



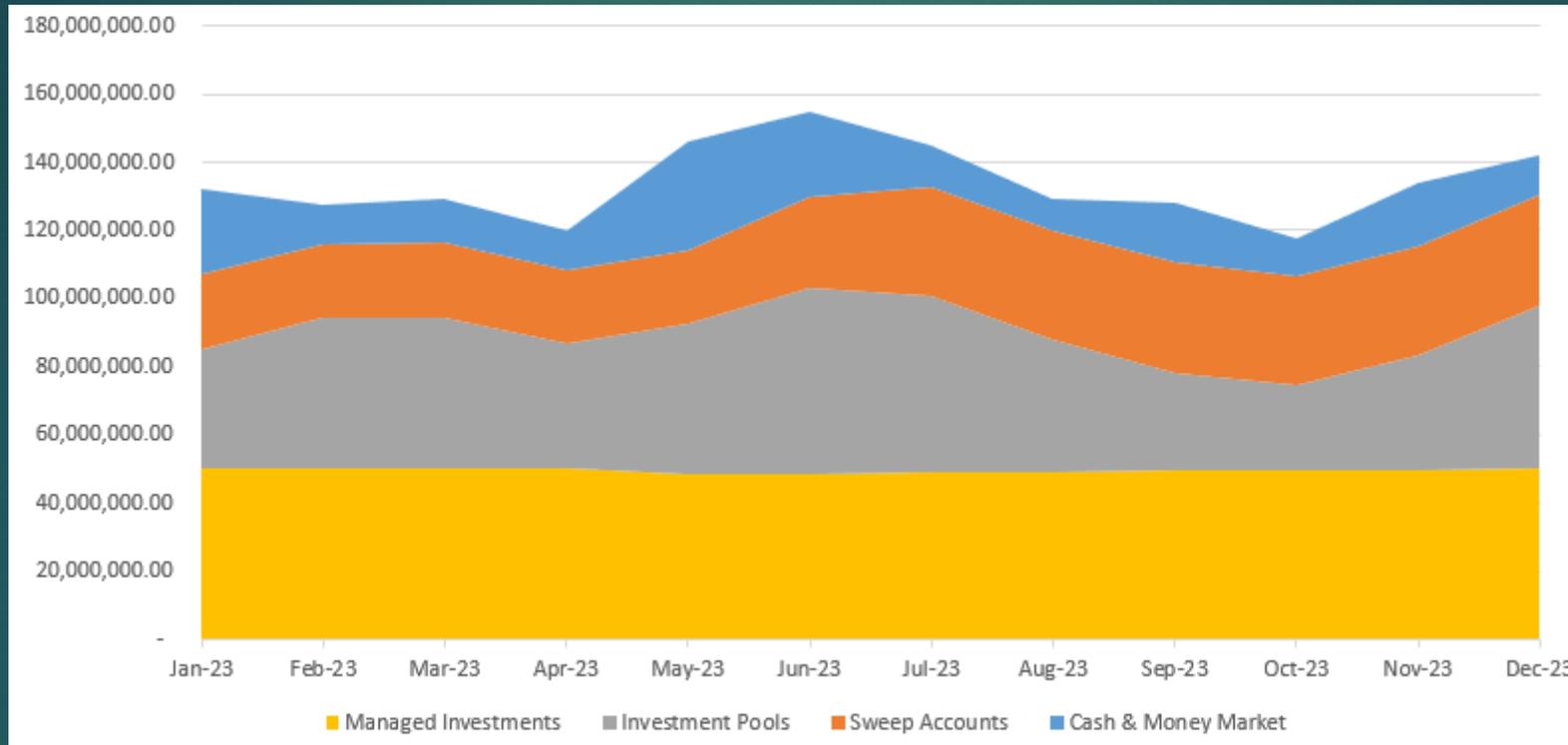
# City of Charlottesville

TREASURER'S OFFICE

INVESTMENT PORTFOLIO UPDATE

FEBRUARY 1, 2024

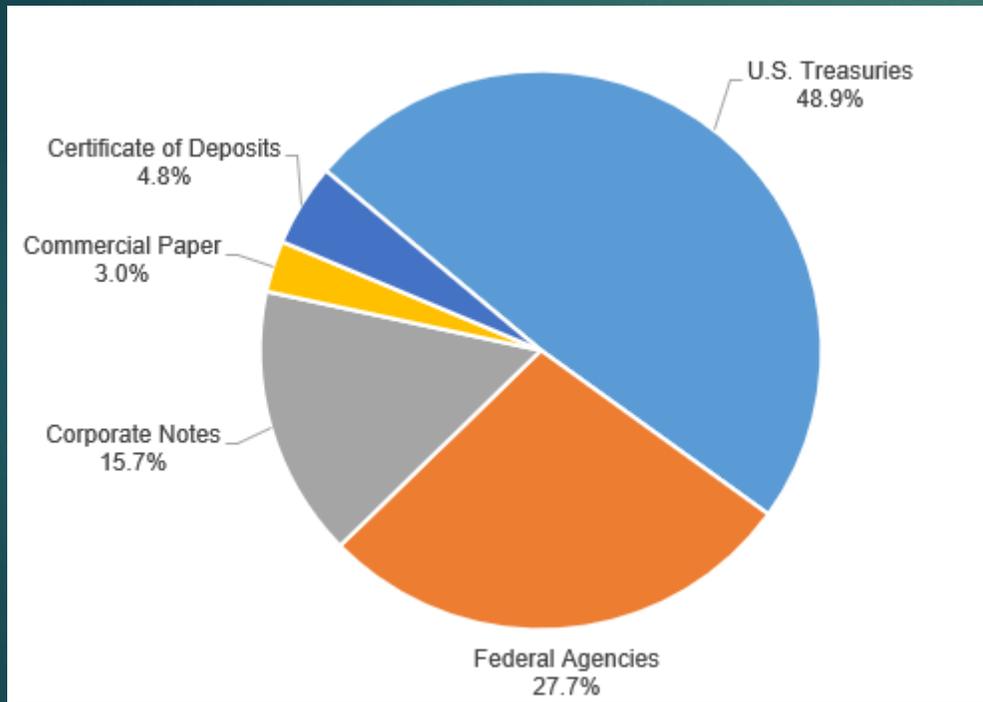
# Monthly Cash Balance by Investment Type



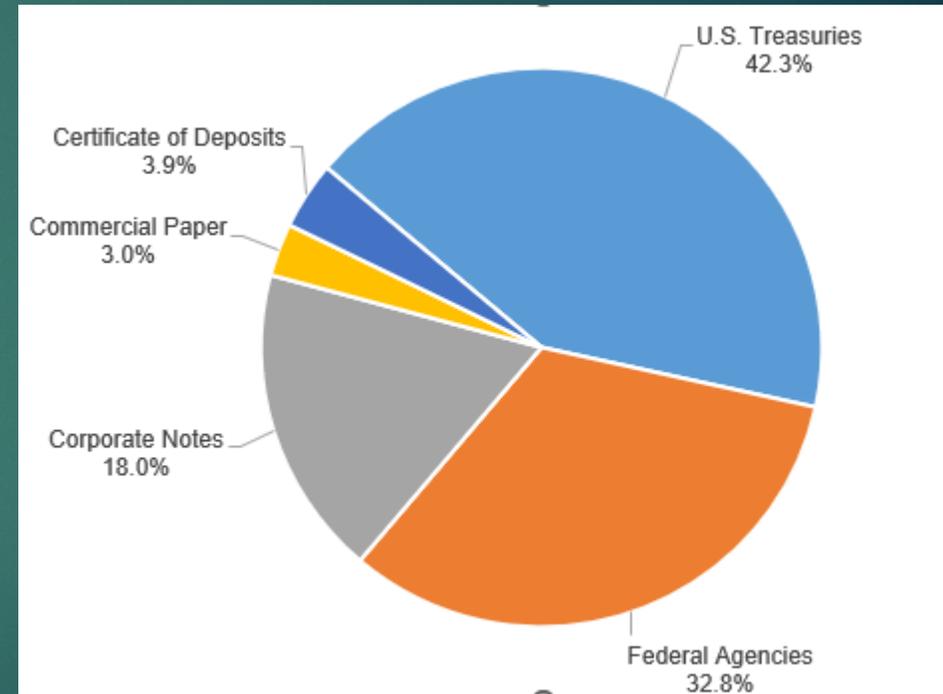
Overall cash balances are higher in FY24, a reflection of increased overall City revenue. The second quarter of the fiscal year is one of increasing balances as 2<sup>nd</sup> half personal property and real estate taxes are paid.

