

NOVEMBER 8, 2023

# City of Newton Falls Investment Strategy Update

PRESENTED BY:

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REGIONAL DIRECTOR, ADVISORY SERVICES



**MEEDER**  
PUBLIC FUNDS



**M E E D E R**  
PUBLIC FUNDS

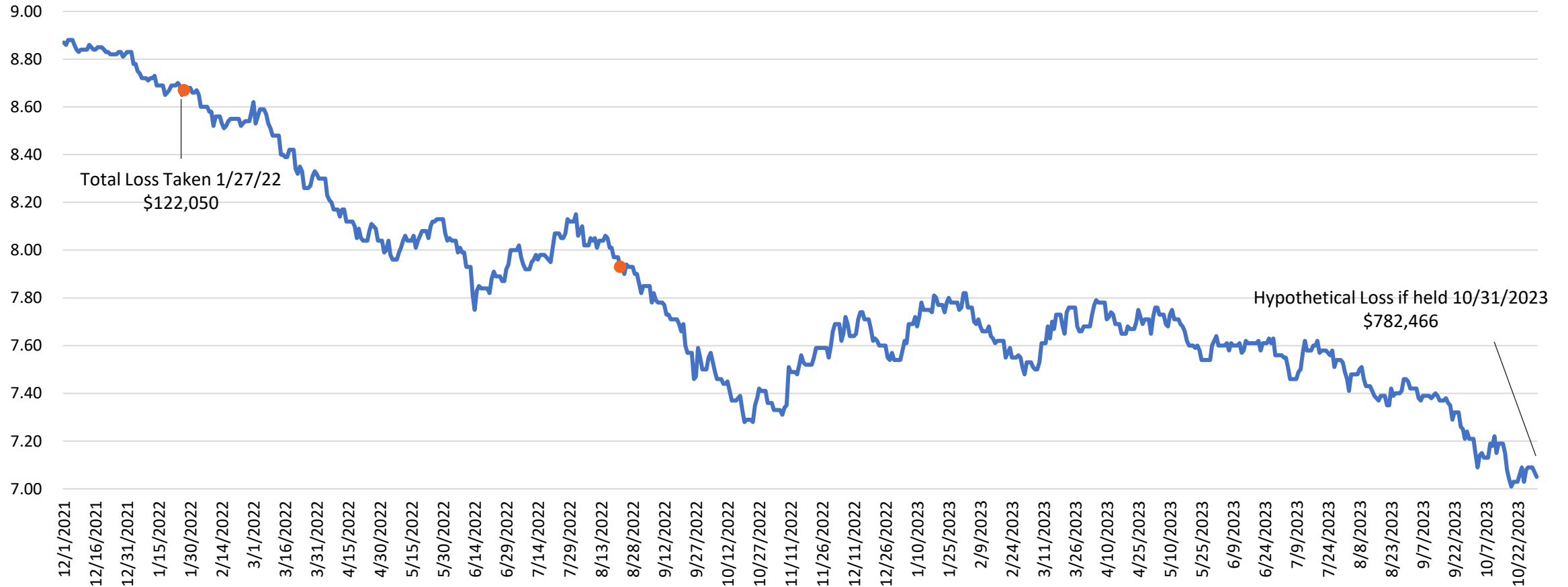
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# PORTFOLIO REVIEW

# Federated Hermes Government Securities Fund (GISIX)



Net Asset Value per share  
Daily Historical Prices



# Current Portfolio

City of Newton Falls portfolio as of 10/31/2023

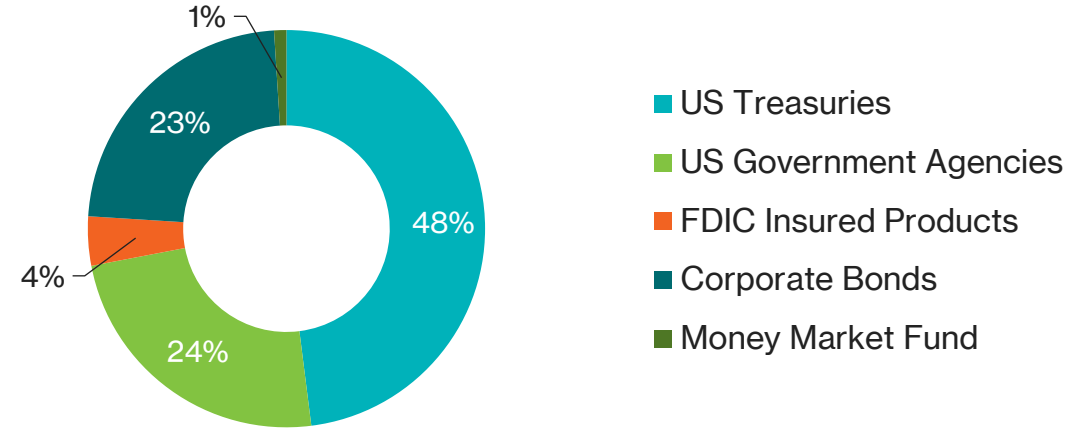
## Your Portfolio

Cash	\$2,465,192
Securities	\$5,127,706
<b>Total Portfolio</b>	<b>\$7,592,898</b>

