



# Brevard County, Florida



## Investment Performance Review For the Fiscal Year Ended September 30, 2017

### Investment Advisors

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- ◆ Executive Summary
- ◆ Long Term Portfolio

## Tab III

- ◆ Short Term and Bond Portfolio
- ◆ Asset Allocation Chart
- ◆ Important Disclosures

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# Tab I

**Total Portfolio Balances and Interest Earnings**

<b>Balances Fund Name</b>	<b>Book Value as of September 30, 2017</b>	<b>Book Value as of September 30, 2016</b>	<b>Percent Change From FY 2017 - 2016</b>
General Fund	\$32,212,805	\$27,109,014	18.83%
Special Revenue	184,470,796	157,357,018	17.23%
Debt Service	5,699,017	5,246,603	8.62%
Capital Projects	7,032,991	10,411,651	-32.45%
Enterprise	95,211,339	116,291,227	-18.13%
Internal Service	64,304,756	56,892,913	13.03%
<b>Total</b>	<b>\$388,931,704</b>	<b>\$373,308,426</b>	<b>4.19%</b>

<b>Interest Earnings Fund Name</b>	<b>Interest Earned Fiscal Year 2017</b>	<b>Interest Earned Fiscal Year 2016</b>	<b>Percent Change From FY 2017 - 2016</b>
General Fund	\$473,090	\$330,334	43.22%
Special Revenue	2,142,146	1,353,632	58.25%
Debt Service	115,019	80,038	43.71%
Capital Projects	83,916	95,329	-11.97%
Enterprise	1,200,501	1,026,405	16.96%
Internal Service	619,333	372,256	66.37%
<b>Total</b>	<b>\$4,634,005</b>	<b>\$3,257,994</b>	<b>42.23%</b>

<b>County Total Portfolio</b>	<b>Book Value as of September 30, 2017</b>	<b>Market Value as of September 30, 2017</b>
Short Term and Bond Portfolio	\$194,710,129	\$194,710,129
Long Term Portfolio	194,134,868	193,621,820
<b>Total</b>	<b>\$388,844,996</b>	<b>\$388,331,949</b>

Short Term and Long Term Portfolios Annual Review Fact Sheet

**Ending Balance as of September 30, 2017**

Short Term Portfolio Market Value <sup>1</sup>	\$194,710,129
Long Term Portfolio Market Value	193,621,820
Total All Assets	<u>\$388,331,949</u>

**Long Term Portfolio Performance**

<b>Total Return</b>	<u>Last 12 Months</u>
Long Term Portfolio	0.67%
Merrill Lynch 1-3 Year U.S. Treasury Index	0.24%
Performance over the Benchmark	<u>0.43%</u>

**Interest Earnings**

Total Portfolio Interest Earnings for Fiscal Year 2017	<u>Last 12 Months</u>
	\$4,634,005

**Effective Duration<sup>3</sup>**

Long Term Portfolio	<u>Fiscal Year End</u>
Merrill Lynch 1-3 Year U.S. Treasury Index	1.82 Years
	1.81 Years

**Additional Annual Returns in Dollars<sup>2</sup>**

<b>Total Return</b>	<u>Last 12 Months</u>
Long Term Portfolio	\$1,297,266
Merrill Lynch 1-3 Year U.S. Treasury Index	464,692
Additional Returns over Benchmark	<u>\$832,574</u>

**Short Term Portfolio Performance**

<b>Yield at Cost</b>	<u>Last 12 Months</u>
Short Term Portfolio	1.20%
S&P Rated GIP Index Government 30 Day Gross Yield	1.08%
Performance over the Benchmark	<u>0.12%</u>

**Weighted Average Maturity**

Short Term Portfolio	<u>As of September 30, 2017</u>
S&P Rated GIP Index Government	39 Days
	32 Days

**Summary**

1. As of September 30, 2017, the County's Portfolio is in compliance with the Investment Policy. The investment composition and allocation is provided on the Asset Allocation Chart in this report.

Notes:

1. The Short Term Portfolio is managed by the County.
2. Based on the fiscal year end balance.

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# Tab II

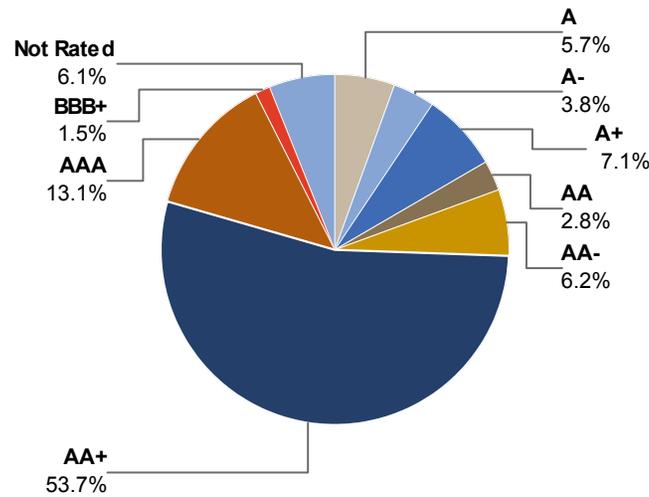
- The Long Term Fund Portfolio is of high credit quality and invested in U.S. Treasury, federal agency/GSE, federal agency/CMO, federal agency/MBS, supranationals, municipal obligations, asset backed, and corporate note securities.
- The Long Term Fund Portfolio's annual total return performance of 0.67% outperformed the benchmark's performance of 0.24% by 0.43%.
- After three rate hikes since December 2016, the Federal Reserve (Fed) shifted gears and announced the beginning of their program to reduce the central bank's enormous balance sheet. The plan is to gradually reduce the Fed's securities holdings by decreasing its reinvestment of the principal payments on its large holdings of Treasury and agency mortgage-backed securities. This had little impact on our strategy as the process was telegraphed well in advance and will be gradual and predictable.
- Although low inflation is a conundrum, recent signaling from Fed officials boosted expectations for another rate hike this year, raising the market-implied probability of a December hike from 30% mid-Q3 to over 70%.
- Strong investor appetite for high-quality bonds generally caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter, resulting in strong relative performance for corporates, mortgage-backed (MBS), asset-backed (ABS), municipal, and supranational securities.
- Without a clear trend in the direction of interest rates, we maintained portfolio durations in line with those of benchmarks to minimize return volatility.

**Portfolio Statistics**

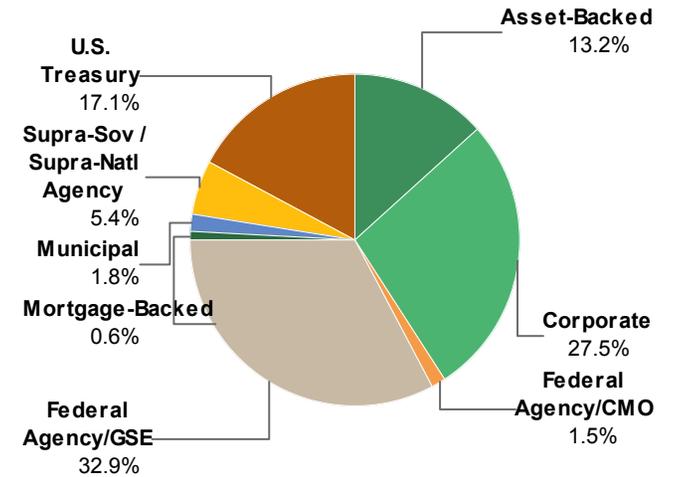
As of September 30, 2017

<b>Par Value:</b>	\$193,353,863
<b>Total Market Value:</b>	\$193,621,820
<b>Security Market Value:</b>	\$193,012,978
<b>Accrued Interest:</b>	\$608,843
<b>Cash:</b>	-
<b>Amortized Cost:</b>	\$193,526,025
<b>Yield at Market:</b>	1.63%
<b>Yield at Cost:</b>	1.47%
<b>Effective Duration:</b>	1.82 Years
<b>Duration to Worst:</b>	1.90 Years
<b>Average Maturity:</b>	2.18 Years
<b>Average Credit: *</b>	AA

