



INVESTMENT ADVISORY COMMITTEE MEETING

AGENDA

April 25, 2024

1. Call to Order
2. Roll Call
3. Public Comments
4. Approval of Minutes from Prior Meeting (January 25, 2024)
5. Fund & Portfolio
6. Investment Discussion
 - a. Jason Click, Meeder Investment Management
 - b. Jason Headings, Meeder Investment Management
7. Other Business
 - a. Investment Policy Draft Review
 - b. Linked Deposits
8. Adjournment



INVESTMENT ADVISORY COMMITTEE MEETING

Meeting Minutes

January 25th, 2024

1. CALL TO ORDER

Executive Ronayne called the meeting to order at 10:09 AM

2. ATTENDEES

CUYAHOGA COUNTY INVESTMENT ADVISORY COMMITTEE MEMBERS IN ATTENDANCE

Chris Ronayne, Cuyahoga County Executive
Jack H. Schron, Jr., Councilman
Brad Cromes, Treasurer

CUYAHOGA COUNTY STAFF IN ATTENDANCE

Erik Janas, Chief of Staff
Katie Gallagher, Chief of Operations and Community Innovation
Eileen Egan, Manager, Investment & Cash Management
Ray McDaniel, Deputy Chief Treasurer
Rebecca Cook, Assistant Investment and Cash Management Officer
Jed Strohm, Assistant Investment and Cash Management Officer
Brandy Carney, Director Public Safety and Justice Services
Michael King, Council Legal Counsel
Trevor McAleer, Council Budget Liaison
Liv Sontag, Public Service
Jerad Zibritosky, Assistant Law Director

OTHERS IN ATTENDANCE

Jason Click, Meeder Investments (Remote)
Jason Headings, Meeder Investments (Remote)
Jason Szabo, Meeder Investments (Remote)
William Tarter, Jr., Member of the Public

3. Approval of Minutes from Prior Meeting (November 2, 2023)

Executive Ronayne asked for motion to accept the minutes; Councilman Schron carried, Treasurer Cromes seconded. It passed.

4. Fund & Portfolio

Eileen Egan, Manager, Investment & Cash Management summarized the Asset Allocation of the treasury funds and advised the Committee that the main portfolio remains compliant with policy limits. Egan noted the decrease in Star Ohio was due to debt service agreements and some larger payables. Egan noted that the Treasury team had increased the investment in Israeli bonds by \$10 million, per Councilman Schron's suggestion at the 2023 Q4 meeting. Egan identified the plan to invest a further \$6 million in Israel bonds.

Jed Strohm, Assistant Investment & Cash Manager provided an update on the Opioid funds. Strohm reported that the Treasury and the Public Safety and Justice Services (PSJS) teams had coordinated to identify a timeline for investing the Opioid Seep funds to lock in higher interest rates for the county's investments.

Councilman Schron questioned the administrative fees incurred due to investing in the Cleveland Foundation. Treasury confirmed that these fees were authorized as part of the original contract signed in 2022.

5. Investment Discussion

Jason Szabo and Jason Headings from Meeder Investment Management discussed the current economic, financial, and interest rate trends. The expectation remains that restrictiveness will continue to abate, as the Fed projects interest rate cuts throughout 2024. The Meeder team identified the current strategy of investing matured bonds into longer term investments to lock in the higher interest rate that characterizes our current investment environment. Meeder is continuing to look at opportunities to swap low interest bonds with higher interest bonds. The Meeder team reconfirmed that Cuyahoga County Investments are compliant with the policy and are structured appropriately for the County's short- and long-term liquidity needs.

6. Other Business

- a. Investment Policy Review & Amendment
 - i. Cromes, Treasurer reviewed the policy draft for IAC review. A comprehensive discussion and approval of the new policy will take place as part of the 2024 first quarter IAC. Cromes noted that the exercise of reviewing investment policy should be performed each year.
- b. Election of Chair and other officers
 - i. Schron, Councilman nominates Executive Ronayne as chairman; Treasurer, Cromes seconded. Motion passed.
 - ii. Ronayne nominates Schron as vice chair, Cromes seconded. Motion passed.
 - iii. Schron nominates Cromes as secretary, Ronayne seconded. Motion passed.
- c. Meeting Dates for the next 4 IAC meetings were confirmed.
 - i. April 25, 2024, 10-11a
 - ii. August 1, 2024, 10-11a
 - iii. October 24, 2024, 10-11a
 - iv. January 23, 2025, 10-11a
- d. Linked Deposits
 - i. Hertiage Home and Help programs will be more comprehensively discussed at the following IAC meeting.

7. Adjournment

Executive Ronayne moved to adjourn the meeting at 11:04 AM, seconded by Treasurer, Cromes.

