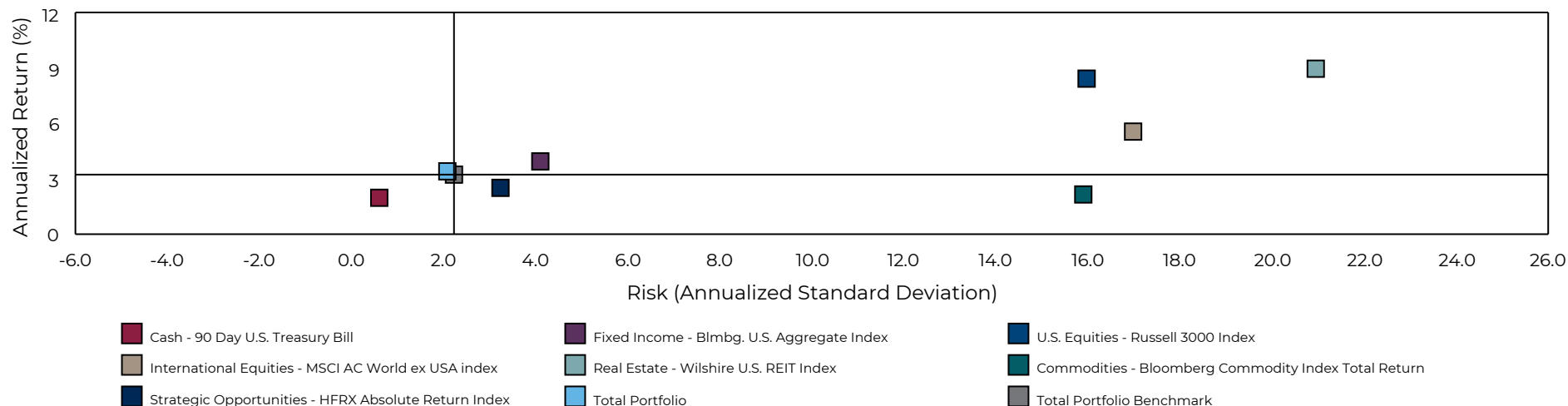
## City of Ocala Treasury Investment Portfolio

|  | Last 3 Months | 2023        | 2022          | 2021         | 2020        | 1 Year      | 3 Years      | 5 Years     | 10 Years    | Since Inception | Inception Date    |
|--|---------------|-------------|---------------|--------------|-------------|-------------|--------------|-------------|-------------|-----------------|-------------------|
| <b>Total Fixed Income</b>                          | <b>3.45</b>   | <b>2.33</b> | <b>-7.20</b>  | <b>-0.13</b> | <b>4.99</b> | <b>8.17</b> | <b>0.90</b>  | <b>1.50</b> | <b>1.77</b> | <b>3.44</b>     | <b>07/01/1998</b> |
| <b>PFM Group</b>                                   | <b>2.87</b>   | <b>3.14</b> | <b>-4.63</b>  | <b>0.25</b>  | <b>3.73</b> | <b>7.15</b> | <b>1.77</b>  | <b>1.85</b> | <b>1.73</b> | <b>2.56</b>     | <b>08/01/2003</b> |
| ICE BofA 1-3 US Treasury & Agency (Split)          | 2.86          | 2.49        | -4.86         | 0.03         | 3.56        | 6.74        | 1.34         | 1.52        | 1.42        | 2.24            |                   |
| IM U.S. Short Duration Fixed Income (SA+CF) Median | 2.93          | 3.25        | -5.20         | 0.44         | 3.70        | 7.76        | 1.81         | 1.95        | 1.83        | 2.48            |                   |
| <b>Sawgrass Asset Management</b>                   | <b>3.26</b>   | <b>2.57</b> | <b>-6.49</b>  | <b>-0.30</b> | <b>4.70</b> | <b>7.71</b> | <b>1.09</b>  | <b>1.52</b> | <b>1.76</b> | <b>3.42</b>     | <b>07/01/1998</b> |
| ICE BofA 1-5 US Corp/Govt (Split)                  | 3.48          | 2.73        | -7.32         | 0.18         | 4.82        | 8.10        | 0.97         | 1.57        | 1.81        | 3.33            |                   |
| IM U.S. Short Duration Fixed Income (SA+CF) Median | 2.93          | 3.25        | -5.20         | 0.44         | 3.70        | 7.76        | 1.81         | 1.95        | 1.83        | 3.08            |                   |
| <b>SEIX Investment Advisors</b>                    | <b>4.28</b>   | <b>1.14</b> | <b>-10.61</b> | <b>-0.26</b> | <b>6.57</b> | <b>9.88</b> | <b>-0.22</b> | <b>1.09</b> | <b>1.82</b> | <b>2.82</b>     | <b>08/01/2003</b> |
| ICE BofA 1-10 US Corp, Govt & Mortgage (Split)     | 4.55          | 1.51        | -11.04        | -0.35        | 5.67        | 10.29       | -0.13        | 0.96        | 1.85        | 2.72            |                   |
| IM U.S. Intermediate Duration (SA+CF) Median       | 4.16          | 2.24        | -10.37        | 0.04         | 6.13        | 9.86        | 0.26         | 1.41        | 2.04        | 3.32            |                   |
| <b>Total Portfolio</b>                             | <b>3.45</b>   | <b>2.33</b> | <b>-7.20</b>  | <b>-0.13</b> | <b>4.99</b> | <b>8.17</b> | <b>0.90</b>  | <b>1.50</b> | <b>1.77</b> | <b>3.44</b>     | <b>07/01/1998</b> |
| Total Portfolio Benchmark                          | 3.61          | 2.30        | -7.72         | -0.02        | 4.70        | 8.35        | 0.76         | 1.38        | 1.71        | 3.27            |                   |

Performance returns over one-year are annualized. Information and statistics have been provided by the custodian and are not guaranteed to be accurate or complete. This is not a substitute for the official custodial account statement; please refer to the custodial statement for verification. Fiscal Year ending September.

City of Ocala Treasury Investment Portfolio

**Composite Risk VS. Total Return  
(since inception: July 1, 1998)**



|                              | 3 YEAR          |                           | INCEPTION       |                           |
|------------------------------|-----------------|---------------------------|-----------------|---------------------------|
|                              | Total Portfolio | Total Portfolio Benchmark | Total Portfolio | Total Portfolio Benchmark |
| Positive Months Ratio        | 47.22           | 52.78                     | 70.16           | 67.30                     |
| Negative Months Ratio        | 52.78           | 47.22                     | 29.84           | 32.70                     |
| Best Quarter                 | 3.96            | 4.13                      | 4.58            | 4.18                      |
| Worst Quarter                | -3.59           | -3.75                     | -3.59           | -3.75                     |
| Standard Deviation           | 3.48            | 3.64                      | 2.10            | 2.22                      |
| Maximum Drawdown             | -7.47           | -7.99                     | -7.86           | -8.31                     |
| Max Drawdown Recovery Period | 33.00           | 33.00                     | 43.00           | 37.00                     |
| Up Capture                   | 96.20           | 100.00                    | 98.64           | 100.00                    |
| Down Capture                 | 92.77           | 100.00                    | 85.33           | 100.00                    |
| Alpha                        | 0.18            | 0.00                      | 0.40            | 0.00                      |
| Beta                         | 0.95            | 1.00                      | 0.93            | 1.00                      |
| R-Squared                    | 1.00            | 1.00                      | 0.97            | 1.00                      |
| Consistency                  | 47.22           | 100.00                    | 53.02           | 100.00                    |
| Tracking Error               | 0.30            | 0.00                      | 0.42            | 0.00                      |
| Treynor Ratio                | -0.03           | -0.03                     | 0.02            | 0.01                      |
| Information Ratio            | 0.45            | -                         | 0.38            | -                         |
| Sharpe Ratio                 | -0.77           | -0.77                     | 0.70            | 0.58                      |

For Institutional Use Only.

# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 9.30.24 | Q3 24

## City of Ocala Treasury Investment Portfolio

| Period Ending | Beginning Value | Net Flows  | Investment Gain/Loss | Ending Value | Rate of Return |
|---------------|-----------------|------------|----------------------|--------------|----------------|
| Sep-1998      | 69,757,606      | -7         | 2,256,572            | 72,014,171   | 3.23           |
| Dec-1998      | 72,014,171      | -          | 588,902              | 72,603,073   | 0.82           |
| Mar-1999      | 72,603,073      | -          | 384,955              | 72,988,028   | 0.53           |
| Jun-1999      | 72,988,028      | -          | -49,508              | 72,938,520   | -0.07          |
| Sep-1999      | 72,938,520      | 10,000,000 | 942,518              | 83,881,038   | 1.18           |
| Dec-1999      | 83,881,038      | -6,650     | 653,012              | 84,527,400   | 0.78           |
| Mar-2000      | 84,527,400      | -          | 953,259              | 85,480,659   | 1.13           |
| Jun-2000      | 85,480,659      | -          | 1,536,155            | 87,016,814   | 1.80           |
| Sep-2000      | 87,016,814      | -          | 2,285,685            | 89,302,499   | 2.63           |
| Dec-2000      | 89,302,499      | -          | 2,764,863            | 92,067,362   | 3.10           |
| Mar-2001      | 92,067,362      | -          | 2,803,430            | 94,870,792   | 3.04           |
| Jun-2001      | 94,870,792      | 4          | 1,111,166            | 95,981,962   | 1.17           |
| Sep-2001      | 95,981,962      | -          | 3,731,447            | 99,713,409   | 3.89           |
| Dec-2001      | 99,713,409      | -          | 612,638              | 100,326,047  | 0.61           |
| Mar-2002      | 100,326,047     | -          | -6,482               | 100,319,565  | -0.01          |
| Jun-2002      | 100,319,565     | -103       | 3,101,558            | 103,421,021  | 3.09           |
| Sep-2002      | 103,421,021     | -          | 3,482,091            | 106,903,112  | 3.37           |
| Dec-2002      | 106,903,112     | -          | 1,533,535            | 108,436,647  | 1.43           |
| Mar-2003      | 108,436,647     | -          | 1,224,464            | 109,661,111  | 1.13           |
| Jun-2003      | 109,661,111     | -          | 1,645,646            | 111,306,757  | 1.50           |
| Sep-2003      | 111,306,757     | -736,802   | 855,201              | 111,425,156  | 0.05           |
| Dec-2003      | 111,425,156     | -1,562     | 175,477              | 111,599,070  | 0.16           |
| Mar-2004      | 111,599,070     | -3,383     | 1,651,927            | 113,247,614  | 1.48           |
| Jun-2004      | 113,247,614     | -981       | -1,931,710           | 111,314,923  | -1.71          |
| Sep-2004      | 111,314,923     | -2,126,162 | 1,777,084            | 110,965,844  | 1.60           |
| Dec-2004      | 110,965,844     | -7,976,245 | 262,329              | 103,251,928  | 0.24           |
| Mar-2005      | 103,251,928     | -1,866     | -420,639             | 102,829,424  | -0.41          |

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# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 9.30.24 | Q3 24

## City of Ocala Treasury Investment Portfolio

| Period Ending | Beginning Value | Net Flows   | Investment Gain/Loss | Ending Value | Rate of Return |
|---------------|-----------------|-------------|----------------------|--------------|----------------|
| Jun-2005      | 102,829,424     | -804        | 1,616,873            | 104,445,493  | 1.57           |
| Sep-2005      | 104,445,493     | -1,645      | 50,128               | 104,493,976  | 0.05           |
| Dec-2005      | 104,493,976     | -688        | 674,087              | 105,167,375  | 0.65           |
| Mar-2006      | 105,167,375     | -944        | 333,572              | 105,500,002  | 0.32           |
| Jun-2006      | 105,500,002     | -1,178      | 625,432              | 106,124,257  | 0.59           |
| Sep-2006      | 106,124,257     | -2,506      | 2,588,065            | 108,709,817  | 2.44           |
| Dec-2006      | 108,709,817     | -1,807      | 1,196,654            | 109,904,664  | 1.10           |
| Mar-2007      | 109,904,664     | -2,014      | 1,677,989            | 111,580,640  | 1.53           |
| Jun-2007      | 111,580,640     | -1,823      | 599,261              | 112,178,077  | 0.54           |
| Sep-2007      | 112,178,077     | -1,578      | 2,829,885            | 115,006,384  | 2.52           |
| Dec-2007      | 115,006,384     | 14,998,480  | 2,796,937            | 132,801,801  | 2.40           |
| Mar-2008      | 132,801,801     | -1,568      | 3,355,117            | 136,155,350  | 2.53           |
| Jun-2008      | 136,155,350     | -478        | -805,583             | 135,349,290  | -0.59          |
| Sep-2008      | 135,349,290     | 7,998,012   | -523,182             | 142,824,120  | -0.32          |
| Dec-2008      | 142,824,120     | -1,775      | 6,177,016            | 148,999,361  | 4.32           |
| Mar-2009      | 148,999,361     | -1,637      | 1,165,378            | 150,163,102  | 0.78           |
| Jun-2009      | 150,163,102     | -           | 2,989,721            | 153,152,823  | 1.99           |
| Sep-2009      | 153,152,823     | -           | 3,030,834            | 156,183,657  | 1.98           |
| Dec-2009      | 156,183,657     | -12,310,244 | 795,937              | 144,669,351  | 0.54           |
| Mar-2010      | 144,669,351     | 12,310,244  | 1,670,191            | 158,649,786  | 1.15           |
| Jun-2010      | 158,649,786     | -           | 2,570,984            | 161,220,770  | 1.62           |
| Sep-2010      | 161,220,770     | -           | 2,472,452            | 163,693,222  | 1.53           |
| Dec-2010      | 163,693,222     | -           | -784,968             | 162,908,254  | -0.48          |
| Mar-2011      | 162,908,254     | -           | 427,933              | 163,336,187  | 0.26           |
| Jun-2011      | 163,336,187     | -           | 2,218,885            | 165,555,072  | 1.36           |
| Sep-2011      | 165,555,072     | -           | 1,749,692            | 167,304,764  | 1.06           |
| Dec-2011      | 167,304,764     | 14          | 926,215              | 168,230,993  | 0.55           |

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# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 9.30.24 | Q3 24

## City of Ocala Treasury Investment Portfolio

| Period Ending | Beginning Value | Net Flows | Investment Gain/Loss | Ending Value | Rate of Return |
|---------------|-----------------|-----------|----------------------|--------------|----------------|
| Mar-2012      | 168,230,993     | -         | 1,466,490            | 169,697,483  | 0.87           |
| Jun-2012      | 169,697,483     | -         | 1,245,202            | 170,942,684  | 0.73           |
| Sep-2012      | 170,942,684     | -         | 1,668,418            | 172,611,102  | 0.98           |
| Dec-2012      | 172,611,102     | -         | -96,709              | 172,514,393  | -0.06          |
| Mar-2013      | 172,514,393     | 37,008    | 777,680              | 173,329,081  | 0.45           |
| Jun-2013      | 173,329,081     | 36,761    | -1,440,101           | 171,925,741  | -0.83          |
| Sep-2013      | 171,925,741     | 36,924    | 928,278              | 172,890,943  | 0.54           |
| Dec-2013      | 172,890,943     | 37,002    | 310,990              | 173,238,935  | 0.18           |
| Mar-2014      | 173,238,935     | 37,184    | 990,893              | 174,267,012  | 0.57           |
| Jun-2014      | 174,267,012     | 37,450    | 1,341,677            | 175,646,139  | 0.77           |
| Sep-2014      | 175,646,139     | 37,444    | 971                  | 175,684,554  | 0.00           |
| Dec-2014      | 175,684,554     | 37,653    | 1,010,978            | 176,733,184  | 0.58           |
| Mar-2015      | 176,733,184     | 37,891    | 1,641,759            | 178,412,834  | 0.93           |
| Jun-2015      | 178,412,834     | 37,939    | -355,567             | 178,095,205  | -0.20          |
| Sep-2015      | 178,095,205     | 38,021    | 948,140              | 179,081,366  | 0.53           |
| Dec-2015      | 179,081,366     | 37,912    | -532,997             | 178,586,281  | -0.30          |
| Mar-2016      | 178,586,281     | 38,367    | 2,410,289            | 181,034,937  | 1.35           |
| Jun-2016      | 181,034,937     | 38,779    | 1,919,271            | 182,992,987  | 1.06           |
| Sep-2016      | 182,992,987     | 38,816    | 353,413              | 183,385,216  | 0.19           |
| Dec-2016      | 183,385,216     | 38,480    | -1,765,425           | 181,658,271  | -0.96          |
| Mar-2017      | 181,658,271     | 38,677    | 886,923              | 182,583,870  | 0.49           |
| Jun-2017      | 182,583,870     | 38,852    | 1,006,599            | 183,629,322  | 0.55           |
| Sep-2017      | 183,629,322     | 38,821    | 834,816              | 184,502,959  | 0.45           |
| Dec-2017      | 184,502,959     | 38,958    | -275,849             | 184,266,067  | -0.15          |
| Mar-2018      | 184,266,067     | 38,780    | -1,034,666           | 183,270,181  | -0.56          |
| Jun-2018      | 183,270,181     | 38,853    | 460,070              | 183,769,104  | 0.25           |
| Sep-2018      | 183,769,104     | 38,915    | 567,640              | 184,375,659  | 0.31           |

The summary has been compiled using data from sources believed to be reliable but is not guaranteed to be accurate or complete. Please refer to the official custodial account statement for verification. For Institutional Use Only. Inception Date is 07/01/1998.

# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 9.30.24 | Q3 24

## City of Ocala Treasury Investment Portfolio

| Period Ending | Beginning Value | Net Flows   | Investment Gain/Loss | Ending Value | Rate of Return |
|---------------|-----------------|-------------|----------------------|--------------|----------------|
| Dec-2018      | 184,375,659     | -19,964,090 | 2,102,802            | 166,514,370  | 1.28           |
| Mar-2019      | 166,514,370     | 36,386      | 2,699,580            | 169,250,336  | 1.62           |
| Jun-2019      | 169,250,336     | 36,944      | 3,104,295            | 172,391,576  | 1.83           |
| Sep-2019      | 172,391,576     | 37,234      | 1,666,536            | 174,095,345  | 0.97           |
| Dec-2019      | 174,095,345     | -2,963,158  | 751,948              | 171,884,134  | 0.44           |
| Mar-2020      | 171,884,134     | 3,038,136   | 4,222,162            | 179,144,432  | 2.42           |
| Jun-2020      | 179,144,432     | 38,669      | 2,985,962            | 182,169,063  | 1.67           |
| Sep-2020      | 182,169,063     | 38,822      | 694,226              | 182,902,110  | 0.38           |
| Dec-2020      | 182,902,110     | 38,898      | 462,207              | 183,403,215  | 0.28           |
| Mar-2021      | 183,403,215     | 38,527      | -1,641,923           | 181,799,820  | -0.90          |
| Jun-2021      | 181,799,820     | 38,628      | 741,553              | 182,580,001  | 0.41           |
| Sep-2021      | 182,580,001     | 38,791      | 142,773              | 182,761,565  | 0.08           |
| Dec-2021      | 182,761,565     | 38,608      | -1,105,185           | 181,694,989  | -0.60          |
| Mar-2022      | 181,694,989     | 2,038,003   | -5,682,765           | 178,050,227  | -3.10          |
| Jun-2022      | 178,050,227     | 37,525      | -2,592,715           | 175,495,037  | -1.46          |
| Sep-2022      | 175,495,037     | 36,834      | -3,900,080           | 171,631,790  | -2.22          |
| Dec-2022      | 171,631,790     | -14,965,586 | 1,562,525            | 158,228,729  | 1.01           |
| Mar-2023      | 158,228,729     | 34,969      | 3,089,559            | 161,353,258  | 1.95           |
| Jun-2023      | 161,353,258     | 34,845      | -720,638             | 160,667,465  | -0.45          |
| Sep-2023      | 160,667,465     | 34,766      | -312,247             | 160,389,984  | -0.19          |
| Dec-2023      | 160,389,984     | 35,771      | 5,623,616            | 166,049,370  | 3.51           |
| Mar-2024      | 166,049,370     | 2,036,312   | 365,276              | 168,450,959  | 0.21           |
| Jun-2024      | 168,450,959     | 36,497      | 1,362,173            | 169,849,629  | 0.81           |
| Sep-2024      | 169,849,629     | 37,536      | 5,856,249            | 175,743,414  | 3.45           |

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# TOTAL FUND POLICY BENCHMARK SUMMARY

Period Ending 9.30.24 | Q3 24

## City of Ocala Treasury Investment Portfolio

| FROM DATE       | TO DATE    | BENCHMARK   |
|-----------------|------------|---|
| Total Portfolio |            |   |
| 10/01/2013      | Present    | 30.00% ICE BofA 1-10 Year US Corporate, Government and Mortgage Index, 30.00% ICE BofA 1-3 Yr U.S. Treasury & Agency Index, 40.00% ICE BofA 1-5 Year U.S. Corp/Govt |
| 06/01/2011      | 10/01/2013 | 40.00% ICE BofAML 1-5 Year AAA-A U.S. Corporate & Government Index, 30.00% ICE BofA 1-3 Yr U.S. Treasury & Agency Index, 30.00% Tampa ML US Dom Mstr                |
| 06/01/1998      | 06/01/2011 | 100.00% ICE BofAML 1-5 Year AAA-A U.S. Corporate & Government Index   |

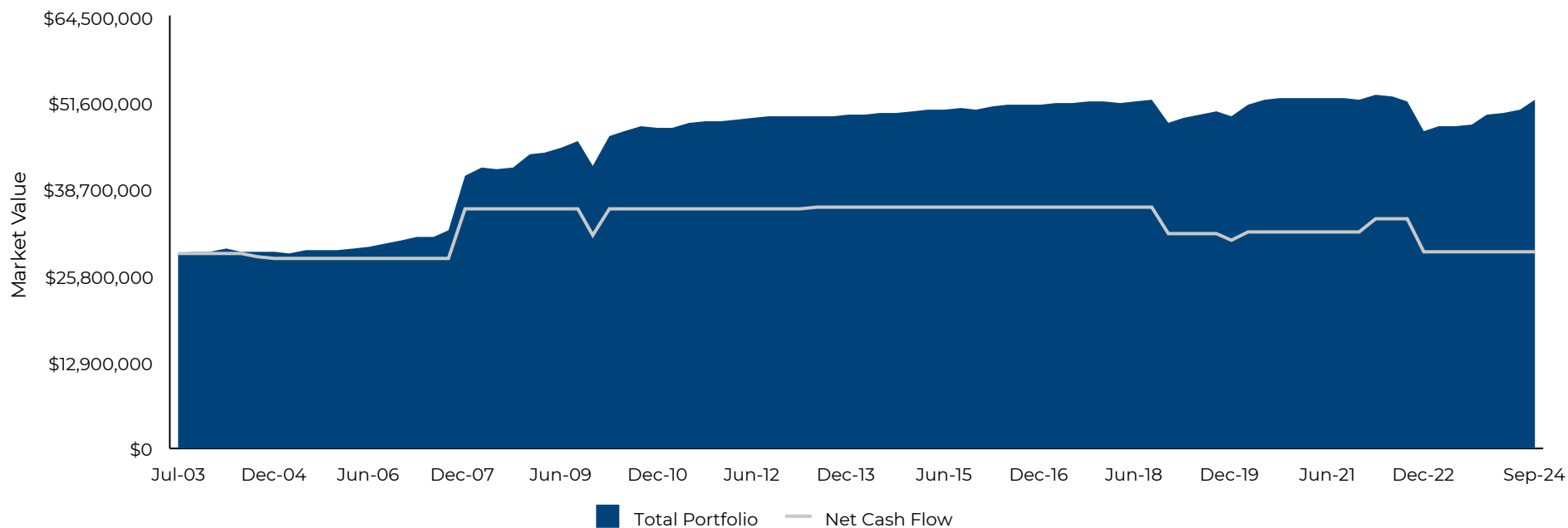
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# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio - PFM Group