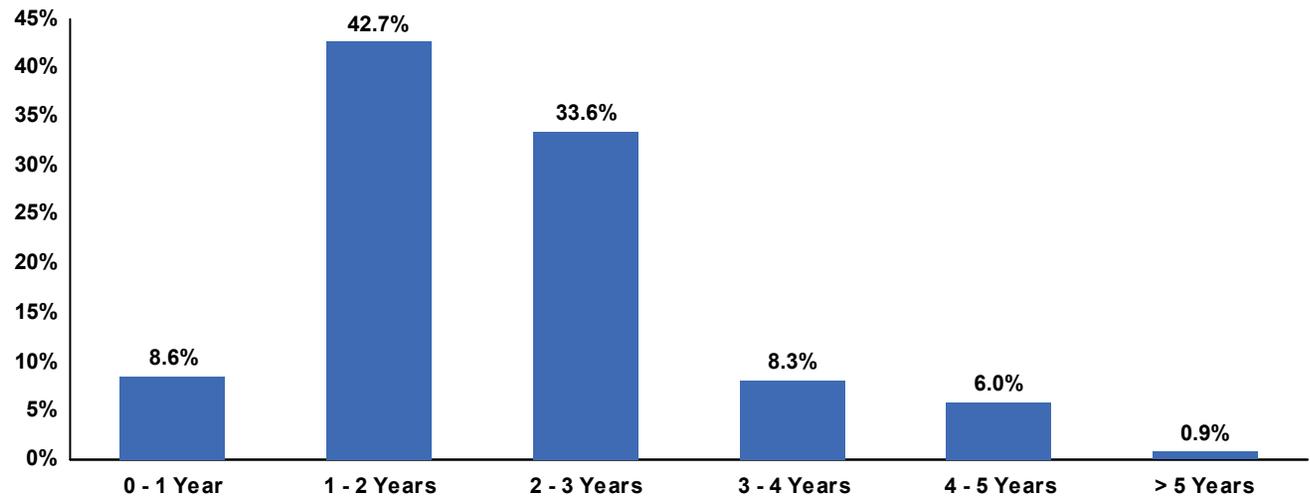
**Credit Quality (S&P Ratings)**



**Sector Allocation**



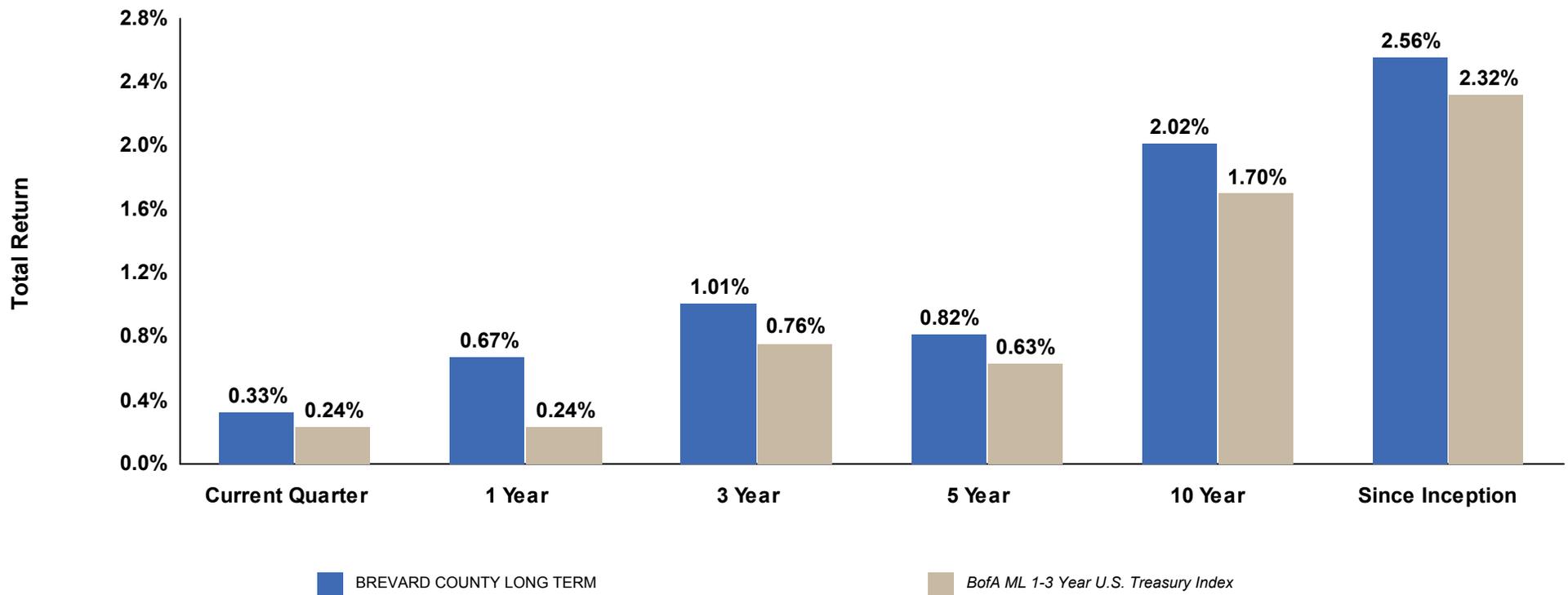
**Maturity Distribution**



\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

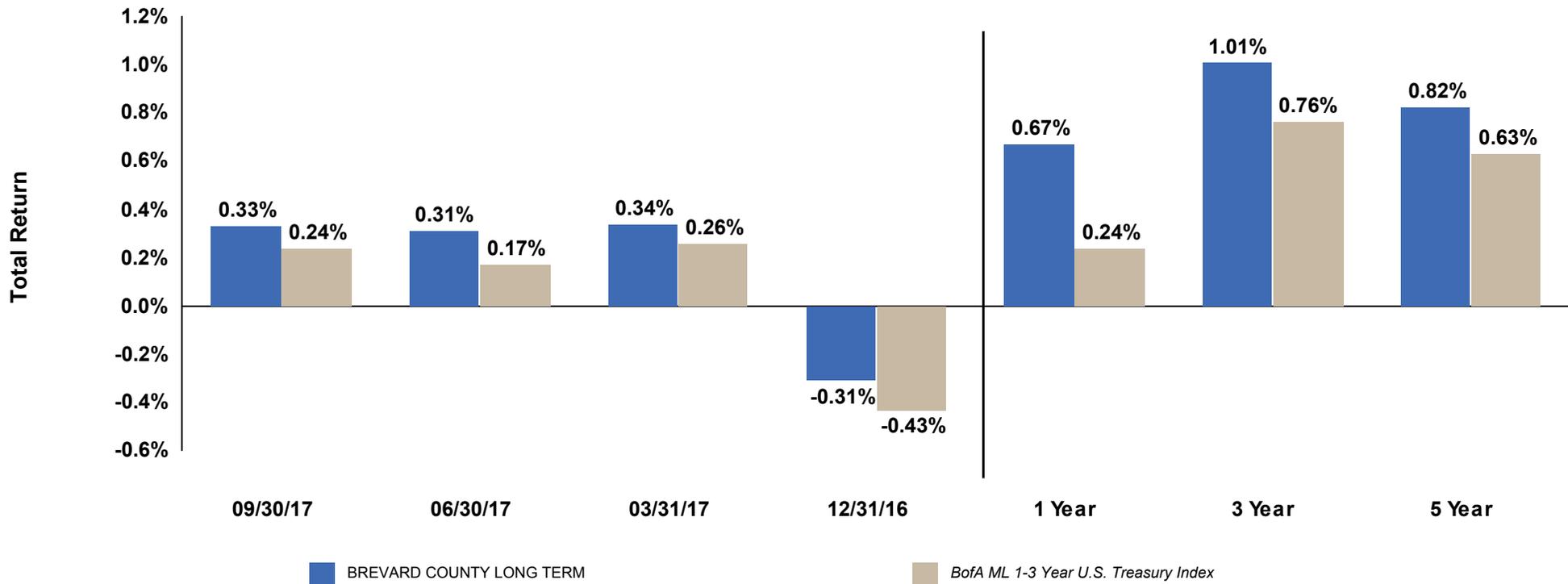
Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/02) **
			1 Year	3 Year	5 Year	10 Year	
BREVARD COUNTY LONG TERM	1.82	0.33%	0.67%	1.01%	0.82%	2.02%	2.56%
BofA ML 1-3 Year U.S. Treasury Index	1.81	0.24%	0.24%	0.76%	0.63%	1.70%	2.32%
Difference		0.09%	0.43%	0.25%	0.19%	0.32%	0.24%



Portfolio performance is gross of fees unless otherwise indicated. \*\*Since Inception performance is not shown for periods less than one year.

