

Market Indicators

| | April | March | February |
|----------------|-----------|-----------|-----------|
| DOW | 34,098.95 | 33,273.10 | 32,654.98 |
| Fed Funds Rate | 5.00% | 5.00% | 4.50% |

Global Marketing Pricing:

| | April | March | February |
|-----------------------|--------------|--------------|--------------|
| Chinese Yuan Renminbi | \$1=6.9119 | \$1=6.8689 | \$1=6.9350 |
| Japanese Yen | \$1=136.357¥ | \$1=132.776¥ | \$1=136.104¥ |
| British Pound | \$1=0.7954£ | \$1=0.8085£ | \$1=0.8268£ |
| Europe (Euro) | \$1=0.9064€ | \$1=0.9198€ | \$1=0.9431€ |

TRUSTEE PORTFOLIO PERFORMANCE

Trustee Portfolio and Related Benchmarks

| | |
|------------------------------------|-------|
| 90-day Treasury Bill Rate | 5.06% |
| Local Government Investment Pool | 4.71% |
| Trustee Securities Earning Rate | 4.41% |
| Trustee Portfolio Earning Rate | 4.60% |
| Trustee Concentration Earning Rate | 5.34% |

Trustee Portfolio Summary Percentages

At the end of the month, (1.40%) of the Trustee portfolio was invested in US Treasury, (47.81%) in LGIP, (10.22%) in Commercial Paper, (7.83%) in Certificate of Deposits, (3.84%) in CDARS, (19.50%) in Federal Agency Coupons, and the remaining (9.40%) in Liquid CDARS

Trustee Interest Earnings

| | |
|--------------|-----------------|
| April 2023 | \$4,071,280.35 |
| Year to Date | \$18,631,790.76 |

Trends for Economic Indicators:

| | April | March | February |
|--------------------------------|---------|---------|----------|
| ISM Manufacturing | 47.10% | 46.30% | 47.70% |
| ISM Non-Manufacturing | 51.90% | 51.20% | 55.10% |
| Durable Goods | - | 3.20% | -1.20% |
| Consumer Confidence | 101.30% | 104.00% | 103.40% |
| Housing Starts | - | 1.420M | 1.432M |
| Existing Home Sales | - | 4.44M | 4.55M |
| New Home Sales | - | 683K | 623K |
| Leading Indicators | - | 108.40% | 109.60% |
| PPI - M.O.M. | - | -0.50% | 0.00% |
| CPI - M.O.M. | - | 0.40% | 0.50% |
| FOMC 2022 GDP forecast (Qtrly) | 0.40% | 0.40% | 0.50% |
| Unemployment | 3.40% | 3.50% | 3.60% |

Shelby County Trustee Market Analysis Report April 2023

Fed Beige Book - Overall Economic Activity

Little changed in overall economic activity. Expectations for future growth were mostly unchanged as well. Consumer spending is generally seen as flat with moderate price growth. Auto sales remained steady overall. Travel and tourism picked up across much of the country. Manufacturing activity were flat, supply chains continued to improve. Transportation and freight volumes were also flat.

Labor Markets

Employment growth moderated to a slower pace of growth than in recent Beige Book reports. Layoffs, at the largest companies, natural attrition and hire only for critically important roles accounting for most. Contacts labor market becoming less tight. Better employee retention, which allowed them to hire for open roles. Wages have shown some moderation but remain elevated.

Prices

Overall price levels rose moderately, though the rate of price increases appeared to be slowing. Modest-to-sharp declines in the prices of non-labor inputs and significantly lower freight costs. Producer prices for finished goods rose modestly, albeit at a slightly slower pace. Selling price pressures eased in manufacturing and services sectors. Consumer prices generally increased due to elevated demand, higher inventory, and labor costs. Prices for homes and rents leveled out but remained at near record highs. Further relief from input cost pressures but anticipated changing their prices more frequently compared to previous years.

Federal Reserve Raises Rates, Signals Potential Pause

The Federal Reserve raised rates another quarter-percentage-point on interest-rates, marking the Fed's tenth consecutive rate increase aimed at slowing inflation and bringing its benchmark federal-funds rate to a range between 5% and 5.25%, a 16-year high. The goal and the extent to which additional policy firming may be appropriate is to return inflation to 2% over time.

The worst of the economy's inflation surge is behind us, but higher prices are here to stay

Although the latest Bureau of Labor Statistics inflation report shows price increases for goods and services are slowing down, that won't necessarily bring the inflated prices down.

And, although some of the drivers of the post-pandemic spike in inflation (supply chain issues and the elevated food and energy prices spurred in part by the war in Ukraine) are abating, inflation nevertheless continues to be driving a still-hot job market, which has added 1 million positions in 2023.

It's an unfortunate trade-off: Workers who feel secure about their jobs are comfortable spending, which creates demand in the economy that can drive price surges.

The bottom line: The higher prices, a hallmark of the post-pandemic U.S. economy, are here to stay.



**Shelby Co Trustee Investments
Portfolio Management
Portfolio Summary
April 30, 2023**

| Investments | Par Value | Market Value | Book Value | % of Portfolio | Term | Days to Maturity | YTM |
|--------------------------------------------------------|-------------------------|-------------------------|-------------------------|----------------|-----------|------------------|--------------|
| LGIP | 510,676,685.06 | 510,676,685.06 | 510,676,685.06 | 47.81 | 1 | 1 | 4.710 |
| Public Fund Deposits | 4.12 | 4.12 | 4.12 | 0.00 | 1 | 1 | 0.010 |
| Liquid CDARs | 100,433,003.09 | 100,433,003.09 | 100,433,003.09 | 9.40 | 1 | 1 | 4.911 |
| CDARs | 41,000,000.00 | 41,000,000.00 | 41,000,000.00 | 3.84 | 178 | 85 | 4.812 |
| Certificate of Deposit | 83,650,000.00 | 83,650,000.00 | 83,650,000.00 | 7.83 | 356 | 109 | 3.464 |
| Commercial Paper Disc. -At Cost | 110,000,000.00 | 109,814,830.00 | 109,144,666.67 | 10.22 | 59 | 11 | 4.881 |
| Federal Agency Coupon Securities | 210,046,000.00 | 210,046,000.00 | 208,255,357.85 | 19.50 | 66 | 0 | 4.755 |
| Treasury Coupon Securities | 15,000,000.00 | 14,709,800.00 | 14,971,484.38 | 1.40 | 729 | 152 | 0.304 |
| | 1,070,805,692.27 | 1,070,330,322.27 | 1,068,131,201.17 | 100.00% | 64 | 16 | 4.600 |
| Investments | | | | | | | |
| Cash | | | | | | | |
| Passbook/Checking (not included in yield calculations) | 4,928,847.77 | 4,928,847.77 | 4,928,847.77 | | 1 | 1 | 0.000 |
| Total Cash and Investments | 1,075,734,540.04 | 1,075,259,170.04 | 1,073,060,048.94 | | 64 | 16 | 4.600 |

Investment Policy Statement

Regina Morrison Newman, Shelby County Trustee

APRIL 2023 PORTFOLIO

CDARs CD Commercial Paper Liquid CDARs LGIP PFDs Federal Agency Coupons Treasury Coupons