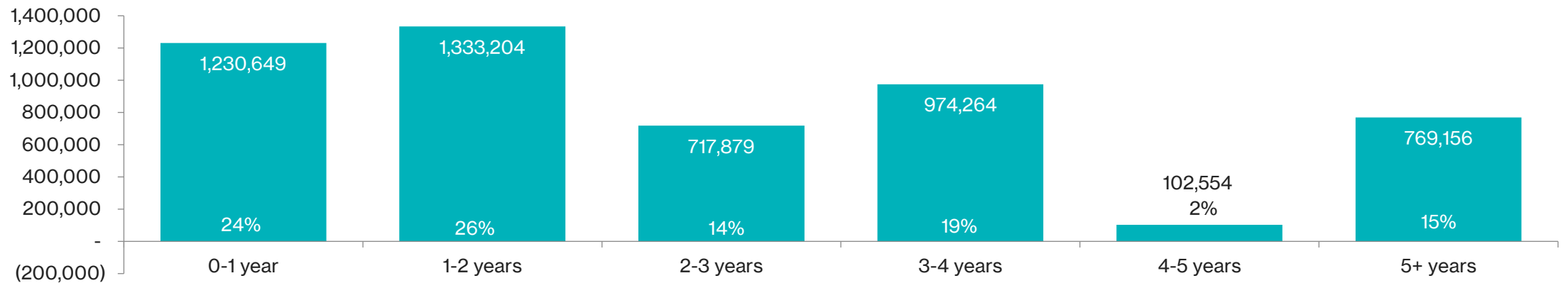
## Your Securities

Weighted Average Maturity	2.55 years
Weighted Average Yield	2.85%

## Your Asset Allocation



## Your Maturity Distribution



YIELD AND INTEREST INCOME INFORMATION IS ANNUALIZED. ALL YIELD INFORMATION IS SHOWN GROSS OF ANY ADVISORY AND CUSTODY FEES AND IS BASED ON YIELD TO MATURITY AT COST. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

# Historical Portfolio Statistics

## City of Newton Falls



	10/31/2023	7/31/2023	4/30/2023	1/31/2023	11/30/2022	7/31/2022	4/30/2022
Cash	2,465,192	1,936,456	2,308,650	1,733,545	1,220,932	-	-
Securities	5,127,706	5,100,369	5,071,998	5,060,876	5,049,948	6,242,594	6,229,349
Total Portfolio	7,592,898	7,036,825	7,380,648	6,794,421	6,270,880	6,242,594	6,229,349
<b><u>Your Securities</u></b>							
Weighted Average Yield	2.85%	2.57%	2.34%	2.04%	1.75%	1.42%	1.32%
Weighted Average Maturity	2.55 years	2.47 years	2.46 years	2.38 years	2.54 years	2.28 years	2.42 years

Yield and Interest Income information is annualized. All yield information is shown gross of any advisory and custody fees and is based on yield to maturity at cost. Past performance is not a guarantee of future results.