Portfolio Performance (Total Return)

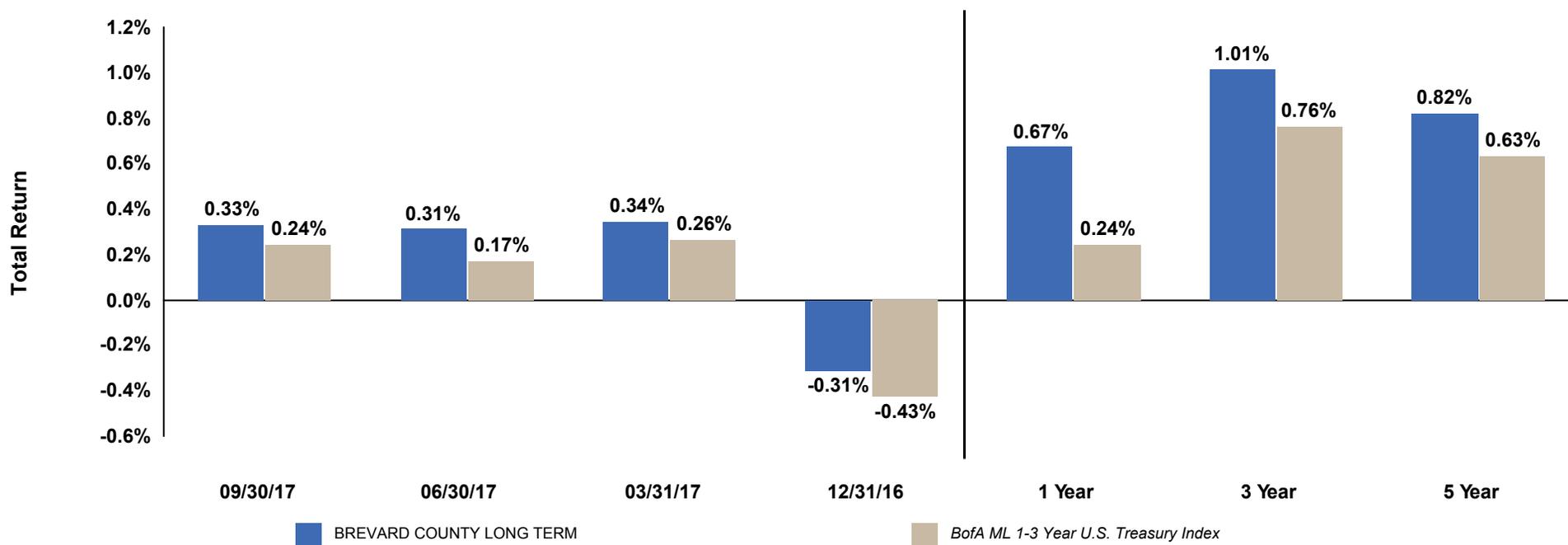
Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		09/30/17	06/30/17	03/31/17	12/31/16	1 Year	3 Year	5 Year
<b>BREVARD COUNTY LONG TERM</b>	1.82	0.33%	0.31%	0.34%	-0.31%	0.67%	1.01%	0.82%
<i>BofA ML 1-3 Year U.S. Treasury Index</i>	1.81	0.24%	0.17%	0.26%	-0.43%	0.24%	0.76%	0.63%
<b>Difference</b>		0.09%	0.14%	0.08%	0.12%	0.43%	0.25%	0.19%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		09/30/17	06/30/17	03/31/17	12/31/16	1 Year	3 Year	5 Year
<b>BREVARD COUNTY LONG TERM</b>	1.82	0.33%	0.31%	0.34%	-0.31%	0.67%	1.01%	0.82%
<i>Net of Fees **</i>	-	0.32%	0.30%	0.33%	-0.32%	0.61%	0.95%	0.76%
<b>BofA ML 1-3 Year U.S. Treasury Index</b>	1.81	0.24%	0.17%	0.26%	-0.43%	0.24%	0.76%	0.63%
<b>Difference (Gross)</b>		0.09%	0.14%	0.08%	0.12%	0.43%	0.25%	0.19%
<b>Difference (Net)</b>		0.08%	0.13%	0.07%	0.11%	0.37%	0.19%	0.13%



Portfolio performance is gross of fees unless otherwise indicated. \*\* Fees were calculated based on average assets during the period at the contractual rate.

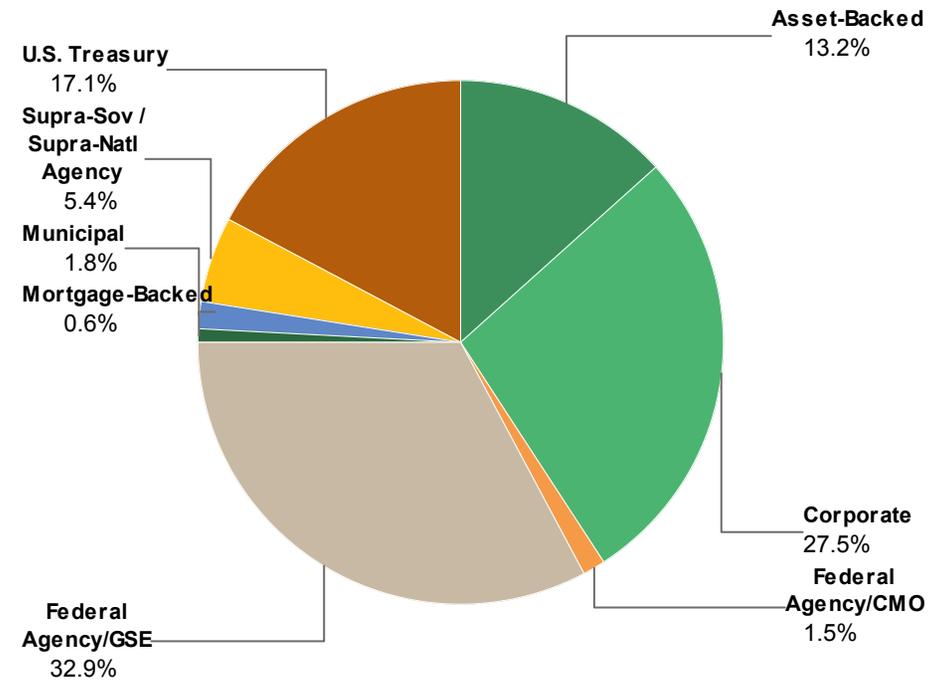
**Portfolio Earnings**

**Quarter-Ended September 30, 2017**

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
<b>Beginning Value (06/30/2017)</b>	\$192,780,579.06	\$193,333,607.11
<b>Net Purchases/Sales</b>	\$315,866.61	\$315,866.61
<b>Change in Value</b>	(\$83,467.85)	(\$123,448.42)
<b>Ending Value (09/30/2017)</b>	\$193,012,977.82	\$193,526,025.30
<b>Interest Earned</b>	\$731,036.43	\$731,036.43
<b>Portfolio Earnings</b>	\$647,568.58	\$607,588.01

**Sector Allocation**  
As of September 30, 2017

Sector	Market Value (\$)	% of Portfolio
Federal Agency/GSE	63,317,013	32.9%
Corporate	52,983,442	27.5%
U.S. Treasury	33,087,897	17.1%
Asset-Backed	25,548,416	13.2%
Supra-Sov / Supra-Natl Agency	10,482,663	5.4%
Municipal	3,500,697	1.8%
Federal Agency/CMO	2,909,456	1.5%
Mortgage-Backed	1,183,393	0.6%
<b>Total</b>	<b>\$193,012,978</b>	<b>100.0%</b>

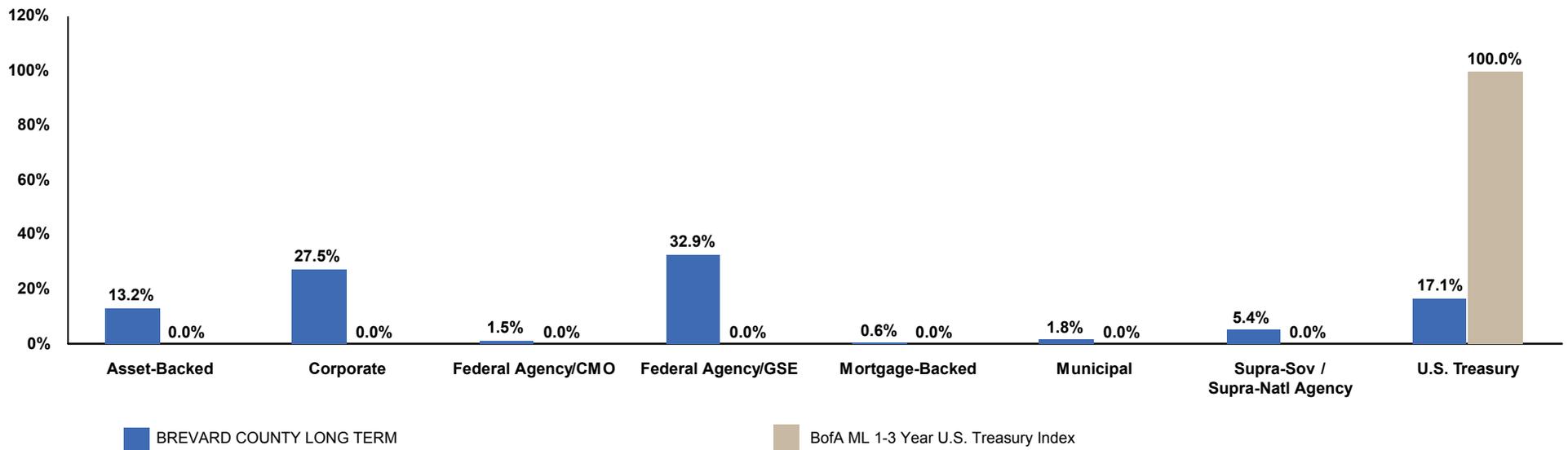


Detail may not add to total due to rounding.