## MARKET VALUES & CASH FLOW SUMMARY

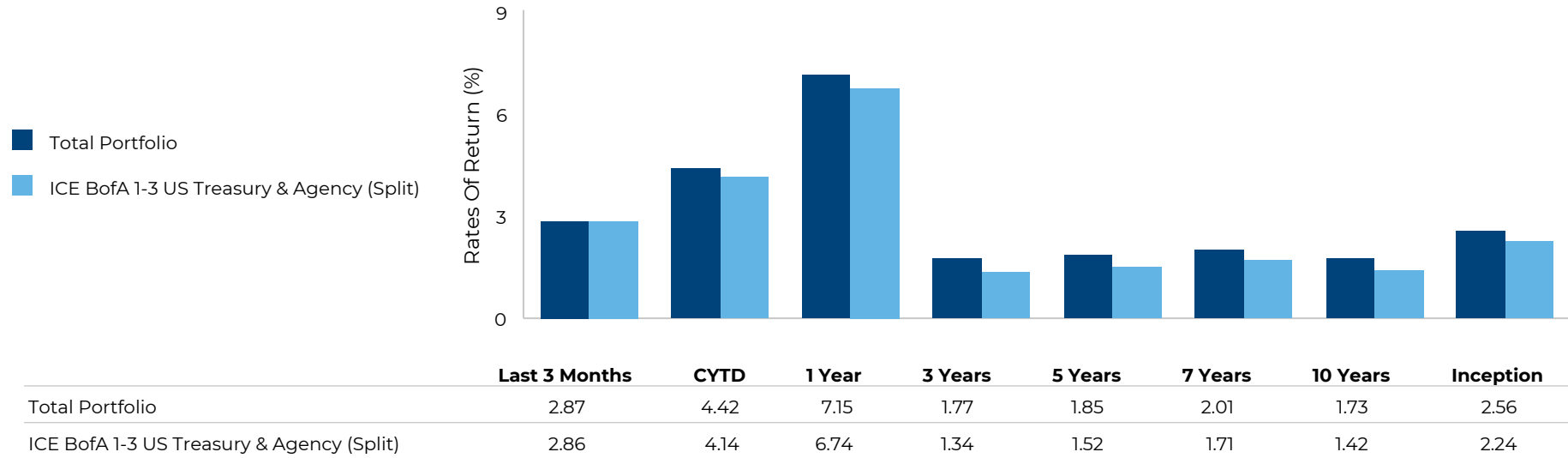


|                        | Last 3 Months | FYTD         | FY2023       | FY2022       | FY2021       | Since Inception | Inception Date |
|------------------------|---------------|--------------|--------------|--------------|--------------|-----------------|----------------|
| Total Portfolio        |               |              |              |              |              |                 | 08/01/2003     |
| Beginning Market Value | \$50,574,448  | \$48,520,739 | \$52,005,978 | \$52,469,718 | \$52,305,805 | \$29,076,413    |                |
| Net Contributions      | \$11,157      | \$43,547     | -\$4,958,561 | \$2,044,954  | \$44,844     | \$373,097       |                |
| Net Investment Return  | \$1,451,085   | \$3,472,403  | \$1,473,322  | -\$2,508,695 | \$119,069    | \$22,587,179    |                |
| Ending Market Value    | \$52,036,690  | \$52,036,690 | \$48,520,739 | \$52,005,978 | \$52,469,718 | \$52,036,690    |                |

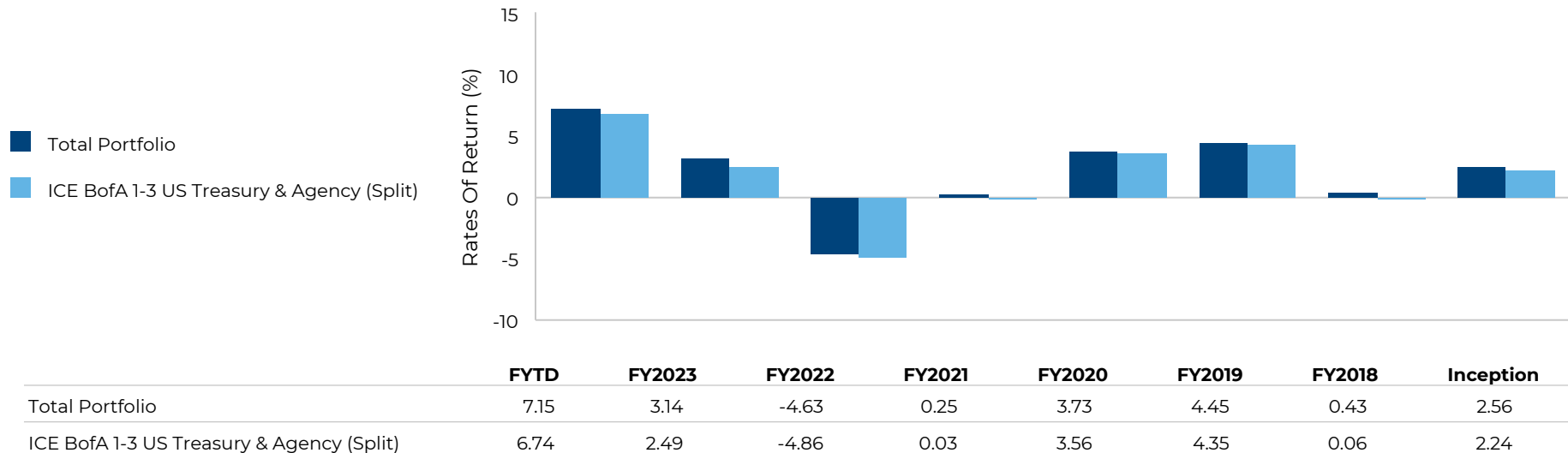
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## City of Ocala Treasury Investment Portfolio - PFM Group

### TOTAL PORTFOLIO TRAILING PERFORMANCE



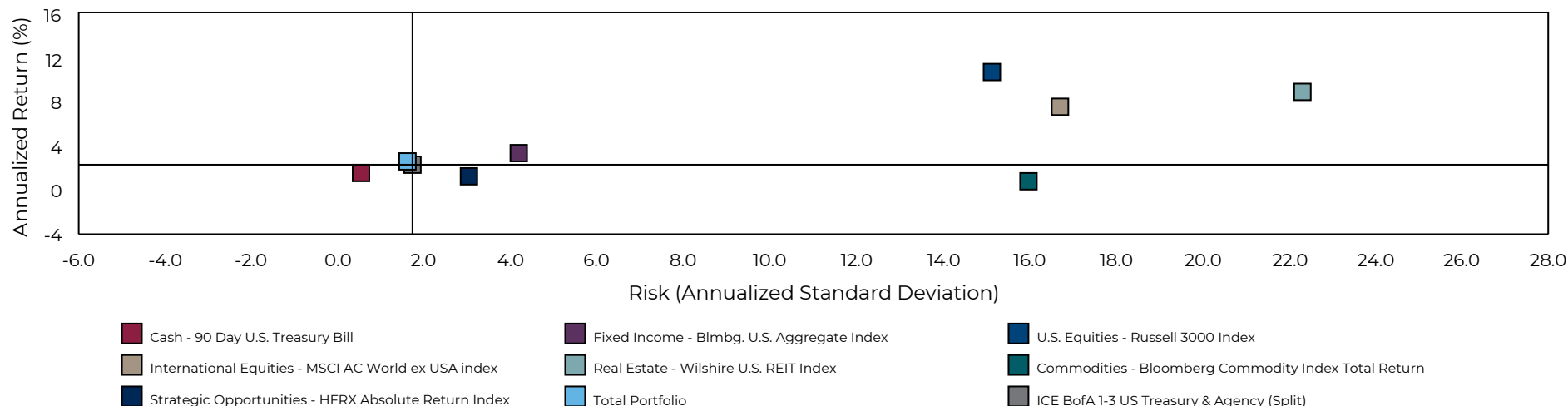
### TOTAL PORTFOLIO FISCAL YEAR PERFORMANCE



Performance returns over one-year are annualized. For important details regarding benchmarks, please refer the slides entitled "Total Fund Policy Benchmark Summary" in this presentation. Fiscal Year ending September.

City of Ocala Treasury Investment Portfolio - PFM Group

**Composite Risk VS. Total Return  
(since inception: August 1, 2003)**



|                              | 3 YEAR          |                           | INCEPTION       |                           |
|------------------------------|-----------------|---------------------------|-----------------|---------------------------|
|                              | Total Portfolio | Total Portfolio Benchmark | Total Portfolio | Total Portfolio Benchmark |
| Positive Months Ratio        | 52.78           | 55.56                     | 68.50           | 66.93                     |
| Negative Months Ratio        | 47.22           | 44.44                     | 31.50           | 33.07                     |
| Best Quarter                 | 2.87            | 2.86                      | 5.09            | 4.00                      |
| Worst Quarter                | -2.31           | -2.34                     | -2.31           | -2.34                     |
| Standard Deviation           | 2.22            | 2.31                      | 1.62            | 1.73                      |
| Maximum Drawdown             | -4.74           | -4.96                     | -4.84           | -5.06                     |
| Max Drawdown Recovery Period | 26.00           | 27.00                     | 28.00           | 30.00                     |
| Up Capture                   | 103.48          | 100.00                    | 100.65          | 100.00                    |
| Down Capture                 | 89.90           | 100.00                    | 74.51           | 100.00                    |
| Alpha                        | 0.49            | 0.00                      | 0.57            | 0.00                      |
| Beta                         | 0.95            | 1.00                      | 0.89            | 1.00                      |
| R-Squared                    | 0.98            | 1.00                      | 0.89            | 1.00                      |
| Consistency                  | 58.33           | 100.00                    | 61.02           | 100.00                    |
| Tracking Error               | 0.37            | 0.00                      | 0.58            | 0.00                      |
| Treynor Ratio                | -0.02           | -0.02                     | 0.01            | 0.01                      |
| Information Ratio            | 1.14            | -                         | 0.54            | -                         |
| Sharpe Ratio                 | -0.86           | -1.02                     | 0.64            | 0.42                      |