# Recent Purchases – Operating Account

Purchases from 8/1/2023-10/31/2023



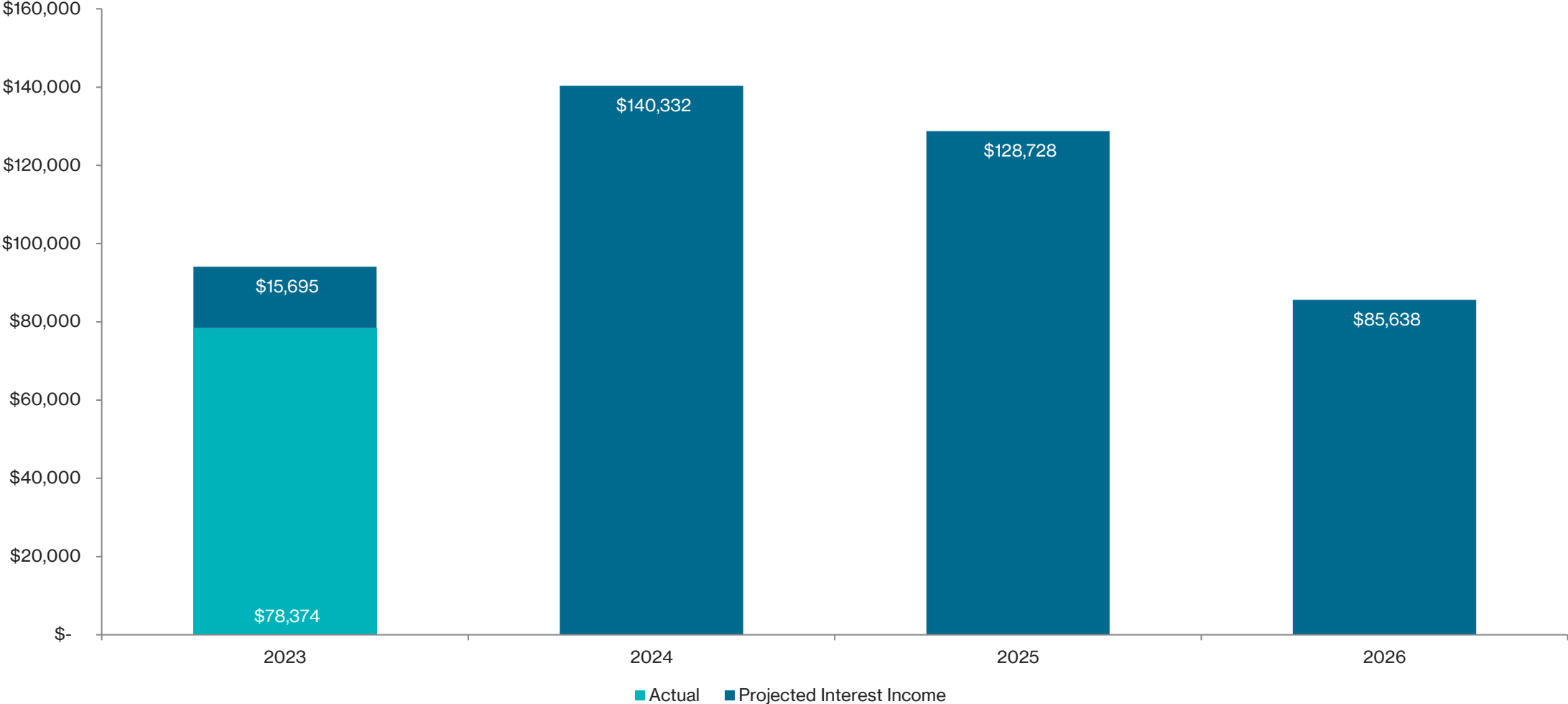
DATE ACQUIRED	CUSIP	PAR	SECURITY TYPE	ISSUER	YIELD	MATURITY DATE
08/21/2023	912828YX2	65,000	US TREASURY	US TREASURY 1.750 12/31/26	4.56%	12/31/2026
08/21/2023	912828Z78	65,000	US TREASURY	US TREASURY 1.500 01/31/27	4.55%	01/31/2027
10/17/2023	91282CFB2	70,000	US TREASURY	US TREASURY 2.750 07/31/27	4.80%	07/31/2027
10/17/2023	9128282R0	70,000	US TREASURY	US TREASURY 2.250 08/15/27	4.78%	08/15/2027
10/17/2023	3133EPYM1	70,000	AGENCY BOND	FEDERAL FARM 4.750 10/13/27	4.89%	10/13/2027
10/17/2023	3133EPXB6	70,000	AGENCY BOND	FEDERAL FARM 4.625 09/28/27	4.88%	09/28/2027
10/31/2023	912828X88	60,000	US TREASURY	US TREASURY 2.375 05/15/27	4.85%	05/15/2027
10/31/2023	31424WAF9	60,000	AGENCY BOND	FARMER MAC 4.875 04/01/27 MTN	4.99%	04/01/2027

# Upcoming Maturities – next 6 months



Date	Maturity
Nov-2023	\$125,000
Dec-2023	\$125,000
Jan-2024	\$150,000
Feb-2024	\$0
Mar-2024	\$0
Apr-2024	\$150,000

# Projected Interest Income



ACTUAL INTEREST INCOME REFLECTS INCOME RECEIVED ON SECURITIES HELD IN THE CUSTODY ACCOUNT AND DOES NOT INCLUDE INCOME RECEIVED ON CLIENT MANAGED ASSETS.

PROJECTED INTEREST INCOME REFLECTS INTEREST TO BE RECEIVED ON EXISTING SECURITY HOLDINGS AS OF 10/31/2023. PROJECTED INTEREST INCOME DOES NOT ASSUME ANY REINVESTMENT OF MATURITIES.