CUYAHOGA COUNTY



2024 Q1
Fiscal Report
Fund & Portfolio

CUYAHOGA COUNTY TREASURY

PORTFOLIO REVIEW - 1st QUARTER 2024



Asset Allocation and Compliance

	<u>Market Value</u>	<u>Core Portfolio Average</u>	<u>Policy Limit</u>	<u>Policy Comply</u>
<u>General Funds:</u>				
<i>Bank Deposit</i>				
STAR Ohio - ARP	126,141,032	9.121%	100%	YES
STAR Ohio - Main	87,944,243	6.359%	100%	YES
Key Bank	9,298,687	0.672%	100%	YES
PNC Bank	16,086,859	1.163%	100%	YES
US Bank	716,433	0.052%	100%	YES
<i>Investments</i>				
US Agency- Callable	221,912,970	16.046%	70%	YES
US Treasury	297,485,580	21.510%	100%	YES
US Agency- Fixed Rate	227,689,855	16.464%	100%	YES
Corporate Notes	70,813,223	5.120%	15%	YES
Commercial Paper	54,062,487	3.909%	40%	YES
Municipal Notes	30,483,292	2.204%	20%	YES
Certificates of Deposit - Bank	24,316,081	1.758%	50%	YES
Foreign Notes	15,923,968	1.151%	2%	YES
Money Market Accounts - Portfolio	3,150,640	0.228%	75%	YES
<u>Non-General Funds:</u>				
STAR Ohio - Opioid	23,445,765	1.695%	100%	YES
Money Market Accounts - Opioid	53,019	0.004%	75%	YES
STAR Ohio - Development	3,575,028	0.259%	100%	YES
Total Quarter-End Market Value	1,213,099,161			
12 Month Trailing Average	1,382,989,630			

Policy Limits: Per investment policy, investment class limits are based on the 12 month trailing average.



CUYAHOGA COUNTY TREASURY PORTFOLIO REVIEW - 1st QUARTER 2024 Opioid Portfolio Asset Allocation

Asset Allocation

	<u>Market Value</u>
US Treasury	34,950,002
US Agency- Callable	7,399,138
US Agency- Fixed Rate	13,918,450
Commercial Paper	4,621,352
<hr/>	
Total Month-End Market Value	60,888,942

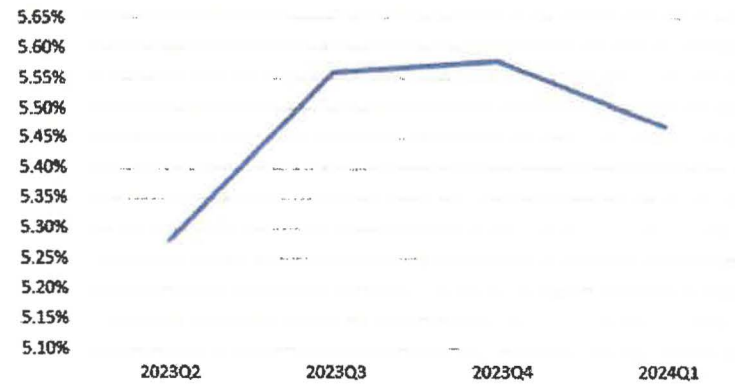
ROBERT SPRAGUE
OHIO TREASURER



STAR OHIO DAILY RATE

STAR Ohio Rate as of 3/29/2024	
Total Shares:	24.489 Billion
Overnight Yield:	5.47 %
Annualized Yield:	5.61 %
Daily Dividend Rate:	0.0004497480
Average Days to Maturity:	45.9 days

Star Ohio Quarterly Interest Rates





MARCH 31, 2024

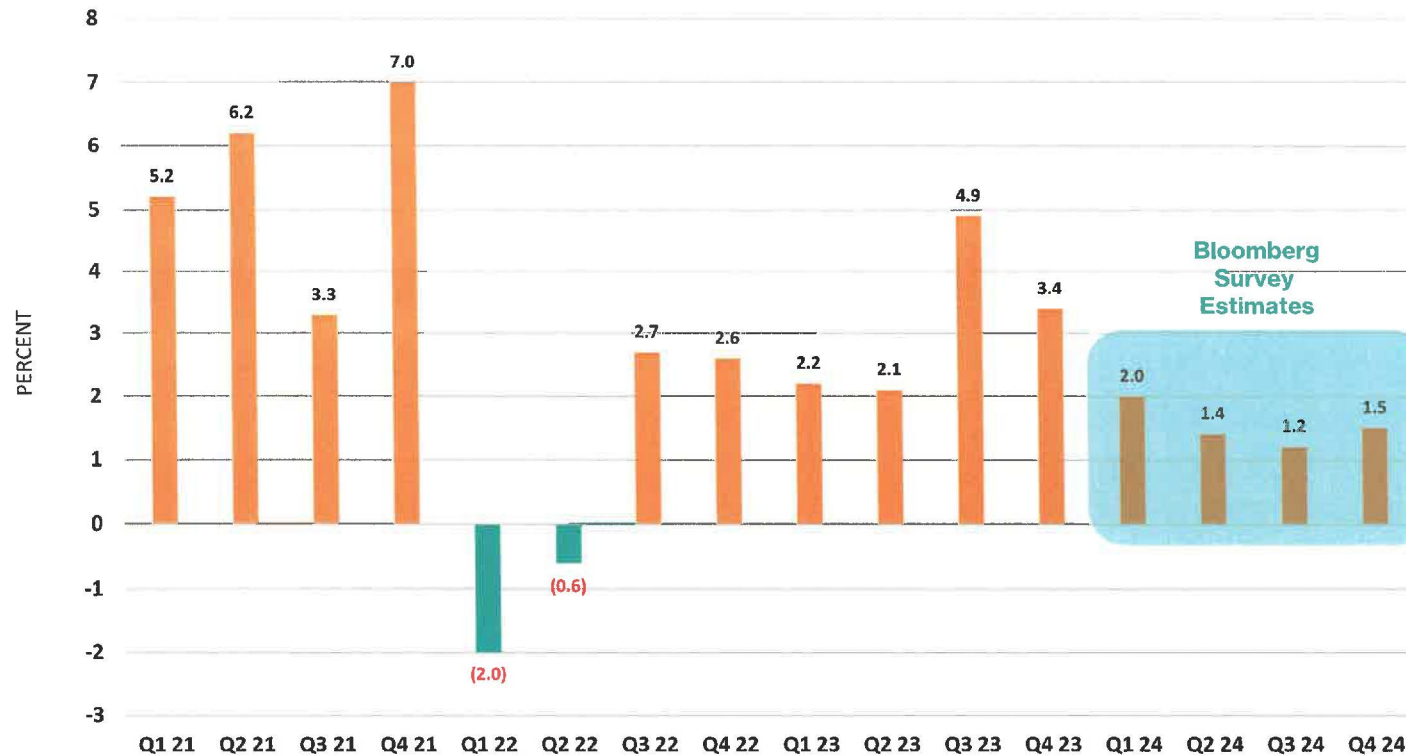
Cuyahoga County Investment Strategy Update

