



APRIL 14, 2026

# City of Commerce Investment Strategy Update

PRESENTED BY:

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ADVISORY SERVICES



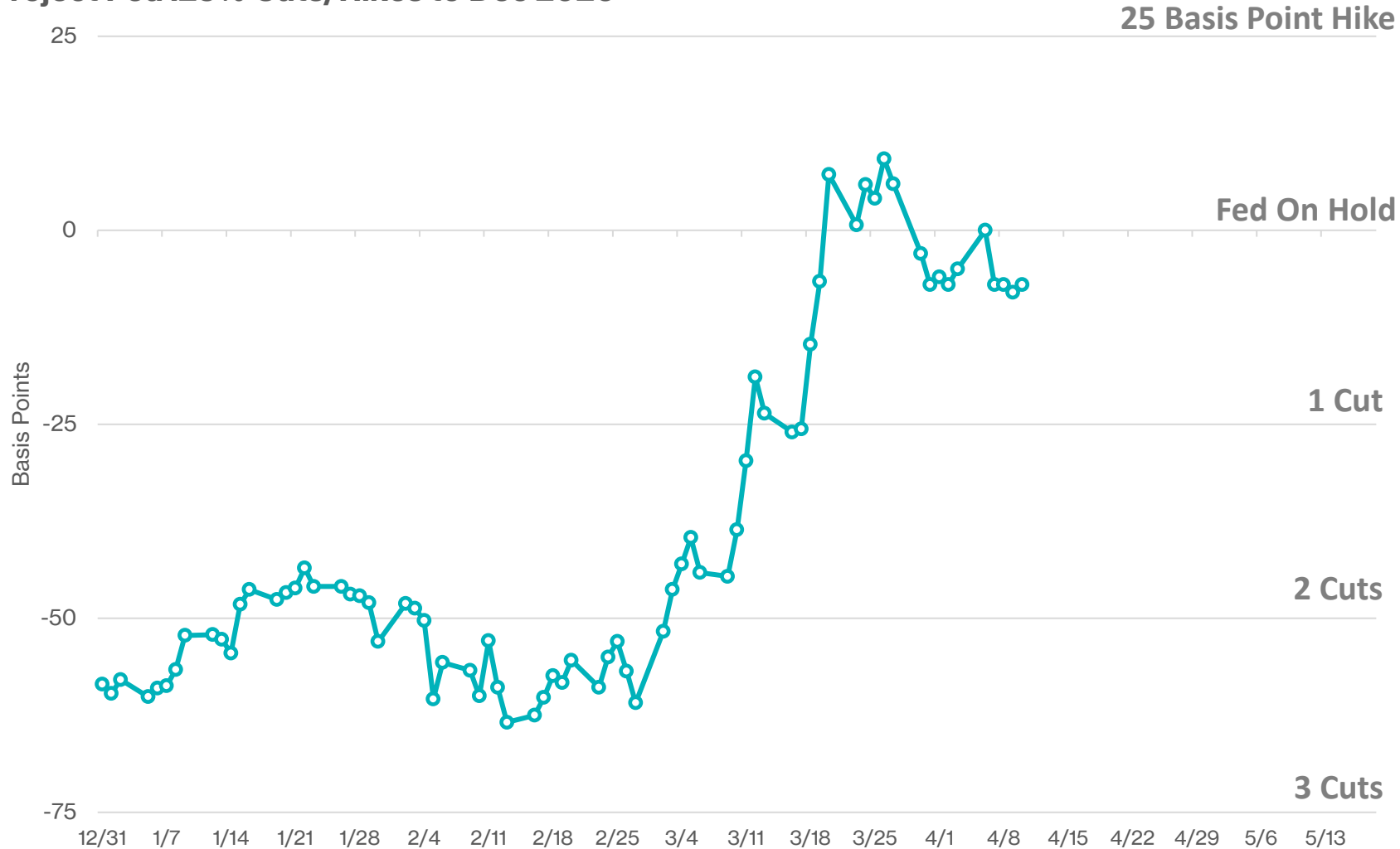


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# Economic Update

# Fed Funds

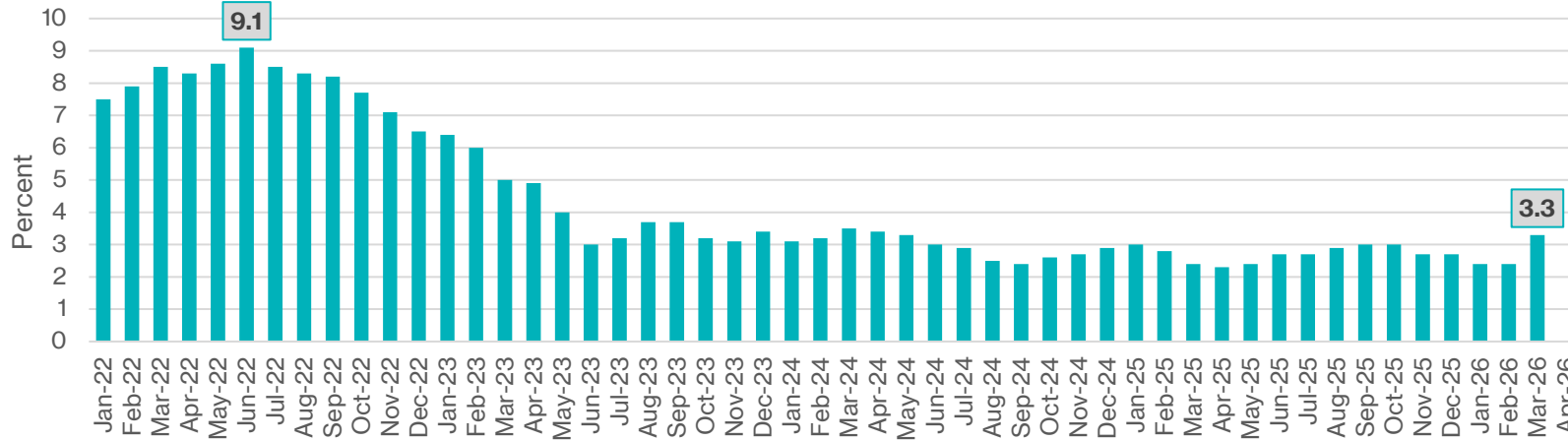
## Project Fed .25% Cuts/Hikes to Dec 2026



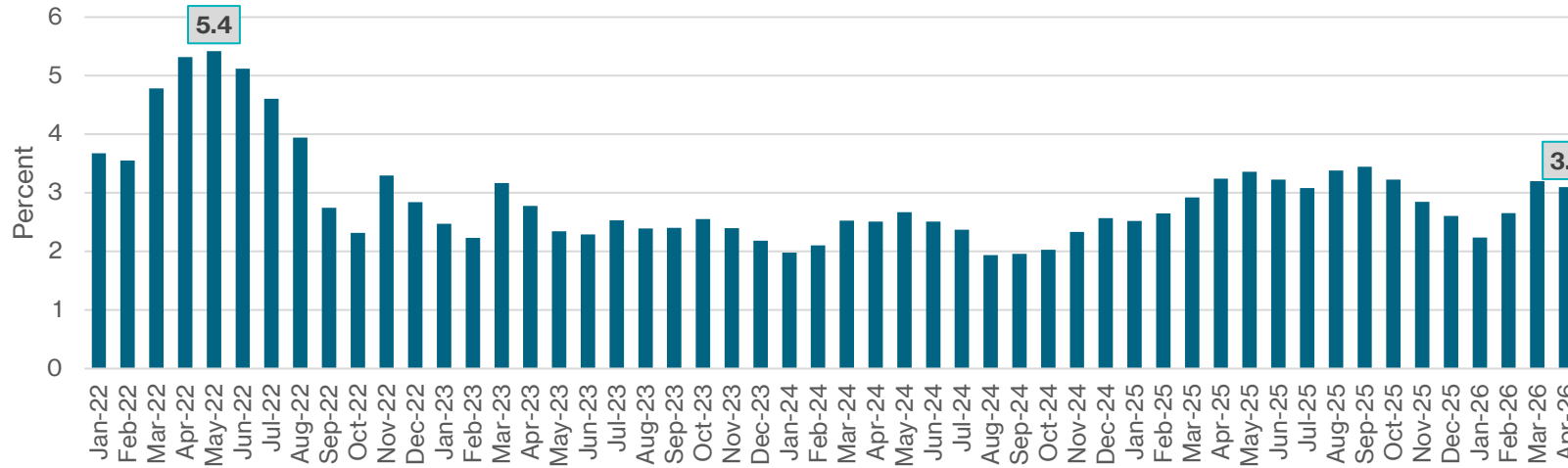
- With the Iran conflict, Fed Funds futures are bouncing between a slight chance of a hike later this year to a slight chance of a cut.
- The Federal Reserve last lowered the Fed Funds rate at the December 2025 meeting by .25% and held the rate steady at the January and March 2026 meetings.
- The Fed's "Dots" project one .25% cut this year, as of the March 2026 FOMC meeting.