**Sector Allocation**

As of September 30, 2017

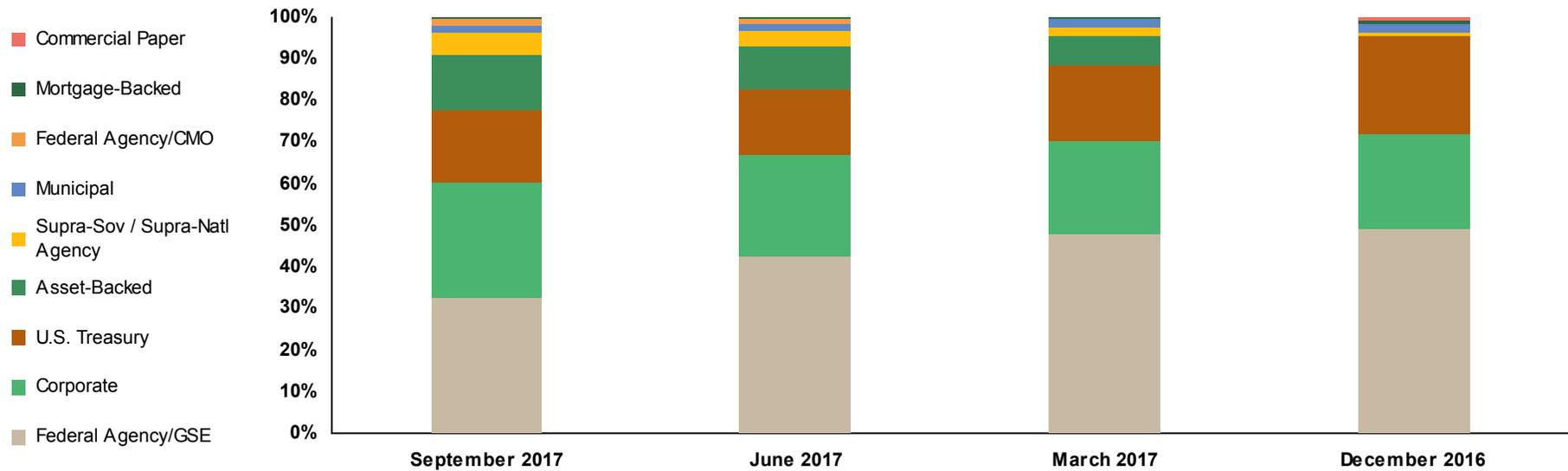
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Federal Agency/GSE	63,317,013	32.9%	-
Corporate	52,983,442	27.5%	-
U.S. Treasury	33,087,897	17.1%	100.0%
Asset-Backed	25,548,416	13.2%	-
Supra-Sov / Supra-Natl Agency	10,482,663	5.4%	-
Municipal	3,500,697	1.8%	-
Federal Agency/CMO	2,909,456	1.5%	-
Mortgage-Backed	1,183,393	0.6%	-
<b>Total</b>	<b>\$193,012,978</b>	<b>100.0%</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

Sector Allocation

Sector	September 30, 2017		June 30, 2017		March 31, 2017		December 31, 2016	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	63.3	32.9%	81.7	42.4%	91.8	47.9%	93.8	49.3%
Corporate	53.0	27.5%	46.9	24.3%	42.5	22.2%	42.9	22.6%
U.S. Treasury	33.1	17.1%	30.4	15.8%	35.2	18.4%	44.5	23.4%
Asset-Backed	25.5	13.2%	20.1	10.4%	13.2	6.9%	0.0	0.0%
Supra-Sov / Supra-Natl Agency	10.5	5.4%	6.8	3.5%	4.1	2.1%	1.9	1.0%
Municipal	3.5	1.8%	3.5	1.8%	3.5	1.8%	3.5	1.8%
Federal Agency/CMO	2.9	1.5%	2.1	1.1%	0.0	0.0%	0.0	0.0%
Mortgage-Backed	1.2	0.6%	1.3	0.7%	1.3	0.7%	1.5	0.8%
Commercial Paper	0.0	0.0%	0.0	0.0%	0.0	0.0%	2.0	1.1%
<b>Total</b>	<b>\$193.0</b>	<b>100.0%</b>	<b>\$192.8</b>	<b>100.0%</b>	<b>\$191.6</b>	<b>100.0%</b>	<b>\$190.1</b>	<b>100.0%</b>

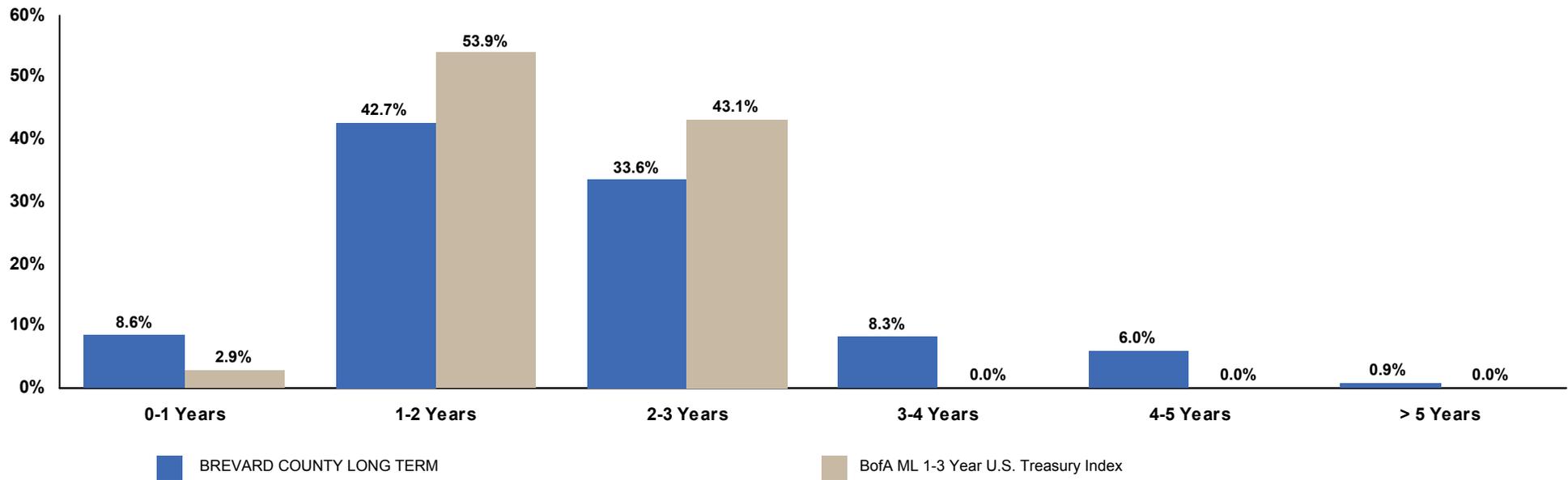


Detail may not add to total due to rounding.