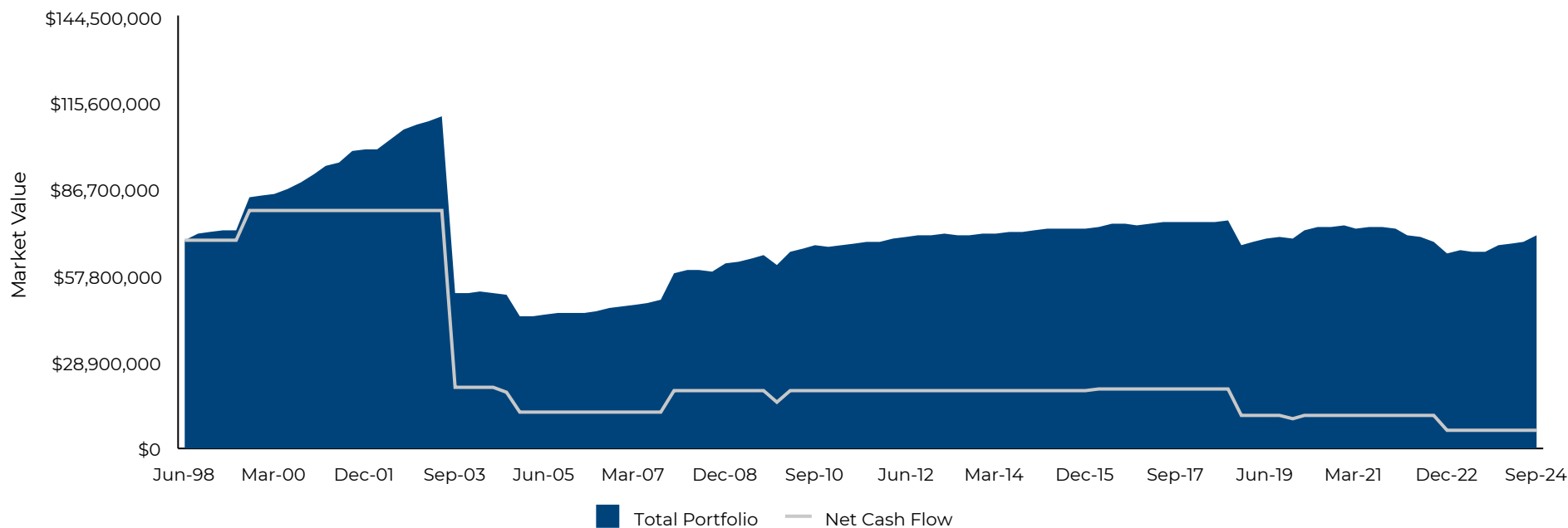
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# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio - Sawgrass Asset Management

## MARKET VALUES & CASH FLOW SUMMARY



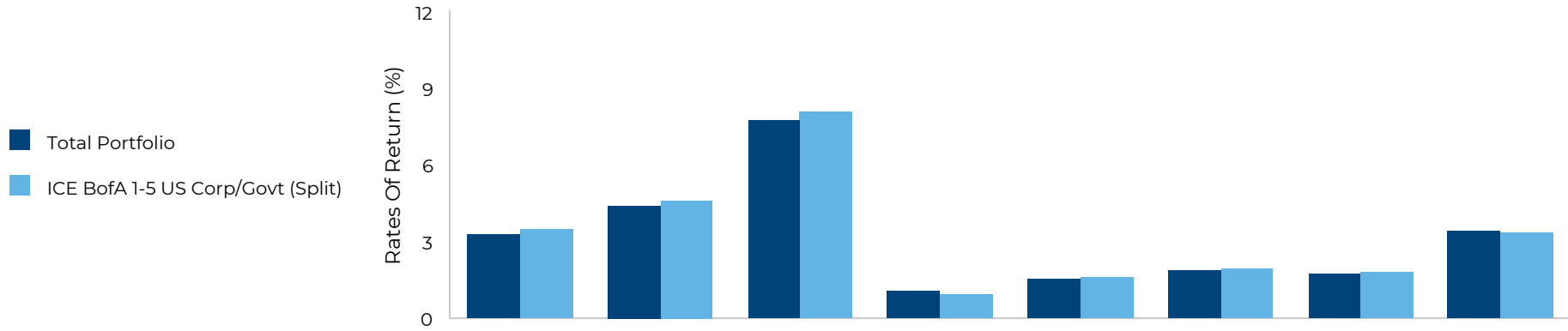
|                        | Last 3 Months | FYTD         | FY2023       | FY2022       | FY2021       | Since Inception | Inception Date |
|------------------------|---------------|--------------|--------------|--------------|--------------|-----------------|----------------|
| Total Portfolio        |               |              |              |              |              |                 | 07/01/1998     |
| Beginning Market Value | \$69,033,015  | \$66,141,335 | \$69,432,564 | \$74,186,233 | \$74,358,048 | \$69,757,606    |                |
| Net Contributions      | \$15,112      | \$59,443     | -\$4,942,206 | \$60,550     | \$61,898     | -\$63,577,119   |                |
| Net Investment Return  | \$2,253,474   | \$5,100,823  | \$1,650,977  | -\$4,814,219 | -\$233,713   | \$65,121,114    |                |
| Ending Market Value    | \$71,301,601  | \$71,301,601 | \$66,141,335 | \$69,432,564 | \$74,186,233 | \$71,301,601    |                |

The summary has been compiled using data from sources believed to be reliable but is not guaranteed to be accurate or complete. Please refer to the official custodial account statement for verification. For Institutional Use Only. Fiscal Year ending September.



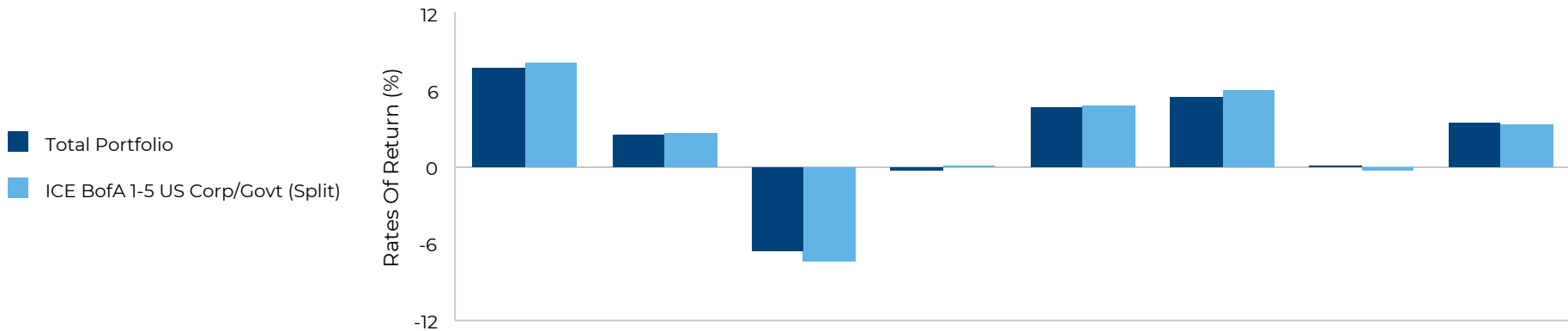
City of Ocala Treasury Investment Portfolio - Sawgrass Asset Management

### TOTAL PORTFOLIO TRAILING PERFORMANCE



|                                   | Last 3 Months | CYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception |
|-----------------------------------|---------------|------|--------|---------|---------|---------|----------|-----------|
| Total Portfolio                   | 3.26          | 4.41 | 7.71   | 1.09    | 1.52    | 1.88    | 1.76     | 3.42      |
| ICE BofA 1-5 US Corp/Govt (Split) | 3.48          | 4.60 | 8.10   | 0.97    | 1.57    | 1.92    | 1.81     | 3.33      |

### TOTAL PORTFOLIO FISCAL YEAR PERFORMANCE



|                                   | FYTD | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 | FY2018 | Inception |
|-----------------------------------|------|--------|--------|--------|--------|--------|--------|-----------|
| Total Portfolio                   | 7.71 | 2.57   | -6.49  | -0.30  | 4.70   | 5.42   | 0.18   | 3.42      |
| ICE BofA 1-5 US Corp/Govt (Split) | 8.10 | 2.73   | -7.32  | 0.18   | 4.82   | 6.02   | -0.31  | 3.33      |

