

Brevard County, Florida



Annual Investment Performance Review Fiscal Year Ended September 30, 2016

Investment Advisors

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- Annual Review

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- Executive Summary
- Long Term Fund Portfolio

Tab III

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

Tab I

Brevard County, Florida

Balances and Interest Earnings

Total Portfolio Balances and Interest Earnings

Balances	Book Value	Book Value	Percent Change
Fund Name	as of September 30, 2016	as of September 30, 2015	From FY 2016 - 2015
General Fund	\$27,109,014	\$25,155,094	7.77%
Special Revenue	157,357,018	147,184,211	6.91%
Debt Service	5,246,603	4,807,084	9.14%
Capital Projects	10,411,651	17,391,406	-40.13%
Enterprise	116,291,227	129,107,243	-9.93%
Internal Service	56,892,913	47,366,057	20.11%
Total	\$373,308,426	\$371,011,095	0.62%

Interest Earnings	Interest Earned	Interest Earned	Percent Change
Fund Name	Fiscal Year 2016	Fiscal Year 2015	From FY 2016 - 2015
General Fund	\$330,334	\$251,329	31.43%
Special Revenue	1,353,632	805,230	68.11%
Debt Service	80,038	64,384	24.31%
Capital Projects	95,329	99,037	-3.74%
Enterprise	1,026,405	688,686	49.04%
Internal Service	372,256	172,044	116.37%
Total	\$3,257,994	\$2,080,710	56.58%

County Total Portfolio	Book Value	Market Value
	as of September 30, 2016	as of September 30, 2016
Short Term and Bond Portfolio	\$184,614,029	\$184,647,896
Long Term Portfolio	191,272,112	191,793,513
Total	\$375,886,141	\$376,441,409

Brevard County, Florida

Short Term and Long Term Portfolios Annual Review Fact Sheet

Ending Balance as of September 30, 2016

Short Term Portfolio Market Value ¹	\$184,647,896
Long Term Portfolio Market Value	<u>191,793,513</u>
Total All Assets	<u><u>\$376,441,409</u></u>

Long Term Portfolio Performance

	<u>Last 12 Months</u>
Total Return	
Long Term Portfolio	1.20%
Merrill Lynch 1-3 Year U.S. Treasury Index	<u>0.88%</u>
Performance over the Benchmark	<u><u>0.32%</u></u>

Interest Earnings

	<u>Last 12 Months</u>
Total Portfolio Interest Earnings for Fiscal Year 2016	\$3,257,994

Effective Duration³

	<u>Fiscal Year End</u>
Long Term Portfolio	1.81 Years
Merrill Lynch 1-3 Year U.S. Treasury Index	1.83 Years

Additional Annual Returns in Dollars²

	<u>Last 12 Months</u>
Total Return	
Long Term Portfolio	\$2,301,522
Merrill Lynch 1-3 Year U.S. Treasury Index	<u>1,687,783</u>
Additional Returns over Benchmark	<u><u>\$613,739</u></u>

Short Term Portfolio Performance

	<u>Last 12 Months</u>
Yield at Cost	
Short Term Portfolio	0.55%
S&P Rated GIP Index Government 30 Day Gross Yield	<u>0.44%</u>
Performance over the Benchmark	<u><u>0.11%</u></u>

Weighted Average Maturity

	<u>As of September 30, 2016</u>
Short Term Portfolio	53 Days
S&P Rated GIP Index Government	41 Days

Summary

1. As of September 30, 2016, 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:

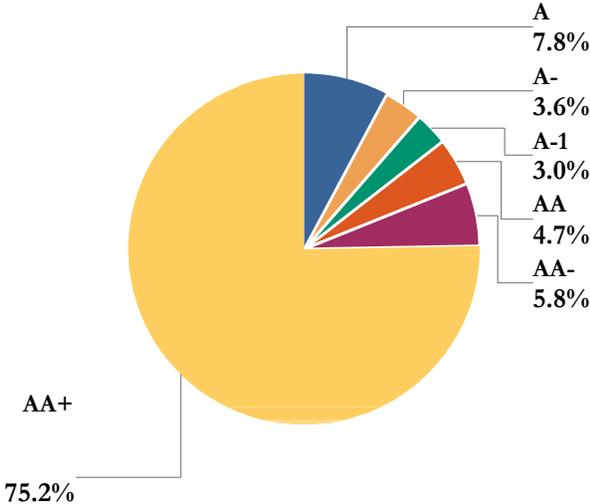
1. The Short Term Portfolio is managed by the County.
2. Based on the fiscal year end balance.

Tab II

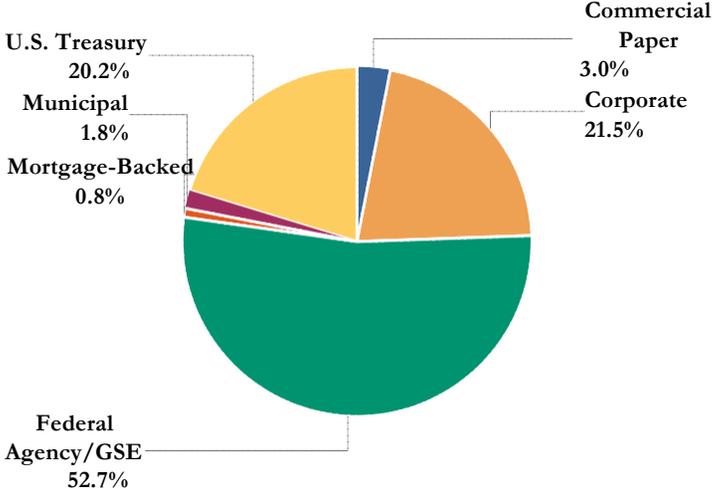
- The Long Term Fund Portfolio is of high credit quality and invested in U.S. Treasury, Federal Agency, Agency Mortgage Backed Securities, municipal obligations, corporate notes and commercial paper securities.
- The Long Term Fund Portfolio's 1 Year total return performance of 1.20% outperformed the benchmark performance of 0.88% by 0.32%
- PFM continued to actively manage the Portfolio during the fiscal year and found value in the market, taking advantage of market inefficiencies or changes in economic outlook. As a result, the Portfolio realized \$289,569 in gains on sales (based on amortized cost) during the fiscal year. PFM is continually in the market monitoring for opportunities to add value to the Portfolio.
- Yields drifted modestly higher during the third quarter as early-quarter Brexit fears faded and U.S. economic data rebounded, bringing the Fed closer to an eventual rate hike, perhaps in December.
- We sought to generally maintain portfolio durations and maturity distributions comparable to those of benchmarks to reduce potential performance mismatches given the uncertain rate environment.
- PFM will continue to navigate the market environment with a keen focus on relative value sector analysis, prudent duration management, and efficient yield curve placement. While producing strong investment returns remains a priority, it is secondary to maintaining safety and liquidity, particularly in the current environment where we expect yields to trend higher.