**Maturity Distribution**

As of September 30, 2017

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
BREVARD COUNTY LONG TERM	1.63%	2.18 yrs	8.6%	42.7%	33.6%	8.3%	6.0%	0.9%
BofA ML 1-3 Year U.S. Treasury Index	1.48%	1.93 yrs	2.9%	53.9%	43.1%	0.0%	0.0%	0.0%

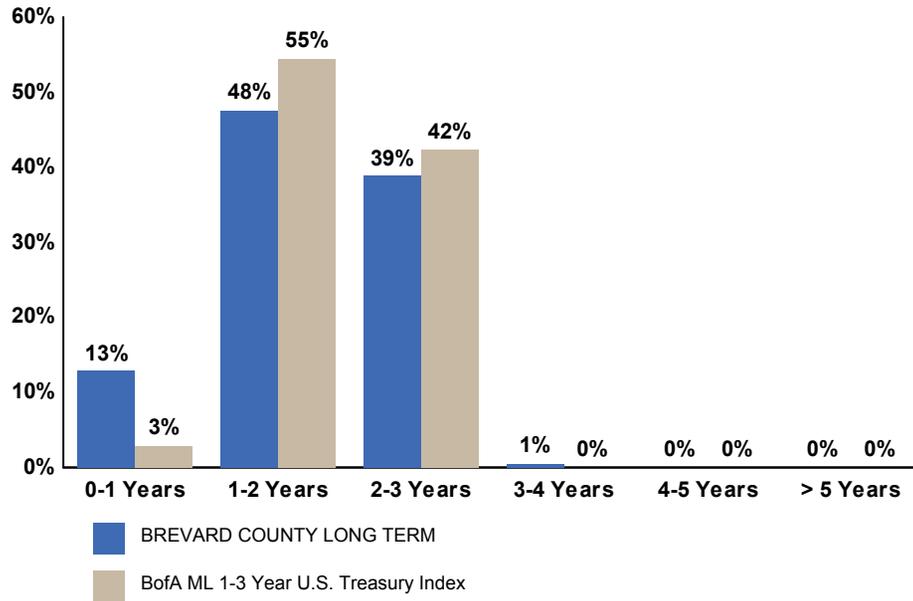


**Duration Distribution**

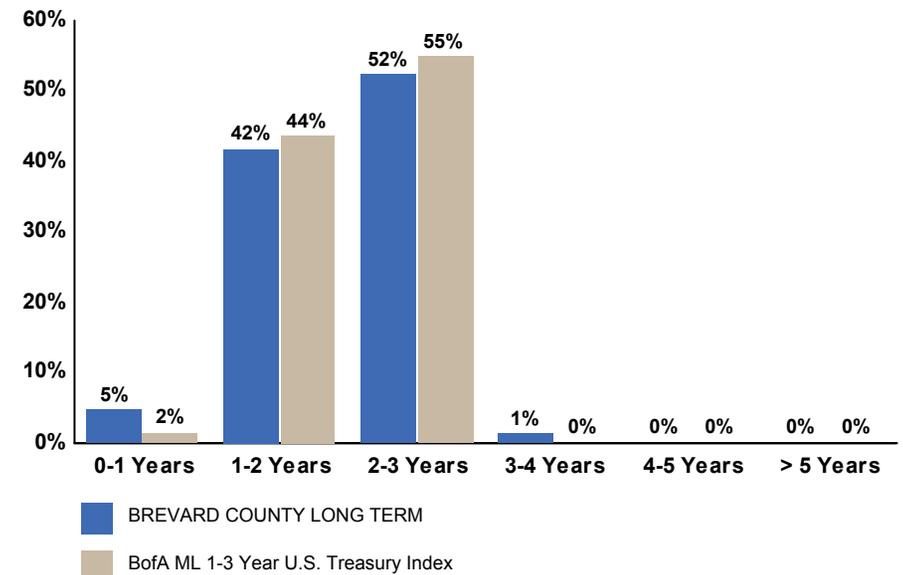
As of September 30, 2017

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
BREVARD COUNTY LONG TERM	1.82	12.9%	47.6%	38.9%	0.6%	0.0%	0.0%
BofA ML 1-3 Year U.S. Treasury Index	1.81	2.9%	54.7%	42.4%	0.0%	0.0%	0.0%

**Distribution by Effective Duration**



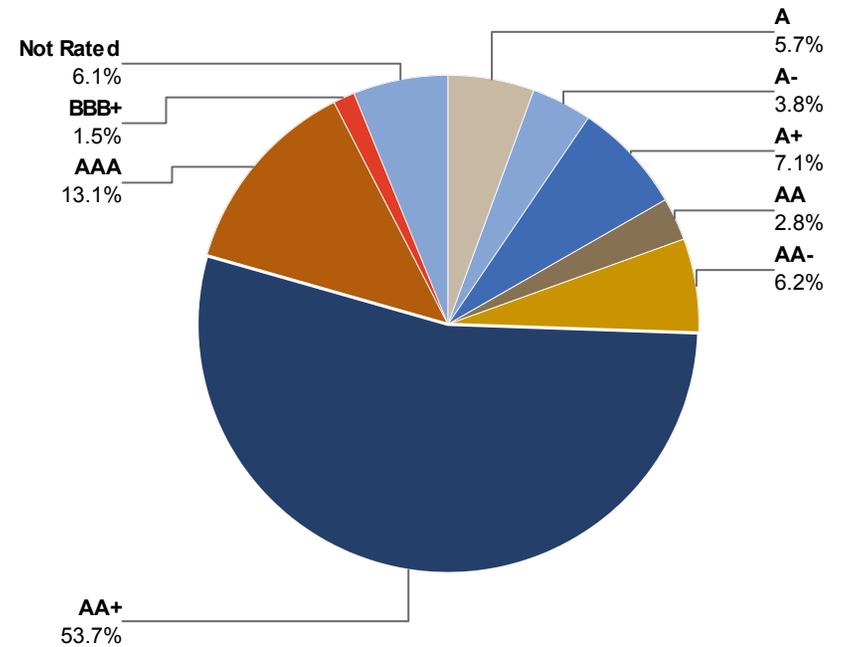
**Contribution to Portfolio Duration**



**Credit Quality**

**As of September 30, 2017**

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$103,701,308	53.7%
AAA	\$25,237,511	13.1%
A+	\$13,720,322	7.1%
AA-	\$12,026,451	6.2%
Not Rated	\$11,707,314	6.1%
A	\$10,976,333	5.7%
A-	\$7,263,704	3.8%
AA	\$5,452,095	2.8%
BBB+	\$2,927,939	1.5%
<b>Totals</b>	<b>\$193,012,978</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

**Issuer Distribution**  
**As of September 30, 2017**

Issuer	Market Value (\$)	% of Portfolio
FANNIE MAE	38,237,808	19.8%
UNITED STATES TREASURY	33,087,897	17.1%
FEDERAL HOME LOAN BANKS	20,013,720	10.4%
FREDDIE MAC	9,158,334	4.7%
TOYOTA MOTOR CORP	4,974,495	2.6%
AFRICAN DEVELOPMENT BANK	4,910,079	2.5%
THE BANK OF NEW YORK MELLON CORPORATION	4,804,003	2.5%
AMERICAN EXPRESS CO	4,297,991	2.2%
GENERAL ELECTRIC CO	3,070,791	1.6%
ALLY AUTO RECEIVABLES TRUST	2,942,428	1.5%
CITIGROUP INC	2,882,359	1.5%
INTL BANK OF RECONSTRUCTION AND DEV	2,830,052	1.5%
JP MORGAN CHASE & CO	2,809,991	1.5%
BANK OF AMERICA CO	2,569,465	1.3%
HONDA AUTO RECEIVABLES	2,522,127	1.3%
CNH EQUIPMENT TRUST	2,373,382	1.2%
REGIONAL TRANS AUTH, IL	2,267,276	1.2%
BERKSHIRE HATHAWAY INC	2,205,341	1.1%

Top 5 = 54.6%

Top 10 = 65.0%

Issuer	Market Value (\$)	% of Portfolio
APPLE INC	2,200,837	1.1%
TORONTO-DOMINION BANK	2,174,443	1.1%
THE WALT DISNEY CORPORATION	2,108,977	1.1%
HYUNDAI AUTO RECEIVABLES	2,067,112	1.1%
HSBC HOLDINGS PLC	2,001,638	1.0%
WELLS FARGO & COMPANY	1,998,616	1.0%
NISSAN AUTO RECEIVABLES	1,948,006	1.0%
BANK OF MONTREAL	1,931,909	1.0%
BP PLC	1,916,654	1.0%
CHEVRON CORPORATION	1,907,152	1.0%
BANK OF NOVA SCOTIA	1,905,159	1.0%
INTER-AMERICAN DEVELOPMENT BANK	1,894,574	1.0%
DEERE & COMPANY	1,826,590	1.0%
INTERNATIONAL BUSINESS MACHINES	1,638,742	0.9%
CARMAX AUTO OWNER TRUST	1,600,697	0.8%
CATERPILLAR INC	1,418,425	0.7%
FORD CREDIT AUTO OWNER TRUST	1,272,997	0.7%
INTEL CORPORATION	1,252,638	0.7%
TOTAL SA	1,234,370	0.6%
STATE OF CONNECTICUT	1,233,421	0.6%
AMERICAN HONDA FINANCE	1,191,162	0.6%