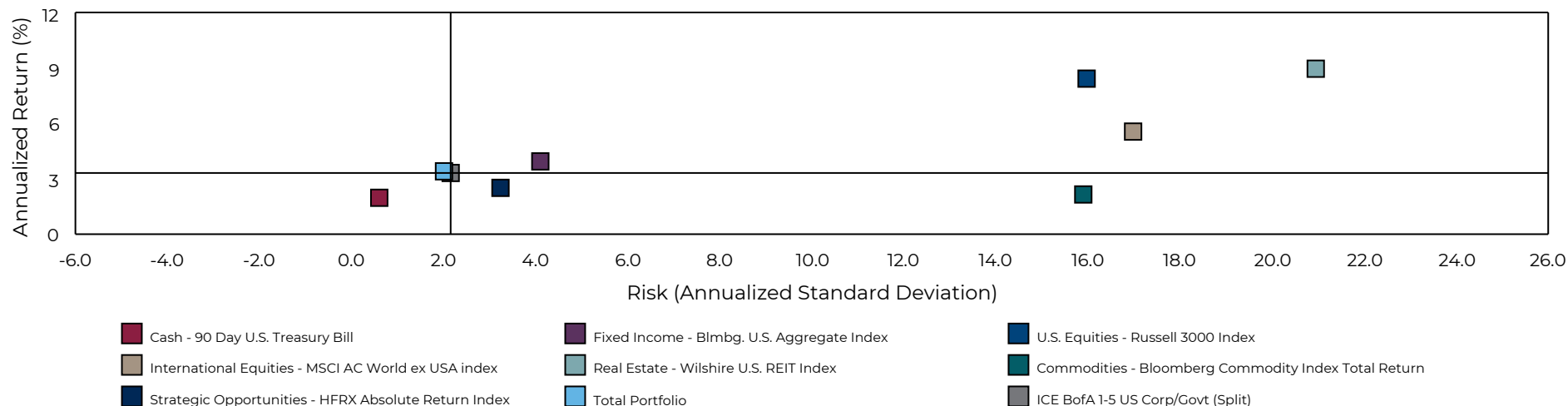
Performance returns over one-year are annualized. For important details regarding benchmarks, please refer the slides entitled "Total Fund Policy Benchmark Summary" in this presentation. Fiscal Year ending September.

# PORTFOLIO STATISTICAL SUMMARY

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio - Sawgrass Asset Management

## Composite Risk VS. Total Return (since inception: July 1, 1998)



|                              | 3 YEAR          |                           | INCEPTION       |                           |
|------------------------------|-----------------|---------------------------|-----------------|---------------------------|
|                              | Total Portfolio | Total Portfolio Benchmark | Total Portfolio | Total Portfolio Benchmark |
| Positive Months Ratio        | 50.00           | 52.78                     | 70.79           | 68.25                     |
| Negative Months Ratio        | 50.00           | 47.22                     | 29.21           | 31.75                     |
| Best Quarter                 | 3.42            | 3.70                      | 5.26            | 4.17                      |
| Worst Quarter                | -3.06           | -3.50                     | -3.06           | -3.50                     |
| Standard Deviation           | 3.10            | 3.35                      | 2.03            | 2.15                      |
| Maximum Drawdown             | -6.65           | -7.54                     | -7.07           | -7.83                     |
| Max Drawdown Recovery Period | 32.00           | 33.00                     | 43.00           | 36.00                     |
| Up Capture                   | 94.49           | 100.00                    | 96.16           | 100.00                    |
| Down Capture                 | 90.56           | 100.00                    | 81.45           | 100.00                    |
| Alpha                        | 0.20            | 0.00                      | 0.37            | 0.00                      |
| Beta                         | 0.92            | 1.00                      | 0.92            | 1.00                      |
| R-Squared                    | 0.99            | 1.00                      | 0.95            | 1.00                      |
| Consistency                  | 52.78           | 100.00                    | 51.75           | 100.00                    |
| Tracking Error               | 0.40            | 0.00                      | 0.51            | 0.00                      |
| Treynor Ratio                | -0.03           | -0.02                     | 0.02            | 0.01                      |
| Information Ratio            | 0.29            | -                         | 0.17            | -                         |
| Sharpe Ratio                 | -0.81           | -0.78                     | 0.72            | 0.63                      |

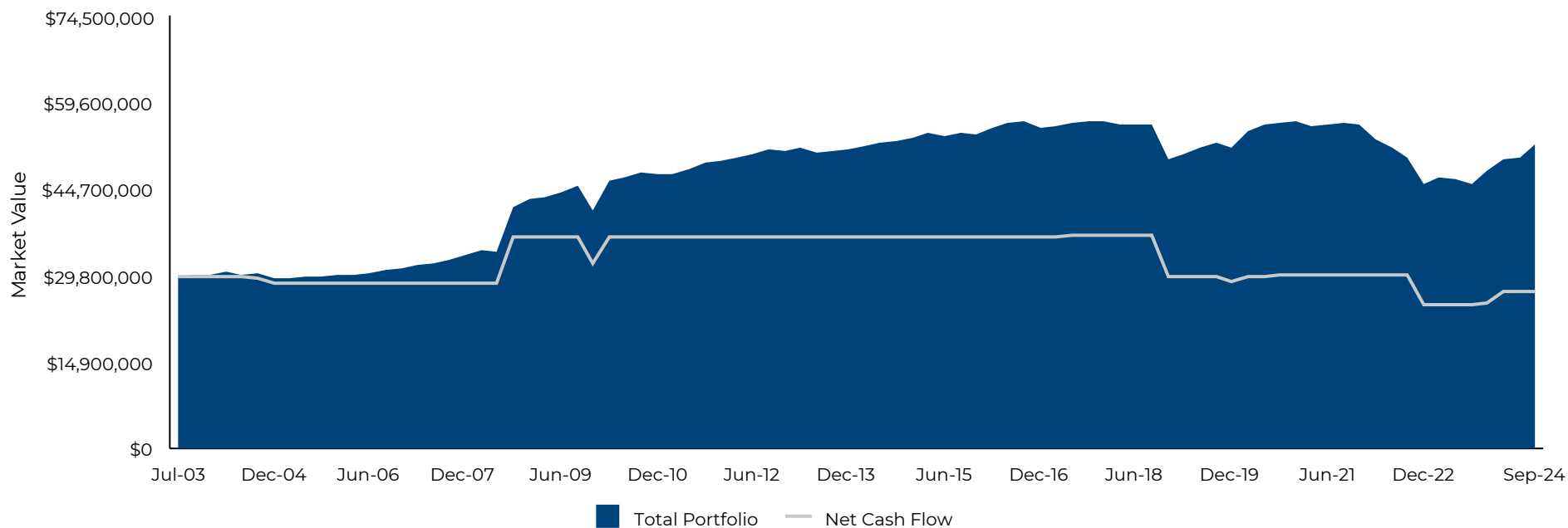
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# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio - SEIX Investment Advisors

## MARKET VALUES & CASH FLOW SUMMARY

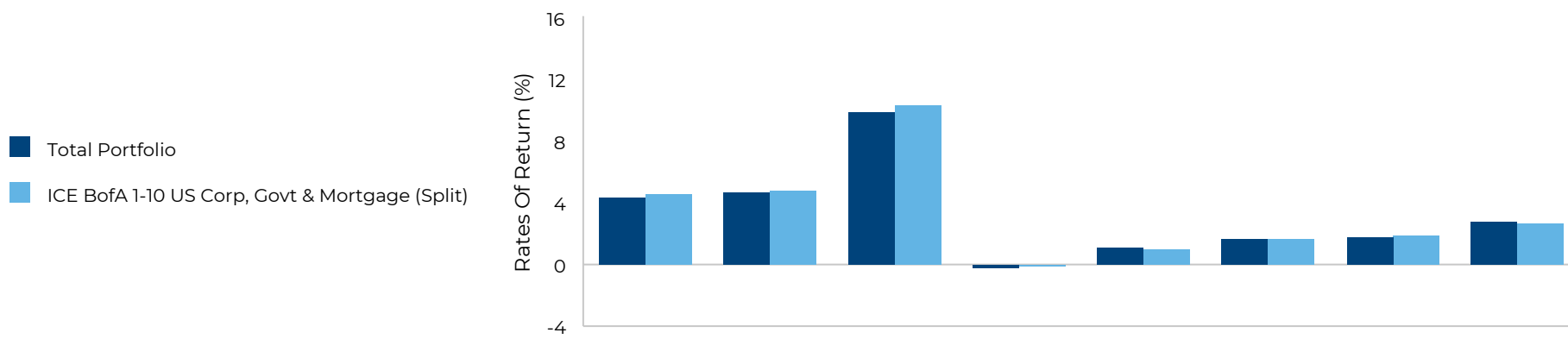


|                        | Last 3 Months | FYTD         | FY2023       | FY2022       | FY2021       | Since Inception | Inception Date |
|------------------------|---------------|--------------|--------------|--------------|--------------|-----------------|----------------|
| Total Portfolio        |               |              |              |              |              |                 | 08/01/2003     |
| Beginning Market Value | \$50,242,166  | \$45,727,910 | \$50,193,248 | \$56,105,614 | \$56,238,257 | \$29,599,921    |                |
| Net Contributions      | \$11,267      | \$2,043,126  | -\$4,960,238 | \$45,465     | \$48,102     | -\$2,584,657    |                |
| Net Investment Return  | \$2,151,690   | \$4,634,087  | \$494,899    | -\$5,957,830 | -\$180,746   | \$25,389,860    |                |
| Ending Market Value    | \$52,405,123  | \$52,405,123 | \$45,727,910 | \$50,193,248 | \$56,105,614 | \$52,405,123    |                |