Portfolio Statistics	
As of September 30, 2016	
Par Value:	190,568,783
Total Market Value:	191,793,513
Security Market Value:	191,285,924
Accrued	507,589
Interest: Cash:	-
PFM	-
Amortized Cost:	190,764,523
Yield at Market:	0.93%
Effective Duration:	1.81 Years
Average Maturity:	1.87 Years
Average Credit: **	AA

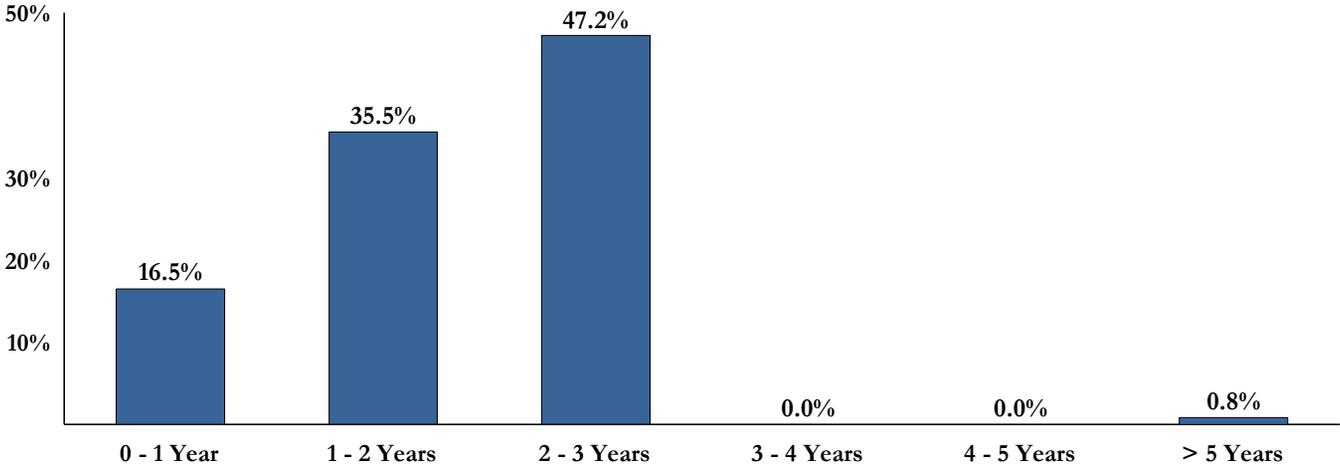
Credit Quality (S&P Ratings)



Sector Allocation



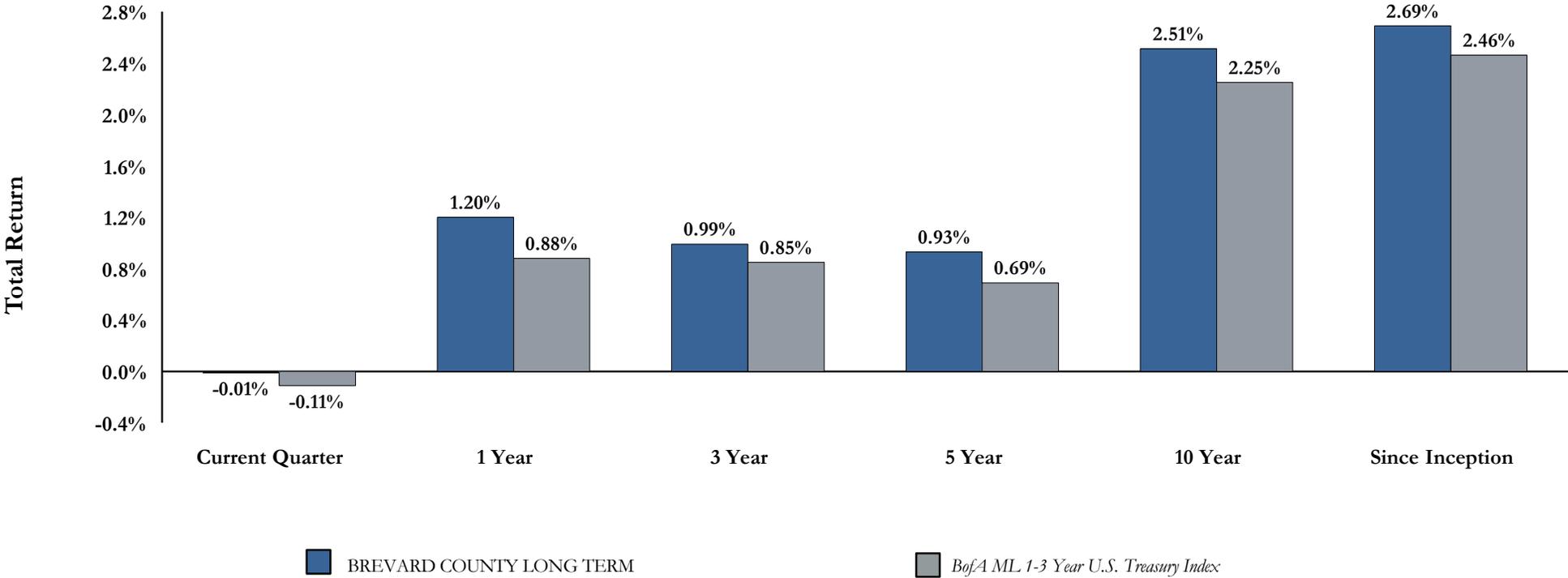
Maturity Distribution



** 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)

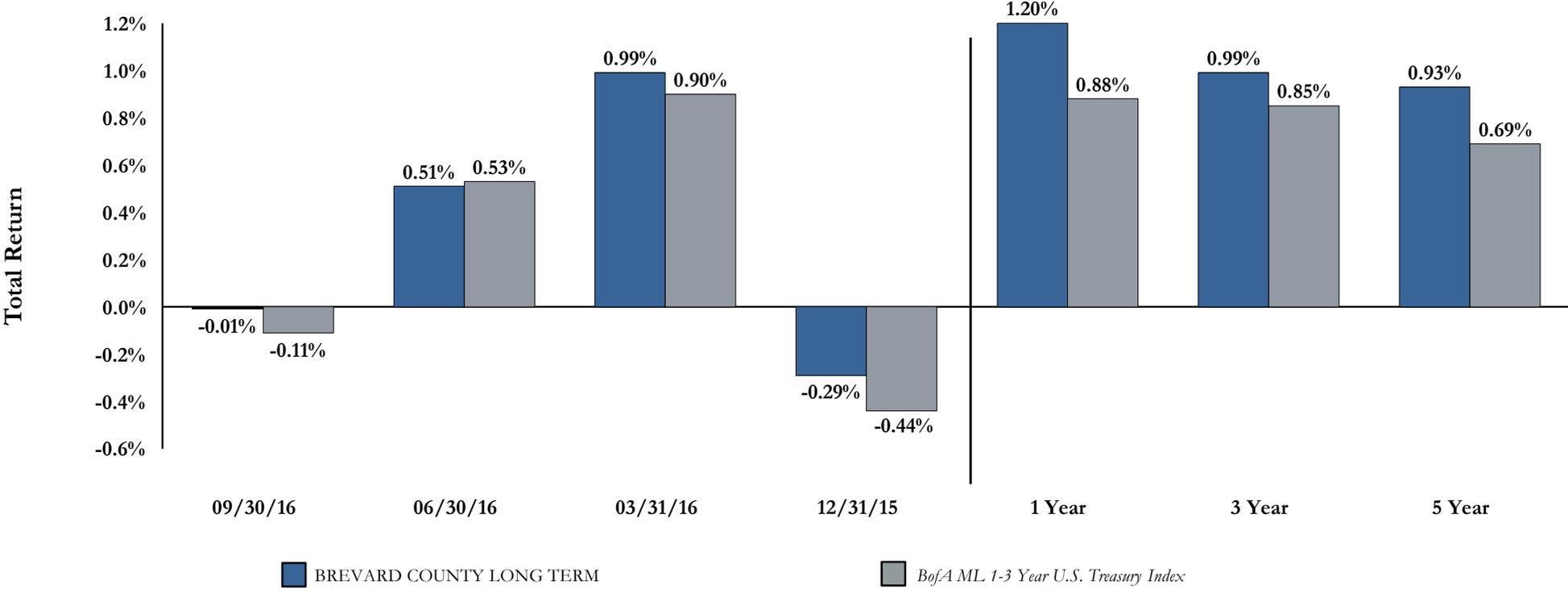
Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (03/31/02) **
			1 Year	3 Year	5 Year	10 Year	
BREVARD COUNTY LONG TERM	1.81	-0.01%	1.20%	0.99%	0.93%	2.51%	2.69%
BofA ML 1-3 Year U.S. Treasury Index	1.83	-0.11%	0.88%	0.85%	0.69%	2.25%	2.46%
Difference		0.10%	0.32%	0.14%	0.24%	0.26%	0.23%