Issuer	Market Value (\$)	% of Portfolio
MORGAN STANLEY	1,016,680	0.5%
EXXON MOBIL CORP	1,002,711	0.5%
CANADIAN IMPERIAL BANK OF COMMERCE	999,765	0.5%
PFIZER INC	979,479	0.5%
JOHN DEERE OWNER TRUST	949,629	0.5%
PEPSICO INC	949,193	0.5%
HOME DEPOT INC	925,676	0.5%
MICROSOFT CORP	913,746	0.5%
ASIAN DEVELOPMENT BANK	847,958	0.4%
BB&T CORPORATION	757,965	0.4%
GOLDMAN SACHS GROUP INC	713,766	0.4%
UNILEVER PLC	274,750	0.1%
<b>Grand Total:</b>	<b>193,012,978</b>	<b>100.0%</b>

## Sector/Issuer Distribution

As of September 30, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Asset-Backed</b>			
ALLY AUTO RECEIVABLES TRUST	2,942,428	11.5%	1.5%
AMERICAN EXPRESS CO	2,518,897	9.9%	1.3%
BANK OF AMERICA CO	1,371,972	5.4%	0.7%
CARMAX AUTO OWNER TRUST	1,600,697	6.3%	0.8%
CITIGROUP INC	2,882,359	11.3%	1.5%
CNH EQUIPMENT TRUST	2,373,382	9.3%	1.2%
FORD CREDIT AUTO OWNER TRUST	1,272,997	5.0%	0.7%
HONDA AUTO RECEIVABLES	2,522,127	9.9%	1.3%
HYUNDAI AUTO RECEIVABLES	2,067,112	8.1%	1.1%
JOHN DEERE OWNER TRUST	949,629	3.7%	0.5%
NISSAN AUTO RECEIVABLES	1,948,006	7.6%	1.0%
TOYOTA MOTOR CORP	3,098,810	12.1%	1.6%
<b>Sector Total</b>	<b>25,548,416</b>	<b>100.0%</b>	<b>13.2%</b>
<b>Corporate</b>			
AMERICAN EXPRESS CO	1,779,094	3.4%	0.9%
AMERICAN HONDA FINANCE	1,191,162	2.2%	0.6%
APPLE INC	2,200,837	4.2%	1.1%
BANK OF AMERICA CO	1,197,493	2.3%	0.6%
BANK OF MONTREAL	1,931,909	3.6%	1.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
BANK OF NOVA SCOTIA	1,905,159	3.6%	1.0%
BB&T CORPORATION	757,965	1.4%	0.4%
BERKSHIRE HATHAWAY INC	2,205,341	4.2%	1.1%
BP PLC	1,916,654	3.6%	1.0%
CANADIAN IMPERIAL BANK OF COMMERCE	999,765	1.9%	0.5%
CATERPILLAR INC	1,418,425	2.7%	0.7%
CHEVRON CORPORATION	1,907,152	3.6%	1.0%
DEERE & COMPANY	1,826,590	3.4%	0.9%
EXXON MOBIL CORP	1,002,711	1.9%	0.5%
GENERAL ELECTRIC CO	3,070,791	5.8%	1.6%
GOLDMAN SACHS GROUP INC	713,766	1.3%	0.4%
HOME DEPOT INC	925,676	1.7%	0.5%
HSBC HOLDINGS PLC	2,001,638	3.8%	1.0%
INTEL CORPORATION	1,252,638	2.4%	0.6%
INTERNATIONAL BUSINESS MACHINES	1,638,742	3.1%	0.8%
JP MORGAN CHASE & CO	2,809,991	5.3%	1.5%
MICROSOFT CORP	913,746	1.7%	0.5%
MORGAN STANLEY	1,016,680	1.9%	0.5%
PEPSICO INC	949,193	1.8%	0.5%
PFIZER INC	979,479	1.8%	0.5%
THE BANK OF NEW YORK MELLON CORPORATION	4,804,003	9.1%	2.5%
THE WALT DISNEY CORPORATION	2,108,977	4.0%	1.1%
TORONTO-DOMINION BANK	2,174,443	4.1%	1.1%
TOTAL SA	1,234,370	2.3%	0.6%
TOYOTA MOTOR CORP	1,875,684	3.5%	1.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
UNILEVER PLC	274,750	0.5%	0.1%
WELLS FARGO & COMPANY	1,998,616	3.8%	1.0%
<b>Sector Total</b>	<b>52,983,442</b>	<b>100.0%</b>	<b>27.4%</b>
<b>Federal Agency/CMO</b>			
FREDDIE MAC	2,909,456	100.0%	1.5%
<b>Sector Total</b>	<b>2,909,456</b>	<b>100.0%</b>	<b>1.5%</b>
<b>Federal Agency/GSE</b>			
FANNIE MAE	37,054,415	58.5%	19.2%
FEDERAL HOME LOAN BANKS	20,013,720	31.6%	10.4%
FREDDIE MAC	6,248,878	9.9%	3.2%
<b>Sector Total</b>	<b>63,317,013</b>	<b>100.0%</b>	<b>32.8%</b>
<b>Mortgage-Backed</b>			
FANNIE MAE	1,183,393	100.0%	0.6%
<b>Sector Total</b>	<b>1,183,393</b>	<b>100.0%</b>	<b>0.6%</b>
<b>Municipal</b>			
REGIONAL TRANS AUTH, IL	2,267,276	64.8%	1.2%
STATE OF CONNECTICUT	1,233,421	35.2%	0.6%
<b>Sector Total</b>	<b>3,500,697</b>	<b>100.0%</b>	<b>1.8%</b>
<b>Supra-Sov / Supra-Natl Agency</b>			

## BREVARD COUNTY LONG TERM

## Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
AFRICAN DEVELOPMENT BANK	4,910,079	46.8%	2.5%
ASIAN DEVELOPMENT BANK	847,958	8.1%	0.4%
INTER-AMERICAN DEVELOPMENT BANK	1,894,574	18.1%	1.0%
INTL BANK OF RECONSTRUCTION AND DEV	2,830,052	27.0%	1.5%
<b>Sector Total</b>	<b>10,482,663</b>	<b>100.0%</b>	<b>5.4%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	33,087,897	100.0%	17.1%
<b>Sector Total</b>	<b>33,087,897</b>	<b>100.0%</b>	<b>17.1%</b>
<b>Portfolio Total</b>	<b>193,012,978</b>	<b>100.0%</b>	<b>100.0%</b>

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# Tab III

**Short Term and Bond Portfolio Yields**

<b>Yields<sup>1,2</sup> Security Type</b>	<b>Yield at Cost as of September 30, 2017</b>	<b>Percent of Portfolio September 30, 2017</b>	<b>Yield at Cost as of September 30, 2016</b>	<b>Percent of Portfolio June 30, 2017</b>
Florida PRIME (SBA)	1.36%	31.59%	0.78%	13.96%
SunTrust Bank Account <sup>4</sup>	0.45%	6.07%	0.07%	20.37%
Florida Community Bank CD	1.28%	5.14%	0.95%	5.44%
Florida Community Bank Demand Deposit Account	0.00%	0.00%	0.50%	2.73%
Florida Community Bank Public Funds Money Market <sup>4</sup>	0.90%	2.83%	0.50%	11.00%
Bank United Money Market Fund	1.00%	2.69%	0.50%	5.45%
Florida FIT	1.27%	10.34%	1.24%	0.00%
Florida Education Investment Trust Fund	1.22%	25.90%	1.06%	0.00%
Bank United CD	1.15%	15.45%	0.90%	16.36%
Federal Home Loan Bank	N/A	N/A	0.75%	13.55%
PFM Fund - Govt Select, Instl Money Market Fund	N/A	N/A	0.27%	11.15%
<b>Total Average Yield<sup>2</sup></b>	<b>1.20%</b>	<b>100.00%</b>	<b>0.55%</b>	<b>100.00%</b>

<b>Benchmarks</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>
S&P Rated GIP Index Government 30 Day Yield <sup>3</sup>	1.08%	0.44%

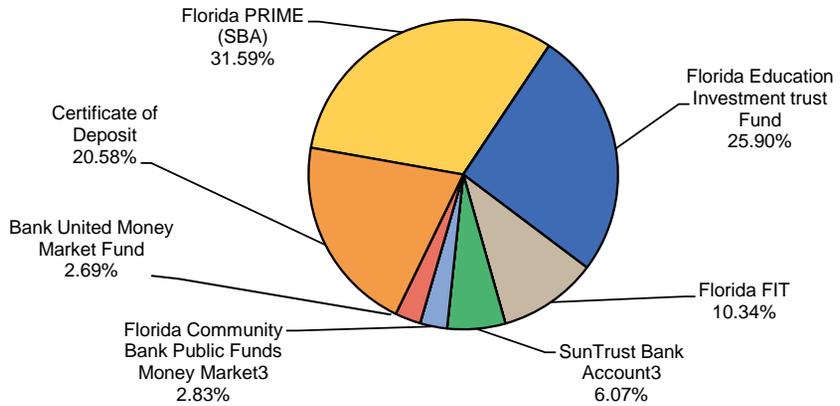
Notes:

1. Yields are presented as "Yield on Cost" pursuant to the County's Investment Policy Performance Section for short-term securities and compared to the benchmark which is the Standard & Poor's GIP 30 Day Index.
2. Yield on cost is a dollar weighted yield.
3. Monthly yield, gross of fees. Source Standard & Poor's Financial Institutions Ratings.
4. Bank Deposits in excess of \$250,000 are collateralized under Florida State Statute 280 with U.S. Government and U.S. Government Agency securities, including Mortgage Backed Securities.