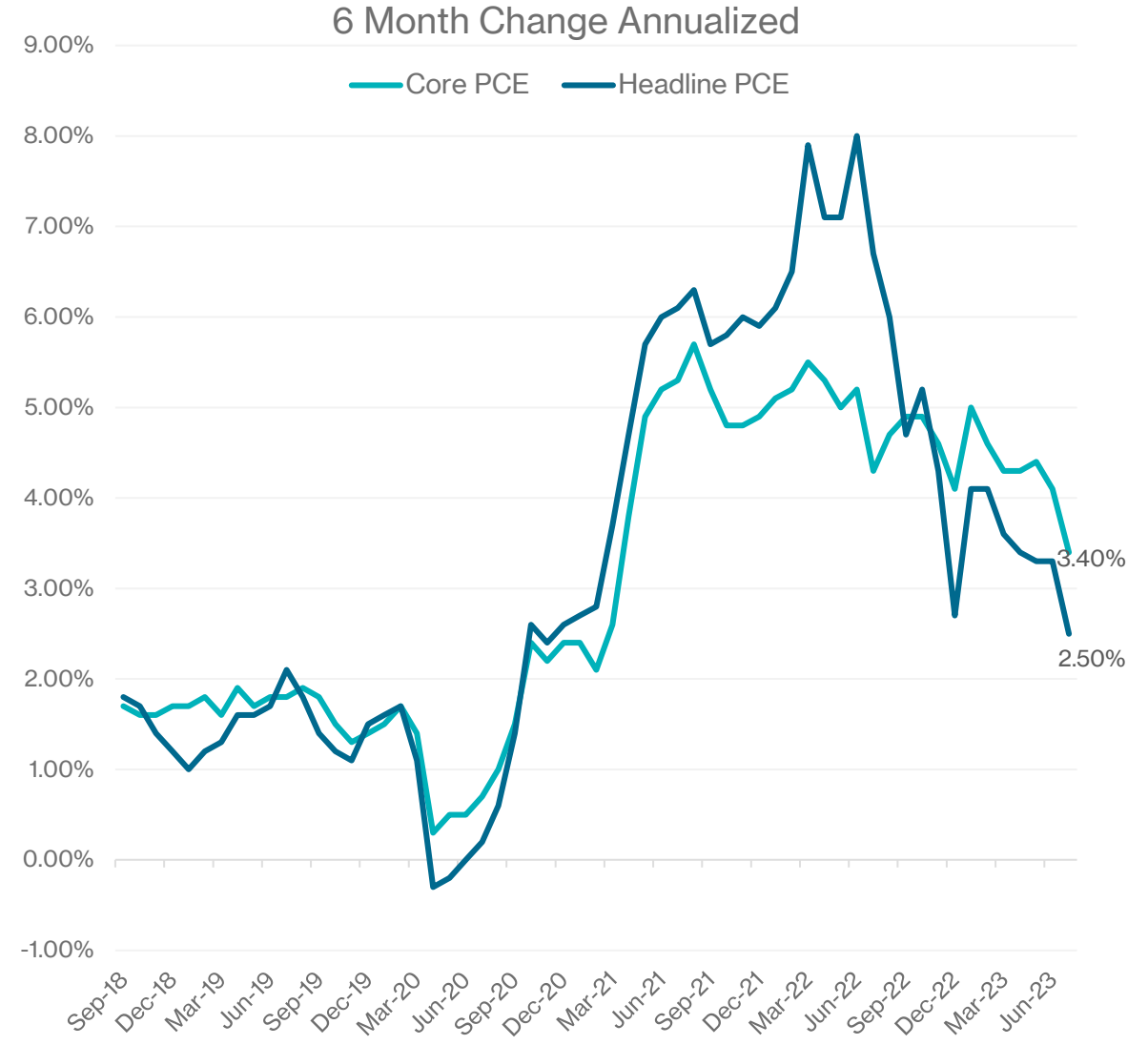
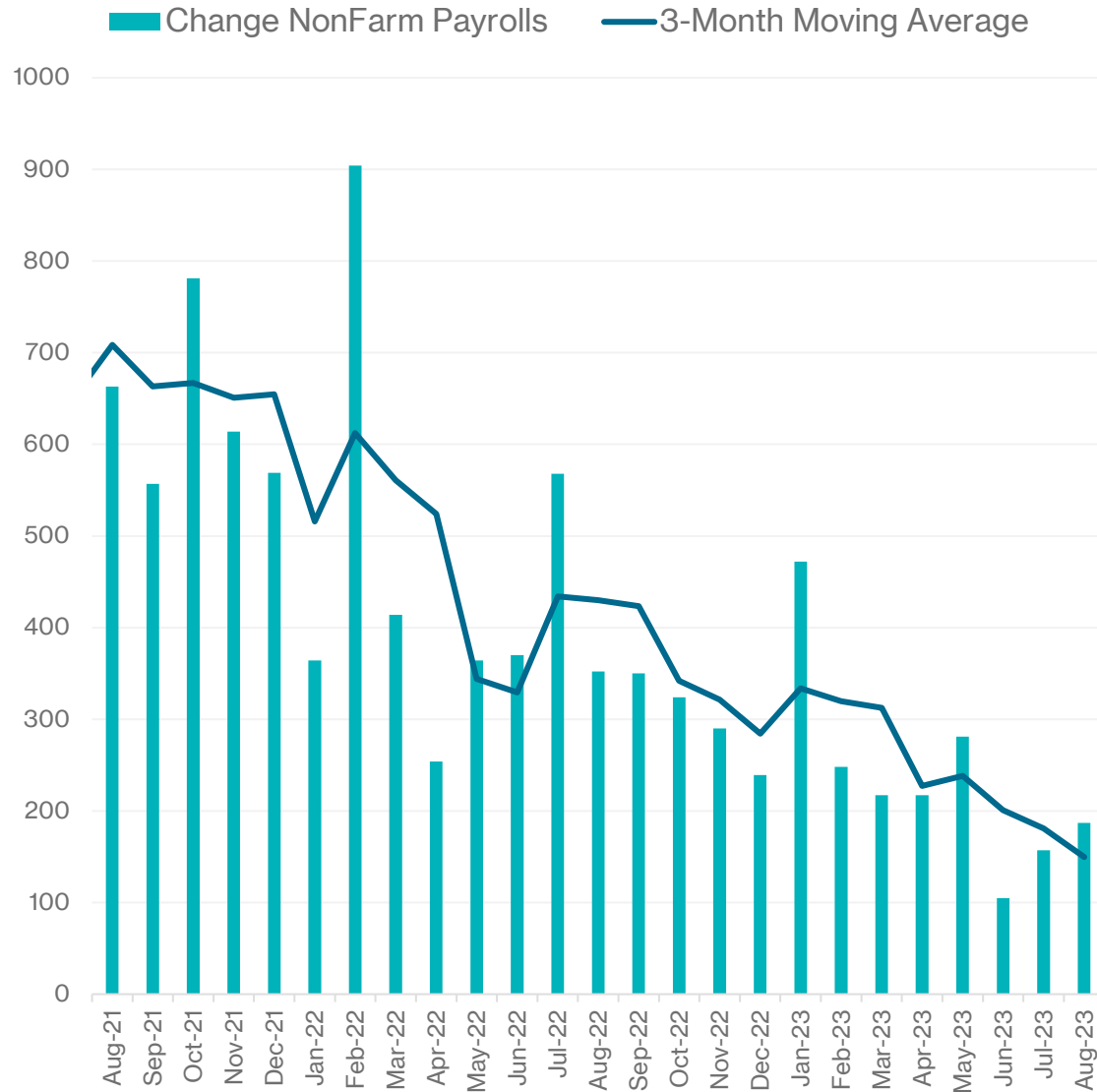