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)

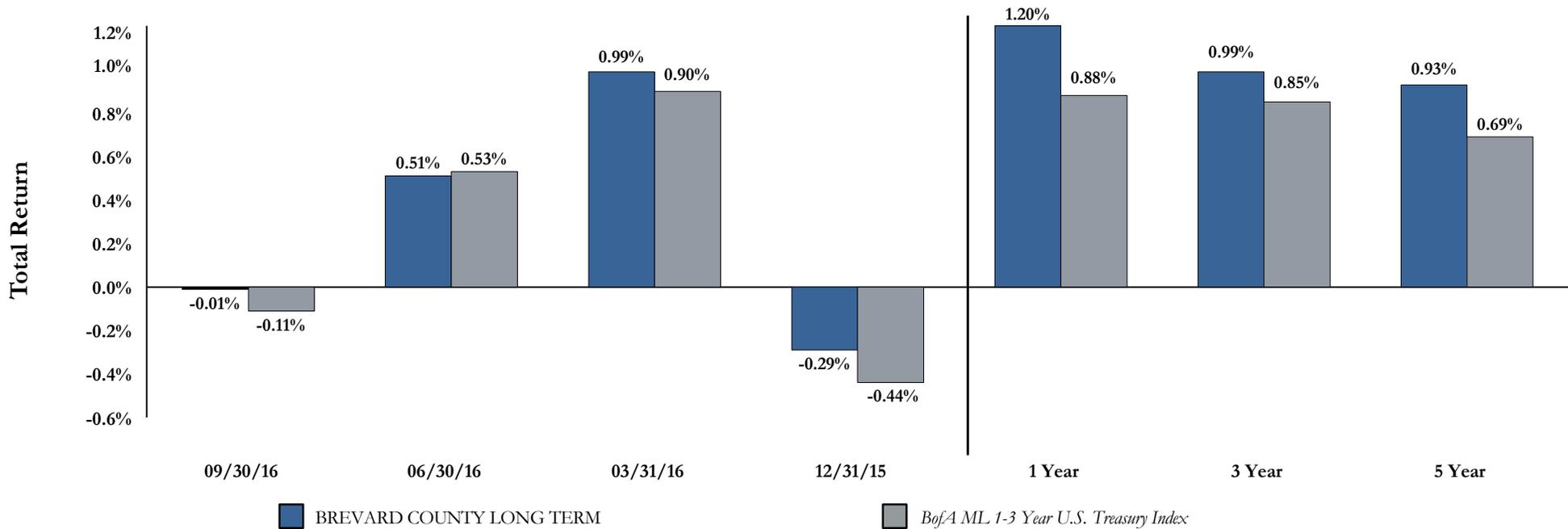
Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		09/30/16	06/30/16	03/31/16	12/31/15		3 Year	5 Year
BREVARD COUNTY LONG TERM	1.81	-0.01%	0.51%	0.99%	-0.29%	1.20%	0.99%	0.93%
BofA ML 1-3 Year U.S. Treasury Index	1.83	-0.11%	0.53%	0.90%	-0.44%	0.88%	0.85%	0.69%
Difference		0.10%	-0.02%	0.09%	0.15%	0.32%	0.14%	0.24%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		09/30/16	06/30/16	03/31/16	12/31/15		3 Year	5 Year
BREVARD COUNTY LONG TERM	1.81	-0.01%	0.51%	0.99%	-0.29%	1.20%	0.99%	0.93%
Net of Fees **	-	-0.02%	0.50%	0.98%	-0.30%	1.14%	0.93%	0.87%
BofA ML 1-3 Year U.S. Treasury Index	1.83	-0.11%	0.53%	0.90%	-0.44%	0.88%	0.85%	0.69%
Difference (Gross)		0.10%	-0.02%	0.09%	0.15%	0.32%	0.14%	0.24%
Difference (Net)		0.09%	-0.03%	0.08%	0.14%	0.26%	0.08%	0.18%



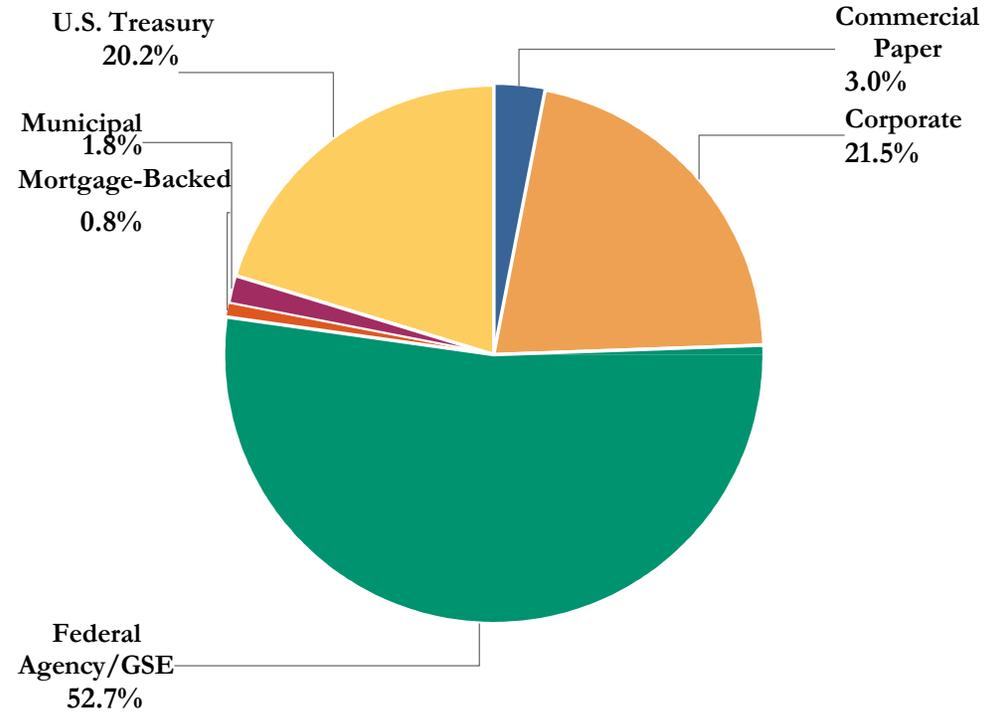
Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