# Inflation

## CPI YOY



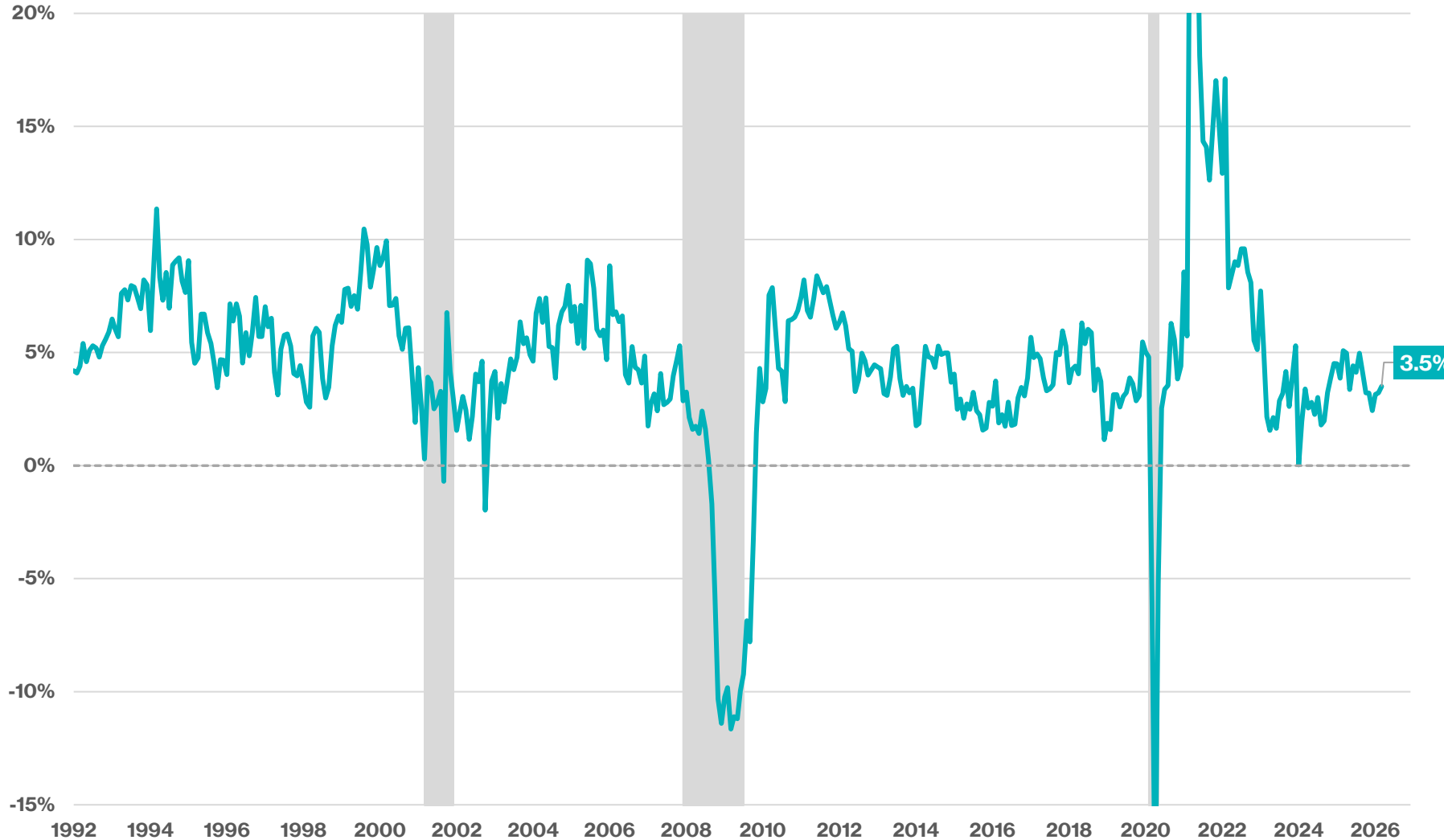
## 1-Year Forward Expected CPI



- Inflation declined considerably from the pandemic highs of 2022 (CPI YoY 9.1%).
- However, inflation remains above the Federal Reserve’s target 2% target and has increased due to the sharp rise of gasoline prices.
- Inflation expectations one year ahead have increased materially due to the Iran conflict pushing energy prices higher.