# Managed Investments Portfolio Composition

September 2023



December 2023



There has been a slight increase in corporate note holdings to take advantage of higher yields. All are rated AA or higher. Increased allocation to Federal Agencies as well.

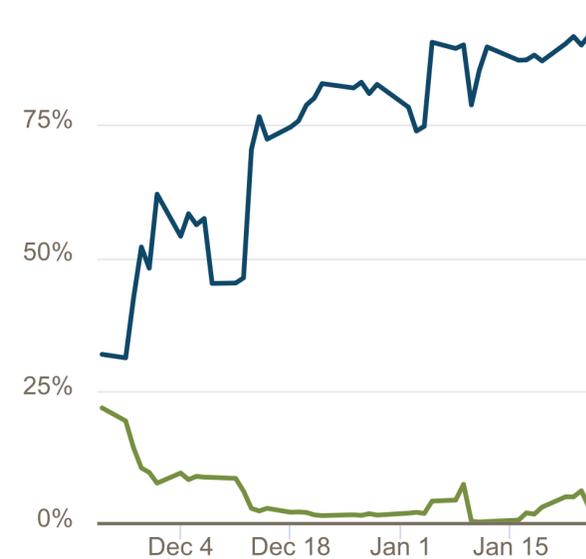
# Strong Indications of Pending Rate Cuts

## Market Probability of a Rate Hike or Cut by 2024-03-20

From the midpoint of the current target range:

0 basis points

100%



— Probability of 25bps rate cut  
— Probability of 25bps rate hike

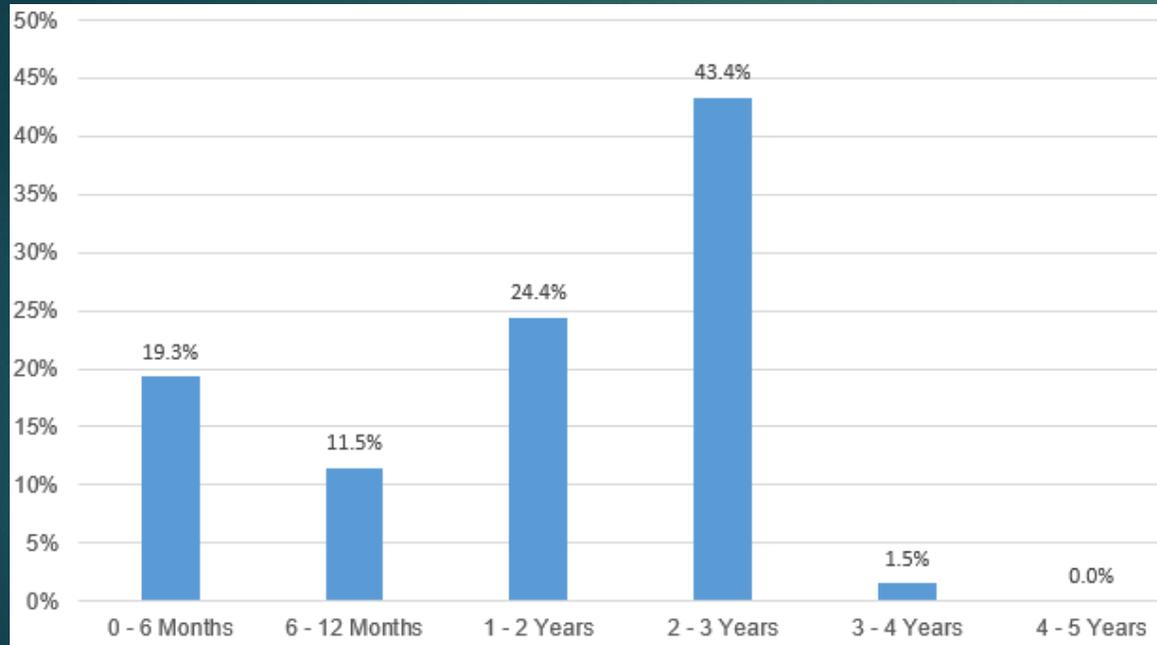
Updated on January 26, 2024.