Portfolio Earnings
Quarter-Ended September 30, 2016

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (06/30/2016)	\$192,534,868.57	\$191,282,049.97
Net Purchases/Sales	(\$678,212.57)	(\$678,212.57)
Change in Value	(\$570,731.79)	\$160,686.03
Ending Value (09/30/2016)	\$191,285,924.21	\$190,764,523.43
Interest Earned	\$553,902.26	\$553,902.26
Portfolio Earnings	(\$16,829.53)	\$714,588.29

Sector Allocation
As of September 30, 2016

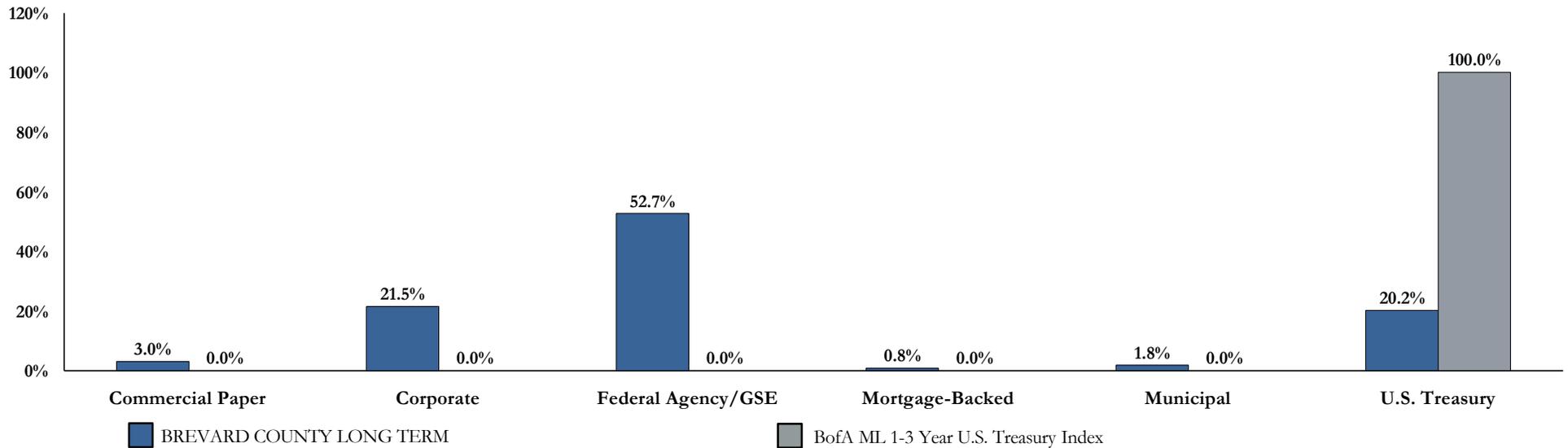
Sector	Market Value (\$)	% of Portfolio
Federal Agency/GSE	100,786,873	52.7%
Corporate	41,130,342	21.5%
U.S. Treasury	38,559,521	20.2%
Commercial Paper	5,687,204	3.0%
Municipal	3,509,936	1.8%
Mortgage-Backed	1,612,049	0.8%
Total	191,285,924	100.0%



Detail may not add to total due to rounding.

Sector Allocation
As of September 30, 2016

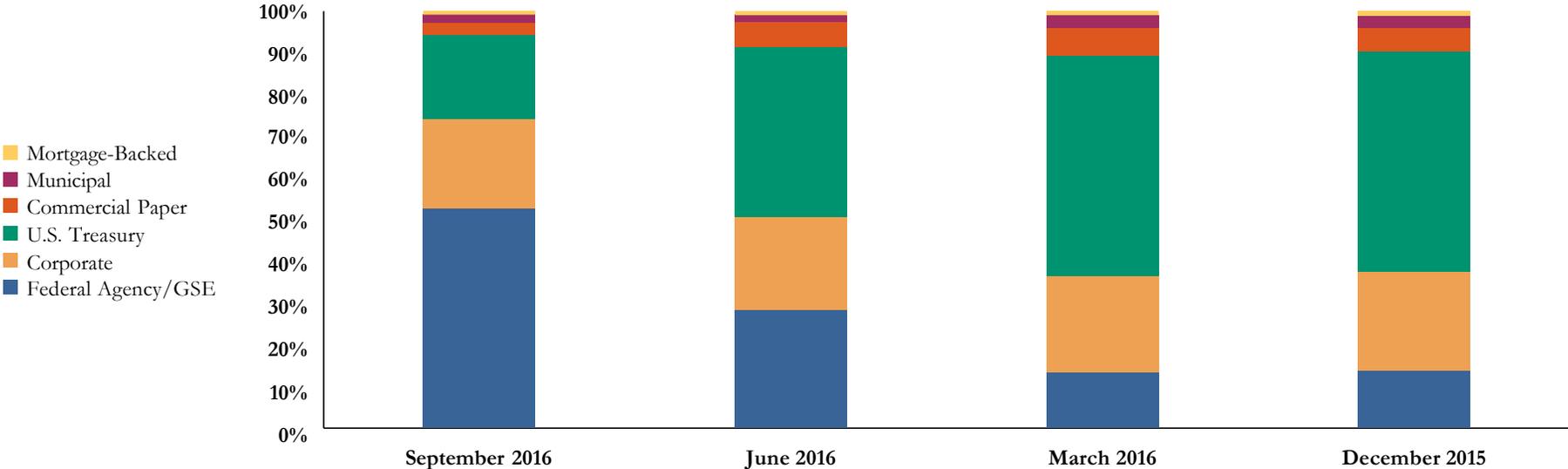
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Federal Agency/GSE	100,786,873	52.7%	-
Corporate	41,130,342	21.5%	-
U.S. Treasury	38,559,521	20.2%	100.0%
Commercial Paper	5,687,204	3.0%	-
Municipal	3,509,936	1.8%	-
Mortgage-Backed	1,612,049	0.8%	-
Total	191,285,924	100.0%	100.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	100.8	52.7%	54.8	28.5%	25.8	13.4%	26.4	13.8%
Corporate	41.1	21.5%	42.5	22.1%	44.5	23.1%	45.5	23.7%
U.S. Treasury	38.6	20.2%	78.7	40.8%	101.7	52.9%	101.1	52.9%
Commercial Paper	5.7	3.0%	11.5	6.0%	12.7	6.6%	10.8	5.6%
Municipal	3.5	1.8%	3.3	1.7%	5.8	3.0%	5.8	3.0%
Mortgage-Backed	1.6	0.8%	1.8	0.9%	1.9	1.0%	1.9	1.0%
Total	\$191.3	100.0%	\$192.5	100.0%	\$192.4	100.0%	\$191.5	100.0%