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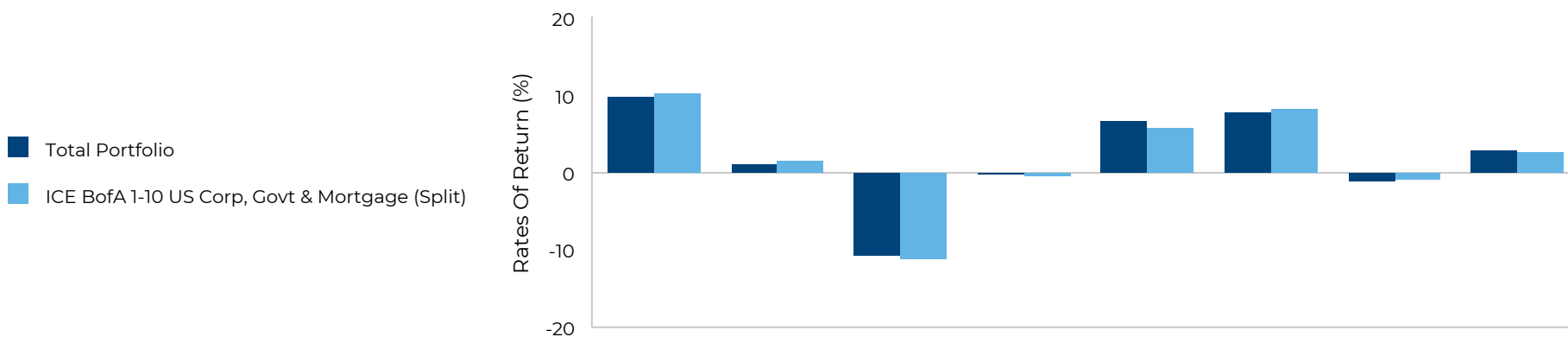
City of Ocala Treasury Investment Portfolio - SEIX Investment Advisors

## TOTAL PORTFOLIO TRAILING PERFORMANCE



|  | Last 3 Months | CYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception |
|--|---------------|------|--------|---------|---------|---------|----------|-----------|
| Total Portfolio                                | 4.28          | 4.70 | 9.88   | -0.22   | 1.09    | 1.69    | 1.82     | 2.82      |
| ICE BofA 1-10 US Corp, Govt & Mortgage (Split) | 4.55          | 4.77 | 10.29  | -0.13   | 0.96    | 1.68    | 1.85     | 2.72      |

## TOTAL PORTFOLIO FISCAL YEAR PERFORMANCE



|  | FYTD  | FY2023 | FY2022 | FY2021 | FY2020 | FY2019 | FY2018 | Inception |
|--|-------|--------|--------|--------|--------|--------|--------|-----------|
| Total Portfolio                                | 9.88  | 1.14   | -10.61 | -0.26  | 6.57   | 7.74   | -1.14  | 2.82      |
| ICE BofA 1-10 US Corp, Govt & Mortgage (Split) | 10.29 | 1.51   | -11.04 | -0.35  | 5.67   | 8.11   | -0.89  | 2.72      |

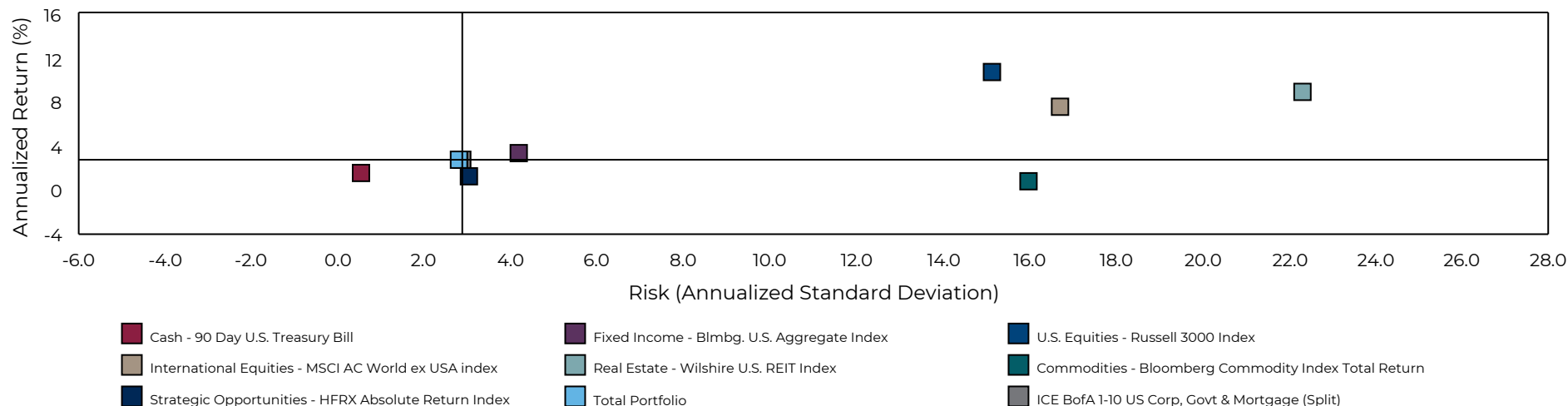
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# PORTFOLIO STATISTICAL SUMMARY

Period Ending 9.30.24 | Q3 24

City of Ocala Treasury Investment Portfolio - SEIX Investment Advisors

## Composite Risk VS. Total Return (since inception: August 1, 2003)



|                              | 3 YEAR          |                           | INCEPTION       |                           |
|------------------------------|-----------------|---------------------------|-----------------|---------------------------|
|                              | Total Portfolio | Total Portfolio Benchmark | Total Portfolio | Total Portfolio Benchmark |
| Positive Months Ratio        | 47.22           | 47.22                     | 65.75           | 63.39                     |
| Negative Months Ratio        | 52.78           | 52.78                     | 34.25           | 36.61                     |
| Best Quarter                 | 6.03            | 6.33                      | 6.03            | 6.33                      |
| Worst Quarter                | -6.07           | -5.72                     | -6.07           | -5.72                     |
| Standard Deviation           | 5.45            | 5.56                      | 2.82            | 2.88                      |
| Maximum Drawdown             | -11.21          | -11.53                    | -11.91          | -12.23                    |
| Max Drawdown Recovery Period | -               | -                         | -               | -                         |
| Up Capture                   | 96.79           | 100.00                    | 97.53           | 100.00                    |
| Down Capture                 | 97.96           | 100.00                    | 90.84           | 100.00                    |
| Alpha                        | -0.09           | 0.00                      | 0.22            | 0.00                      |
| Beta                         | 0.98            | 1.00                      | 0.95            | 1.00                      |
| R-Squared                    | 0.99            | 1.00                      | 0.95            | 1.00                      |
| Consistency                  | 47.22           | 100.00                    | 45.67           | 100.00                    |
| Tracking Error               | 0.47            | 0.00                      | 0.66            | 0.00                      |
| Treynor Ratio                | -0.04           | -0.03                     | 0.01            | 0.01                      |
| Information Ratio            | -0.20           | -                         | 0.14            | -                         |
| Sharpe Ratio                 | -0.67           | -0.64                     | 0.46            | 0.42                      |

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**ALPHA**

Alpha measures a manager's rate of return in excess of that which can be explained by its systematic risk, or Beta. It is a result of regressing a manager's returns against those of a benchmark index. A positive alpha implies that a manager has added value relative to its benchmark on a risk-adjusted basis.

**BETA**

Beta measures a manager's sensitivity to systematic, or market risk. Beta is a result of the analysis regressing a manager's returns against those of a benchmark Index. A manager with a Beta of 1 should move perfectly with a benchmark. A Beta of less than 1 implies that a manager's returns are less volatile than the market's (i.e., selected benchmarks). A Beta of greater than 1 implies that a manager exhibits greater volatility than the market (i.e., selected benchmark).

**BEST (WORST) QUARTER**

Best (Worst) Quarter is the best (worst) three-month return in the measurement period. The three-month period is not necessarily a calendar quarter.

**CONSISTENCY (BATTING AVERAGE)**

Formerly known as Batting Average, Consistency measures the percentage of time an active manager outperforms the benchmark.

**CAPTURE RATIO**

Up Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was positive. Down Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was negative. An Up Market Capture of greater than 100% and a Down Market Capture of less than 100% is considered desirable.

**INFORMATION RATIO**

The Information Ratio measures a manager's excess return over the passive index divided by the volatility of that excess return or Tracking Error. To obtain a higher Information Ratio, which is preferable, a manager must demonstrate the ability to generate returns above its benchmark while avoiding large performance swings relative to that same benchmark.