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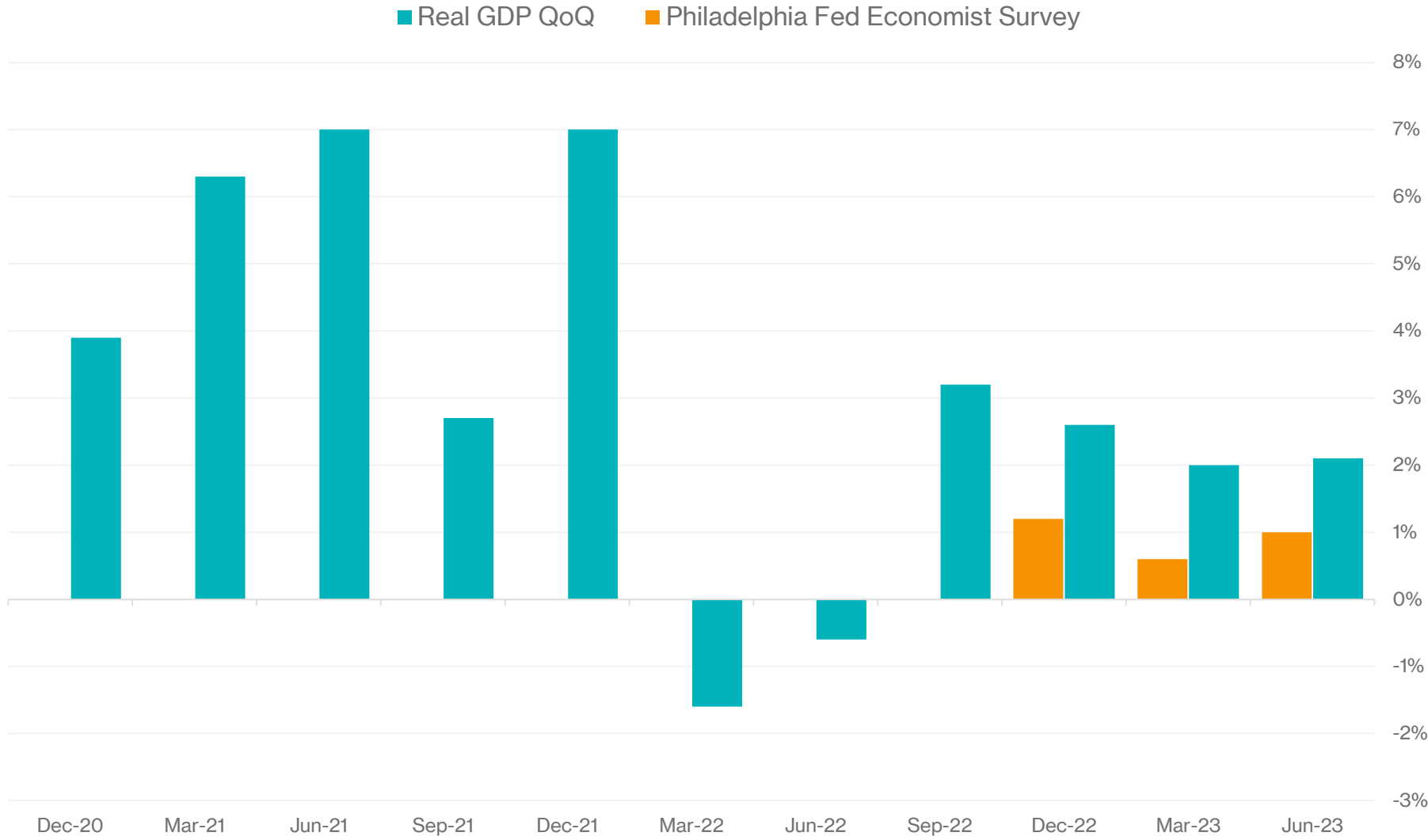
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# ECONOMIC UPDATE