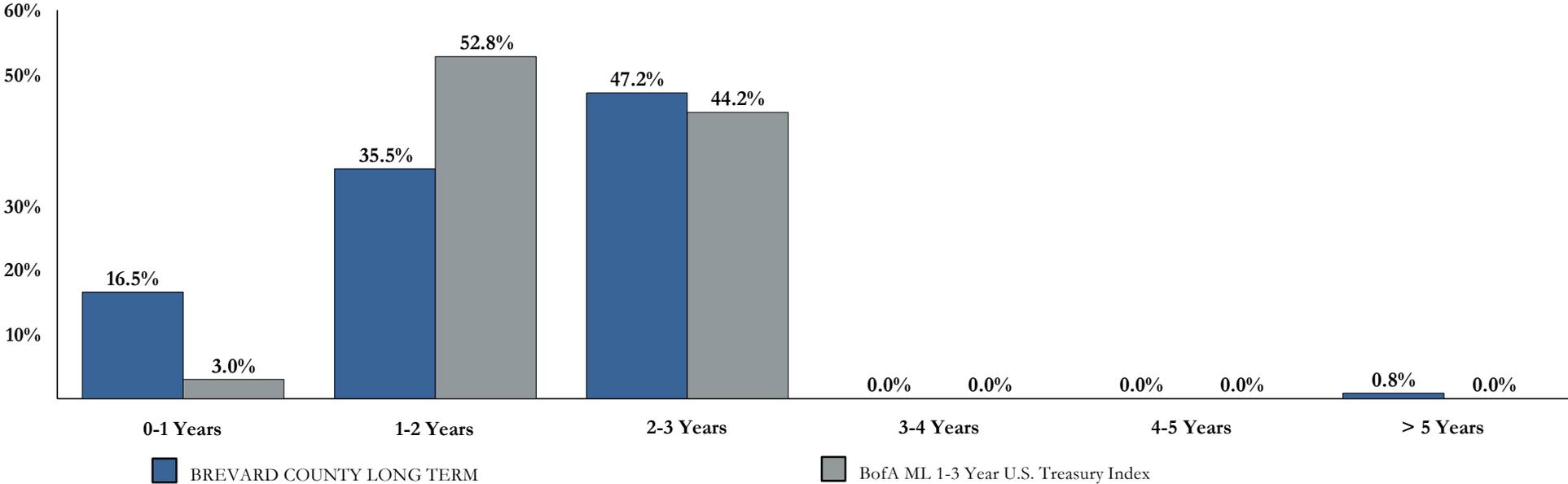


Detail may not add to total due to rounding.

Maturity Distribution

As of September 30, 2016

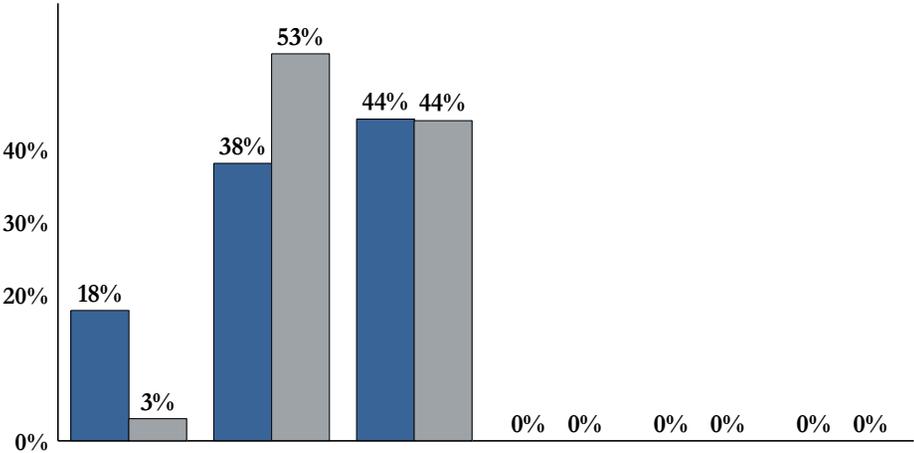
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
BREVARD COUNTY LONG TERM	0.93%	1.87 yrs	16.5%	35.5%	47.2%	0.0%	0.0%	0.8%
BofA ML 1-3 Year U.S. Treasury Index	0.78%	1.95 yrs	3.0%	52.8%	44.2%	0.0%	0.0%	0.0%



Duration Distribution As of September 30, 2016

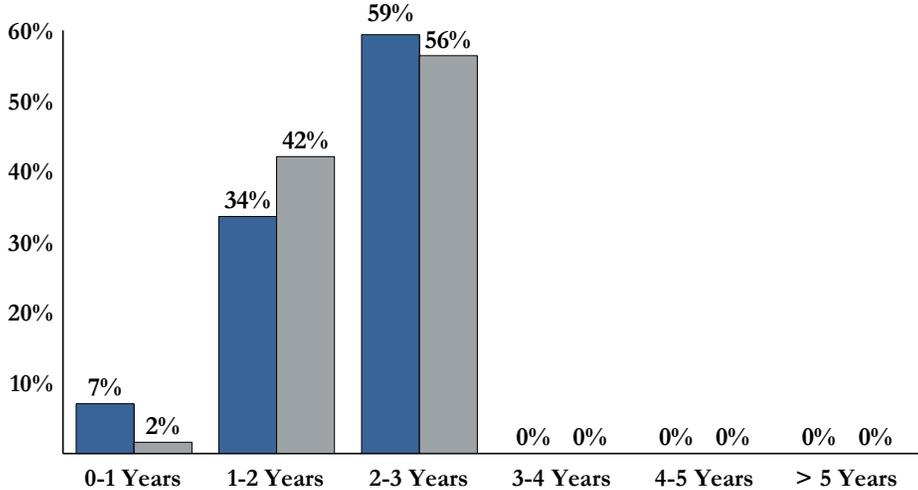
Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
BREVARD COUNTY LONG TERM	1.81	17.86%	38.01%	44.13%	0.00%	0.00%	0.00%
BofA ML 1-3 Year U.S. Treasury Index	1.83	3.02%	53.07%	43.91%	0.00%	0.00%	0.00%