PRESENTED BY: JASON CLICK AND JASON HEADINGS



MEEDER
PUBLIC FUNDS

US QUARTERLY GDP CHANGE



SOURCE: BLOOMBERG

- The U.S. economy grew much faster than expected in the third and fourth quarters of 2023.
- Economists and strategists surveyed by Bloomberg expect GDP to slow below trend during 2024.
- This slowing growth is due to a few factors; one primary one is less stimulus from the federal government as compared to the previous few years.
- The estimates for the decline in GDP has been one of the contributors to lower intermediate-term interest rates since last October.

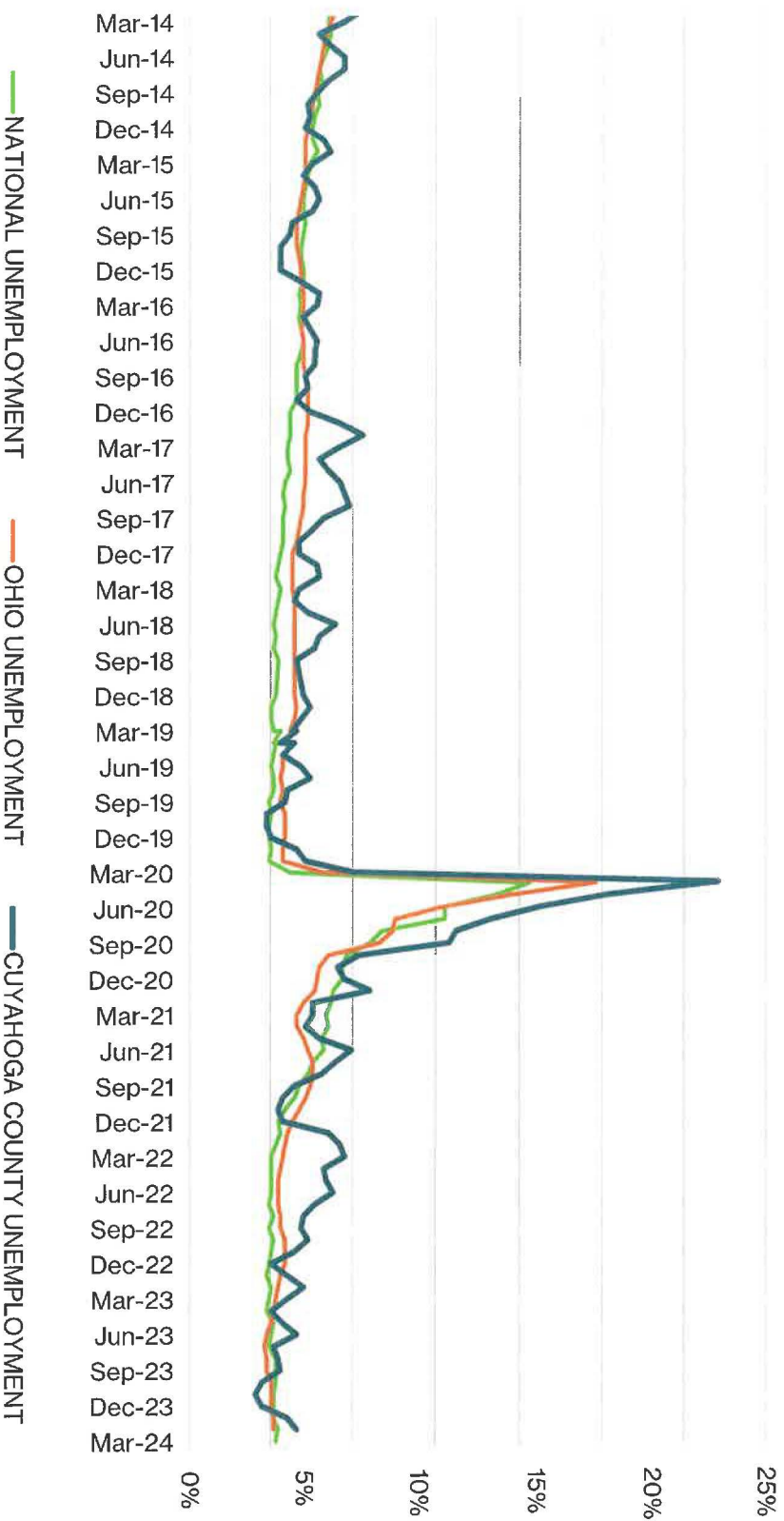
Nonfarm Payrolls



- The U.S. employment sector remains robust.
- The U.S. economy has experienced 38 consecutive months of job growth.
- The 3-month average job growth has accelerated since the later part of last year.
- Job openings have declined but remain well above pre-pandemic levels.
- The healthy job market has helped keep consumer spending at a high level.