# Federal Reserve Seeing Success in Loosening Labor Market & Inflation Rate Trending Lower



# US Growth Has Exceeded Expectations



- Real GDP Negative Q1 and Q2 of 2022, Expectations For Low Growth in 2023.
- Median Survey of Economists from Philadelphia Fed Expected About Half the Realized Growth
- Business Fixed Investment Higher - Industrial Policy - Subsidies to the EV and Semiconductor Industries
- Taylor Swift & Beyonce Fever Giving Serious Boost to US Economy - 50 US Concerts Estimated To Have Added \$5.4 billion to GDP in Q3.

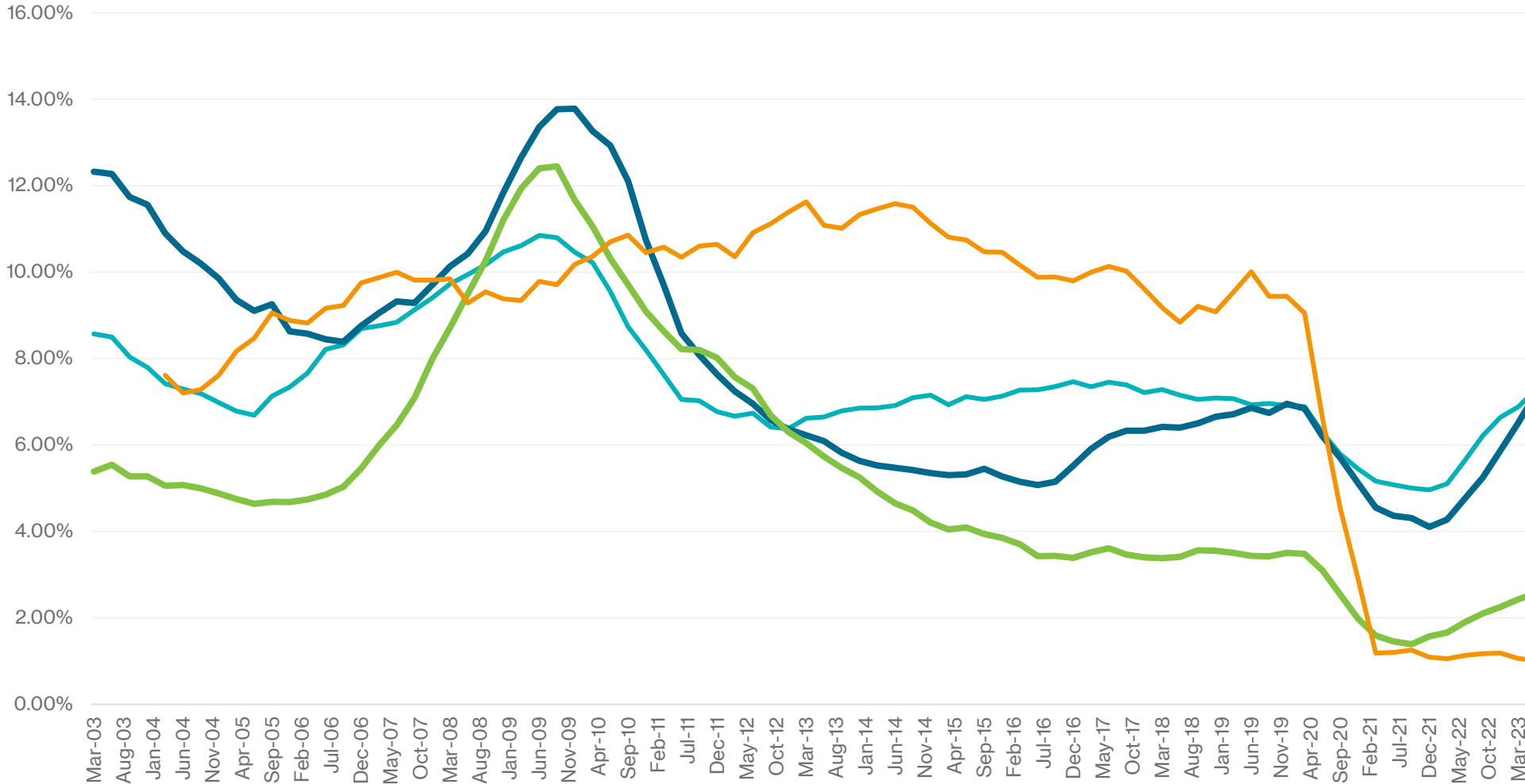
SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS, PHILADELPHIA FED SURVEY OF PROFESSIONAL FORECASTERS