Distribution by Effective Duration



■ BREVARD COUNTY LONG TERM
■ BofA ML 1-3 Year U.S. Treasury Index

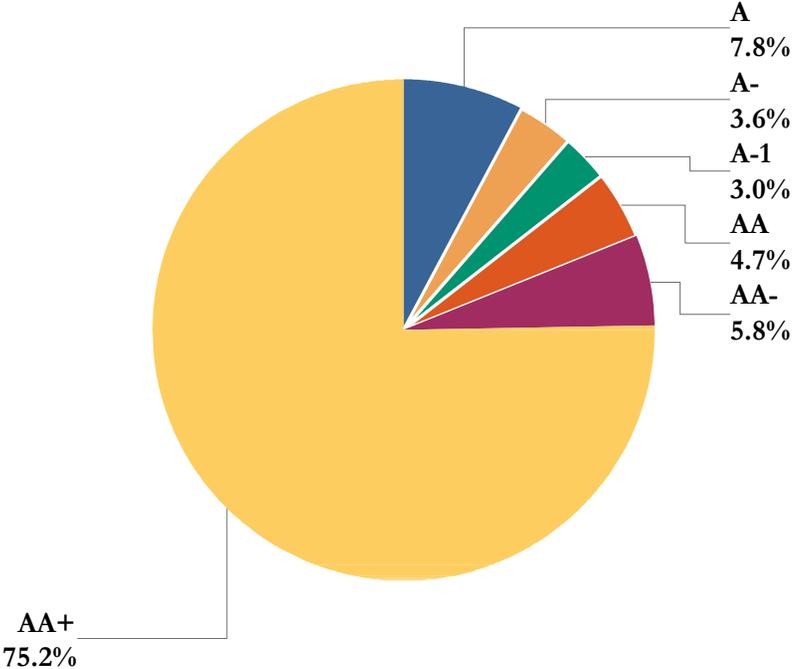
Contribution to Portfolio Duration



■ BREVARD COUNTY LONG TERM
■ BofA ML 1-3 Year U.S. Treasury Index

Credit Quality
As of September 30, 2016

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$143,765,731	75.2%
A	\$14,833,463	7.8%
AA-	\$11,122,730	5.8%
AA	\$8,970,303	4.7%
A-	\$6,906,494	3.6%
A-1	\$5,687,204	3.0%
Totals	\$191,285,924	100.0%



Detail may not add to total due to rounding.

Issuer Distribution
As of September 30, 2016

Issuer	Market Value (\$)	% of Portfolio
FEDERAL HOME LOAN BANKS	47,193,434	24.7%
FANNIE MAE	39,387,301	20.6%
UNITED STATES TREASURY	38,559,521	20.2%
FREDDIE MAC	15,818,188	8.3%
JP MORGAN CHASE & CO	6,504,257	3.4%
BERKSHIRE HATHAWAY INC	5,225,782	2.7%
HSBC HOLDINGS PLC	4,863,044	2.5%
BANK OF NEW YORK CO INC	4,828,618	2.5%
GENERAL ELECTRIC CO	4,356,697	2.3%
AMERICAN EXPRESS CO	4,097,971	2.1%
DEERE & COMPANY	3,028,790	1.6%
APPLE INC	2,807,288	1.5%
TOYOTA MOTOR CORP	2,702,403	1.4%
REGIONAL TRANS AUTH, IL	2,268,434	1.2%
CATERPILLAR INC	2,113,011	1.1%
WELLS FARGO & COMPANY	2,008,998	1.1%
BANK OF MONTREAL	1,991,470	1.0%
PFIZER INC	1,476,087	0.8%

Top 5 = 77.1%

Top 10 = 89.3%

BREVARD COUNTY LONG TERM

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
STATE OF CONNECTICUT	1,241,502	0.7%
CISCO SYSTEMS INC	813,130	0.4%
Grand Total:	191,285,924	100.0%

Sector/Issuer Distribution

As of September 30, 2016

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
BANK OF MONTREAL	1,991,470	35.0%	1.0%
JP MORGAN CHASE & CO	3,695,734	65.0%	1.9%
Sector Total	5,687,204	100.0%	3.0%
Corporate			
AMERICAN EXPRESS CO	4,097,971	10.0%	2.1%
APPLE INC	2,807,288	6.8%	1.5%
BANK OF NEW YORK CO INC	4,828,618	11.7%	2.5%
BERKSHIRE HATHAWAY INC	5,225,782	12.7%	2.7%
CATERPILLAR INC	2,113,011	5.1%	1.1%
CISCO SYSTEMS INC	813,130	2.0%	0.4%
DEERE & COMPANY	3,028,790	7.4%	1.6%
GENERAL ELECTRIC CO	4,356,697	10.6%	2.3%
HSBC HOLDINGS PLC	4,863,044	11.8%	2.5%
JP MORGAN CHASE & CO	2,808,523	6.8%	1.5%
PFIZER INC	1,476,087	3.6%	0.8%
TOYOTA MOTOR CORP	2,702,403	6.6%	1.4%
WELLS FARGO & COMPANY	2,008,998	4.9%	1.1%
Sector Total	41,130,342	100.0%	21.5%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Federal Agency/GSE			
FANNIE MAE	37,775,252	37.5%	19.7%
FEDERAL HOME LOAN BANKS	47,193,434	46.8%	24.7%
FREDDIE MAC	15,818,188	15.7%	8.3%
Sector Total	100,786,873	100.0%	52.7%
Mortgage-Backed			
FANNIE MAE	1,612,049	100.0%	0.8%
Sector Total	1,612,049	100.0%	0.8%
Municipal			
REGIONAL TRANS AUTH, IL	2,268,434	64.6%	1.2%
STATE OF CONNECTICUT	1,241,502	35.4%	0.6%
Sector Total	3,509,936	100.0%	1.8%
U.S. Treasury			
UNITED STATES TREASURY	38,559,521	100.0%	20.2%
Sector Total	38,559,521	100.0%	20.2%
Portfolio Total	191,285,924	100.0%	100.0%

Tab III

Short Term and Bond Portfolio Yields

Yields^{1,2}	Yield at Cost as of	Percent of Portfolio	Yield at Cost as of	Percent of Portfolio
<u>Security Type</u>	<u>September 30, 2016</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>	<u>September 30, 2015</u>
Florida PRIME (SBA)	0.78%	13.96%	0.25%	13.90%
SunTrust Bank Account ⁴	0.07%	20.37%	0.07%	17.84%
SunTrust Public Now Account ⁴	0.00%	0.00%	0.35%	5.42%
Florida Community Bank CD	0.95%	5.44%	0.78%	2.72%
Florida Community Bank Demand Deposit	0.50%	2.73%	0.50%	2.72%
Florida Community Bank Public Funds Money Market ⁴	0.50%	11.00%	0.50%	10.96%
PFM Fund - Govt Select, Instl Money Market Fund	0.27%	11.15%	0.12%	11.12%
Bank United Money Market Fund	0.50%	5.45%	0.50%	5.43%
Fidelity Prime Money Market Fund	0.00%	0.00%	0.00%	0.00%
JP Morgan Prime Money Market Fund	0.00%	0.00%	0.00%	0.00%
U.S. Treasury Note	0.00%	0.00%	0.00%	0.00%
Federal Farm Credit Bureau	0.00%	0.00%	0.32%	5.42%
Federal Home Loan Bank	0.75%	13.55%	0.41%	13.56%
Federal Home Loan Mortgage Corp.	0.00%	0.00%	0.00%	0.00%
Federal National Mortgage Association	0.00%	0.00%	0.00%	0.00%
Bank United CD	0.90%	16.36%	0.65%	10.91%
Total Average Yield²	0.55%	100.00%	0.34%	100.00%