# Growth

## Monthly Nominal Retail Sales - YoY % Change



- Consumer spending comprises about 70% of GDP.
- The Retail Sales metric is one of the most comprehensive looks at consumer spending.
- The data through March 2026 shows that consumers continue to spend at a fairly robust pace, especially the upper-income households.

SOURCE: BLOOMBERG AS OF 4/1/26, SHADED AREAS ARE RECESSIONS, Y-AXIS CUT OFF DUE TO COVID EXTREMES

# Employment

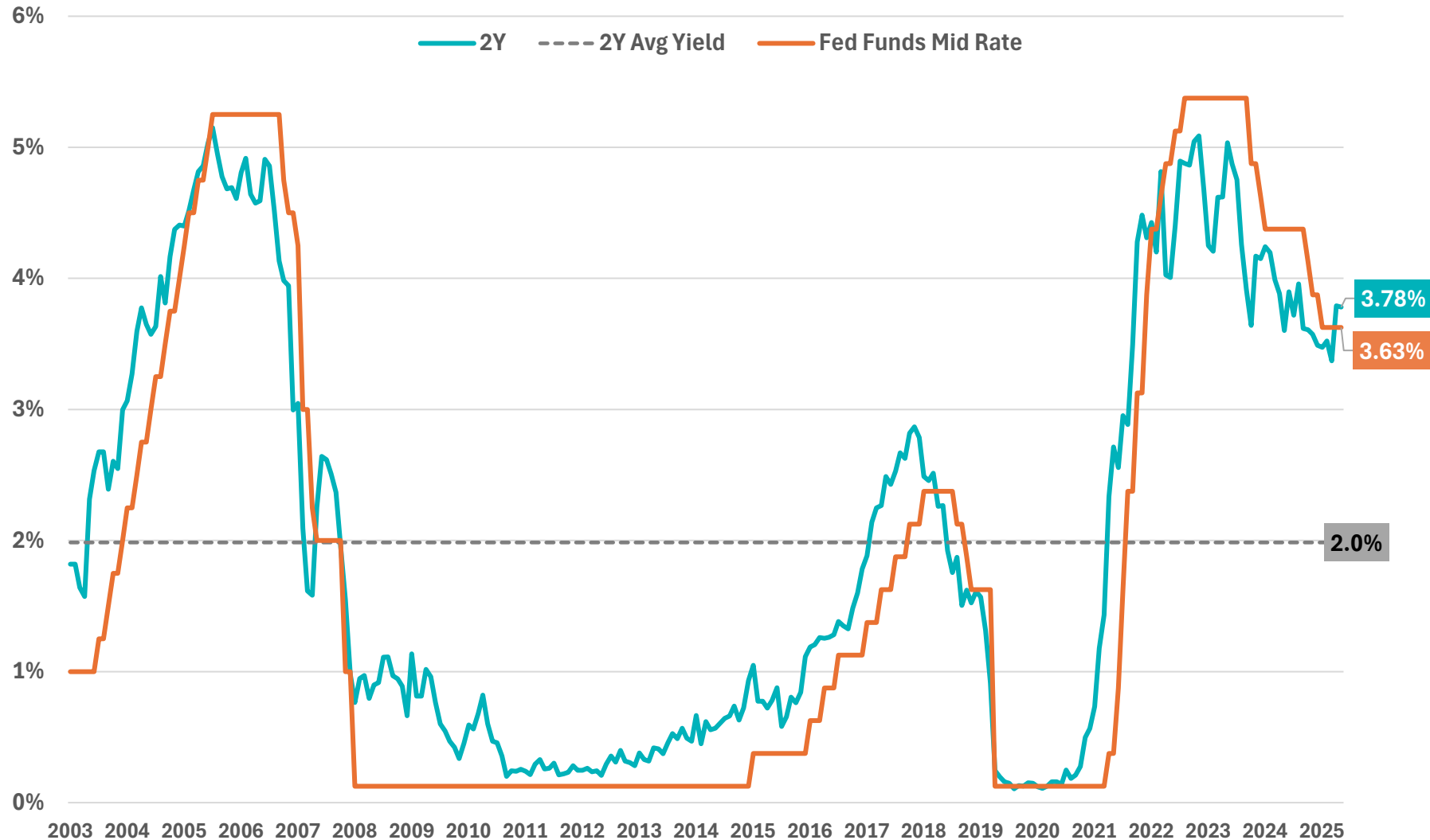
## Weekly Initial Jobless Claims - 4 Week Average



- Many economists consider the range of full employment between 4.5% and 5.5%.
- The unemployment rate has climbed from the cycle low of 3.4% (Apr 2023) to 4.4% as of February 2026.
- Jobless claims are extremely low and show the “no hire, no fire” aspect of the current labor market.