# Consumer Strength Resilient in 2023, Signs Of Challenges Ahead

Delinquency Rates Increasing – Transitions into 30+ Days Delinquent



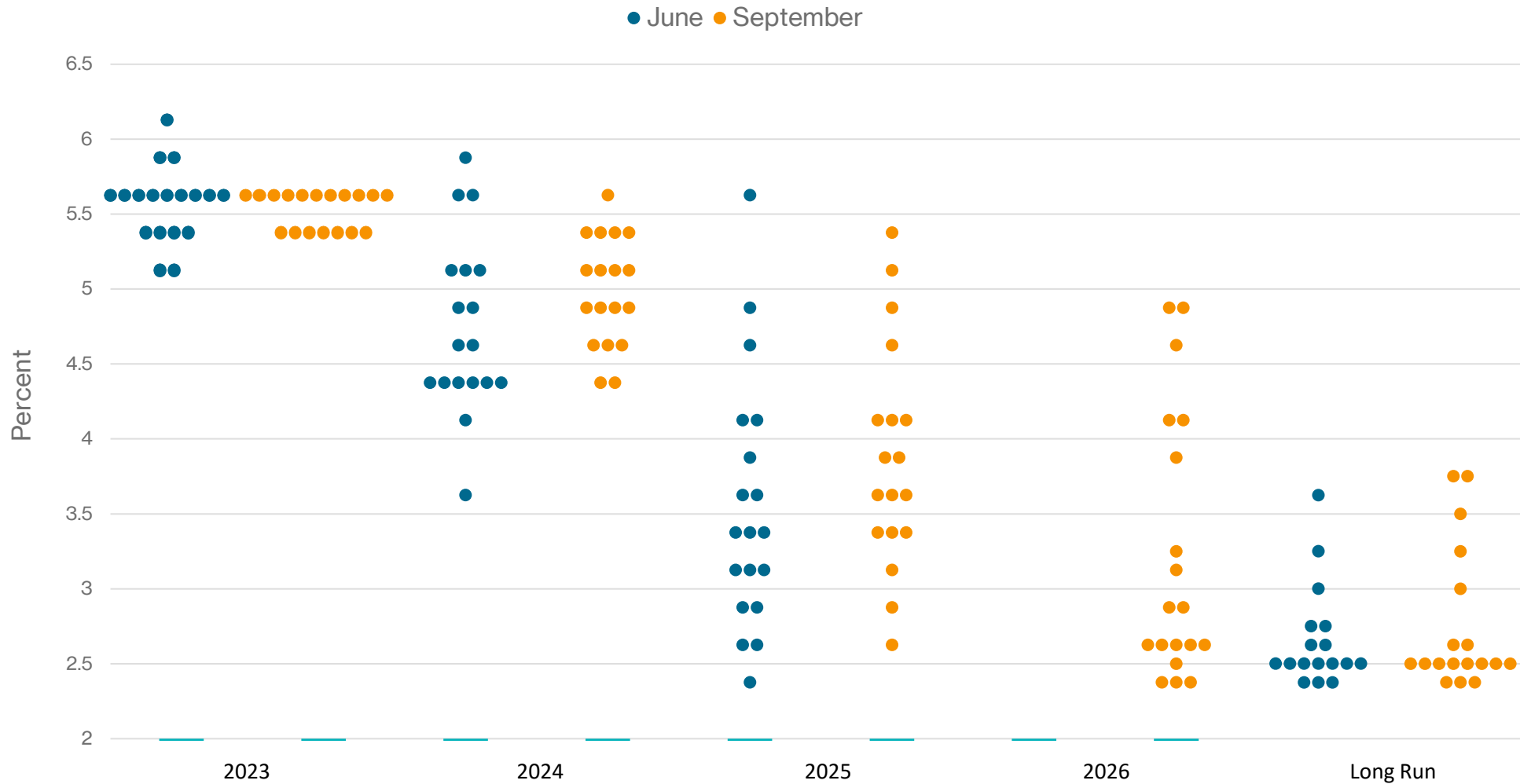
Auto Credit Cards Mortgages Student Loan



- Per San Francisco Fed, Consumers Had \$2.1 Trillion in Accumulated Excess Savings As Of March 2023 & Expect Entire Excess Savings From Pandemic to Have Been Depleted During Q3.
- Slowing Payroll Growth, Higher Debt Service Costs From Higher Interest Rates Impacting Consumers Discretionary Spending.
- Transitions into delinquency are increasing, with transition rates for both auto and credit card loans above pre-pandemic levels