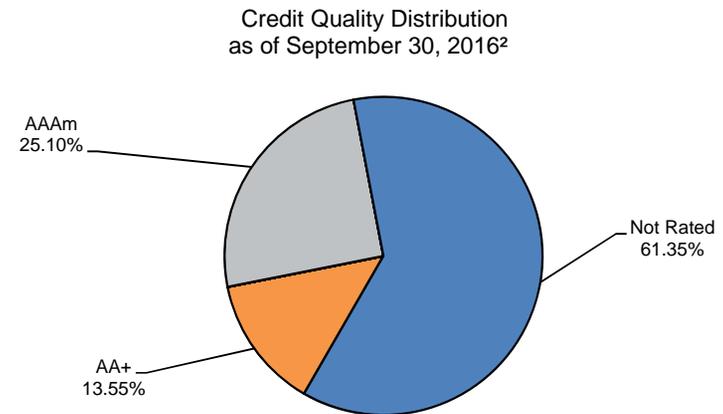
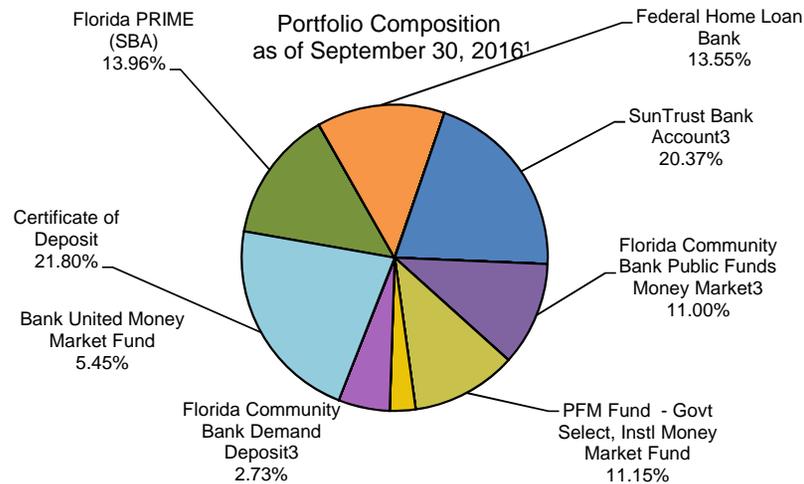
<u>Benchmarks</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
S&P Rated GIP Index Government 30 Day Yield ³	0.44%	0.16%

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 Type¹</u>	<u>Balance as of September 30, 2016</u>	<u>Percent of Portfolio</u>	<u>Balance as of September 30, 2015</u>	<u>Percent of Portfolio</u>
Florida PRIME (SBA)	\$25,769,231	13.96%	\$25,629,986	13.90%
Federal Farm Credit Bureau	0	0.00%	10,003,900	5.42%
Federal Home Loan Bank	25,022,400	13.55%	25,005,350	13.56%
Federal Home Loan Mortgage Corp.	0	0.00%	0	0.00%
Federal National Mortgage Association	0	0.00%	0	0.00%
U.S. Treasury Note	0	0.00%	0	0.00%
SunTrust Bank Account ³	37,606,092	20.37%	32,897,805	17.84%
SunTrust Public Now Account ³	0	0.00%	10,000,000	5.42%
Florida Community Bank Public Funds Money Market ³	20,308,573	11.00%	20,216,439	10.96%
Florida Community Bank Demand Deposit ³	5,038,555	2.73%	5,013,440	2.72%
PFM Fund - Govt Select, Instl Money Market Fund	20,582,530	11.15%	20,507,694	11.12%
Bank United Money Market Fund	10,062,750	5.45%	10,012,638	5.43%
Fidelity Prime Money Market Fund	0	0.00%	0	0.00%
JP Morgan Prime Money Market Fund	0	0.00%	0	0.00%
Certificate of Deposit	40,257,766	21.80%	25,132,040	13.63%
Totals	\$184,647,896	100.00%	\$184,419,292	100.00%



Notes:

- Investment balances are market values as of September 30, 2016.
- Credit rating of securities held in portfolio. Standard & Poor's is the source of the credit ratings. The SBA Fund B and Bank Deposits are not rated.
- 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 Yields¹ as of September 30, 2016

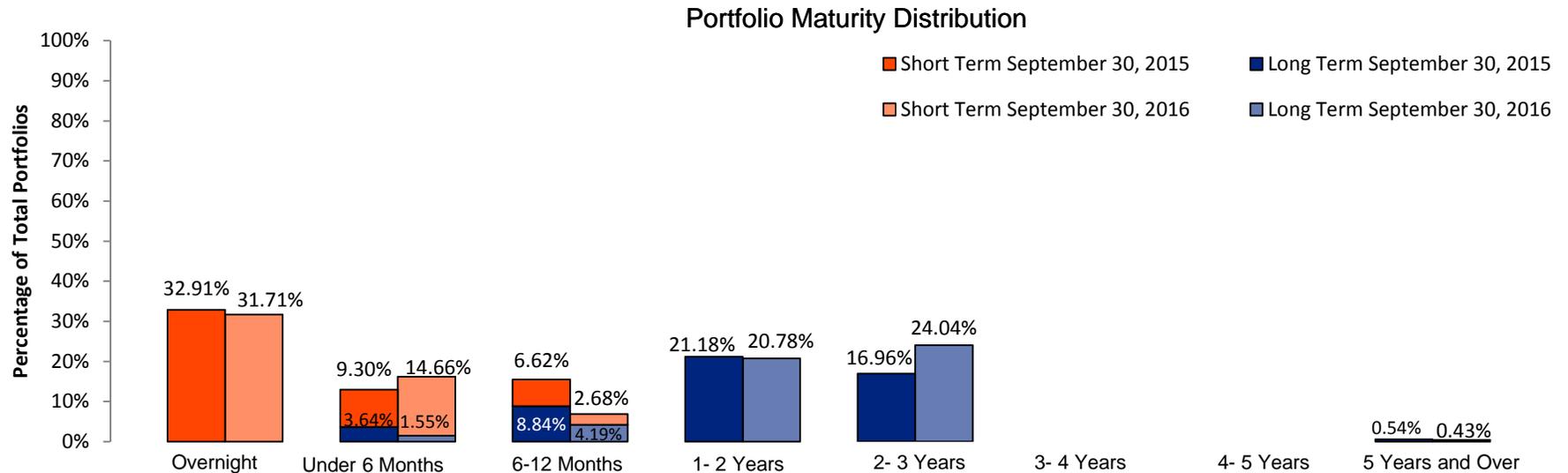
Security Description	CUSIP	Purchase Date	Maturity Date	Par Value	Book Amount	Market Value	Yield on Cost ²
State Board of Administration - Fund A				\$25,769,231	\$25,769,231	\$25,769,231	0.78%
SunTrust Bank Account				37,606,092	37,606,092	37,606,092	0.07%
SunTrust Public Funds Account				0	0	0	
Bank United CD	1815043014	11/19/2015	11/19/2016	20,129,804	20,129,804	20,129,804	0.75%
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				10,062,750	10,062,750	10,062,750	0.50%
Florida Community Bank CD	3136318000	3/19/2016	3/19/2017	10,047,986	10,047,986	10,047,986	0.95%
Florida Community Bank Demand Deposit Account				5,038,555	5,038,555	5,038,555	0.50%
Florida Community Bank Public Funds Money Market				20,308,573	20,308,573	20,308,573	0.50%
PFM Fund - Govt Select, Instl Money Market Fund				20,582,530	20,582,530	20,582,530	0.27%
Federal Home Loan Bank	3130A0C65	1/7/2016	12/28/2016	10,000,000	9,988,533	10,006,800	0.76%
Federal Home Loan Bank	3130A6VS3	12/14/2015	12/14/2016	15,000,000	15,000,000	15,015,600	0.75%
Grand Total				\$184,625,496	\$184,614,029	\$184,647,896	0.55%

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.