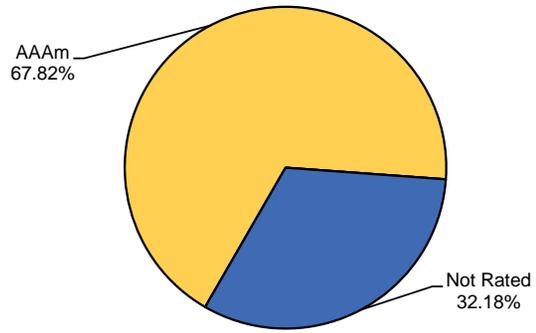
**Short Term and Bond Portfolio Composition (Market Value)**

<u>Security Type<sup>1</sup></u>	<u>Balance as of September 30, 2017</u>	<u>Percent of Portfolio</u>	<u>Balance as of September 30, 2016</u>	<u>Percent of Portfolio</u>
Florida PRIME (SBA)	\$61,503,739	31.59%	\$25,629,986	13.90%
Federal Farm Credit Bureau	0	0.00%	10,003,900	5.42%
Federal Home Loan Bank	0	0.00%	25,005,350	13.56%
Florida Education Investment trust Fund	50,424,325	25.90%	0	0.00%
Florida FIT	20,130,473	10.34%	0	0.00%
SunTrust Bank Account <sup>3</sup>	11,828,545	6.07%	32,897,805	17.84%
SunTrust Public Now Account <sup>3</sup>	0	0.00%	10,000,000	5.42%
Florida Community Bank Public Funds Money Market <sup>3</sup>	5,506,219	2.83%	20,216,439	10.96%
Florida Community Bank Demand Deposit <sup>3</sup>	0	0.00%	5,013,440	2.72%
PFM Fund - Govt Select, Instl Money Market Fund	0	0.00%	20,507,694	11.12%
Bank United Money Market Fund	5,236,851	2.69%	10,012,638	5.43%
Certificate of Deposit	40,079,976	20.58%	25,132,040	13.63%
<b>Totals</b>	<b>\$194,710,129</b>	<b>100.00%</b>	<b>\$184,419,292</b>	<b>100.00%</b>

Portfolio Composition  
as of September 30, 2017<sup>1</sup>



Credit Quality Distribution  
as of September 30, 2017<sup>2</sup>



Notes:

1. Investment balances are market values as of September 30, 2017.
2. Credit rating of securities held in portfolio. Standard & Poor's is the source of the credit ratings.
3. Bank Deposits in excess of \$250,000 are collateralized under Florida State Statute 280 with U.S. Government and U.S. Government Agency securities, including Mortgage Backed Securities.

Short Term and Bond Portfolio Holdings and Yields<sup>1</sup> as of September 30, 2017

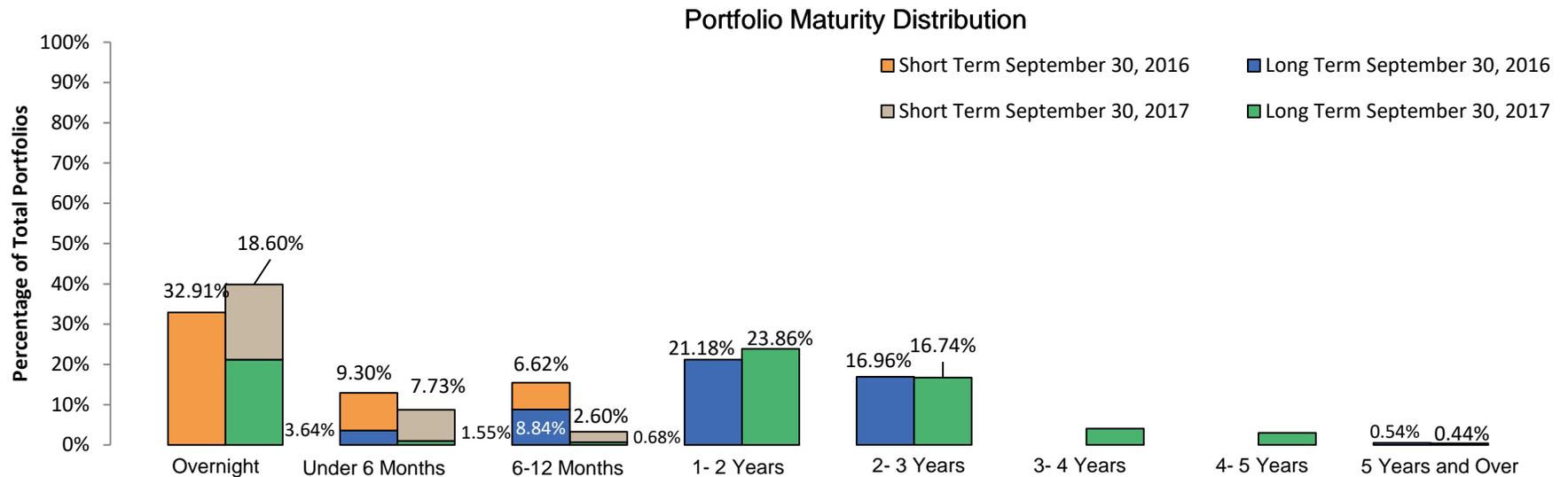
Security Description	CUSIP	Purchase Date	Maturity Date	Par Value	Book Amount	Market Value	Yield on Cost <sup>2</sup>
Florida Prime (SBA)				\$ 61,503,739	\$61,503,739	\$ 61,503,739	1.36%
PFM FEITF				50,424,325	50,424,325	50,424,325	1.22%
Florida FIT				20,130,473	20,130,473	20,130,473	1.27%
SunTrust Bank Account				11,828,545	11,828,545	11,828,545	0.45%
Bank United CD	1815043014	11/19/2016	11/19/2017	20,000,000	20,000,000	20,000,000	1.10%
Bank United CD	1815057503	1/28/2016	1/28/2018	10,079,976	10,079,976	10,079,976	1.20%
Bank United Money Market Fund				5,236,851	5,236,851	5,236,851	1.00%
Florida Community Bank CD	3138382300	3/7/2017	3/7/2019	10,000,000	10,000,000	10,000,000	1.28%
Florida Community Bank Public Funds Money Market				5,506,219	5,506,219	5,506,219	0.90%
<b>Grand Total</b>				<b>\$194,710,129</b>	<b>\$194,710,129</b>	<b>\$194,710,129</b>	<b>1.20%</b>

## Notes:

1. Yields are presented as "Yield on Cost" pursuant to the County's Investment Policy Performance Section for short-term securities and compared to the benchmark which is the Standard & Poor's GIP 30 Day Index.
2. Yield on Cost is a dollar weighted yield.
3. Bank Deposits in excess of \$250,000 are collateralized under Florida State Statute 280 with U.S. Government and U.S. Government Agency securities, including Mortgage Backed Securities.