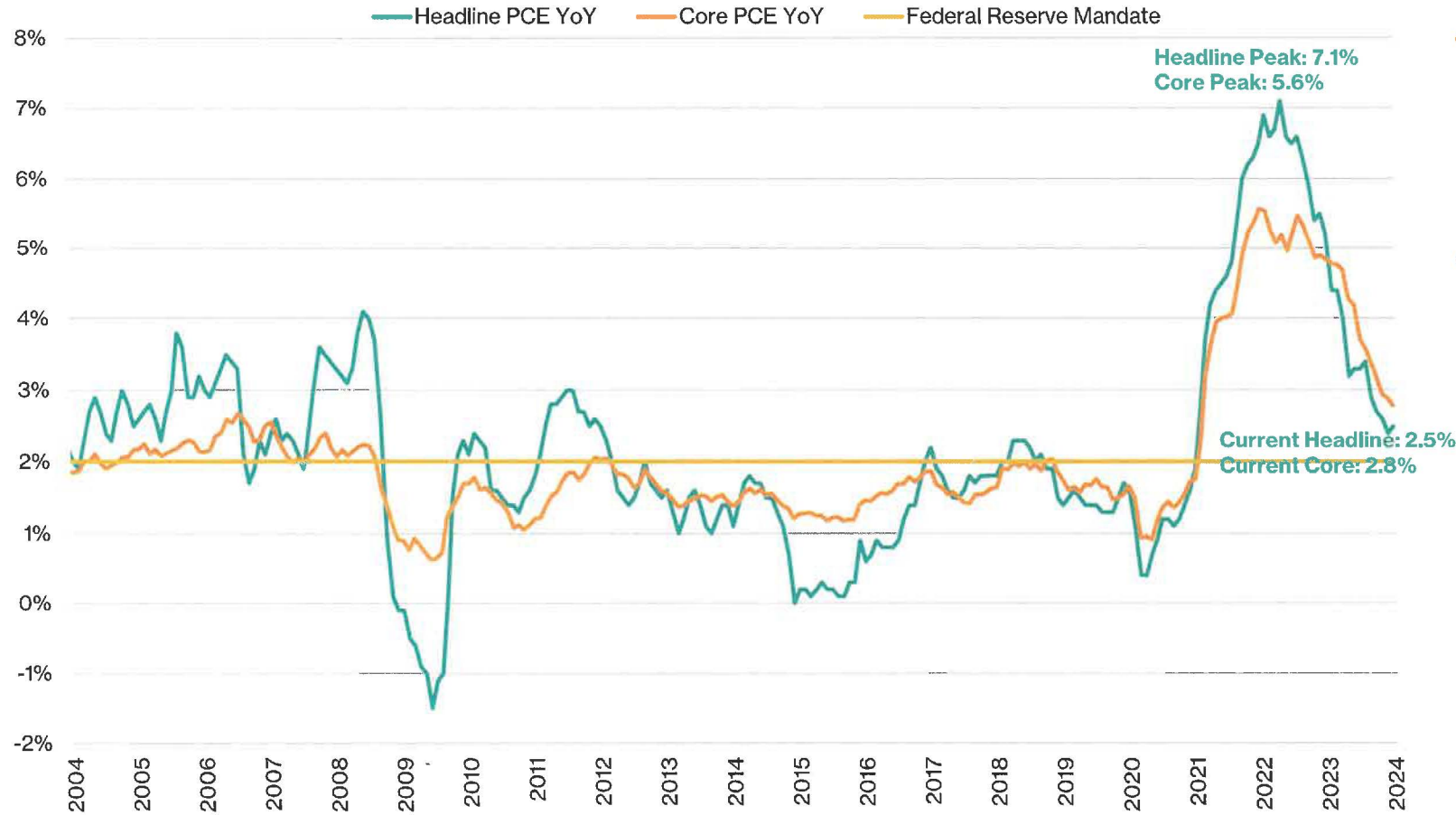
SOURCE: BLOOMBERG

Employment US & Regional Labor Markets



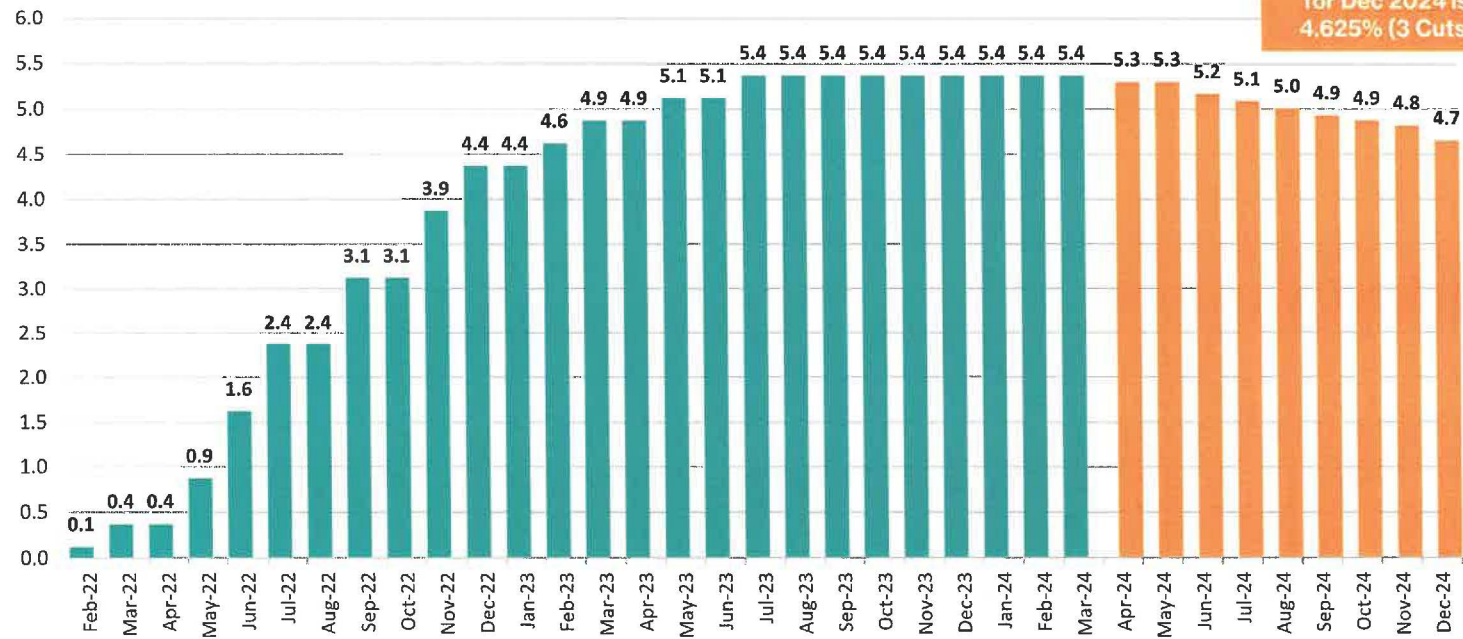
SOURCES: BLOOMBERG, BUREAU OF LABOR STATISTICS, FRED

Inflation



- The Consumer Price Index (CPI), has shown signs of stickiness the past six months, averaging about 3.2% since last September.
- The Fed's preferred inflation metric, Core Personal Consumption Expenditure (excluding food and energy prices), continues decelerating, but is still above the Fed's 2% target level.

Fed Funds Mid-Rate Actual History and Fed Funds Futures



Fed's Projection for Dec 2024 is 4.625% (3 Cuts)