**MAXIMUM DRAWDOWN**

The Maximum Drawdown measures the maximum observed percentage loss from a peak to a trough in the measurement period.

**MAX DRAWDOWN RECOVERY PERIOD**

The Maximum Drawdown Recovery period counts the number of months needed to meet or exceed the prior peak starting from the beginning of the Maximum Drawdown period. If the prior peak has not been met or exceeded, this statistic will not populate.

**PERCENTILE RANK**

Percentile Rankings are based on a manager's performance relative to all other available funds in its universe. Percentiles range from 1, being the best, to 100 being the worst. A ranking in the 50th percentile or above demonstrates that the manager has performed better on a relative basis than at least 50% of its peers.

**POSITIVE (NEGATIVE) MONTHS RATIO**

Positive (Negative) Months Ratio is the ratio of months in the measurement period where the returns are positive (negative).

**RISK-ADJUSTED PERFORMANCE**

Risk-adjusted Performance, or RAP, measures the level of return that an investment option would generate given a level of risk equivalent to the benchmark index.

**R-SQUARED**

R-squared measures the portion of a manager's movements that are explained by movements in a benchmark index. R-squared values range from 0 to 100. An R-squared of 100 means that all movements of a manager are completely explained by movements in the index. This measurement is identified as the coefficient of determination from a regression equation. A high R-squared value supports the validity of the Alpha and Beta measures, and it can be used as a measure of style consistency.

CONTINUED...

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**SHARPE RATIO**

Sharpe ratio measures a manager's return per unit of risk, or standard deviation. It is the ratio of a manager's excess return above the risk-free rate divided by a manager's standard deviation. A higher Sharpe ratio.

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**STANDARD DEVIATION**

Standard Deviation is a measure of the extent to which observations in a series vary from the arithmetic mean of the series. This measure of volatility or risk allows the estimation of a range of values for a manager's returns. The wider the range, the more uncertainty, and, therefore, the riskier a manager is assumed to be.

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**TRACKING ERROR**

Tracking Error is the standard deviation of the portfolio's residual (i.e. excess) returns. The lower the tracking error, the closer the portfolio returns have been to its risk index. Aggressively managed portfolios would be expected to have higher tracking errors than portfolios with a more conservative investment style..

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**TREYNOR RATIO**

The Treynor Ratio is a measure of reward per unit of risk. With Treynor, the numerator (i.e. reward) is defined as the excess return of the portfolio versus the risk-free rate. The denominator (i.e. risk) is defined as the portfolio beta. The result is a measure of excess return per unit of portfolio systematic risk. As with Sharpe and Sortino ratios, the Treynor Ratio only has value when it is used as the basis of comparison between portfolios. The higher the Treynor Ratio, the better.

QUANTITATIVE EVALUATION ITEMS      QUALITATIVE EVALUATION ITEMS



The following categories of the Investment Policy Monitor appear “Marked For Review” when:

**CAPTRUST’s Investment Policy Monitoring Methodology**

The Investment Policy Monitoring Methodology document describes the systems and procedures CAPTRUST uses to monitor and evaluate the investment vehicles in your plan/account on a quarterly basis.

Our current Investment Policy Monitoring Methodology document can be accessed through the following link:

[captrust.com/investmentmonitoring](https://captrust.com/investmentmonitoring)

**3/5 Year Risk- adjusted Performance**

The investment option’s 3 or 5 Year Annualized Risk Adjusted Performance falls below the 50th percentile of the peer group.

**3/5 Year Performance vs. Peers**

The investment option’s 3 or 5 Year Annualized Peer Relative Performance falls below the 50th percentile of the peer group.

**3/5 Year Style**

The investment option’s 3 or 5 Year R-Squared measure falls below the absolute threshold set per asset class.

**3/5 Year Confidence**

The investment option’s 3 or 5 Year Confidence Rating falls below the 50<sup>th</sup> percentile of the peer group.

**Fund Management**

A significant disruption to the investment option’s management team has been discovered.

**Fund Family**

A significant disruption to the investment option’s parent company has been discovered.





# Ocala

## Legislation Text

110 SE Watula Avenue  
Ocala, FL 34471

[www.ocalafl.gov](http://www.ocalafl.gov)

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**File #:** 2025-0043

**Agenda Item #:**

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Submitted By: Karen Czechowicz

Department: Finance

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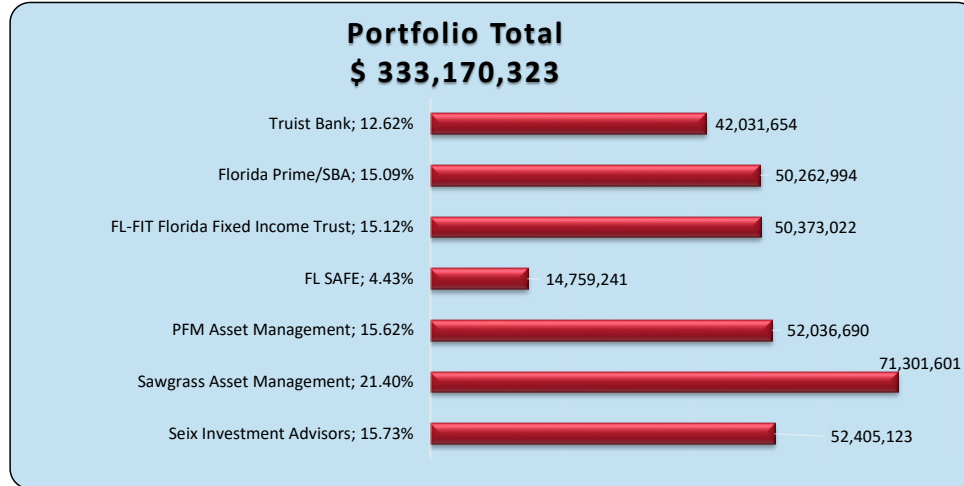
**STAFF RECOMMENDATION (Motion Ready):**  
Internal Investment Report

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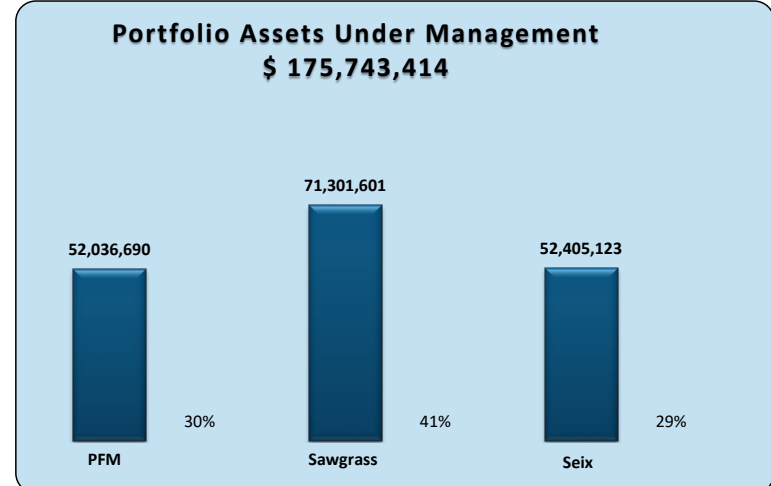


**Finance Department  
Treasury Investment Report  
Quarterly Period Ending 9/30/24**

Listing of investments by type, market value and percent of portfolio.



Information Obtained from Consultant (CapTrust) Report



| <i>Investment Type</i>            | <i>Asset Alloc.</i> |                | <i>Return/Rate</i> |
|-----------------------------------|---------------------|----------------|--------------------|
|                                   | <i>Value</i>        | <i>Percent</i> |                    |
| <b>Internal</b>                   |                     |                |                    |
| Truist Bank                       | 42,031,654          | 12.62%         | 3.30%              |
| Florida Prime/SBA                 | 50,262,994          | 15.09%         | 5.33%              |
| FL-FIT Florida Fixed Income Trust | 50,373,022          | 15.12%         | 5.32%              |
| Florida SAFE                      | 14,759,241          | 4.43%          | 5.18%              |
| <b>Fixed Income Managers</b>      |                     |                |                    |
| PFM Asset Management              | 52,036,690          | 15.62%         | 2.87%              |
| Sawgrass Asset Management         | 71,301,601          | 21.40%         | 3.26%              |
| Seix Investment Advisors          | 52,405,123          | 15.73%         | 4.28%              |
| <b>Portfolio Total</b>            | <b>333,170,323</b>  | <b>100.00%</b> |                    |

**Notes:**

- Rates for Truist Bank, Florida Prime-SBA, Florida Fixed Income Trust, and Florida Safe are interest only
- Rates for assets under management include earnings net of fees

Portfolio value: Includes operational revenues and expenditures