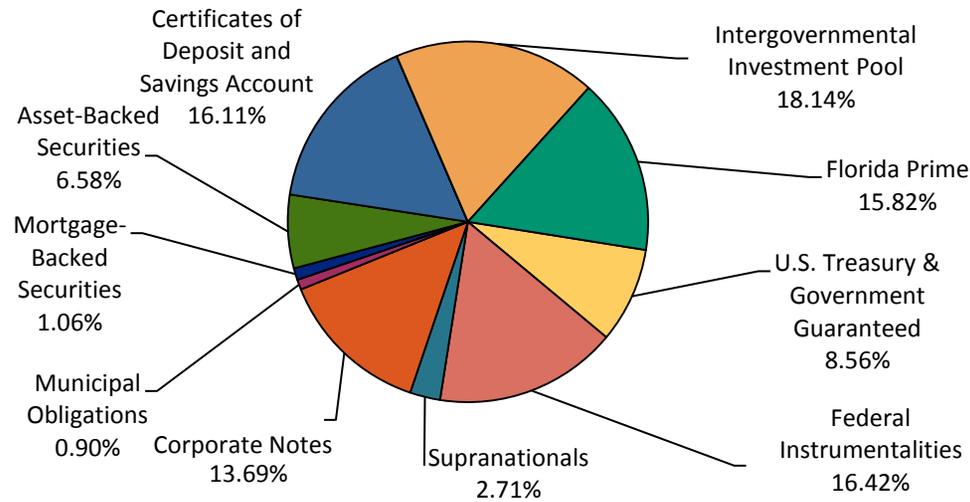
Long Term and Short Term Fund Portfolios Maturity Distribution

<u>Maturity Distribution</u> <sup>1</sup>	<u>September 30, 2017</u>	<u>September 30, 2016</u>
Overnight (Money Market Fund)	\$154,630,153	\$119,367,730
Under 6 Months	34,080,888	60,887,394
6 - 12 Months	12,708,160	25,844,108
1 - 2 Years	92,640,713	78,211,259
2 - 3 Years	64,988,578	90,515,035
3 - 4 Years	15,959,445	0
4 - 5 Years	11,627,788	0
5 Years and Over	1,696,226	1,615,884
<b>Totals</b>	<b>\$388,331,949</b>	<b>\$376,441,409</b>



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.



Security Type <sup>1</sup>	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
U.S. Treasury & Government Guaranteed	33,276,878.03	8.56%		100%	YES
Federal Instrumentalities	63,866,066.02	16.42%		75%	YES
Supranationals	10,540,449.42	2.71%		15%	YES
Corporate Notes	53,225,812.50	13.69%	2	50%	YES
Municipal Obligations	3,517,800.25	0.90%		25%	YES
Mortgage-Backed Securities	4,110,226.98	1.06%		25%	YES
Asset-Backed Securities	25,597,634.68	6.58%		25%	YES
Certificates of Deposit and Savings Account	62,651,590.78	16.11%	3	50%	YES
Commercial Paper	-	0.00%	2	50%	YES
Bankers' Acceptances	-	0.00%	2	10%	YES
Repurchase Agreements	-	0.00%		40%	YES
Money Market Funds	-	0.00%	3	50%	YES
Intergovernmental Investment Pool	70,554,798.93	18.14%		50%	YES
Florida Prime	61,503,738.84	15.82%	3	25%	YES
<b>Total</b>	<b>388,844,996.43</b>	<b>100.00%</b>			

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.

2. The combined total of corporate and bank credit instruments can not be more than 50%. The combined total as of September 30, 2017 is 13.69%.

3. Managed by the County.

<b>Individual Issuer Breakdown</b>	<b>Amortized Cost (Includes Interest)</b>	<b>Allocation Percentage</b>	<b>Notes</b>	<b>Permitted by Policy</b>	<b>In Compliance</b>
Government National Mortgage Association (GNMA)	-	0.00%		40%	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		40%	YES
Federal Home Loan Bank (FHLB)	20,234,367.49	5.20%		40%	YES
Federal National Mortgage Association (FNMA)	38,502,391.13	9.90%		40%	YES
Federal Home Loan Mortgage Corporation (FHLMC)	9,239,534.38	2.38%		40%	YES
Regional Transportation Authority Municipal Bonds	2,281,632.55	0.59%		5%	YES
State of Connecticut Municipal Bonds	1,236,167.70	0.32%		5%	YES
American Express Company Corporate Notes	1,779,905.69	0.46%		5%	YES
American Honda Corporate Notes	1,192,294.07	0.31%		5%	YES
Apple inc Corporate Notes	2,208,661.20	0.57%		5%	YES
Bank of America Corporate Notes	1,201,008.80	0.31%		5%	YES
Bank of New York Company Inc. Corporate Notes	4,827,424.05	1.24%		5%	YES
Bank of Nova Scotia Corporate Notes	1,908,489.83	0.49%		5%	YES
Bank of Montreal Corporate Notes	1,936,628.62	0.50%		5%	YES
BB&T Corporate Notes	761,042.14	0.20%		5%	YES
Berkshire Hathaway, Inc. Corporate Notes	2,218,475.27	0.57%		5%	YES
BP Capital Markets Corporate Notes	1,918,782.60	0.49%		5%	YES
Canadian Imperial Corporate Notes	999,190.00	0.26%		5%	YES
Caterpillar Corporate Notes	1,425,586.44	0.37%		5%	YES
Chevron Corporate Notes	1,908,224.77	0.49%		5%	YES
Deere & Company Corporate Notes	1,827,142.22	0.47%		5%	YES
Exxon Mobil Corporate Notes	1,006,153.25	0.26%		5%	YES
General Electric Capital Corporation Corporate Notes	3,139,169.82	0.81%		5%	YES
Goldman Sachs Corporate Notes	717,516.88	0.18%		5%	YES
Home Depot Corporate Notes	929,884.82	0.24%		5%	YES
HSBC Holdings plc Corporate Notes	2,003,482.24	0.52%		5%	YES
IBM Corporate Notes	1,640,495.62	0.42%		5%	YES
Intel Corporate Notes	1,258,578.21	0.32%		5%	YES
JP Morgan Chase & Company Corporate Notes	2,813,177.04	0.72%		5%	YES
Microsoft Corporate Notes	912,092.19	0.23%		5%	YES
Morgan Stanley Corporate Notes	1,025,887.47	0.26%		5%	YES
PepsiCo Corporate Notes	955,527.71	0.25%		5%	YES
Pfizer, Inc. Corporate Notes	984,391.36	0.25%		5%	YES
The Walt Disney Company Corporate Notes	2,118,693.87	0.54%		5%	YES
Toronto Dominion Corporate Notes	2,180,378.24	0.56%		5%	YES
Total Capital SA Corporate Notes	1,239,711.11	0.32%		5%	YES

PFM Asset Management LLC

## BREVARD COUNTY, FLORIDA

## Asset Allocation

Toyota Motor Corporation Corporate Notes	1,891,245.23	0.49%		5%	YES
Unilever Corporate Notes	276,246.04	0.07%		5%	YES
Wells Fargo & Company Corporate Notes	2,020,325.70	0.52%		5%	YES
Ally Auto Receivables Trust ABS	2,946,985.25	0.76%		5%	YES
American Express ABS	2,526,522.91	0.65%		5%	YES
Bank of America ABS	1,370,831.99	0.35%		5%	YES
Carmax Auto Receivables Trust ABS	1,601,355.59	0.41%		5%	YES
CitiBank Credit Card Issuance Trust ABS	2,897,893.69	0.75%		5%	YES
CNH ABS	2,376,686.90	0.61%		5%	YES
John Deere ABS	950,666.72	0.24%		5%	YES
Ford Auto Receivables Trust ABS	1,275,942.70	0.33%		5%	YES
Honda Auto Receivables Trust ABS	2,525,895.94	0.65%		5%	YES
Hyundai Auto Receivables Trust ABS	2,071,347.65	0.53%		5%	YES
Nissan Auto Receivables Trust ABS	1,951,351.68	0.50%		5%	YES
Toyota Auto Receivables Trust ABS	3,102,153.66	0.80%		5%	YES
African Development Bank Note	4,928,172.11	1.27%		5%	YES
Asian Development Bank	853,949.71	0.22%		5%	YES
Inter American Development Bank	1,910,670.52	0.49%		5%	YES
International Bank of Recon and Development	2,847,657.08	0.73%		5%	YES
Bank United Money Market Account	5,236,850.57	1.35%	1	50%	YES
Florida Community Bank Public Funds Money Market	5,506,219.22	1.42%	1	50%	YES
SunTrust Bank Account	11,828,544.95	3.04%	1	50%	YES
Bank United Certificate of Deposit	30,079,976.04	7.74%	1	50%	YES
Florida Community Bank Certificate of Deposit	10,000,000.00	2.57%	1	50%	YES
Florida Education Investment Trust Fund	50,424,325.46	12.97%	1	25%	YES
Florida Prime (SBA)	61,503,738.84	15.82%	1	25%	YES
Florida FIT	20,130,473.47	5.18%	1	25%	YES

## Notes:

1. Managed by the County.

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**IMPORTANT DISCLOSURES**

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

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**GLOSSARY**

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.