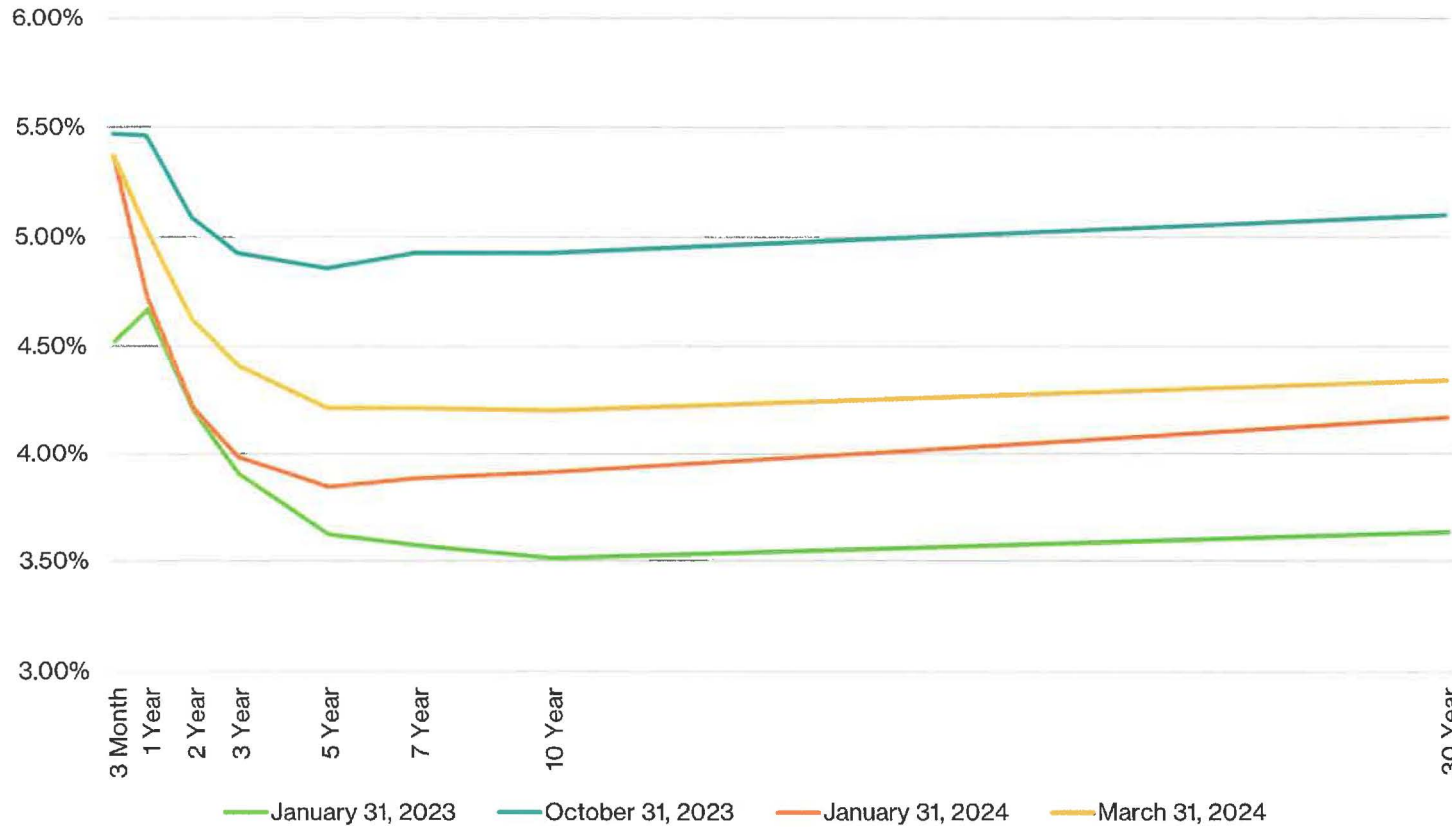
- The Fed Funds futures market is also expecting about 3 cuts this year. However, the futures market was projecting about 7 cuts back in January 2024.
- The futures market is currently expecting the first cut to occur at the July 31, 2024 meeting.

Meeting Date	1/31/24	3/20/24	5/1/24	6/12/24	7/31/24	9/18/24	11/7/24	12/18/24
Hike/Pause/Cut	Pause	Pause	Pause	Pause	Cut	Pause	Cut	Cut
Basis Point Change	0	0	0	0	(25)	0	(25)	(25)
Fed Funds Mid Rate	5.375	5.375	5.375	5.375	5.125	5.125	4.875	4.625

SOURCE: BLOOMBERG AS OF 4/1/24

Interest Rates

US Treasury Yield Curves



- With growth (GDP) estimates slowing this year and inflation declining materially from the summer 2022 highs, intermediate and longer-term rates have dropped from last fall's peaks.
- Intermediate and longer-term rates are generally much more correlated to growth and inflation expectations.
- Short-term rates, such as the 3-month treasury, generally have a high correlation to the Fed Funds rate.