# Yields

Fed Funds and 2 Year Treasury Yields Past +20 Years



- Intermediate-term interest rates peaked in October of 2023, with the 2-year Treasury hitting a cycle high of 5.22%.
- Even though interest rates have declined with lower job growth, they are still materially higher than the average the past +20 years.
- Meeder believes it's still an opportune time to lock in interest income stability with purchases of intermediate-term to longer-term securities.



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# Portfolio Review

# Current Portfolio

City of Commerce portfolio as of 3/31/2026

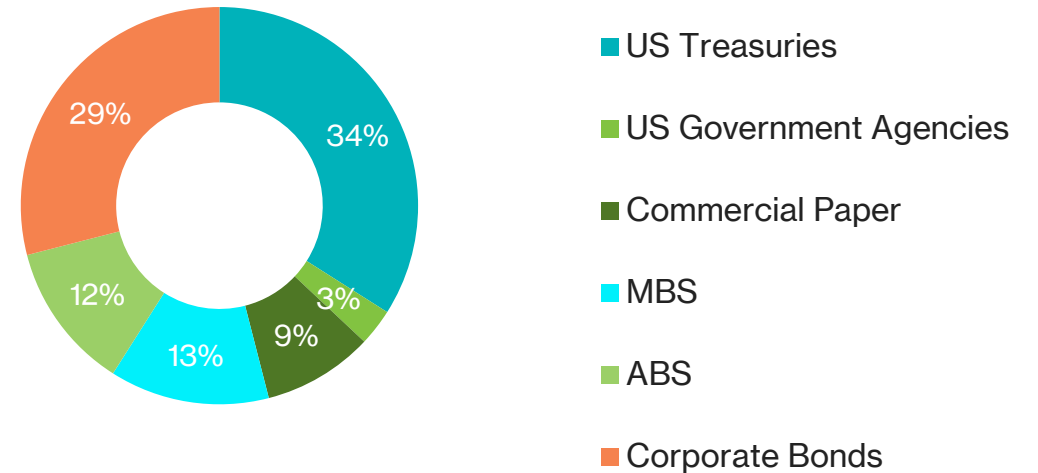
## Your Portfolio

Cash	\$85,622,806
Securities	\$60,804,414
<b>Total Portfolio</b>	<b>\$146,427,220</b>

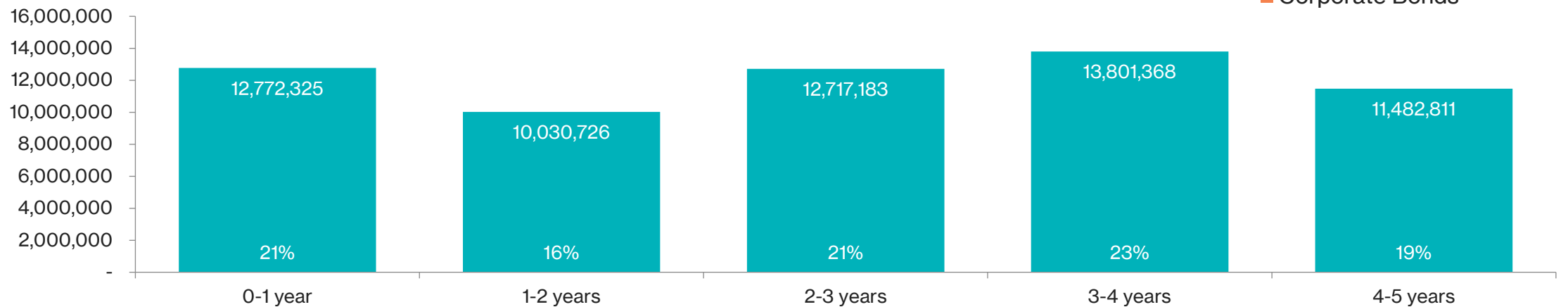
## Your Securities

Weighted Average Maturity	2.51 years
Weighted Average Yield	3.86%
Estimated Annual Income	\$2,347,050

## Your Asset Allocation



## Your Maturity Distribution



# Disclosures



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