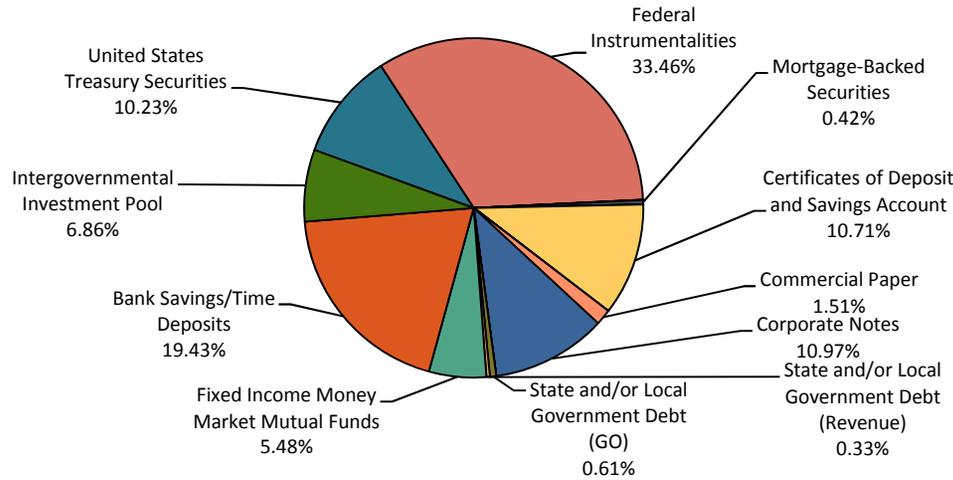
Long Term and Short Term Fund Portfolios Maturity Distribution

<u>Maturity Distribution¹</u>	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Overnight (Money Market Fund)	\$119,367,730	\$124,278,003
Under 6 Months	60,887,394	48,879,456
6 - 12 Months	25,844,108	58,403,022
1 - 2 Years	78,211,259	79,972,161
2 - 3 Years	90,515,035	64,067,105
3 - 4 Years	0	0
4 - 5 Years	0	0
5 Years and Over	1,615,884	2,056,249
Totals	\$376,441,409	\$377,655,996



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 ¹	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
United States Treasury Securities	38,471,543.68	10.23%		100%	YES
United States Government Agency Securities	-	0.00%		100%	YES
Federal Instrumentalities	125,754,144.42	33.46%	2	75%	YES
Supranationals	-	0.00%		15%	YES
Mortgage-Backed Securities	1,587,152.80	0.42%	2	25%	YES
Asset-Backed Securities	-	0.00%		25%	YES
Certificates of Deposit and Savings Account	40,257,766.43	10.71%	3	50%	YES
Repurchase Agreements	-	0.00%		40%	YES
Commercial Paper	5,684,277.84	1.51%		50%	YES
Corporate Notes	41,252,394.27	10.97%		50%	YES
Bankers' Acceptances	-	0.00%		10%	YES
State and/or Local Government Debt (GO)	2,274,749.61	0.61%		25%	YES
State and/or Local Government Debt (Revenue)	1,236,382.02	0.33%		25%	YES
Fixed Income Money Market Mutual Funds	20,582,529.59	5.48%	3	50%	YES
Bank Savings/Time Deposits	73,015,969.11	19.43%	3	100%	YES
Intergovernmental Investment Pool	25,769,231.01	6.86%	3	50%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 75%. The combined total as of September 30, 2016 is 33.88%.
3. Managed by the County.

Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Government National Mortgage Association (GNMA)	-	0.00%		10%	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		25%	YES
Federal Home Loan Bank (FHLB)	72,242,062.16	19.22%		25%	YES
Federal National Mortgage Association (FNMA)	39,249,329.47	10.44%		25%	YES
Federal Home Loan Mortgage Corporation (FHLMC)	15,849,905.59	4.22%		25%	YES
State of Connecticut Municipal Bonds	1,236,382.02	0.33%		5%	YES
Regional Transportation Authority Municipal Bonds	2,274,749.61	0.61%		5%	YES
Caterpillar, Inc. Corporate Notes	2,112,835.92	0.56%		5%	YES
General Electric Capital Corporation Corporate Notes	4,403,860.43	1.17%		5%	YES
Toyota Motor Corporation Corporate Notes	2,719,665.53	0.72%		5%	YES
Cisco Systems, Inc. Corporate Notes	811,039.50	0.22%		5%	YES
Deere & Company Corporate Notes	3,034,969.31	0.81%		5%	YES
Apple, Inc. Corporate Notes	2,815,784.49	0.75%		5%	YES
Pfizer, Inc. Corporate Notes	1,480,856.73	0.39%		5%	YES
Berkshire Hathaway, Inc. Corporate Notes	5,227,598.55	1.39%		5%	YES
HSBC Holdings plc Corporate Notes	4,878,079.77	1.30%		5%	YES
JP Morgan Chase & Company Corporate Notes	2,803,558.15	0.75%		5%	YES
Wells Fargo & Company Corporate Notes	2,024,297.70	0.54%		5%	YES
Bank of New York Company Inc. Corporate Notes	4,827,276.40	1.28%		5%	YES
American Express Company Corporate Notes	4,112,571.79	1.09%		5%	YES
Bank of Montreal Commercial Paper	1,991,227.66	0.53%		5%	YES
JP Morgan Chase & Company Commercial Paper	3,693,050.18	0.98%		5%	YES
Bank United Money Market	10,062,749.69	2.68%	3	100%	YES
Florida Community Bank Public Funds Money Market	20,308,572.67	5.40%	3	100%	YES
Bank United Certificate of Deposit	30,209,780.35	8.04%	3	10%	YES
PFM Fund - Govt Select, Instl CI Money Market Fund	20,582,529.59	5.48%	3	10%	YES
SunTrust Bank Account	37,606,092.14	10.00%	3	100%	YES
Florida Prime (SBA)	25,769,231.01	6.86%	3	10%	YES
Florida Community Bank CD	10,047,986.08	2.67%	3	10%	YES
Florida Community Bank Demand Deposit Account	5,038,554.61	1.34%	3	100%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 75%. The combined total as of September 30, 2016 is 33.88%.
3. Managed by the County.

Important Disclosures

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- Market values which include accrued interest, are derived from closing bid prices as of the last business day of the month as supplied by a third party vendor. 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 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 or 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, 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.

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 occurs on a non-business day (i.e. coupon payments and maturity proceeds), 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.