SOURCE: BLOOMBERG



M E E D E R
PUBLIC FUNDS

PORTFOLIO REVIEW

CORE PORTFOLIO REVIEW

Cuyahoga County portfolio as of 3/31/2024

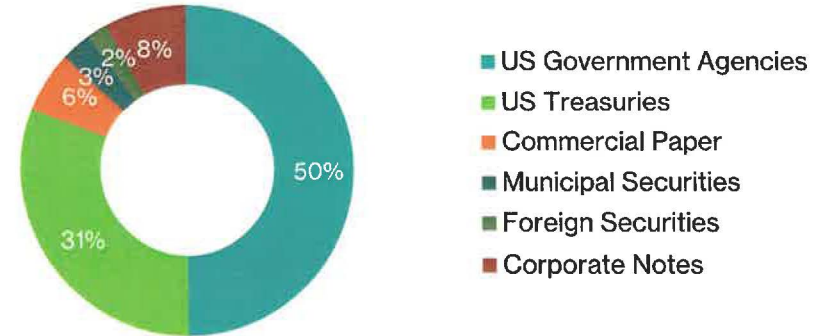
Your Portfolio

Cash	\$3,150,640
Securities	\$945,602,935
Total Portfolio	\$948,753,575

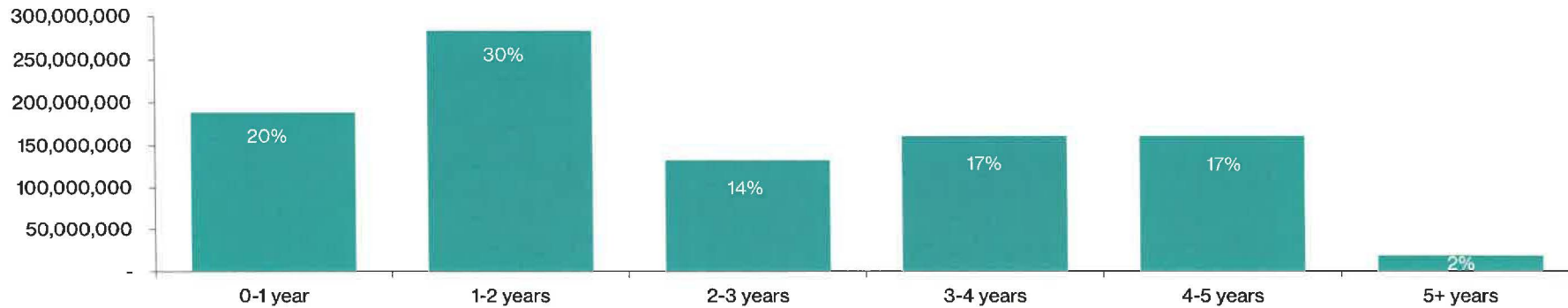
Your Securities

Weighted Average Maturity	2.47 years
Weighted Average Yield	2.57%
Estimated Annual Income	\$24,301,995

Your Asset Allocation



Your Maturity Distribution



ALL VALUES SHOWN AT COST. 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.

Compliance Review - Core Portfolio as of 3/31/2024



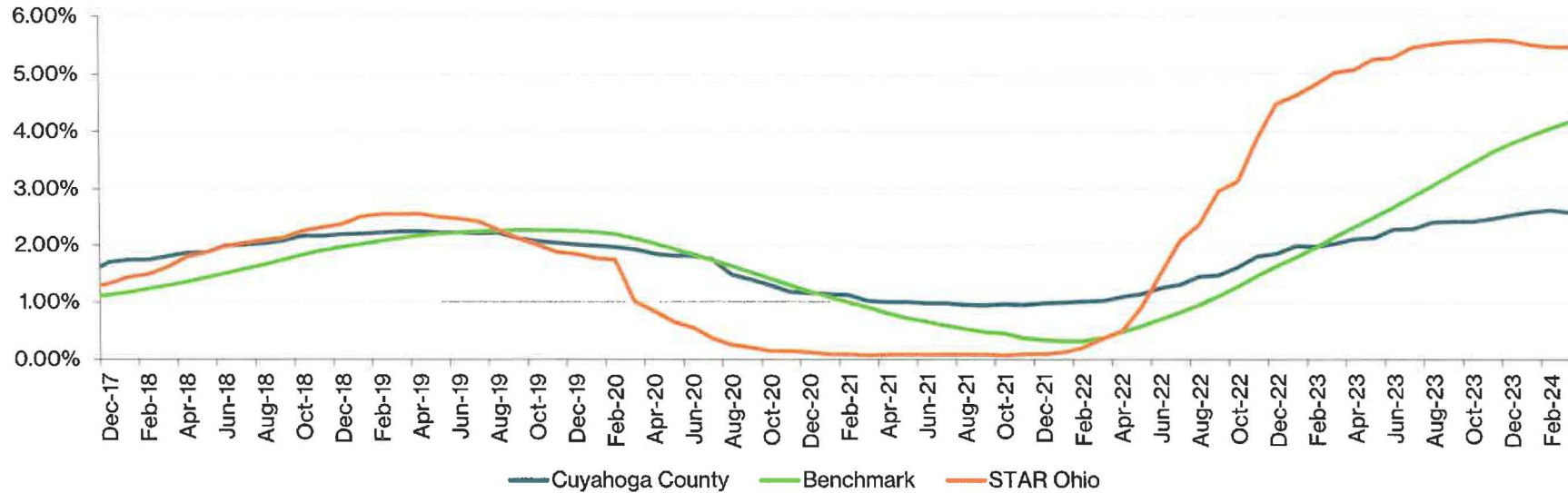
Policy Requirements	Current Allocation	Max Allocation	Test Results
U.S. Treasury Bills/Notes/Bonds	31%	100%	✓
U.S. Government Agencies	50%	100%	✓
Commercial Paper & Bankers' Acceptances	6%	40%	✓
Municipal Bonds/Notes	3%	20%	✓
Money Market Mutual Funds	0%	75%	✓
Corporate Bonds/Notes	8%	15%	✓
Foreign Bonds/Notes	2%	2%	✓