SOURCE: NEW YORK FED CONSUMER CREDIT PANEL/EQUIFAX

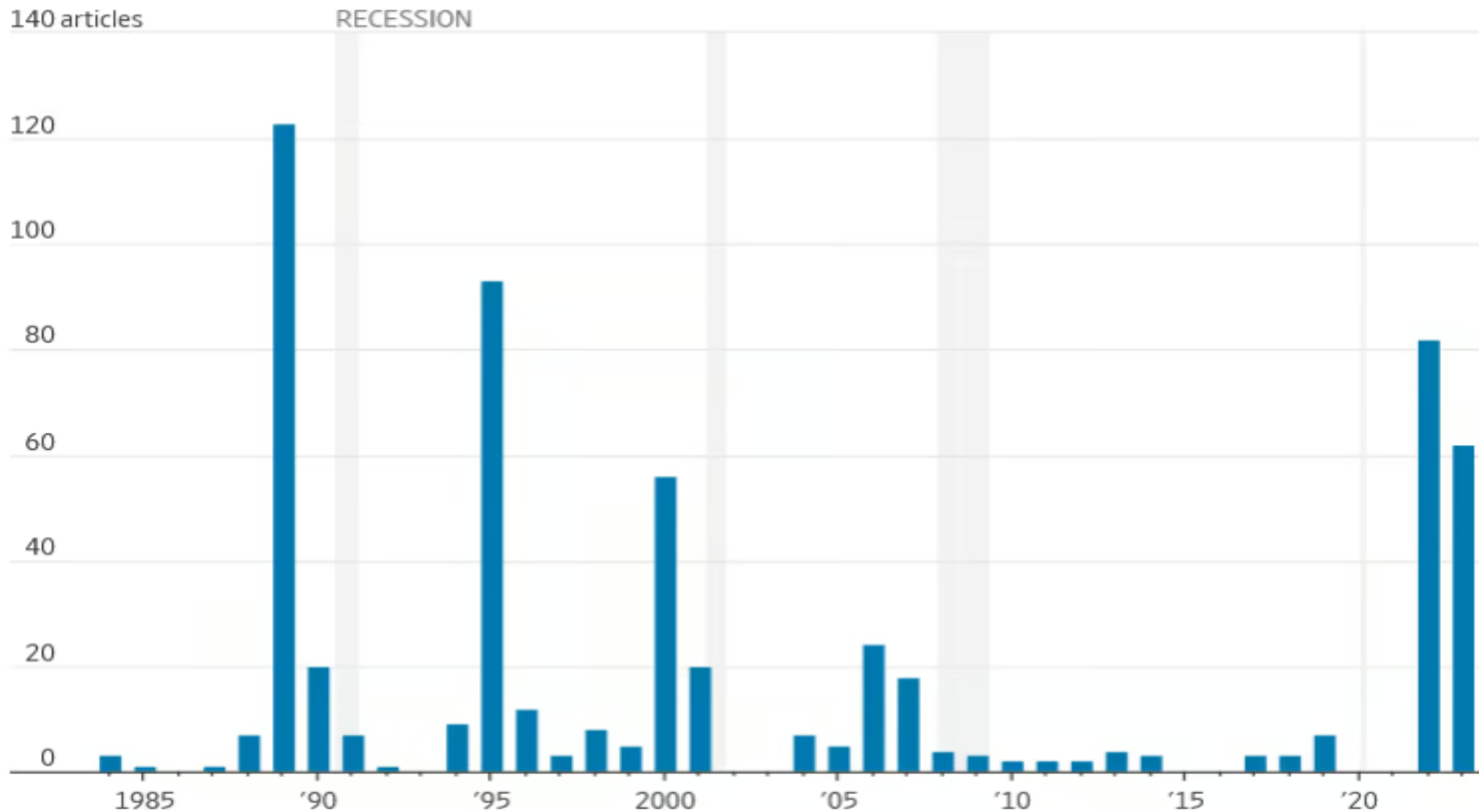
# Federal Reserve Dot Plot Comparison



- Each Dot Represents Projected Year End Rate By Each Member Of The FOMC
- FOMC Expecting to Raise Rates Only 1 More Time In This Cycle.
- Median Dot Indicates From June to September FOMC See's Interest Rates Falling by 0.50% in 2024 instead of 1.00%.

# Common To Expect “Soft Landing” Prior To Recession

Number of Wall Street Journal articles that reference a 'soft landing'



Source: WSJ archives

- As Fed Transitions From Hiking To Pausing, Optimism On Avoiding Recession Increases.
- “The Most Likely Outcome Is That The Economy Will Move Forward Toward a Soft Landing – Former Fed Chair Janet Yellen in October 2007, Two Months Before the Great Recession Began.

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