Source: Federal Reserve Bank of Atlanta

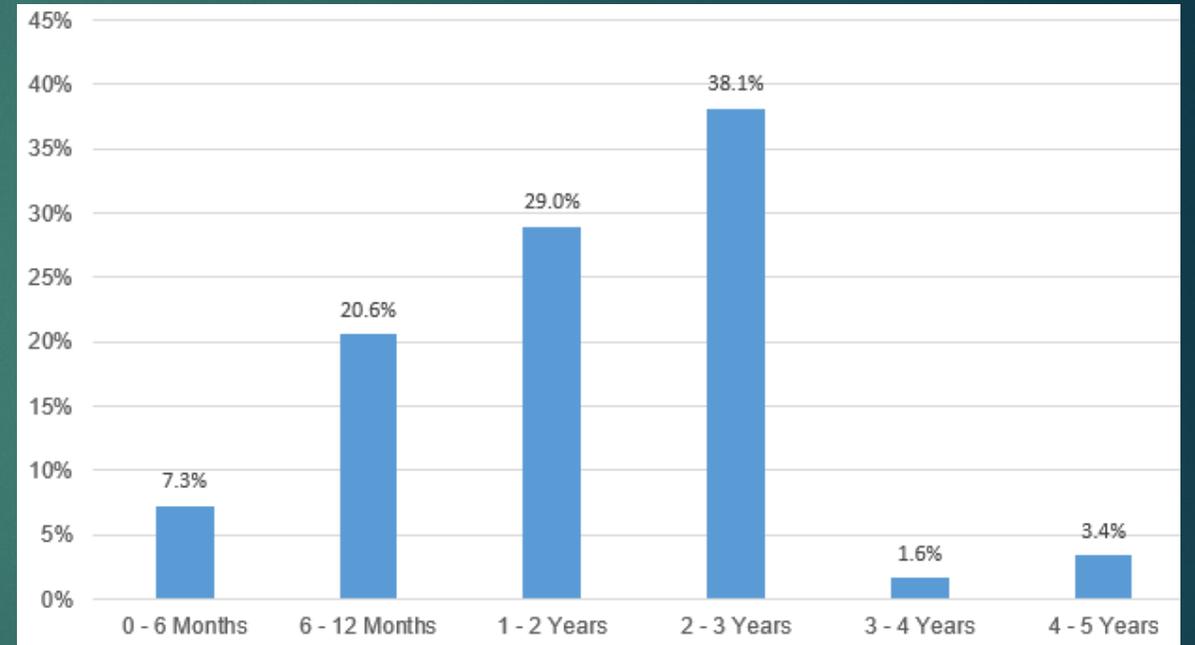
From the Atlanta Fed's EconomyNow App.

# Managed Portfolio Maturity Distribution

September 2023



December 2023



Intermediate-term rates are stabilizing and more of the portfolio redemptions have been invested in the 3-5 year range to lock in higher rates. Many economists believe we are on the verge on a rate cutting cycle.