✓ = Compliant ✗ = Non-compliant

QUARTERLY COMPARISON

Cuyahoga County Core Portfolio

	Quarter Ended March 31, 2024 Yield To Maturity
Cuyahoga County ¹	2.57%
Benchmark ²	4.16%
STAR Ohio ³	5.47%



1. PERFORMANCE ON TRADE DATE BASIS, GROSS (I.E. BEFORE FEES)
2. BENCHMARK IS A 24-MONTH MOVING AVERAGE OF THE 2-YEAR CONSTANT MATURITY TREASURY
3. STAR OHIO MONTHLY DISTRIBUTION YIELDS RETRIEVED ONLINE FROM THE STATE TREASURER OF OHIO WEBSITE
4. YIELDS FOR CUYAHOGA COUNTY PRIOR TO 9/30/2017, USING YIELDS CALCULATED ON THE 'LONG TERM PORTFOLIO'

OPIOID SETTLEMENT PORTFOLIO REVIEW

Cuyahoga County portfolio as of 3/31/2024



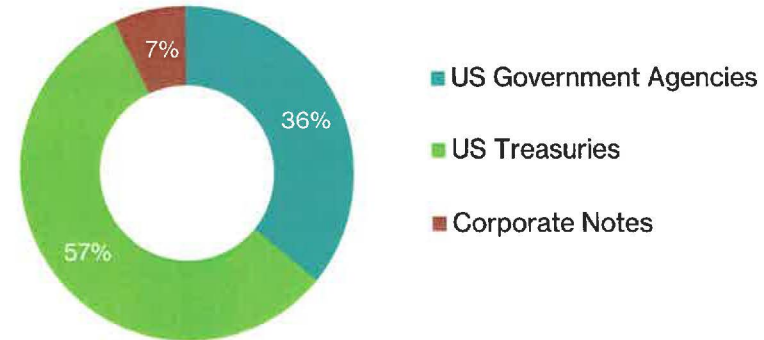
Your Portfolio

Cash	\$53,019
Securities	\$61,888,473
Total Portfolio	\$61,941,492

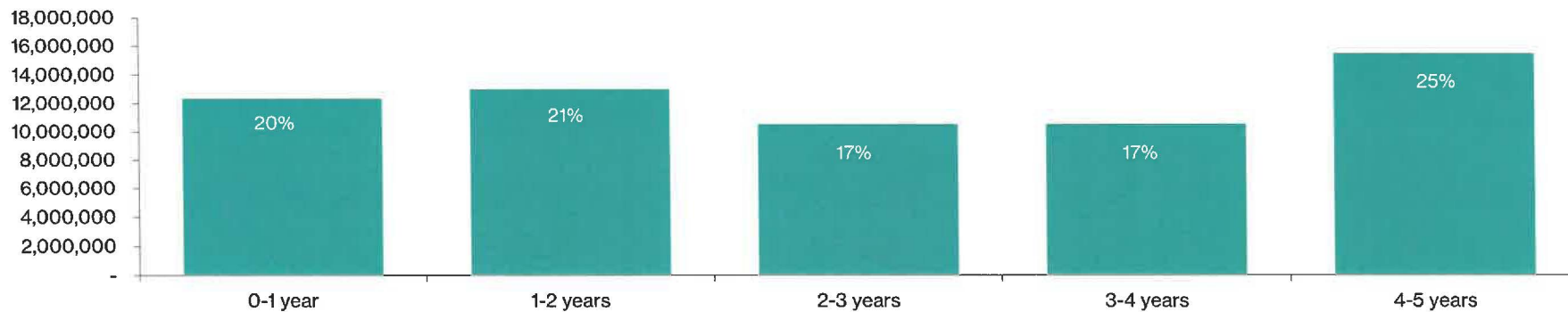
Your Securities

Weighted Average Maturity	2.53 years
Weighted Average Yield	3.01%
Estimated Annual Income	\$1,862,843

Your Asset Allocation



Your Maturity Distribution



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Compliance Review - Opioid Settlement Portfolio as of 3/31/2024



Policy Requirements	Current Allocation	Max Allocation	Test Results
U.S. Treasury Bills/Notes/Bonds	57%	100%	✓
U.S. Government Agencies	35%	100%	✓
Commercial Paper & Bankers' Acceptances	8%	40%	✓
Municipal Bonds/Notes	0%	20%	✓
Money Market Mutual Funds	0%	75%	✓
Corporate Bonds/Notes	0%	15%	✓
Foreign Bonds/Notes	0%	2%	✓

✓ = Compliant ✗ = Non-compliant

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Meeder Public Funds

6125 Memorial Drive
Dublin, OH 43017

901 Mopac Expressway
South, Building 1, Suite
300, Austin, Texas 78746

120 North Washington
Square, Suite 300,
Lansing, Michigan, 48933

111 West Ocean Blvd., 4th
Floor Long Beach, CA
90802

222 Main Street, 5th
Floor, Salt Lake City, UT
84101

10655 Park Run Drive,
Suite 120, Las Vegas, NV
89144

meederpublicfunds.com
866.633.3371



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